

Wednesday, 18 June 2025

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## AUDIT AND GOVERNANCE COMMITTEE

You are summoned to a meeting of the Audit and Governance Committee which will be held in Committee Room 1, Council Offices, Woodgreen, Witney, Oxfordshire OX28 1NB on **Thursday, 26 June 2025 at 6.00 pm.**



Giles Hughes  
Chief Executive

To: Members of the Audit and Governance Committee

Councillors: Carl Rylett (Chair), Ruth Smith (Vice-Chair), Joy Aitman, Andrew Beaney, David Jackson, Edward James, David Melvin, Elizabeth Poskitt, Nigel Ridpath, Sandra Simpson, Alex Wilson, Gemma Collings and Richard Deuttenburg

Recording of Proceedings – The law allows the public proceedings of Council, Executive, and Committee Meetings to be recorded, which includes filming as well as audio-recording. Photography is also permitted. By participating in this meeting, you are consenting to be filmed.

As a matter of courtesy, if you intend to record any part of the proceedings please let the Democratic Services officers know prior to the start of the meeting.

## AGENDA

1. **Minutes of Previous Meeting (Pages 5 - 8)**  
To approve the minutes of the meeting held on 21 May 2025.
2. **Apologies for Absence**  
To receive any apologies for absence. The quorum for the Audit and Governance Committee is 4 Members.
3. **Declarations of Interest**  
To receive any declarations from Members of the Committee on any items to be considered at the meeting.
4. **Participation of the Public**  
To receive any submissions from members of the public, in accordance with the Council's [Public Participation Rules](#).
5. **Internal Audit Annual Opinion 2024/25 (Pages 9 - 42)**  
Purpose:  
To present a summary of the work undertaken by Internal Audit during 2024/25 and to give an overall opinion on levels of assurance resulting from this work.

Due to the information contained in The Internal Audit Annual Opinion, it is deemed unnecessary to submit a separate quarterly monitoring report. Instead, we have produced a condensed version of the usual report which contains a summary of the work concluded since the last meeting of this Committee.

Recommendation:

That the Audit and Governance Committee resolves to:

1. Note the report and comment as necessary.

6. **Statement of Accounts - 2024/25 - Update and Accounting Policies (Pages 43 - 70)**  
Purpose:  
This report presents the accounting policies to be included in the 2024/25 Statement of Accounts. This provides Members with the opportunity to review and approve the policies in advance of the preparation of the Statement of Accounts 2024/25. Approving the accounting policies in advance of the preparation of the accounts represents best practice.

Recommendation(s):

That the Audit and Governance Committee resolves to:

1. Approve the draft accounting policies for 2024/25 included at Annex A;
2. Note the necessary amendments to the policies set out at Annex A (occurring subsequent to this meeting) are included within the draft (unaudited) and/or final (audited) Statement of Accounts when presented to this Committee.

7. **Strategic Risk Register, Risk Policy and Draft Risk and Opportunity Management Strategy and Guide (Pages 71 - 88)**  
Purpose:  
This report presents the latest version of the Council's Risk and Opportunity Management Strategy and the Council's Risk Register.
- Recommendation(s):  
That the Audit and Governance Committee resolves to:
1. Approve the Risk and Opportunity Management Strategy attached at Annex A.
  2. Note the updated Strategic Risk Register attached at Annex B.
8. **Treasury Management Outrun Quarter 4 (Pages 89 - 104)**  
Purpose:  
To advise members of treasury management activity and the performance of internal and external fund managers for 2024/25
- Recommendation:  
That the Audit and Governance Committee resolves to:
1. Note the Treasury Management and performance of internal and external funds for 2024/25.
9. **Annual Governance Statement for 2024/25 and Action Plan for 2025/26 (Pages 105 - 128)**  
Purpose:  
This report provides the Audit Committee with an updated Annual Governance Statement for 2024/25 and an Annual Governance Action plan for 2025/26.
- Recommendation(s):  
That the Audit and Governance Committee:
1. Approve the 2024/25 Annual Governance Statement and Action Plan 2025/26 for sign off by the Chief Executive and the Leader of the Council.
  2. Agree to receive updates on progress against the key actions at future meetings.
10. **Annual Summary of Member Conduct Complaints (Pages 129 - 134)**  
Purpose:  
To advise the Committee of the number and status of Code of Conduct complaints received and considered by the Council's Monitoring Officer in the period from 1 September 2024 to 31 March 2025.
- Recommendation:  
That the Audit and Governance Committee resolves to:
1. Note the report.

11. **Whistleblowing Policy (Pages 135 - 158)**

Purpose:

To present the Audit and Governance Committee with an updated Whistle-Blowing Policy for approval. To update and replace the existing Whistle-Blowing Policy to highlight key legislation and the roles and responsibilities of Members, Officers and other parties.

Recommendation(s):

That the Audit and Governance Committee:

1. Approve and adopt the Policy attached to this report.
2. Authorises the Director of Governance and Regulatory Services to approve future minor amendments to the Policy in consultation with the Counter Fraud and Enforcement Unit, Legal Services and the Leader of the Council.

12. **Annual Local Government Ombudsman Letter (Pages 159 - 172)**

Purpose:

This report presents the Annual Complaints statistics as provided by the Local Government and Social Care Ombudsman for the year 1st April 2024 – 31st March 2025.

Recommendation:

That the Audit and Governance Committee:

1. Note the content of the report and the Local Government and Social Care Ombudsman's Annual Review Letter 2024 – 2025.

13. **Audit and Governance Committee Work Programme (Pages 173 - 176)**

Purpose

For the Committee to review and note its work programme.

Recommendation:

1. That the Committee notes the work programme.

(END)

## WEST OXFORDSHIRE DISTRICT COUNCIL

### Minutes of the meeting of the **Audit and Governance Committee**

Held in the Council Chamber, Council Offices, Woodgreen, Witney, Oxfordshire OX28 1NB  
at 2.02 pm on **Wednesday, 21 May 2025**

### PRESENT

Councillors: Carl Rylett (Chair), Ruth Smith (Vice-Chair), Joy Aitman, Andrew Beaney, David Jackson, Edward James, David Melvin, Elizabeth Poskitt, Nigel Ridpath, Sandra Simpson and Alex Wilson

Officers: Andrea McCaskie (Director of Governance), Ana Prelici (Senior Democratic Services Officer) and Mathew Taylor (Democratic Services Officer)

### **58 Election of Chair**

The Chair of the Council, Councillor Andrew Coles, opened the meeting.

The Committee would be comprised of the following Members:

Councillor Carl Rylett;

Councillor David Jackson;

Councillor Nigel Ridpath;

Councillor Elizabeth Poskitt;

Councillor David Melvin;

Councillor Andrew Beaney;

Councillor Edward James;

Councillor Alex Wilson;

Councillor Joy Aitman;

Councillor Ruth Smith;

Councillor Sandra Simpson.

The Chair of the Council, Andrew Coles, requested nominations for the position of the Chair of the Audit and Governance Committee for the municipal year of 2025/2026.

Councillor Nigel Ridpath nominated Councillor Carl Rylett. The nomination was seconded by Councillor Joy Aitman. There were no other nominations and the vote was carried.

The Audit and Governance Committee **Resolved** to:

1. Appoint Councillor Carl Rylett to the position of Chair of the Audit and Governance Committee for the municipal year of 2025/2026.

**59 Appointment of Vice Chair**

The Chair of the Audit and Governance Committee, Councillor Carl Rylett, requested that the Vice Chair for the Audit and Governance Committee be nominated for the municipal year of 2025/2026. Councillor Joy Aitman nominated Councillor Ruth Smith. The nomination was seconded by Councillor Elizabeth Poskitt. There were no other nominations and the vote was carried.

The Audit and Governance Committee **Resolved** to:

I. Appoint Councillor Ruth Smith to the position of Vice Chair of the Audit and Governance Committee for the municipal year of 2025/2026.

**60 Apologies for Absence**

There were no apologies for absence received.

**61 Declarations of Interest**

There were no declarations of interest received.

**62 Minutes of Previous Meeting**

The Chair of the Audit and Governance Committee, Councillor Carl Rylett, proposed that the minutes of the meeting held on 27 March 2025 be approved. This was seconded by Councillor Andrew Beaney, was put to the vote and agreed by the Committee.

The Audit and Governance Committee **Resolved** to:

I. Approve the minutes of the meeting held on 27 March 2025.

**63 Appointment of Sub-Committee**

The Chair of the Audit and Governance Committee, Councillor Carl Rylett, proposed that Committee agree the appointment of members to the Standards Sub-Committee. The proposal was seconded by Councillor Joy Aitman and it was unanimously agreed by Committee.

The Audit and Governance Committee **Resolved** to:

I. Appoint the following Councillors to the Standards Sub-Committee:

- Councillor Elizabeth Poskitt;
- Councillor David Jackson;
- Councillor Edward James;
- Councillor Joy Aitman;
- Councillor Sandra Simpson;

21/May2025

**64 Committee Work Programme for 2025/26**

The Chair or the Audit and Governance Committee, Councillor Carl Rylett, proposed that Committee noted the work plan for the 2025/26 municipal year. The proposal was seconded by Councillor Ruth Smith, and it was unanimously agreed by the Committee.

The Audit and Governance Committee **Resolved** to:

- I. Note the work programme for 2025/26.

**65 Date of next Committee meeting**


The next meeting of the Audit and Governance Committee would be held on 26 June 2025. This was noted by the Committee.

The Meeting closed at 2.10 pm

CHAIR

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|   |   |
|---|---|
| <br><b>WEST OXFORDSHIRE<br/>DISTRICT COUNCIL</b> | <b>WEST OXFORDSHIRE DISTRICT COUNCIL</b>  |
| <b>Name and date of<br/>Committee</b>   | <b>AUDIT AND GOVERNANCE COMMITTEE – 26 JUNE 2025</b>  |
| <b>Subject</b>  | <b>INTERNAL AUDIT ANNUAL OPINION 2024/25</b>  |
| <b>Wards affected</b>   | None  |
| <b>Accountable member</b>   | Councillor Alaric Smith, Executive Member for Finance<br>Email: <a href="mailto:Alaric.Smith@westoxon.gov.uk">Alaric.Smith@westoxon.gov.uk</a>  |
| <b>Accountable officer</b>  | Madhu Richards, Director of Finance<br>Email: <a href="mailto:Madhu.Richards@westoxon.gov.uk">Madhu.Richards@westoxon.gov.uk</a>  |
| <b>Report author</b>  | Lucy Cater, Head of Internal Audit. Assistant Director, SWAP Internal Audit Services<br>Email: <a href="mailto:Lucy.Cater@swapaudit.co.uk">Lucy.Cater@swapaudit.co.uk</a>   |
| <b>Summary/Purpose</b>  | <p>To present a summary of the work undertaken by Internal Audit during 2024/25 and to give an overall opinion on levels of assurance resulting from this work.</p> <p>Due to the information contained in The Internal Audit Annual Opinion, it is deemed unnecessary to submit a separate quarterly monitoring report. Instead, we have produced a condensed version of the usual report which contains a summary of the work concluded since the last meeting of this Committee.</p> |
| <b>Annexes</b>  | Annex A – Internal Audit Annual Opinion 2024/25<br>Annex B – Summary of audit work completed since the last meeting of this Committee<br>Annex C – Open Agreed Actions  |
| <b>Recommendation(s)</b>  | That the Audit and Governance Committee resolves to:<br>I. Note the report and comment as necessary   |
| <b>Corporate priorities</b>   | (Internal Audit supports all Council Corporate Priorities)  |

|                             |  |
|-----------------------------|--|
|                             | <ul style="list-style-type: none"> <li>• Putting Residents First</li> <li>• A Good Quality of Life for All</li> <li>• A Better Environment for People and Wildlife</li> <li>• Responding to the Climate and Ecological Emergency</li> <li>• Working Together for West Oxfordshire</li> </ul> |
| Key Decision                | NO   |
| Exempt                      | NO   |
| Consultees/<br>Consultation | Not Applicable   |

## I. BACKGROUND

The Annual Opinion Report 2024/25, Annex 'A', provides the Head of Internal Audit's (SWAP Assistant Director) opinion, on the adequacy and effectiveness of internal control within West Oxfordshire District Council ('the Council'). The opinion is based on the adequacy of control, noted from a selection of risk-based audits carried out during the year, and other advice work on control systems including the proactive work of the service as it supports the control arrangements within change projects. The results of any external inspections also inform the opinion.

Throughout the year the Internal Audit service have measured the degree of control assurance within the systems, or elements of systems, audited or supported by way of control advice. Overall, the opinion is that a '**Reasonable**' assurance level can be given for the controls in place, within the areas where audit activity has taken place, to safeguard these systems which in turn support the delivery of the Council's overall business objectives.

Where operational control issues were raised in the audit reports, the risks associated with these, are being actively managed by Management.

The report outlines how the Internal Audit function has supported the Council in meeting the requirements of the International Professional Practices Framework of the Institute of Internal Auditors, further guided by interpretation provided by the Public Sector Internal Audit Standards (PSIAS) and the CIPFA Local Government Application Note. These state that:

- "A relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance."
- "A relevant authority must conduct, each financial year, a review of the effectiveness of the system of internal control."

The purpose of the Head of Internal Audit's Annual Opinion is to contribute to the assurances available to the Head of Paid Service and the Council which underpin the Council's own assessment of the effectiveness of the Council's system of internal control. This opinion is one component that the Council must take into account when completing its Annual Governance Statement which appears elsewhere on this agenda.

Officers from SWAP will be in attendance at the Committee meeting and will be available to address Members' questions.

## **2. MAIN POINTS**

In accordance with the International Professional Practices Framework of the Institute of Internal Auditors, further guided by interpretation provided by the Public Sector Internal Audit Standards (PSIAS) and the CIPFA Local Government Application Note, the Head of Internal Audit is required to provide an annual opinion, based upon, and limited to, the work performed, on the overall adequacy and effectiveness of the organisation's control arrangements. This is achieved through a risk-based programme of activities, agreed with Management and approved by the Audit and Governance Committee, which should provide a level of assurance across a range of Council activities. The opinion does not imply that the internal audit service has reviewed all risks and controls relating to the Council or the systems it reviews.

A number of audits have been completed since the last meeting of this Committee, and the reports are included at Annex B.

We continue to follow-up all agreed actions and a summary of the outstanding actions can be found at Annex C.

## **3. ALTERNATIVE OPTIONS**

Not Applicable

## **4. FINANCIAL IMPLICATIONS**

The Internal Audit Service is operating within the contract sum.

## **5. LEGAL IMPLICATIONS**

None directly from this report. Internal Audit reviews consider compliance with legislation relevant to the service area under review.

## **6. RISK ASSESSMENT**

The weaknesses in the control framework, identified by the Internal Audit activity, continues to threaten organisational objectives if recommendations are not implemented.

## **7. EQUALITIES IMPACT**

Not Applicable

## **8. CLIMATE AND ECOLOGICAL EMERGENCIES IMPLICATIONS**

### **8.1 Not Applicable**

## **9. BACKGROUND PAPERS**

- 9.1** The following documents have been identified by the author of the report in accordance with section 100D.5(a) of the Local Government Act 1972 and are listed in accordance with section 100 D.1(a) for inspection by members of the public:
- Internal Audit Reports
- 9.2** These documents will be available for inspection online at [www.westoxon.gov.uk](http://www.westoxon.gov.uk) or by contacting democratic services [democratic.services@westoxon.gov.uk](mailto:democratic.services@westoxon.gov.uk) for a period of up to 4 years from the date of the meeting.

(END)

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# West Oxfordshire District Council

## Internal Audit Annual Opinion Report 2024/25

Page 15

# Internal Audit Annual Opinion – 2024/25: ‘At a Glance’

## Annual Opinion



We are pleased to offer West Oxfordshire District Council (‘WODC’) a **Reasonable Assurance** for 2024/25. This assurance is based on information obtained from multiple engagements and sources, the results of which, when viewed together, provide an understanding of the organisation’s governance arrangements, risk management processes and internal control environment.

## The Headlines

|  |  |
|--|--|
|  | <b>Audits undertaken for Accounts Payable, Housing Benefits, Levelling Up Grants and Depot Mobilisation resulted in Substantial Assurance with no agreed actions.</b><br>This signifies that internal controls are operating effectively and being consistently applied in these areas.  |
|  | <b>Significant risks were identified in the Data Protection / Breaches Audit, and Sickness Absence Reporting Audit. Control risks were also identified in Section 106s, and Members’ Allowances &amp; Expenses</b><br>Progress is being made on the implementation of the agreed actions, which Internal Audit are monitoring. |
|  | <b>31 reviews delivered as part of the 2024/25 Internal Audit Plan.</b><br>Includes assurance, advisory and follow up reviews, and specific audit support.<br>We have 7 reviews at draft report stage and 1 audit is in progress.  |
|  | <b>Internal Audit staff supporting the Council.</b><br>Auditors continue to support the Council, by attending meetings, supporting projects and when necessary, conducting specific tasks for the Council.   |
|  | <b>Agreed Actions</b><br>Six agreed actions reported in 2023/24 remain open. Of the 21 actions agreed in 2024/25, 17 remain open.  |

| Assurance Opinions     | 2023/24 | 2024/25 |
|------------------------|---------|---------|
| Substantial            | 9       | 5       |
| Reasonable             | 3       | 6       |
| Limited                | 0       | 0       |
| No                     | 0       | 0       |
| Support to the Council | 4       | 4       |
| Grant Certification    | 0       | 0       |
| Advisory               | 7       | 7       |
| Follow-Up              | 1       | 1       |
| Agreed Actions         | 2023/24 | 2024/25 |
| Priority 1             | 1       | 2       |
| Priority 2             | 6       | 12      |
| Priority 3             | 12      | 7       |
| Total                  | 19      | 21      |





## Executive Summary

Internal Audit provides an independent and objective opinion on the effectiveness of the Authority's risk management, control and governance processes.



### Purpose

The Head of Internal Audit (SWAP Assistant Director) ('the HIA') should provide a written annual report to those charged with governance to support the Authority's Annual Governance Statement (AGS). This report should include the following:

- An opinion on the overall adequacy and effectiveness of the organisation's governance, risk management and internal control environment, including an evaluation of the following:
  - the design, implementation and effectiveness of the organisation's ethics-related objectives, programmes and activities;
  - whether the information technology governance of the organisation supports the organisation's strategies and objectives;
  - the effectiveness of risk management processes; and
  - the potential for the occurrence of fraud and how the organisation manages fraud risk.
- Disclose any qualifications to that opinion, together with the reasons for the qualification.
- Present a summary of the audit work from which the opinion is derived, including reliance placed on work by other assurance bodies.
- Draw attention to any issues the HIA judges particularly relevant to the preparation of the Annual Governance Statement.
- Compare the work actually undertaken with the work that was planned and summarise the performance of the internal audit function against its performance measures and criteria.
- Comment on compliance with these standards and communicate the results of the internal audit quality assurance programme.

The purpose of this report is to satisfy this requirement and Members are asked to note its content and the Annual Internal Audit Opinion given.

# Executive Summary

## Three Lines Model

To ensure the effectiveness of an organisation's risk management framework, the Audit and Governance Committee and Senior Management need to be able to rely on adequate line functions – including monitoring and assurance functions – within the organisation.

The 'Three Lines' model is a way of explaining the relationship between these functions and as a guide to how responsibilities should be divided:

- the first line – functions that own and manage risk.
- the second line – functions that oversee or specialise in risk management, compliance.
- the third line – functions that provide independent assurance.

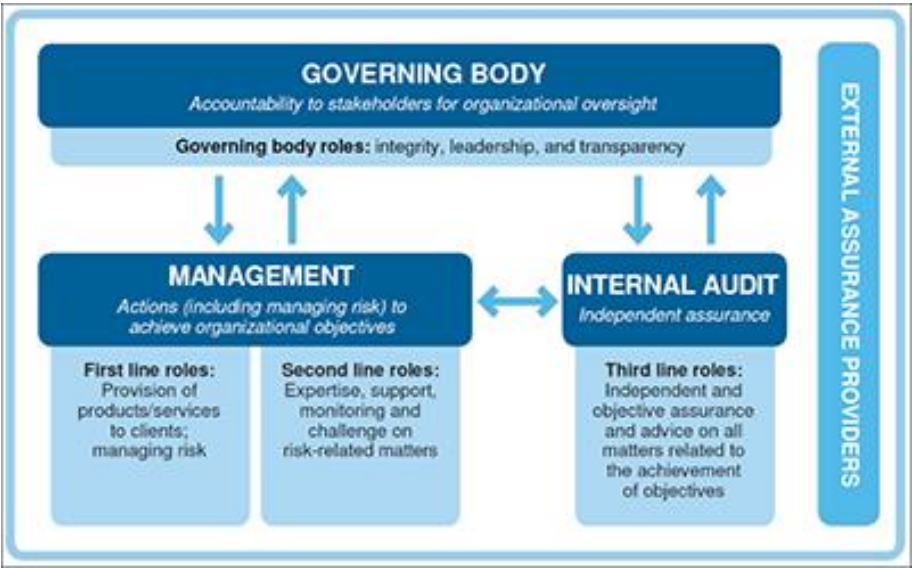


## Background

The Internal Audit service for WODC is provided by SWAP Internal Audit Services. The team's work is completed to comply with the International Professional Practices Framework of the Institute of Internal Auditors, further guided by interpretation provided by the Public Sector Internal Audit Standards (PSIAS) and the CIPFA Local Government Application Note. The work of the team is guided by the Internal Audit Charter which is reviewed annually.

Internal Audit provides an independent and objective opinion on the Authority's control environment by evaluating its effectiveness. This report summarises the activity of the Internal Audit team for the 2024/25 year.

The position of Internal Audit within an organisation's governance framework is best summarised in the Three Lines model shown below.



# Internal Audit Annual Opinion 2024/25

The Head of Internal Audit (SWAP Assistant Director) is required to provide an opinion to support the Annual Governance Statement.



## Annual Opinion

On the balance of our 2024/25 audit work for WODC, enhanced by the work of external agencies, I am able to offer a **Reasonable Assurance** opinion in respect of the areas reviewed during the year.

Audit work is planned to ensure that sufficient assurance will be available to inform the annual opinion as well as supporting the key areas of focus and priorities that underpin WODC’s Council Plan 2023-2027:

- Putting Residents First
- Enabling a Good Quality of Life for All
- Creating a Better Environment for People and Wildlife
- Responding to the Climate and Ecological Emergency
- Working Together for West Oxfordshire

Our audit work supports each of these priorities, and the key areas of focus that underpin the priorities, whether as an assurance audit, an advisory piece of work, ad hoc requests or support to WODC.

The professional requirements of PSIAS have remained unchanged for 2024/25 and in line with these, audit priorities have been agreed throughout the year and this work supports the annual opinion.

The Annual Opinion is based on information obtained from multiple engagements and sources, the results of which, when viewed together, provide an understanding of the organisation's governance arrangements, risk management processes and internal control environment and facilitate an assessment of overall adequacy and effectiveness. Opinions are a balanced reflection across the year and not a snapshot in time. In forming this opinion, the following sources of information have been used:

- *Completed audits which evaluate risk exposures relating to the organisation's governance, operations and information systems, reliability and integrity of information, efficiency and effectiveness of operations and programmes, safeguarding of assets and compliance with laws and regulations.*
- *Observations from consultancy / advisory support.*
- *Follow up of previous audit activity, including agreed actions.*
- *Grant certification work.*
- *Assurances from other key sources and providers, including third parties, regulator reports etc.*
- *Ongoing support and advice relating to the risks associated with payments administered following the pandemic.*

Alongside direct internal audit work, the HIA can also place reliance on:

- *Work and investigations undertaken by the Council's Counter Fraud and Enforcement Unit*
- *Updates and Public Services Network (PSN) certification undertaken by the Council's ICT Team*
- *Review undertaken by Business Manager – Corporate Responsibility on Mangers' Assurance Statements 2024/25*

The following are considered key pieces of audit work that support the annual opinion on the overall adequacy and effectiveness of the organisation's governance, risk management and control.

- *Business Continuity*
- *Continuous assurance*
- *Key financial audits*
- *Information governance and security*
- *Key front line services*

*Furthermore, the HIA, or member of the Audit Team is an attendee at the following meetings:*

- *Procurement and Commissioning Group*
- *Health and Safety Working Group*
- *Corporate Governance Group*
- *Publica Transition / Workstream Meetings*

# Summary of Audit Work 2024/25

## Definitions of Corporate Risk

### High Risk

Issues that we consider need to be brought to the attention of both senior management and the Audit and Governance Committee.

### Medium Risk

Issues which should be addressed by management in their areas of responsibility.

### Low Risk

Issues of a minor nature or best practice where some improvement can be made.



## Significant Corporate Risks

Our audits examine the controls that are in place to manage the risks that relate to the area being audited. We assess the risk at a 'Corporate' level once we have tested the controls in place. Where the controls are found to be ineffective and the 'Corporate risk' as 'High' these are brought to the Audit and Governance Committee attention.

We identified significant weaknesses in the following audits:

### Data Protection and Data Breaches

- Inconsistent process for dealing with reported breaches
- Data Breach register contained errors and inconsistencies
- Lack of formal reporting of breaches to Management / Corporate Governance Group

### Human Resources – Absence Management

- Lack of corporate monitoring of sickness absence reporting
- Inconsistencies, omissions, and duplicate entries of absence data
- Inconsistent approaches for the management and reporting of sickness absences
- Inaccurate data

Further control risks were identified in the audits of Section 106s and Member's Allowances and Expenses, actions were agreed, and progress is being made against implementation.

To ensure control weaknesses are being addressed we have continued to follow-up all agreed actions made in previous years audits as well as current year ones which have passed their implementation dates. The CFO receives a regular report of all agreed actions which can be followed up with Officers and Publica where appropriate.

One agreed action from 2022/23 and six agreed actions from 2023/24 remain open further more there are 17 from 2024/25.

- 2022/23 – Climate Strategy Audit – Agreed action delayed due to Updated Climate Strategy being presented to Executive.
- 2023/24 – ICT Business Continuity – Agreed action delayed due after Phase 2 of Publica Services transition back into the Council.
- 2023/24 – Use of Waivers – Waiver template has been updated but has not yet been rolled out to the council for use.
- 2023/24 – Bank Reconciliation – Two actions were agreed for this audit, both have a date of 31<sup>st</sup> May 2025, to ensure completion as part of final accounts. Follow-up to be undertaken.
- 2023/24 – Property Services – Follow-up found that there are still gaps in the compliance data held on the system. Timescale extended as service area to be transferred to Council as part of Phase 2 transition.

All audits, and progress against agreed actions, have been reported throughout 2024/25 to the Audit and Governance Committee.

# Summary of Audit Work 2024/25

At the conclusion of audit assignment work each review is awarded a “Control Assurance Definition”;

## Assurance Definitions

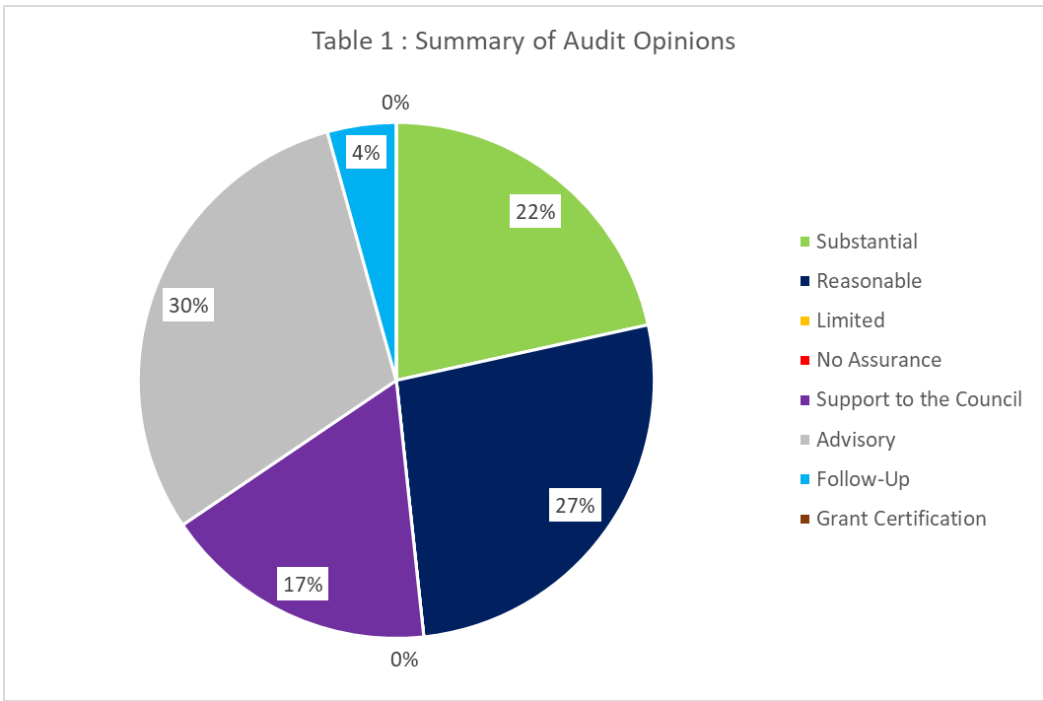
|             |  |
|-------------|--|
| No          | Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited. |
| Limited     | Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.                       |
| Reasonable  | There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.                     |
| Substantial | A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.  |



## Summary of Audit Opinion

The following two charts summarise the audit opinions and audit work, and involvement, during 2024/25

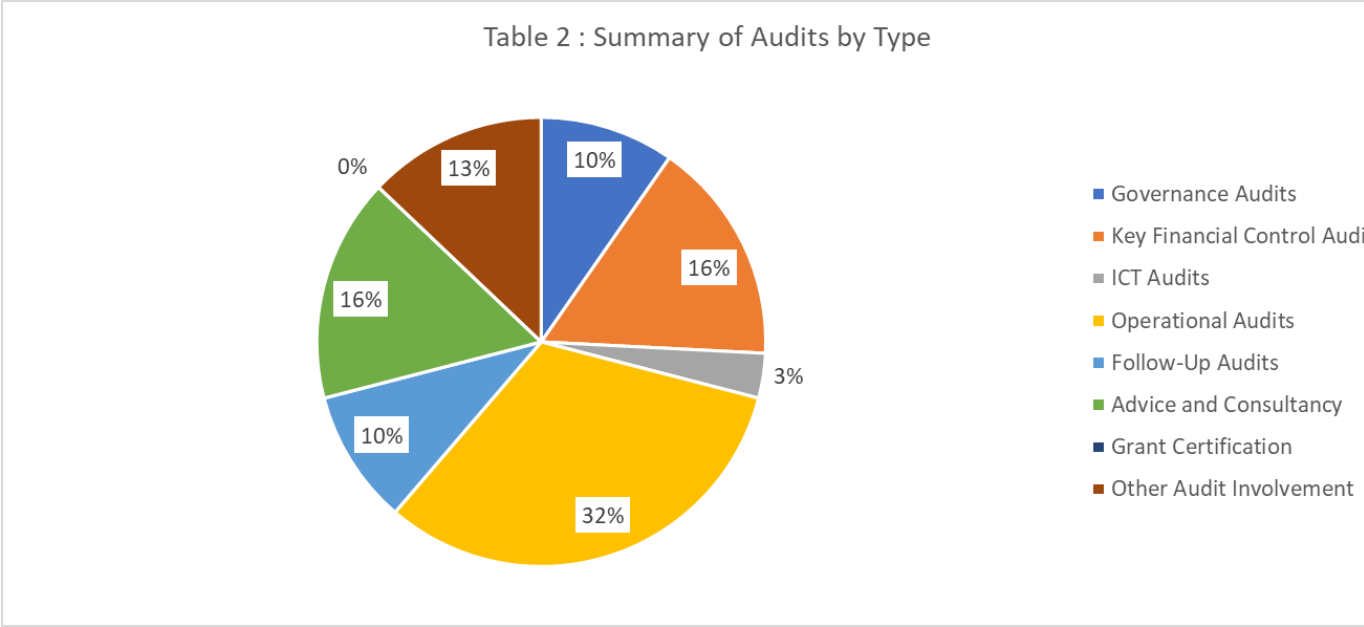
Table 1 indicates the spread of assurance opinions across our work during the past year.





Summary of Audit Work 2024/25

Table 2 indicates the audit work by type.

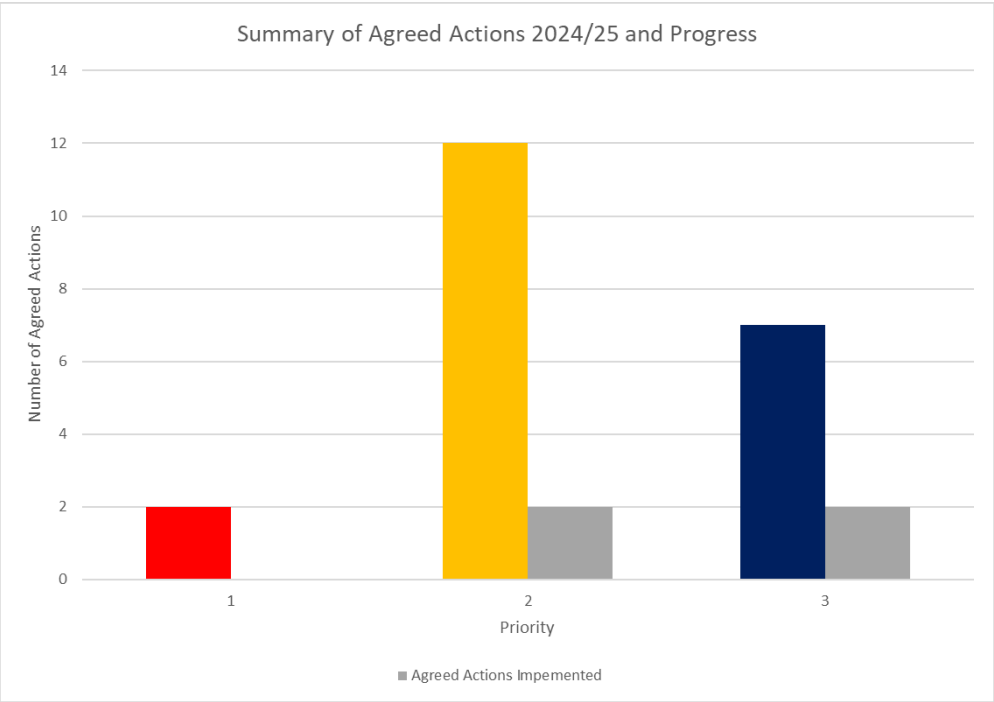


# Summary of Audit Work 2024/25

## SWAP Performance - Summary of Audit Actions by Priority

We rank our actions on a scale of 1 to 3, with 3 being medium or administrative concerns to 1 being areas of major concern requiring immediate corrective action

## Priority Actions



# Plan Performance 2024/25

## Added Value

Extra feature(s) of an item of interest (product, service, person etc.) that go beyond the standard expectations and provide something more while adding little or nothing to its cost.



## Added Value

Throughout the year, SWAP strives to add value wherever possible i.e. going beyond the standard expectations and providing something 'more' while adding little or nothing to the cost.

### Corporate Groups

During the year we have attended a number of corporate groups to act as a 'critical friend'.

### Benchmarking

During the year we have provided benchmarking data across either the SWAP partnership or the wider reach of the Local Authority Chief Auditors Network (LACAN). This data is useful for services to develop and improve their own systems and processes so that business objectives can be achieved with continually decreasing resources.

### News Roundup

We produce a fortnightly newsletter that provides information on topical areas of interest for public sector bodies.

### Client Liaison

The Auditors meet regularly with Service Managers to discuss potential operational risks and issues, identify areas for audits and plan up-coming audits.

### Audit Protocol

We have an audit protocol which defines the role of the audit team and what is required for an audit. The aim of the protocol is to improve the audit process for our audit clients and to ensure we can deliver an excellent audit in an efficient and effective manner.

# Plan Performance 2024/25

Internal audit is responsible for conducting its work in accordance with the Code of Ethics and Standards for the Professional Practice of Internal Auditing as set by the Institute of Internal Auditors and further guided by interpretation provided by the Public Sector Internal Audit Standards (PSIAS)

## SWAP Performance

The Global Internal Audit Standards set out an obligation for SWAP to monitor and report on its performance to our Partners. This includes two principal dimensions; the quality of work that we complete relative to those Standards and the quality of service we provide to Partners.

On Standards compliance, SWAP recently commissioned an External Quality Review which reported in January 2025. That review, completed by Devon Assurance Partnership, concluded that SWAP “generally conforms” to Standards, which is the highest rating then-available in the Institute of Internal Audit’s Quality Manual.

Beyond that periodic review, we also have a variety of internal systems aimed at quality assurance. We are currently reviewing those systems in the wake of new Global Internal Audit Standards which came into effect in the UK public sector on 1 April 2025. We will report outcomes of this review alongside our annual opinion work later in the year.

On quality of service, we collect both quantitative and qualitative data. Our principal vehicle for quantitative data is the Post Audit Questionnaires distributed to key contacts following each individual audit engagement. Unfortunately, at WODC only two such questionnaires were returned from the 13 distributed. This provides insufficient quantitative data to draw conclusions, but we are engaged in discussions with Senior Management Team to try and improve response rates.

Qualitatively, as well as informal feedback through regular contact, we monitor formally through our Operational and Ownership Board structure. SWAP is owned by its Partners, each of whom provide a representative to our Owners Board. Each Board meets regularly to oversee SWAP’s performance, with direct links to our Executive Leadership Team and Chief Executive to discuss the service we provide.

From 1 April 2025 the new Global Internal Audit Standards apply, alongside the UK Public Sector Application Note and the CIPFA Code of Practice for the Governance of Internal Audit in UK Local Government. We will report conformance against these new Standards as part of our 2025/26 conclusion.



## Summary of Internal Audit Work 2024/25

| Audit Type                                     | Audit Area   | Status                | Opinion                | No of Actions |
|--|--|-----------------------|------------------------|---------------|
| <b>2024/25 Finalised and Completed Reviews</b> |  |                       |                        |               |
| Operational                                    | Appointment of Consultants                                       | Final Report          | Mid Reasonable         | 2             |
| Operational                                    | Accounts Payable – Quarterly Review 2023/24                      | Final Report          | High Substantial       | 0             |
| Governance                                     | Emergency Planning   | Final Report          | Low Substantial        | 1             |
| Operational                                    | Members' Allowances and Expenses                                 | Final Report          | Low Reasonable         | 2             |
| Operational                                    | Levelling Up Funding – UKSPF and RESF                            | Final Report          | Low Substantial        | 0             |
| Governance                                     | Data Protection / Breaches                                       | Final Advisory Report | N/A                    | 1             |
| Operational                                    | Human Resources  | Final Advisory Report | N/A                    | 4             |
| Key Financial Control                          | Revenues and Benefits – Council Tax and NNDR                     | Final Report          | High Reasonable        | 2             |
| Key Financial Control                          | Revenues and Benefits – Council Tax Benefit and Housing Benefits | Final Report          | Mid Substantial        | 0             |
| Follow-Up                                      | Taxi Licensing Safeguarding                                      | Final Report          | High Reasonable        | 1             |
| Operational                                    | Section 106s   | Final Report          | Low Reasonable         | 4             |
| Follow-Up                                      | Procurement Cards  | Final Report          | Mid Reasonable         | 4             |
| Operational                                    | Accounts Payable – Quarterly Review 2024/25                      | Final Report          | High Substantial       | 0             |
| Support  | Business Grant Funding – Aged Debt                               | Complete              | Support to the Council | N/A           |
|  |  |                       |                        |               |

## Summary of Internal Audit Work 2024/25

| Audit Type              | Audit Area  | Status   | Opinion                | No of Actions |
|-------------------------|---|----------|------------------------|---------------|
| Follow-Up               | Follow-Ups of Recommendations made in Substantial and Reasonable Audits | Complete | Follow-Up              | N/A           |
| Other Audit Involvement | Working with the Counter Fraud and Enforcement Unit                     | Complete | Support to the Council | N/A           |
| Other Audit Involvement | Management of the IA Function and Client Support                        | Complete | Support to the Council | N/A           |

| Audit Type            | Audit Area                                | Status | Comment |
|-----------------------|---|--------|---------|
| Draft Reports         |   |        |         |
| Operational           | CFEU                                      |        |         |
| Operational           | Digital Exclusion                         |        |         |
| Operational           | Leisure and Culture Facilities            |        |         |
| Governance            | Data Retention                            |        |         |
| ICT                   | Disaster Recovery – Revenues and Benefits |        |         |
| Key Financial Control | Payroll – Publica Controls                |        |         |
| Key Financial Control | Payroll – Council Controls                |        |         |
| Audits In Progress    |   |        |         |
| Operational           | Climate Change - Operational              |        |         |



## Summary of Internal Audit Work 2024/25

| Audit Type                          | Audit Area  | Status | Comment  |
|-------------------------------------|---|--------|--|
|                                     |   |        |  |
|                                     |   |        |  |
|                                     |   |        |  |
|                                     |   |        |  |
| Ongoing Audit Support / Involvement |   |        |  |
| Support / Advisory                  | Support to Publica Transition Programme Phase 1 <ul style="list-style-type: none"> <li>- Finance Workstream</li> <li>- HR Workstream</li> <li>- ICT Workstream</li> </ul> OnBoarding Meetings |        | Support Complete for Phase 1                             |
| Support / Advisory                  | Support to Publica Transition Programme Phase 2   |        | Support complete for 2024/25, will continue into 2025/26 |
| Advisory                            | Oxfordshire Waste Partnership   |        | Support complete for 2024/25, will continue into 2025/26 |
| Advisory                            | Procurement and Commissioning Group   |        | Support complete for 2024/25, will continue into 2025/26 |
| Advisory                            | Health and Safety Working Group   |        | Support complete for 2024/25, will continue into 2025/26 |
| Support                             | Co-Ordination Team / Emergency Planning   |        | Support complete for 2024/25, will continue into 2025/26 |

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The following are the Internal Audit reports, of each audit review finalised,  
since the last Committee update

## Procurement Cards – Follow-Up – Final Report – April 2025

### Audit Objective

Follow-Up of 2022/23 audit to assess adherence to new policy / scheme.

### Executive Summary



#### Assurance Opinion

There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.

#### Management Actions

|              |          |
|--------------|----------|
| Priority 1   | 0        |
| Priority 2   | 2        |
| Priority 3   | 2        |
| <b>Total</b> | <b>4</b> |

#### Organisational Risk Assessment

**Low**

Our audit work includes areas that we consider have a low organisational risk and potential impact. We believe the key audit conclusions and any resulting outcomes still merit attention but could be addressed by service management in their area of responsibility.

### Key Conclusions



Review of the card register (January 2025) found 1 ex-officer who left in October 2024 was still active. The Accounting Technician advised the card was cancelled in January 2025. Managers will be reminded it is their responsibility to inform finance when a card holder leaves their role so procurement cards can be cancelled in a timely manner.

Review of the card register, and Lloyds online account also found one officer was showing as active with a note "Cancelled on phone 14/02/24". A formal assessment of card usage should be undertaken annually to ensure cards are regularly reviewed, and cancelled and removed from the card register in accordance with the policy.



The Treasury Accountant advised (November 2024) her team have not reviewed the Lloyds Bank Procurement Cards - Policy & Procedures (July 2023), and they do not undertake a review of all card holders and approval limits annually as per the policy; the Accounting Technician is responsible for the WODC card register and Lloyds online account.

The policy and procedures will be reviewed to ensure all responsibilities are appropriately allocated, so procurement cards are managed and reviewed in accordance with agreed guidance.



The recharge process is not explicitly included in the policy & procedures. Existing guidance notes for finance officers will be updated to ensure the recharge process can be completed if key officers are out of the business. Guidance will also be created and circulated to all procurement card holders to outline the recharge process and what is required from them.



At the time of audit work (January 2025) procurement card spend had not been published on the Council website within 30 days of month end, as per the policy. Guidance will be reviewed and amended if appropriate to allow for internal processes to be undertaken and spend will be published within agreed timescales.

### Audit Scope

A follow up of our August 2022 Position Statement has been undertaken. Suggestions and considerations were provided in 2022 to aid the service while a new card scheme was explored, and a new policy was introduced with the aim of addressing control weaknesses identified at the time.

Discussions were held with Finance Officers and evidence sought to support statements made.



- The Lloyds Bank Procurement Cards - Policy & Procedures (July 2023) includes key control requirements for card holders, and card security and unused cards.
- Declarations were seen for all 11 WODC procurement card holders.
- A recent bank statement (February 2025) shows they are no longer addressed to an ex-officer. They are addressed to the Publica Accountancy Assistant at Cotswold District Council who processes them on WODC's behalf.

#### Other Relevant Information

Since our position statement was issued things have changed, and it might not now be appropriate to have a centralised register with all partnership cardholder's information on it. Consideration should be given to whether a separate excel card register is maintained to avoid duplication of the information held on the Lloyds online account; signed declarations should continue to be held by finance.

Amalgamating the procurement card schemes as suggested in our position statement may not now be appropriate. Once all phases of the Publica transition are complete all organisations must consider their approach to procurement card management and if they can benefit from consistencies in approach. Each organisation will need to consider access to systems and information, and who can undertake processes on their behalf.

# Section 106s – Final Report – April 2025

## Audit Objective

To provide assurance on the effectiveness of the Council’s Section 106 arrangements.

## Executive Summary



### Assurance Opinion

The review highlighted a generally sound system of governance, risk management and control in place. We identified some issues, non-compliance or scope for improvement which may put at risk the achievement of objectives in the area audited.

### Management Actions

|              |          |
|--------------|----------|
| Priority 1   | 0        |
| Priority 2   | 3        |
| Priority 3   | 1        |
| <b>Total</b> | <b>4</b> |

### Organisational Risk Assessment

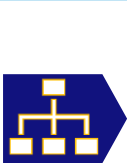
High

Our audit work includes areas that we consider have a high organisational risk and potential significant impact.

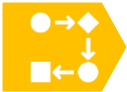
**NB: The Key Conclusions below are a reflection of the audit at the time of fieldwork: March – July 2024.**

This audit commenced prior to the Planning Service returning to the Council and was completed and agreed with ‘Publica’ Officers after the transition. However, after transition the Council appointed its own officers, who have needed time to review the findings, hence the delay in formally reporting. We have been advised of changes to working practices which we will assess in a follow-up audit in 2025/26 along with progress on the implementation of the actions.

## Key Conclusions



**Roles, responsibilities, and processes not clearly understood by all officers and external stakeholders.** Multiple departments are involved in the S106 process. Officers are aware of their own roles in the process but are less aware of the process as a whole and the roles of others. Additional training and a simplified flowchart (to replace existing) with links to the various legal requirements would create a solid foundation on which relevant controls are maintained. The Council has commenced a project approach to S106s as a whole and expanding upon this would be beneficial.



**A review of engagement with the S106 consultation process is required.** Consultation timeframes for planning applications are statutory and set nationally. Training for officers and external stakeholders will ensure all consultees are identified, well informed and understand how to make responses in relation to S106 which meet the legal tests to maximise contributions for the local community. Whether internal or external, it is the consultee’s responsibility to respond. However, Planning Officers should follow-up with consultees to optimise responses.



**Monitoring processes for non-financial clauses are insufficient.** Non-Financial clauses involve Flood Defences, Affordable Housing, Open Spaces, Leisure and Community facilities. A process for monitoring non-financial contributions has now been introduced, but at the time of audit there was a backlog to the inputting of data. The Council should consider pro-active monitoring of sites, which will require specialist resources, to ensure developers deliver on their agreed obligations.

## Audit Scope

We conducted a comprehensive review of the following areas of Section 106 (S106):

- Governance, oversight, and processes for each element of S106, including pre-application advice, consultation, negotiation, legal instruction, monitoring, reporting, and reconciliation.
- The systems used to manage S106, specifically Exacom and Uniform.
- Staff understanding of the S106 process.

Our methodology included walkthroughs and discussions with officers responsible for various parts of the process, with evidence gathered to support their statements.

Additionally, we conducted two surveys to gain further insights into the S106 process, and we performed sample testing and data analytics to support our findings.



**Improvements to S106 contribution management required.** S106 agreements are in some instances required to make a development permissible by securing developer contributions for infrastructure requirements. Contributed funds are actively monitored by the S106 Team and required to be reported annually through an Infrastructure Funding Statement (IFS). The agreements often have dates by which the funds must be spent (e.g. within 10 years) and must be spent in line with the requirements set out in the relevant agreement. Our review has identified that some S106 funds have not been spent within the required timeframes, but these are mainly due to external factors. A newly established Enhancement Project, will be adopting a risk-based approach to explore whether blockers to infrastructure spend can be mitigated.



Officers proved knowledgeable on S106 legislation, and a team has been established to actively manage income and expenditure, and to monitor non-financial conditions (albeit they do not enforce them). Town and Parish Councils can find information in respect of S106s on the dedicated pages on the WODC website. This includes the Infrastructure Funding Statement (IFS) which is published annually.

#### Other Relevant Information

The Council publishes full details of S106 contributions annually as part of the annual Infrastructure Funding Statement (IFS).

The Executive has approved the work necessary to introduce the Community Infrastructure Levy and Officers have recently submitted a draft charging schedule for independent examination. We have included provision to audit this process as part of the 2025/26 audit plan.

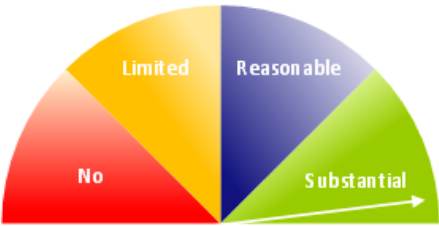
Biodiversity Net Gain (BNG) requirements have recently been introduced for planning authorities. It is acknowledged that this is going to increase demand on services, although the extent of the increase is unclear at this stage. The Council should consider how the different services involved will be impacted and whether additional support is required. BNG S106 agreements will allow the Council to collect monitoring fees to ensure developers comply with BNG legislation / obligations identified in agreements. This funding could be utilised to resource pro-active monitoring.

Accounts Payable – Final Report – June 2025

Audit Objective

To identify potential duplicate payments, summarise, and present to the AP team for remedial action.

Executive Summary



Assurance Opinion

The review confirmed a sound system of governance, risk management and control, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.

Management Actions

|            |   |
|------------|---|
| Priority 1 | 0 |
| Priority 2 | 0 |
| Priority 3 | 0 |
| Total      | 0 |

Organisational Risk Assessment

Low

Our audit work includes areas that we consider have a low organisational risk and potential impact.

Key Conclusions

Audit Scope



Accounts Payable (AP) use Business World to process payments on behalf of partner organisations and Councils. We used BW to generate AP reports capturing payments to suppliers for the full financial year starting 1<sup>st</sup> April 2024 until 31<sup>st</sup> March 2025.

A total of 176,692 lines of transactional data was analysed. We cleansed the data and applied conditional formatting to highlight potential duplicate transactions. These transactions were inspected to establish whether mitigating circumstances could be identified (e.g. credit note). 73 suspected duplicates with a potential overpayment value of £37,340.55 were forwarded to the AP team for further investigation. This represents 0.0175% of total payments analysed.

At the time of writing this report, AP are managing 9 unresolved payments totalling £13,137.67. We will continue to monitor these transactions through to resolution.

Our review covers the full 2024/25 Financial Year. We check for potential duplicate payments at Councils and organisations hosted on Business World.

Findings have been summarised and reported to the Accounts Payable team throughout the year, for further review and remedial action where necessary.

Next Steps

AP continue to work with officers and suppliers to rectify the unresolved duplicate transactions. Our AP continuous duplicate payment analysis will continue into 2025/26.




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## Open Agreed Actions as at 13<sup>th</sup> June 2025

| AP ID | ID   | Audit Title  | Issue Title   | Issue Status        | Period  | Priority Score | Original Timescale | Timescale  | Follow-Up Assessment   |
|-------|------|--|---|---------------------|---------|----------------|--------------------|------------|--|
| 835   | 770  | WODC - Climate Change Strategy - September 2022                        | Strategy and Plan Refresh   | Pending Remediation | 2022/23 | 3              | 30/09/2023         | 31/07/2025 | March 2025: Carbon Action Plan has been reviewed and updated as per the action. Executive decision for Climate Change Strategy has been delayed again and is now due 9.7.25.   |
| 3175  | 2968 | PUB - ICT Business Continuity/Disaster Recovery 2023/24                | ICT and Emergency Planning Formal Engagement and Alignment                              | Pending Remediation | 2023/24 | 2              | 31/03/2024         | 31/07/2025 | April 2025: Timescale extended at the request of the CTO until after the phase 2 transition as council structures and emergency arrangements have not been finalised.  |
| 3536  | 3313 | PUB - Use of Waivers - 2023/24   | Contract Waiver Report Templates  | Pending Remediation | 2023/24 | 3              | 31/12/2024         | 31/08/2025 | May 2025: The waiver template has been reviewed and updated to include contact with Procurement. Waiting for implementation at the Council, therefore extend date for another 3 months   |
| 3102  | 2900 | WODC - Bank Reconciliation - 2023/24                                   | Repeat Suspense Account Entries   | Pending Remediation | 2023/24 | 3              | 31/08/2024         | 31/05/2025 | February 2025: Timescale extended to end of F/Y to be actioned in final accounts   |
| 3514  | 3293 | WODC - Bank Reconciliation - 2023/24                                   | Review of Suspense Account  | Pending Remediation | 2023/24 | 3              | 31/03/2024         | 31/05/2025 | February 2025: Timescale extended to end of F/Y to be actioned in final accounts   |
| 2986  | 2788 | WODC - Property Services - Compliance and Health & Safety - March 2023 | Central Property Database Accuracy  | Pending Remediation | 2023/24 | 3              | 30/09/2024         | 31/07/2025 | May 2025: Testing demonstrated that there are still gaps in compliance information on Uniform. Timescale extended to post phase 2 of the Publica transition when property teams will be established and in a better position to complete the action.   |
| 2996  | 2798 | WODC - Property Services - Compliance and Health & Safety - March 2023 | Risk Assessment (RA) for All Council Owned Properties                                   | Pending Remediation | 2023/24 | 2              | 30/06/2024         | 31/07/2025 | May 2025: Testing did not identify the expected RA information within Uniform. Timescale extended to post phase 2 of the Publica transition when property teams will be established and in a better position to complete the action.   |
| 4282  | 4012 | PUB - Human Resources 2023/24  | There is no consistent sickness absence management process across Publica               | Pending Remediation | 2024/25 | 1              | 28/02/2025         | 31/07/2025 | May 2025: Roll out of new service expected 1st July 2025, timescale extended following update from Director.   |
| 4378  | 4105 | PUB - Human Resources 2023/24  | Manager's guidance documentation has not been reviewed since 2019                       | Pending Remediation | 2024/25 | 3              | 28/02/2025         | 31/07/2025 | May 2025: Roll out of new service expected 1st July 2025, timescale extended following update from Director.   |
| 4550  | 4262 | PUB - Human Resources 2023/24  | No clear corporate ownership of absence monitoring and reporting – Inconsistent BW Data | Pending Remediation | 2024/25 | 1              | 31/12/2024         | 31/07/2025 | May 2025: Roll out of new service expected 1st July 2025, timescale extended following update from Director.   |
| 5929  | 5563 | WODC - CT/NNDR 2024/25   | WODC Revenues and Benefits Suspense Account Monitoring                                  | Pending Remediation | 2024/25 | 3              | 31/03/2025         | 31/07/2025 | May 2025: Business Manager - Environmental, Welfare & Revenue Service requested deadline be extended to 31/7/25. Deadline extended.  |
| 5930  | 5564 | WODC - CT/NNDR 2024/25   | WODC Historical Revenues and Benefits Suspense Account Entries.                         | Pending Remediation | 2024/25 | 2              | 31/03/2025         | 31/07/2025 | May 2025: Business Manager - Environmental, Welfare & Revenue Service requested deadline be extended to 31/7/25. Deadline extended.  |
| 5751  | 5391 | WODC - Data Breaches - 2023/24   | WODC Data Protection Suggestions  | Pending Remediation | 2024/25 | 2              | 30/06/2025         |            | May 2025: The BM for Business Continuity and Risk advised "Delayed as we had not appointed to the role. New Data Protection Breach process currently in draft with Councils for approval. This will close out part of the internal audit actions, but once approved, will enable us to close out the remaining actions such as training and awareness" January 2025. Information on Councillor data protection training has been provided. |

| AP ID | ID   | Audit Title                                    | Issue Title  | Issue Status        | Period  | Priority Score | Original Timescale | Timescale  | Follow-Up Assessment  |
|-------|------|--|--|---------------------|---------|----------------|--------------------|------------|---|
| 5340  | 4997 | WODC - Members Allowances and Expenses 2024/25 | Budget Monitoring.   | Pending Remediation | 2024/25 | 2              | 28/02/2025         | 31/05/2025 | June 2025 - Follow-Up in Progress<br>March 2025: The Head of Democratic and Electoral Services advised that they are awaiting finance guidance and support on the reconciliation process.   |
| 5342  | 4999 | WODC - Members Allowances and Expenses 2024/25 | Evidence of Expense Claims.  | Pending Remediation | 2024/25 | 2              | 28/02/2025         | 31/05/2025 | June 2025 - Follow-Up in Progress<br>March 2025: The Head of Democratic and Electoral Services has provided a process which comes into effect from the 1st April 2025. Therefore, the timescale has been extended to allow us to sample check expense payments against the new process. |
| 5902  | 5537 | WODC - Procurement Cards Follow Up 2024/25     | WODC - Informing finance procurement cards need to be cancelled.   | Pending Remediation | 2024/25 | 2              | 30/06/2025         |            |   |
| 5908  | 5543 | WODC - Procurement Cards Follow Up 2024/25     | WODC Procurement Card Recharges Process Guidance.  | Pending Remediation | 2024/25 | 3              | 30/06/2025         |            |   |
| 5952  | 5586 | WODC - Procurement Cards Follow Up 2024/25     | WODC - Procurement Cards Policy & Procedures responsibilities  | Pending Remediation | 2024/25 | 2              | 30/06/2025         |            |   |
| 5953  | 5587 | WODC - Procurement Cards Follow Up 2024/25     | WODC - Procurement Card Spend Transparency reports.  | Pending Remediation | 2024/25 | 3              | 30/06/2025         |            |   |
| 6603  | 6185 | WODC - S106s 2023/24                           | Roles, responsibilities, and processes not clearly understood by all officers and external stakeholders. | Pending Remediation | 2024/25 | 2              | 30/09/2025         |            |   |
| 6604  | 6186 | WODC - S106s 2023/24                           | A review of engagement with the S106 consultation process is required.                                   | Pending Remediation | 2024/25 | 2              | 30/09/2025         |            |   |
| 6605  | 6187 | WODC - S106s 2023/24                           | Monitoring processes for non-financial clauses are insufficient  | Pending Remediation | 2024/25 | 2              | 31/12/2025         |            |   |
| 6606  | 6188 | WODC - S106s 2023/24                           | Improvements to S106 contribution management required  | Pending Remediation | 2024/25 | 3              | 31/12/2025         |            |   |
| 5938  | 5572 | WODC - Taxi Licensing Safeguarding Follow Up   | WODC Taxi Licensing Income Reconciliation.   | Pending Remediation | 2024/25 | 2              | 30/06/2025         |            | CHP 12/5/25: Business Manager - Environmental, Welfare & Revenue Service advised this is now complete (update attached). Evidence requested in order to close action.   |

|   |   |
|---|---|
| <br><b>WEST OXFORDSHIRE<br/>DISTRICT COUNCIL</b> | <b>WEST OXFORDSHIRE DISTRICT COUNCIL</b>  |
| <b>Name and date of Committee</b>   | <b>AUDIT AND GOVERNANCE COMMITTEE -<br/>26 JUNE 2025</b>  |
| <b>Subject</b>  | <b>STATEMENT OF ACCOUNTING POLICIES 2024/25</b>   |
| <b>Wards affected</b>   | None  |
| <b>Accountable member</b>   | Cllr Alaric Smith, Executive Member for Finance<br>Email: <a href="mailto:Alaric.Smith@westoxon.gov.uk">Alaric.Smith@westoxon.gov.uk</a>  |
| <b>Accountable officer</b>  | Madhu Richards, Chief Finance Officer and Deputy Chief Executive<br>Email: <a href="mailto:Madhu.Richards@westoxon.gov.uk">Madhu.Richards@westoxon.gov.uk</a>   |
| <b>Report author</b>  | Andrew Moran, Finance Business Partner<br>Email: <a href="mailto:Andrew.Moran@publicagroup.uk">Andrew.Moran@publicagroup.uk</a>   |
| <b>Summary/Purpose</b>  | This report presents the accounting policies to be included in the 2024/25 Statement of Accounts. This provides Members with the opportunity to review and approve the policies in advance of the preparation of the Statement of Accounts 2024/25. Approving the accounting policies in advance of the preparation of the accounts represents best practice.   |
| <b>Annexes</b>  | Annex A – Draft Statement of Accounting Policies – 2024/25  |
| <b>Recommendation(s)</b>  | That the Audit and Governance Committee resolves to: <ol style="list-style-type: none"> <li>1. Approve the draft accounting policies for 2024/25 included at Annex A;</li> <li>2. Note further necessary amendments to the policies set out at Annex A (occurring subsequent to this meeting) are included within the draft (unaudited) and/or final (audited) Statement of Accounts when presented to this Committee.</li> </ol> |
| <b>Corporate priorities</b>   | Working Together for West Oxfordshire   |
| <b>Key Decision</b>   | No  |
| <b>Exempt</b>   | No  |

|                             |  |
|-----------------------------|--|
| Consultees/<br>Consultation | None. The draft policies presented in this report have been prepared in accordance with latest CIPFA Code of Practice on Local Authority Accounting. |
|-----------------------------|--|

## **1. EXECUTIVE SUMMARY**

- 1.1** This report presents for approval, the draft Statement of Accounting Policies to be applied in closing the Council's accounts for 2024/25. The policies are included at Annex A.
- 1.2** The policies outline the relevant accounting principles, bases, conventions, rules and practices applied by the authority in preparing and presenting its financial statements.
- 1.3** The policies have been reviewed to ensure they align with the latest CIPFA Code of Practice on Local Authority Accounting (The Code) supported by International Financial Reporting Standards (IFRSs) and International Accounting Standards (IASs).

## **2. BACKGROUND**

- 2.1** The Council's External Auditor, Bishop Fleming, recommend that Members formally approve the draft Statement of Accounting Policies to be included in the Statement of Accounts before the closedown process is undertaken.
- 2.2** Such approval demonstrates that those charged with governance have had the opportunity to consider and review the draft policies and are aware of the policies to be applied in closing the Council's accounts for 2024/25 in advance of the process.
- 2.3** The Committee will approve the Statement of Accounts, receive the Audit Findings Report, and sign the letter of Representation as those charged with governance at a future Audit and Governance Committee meeting.

## **3. MAIN POINTS**

- 3.1** The 2024/25 financial year ends on 31 March 2025. Finance colleagues are currently preparing the draft Statement of Accounts, subject to audit for 2024/25. It is considered best practice for those charged with governance to review and approve the accounting policies prior to the meeting at which the Statement of Accounts will be approved.
- 3.2** The draft Statement of Accounting Policies are included at Annex A. They are prepared largely from the CIPFA guidance, adjusted as appropriate to be suitable for the Council. There may be certain matters arising during preparation of the Statement of Accounts which will require the draft accounting policies to be updated. For example, CIPFA may issue updates to the guidance. Further necessary amendments to the policies set out at Annex A (occurring subsequent to this meeting) will be included within the draft (unaudited) and/or final (audited) Statement of Accounts when presented to this Committee.
- 3.3** The Council prepares its Statement of Accounts in accordance with proper accounting practices and regulations in accordance with The Code supported by International Financial Reporting Standards (IFRSs) and International Accounting Standards (IASs).
- 3.4** The Statement of Accounting Policies outlines the relevant accounting principles, bases, conventions, rules and practices applied by the Council in preparing and presenting its financial statements. They aid understanding of the Statements and facilitate comparison with other organisations.

#### **4. Proposed Amendments for 2024/25**

**4.1** The policies set out in Annex A have been fully reviewed to ensure they align with The Code guidance notes. As a result, three amendments are proposed for the 2024/25 accounting year.

**4.2** The proposed amendments are summarised as follows:

- **Employee Benefits (Section vii)** – Following the Publica service review and the TUPE transfer of employees to the Council, it will be necessary to make an accrual for the cost of leave entitlement earned by employees but not taken before the year-end. Prior to the transfer of employees, the Council did not calculate and disclose this accrual as it was not a material amount.
- **Financial Instruments (Section x)** – Statutory provisions for mitigating the impact of fair value movements on Pooled Investment Funds have been extended to 31 March 2029 but only in respect of investments made before 1 April 2024. For Pooled Investment Funds made on or after 1 April 2024, fair value movements will be released to the General Fund in 2025/26 along with gains and losses incurred during that year.
- **Leases (Section xvi)** – Where the Council is lessee (i.e. rents land or property from the owner of the asset), the policies have been amended to comply with the requirements of IFRS16. Such leases are now classified based on their substance. Contracts and parts of contracts, including those described as contracts for services, are analysed to determine whether they convey the right to control the use of an identified asset, through rights both to obtain substantially all the economic benefits or service potential from that asset and to direct its use. Where the Council is lessor (i.e. rents its own land or property to a tenant), the policies remain unchanged.

#### **5. ALTERNATIVE OPTIONS**

**5.1** The draft policies presented in this report have been prepared in accordance with latest version of The Code. Consequently, no alternative options have been prepared.

#### **6. FINANCIAL IMPLICATIONS**

**6.1** There are no direct financial implications arising from this report.

#### **7. LEGAL IMPLICATIONS**

**7.1** There are no direct legal implications arising from this report, except to the extent that compliance with the latest Accounting Code of Practice under which the accounts are prepared is mandatory.

#### **8. RISK ASSESSMENT**

**8.1** If the Council's accounting policies are not followed during preparation of the Statement of Accounts, external audit may decide that the Statement of Accounts is misstated. Officer training in advance of preparation of the Statement of Accounts and an associated Annual review of these policies mitigates the risk.

**9. EQUALITIES IMPACT**

**9.1** None.

**10. CLIMATE AND ECOLOGICAL EMERGENCIES IMPLICATIONS**

**10.1** None.

**11. BACKGROUND PAPERS**

**11.1** None.

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## Draft Statement of Accounting Policies – 2024/25

### i) General principles

The Statement of Accounts summarises the Council's transactions for the financial year and its position at the 31st March year-end. The Council is required to prepare an annual Statement of Accounts by the Accounts and Audit (England) Regulations 2015, those regulations which require the accounts to be prepared in accordance with proper accounting practices. These practices primarily comprise the *Code of Practice on Local Authority Accounting in the United Kingdom* supported by International Financial Reporting Standards (IFRS) and statutory guidance.

The accounting convention adopted in the Statement of Accounts is principally historical cost, modified by the revaluation of certain categories of non-current assets and financial instruments.

These accounts have been prepared on the basis that the Council is a going concern.

### ii) Accruals of income and expenditure

Activity is accounted for in the year that it takes place, not simply when cash payments are made or received. In particular:

- Revenue from contracts with service recipients, whether for services or the provision of goods is recognised when (or as) the goods or services are transferred to the service recipient in accordance with the performance obligations in the contract.
- Supplies are recorded as expenditure when they are consumed. Where there is a gap between the date supplies are received and their consumption they are carried as inventories (stock) on the Balance Sheet, where the value is material.
- Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made.
- Interest receivable on investments and payable on borrowings is accounted for respectively as income and expenditure on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract.
- Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where debts may not be settled, the balance of debtors is written down and a charge made to the Comprehensive Income and Expenditure Statement for the income that might not be collected (doubtful debts).

- The council has set a de-minimis level for accruals of creditors and debtors that are calculated manually in order to avoid additional time and cost in estimating and recording accruals. This level is set at £500 with the exception of any grant where applying the de-minimis level would affect a grant claim and any accruals included therein.

### **iii) Cash and cash equivalents**

Cash and cash equivalents are represented by cash in hand and deposits with financial institutions repayable, without penalty, on notice of not more than 24 hours. This includes bank call-accounts, Money Market Funds (MMF) and any other 'overnight-type' investments.

In the Cash Flow Statement, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Council's cash management.

### **iv) Prior period adjustments, changes in accounting policies and estimates and errors**

Prior period adjustments may arise as a result of a change in accounting policies or to correct a material error. Changes in accounting estimates are accounted for prospectively, i.e. in the current and future years affected by the change and do not give rise to a prior period adjustment.

Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the Council's financial position or financial performance. Where a change is made, it is applied retrospectively (unless not material or stated otherwise) by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied.

Material errors discovered in prior period figures are corrected retrospectively by amending opening balances and comparative amounts for the prior period.

### **v) Charges to revenue for non-current assets**

Services, support services and trading accounts are charged an accounting estimate of the cost of holding non-current assets during the year. This comprises:

- depreciation attributable to the assets used by the relevant service.
- revaluation and impairment losses on assets used by the relevant service where there are no accumulated gains in the Revaluation Reserve against which the losses can be written off.
- amortisation of intangible assets attributable to the service

The Council is not required to raise council tax to fund depreciation, revaluation and impairment losses or amortisation. However, it is required to make an annual contribution from revenue towards the reduction in its overall borrowing requirement equal to an amount calculated on a prudent basis determined by the Council in accordance with statutory guidance. Depreciation, revaluation and impairment losses and amortisation are therefore replaced by the contribution in the General Fund Balance - Minimum Revenue Provision (MRP), by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

#### **vi) Council tax and non-domestic rates**

Billing authorities act as agents, collecting council tax and non-domestic rates (NDR) on behalf of the major preceptors (including government for NDR) and, as principals, collecting council tax and NDR for themselves. Billing authorities are required by statute to maintain a separate fund (i.e. the Collection Fund) for the collection and distribution of amounts due in respect of council tax and NDR. Under the legislative framework for the Collection Fund, billing authorities, major preceptors and central government (for NDR) share proportionately the risks and rewards that the amount of council tax and NDR collected could be less or more than predicted.

#### **Accounting for council tax and NDR**

The council tax and NDR income included in the Comprehensive Income and Expenditure Statement is the Council's share of accrued income for the year. However, regulations determine the amount of council tax and NDR that must be included in the Council's General Fund. Therefore, the difference between the income included in the Comprehensive Income and Expenditure Statement and the amount required by regulation to be credited to the General Fund is taken to the Collection Fund Adjustment Account and included as a reconciling item in the Movement in Reserves Statement.

The Balance Sheet includes the Council's share of the end of year balances in respect of council tax and NDR relating to arrears, impairment allowances for doubtful debts, overpayments and prepayments and appeals.

Where debtor balances for the above are identified as impaired because of a likelihood arising from a past event that payments due under the statutory arrangements will not be made, the asset is written down and a charge made to the taxation and non-specific grant income and expenditure line in the CIES. The impairment loss is measured as the difference between the carrying amount and the revised future cash flows.

#### **vii) Employee benefits**

##### **Benefits payable during employment**

Short-term employee benefits are those due to be settled wholly within 12 months of the year-end. They include such benefits as wages and salaries, paid annual leave and paid

sick leave, bonuses and non-monetary benefits (e.g. cars) for current employees and are recognised as an expense for services in the year in which employees render service to the Council.

An accrual is made for the cost of holiday entitlement (or any form of leave, e.g. time off in lieu) earned by employees but not taken before the year-end which employees can carry forward into the next financial year. The accrual is made at the wage and salary rates applicable in the following accounting year, being the period in which the employee takes the benefit. The accrual is charged to Surplus or Deficit on the Provision of Services but then reversed out through the Movement in Reserves Statement so that holiday benefits are charged to revenue in the financial year in which the holiday absence occurs..

Overtime is only paid on limited occasions and requires prior Head of Service approval. Overtime is not contractual or regular, and therefore any holiday leave potentially accruing on overtime worked is not significant. The Council does not accrue for holiday pay due on overtime.

#### Termination benefits

Termination benefits are amounts payable as a result of a decision by the Council to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy, in exchange for those benefits and are charged on an accruals basis to the appropriate service segment, or where applicable, to a corporate service segment within the Comprehensive Income and Expenditure Statement at the earlier of when the Council can no longer withdraw the offer of those benefits or when the Council recognises costs for a restructuring.

Where termination benefits involve the enhancement of pensions, statutory provisions require the General Fund Balance to be charged with the amount payable by the Council to the pension fund or the employee in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, appropriations are required to and from the pension reserve to remove the notional debits and credits for pension enhancement termination benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year end.

#### **viii) Post-employment benefits**

Employees of the Council are permitted to join the Local Government Pension Scheme, administered by Oxfordshire County Council. This scheme provides defined benefits to members (retirement lump sums and pensions), earned as employees who worked for the Council.

The Local Government Pension Scheme is accounted for as a defined benefits scheme:

- The liabilities of the Oxfordshire County Council Pension Fund attributable to the Council are included in the Balance Sheet on an actuarial basis using the projected unit method – i.e. an assessment of the future payments that will be made in relation

to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates, etc., and projected earnings for current employees.

- Liabilities are discounted to their value at current prices, using a discount rate based on the gross redemption yield on the Iboxx Sterling Corporate Index, AA over 15 years, at the IAS19 valuation date. This is a high quality corporate bond of equivalent term and currency to the liability.
- The assets of the Oxfordshire County Council Pension Fund attributable to the Council are included in the balance sheet at their fair value.
  - quoted securities – current bid price
  - unquoted securities – professional estimate
  - unitised securities – current bid price
  - property – market value

The change in the net pensions liability is analysed into the following components:

- Service cost comprising:
  - current service cost – the increase in liabilities as a result of years of service earned this year – allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees worked.
  - past service cost- the increase in liabilities as a result of a scheme amendment or curtailment whose effect relates to years of service earned in earlier years – debited to the surplus or deficit on the provision of services in the Comprehensive Income and Expenditure Statement
  - net interest on the net defined benefit liability, i.e. net interest expense for the Council – the change during the period in the net defined benefit liability that arises from the passage of time charged to the financing and investment income and expenditure line of the Comprehensive Income and Expenditure Statement. This is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined benefit liability at the beginning of the period – taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments.
- Remeasurements comprising
  - the return on plan assets – excluding amounts included in net interest on the net defined benefit liability – charged to the pensions reserve as other comprehensive income and expenditure
  - actuarial gains and losses – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions – charged to the pensions reserve as other comprehensive income and expenditure

- contributions paid to the Oxfordshire County Council Pension Fund – cash paid as employer’s contributions to the pension fund in settlement of liabilities; not accounted for as an expense

In relation to retirement benefits, statutory provisions require the General Fund balance to be charged with the amount payable by the Council to the pension fund or directly to pensioners in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, this means that there are transfers to and from the Pension Reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end. The negative balance that arises on the Pensions Reserve thereby measures the beneficial impact to the General Fund of being required to account for retirement benefits on the basis of cash flows rather than as benefits are earned by employees.

#### Discretionary benefits

The Council also has restricted powers to make discretionary awards of retirement benefits in the event of early retirements. Any liabilities estimated to arise as a result of an award to any member of staff are accrued in the year of the decision to make the award and accounted for using the same policies as are applied to the Local Government Pension Scheme.

#### **ix) Events after the reporting period**

Events after the Balance Sheet reporting period are those events, both favourable and unfavourable, that occur between the Balance Sheet date and the date when the statement of accounts is authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the end of the reporting period – the statement of accounts is adjusted to reflect such events
- those that are indicative of conditions that arose after the reporting period – the statement of accounts is not adjusted to reflect such events, but where such a category of events would have a material effect, disclosure is made in the notes of the nature of the events and their estimated financial effect.

Events taking place after the date of authorisation for issue are not reflected in the statement of accounts.

#### **x) Financial instruments**

**Financial liabilities** are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value and carried at their amortised cost. Annual charges to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest payable are based on the carrying amount of the liability,

multiplied by the effective rate of interest for the instrument. The effective interest rate is the rate that exactly discounts estimated future cash payments over the life of the instrument to the amount at which it was originally recognised.

Any borrowing that the Council may undertake would be presented in the Balance Sheet at the outstanding principal repayable (plus accrued interest); and interest charged to the Comprehensive Income and Expenditure Statement is the amount payable for the year according to the loan agreement.

Where premiums and discounts have been charged to the Comprehensive Income and Expenditure Statement, regulations allow the impact on the General Fund Balance to be spread over future years. The Council has a policy of spreading the gain or loss over the term that was remaining on the loan against which the premium was payable or discount receivable when it was repaid, where material. The reconciliation of amounts charged to the Comprehensive Income and Expenditure Statement to the net charge required against the General Fund Balance is managed by a transfer to or from the Financial Instruments Adjustment Account in the Movement in Reserves Statement.

**Financial assets** are classified based on a classification and measurement approach that reflects the business model for holding the financial assets (i.e. why we are holding the asset) and their cash flow characteristics. There are three main classifications:

- Amortised cost
- Fair value through other comprehensive income (FVOCI), and
- Fair value through profit or loss (FVPL)

The Council primarily holds investments to collect contractual cash flows. Financial assets are therefore classified as amortised cost, except for those whose contractual payments are not solely payment of principal and interest (ie where the cash flows do not take the form of a basic debt instrument).

#### Financial assets measured at amortised cost

Financial assets measured at amortised cost are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value. They are subsequently measured at their amortised cost. Annual credits to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument.

Any gains and losses that arise on the derecognition of a financial asset are credited or debited to the financing and investment income and expenditure line in the Comprehensive Income and Expenditure Statement.

#### *Expected credit loss model*

The Council recognises material expected credit losses on all of its financial assets held at amortised cost, either on a 12-month or lifetime basis except for those where the counterparty is central government or another local authority, where relevant statutory provisions prevent default. The expected credit loss model also applies to lease receivables and contract assets. Only lifetime losses are recognised for trade receivables (debtors).

Impairment losses are calculated to reflect the expectation that the future cash flows might not take place because the borrower could default on their obligations. Credit risk plays a crucial part in assessing losses. Where risk has increased significantly since an instrument was initially recognised, losses are assessed on a lifetime basis. Where risk has not increased significantly or remains low, losses are assessed on the basis of 12-month expected losses.

#### Financial assets measured at fair value through other comprehensive income (FVOCI)

Financial assets that are measured at fair value through other comprehensive income are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured and carried at fair value. Fair value gains and losses are recognised as they arise in other comprehensive income.

#### Financial assets measured at fair value through profit or loss (FVPL)

Financial assets that are measured at fair value through profit or loss are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured and carried at fair value. Fair value gains and losses are recognised as they arise in the Surplus or Deficit on the Provision of Services within the Comprehensive Income and Expenditure Statement.

The Council has chosen to apply statutory provisions for mitigating the impact of fair value movements on Pooled Investment Funds as directed in the relevant Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations. This allows (where relevant criteria are met) for fair value gains and losses on Pooled Investment Funds made before 1 April 2024 to be reversed to an account established solely for the purpose of recognising fair value gains and losses – the Pooled Investment Funds Adjustment Account.

This statutory provision ceases on 31 March 2029.

For Pooled Investment Funds made on or after 1 April 2024, fair value gains and losses incurred in 2024/25 will be taken to the Pooled Investment Funds Adjustment Account in 2024/25 as the Statutory Override remains in place. However, that figure will be released to the General Fund in 2025/26 along with gains and losses incurred during that year.

#### Fair value measurements of financial assets



Fair value of an asset is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. The fair value measurements of the Council's financial assets are based on the following techniques:

- instruments with quoted market prices – the market price
- other instruments with fixed and determinable payments – discounted cash flow analysis.

The inputs to the measurement techniques are categorised in accordance with the following three levels:

- Level 1 inputs – quoted prices (unadjusted) in active markets for identical assets that the Council can access at the measurement date.
- Level 2 inputs – inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly.
- Level 3 inputs – unobservable inputs for the asset.

Any gains and losses that arise on the derecognition of the asset are credited or debited to the financing and investment income and expenditure line in the Comprehensive Income and Expenditure Statement.

#### **xi) Government grants and contributions**

Whether paid on account, by instalments or in arrears, government grants and third party contributions and donations are recognised as due to the Council when there is reasonable assurance that:

- the Council will comply with the conditions attached to the payments, and
- the grants or contributions will be received.

Amounts recognised as due to the Council are not credited to the Comprehensive Income and Expenditure Statement until conditions attached to the grant or contribution have been satisfied. Conditions are stipulations that specify that the future economic benefits or service potential embodied in the asset in the form of the grant or contribution are required to be consumed by the recipient as specified, or future economic benefits or service potential must be returned to the transferor.

Monies advanced as grants and contributions for which conditions have not been satisfied are carried in the Balance Sheet as creditors. When conditions are satisfied, the grant or contribution is credited to the relevant service line (attributable revenue grants and contributions) or taxation and non-specific grant income and expenditure (non-ringfenced revenue grants and all capital grants) in the Comprehensive Income and Expenditure Statement.

Where capital grants are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund Balance in the Movement in Reserves Statement. Where the grant has yet to be used to finance capital expenditure, it is posted to the Capital Grants Unapplied reserve. Where it has been applied, it is posted to the Capital Adjustment Account. Amounts in the Capital Grants Unapplied reserve are transferred to the Capital Adjustment Account once they have been applied to fund capital expenditure.

### Community infrastructure levy

The Council does not currently charge a Community Infrastructure Levy (CIL) but may do so in future. When in place, the levy will be charged on new builds (chargeable developments for the Council) with appropriate planning consent. The Council will be responsible for charges and collecting the levy, which is a planning charge. Future income from the levy will be used to fund a number of infrastructure projects (these include transport, flood defences and schools) to support the development of the area.

When charged, the CIL is recognised at the commencement date of the chargeable development in the Comprehensive Income and Expenditure Statement as a contribution without outstanding conditions. CIL charges, once introduced, will be largely used to fund capital expenditure. However, a proportion of the charges may be used to fund revenue expenditure. A share of the charges which are due to be payable to the County, Town or Parish Councils will remain in creditors (receipts in advance) until due.

### **xii) Heritage assets**

Heritage assets are those assets that are held and maintained principally for their contribution to knowledge and culture.

The Council owns several public artworks. These items meet the classification of Heritage Assets adopted by the Code (FRS102).

Where assets have been purchased or recently obtained, information on their cost or value will be available. The Code allows that where this information is not available or cannot be obtained at a value which is commensurate with the benefits to users of the financial statements, that the assets need not be recognised in the Balance Sheet.

When purchased or where a value is available, heritage assets are recognised on the balance sheet at historic cost. Assets within the Council's ownership are deemed to have indeterminate lives; hence the Council does not consider it appropriate to charge depreciation on those heritage assets on the Council's balance sheet. Due to the nature of the type of assets held, the Council's heritage assets are not subject to revaluation and will only be impaired if there is clear reason to suspect the assets have become impaired.

### **xiii) Intangible assets**

Expenditure on non-monetary assets that do not have physical substance but are controlled by the Council as a result of past events (e.g. software licences) are capitalised when it is expected that future economic benefits or service potential will flow from the intangible asset to the Council. Intangible assets are measured initially at cost.

The depreciable amount of an intangible asset is amortised over its useful life (usually 5 years) to the relevant service line(s) in the Comprehensive Income and Expenditure Statement. The Council carries no internally generated intangible assets on its balance sheet.

Where expenditure on intangible assets qualifies as capital expenditure for statutory purposes, amortisation, impairment losses and disposal gains and losses are not permitted to have an impact on the General Fund balance. The gains and losses are therefore reversed out of the General Fund balance in the Movement in Reserves Statement and posted to the capital adjustment account or (for any sale proceeds greater than £10,000) the capital receipts reserve.

### **xiv) Inventories and long-term contracts**

Inventories (stocks) are included in the Balance Sheet at cost.

Long term contracts are accounted for on the basis of charging the Surplus or Deficit on the Provision of Services with the consideration allocated to the performance obligations satisfied based on the goods or services transferred to the service recipient during the financial year.

### **xv) Investment property**

Investment properties are those that are used solely to earn rentals and/or for capital appreciation. The definition is not met if the property is used in any way to facilitate the delivery of services or production of goods or is held for sale.

Investment properties are measured initially at cost and subsequently at fair value, being the price that would be received to sell such an asset in an orderly transaction between market participants at the measurement date. As a non-financial asset, investment properties are measured at highest and best use. Properties are not depreciated but are revalued annually according to market conditions at the year end. Gains and losses on revaluation are posted to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. The same treatment is applied to gains and losses on disposal.

Rentals received in relation to investment properties are credited to the Financing and Investment Income and Expenditure line and result in a gain for the General Fund Balance. However, revaluation and disposal gains and losses are not permitted by statutory arrangements to have an impact on the General Fund Balance. The gains and

losses are therefore reversed out of the General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account or (for any sale proceeds greater than £10,000) the Capital Receipts Reserve.

## **xvi) Leases**

### **The council as lessee**

The Council classifies contracts as leases based on their substance. Contracts and parts of contracts, including those described as contracts for services, are analysed to determine whether they convey the right to control the use of an identified asset, through rights both to obtain substantially all the economic benefits or service potential from that asset and to direct its use. The Code expands the scope of IFRS 16 Leases to include arrangements with nil consideration, peppercorn or nominal payments.

#### Initial measurement

Leases are recognised as right-of-use assets with a corresponding liability at the date from which the leased asset is available for use (or the IFRS 16 transition date, if later). The leases are typically for fixed periods in excess of one year but may have extension options.

The Council initially recognises lease liabilities measured at the present value of lease payments, discounting by applying the Council's incremental borrowing rate wherever the interest rate implicit in the lease cannot be determined. Lease payments included in the measurement of the lease liability include:

- fixed payments, including in-substance fixed payments
- variable lease payments that depend on an index or rate, initially measured using the prevailing index or rate as at the adoption date
- amounts expected to be payable under a residual value guarantee
- the exercise price under a purchase option that the Council is reasonably certain to exercise
- lease payments in an optional renewal period if the Council is reasonably certain to exercise an extension option
- penalties for early termination of a lease, unless the Council is reasonably certain not to terminate early.

The right-of-use asset is measured at the amount of the lease liability, adjusted for any prepayments made, plus any direct costs incurred to dismantle and remove the underlying asset or restore the underlying asset on the site on which it is located, less any lease incentives received.

However, for peppercorn, nominal payments or nil consideration leases, the asset is measured at fair value.

### Subsequent measurement

The right-of-use asset is subsequently measured using the fair value model. The Council considers the cost model to be a reasonable proxy except for:

- assets held under non-commercial leases
- leases where rent reviews do not necessarily reflect market conditions
- leases with terms of more than five years that do not have any provision for rent reviews
- leases where rent reviews will be at periods of more than five years.

For these leases, the asset is carried at a revalued amount. In these financial statements, right-of use assets held under index-linked leases have been adjusted for changes in the relevant index, while assets held under peppercorn or nil consideration leases have been valued using market prices or rentals for equivalent land and properties.

The right-of-use asset is depreciated straight-line over the shorter period of remaining lease term and useful life of the underlying asset as at the date of adoption.

The lease liability is subsequently measured at amortised cost, using the effective interest method. The liability is remeasured when:

- there is a change in future lease payments arising from a change in index or rate
- there is a change in the group's estimate of the amount expected to be payable under a residual value guarantee
- the Council changes its assessment of whether it will exercise a purchase, extension or termination option, or
- there is a revised in-substance fixed lease payment.

When such a remeasurement occurs, a corresponding adjustment is made to the carrying amount of the right-of-use asset, with any further adjustment required from remeasurement being recorded in the income statement.

### Low value and short lease exemption

As permitted by the Code, the Council excludes leases:

- for low-value items that cost less than £10,000 when new, provided they are not highly dependent on or integrated with other items, and
- with a term shorter than 12 months (comprising the non-cancellable period plus any extension options that the Council is reasonably certain to exercise and any termination options that the Council is reasonably certain not to exercise).

### Lease expenditure

Expenditure in the Comprehensive Income and Expenditure Statement includes interest, straight line depreciation, any asset impairments and changes in variable lease payments not included in the measurement of the liability during the period in which the triggering event occurred. Lease payments are debited against the liability. Rentals for leases of low-value items or shorter than 12 months are expensed.

Depreciation and impairments are not charges against council tax, as the cost of non-current assets is fully provided for under separate arrangements for capital financing. Amounts are therefore appropriated to the capital adjustment account from the General Fund balance in the Movement in Reserves Statement.

### **The council as lessor**

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the property, plant or equipment from the lessor to the lessee. All other leases are classified as operating leases.

#### Finance leases

Where the Council grants a finance lease over a property or an item of plant or equipment, the relevant asset is written out of the Balance Sheet as a disposal. At the commencement of the lease, the carrying amount of the asset in the Balance Sheet (whether property, plant and equipment or assets held for sale) is written off to the other operating expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. A gain, representing the Council's net investment in the lease, is credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal), matched by a lease (long-term debtor) asset in the Balance Sheet.

Lease rentals receivable are apportioned between:

- a charge for the acquisition of the interest in the property – applied to write down the lease debtor (together with any premiums received), and
- finance income (credited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement).

The gain credited to the Comprehensive Income and Expenditure Statement on disposal is not permitted by statute to increase the General Fund Balance and is required to be treated as a capital receipt. Where a premium has been received, this is posted out of the General Fund Balance to the Capital Receipts Reserve in the Movement in Reserves Statement. Where the amount due in relation to the lease asset is to be settled by the payment of rentals in future financial years, this is posted out of the General Fund Balance to the Deferred Capital Receipts Reserve. When the future rentals are received, the element for the capital receipt for the disposal of the asset is used to write down the lease debtor. At this point, the deferred capital receipts are transferred to the Capital Receipts Reserve.

The written-off value of disposals is not a charge against council tax, as the cost of non-current assets is fully provided for under separate arrangements for capital financing. Amounts are therefore appropriated to the Capital Adjustment Account from the General Fund Balance in the Movement in Reserves Statement.

### Operating leases

Where the Council grants an operating lease over a property or an item of plant or equipment, the asset is retained in the Balance Sheet. Rental income is credited to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Credits are made on a straight-line basis over the life of the lease even if this does not match the pattern of payments (e.g. there is a premium paid at the commencement of the lease). Initial direct costs incurred in negotiating and arranging the lease are added to the carrying amount of the relevant asset (if material) and charged as an expense over the lease term on the same basis as rental income.

## **xvii) Property, plant and equipment**

Assets that have physical substance and are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes and that are expected to be used during more than one financial year are classified as Property, Plant and Equipment.

### Recognition

Expenditure on the acquisition, creation or enhancement of Property, Plant and Equipment is capitalised on an accruals basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the Council and the cost of the item can be measured reliably. Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (e.g. repairs and maintenance) is charged as an expense when it is incurred.

The Council's capitalisation de minimis is £10,000, except for where the sum of a group of assets is significant, such as waste collection bins and boxes or ICT equipment.

### Measurement

Assets are initially measured at cost, comprising:

- the purchase price
- any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The cost of assets acquired other than by purchase is deemed to be its fair value, unless the acquisition does not have commercial substance (i.e. it will not lead to a variation in the cash flows of the Council). In the latter case, where an asset is acquired via an

exchange, the cost of the acquisition is the carrying amount of the asset given up by the Council.

Assets are then carried in the Balance sheet using the following measurement bases:

- Community assets and assets under construction – depreciated historical cost
- Surplus assets – the current value measurement base is fair value, estimated at highest and best use from a market participant's perspective.
- all other assets – current value, determined as the amount that would be paid for the asset in its existing use (existing use value – EUV).

Where there is no market-based evidence of current value because of the specialist nature of an asset, depreciated replacement cost (DRC) is used as an estimate of current value.

Where non-property assets have short useful lives or low values (or both) depreciated historical cost basis is used as an approximation of current value.

Assets included in the balance sheet at current value are revalued to ensure that their carrying amount is not materially different from their value at year-end. All land and buildings are revalued at least every 5-years as part of a rolling programme. Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains. Exceptionally, gains might be credited to the surplus or deficit on the provision of services within the Comprehensive Income and Expenditure Statement where they arise from the reversal of a loss previously charged to a service.

Where items or property plant and equipment are revalued, and the valuer identifies an asset which has component parts that have significantly different useful lives, where one or more parts represent a significant proportion of the overall asset, then the asset may be componentised. With componentisation, one or more constituent parts may be identified, and the component parts separately valued for the accounts and depreciated over different useful lives to the main asset. Useful economic lives (and therefore depreciation calculations) will be based upon the asset lives recommended by the Council's valuer.

Where decreases in value are identified, they are accounted for as follows:

- where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains)
- where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line in the Comprehensive Income and Expenditure Statement.

The Revaluation Reserve contains revaluation gains recognised since 1 April 2007, the date of its formal implementation. Gains arising before that date have been consolidated into the Capital Adjustment Account.



## Impairment

Assets are assessed at each year-end as to whether there is any indication that an asset may be impaired. Where indications exist and any possible differences are estimated to be material, the recoverable amount of the asset is estimated and, where this is less than the carrying amount of the asset, an impairment loss is recognised for the shortfall.

Where impairment losses are identified, they are accounted for as follows:

- where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains)
- where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the Comprehensive Income and Expenditure Statement.

Where an impairment loss is reversed subsequently, the reversal is credited to the relevant service line(s) in the Comprehensive Income and Expenditure Statement up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

## Depreciation

Depreciation is provided for on all Property, Plant and Equipment assets by the systematic allocation of their depreciable amounts over their useful lives. An exception is made for assets without a determinable finite useful life (i.e. freehold land and certain Community Assets) and assets that are not yet available for use (i.e. assets under construction).

Depreciation is calculated on the following bases:

- Operational buildings and surplus property – depreciated on a straight-line basis, over a 30 to 60 year period, depending upon the particular asset and an estimate of the asset life from the Council's valuer
- Car Park depreciable components (surface) – 20 years
- Land is not depreciated
- Vehicles and plant - depreciated on a straight-line basis, over a 7-year period
- Furniture and equipment – depreciated on a straight-line basis, over a 5-year period
- Investment property is not depreciated

Where an item of Property, Plant and Equipment asset has major components whose cost is significant in relation to the total cost of the item, the components are depreciated separately.

Revaluation gains are also depreciated, with an amount equal to the difference between current value depreciation charged on assets and the depreciation that would have been chargeable based on their historical cost being transferred each year from the Revaluation Reserve to the Capital Adjustment Account.

#### Disposals and non-current assets held for sale

When it becomes probable that the carrying amount of an asset will be recovered principally through a sale transaction rather than through its continuing use, it is reclassified as an Asset Held for Sale. The asset is revalued immediately before reclassification and then carried at the lower of this amount and fair value less costs to sell. Where there is a subsequent decrease to fair value less costs to sell, the loss is posted to the other operating expenditure line in the Comprehensive Income and Expenditure Statement. Gains in fair value are recognised only up to the amount of any previously recognised losses in the surplus or deficit on the provision of services. Depreciation is not charged on assets held for sale.

If assets no longer meet the criteria to be classified as Assets Held for Sale, they are reclassified back to non-current assets and valued at the lower of their carrying amount before they were classified as held for sale, adjusted for depreciation, amortisation or revaluations that would have been recognised had they not been classified as Held for Sale, and their recoverable amount at the date of the decision not to sell.

Assets that are to be abandoned or scrapped are not reclassified as Assets Held for Sale.

When an asset is disposed of or decommissioned, the carrying amount of the asset in the Balance Sheet (whether property, plant and equipment or assets held for sale) is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Receipts from disposals (if any) are credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal). Any revaluation gains accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account.

Amounts received for a disposal in excess of £10,000 are categorised as capital receipts. The balance of receipts remains within the capital receipts reserve and can then only be used for new capital investment or set aside to reduce the Council's underlying need to borrow (the capital financing requirement). Receipts are appropriated to the reserve from the General Fund balance in the Movement in Reserves Statement.

The written-off value of disposals is not a charge against council tax, as the cost of non-current assets is fully provided for under separate arrangements for capital financing. Amounts are appropriated to the capital adjustment account from the General Fund balance in the Movement in Reserves Statement.

#### **xviii) Provisions, contingent liabilities and contingent assets**

##### Provisions

Provisions are made where an event has taken place on or before the balance sheet date:

- that gives the Council a present obligation
- that probably requires settlement by a transfer of economic benefits or service potential, and
- where a reliable estimate can be made of the amount of the obligation.

If it is not clear whether an event has taken place on or before the Balance Sheet date, it is deemed to give rise to a present obligation if, taking account of all available evidence, it is more likely than not that a present obligation exists at the Balance Sheet date. The present obligation can be legal or constructive.

Provisions are charged as an expense to the appropriate service line in the Comprehensive Income and Expenditure Statement when the Council has an obligation and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

Estimated settlements are reviewed at the end of each financial year. Where it becomes less than probable that a transfer of economic benefits will now be required (or a lower settlement than anticipated is made), the provision is reversed and credited back to the relevant service.

Where some or all of the payment required to settle a provision is expected to be recovered from another party (e.g. from an insurance claim), this is only recognised as income for the relevant service if it is virtually certain that reimbursement will be received if the Council settles the obligation.

### Contingent liabilities

A contingent liability arises where an event has taken place that gives the Council a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Council. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are not recognised in the Balance Sheet but disclosed in a note to the accounts.

### Contingent assets

A contingent asset arises where an event has taken place that gives the Council a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Council.

Contingent assets are not recognised in the Balance Sheet but disclosed in a note to the accounts where it is probable that there will be an inflow of economic benefits or service potential.

#### **xix) Reserves**

The Council sets aside specific amounts as reserves for future policy purposes or to cover contingencies. Reserves are created by transferring amounts out of the General Fund Balance. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service in that year to score against the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement. The reserve is then transferred back into the General Fund Balance so that there is no net charge against council tax for the expenditure.

Certain reserves are kept to manage the accounting processes for non-current assets, financial instruments, local taxation, retirement and employee benefits and do not represent usable resources for the Council – these reserves are explained in the relevant policies.

#### **xx) Revenue expenditure funded from capital under statute**

Expenditure incurred during the year that may be capitalised under statutory provisions but that does not result in the creation of a non-current asset has been charged as expenditure to the relevant service in the Comprehensive Income and Expenditure Statement in the year. Where the Council has determined to meet the cost of this expenditure from existing capital resources, or by borrowing, a transfer in the Movement in Reserves Statement from the General Fund Balance to the Capital Adjustment Account then reverses out the amounts charged so that there is no impact on the level of council tax.

#### **xxi) Value Added Tax**

VAT payable is included as an expense only to the extent that it is not recoverable from Her Majesty's Revenue and Customs (HMRC). VAT receivable is excluded from income.

#### **xxii) Fair value measurement of non-financial assets**

The Council's accounting policy for fair value measurement of financial assets is set out in the 'Financial Instruments' section (above). The Council also measures some of its non-financial assets such as surplus assets and investment properties and some of its financial instruments such as equity shareholdings (other financial instruments as applicable) at fair value at each reporting date. Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. The fair value measurement assumes that the transaction to sell the asset takes place either:

- in the principal market for the asset, or
- in the absence of a principal market, in the most advantageous market for the asset.

The Council measures the fair value of an asset using the assumptions that market participants would use when pricing the asset, assuming that market participants act in their economic best interest.


When measuring the fair value of a non-financial asset, the Council takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Council uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Inputs to the valuation techniques in respect of assets for which fair value is measured or disclosed in the Council's financial statements are categorised within the fair value hierarchy, as follows:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets that the Council can access at the measurement date
- Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly
- Level 3 – unobservable inputs for the asset.

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|  <p><b>WEST OXFORDSHIRE<br/>DISTRICT COUNCIL</b></p> | <p><b>WEST OXFORDSHIRE DISTRICT COUNCIL</b></p>  |
| <p>Name and date of Committee</p>   | <p><b>AUDIT AND GOVERNANCE COMMITTEE – 26 JUNE 2025</b></p>  |
| <p>Subject</p>  | <p><b>RISK AND OPPORTUNITY MANAGEMENT STRATEGY AND LATEST STRATEGIC RISK REGISTER</b></p>  |
| <p>Wards affected</p>   | <p>All</p>   |
| <p>Accountable member</p>   | <p>Councillor Andy Graham, Leader of the Council<br/>Email: <a href="mailto:andy.graham@westoxon.gov.uk">andy.graham@westoxon.gov.uk</a></p>   |
| <p>Accountable officer</p>  | <p>Andrea McCaskie, Director of Governance and Regulatory Services, Monitoring Officer<br/>Email: <a href="mailto:andrea.mccaskie@westoxon.gov.uk">andrea.mccaskie@westoxon.gov.uk</a></p>   |
| <p>Report author</p>  | <p>Cheryl Sloan, Business Manager for Governance, Risk and Business Continuity<br/>Email: <a href="mailto:cheryl.sloan@publicagroup.uk">cheryl.sloan@publicagroup.uk</a></p>   |
| <p>Summary/Purpose</p>  | <p>This report presents the latest version of the Council's Risk and Opportunity Management Strategy and the Council's Strategic Risk Register</p>   |
| <p>Annexes</p>  | <p>Annex A – Risk and Opportunity Management Strategy<br/>Annex B – Strategic Risk Register</p>  |
| <p>Recommendation(s)</p>  | <p>That the Audit and Governance Committee resolves to:</p> <ol style="list-style-type: none"> <li>1. Approve the Risk and Opportunity Management Strategy attached at Annex A.</li> <li>2. Note the updated Strategic Risk Register attached at Annex B.</li> </ol> |
| <p>Corporate priorities</p>   | <p>All</p>   |
| <p>Key Decision</p>   | <p>No</p>  |
| <p>Exempt</p>   | <p>No</p>  |
| <p>Consultees/ Consultation</p>   | <p>N/A</p>   |

## **1. EXECUTIVE SUMMARY**

- 1.1** To present the Audit and Governance Committee with the latest Risk and Opportunity Management Strategy for committee approval and the updated Strategic Risk Register.

## **2. BACKGROUND**

- 2.1** The Audit and Governance Committee is the committee of the Council charged with approving the Risk and Opportunity Management Strategy, reviewing risk management reports and making recommendations.
- 2.2** The report presents the latest version of the Council's Risk and Opportunity Management Strategy for committee approval and the updated Strategic Risk Register.

## **3. RISK AND OPPORTUNITY MANAGEMENT STRATEGY**

- 3.1** The Risk and Opportunity Management Strategy sets out the Council's approach to risk and opportunity management including; defining what is Risk and Opportunity Management, our risk appetite as a council, definitions, roles and responsibilities, and how we embed risk.
- 3.2** There have been no significant changes to the Strategy, with the exception of Appendix A – Roles and Responsibilities, which has been reviewed following the transition of services back into the Council and reflects current arrangements.
- 3.3** The Council's risk appetite level is Creative and Aware. This appetite is detailed as:
- Willing to consider all potential options that are most likely to result in success
  - Well evaluated risk taking
  - Learns from experience
- 3.4** The Committee are requested to review and approve the Risk and Opportunity Management Strategy which is attached at Annex A.

## **4. RISK REGISTER**

- 4.1** The Council's latest Strategic Risk Register is attached at Annex B. This is reviewed by the Senior Management Team on a monthly basis and by Informal Executive on a quarterly basis.
- 4.2** The Risk Register captures the strategic risks for the Council. Risks which remain high (red) include the following:

**IR1 Financial Stability.** This remains red as it is scored against the Medium-Term Financial Strategy and not the in-year budget which is balanced.

**IR8 English Devolution White Paper - Local Government Reorganisation / Mayoral Combined Authorities.** This remains red as work continues on drafting the proposals for Unitary Authorities for Oxfordshire and following the initial feedback from MHCLG. West Oxfordshire are involved in the workstreams for LGR / Devolution and as such, are feeding into the proposals.



**SR4 5-year land supply** – this risk remains high following the publication of the NPPF on 12/12/24 which almost doubled the housing target for WODC. Work continues on the timely progression of the new Local Plan to identify new draft site allocations for approval.

- 4.3 There has been no change to scoring for any risks on the Strategic Risk Register since the last review and therefore all direction of travel remains unchanged.
- 4.4 All updates to the Strategic Risk Register are shown in red or strikethrough of text.
- 4.5 The Audit and Governance Committee are asked to note the update to the Strategic Risk Register.

## **5. FINANCIAL IMPLICATIONS**

- 5.1 There are no direct financial implications arising from this report.

## **6. LEGAL IMPLICATIONS**

- 6.1 There are no direct legal implications arising from this report.

## **7. RISK ASSESSMENT**

- 7.1 If the Council's governance arrangements are weak then Council is at risk of failing to safeguard the use of public funds. In turn this would lead to poor external assessments, damaging the reputation of the Council. The areas of focus for the 2025/26 financial year identified in the Annual Governance Statement Action Plan elsewhere on the agenda provides a clear set of priorities for the continual improvement of governance and mitigation of risk.

## **8. EQUALITIES IMPACT**

- 8.1 An equalities impact assessment is not required for this report.

## **9. CLIMATE AND ECOLOGICAL EMERGENCIES IMPLICATIONS**

There are no climate or ecological emergency implications arising directly from this report.

## **10. BACKGROUND PAPERS**

The following documents have been identified by the author of the report in accordance with section 100D.5(a) of the Local Government Act 1972 and are listed in accordance with section 100 D.1(a) for inspection by members of the public:

- Annual Governance Statement 2024/25 and Action Plan 2025/26
- Statement of Accounts for 2024/25

- 3.0 These documents will be available for inspection online at [www.westoxon.gov.uk](http://www.westoxon.gov.uk) or by contacting democratic services [democratic.services@westoxon.gov.uk](mailto:democratic.services@westoxon.gov.uk) for a period of up to 4 years from the date of the meeting.

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# Risk and Opportunity Management Strategy

## Table of Contents

|  |   |
|--|---|
| 1. Strategy statement .....                                | 2 |
| Objectives of the strategy .....                           | 2 |
| 2. Introduction .....                                      | 3 |
| What is Risk and Opportunity Management? .....             | 3 |
| Risk Appetite .....  | 3 |
| Benefits of Risk and Opportunity Management .....          | 4 |
| Risk / Opportunity Definitions and Categories .....        | 5 |
| 3. The Risk and Opportunity Management Process .....       | 5 |
| 4. Roles and Responsibilities .....                        | 5 |
| Risk and Opportunity Management .....                      | 6 |
| Quality Assurance of Risk and Opportunity Management ..... | 6 |
| 5. Embedding Risk and Opportunity Management .....         | 7 |
| Culture .....  | 7 |
| 6. Key Success Factors .....                               | 7 |
| Annex A - Roles and Responsibilities .....                 | 9 |

## About this document

Risk and Opportunity Management Strategy – June 2025

Responsible officer (s): Director of Governance and Regulatory and Director of Finance

Approved by Audit and Governance Committee on 26 June 2025, due for review in June 2027.  
To be retained for six months after policy review or replacement.

## 1. Strategy statement

Our vision is to support West Oxfordshire to be fit for the future through:

- Putting Residents First
- Enabling a Good Quality of Life for All
- Creating a Better Environment for People and Wildlife
- Responding to the Climate and Ecological Emergency
- Working Together for West Oxfordshire

As a local authority operating within a dynamic environment West Oxfordshire District Council faces ongoing challenges and needs to continuously review its strategic approach to ensure viability for the future. As a result, we look at alternative ways of empowering our communities and alternative approaches to working with partners. Whilst these changes create opportunities, they may also create significant risk and uncertainty.

This strategy is focused on setting out the principles, tools, techniques, advice and support required for effective risk and opportunity management, from strategic to operational activities. The key is to ensure that the management of the risk is not a process that is dealt with in isolation, but instead it should be embedded in every piece of work the Council does. Risk is unavoidable and the Council seeks to proactively manage it using risk registers.

### Objectives of the strategy

The purpose of this strategy is to outline the overall approach to risk and opportunity management at West Oxfordshire District Council. It is acknowledged that some risks will always exist and will never be eliminated, but through effective mitigation can be managed to an agreed level at which risk can be tolerated.

The objectives of the risk and opportunity management strategy are to:

- Raise awareness of the principles and benefits of effective risk and opportunity management with all those responsible for the delivery of Council services
- Embed risk and opportunity management as a key part of strategic, operational, financial and project planning and management
- Embed risk and opportunity management into the culture of the Council
- Establish a systematic approach to the identification, assessment, management and review of risk and opportunity
- Identify and allocate roles and responsibilities for managing risk and opportunity
- Make it easy to clearly identify the key strategic and operational risks and opportunities
- Assess the likelihood of risks and opportunities occurring and their impact on the Council's objectives
- Ensure risks and opportunities are fully considered when identifying and responding to changing social, environmental and legislative requirements

These objectives will be achieved by;

- Establishing a clear risk and opportunity management process that is effectively communicated to all officers and Members
- Providing risk and opportunity management training to officers and Members
- Clearly defining roles and responsibilities for risk and opportunity management
- Maintaining and reviewing registers of strategic, operational and project risks and opportunities and assigning ownership for each task
- Identifying risk and opportunities in relation to working in partnerships / contracts

The 'Risk and Opportunity Management Strategy' will be reviewed periodically to take account of changing legislation, government initiatives, corporate priorities and experience gained within the Council.

## 2. Introduction

### What is Risk and Opportunity Management?

Risk and Opportunity Management is the process used to identify, evaluate and manage the whole range of business risks and opportunities facing an organisation.

A **risk** can be defined as the potential of something happening which may have a negative impact on the Council's ability to deliver services, projects and achieve its objectives. Conversely, an **opportunity** will enhance the Council's ability to achieve and effectively deliver, however there are often risks inherent in pursuing opportunities. By being alert to this and putting in place mechanisms to manage both the risks and opportunities effectively, the Council will be in a better position to continue to deliver services, remain viable, continue to innovate and use resources more efficiently.

*ALARM (the Association of Local Authority Risk Managers) defines Risk Management as follows:*

*"Risk Management is the culture, processes and structures that are dedicated towards effective management of potential opportunities and threats to the organisation and its objectives".*

Risk management is not necessarily about being 'risk averse', it is about being 'risk aware'.

Risk is ever present and some element of risk taking is inevitable if the Council is to achieve its priorities and objectives. Effective risk management is about making the most of opportunities and about achieving defined objectives once those decisions are made. By being risk aware the Council is in a better position to avoid threats and take advantage of opportunities.

### Risk Appetite

A fundamental part of the Council’s risk and opportunity framework is its appetite for risk. Risk appetite can be defined as ‘the level of risk the Council is prepared to accept in pursuit of its corporate objectives’.

Risk appetites can be categorised as follows:

| Averse   | Cautious   | Creative and Aware  | Eager   |
|--|--|---|---|
| <ul style="list-style-type: none"> <li>• Safe Business delivery options with low risks limited reward</li> <li>• Reluctant to take action given uncertainty</li> </ul> | <ul style="list-style-type: none"> <li>• Safe delivery of options that have a medium degree of risk and potential for reward</li> <li>• Tight corporate control over change</li> </ul> | <ul style="list-style-type: none"> <li>• Willing to consider all potential options that are most likely to result in success</li> <li>• Well evaluated risk taking</li> <li>• Learns from experience</li> </ul> | <ul style="list-style-type: none"> <li>• Eager to be creative and innovative</li> <li>• Higher rewards despite inherent risk</li> <li>• Willing to accept significant loss</li> <li>• Actions when results are unknown</li> </ul> |

Risk appetite can help inform decisions about the nature and extent of risk mitigation activity required, or which initiatives should be pursued. **The Council’s risk appetite level is Creative and Aware**, although this can change on a risk-to-risk basis. It is willing to consider all potential options but with well evaluated risks and learning from experiences.

## Benefits of Risk and Opportunity Management

Successful Risk and Opportunity Management is about ensuring that the Council has the right controls in place to provide sufficient mitigation from risks, without missing the opportunities for development.

Embedding Risk and Opportunity Management across the organisation can bring a number of benefits:

- Improved strategic, operational and financial management
- Better decision making
- Improved service delivery
- Better outcomes for customers
- Effective use of resources
- Taking advantage of key opportunities
- Effective mitigation of key risks
- Encourages a culture of innovation
- Identifying and controlling risks at an early stage means that major projects and opportunities are more likely to succeed

## Risk / Opportunity Definitions and Categories

**Risk / opportunity** can be defined as “an uncertain event that, should it occur, will have an impact on the Council’s objectives, service delivery and/or reputation”. It is the combination of the probability of an event occurring (likelihood) and its effect, should it occur (impact). Risks and opportunities are divided into five categories:

- **Strategic** - that could impact the successful achievement of the Council's long term core objectives, priorities, reputation and outcomes. Unable to be managed at service level
- **Operational** - that could have a significant financial, reputational and service delivery impact on the Council
- **Partnership** - that could impact the successful achievement of the partnership's objectives.
- **Contract** - that could impact the successful achievement of the contract's outcomes/objectives in terms of delivery. These can be strategic and/or operational
- **Project** - that could impact the successful achievement of the project in terms of service delivery, benefits realisation and engagement with key stakeholders. These can be strategic and/or operational

## 3. The Risk and Opportunity Management Process

The Council has in place a five-stage process for managing risks and opportunities:



This shows how managing risks and opportunities needs to be a continuous process in order to be successful. The process must be regularly repeated to identify new risks and opportunities, but also those risks and opportunities already identified must be reviewed regularly to ensure they are being effectively managed. This is outlined in more detail in the Guide to Managing Risks and Opportunities.

## 4. Roles and Responsibilities

An approach that involves all appropriate Members and officers is required to ensure that risk and opportunity management is fully integrated and embedded into the culture of the Council. All officers and Members may have a role to play in identifying and assessing risk. However, there are certain roles within the Council that directly contribute to ensuring

effective risk and opportunity management. These roles and responsibilities are outlined in detail in the diagram at Annex A.

There are broadly two types of roles:

- Risk and Opportunity Management as part of business-as-usual activities.
- Quality Assurance of Risk and Opportunity Management.

### **Risk and Opportunity Management**

- Members need to consider risks and opportunities when making key decisions and promote the management of risks and opportunities.
- Managers need to consider risks and opportunities when making decisions and ensure that risks and opportunities are managed effectively and consistently throughout the organisation.
- Risk and opportunity management includes:
  - Identifies & assesses new & emerging risks and opportunities
  - Assigns accountability for each risk -> RISK OWNER
  - Assigns responsibility for taking action to mitigate risks or capitalise on opportunities -> RESPONSIBLE OFFICER
  - Monitors risks and opportunities via risk registers
  - Regularly reviews and assesses risks & opportunities and the mitigation / action being taken
  - Prioritises action
  - Escalates risks as appropriate
  - Engages stakeholders in discussions about risks and opportunities
- All staff need to consider risk and opportunity as part of their everyday work, raising them with their line manager when necessary.

The Chief Finance Officer has an overarching role in assessing risk to ensure financial stability, as part of their (statutory) responsibility to ensure risks are identified, quantified and mitigated. They need to understand the risk appetite, and the overall financial risk to ensure that the risk appetite does not lead to taking more risk than there is money to mitigate.

### **Quality Assurance of Risk and Opportunity Management**

- The Audit and Governance Committee approves the Risk and Opportunity Management Strategy; reviews risk management reports and makes recommendations
- The Director of Governance and Regulatory is accountable for ensuring that risk management processes are in place and that there is effective quality assurance.
- Internal audit (SWAP) provides quality assurance through auditing risk and opportunity management.
- The Counter Fraud and Enforcement Unit provides quality assurance with respect to managing the risk of internal & external fraud.



## **5. Embedding Risk and Opportunity Management**

For risk and opportunity management to be effective and a meaningful management tool, it needs to be an integral part of key management processes and day to day working.

Monitoring of associated actions should be considered as part of a number of the Council's significant business processes:

- Corporate Decision Making – Addressing significant risks and opportunities
- Business Planning – Updating service plans to reflect operational risks and current priorities
- Project Management – Considering risks and opportunities linked to delivering the project outcomes before and throughout the project. This includes risks that have an effect on service delivery, benefits realisation and key stakeholders
- Partnership working – Establishing procedures to record and monitor risk and opportunities that may impact the Council or its partnership aims
- Commissioning - Identifying and keeping under review risks associated with all stages of the commissioning cycle
- Contract management – Identifying and keeping under review risks associated with all stages of contract management
- Insurance – Managing insurable risks and self-insurance arrangements

### **Culture**

Developing an effective risk and opportunity management culture is a critical part of the risk and opportunity management process and takes time. In building this culture it is important that:

- Lessons from activities that lead to loss or reputational damage or positive outcomes through improvements to services are shared and acted on.
- There is a clear analysis of the risks and a robust justification for decisions, enabling officers and Members to be more creative and innovative in progressing opportunities that benefit the Council and the district
- Discussion on risk and opportunity in any context is conducted in an open and honest manner.

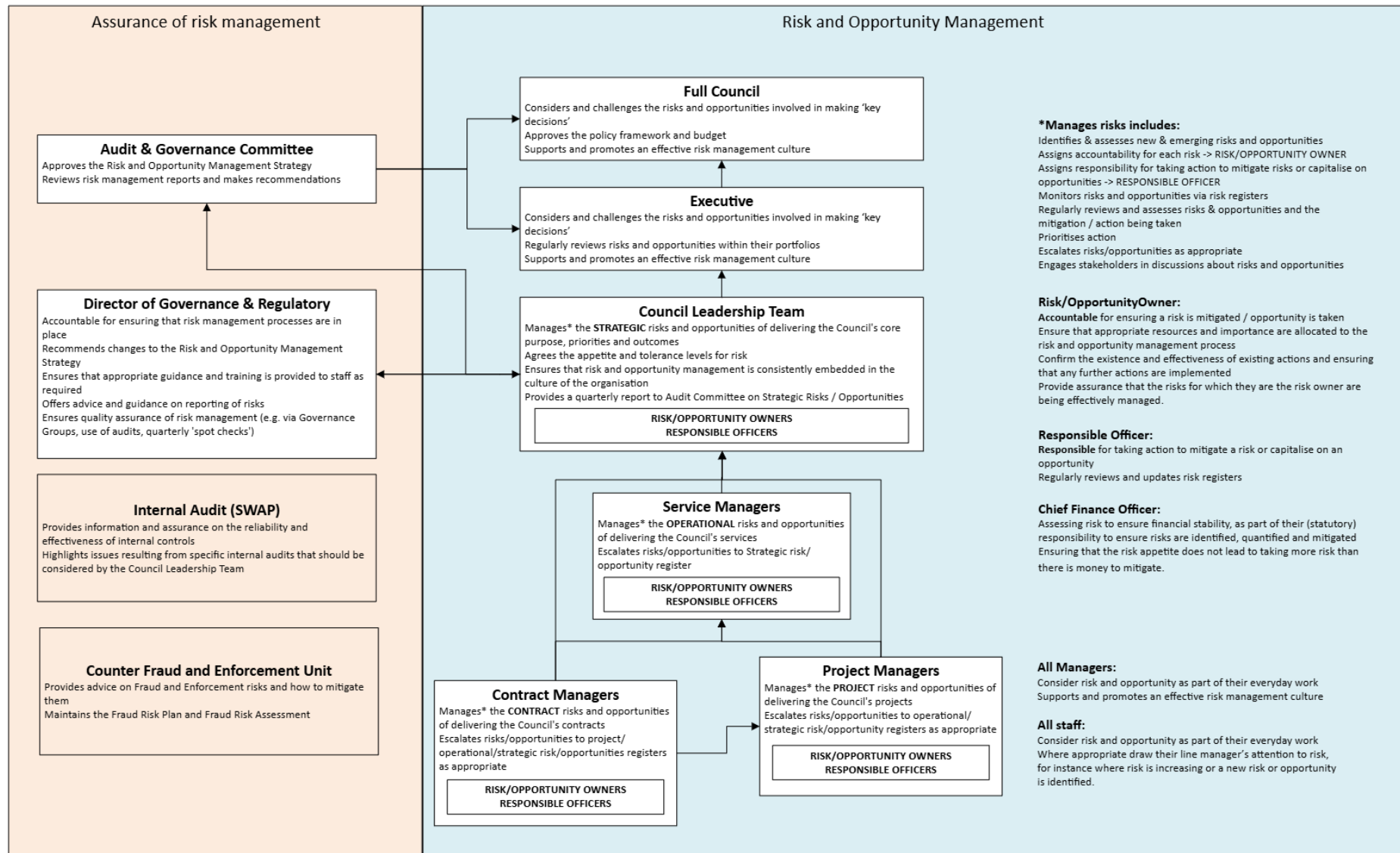
## **6. Key Success Factors**

The following are crucial to the successful embedding of risk management.

- The implementation of this strategy must be endorsed by the Council Management Team and positively supported by all officers
- Risk management needs to be part of the annual business planning process
- Risks and opportunities should be incorporated within items for discussion as part of:
  - Strategy review
  - Budget approval meetings
  - Performance reviews

- o Project planning and review meetings
- There should be a regular update of the risk register by the managers who are accountable and responsible for their mitigation
- Training will be provided to all staff, appropriate to their level of responsibility.

## Annex A - Roles and Responsibilities



DRAFT


|                |                                |  |             |  |                                      |   |   | Previous Residual Score |              |                     |                  | Current Residual Score |                 |              |                     | Change since previous review |                  |       |   |                               |                     |                               |  |
|----------------|--------------------------------|--|-------------|--|--------------------------------------|---|---|-------------------------|--------------|---------------------|------------------|------------------------|-----------------|--------------|---------------------|------------------------------|------------------|-------|---|-------------------------------|---------------------|-------------------------------|--|
| ID             | Risk / Opportunity Title       | Description of risk / opportunity / Impact   | Date raised | Risk / Opportunity Owner                           | Responsible Officer                  | Updated By                                      | Existing Control, Mitigation or Contingency   | Impact category         | Impact score | Likelihood category | Likelihood score | Score                  | Impact category | Impact score | Likelihood category |                              | Likelihood score | Score | Follow on Action (if required)  | Target delivery date / Status | Management Strategy | Status: Open, Hold, or Closed | Direction of Travel since previous review) |
| Internal Risks |                                |  |             |  |                                      |   |   |                         |              |                     |                  |                        |                 |              |                     |                              |                  |       |   |                               |                     |                               |  |
| IR1            | Financial Stability of WODC    | There is a risk that the Council's finances become unsustainable. The future funding available to the Council remains extremely uncertain and the Council is particularly exposed to pending changes to retained business rate growth and new homes bonus income. Commercial income streams are also subject to some volatility. There are also significant cost pressures as a result of inflation. The Council's General Fund Balance is currently healthy but will fall below minimum levels without further action, as set out in the Medium Term Financial Strategy (MTFS).   | 1/5/2023    | Director of Finance s151                           | Director of Finance s151             | Madhu Richards                                  | General Fund Reserves are currently healthy. 2025/26 Budget updated to include known cost pressures. Budget monitoring in place throughout the year. The Transformation Group continues to drive further efficiencies forward.  | Major                   | 4            | Probable            | 4                | 16                     | Major           | 4            | Probable            | 4                            | 16               | 0     | Continued in year budget monitoring and reporting. The 2025/26 Budget approved with an updated MTFS reviewed by Executive and Council. Review of earmarked reserves. Further consideration of options - particularly in areas of Waste and Asset Management with a view to bridging the financial gap identifies within the MTFS. In addition, more member training to be considered to increase profile of budgetary challenges. The latest version of the budget is a balanced budget however the five year MTFS (five year view) still shows that funds will be depleted over the life of the MTFS and therefore this risk is still shown as a red. The risk is still scored a high / red, as the risk has been scored on the MTFS, not on the council's in-year position. <b>The global economic position is being monitored for any national impact e.g., inflation, energy prices, interest rates</b>   | Ongoing                       | Risk Reduction      | Open                          | ➡  |
| IR2            | GDPR / Information Management  | If the council is not compliant with the General Data Protection and does not have robust processes in place for Information Management then there is a risk of financial penalties, reputational damage and impact on resources   | 1/5/2013    | Director of Place                                  | Business Manager - Governance        | Cheryl Sloan                                    | Policies and procedures in place for Data Protection Compliance<br>Data Protection Officer and team in place.<br>ICT systems compliant with Data Protection with PSN accreditation<br>Mandatory training for all staffData Protection Privacy notices in place.<br>Data sharing agreements in place<br>Data breach processes in place   | Major                   | 4            | Possible            | 3                | 12                     | Major           | 4            | Possible            | 3                            | 12               | 0     | All emails received from at risk location are quarantined and inspected by ICT staff before being released.<br>See also risk P5 on cyber security.<br>98% of staff now trained in cyber awareness and final 2% being reviewed. PSN renewal underway, and paperwork to be submitted this month. New data protection training is currently being rolled out to all staff. This is a mandatory course and it is also intended to roll it out to Members New Governance Officer appointed. Work <b>is ongoing on</b> closing out areas for improvement raised in the internal audit for data protection.  | Ongoing                       | Risk Reduction      | Open                          | ➡  |
| IR3            | Health & Safety                | If the council and its contractors / partners are not compliant with the Health & Safety at Work etc Act and other relevant legislation, there is an increased and significant risk of a major accident and work related ill health through occupational disease leading to possible criminal prosecution/financial penalties, enforcement action, reputational damage and risk to the provision of council services.  | 30/8/2023   | <b>Director of Place</b><br><b>Chief Executive</b> | Business Partner - Health and Safety | Stan Akhurst                                    | Health & Safety Board in place to monitor compliance and report back to the Council.<br>Schedule of H&S internal compliance audits by service area completed by Business Lead for H&S, this is resulting in increased focus and compliance. H&S stats are reviewed monthly quarterly and mitigating actions/solutions agreed taken and acted upon to address trends identified. | Major                   | 4            | Remote              | 2                | 8                      | Major           | 4            | Remote              | 2                            | 8                | 0     | Health & Safety Board in place to monitor compliance and report back to the Shareholder.<br>Accidents and incidents remain low. Ongoing service area H&S internal audits being undertaken to ensure compliance.<br>Data analysed and protactive action taken to address any trends.   | Ongoing                       | Risk Sharing        | Open                          | ➡  |
| IR4            | Legislative Compliance         | If the Council and its contractors / partners is not compliant with relevant legislation, it is at risk of not meeting its statutory duty, reputational damage and financial impact  | 30/8/2023   | Director of Governance & Regulatory                | Head of Legal Services               | <b>Helen Blundell</b><br><b>Leonie Woodward</b> | Individual <b>Heads of Service, Leads</b> , ADs and BMs responsible for Legal compliance within their respective areas with an annual declaration in place to monitor compliance.<br>Audit process in place to check compliance.<br>Service areas receive updates on legislation for their service areas.<br>Review of legal services being completed.                          | Minor                   | 2            | Probable            | 4                | 8                      | Minor           | 2            | Probable            | 4                            | 8                | 0     | Work ongoing to ensure we remain compliant with current legislation and future legislation. Annual Manager declaration completed with no concerns raised. Legislation which is changing this year, such as the procurement regs are captured in the AGS Action Plan. Manager Assurance statement will be going out in early 2025 for completion.<br>Likelihood increased as new legislation comes into force and a greater risk of non-compliance while new procedures bed in and training is rolled out  | Ongoing                       | Risk Reduction      | Open                          | ➡  |
| IR6            | Phase 2 Transition of Services | Phase 2 Transition of Service<br>Shareholder Councils have committed in principle to transferring services by mid-2025.<br>If there is not the political appetite or options are unaffordable there is a risk to service delivery, retention and recruitment of staff.<br>If detailed options are not developed, costed and risk assessed to enable informed decisions to be made, there is a risk that in-sourcing these services could lead to significant cost increase, reduced service delivery, cuts to services, loss of key resources and reputational damage.<br>If detailed costings are not undertaken, there is a risk that in-sourcing the services could increase the cost of delivery and not achieve savings / efficiencies. | 10/12/2024  | CEO  | Business Manager - Governance        | Cheryl Sloan                                    | Service delivery options are <b>currently being</b> developed and costed <b>to enable for</b> due diligence which informed recommendations made on the future delivery of these services.   | Moderate                | 3            | Remote              | 2                | 6                      | Moderate        | 3            | Remote              | 2                            | 6                | 0     | Due diligence completed on option appraisals.<br>Recommendations made on the future delivery of each service. Detailed Transition Plan developed with costed options and recommendations <b>for approved by Executive . The DTP has now been approved.</b><br><b>Implementation plan developed with realistic timescales for delivery. Employee communications plan developed and delivered to ensure those impacted by the proposals were informed and consulted. Formal consultation commenced on 1 April 2025 and was completed on 6 May.</b><br><br>Phase 2 transition of services was considered inlight of recent government White Paper on Local Authority Devolution which resulted in a smaller transition focused on council priorities for the next 2 years. <b>The DTP was approved and employee consultation has been completed. Final interviews have taken place for employees who held fragmented roles. Transfer of employees on scheduled for 1/07/25</b> | Ongoing                       | Risk Reduction      | Open                          | ➡  |

| ID             | Risk / Opportunity Title  | Description of risk / opportunity / Impact  | Date raised | Risk / Opportunity Owner | Responsible Officer           | Updated By    | Existing Control, Mitigation or Contingency   | Previous Residual Score |              |                     |                  | Current Residual Score |                 |              |                     | Change since previous review | Follow on Action (if required) | Target delivery date / Status | Management Strategy   | Status: Open, Hold, or Closed | Direction of Travel since previous review) |                  |       |
|----------------|---|---|-------------|--------------------------|-------------------------------|---------------|---|-------------------------|--------------|---------------------|------------------|------------------------|-----------------|--------------|---------------------|------------------------------|--------------------------------|-------------------------------|---|-------------------------------|--|------------------|-------|
|                |   |   |             |                          |                               |               |   | Impact category         | Impact score | Likelihood category | Likelihood score | Score                  | Impact category | Impact score | Likelihood category |                              |                                |                               |   |                               |  | Likelihood score | Score |
| IR7            | Embedding of services which have transitioned under Council delivery and management             | If the council do not provide sufficient focus on embedding the services back into the council, including working with employees on a people strategy and developing the culture for WODC, there is a risk to staff retention, morale and service delivery.   | 10/12/2024  | CEO                      | CEO                           | Giles Hughes  | Work is already underway to work with employees who have transferred on the people strategy and culture. This includes developing new values and behaviours. The is being undertaken in consultation with our employees to ensure buy-in. <b>Good progress is being made on the Phase 2 transition, and a further staff engagement session is planned for 7th July 2025.</b>  | Moderate                | 3            | Remote              | 2                | 6                      | Moderate        | 3            | Remote              | 2                            | 6                              | 0                             | This is an ongoing piece of work. Cultural change will be over at least the next 24 months. Further work <del>will also be required dependent on what is planned for those services that will transfer under phase 2 on 1 July 2025.</del>  | Ongoing                       | Risk Acceptance & Retention                | Open             | ➡     |
| IR8            | English Devolution White Paper - Local Government Reorganisation / Mayoral Combined Authorities | <p>The White Paper announces that the Government will facilitate a programme of local government reorganisation for two-tier areas. The Government will invite proposals for reorganisation from all of these areas.</p> <p>This will see the amalgamation of councils into one or more Unitary Authorities. As with any change, this can create uncertainty and may have an impact on recruitment, retention, staff morale and a risk to the delivery of longer term projects.</p> | 10/12/2024  | CEO                      | Director of Place             | Phil Martin   | <del>The English Devolution White Paper was published on 16/12/24 and invites proposals for reorganisation from all two-tier areas.</del><br><del>As this has only just been published, work will need to be undertaken to fully understand what proposal is required, timescales etc.</del><br><del>Workstreams have been established to undertake the work required to support the drafting of the proposal and the initial feedback from MHCLG has been recieved, which will also be fed into the proposal.</del>  | Major                   | 4            | Almost certain      | 5                | 20                     | Major           | 4            | Almost certain      | 5                            | 20                             | 0                             | <p>The first Mayoral combined elections have timeline of May 2026. Proposals will need to be developed for our area, with indicative dates for new Unitary Authorities from 2027 and 2028.</p> <p>The council is involved in discussions with partners in Oxfordshire and neighbouring areas to explore potential mayoral combined geographies. The council is working with other councils in Oxfordshire to explore Unitary options and will also need to consider how the services delivered by Publica will reflect new geographical areas.</p> <p>Regular communications will be provided to our employees and our partner employees to ensure they are kept abreast of any plans, timelines and how this will effect them, as well as providing support during this process.</p> | Ongoing                       | Risk Reduction                             | Open             | ➡     |
| External Risks |   |   |             |                          |                               |               |   |                         |              |                     |                  |                        |                 |              |                     |                              |                                |                               |   |                               |  |                  |       |
| ER1            | Cyber Attack  | If the ICT network is not adequately protected then it is susceptible to a Cyber - Security Attack leading to loss of systems and data, significant downtime, reputational damage and impact on service delivery and resources  | 1/5/2013    | Director of Place        | Chief Technology Officer      | John Chorlton | <p>PSN compliance. Revised policies.</p> <p>Staff awareness training.</p> <p>Business Continuity Plan in place, reviewed and tested.</p> <p>Enhanced encryption software and other specialist cyber tools.</p> <p>Investment in cyber training for the ICT Team and specialist officer/s in post.</p> <p>Ongoing network Internal &amp; External Penetration checks.</p> <p>Continual Password Audits across our network to evaluate weak passwords.</p> <p>Detailed review of Business Continuity &amp; Disaster Recovery Plans in light of recent cyber attack on neighbouring council.</p> | Major                   | 4            | Possible            | 3                | 12                     | Major           | 4            | Possible            | 3                            | 12                             | 0                             | <p>98% of staff now trained in cyber awareness and final 2% being reviewed.</p> <p>Ongoing investment in cyber team with dedicated team in place.</p> <p>Regular review of User Privileges and Information Asset Register.</p> <p>Cyber updates being presented to Council Audit &amp; Governance committees, Publica Audit &amp; Risk Committee (ARAC) and Governance Meetings.</p> <p>Preparation underway to submit latest PSN submission.</p>   | Ongoing                       | Risk Reduction                             | Open             | ➡     |
| ER2            | Global Pandemic   | If there was another global pandemic, then there is a risk to the delivery of council services due to lack of resource availability, impacting on costs and reputation  | 1/7/2023    | CEO                      | Business Manager - Governance | Cheryl Sloan  | New risk to replace Covid specific risks, as Covid is now BAU. Lessons learnt from previous pandemic, Council and partners are now setup to work remotely and able to continue to deliver services in the midst of a pandemic. There is an effective framework in place with Oxfordshire partners.  | Moderate                | 3            | Possible            | 3                | 9                      | Moderate        | 3            | Possible            | 3                            | 9                              | 0                             | Watching brief should a further pandemic be predicted   | Hold                          | Risk Acceptance & Retention                | Hold             | ➡     |
| ER3/IR9        | Fraud & Corruption Risk   | If the Council does not have controls, checks and measures in place when commissioning and procuring goods, works and services, there is a risk of fraud and / or corruption which may impact on cost, reputation, and services.  | 7/11/2023   | CEO                      | CFEU                          | Emma Cathcart | <p>Counter Fraud and Enforcement Unit (CFEU) in place to manage Fraud and Corruption and ensure that the Council and its employees understand the risks and have controls, checks and measures in place to mitigate this activity.</p> <p>CFEU report to the Council's Audit and Governance Committee.</p> <p>Employees receive regular training.</p> <p>CFEU test controls to ensure fit for purpose</p>   | Moderate                | 3            | Possible            | 3                | 9                      | Moderate        | 3            | Possible            | 3                            | 9                              | 0                             | CFEU currently developing service specific risk registers for fraud to further improve awareness and controls. Fraud Risk Strategy under review and Fraud Response Plan to be drafted. Any changes to processes / controls will be monitored / managed for any services which may transition from Publica to direct Council delivery.   | Ongoing                       | Risk Reduction                             | Open             | ➡     |
| ER4            | Refugees / Asylum Seekers   | <p>If there is an increase in refugees / asylum seekers into the District, the Council may need to find alternative accomodation which may impact on the Council in terms an increased demand on housing support and services.</p> <p>There is a risk of disorder / disruption and increase in community tension around the placement of refugees / asylum seekers</p>  | 28/10/2023  | Director of Place        | Director of Place             | Phil Martin   | Migrant hotels are currently in place across the County, <b>the numbers in the hotel in the district have steadily fallen over the past 3 months however churn is still relatively high, which may be changing</b> which may have an impact on housing support and other services <b>but additional resources are now available to any additional demand as a result of this.</b>   | Moderate                | 3            | Possible            | 3                | 9                      | Moderate        | 3            | Possible            | 3                            | 9                              | 0                             | <p>WoDC is working with Cottsway Housing to provide additional properties using the LA Housing Fund from the Home Office. The numbers now in the hotel are higher than they were 12 months ago and we are seeing considerable churn as the HO speeds up the processing of Asylum Claims, which is placing increased pressure on our housing teams and we have increased the capacity to meet this. No significant additional demand expected currently from ARAP/ACRS. New cohorts of refugees is BAU.</p> <p>5/25 Risk updated and increased to reflect current UK wide tensions.</p>  | Ongoing                       | Risk Reduction                             | Open             | ➡     |

| ID              | Risk / Opportunity Title                                 | Description of risk / opportunity / Impact   | Date raised | Risk / Opportunity Owner            | Responsible Officer           | Updated By     | Existing Control, Mitigation or Contingency  | Previous Residual Score |              |                     |                  | Current Residual Score |                 |              |                     | Change since previous review | Follow on Action (if required) | Target delivery date / Status | Management Strategy  | Status: Open, Hold, or Closed | Direction of Travel since previous review) |                  |       |
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|                 |  |  |             |                                     |                               |                |  | Impact category         | Impact score | Likelihood category | Likelihood score | Score                  | Impact category | Impact score | Likelihood category |                              |                                |                               |  |                               |  | Likelihood score | Score |
| Strategic Risks |  |  |             |                                     |                               |                |  |                         |              |                     |                  |                        |                 |              |                     |                              |                                |                               |  |                               |  |                  |       |
| SR1             | Major Civil Emergency                                    | District Councils are required to provide rest centres for the Public during a Civil Emergency. If staff are unwilling to come forward and volunteer with the running of a rest centre, there is a risk that the Council will be unable to fulfil its duty in providing a safe rest centre. If the Council is unable to provide a sustained response to a major civil emergency, the Council would be failing in fulfilling its statutory duty to assist and care for those affected.  | 1/1/2021    | CEO                                 | Business Manager - Governance | Cheryl Sloan   | Emergency planning team in place. Emergency Planning Process in place, with defined roles and responsibilities. Staff trained in their roles. 24/7 callout in place. Ongoing work with the Local Resilience Forum.   | Moderate                | 3            | Probable            | 4                | 12                     | Moderate        | 3            | Probable            | 4                            | 12                             | 0                             | WoDC Coordination Team and Rest Centres teams now in place, which is then supported by wider shared resource across Publica. Training completed for Coordination Team, Rest Centre Team and Duty Officers and Managers. Plans tested during recent floods due to Storm Bert when Tactical Coordinating Group (TCG) stood up. Dedicated WODC on call arrangements now in place. Staff are now remunerated for being on call to encourage volunteers to be part of the on call rota. All those who are on call have been trained and have been issued with on call packs. Work continues to review plans and work with the local resilience forum.<br><br>5/25 Difficult to reduce as likely to be caused by natural disaster e.g., flooding or major incident. Therefore, it is about our ability to respond and meet obligations under Civil Emergencies Act.  | Ongoing                       | Risk Reduction                             | Open             | ➡     |
| SR2             | Climate Emergency and Climate adaptation (reworded-risk) | The Council has declared a climate and ecological emergency and pledged to become carbon neutral by 2030. Failure to achieve carbon neutrality by 2030 would result in the Council not meeting this commitment. Failure to prepare adequately for climate change impacts through climate adaptation is likely to result in damage to the Council's assets and may also impact on the services we provide. Some carbon reduction and climate adaptation may require significant investment, particularly if the UK Government does not provide sufficient funding to support project delivery. Increasing cost of investment and capital expenditure is likely to make business cases difficult.  | 1/6/2023    | CEO                                 | Climate Change Manager        | Hannah Kenyon  | The Council has approved the Carbon Action Plan 2024-2030. The Oxfordshire Climate Adaptation Route Map has been endorsed by the Future Oxfordshire Partnership and the Oxfordshire local authorities are working through its implementation of the Oxfordshire Climate Adaptation Route Map. The Council's draft Climate Change Strategy 2025-2030 includes climate adaptation actions. External funding and s106 funding will be secured as far as possible to deliver carbon reduction and climate adaptation projects. | Moderate                | 3            | Possible            | 3                | 9                      | Moderate        | 3            | Possible            | 3                            | 9                              | 0                             | Progress against climate projects is reported through the Council's Project Governance Process.  | Ongoing                       | Risk Reduction                             | Open             | ➡     |
| SR4             | 5 Year land supply                                       | WODC being unable to demonstrate that it has an adequate 5-year supply of deliverable housing land in accordance with national policy. This position has been exacerbated and confirmed through the publication of the revised NPPF in December 2024 which introduced a new standard method for assessing housing need that has increased WODC's per annum requirement from 549 homes per year to 905 homes per year. This has had a direct effect on the Council's housing land supply position – effectively worsening it and thereby clearly engaging the 'tilted balance' set out in paragraph 11 of the NPPF whereby there is a presumption in favour of planning permission being granted unless any adverse impacts of doing so would significantly and demonstrably outweigh the benefits. The result is expected to be greatly increased pressure from speculative development and a much greater likelihood of 'planning by appeal'. | 12/9/2024   | Director of Governance & Regulatory | Head of Planning              | Chris Hargrave | Member Briefings / training to raise awareness. Proactive engagement with site promoters to obtain evidence of anticipated delivery. Local plan review to identify new site allocations Preparation of upated Housing and Economic Land Availability Assessment (HELAA).   | Moderate                | 3            | Almost certain      | 5                | 15                     | Moderate        | 3            | Almost certain      | 5                            | 15                             | 0                             | Member Briefings / training to raise awareness. WODC to continue to work with OCC in relation to proposed A40 improvements in order to provide greater clarity to developers and landowners. Continued engagement with developers and landowners of existing allocations and permissions to obtain clear and defensible information on anticipated delivery trajectories and to understand/potentially unblock any key constraints to delivery. Potential additional legal support to ensure timely completion of Section 106 agreements on larger sites. Preparation of updated Housing and Economic Land Availability Assessment (HELAA) to identify 'long-list' of potentially suitable sites. Timely progression of the new Local Plan to identify new draft site allocations drawing on the long-list referenced above. Progression of the Salt Cross Area Action Plan (AAP) to adoption by securing greater clarity from Government in relation to national policy on energy efficiency in new buildings and the status of the current Written Ministerial Statement (WMS) on this. Local Plan infrastructure evidence to identify necessary upgrades (e.g. foul water capacity) to help avoid the need for Grampian conditions.<br><br>5/25 Risk increased as NPPF was published on 12/12/24 and the housing target for WODC has nearly doubled | Ongoing                       | Risk Reduction                             | Open             | ➡     |
| SR4             | APSE Litigation Claim                                    | Thurrock Council is currently claiming £40m compensation claim over allegedly "negligent" valuations provided by APSE in relation to solar farm assets. The claim has been issued in High Court against 23 Local Authority Members. Currently WODC is not defendants to the claim, but if we were to become parties with the rest of the other parties, we would be looking at apportionment of any financial damages (and legal costs) between all members of APSE (circa 230 members). Compensation claims at between £42 - £54m   | 12/9/2024   | Director of Governance & Regulatory | Head of Legal Services        | Helen Blundell | Ongoing monitoring of the situation being undertaken by the Monitoring Officer and Legal Services  | Major                   | 4            | Remote              | 2                | 8                      | Major           | 4            | Remote              | 2                            | 8                              | 0                             | APSE has written to WODC to confirm that agreement has been reached to stay proceedings between the 23 representative defendant councils and Thurrock Council. This essentially means that with the consent of the court, through a court order, the legal proceedings are suspended. Whilst a court can lift the stay and resume proceedings at a later date, or by application of either party, in this case the stay is intended by the parties to allow Thurrock to reach the final determination of the proceedings it has taken against Mr Kavanagh, whether by way of judgment, including any appeals or by settlement.<br><br>05/25 The stay to proceedings withdraws the immediacy of the litigation risk against other APSE member councils.   | Hold                          | Risk Reduction                             | Open             | ➡     |

|                           |  |  |             |                          |   |              |   | Previous Residual Score |              |                     |                  |       | Current Residual Score |              |                     |                  |       | Change since previous review |  |         |                |      |   |
|---------------------------|--|--|-------------|--------------------------|---|--------------|---|-------------------------|--------------|---------------------|------------------|-------|------------------------|--------------|---------------------|------------------|-------|------------------------------|--|---------|----------------|------|---|
| ID                        | Risk / Opportunity Title                                       | Description of risk / opportunity / Impact   | Date raised | Risk / Opportunity Owner | Responsible Officer                           | Updated By   | Existing Control, Mitigation or Contingency   | Impact category         | Impact score | Likelihood category | Likelihood score | Score | Impact category        | Impact score | Likelihood category | Likelihood score | Score |                              |  |         |                |      |   |
| Partnership Risks         |  |  |             |                          |   |              |   |                         |              |                     |                  |       |                        |              |                     |                  |       |                              |  |         |                |      |   |
| PR1                       | Partnership deliverables (Ubico waste provider)                | <p>If the waste and environmental services partner (Ubico) does not meet their obligations under key contracts then it could lead to a fall in service standards, reduced customer service, a failure to meet legal requirements or an increase in costs to the Council and reputational impact</p> <p>Waste and Recycling - shortage of qualified HGV drivers, lack of loaders, could result in Ubico being unable to meet its obligations for waste, recycling collections and environmental services.</p> | 15/6/2023   | Director of Place        | AD Commercial Development                     | Bill Oddy    | WODC is a shareholder of Ubico, with significant control and influence over the company ensuring ongoing financial viability and affordability for the Council.<br>Contract Management in place to ensure Ubico deliver the service in-line with agreed specification and standards.<br>Performance reports presented to Council. | Major                   | 4            | Possible            | 3                | 12    | Major                  | 4            | Possible            | 3                | 12    | 0                            | A review of the service has been completed and will be reported to The Executive and Council in January 2025   | Ongoing | Risk Reduction | Open | ➡ |
| PR2                       | Failure of Leisure provider and partnership deliverables (GLL) | <p>If the leisure provider does not continue to deliver operationally including maintaining and improving operational performance, ensuring staff retention, maintaining financial stability, and retaining and growing its' customer base, there is a risk to the management fee, contract delivery and public dissatisfaction with the service.</p>  | 15/6/2923   | Director of Place        | AD - Property & Regeneration                  | Claire Locke | Work continues with GLL to make the service sustainable and affordable in the medium term.  | Major                   | 4            | Possible            | 3                | 12    | Major                  | 4            | Possible            | 3                | 12    | 0                            | <p>Working collaboratively to market services.</p> <p>Funding secured through Sport England Swimming Pool Support Fund. Strategic Leisure Manager now in post at WODC to focus on the mitigation of this risk.</p> <p>Monthly &amp; Quarterly meetings in place with leisure provider. Monitoring and management of KPIs.</p> <p>Retention strategy being developed to retain employees. Financial monitoring in place, as well as asset management.</p> <p>Preparation underway to review options as we near the end of the current contract term (Sept 25). Ahead of leisure contract renewal work is underway to ensure estate is in good repair and carbon efficient to achieve optimum contract offer. Condition surveys commissioned for leisure assets, Solar PV now live on Windrush and new SPSF allocation being progressed for Carterton.</p> | Ongoing | Risk Reduction | Open | ➡ |
| PR3                       | Partnership Deliverables (Publica)                             | <p>If Publica are unable to recruit/retain suitably qualified staff - impact on quality of services delivered, financial impact</p> <p>Services are not able to adequately discharge their (legal) obligations leading to failure - this may not be reported through the quarterly performance reports</p>   | 15/6/2023   | CEO                      | Interim Managing Director                     | Frank Wilson | <p>Introduction of career grade structures in Planning and Project Management</p> <p>Recruitment improvement plan in place</p> <p>Investors in People</p> <p>HR programme in place</p> <p>Shareholder Forum in place and implementing outcomes of LP report</p>   | Moderate                | 3            | Possible            | 3                | 9     | Moderate               | 3            | Possible            | 3                | 9     | 0                            | <p>Services identified under phase 1 have now been transferred from Publica to WODC. Work is now underway on phase 2 (See IR6) which is more complex. Enhanced pension scheme agreed.</p> <p>The future shape and size of Publica needs to be agreed to enable certainty to be provided to Publica staff, and for Publica to be able to progress with the development of future business plans, and people strategy.</p> <p>See IRS and IR6 for more detail.</p>   | Ongoing | Risk Reduction | Open | ➡ |
| Major Project Risks (MPR) |  |  |             |                          |   |              |   |                         |              |                     |                  |       |                        |              |                     |                  |       |                              |  |         |                |      |   |
| MR1                       | Failure to deliver WODC programme of major projects            | <p>If the Council does deliver on it's major projects, this could result in non delivery of Council priorities , cost increases, financial pressures and reputational damage</p>   |             | CEO                      | Assistant Director of property & regeneration | Claire Locke | <p>All projects require a detailed business case and sign off before proceeding.</p> <p>Project Manager appointed to manage all major projects</p> <p>Project reporting in place, including risk reporting on a monthly basis.</p>  | Moderate                | 3            | Possible            | 3                | 9     | Moderate               | 3            | Possible            | 3                | 9     | 0                            | <p>Due to inflation, project costs are increasing for major projects and the cost of borrowing is impacting, in some cases on the viability of businesses cases. This is being monitored on a case by case basis. On projects with notable cost risk, the Director of Finance and Chief Accountant are kept constantly updated as projects progress.</p>   | Ongoing | Risk Reduction | Open | ➡ |



|   |  |
|---|--|
|  <p><b>WEST OXFORDSHIRE<br/>DISTRICT COUNCIL</b></p> | <p><b>WEST OXFORDSHIRE DISTRICT COUNCIL</b></p>  |
| <p>Name and date of Committee</p>   | <p><b>AUDIT AND GOVERNANCE COMMITTEE - 26 JUNE 2025</b></p>  |
| <p>Subject</p>  | <p><b>2024/25 TREASURY OUTTURN</b></p>   |
| <p>Wards affected</p>   | <p>All</p>   |
| <p>Accountable member</p>   | <p>Cllr Smith Cabinet Member for Finance<br/>Email: <a href="mailto:alaric.smith@westoxon.gov.uk">alaric.smith@westoxon.gov.uk</a></p>   |
| <p>Accountable officer</p>  | <p>Madhu Richards, Director of Finance<br/>Email: <a href="mailto:Madhu.Richards@westoxon.gov.uk">Madhu.Richards@westoxon.gov.uk</a></p>   |
| <p>Report Author</p>  | <p>Sian Hannam, Treasury Accountant<br/>Email: <a href="mailto:sian.hannam@publicagroup.uk">sian.hannam@publicagroup.uk</a></p>  |
| <p>Purpose</p>  | <p>To advise members of treasury management activity and the performance of internal and external fund managers for 2024/25</p>  |
| <p>Annexes</p>  | <p>A – Cash Investments Outstanding at 31 March 2025</p>   |
| <p>Recommendations</p>  | <p>That the Audit and Governance Committee resolves to:<br/>I. Note the Treasury Management and performance of internal and external funds for 2024/25.</p>  |
| <p>Corporate Priorities</p>   | <ul style="list-style-type: none"> <li>• Putting Residents First</li> <li>• A Good Quality of Life for All</li> <li>• A Better Environment for People and Wildlife</li> <li>• Responding to the Climate and Ecological Emergency</li> <li>• Working Together for West Oxfordshire</li> </ul> |
| <p>Key Decision</p>   | <p>No</p>  |
| <p>Exempt</p>   | <p>No</p>  |
| <p>Consultees/ Consultation</p>   | <p>None</p>  |

## I. BACKGROUND AND SUMMARY

- I.1. The overall performance of our investments in 2024/25 was favourable, returning interest of £1,723,505 (4.54%) against a revenue budget of £1,156,230 with an unrealised capital loss, excluding the UBS pooled fund, of £68,347 (-2.24%) in the 12 months to 31st March 2025.
- I.2. The UBS pooled fund announced its closure in July 2024 and closed in September 2024. This resulted in a capital loss of £435,643 which has been funded through earmarked reserves.
- I.3. The capital value of our pooled funds has decreased by £68,347 and continued to be affected by uncertainty in the financial markets. The effect in 2024/25 was mostly positive due to buoyed global equities, resilient economic data and falling inflation. Pooled funds are intended to be long term investments where short-term fluctuations in capital value are expected but will provide capital appreciation over the long term.
- I.4. After an initial period of caution due to the likelihood of recession, the UK economy fared better than anticipated with a shallow recession, falling inflation and improved consumer confidence providing support for UK equities, with stocks trading at attractive valuations relative to their global peers.
- I.5. The Council has continued to benefit from higher revenue returns due to sustained higher interest rates, as the expected sharp decline in interest rates was delayed as the Bank of England Bank Rate continued to balance levels of inflation.
- I.6. The Council complied with the majority of the Prudential Indicators for 2024/25 as set in the February 2024 budget. Further details can be found in section 9 of this report.

## 2 Economic & Financial Markets Background

- 2.1 Both the UK and US elected new governments during the period, whose policy decisions impacted the economic outlook. The Chancellor of the Exchequer delivered her Spring Statement in March 2025, following her Budget in October 2024. Based on the plans announced, the Office for Budget Responsibility downgraded its predictions for UK growth in 2025 from 2% to 1%. However, it upgraded its predictions for the four subsequent years.

Inflation predictions for 2025 were increased to 3.2% from 2.6%, before falling back to target in 2027. The market reaction to the Spring Statement was more muted compared to the Budget, with very recent market turbulence being driven more by US trade policy decisions.

- 2.2 After revising its interest rate forecast in November following the Budget, the council's treasury management advisor, Arlingclose, maintained its stance that the Bank of England Base Rate will fall to 3.75% by the end of 2025.
- 2.3 The UK economy Gross Domestic Product (GDP) grew by 0.1% between October and December 2024, unrevised from the initial estimate. This was an improvement on the zero growth in the previous quarter, but down from the 0.4% growth between April and June 2024. Of the monthly

GDP figures, the economy was estimated to have contracted by 0.1% in January, worse than expectations for a 0.1% gain.

- 2.4 The Bank of England's Monetary Policy Committee (MPC) held the Base Rate at 4.5% at its March 2025 meeting, having reduced it in February. This follows earlier 0.25% cuts in November and August 2024 from the 5.25% peak. The meeting minutes showed the Bank also upgraded its Q1 2025 GDP forecast to around 0.25% from the previous estimate of 0.1%.

### Financial markets:

- 2.5 Financial market sentiment was reasonably positive over most of the period, but economic, financial and geopolitical issues meant the trend of market volatility remained. In the latter part of the period, volatility increased and bond yields started to fall following a January peak, as the economic uncertainty around likely US trade policy impacted financial markets. Yields in the UK and US started to diverge in the last month of the period, with the former rising around concerns over the fiscal implications on the UK government from weaker growth, business sentiment and higher rates, while the latter started falling on potential recession fears due to the unpredictable nature of policy announcements by the US President and their potential impact.
- 2.6 Financial market volatility is expected to remain a feature, at least in the short term and, credit default swap levels (where the buyer pays a premium to the seller for protection against any losses if the underlying asset i.e. a bond, defaults) will be monitored for signs of ongoing credit stress. As ever, the institutions and durations on the Authority's counterparty list recommended by Arlingclose remain under constant review.

### Local Context

- 2.7 The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while balance sheet resources are the underlying resources available for investment. These items are summarised in the tables below.

### Balance Sheet resources

| Balance Sheet Summary        | 31.3.25<br>Actual<br>£m | 31.3.26<br>Forecast<br>£m |
|------------------------------|-------------------------|---------------------------|
| General Fund CFR             | 29.41                   | 34.54                     |
| External borrowing           | 0                       | (3.35)                    |
| Internal borrowing           | 29.41                   | 31.19                     |
| Less Balance Sheet resources | (34.106)                | (35.472)                  |
| Net Investments              | (4.693)                 | (4.282)                   |

## Treasury Management Summary

|                           | 31.3.24<br>Balance<br>£m | Movement<br>£m | 31.3.25<br>Balance<br>£m | 31.03.25<br>Rate<br>% |
|---------------------------|--------------------------|----------------|--------------------------|-----------------------|
| <b>Total borrowing</b>    | <b>0</b>                 | <b>0</b>       | <b>0</b>                 | <b>0</b>              |
| Long-term investments     | 13.768                   | -1.834         | 11.934                   | 4.55                  |
| Short-term investments    | 0.077                    | -0.015         | 0.062                    | 4.53                  |
| Cash and cash equivalents | 2.135                    | 10.219         | 12.354                   | 4.53                  |
| <b>Total investments</b>  | <b>15.98</b>             | <b>8.37</b>    | <b>24.35</b>             | <b>4.54</b>           |

### 3. Investment Activities

- 3.1 A counterparty list recommended and reviewed by treasury management advisors Arlingclose is received monthly and the treasury team use this to evaluate options. The treasury team, as with 2023/24, still held the majority of in-house balances in liquid MMF's and Call Accounts, but throughout the year were able to take advantage of short-term deposits with the UK Debt Management Office (DMO) achieving higher rates than the MMF's. This enabled continued cash support for services the Council provides to the public and provided funding for the Council's capital programme, without the need to borrow.

### Treasury Investment Position

|                                       | 31.3.24<br>Balance<br>£m | Movement<br>£m | 31.3.25<br>Balance<br>£m | 31.03.25<br>Rate<br>% |
|---------------------------------------|--------------------------|----------------|--------------------------|-----------------------|
| Bank & building societies (unsecured) | 0                        | 0.051          | 0.051                    | 4.53                  |
| Money Market Funds                    | 2.135                    | 10.168         | 12.303                   | 4.53                  |
| - Equity & Multi Asset Income funds   | 9.201                    | -1.539         | 7.662                    | 4.55                  |
| - Bond income funds                   | 3.692                    | -0.047         | 3.645                    | 4.55                  |
| -Real Estate investment Trusts        | 0.953                    | -0.263         | 0.69                     | 3.00                  |
| <b>Total investments</b>              | <b>15.981</b>            | <b>8.37</b>    | <b>24.351</b>            |                       |

3.2 Both the CIPFA and the CLG's Investment Guidance require the Council to invest prudently and have regard to the security and liquidity of investments before seeking the optimum yield. This was maintained by following the Council's counterparty policy as set out in its Treasury Management Strategy Statement for 2024/25. Investments during the year included:

- Investments in AAA-rated Stable Net Asset Value Money Market Funds
- Call accounts and deposits with the UK Debt Management Office (DMO)
- Pooled funds (collective investment schemes) meeting the criteria in SI 2004 No 534 and subsequent amendments.
- Real Estate Investment Trust (REIT)
- Housing Association Bond

3.3 As demonstrated by the liability benchmark in this report, the Council expects to be a long-term borrower and new treasury investments are therefore primarily made to manage day-to-day cash flows using short-term low risk instruments. The existing portfolio of strategic pooled funds will be maintained to diversify risk into different asset classes and boost investment income.

3.4 The progression of risk and return metrics are shown in the Arlingclose quarterly investment benchmarking report; the results of which are summarised in the table below.

#### Investment Benchmarking - Treasury investments managed in-house

|             | Credit Score | Credit Rating | Bail-in Exposure | Weighted Average Maturity (days) | Rate of Return % |
|-------------|--------------|---------------|------------------|----------------------------------|------------------|
| 30.09.2024  | 4.92         | A+            | 89%              | 10                               | 4.94             |
| 31.12.2024  | 4.59         | A+            | 74%              | 10                               | 4.90             |
| 31.03.2025  | 4.83         | A+            | 100%             | 1                                | 4.54             |
| Similar LAs | 4.79         | A+            | 63%              | 54                               | 4.69             |
| All LAs     | 4.77         | A+            | 64%              | 8                                | 4.65             |

## 4. Investment Background

- 4.1 The Council holds significant invested funds, representing income received in advance of expenditure plus balances and reserves held. During 2024/25, the Council's investment balance ranged between £3.115 million and £30.775 million. These balances included £9.480m of external loans to Cottsway and Southill Solar, £11.996m in Pooled Funds and £12.354 in cash balances invested in MMFs. Cash balances fluctuate significantly due to the timing differences in collecting Council Tax, Business Rates, Fees and Charges and government funding and money going out for Precepts and paying the Council's bills.
- 4.2 Multiple years of funding the capital programme with internal borrowing has reduced cash reserves and there is an expectation that the Council will need to borrow to fund future capital expenditure. Processes are in place to manage cashflow effectively and reduce the need for large buffers of cash on hand. Managing working capital more effectively reduces our need to borrow and ensures we are earning the maximum amount of return from long term pooled funds.

### Investment Returns

- 4.3 Interest earned in 2024/25 from investments held was £851,309 from short-term and overnight deposits, and £872,196 from Pooled Funds, Extended Loans and Bonds. The return on an average investment balance of £18.073m was 4.79%. The net surplus of £567,275 above the budget for the year is made up of an additional £70,151 from Pooled Funds and the Housing REIT, and £497,124 from Bank of England Debt Management Office (Central Government) short term deposits and overnight deposits with Money Market Funds and Call Accounts.
- 4.4 Investments of £11.996m in Pooled Funds returned 4.55% in dividends and made an unrealised loss of 2.24% (£0.068m) on its capital value compared to a £0.439m gain in 2023/24 (see table below). The capital values as at 31<sup>st</sup> March 2025 stand at £11.244m, £1.174m lower than the original investments, of this £435,643 relates to the loss on closure of the UBS fund in September 2024. In 2024/25 we have seen an extension of uncertain financial markets with interest rates maintained higher as a response to unstable inflation. Bond yields continued to be volatile, in contrast global equities were buoyed by healthy corporate earnings, resilient economic data and moderating inflation and the view central banks had reached the peak of their rate tightening cycles.

## 5. Externally Managed Funds

5.1 Ten years ago the Council decided to invest £12m over several pooled funds. Some of the original funds have been sold and then re-invested into new ones. The performance of each of the current Pooled Funds can be seen in the table below.

### Current Pooled Funds

| Fund Manager               | Original Investment<br>£ | Value 31.03.24<br>£ | Value 31.03.25<br>£ | Dividends Received 2024/25<br>£ | 2024/25 Gain/(Loss)<br>£ | Gain/(Loss) vs Original Investment<br>£ |
|----------------------------|--------------------------|---------------------|---------------------|---------------------------------|--------------------------|---|
| <b>Closed Funds</b>        |                          |                     |                     |                                 |                          |   |
| UBS (B/E) (Sold Sept 2024) | 2,000,000                | 1,466,417           | 0                   | 38,104                          | 36,140                   | (435,643)                               |
| <b>Open Funds</b>          |                          |                     |                     |                                 |                          |   |
| Schroders (E)              | 1,000,000                | 890,477             | 951,479             | 65,985                          | 61,003                   | (48,521)                                |
| Threadneedle UK (E)        | 1,000,000                | 1,093,543           | 1,139,932           | 44,384                          | 46,389                   | 139,932                                 |
| CCLA Cautious Fund (B/E)   | 3,000,000                | 2,908,273           | 2,751,339           | 90,272                          | (156,933)                | (248,661)                               |
| M&G Strategic (B)          | 2,000,000                | 1,827,489           | 1,760,300           | 87,079                          | (67,188)                 | (239,700)                               |
| Royal London (B)           | 1,982,791                | 1,842,579           | 1,862,609           | 90,170                          | 20,030                   | (120,182)                               |
| Aegon (L)                  | 3,000,000                | 2,786,106           | 2,778,320           | 153,694                         | (7,786)                  | (221,680)                               |
| Total – current funds      | 11,982,791               | 11,348,467          | 11,243,979          | 531,584                         | (104,485)                | (738,812)                               |

(L = Liquidity; B= Bond; E= Equity)

Liquidity = transferable to cash within 2 days

Bond = effectively a loan

Equity = stocks & shares

5.2 These monies are invested in externally managed strategic pooled bond, equity, and multi-asset funds where short-term security and liquidity are lesser considerations when compared with short term cash deposits, and the objectives instead are regular revenue income and long-term price stability. In 2024/25, these funds generated a total dividend return of £0.570m (4.55%) - income that is used to support services in year, and £0.068m (2.24%) of capital loss.

5.3 Further to consultation Ministry of Housing, Communities and Local Government (MHCLG) wrote to finance directors in England in February 2025 regarding the statutory override on accounting for gains and losses in pooled investment funds. The statutory override will be extended to 1st April 2029 for investments already in place before 1st April 2024. Unrealised gains and losses from fair value movements in pooled funds, that would otherwise have been recognised in the revenue account will instead continue be taken into an unusable reserve.

5.4 The investment income budget for 2024/25 was set at £1,156,230. Actual investment receipts exceeded budget by £567,275 with an overall level of return of 4.54% with an average investment balance of £18.073m for the financial year. The overall performance is shown in the table below:

Table 2 Investment Performance 2024/25

| Investment Performance:<br>1 <sup>st</sup> April 2024 to 31 <sup>st</sup> March 2025 | Pooled Funds | In-House Investments | Housing REIT | External Loans | Total             |
|--|--------------|----------------------|--------------|----------------|-------------------|
| Budget (£)   | 500,479      | 354,185              | 28,500       | 273,066        | <b>1,156,230</b>  |
| Budgeted return (%)  | 4.07         | 4.84                 | 2.85         | 3.50           |                   |
| Average Balances (£)   | 12,064,991   | 17,500,381           | 1,000,000    | 9,560,939      | <b>40,126,311</b> |
| Interest earned (£)  | 569,688      | 851,309              | 30,000       | 272,508        | <b>1,723,505</b>  |
| (Over)/Under Budget (£)  | (69,209)     | (497,124)            | (1,500)      | 558            | <b>(567,275)</b>  |
| Gross rate of Return (%)   | 4.55         | 4.53                 | 3.00         | 2.85           | <b>4.54</b>       |

## 6. Borrowing Strategy and Activity

6.1 As outlined in the Treasury Management Strategy, the Council's main objective when borrowing has been to strike an appropriately low risk balance between securing lower interest costs and achieving cost certainty over the period for which funds are required, with flexibility to renegotiate loans should the Council's long-term plans change being a secondary objective. The Council's borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio and, where practicable, to maintain borrowing and investments below their underlying levels, sometimes known as internal borrowing.

6.2 At 31st March 2025 the Council had no borrowing.

## 7. Compliance with Prudential Indicators

7.1 The Council can confirm that it has complied with the majority of its Prudential Indicators for 2024/25, which were set in February 2024 as part of the Council's Treasury Management Strategy and Capital Strategy. In compliance with the requirements of the CIPFA Code of Practice this report provides members with a summary report of the treasury management activity during 2024/25. None of the Prudential Indicators have been breached and a prudent approach has been taken in relation to investment activity with priority being given to security and liquidity over yield.



## Debt Limits

|           | 2024/25<br>Maximum | 31.3.25<br>Actual | 2024/25<br>Operational<br>Boundary | 2024/25<br>Authorised<br>Limit | Complied?<br>Yes/No |
|-----------|--------------------|-------------------|------------------------------------|--------------------------------|---------------------|
| Borrowing | 0                  | 0                 | £33.57m                            | £40.57m                        | Yes                 |

The Director of Finance reports that all treasury management activities undertaken during the year complied with the principles in the Treasury Management Code and the Council's approved Treasury Management Strategy. Compliance with specific investment limits is demonstrated in the table below.

## Investment limits

|  | 2024/25<br>Maximum<br>£m | 31.3.25<br>Actual<br>£m | 2024/25<br>Limit<br>£m | Complied?<br>Yes/No |
|--|--------------------------|-------------------------|------------------------|---------------------|
| Any single organisation, except the UK Government    | 3                        | 0                       | 5                      | Yes                 |
| Any group of organisations under the same ownership  | 3                        | 0                       | 5                      | Yes                 |
| Any group of pooled funds under the same management  | 0                        | 0                       | 5                      | Yes                 |
| Limit per non-UK country                             | 0                        | 0                       | 1                      | Yes                 |
| Registered providers and registered social landlords | 9.8                      | 9.448                   | 10                     | Yes                 |
| Unsecured investments with banks                     | 3                        | 0                       | 10                     | Yes                 |
| Money Market Funds                                   | 15                       | 12.315                  | 25                     | Yes                 |
| Strategic pooled funds                               | 14                       | 12                      | 25                     | Yes                 |
| Real Estate Investment Trusts                        | 1                        | 1                       | 5                      | Yes                 |

## 8. Looking Forward

8.1 The Bank of England chose to cut (BoE) Bank Rate in May 2025 to 4.25% due to global uncertainty and a more pessimistic economic outlook but counterbalancing the expectation of rising inflation in Q3 2025. The MPC will continue to adopt its current cautious stance in its approach to further rate reductions. Arlingclose expect rate cuts from Q3 2025 to a low of around 3.75% by December 2025. Private sector wage growth and services inflation remain elevated but wage pressures are expected to ease. Employment has peaked and employment growth is likely to remain weak in the short term.

8.2 When the capital values of our pooled funds have recovered, we will have the option of cashing in some of our investments in order to support the capital programme, but the Council will need to balance the need to generate a revenue return from interest - which supports the delivery of front-line services, against the cost of external borrowing. If the return from Treasury Management activity is higher than the cost of borrowing, then it would be wise to retain the pooled funds as the long-term investments they were intended to be. There are also implications to our status as a professional investor under MiFID 2 if we reduce our balance of external investments below £10m.

## 9. Treasury Management Prudential Indicators

9.1 As required by the 2021 CIPFA Treasury Management code, the Council monitors and measures the following prudential indicators.

Liability Benchmark – the liability benchmark is a valuable tool to help establish whether the Council is likely to be a long-term borrower or long-term investor and so shapes its strategic focus and aids decision making. It represents an estimate of the cumulative amount of outstanding debt the Council must hold to fund its current capital and revenue plans while keeping treasury investments at the minimum level of £4m required to manage day-to-day cash flow.

|                                     | 2024/25<br>Actual £m | 2025/26<br>Forecast £m | 2026/27<br>Forecast £m |
|-------------------------------------|----------------------|------------------------|------------------------|
| Capital Financing Requirement (CFR) | 29.41                | 34.54                  | 38.95                  |
| Less usable reserves                | (34.11)              | (31.82)                | (27.54)                |
| Less working capital                | (17.54)              | (13.40)                | (13.40)                |
| Net loans requirement               | (22.23)              | (10.68)                | (1.99)                 |
| Plus liquidity allowance            | 14.00                | 14.00                  | 14.00                  |
| Liability benchmark                 | (8.23)               | 3.32                   | 12.01                  |

An increasing liability benchmark demonstrates that the Council will become a long term borrower.

## 9.2 Long Term Treasury Management Investments

The purpose of this indicator is to control the Council's exposure to the risk of incurring losses by seeking early repayment of its investments. The prudential limits on the long-term treasury management limits are:

|   | 2024/25 | 2025/26 | 2026/27 | No fixed date |
|---|---------|---------|---------|---------------|
| Limit on principal invested beyond year end | £25m    | £25m    | £25m    | £25m          |
| Actual principal invested beyond year end   | 0       | n/a     | n/a     | £12m          |
| Complied?                                   | Yes     | Yes     | Yes     | Yes           |

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

## 9.3 Security

|                                 | 2024/25 Target | 31.3.25 | Complied? |
|---------------------------------|----------------|---------|-----------|
| Portfolio average credit rating | A-             | A+      | Yes       |

The Council has adopted a voluntary measure of its exposure to credit risk by monitoring the value-weighted average credit rating of its investment portfolio. This is calculated by applying a score to each investment (AAA=1, AA+=2, etc.) and taking the arithmetic average, weighted by the size of each investment. Unrated investments are assigned a score based on their perceived risk.

## 9.4 Interest Rate Exposure

This indicator is set to control the Council's exposure to interest rate risk. The Bank Rate decreased from 5.25% on 1st April 2024 to 4.5% in February 2025, it remained at this level to 31st March 2025.

| Interest rate risk indicator   | 2024/25 Target | 31.03.25  | Complied? |
|--|----------------|-----------|-----------|
| Upper limit on one-year revenue impact of a 1% <u>rise</u> in interest rates | (135,000)      | (226,381) | No        |
| Upper limit on one-year revenue impact of a 1% <u>fall</u> in interest rates | 135,000        | 226,381   | No        |

The impact of a change in interest rates is calculated on the assumption that maturing loans and investment will be replaced at new market rates. The approved Treasury Management Strategy assumed a lower average balances than actual creating a higher impact on the 1% rise indicator. Non compliance with this indicator is not of concern, it simply means our investments made more in interest than we anticipated at budget setting.

## 10. Non Treasury Management Prudential Indicators

The Authority measures and manages its capital expenditure, borrowing and service investments with references to the following indicators. It is now a requirement of the CIPFA Prudential Code that these are reported on a quarterly basis.

10.1 The Council has undertaken and is planning capital expenditure as summarised below.

|                       | 2024/25 actual<br>£m | 2025/26 forecast<br>£m | 2026/27 forecast<br>£m |
|-----------------------|----------------------|------------------------|------------------------|
| General Fund services | 6.34                 | 16.16                  | 2.865                  |

The Capital Strategy approved in February 2024 has reduced the level of capital investment over the life of the MTFS until interest rates have fallen sufficiently for the cost of capital for projects to be affordable. The Capital, Treasury Management and Investment strategies have all been updated as part of the 2024/25 budget setting process.

### Capital Financing Requirement

|                       | 31.3.2025 actual | 31.3.2026 forecast | 31.3.2027 forecast |
|-----------------------|------------------|--------------------|--------------------|
| General Fund services | 23.43            | 29.74              | 33.33              |
| Capital investments   | 5.98             | 5.80               | 5.62               |
| <b>TOTAL CFR</b>      | <b>29.41</b>     | <b>35.54</b>       | <b>38.95</b>       |

### 10.3 Gross Debt and the Capital Financing Requirement

Statutory guidance is that debt should remain below the capital financing requirement, except in the short term. The Authority has complied and expects to continue to comply with this requirement in the medium term as is shown below.

|                               | 31.03.2025<br>actual | 31.03.2026<br>Forecast | 31.03.2027<br>Forecast |
|-------------------------------|----------------------|------------------------|------------------------|
| Debt (Incl. PFI & leases)     | 0                    | 3.35                   | 3.85                   |
| Capital Financing Requirement | 29.41                | 34.54                  | 38.95                  |

### 10.4 Debt and the Authorised Limit and Operational Boundary

The Authority is legally obliged to set an affordable borrowing limit (also termed the Authorised Limit for external debt) each year. In line with statutory guidance, a lower “operational boundary” is also set as a warning level should debt approach the limit.

|                        | Maximum<br>debt<br>2024/25 | Debt at<br>31.3.25 | 2024/25<br>Authorised<br>Limit | 2024/25<br>Operational<br>Boundary | Complied?<br>Yes/No |
|------------------------|----------------------------|--------------------|--------------------------------|------------------------------------|---------------------|
| Borrowing              | 0                          | 0                  | 40.57                          | 33.57                              | Yes                 |
| PFI and Finance Leases | 0                          | 0                  | 0                              | 0                                  | Yes                 |
| <b>Total debt</b>      | <b>0</b>                   | <b>0</b>           | <b>40.57</b>                   | <b>33.57</b>                       |                     |

### 10.5 Net Income from Commercial and Service Investments to Net Revenue Stream

The Authority’s income from commercial and service investments as a proportion of its net revenue stream is indicated below.

|                                  | 2024/25<br>Actual £m | 2025/26<br>Forecast £m | 2026/27<br>Forecast £m | 2027/28<br>Forecast<br>£m |
|----------------------------------|----------------------|------------------------|------------------------|---------------------------|
| Investment Property Investments  | 3.27                 | 3.27                   | 3.27                   | 3.27                      |
| Service Investments              | 1.33                 | 1.24                   | 1.40                   | 1.40                      |
|                                  | 4.56                 | 4.63                   | 4.63                   | 4.63                      |
| Net Revenue Stream               | 16.95                | 18.49                  | 15.31                  | 14.86                     |
|                                  |                      |                        |                        |                           |
| Proportion of Net Revenue Stream | 26.92%               | 25.06%                 | 30.26%                 | 31.18%                    |

## 10.6 Proportion of Financing costs to Net Revenue Stream

Although capital expenditure is not charged directly to the revenue budget, interest payable on loans and MRP / loans fund repayments are charged to revenue. The table shows revenue expenditure related to financing costs as a direct proportion of our available funding.

|                                  | 2024/25<br>Actual £m | 2025/26<br>Forecast £m | 2026/27<br>Forecast £m | 2027/28<br>Forecast<br>£m |
|----------------------------------|----------------------|------------------------|------------------------|---------------------------|
| Interest Payable                 | 0.00                 | 0.09                   | 0.16                   | 0.15                      |
| MRP                              | 0.52                 | 0.56                   | 0.69                   | 0.69                      |
| Total borrowing costs            | 0.52                 | 0.64                   | 0.86                   | 0.84                      |
| Net Revenue Stream               | 16.95                | 18.49                  | 15.31                  | 14.86                     |
| Proportion of Net Revenue Stream | 3.06%                | 3.48%                  | 5.59%                  | 5.66%                     |

## 10.7 Conclusion

Overall, the Q4 position is positive, with above budget returns on investment income and the collective pooled fund capital values remaining stable with some recovering faster than others. The Base rate has started to be cautiously lowered which means that Investment Recovery & capital projects could become more financially viable and meet the criteria of the Council's Investment Strategy.

### 11. Financial Implications

There are no financial implications arising from this report.

### 12. Legal Implications

There are no legal implications arising from this report.

### 13. Risk Assessment

None required as a result of this report.

### 14. Equalities Impact

No direct equalities impact with regards to the content of this report.

### 15. Climate and Ecological Emergencies Implications

None.

### 16. Background Papers


None.

**SCHEDULE OF CASH INVESTMENTS OUTSTANDING AT 31 MARCH 2025**

| Name of Counterparty              | Value Date | Nominal Amount (£) | Maturity Date | Rate of Interest | Fitch Credit Rating |
|-----------------------------------|------------|--------------------|---------------|------------------|---------------------|
| Lloyds Treasury Direct            | 31.03.2025 | 50,000             | 01.04.2025    | 4.34%            | AA-                 |
| Deutsche Asset & Wealth           | 31.03.2025 | 4,170,000          | 01.04.2025    | 4.52%            | AAA/MMF             |
| Federated Investors (UK) LLP      | 31.03.2025 | 5,000,000          | 01.04.2025    | 4.53%            | AAA/MMF             |
| Invesco Global Asset Management   | 31.03.2025 | 3,095,000          | 01.04.2025    | 4.53%            | AAA/MMF             |
| Fundamentum Social Housing REIT   | 31.03.2025 | 1,000,000          | 01.04.2025    | 3.00%            | N/A                 |
| Cottsway 2 Housing Association    | 31.03.2025 | 1,880,243          | 16.01.2070    | 3.41%            | A                   |
| Cottsway 2 Housing Association    | 31.03.2025 | 1,780,679          | 20.05.2070    | 2.87%            | A                   |
| Cottsway 2 Housing Association    | 31.03.2025 | 3,820,774          | 30.09.2070    | 2.00%            | A                   |
| Southill Solar Limited            | 31.03.2025 | 1,966,251          | 31.10.2035    | 3.85%            | NA                  |
| <b>TOTAL IN-HOUSE INVESTMENTS</b> |            | <b>22,762,947</b>  |               |                  |                     |

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|---|--|
| <br><b>WEST OXFORDSHIRE<br/>DISTRICT COUNCIL</b> | <b>WEST OXFORDSHIRE DISTRICT COUNCIL</b>   |
| <b>Name and date of<br/>Committee</b>   | <b>AUDIT AND GOVERNANCE COMMITTEE – 26 JUNE 2025</b>   |
| <b>Subject</b>  | <b>ANNUAL GOVERNANCE STATEMENT 2024/25 AND ACTION PLAN 2025/26</b>   |
| <b>Wards affected</b>   | <b>All</b>   |
| <b>Accountable member</b>   | Councillor Andy Graham, Leader of the Council<br>Email: <a href="mailto:andy.graham@westoxon.gov.uk">andy.graham@westoxon.gov.uk</a>   |
| <b>Accountable officer</b>  | Andrea McCaskie, Director of Governance and Regulatory Services,<br>Monitoring Officer<br>Email: <a href="mailto:andrea.mccaskie@westoxon.gov.uk">andrea.mccaskie@westoxon.gov.uk</a>  |
| <b>Report author</b>  | Cheryl Sloan, Business Manager for Governance, Risk and Business<br>Continuity<br>Email: <a href="mailto:cheryl.sloan@publicagroup.uk">cheryl.sloan@publicagroup.uk</a>  |
| <b>Summary/Purpose</b>  | This report provides the Audit and Governance Committee with an<br>updated Annual Governance Statement for 2024/25 and an Annual<br>Governance Action plan for 2025/26   |
| <b>Annexes</b>  | <b>Annex A – Annual Governance Statement 2024/25 and Action Plan 2025/26</b>   |
| <b>Recommendation(s)</b>  | That the Annual Governance Committee: <ol style="list-style-type: none"> <li>1. Approve the 2024/25 Annual Governance Statement and Action Plan 2025/26 for sign off by the Chief Executive Officer and the Leader of the Council, and</li> <li>2. Agree to receive updates on progress against the key actions at future meetings.</li> </ol> |
| <b>Corporate priorities</b>   | <b>All</b>   |
| <b>Key Decision</b>   | <b>No</b>  |
| <b>Exempt</b>   | <b>No</b>  |

|                             |     |
|-----------------------------|-----|
| Consultees/<br>Consultation | N/A |
|-----------------------------|-----|

## **1. BACKGROUND**

- 1.1** The Audit and Governance Committee is the Committee of the Council charged with overseeing governance.
- 1.2** Regulation 4 of The Accounts and Audit Regulations 2011 require the Council to produce an Annual Governance Statement (AGS), setting out the Council's governance arrangements.

## **2. Annual Governance Statement and Action Plan**

- 2.1** The AGS is backward looking, detailing the governance arrangements which were in place for the previous financial year (2024/25). This also shows the progress which was made against the Annual Governance Action plan for 2024/25.
- 2.2** The Annual Governance Action plan, is forward looking, setting out the areas of improvement / focus for the current financial year (2025/26).
- 2.3** There are 8 key actions within the 2025/26 Annual Governance Action plan, three of which have been carried over from 2024/25, these include:
  - New service delivery models
  - Council Constitution
  - Business Continuity
  - Procurement
  - LGR / Devolution
  - Service Plans
  - Financial Management
  - WODC specific policies
- 2.4** The Action Plan identifies the specific tasks that will be undertaken in the respective areas of focus and sets timescales for their completion. The Action Plan will also include a RAG rating to show whether the actions are on target, off target but action being taken to ensure delivery or off target and no action has yet been agreed to resolve the situation.
- 2.5** Updates on progress will be presented to future Audit and Governance Committee meetings.

## **3. FINANCIAL IMPLICATIONS**

- 3.1** There are no direct financial implications arising from this report.

## **4. LEGAL IMPLICATIONS**

- 4.1** There are no direct legal implications arising from this report.

## **5. RISK ASSESSMENT**

- 5.1** If the Council's governance arrangements are weak then Council is at risk of failing to safeguard the use of public funds. In turn this would lead to poor external assessments, damaging the reputation of the Council. The areas of focus for the 2025/26 financial year identified in the AGS provide a clear set of priorities for the continual improvement of governance and mitigation of risk.

## **6. EQUALITIES IMPACT**

- 6.1** An equalities impact assessment is not required for this report.

## **7. CLIMATE AND ECOLOGICAL EMERGENCIES IMPLICATIONS**

- 7.1** There are no climate or ecological emergency implications arising directly from this report.

## **8. BACKGROUND PAPERS**

- 8.1** The following documents have been identified by the author of the report in accordance with section 100D.5(a) of the Local Government Act 1972 and are listed in accordance with section 100 D.1(a) for inspection by members of the public:

- Annual Governance Statement 2024/25
- Statement of Accounts for 2024/25

- 8.2** These documents will be available for inspection online at [www.westoxon.gov.uk](http://www.westoxon.gov.uk) or by contacting democratic services [democratic.services@westoxon.gov.uk](mailto:democratic.services@westoxon.gov.uk) for a period of up to 4 years from the date of the meeting.

## **ANNUAL GOVERNANCE STATEMENT 2024/2025**

### **I. SCOPE OF RESPONSIBILITY**

West Oxfordshire District Council ('the Council') is responsible for ensuring that:

- Its business is conducted in accordance with the law and proper standards;
- Public money is safeguarded and properly accounted for;
- Public money is used economically, efficiently and effectively; and
- There is a sound system of governance, incorporating the system of internal control

The Council has a Best Value duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging these responsibilities, the Council is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, and including arrangements for the management of risk.

The Council has developed and approved a Local Code of Corporate Governance ('the Code'), which is consistent with the core principles and sub-principles as set out in the CIPFA/SOLACE "Delivering Good Governance in Local Government: Framework (2016)" ('the Framework'). This statement explains how the Council has complied with the Code and also meets the requirements of Regulation 6(1)(a) of the Accounts and Audit Regulations 2015 (England) which requires the Council to conduct a review at least once a year on the effectiveness of its system of internal control and include a statement reporting on the review with any published Statement of Accounts.

In addition to this, CIPFA issued its 'Statement on the Role of the Chief Finance Officer in Local Government (2015)'. The Annual Governance Statement ('the AGS') reflects compliance with this statement for reporting purposes.

### **2. THE PURPOSE OF THE GOVERNANCE FRAMEWORK**

The governance framework comprises the systems and processes, and culture and values, by which the Council is directed and controlled including activities through which it accounts to, engages with and leads its communities. It enables the Council to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost effective services.

The system of internal control is a significant part of the governance framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to:

- Identify and prioritise the risks to the achievement of the Council's policies, aims and objectives;

- Evaluate the likelihood of those risks occurring;
- Assess the impact should those risks occur; and
- Manage the risks efficiently, effectively and economically

The governance framework has been in place at the Council for the year ended 31 March 2025 and up to the date of approval of the Annual Statement of Accounts.

While financial savings have been delivered over the last few years, we have identified some areas where more resources are required, so additional support has been given in some areas and further reviews are being undertaken.

During 2024-25 the residents of West Oxfordshire have continued to face the challenges presented by the cost of living crisis. The Council has adapted the delivery of its services to meet the changing needs of the residents whilst coping with the financial challenges faced by all local authorities. Single year settlements restrict our ability to confidently plan for more than one year in advance and there is continued uncertainty over the timing of funding changes, such as Business Rates reset and phasing out of New Homes Bonus.

The general and wage inflation also puts additional pressure on the financial position of the council and the possibility of a new government does nothing to alleviate this challenging financial outlook.

### **3. THE GOVERNANCE ENVIRONMENT**

The key elements of the Council's governance arrangements are outlined in the Code. The governance framework includes arrangements for:

- Identifying and communicating the Council's vision of its purpose and intended outcomes for citizens and service users;
- Reviewing the Council's vision and its implications for the Council's governance arrangements;
- Measuring the quality of services for users, ensuring that they are delivered in accordance with the Council's priorities and ensuring that they represent the best use of resources;
- Defining and documenting the roles and responsibilities of the Executive, Non-Executive including Scrutiny and Officer functions, with clear delegation arrangements and protocols for effective communication;
- Developing, communicating and embedding codes of conduct, defining the standards of behaviour for Members and employees;
- Establishment of a Members' Constitution Working Group to review and update Financial Rules, Contract Rules, Schemes of Delegation, Codes and Protocols, which clearly define how decisions are taken and the processes and controls required to manage risks;
- Ensuring effective counter-fraud and anti-corruption arrangements are developed and maintained;
- Ensuring the Council's financial management arrangements conform with the governance requirements of the *CIPFA* Statement on the Role of the Chief Financial Officer in Local Government (2015);

- Undertaking the core functions of an Audit and Governance Committee, as identified in CIPFA's Audit Committees: Practical Guidance for Local Authorities;
- Ensuring compliance with relevant laws and regulations, internal policies and procedures, and that expenditure is lawful;
- Arrangements for whistleblowing and for receiving and investigating complaints;
- Risk based Internal Audit Strategy and Annual Plan;
- Identifying the development needs of Members and Senior Officers in relation to their strategic roles, supported by the appropriate learning and development opportunities;
- Establishing clear channels of communication with all sections of the community and other stakeholders, ensuring accountability and encouraging open consultation;
- Incorporating good governance arrangements in respect of partnerships, including shared services and other joint working and reflecting these in the Council's overall governance arrangements;
- Reports from external bodies such as the Local Government & Social Care Ombudsman, HM Revenue & Customs, Information Commissioner, Investigatory Powers Commissioner and Planning Inspectorate.
- Overview & Scrutiny Committee represents a public forum through which Councillors can monitor the implementation of the Council's policies and the quality of its services; make recommendations on the discharge of the Council's functions and/or matters effecting the district and hold the Executive to account for their decisions and actions.

The main areas of the Council's governance framework, and the key evidence of delivery, are set out below, under the headings of the core principles and sub-principles from the CIPFA/SOLACE "Delivering Good Governance in Local Government: Framework (2016)

**A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law**

- Behaving with Integrity
- Demonstrating strong commitment to ethical values
- Respecting the rule of the law

- The roles and responsibilities of Members generally and all office holders are set out in the Council's Constitution, along with the way in which the various elements of the Council interact and complement each other. The Constitution is supported and underpinned by a separate Code of Conduct for Members and a joint Member / Officer Protocol, which sets out guidelines as to behaviour and practical issues. This is further supported by Publica's<sup>1</sup> Business Conduct rules which set out guidelines for staff on behavioural issues and the Council's Employee Code of Conduct.
- The Council's Constitution is kept under constant review. This process is overseen by the Constitution Working Group which has a busy programme of work and recommends

<sup>1</sup> Publica Group (Support) Limited is a local authority owned company, jointly owned by Cheltenham Borough Council and Cotswold, Forest of Dean and West Oxfordshire District Councils.

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improvements and updates to full Council. In 2024/25 full Council adopted a Members Planning Code of Good Practice, a Communications Protocol and a Protocol for Recording at Meeting. Council also agreed changes to the Council's Contract Procedure Rules, Council Procedure Rules, Statutory and Proper Officer Functions, Standards Sub-Committee Procedure Rules, the Member/Officer Protocol and introduced the Probity in Planning Guidance document.

- Declarations are made at meetings by Members, where appropriate, and are recorded in the minutes of the meeting and on the Council website. The Members' Code of Conduct requires Members to complete a register of interests and these are also recorded and published on the Council website.
- Registers of interest are reviewed and updated annually by Members and published on the Council's website. The register of gifts, hospitality and sponsorship has been reviewed and approved at the Audit and Governance Committee on March 2024. All declarations received by Members are recorded by the Monitoring Officer.
- An employee declaration is completed annually by all staff. A register of gifts and hospitality is maintained by the Business Manager, Governance and is reviewed by the Monitoring Officer.
- The Council has a recently updated Employee Code of Conduct in place.
- All HR policies, 29 in total, have been reviewed and approved by Council.
- The Monitoring Officer and Section 151 Officer report directly to the Head of Paid Service and are members of the Senior Leadership Team.
- Internal audit reviews are designed to ensure services are complying with internal and external policies and procedures / statutory legislation. Where non-compliance is identified, this is reported to Management and to Members via the Council's Audit & Governance Committee.
- The Whistleblowing Policy was included within the Constitution in 2024/25. A counter-fraud unit working across Gloucestershire and West Oxfordshire helps prevent and detect fraud and corrupt practices, including misuse of power. The service reports to the Audit and Governance Committee and the Publica Board's Audit and Risk Assurance Committee twice a year.
- Training is compulsory for Members exercising regulatory functions through the Development Control Committee and its Lowlands and Uplands area planning sub-committees, the Standards Sub-Committee (of the Audit and Governance Committee) and the Licensing Committee and its two sub-committees.
- An annual summary of Member Code of Conduct Complaints is considered by the Audit and Governance Committee, most recently on 26 September 2024 and lessons learnt endorsed.
- There are safeguards in the Constitution for handling planning and licensing applications from Members and Officers and the Probity in Planning Guidance was adopted by Council in 2024/25.
- Meetings are minuted, with decisions and key actions recorded appropriately. The Council continues to publish key decisions, in line with legal best practice.



- The Council provides regular updates to Members through a programme of monthly member briefing sessions on key Council services and major issues affecting the district (e.g. local government reorganisation and devolution).
- There is an annual programme of member training which is overseen by the Audit and Governance Committee each March. Members also now have access to selected courses via the Council's e-learning platform, and are signposted to external training opportunities e.g. through the LGA. The Communications Service remains fully mobilised to ensure communications through all our channels to support public health advice / information / messaging and Council service and support information to reach audiences externally and internally.

#### **B. Ensuring openness and comprehensive stakeholder engagement**

- Openness
  - Engaging comprehensively with institutional stakeholders
  - Engaging with individual citizens and service users effectively
- Annual accounts are published in a timely manner to help communicate the Council's financial position and performance.
  - The Council's Corporate Plan 2023 - 2027 was reviewed and adopted in January 2023. This is available on the Council website setting out the Council's vision and corporate priorities.
  - A new communications protocol was approved by Council in January 2024 setting out the role of the Team and the way in which it supports the Council including during sensitive periods, such as pre-election periods, was approved by Council in January 2024.
  - All Committee, Executive and Council reports clearly outline their purpose, so the community can understand what is trying to be achieved. Reports also address financial, legal, equalities, risk and climate and ecological implications to aid understanding of the potential impact of their recommendations.
  - The roles and responsibilities of the Executive, Non-Executive, Scrutiny and Officer functions are defined in the Council's Constitution.
  - A Scheme of Delegation of powers to Officers is included within the Constitution.
  - Communication channels for Publica and Council employees include one-to-ones and team meetings. Corporate communications include weekly update emails and an online portal.
  - A Customer Feedback form is available publicly for handling comments, complaints and compliments and the Council's website includes different ways for customers to give feedback or access services. A customer satisfaction survey was carried out on the telephone service provided, with the Council receiving high satisfaction scores being ranked third in the country.
  - A new customer complaints process was in 2024/25 taken through the Audit & Governance Committee and approved for introduced in April 2025 which complies with the newly published Ombudsman Code for Complaint Handling.
  - Ensuring clear channels of communication with all sections of the community and other stakeholders.
  - A new protocol for webcasting all Council Committee Meetings was approved in January 2024 at Full Council enabling greater transparency and community engagement in Council

Meetings following the refurbishment to the Council Chamber into a multi-functional venue available for hire by the wider community. This continues to be in place.

- The ability for members of the public to ask questions at Executive, Full Council and Committee meetings.
- A report is produced quarterly regarding the performance of the Council's services and the achievement of its aims and objectives. The report is presented to the Executive, discussed at the Overview & Scrutiny Committee and published on the Council's website. The format of the report has been enhanced to provide a narrative and clearer information on Council priorities and KPI's.
- The Council publishes transparency data on its website which includes supplier payments, senior management structure charts and the Annual Pay Policy Statement. Where data is not available in the published data sets, instructions are available on how to make a Freedom of Information requests and the procedure that will be followed to answer the requests.
- A Locality Leadership Team, comprising the Head of Paid Service, the S151 Officer, Monitoring Officer and Publica Directors, meet monthly to discuss projects, performance and risks and reports to be brought forward to the Executive.
- A report on the Council's Strategic Partnerships is considered by Full Council annually.

#### **C. Defining outcomes in terms of sustainable economic, social, and environmental benefits**

- Defining outcomes
- Sustainable economic, social and environmental benefits

- The Council's vision and corporate priorities are contained within the Council Plan 2023 - 2027 which was adopted by Council in January 2023. This sets out the high-level areas of focus, and what the Council hopes to achieve on its own or in partnership with others. These priorities are supported by the Code of Corporate Governance as good governance should underpin all the work of the Council.
- An annual business planning process is also conducted by Publica, which is informed by the corporate priorities, legislation and government guidance. All the areas of focus (corporate priorities) are underpinned by the following principles:
  - Putting Residents First
  - Enabling a Good Quality of Life for All
  - Creating a Better Environment for People and Wildlife
  - Responding to the Climate and Ecological Emergency
  - Working together for West Oxfordshire
- Detailed proposals arising from the corporate priorities are individually assessed and are included within decision making reports.
- Budget Procedure Rules have been adopted to ensure full engagement in the budget cycle.
- Contract Procedure Rules have been updated and approved by Council following the implementation of the Procurement Act 2023.
- The financial implications of delivering against the Council's priorities are included within the Council's Medium Term Financial Strategy ('MTFS'), revenue budgets and capital programme.

These key financial documents are updated annually during the budget setting process. Variance to budget is reported quarterly.

- As part of its MTFS the Council assesses its forecast financial position and updates its assumptions about the resources available to, and the investment needs of, the Council.
- The Council is facing continued financial pressure from general and wage inflation. These are being incorporated into subsequent iterations of the MTFS and mitigations regarding costs are being developed.
- A Transformation Group has been established to help steer the Council's response to the challenging financial environment, guide the preparation of a sustainable MTFS consistent with the Council Plan, and oversee the delivery of the Council's work programme in terms of service transformation, investment and revenue generation.

#### **D. Determining the interventions necessary to optimise the achievement of the intended outcomes**

- Determining interventions
  - Planning interventions
  - Optimising achievement of intended outcomes
- 
- The Council has, with three other councils, created a company, Publica Group (Support) Ltd, to deliver more efficient and improved services. Where appropriate, processes have been or are being aligned to ensure consistency across the partner councils, without compromising local priorities. In recognition that Publica is a significant contractor of the Council, the Council monitors its performance by:
    - Considering Publica's Annual Report at Council;
    - Considering Publica's draft Business Plan annually at the Overview and Scrutiny Committees and Executive in February/March each year;
    - Requiring representatives from Publica to attend the Overview & Scrutiny Committee to support discussion on quarterly performance and other reports;
    - Receiving monthly "Keeping You Connected" updates by email from Publica to all Members;
    - Inviting Publica senior Officers to attend monthly Informal Executive meetings to discuss progress against the Business Plan and Corporate Plan
    - Creation of quarterly WoDC retained Officers/Publica Executives meetings where performance and progress against Corporate Plan priorities is a key agenda item.
  - A review of Publica was undertaken, and in response to this, a number of services have been transferred from Publica to direct council delivery. All other services continue to be delivered by Publica.
  - The Council will be running a business planning process to ensure service delivery is aligned to the Council Plan and MTFS. This is part of the Corporate Planning and Performance Framework which sets out how the Council proactively manages its services and performance to ensure a high level of service delivery and progress against the Council Plan.

- In addition to the creation of Publica, the Council continues to secure savings through improved use of its assets and investments.
- The Council is also a Shareholder in Ubico, which delivers the Council's environmental services including waste and recycling collection services. The Council is focusing on ensuring effective governance arrangements are in place for this wholly owned company.
- The Council has processes in place to identify and respond to external changes, for example: changes to legislation and regulation, emerging risks and opportunities. Corporate processes such as risk management, performance management processes, budget monitoring and other management processes are designed to capture and incorporate these external factors and to enable the Council to respond appropriately.
- The strategic risk register is reviewed regularly by the Senior Leadership Team, Informal Executive, and reported to the Audit & Governance Committee. This has been reviewed to ensure all required risks are escalated and reported.
- Projects and services retain their own risk registers and should elevate any high or strategic risks to the Senior Leadership Team and Publica as appropriate for consideration. The Management Team reviews risk registers bi-monthly and escalates any emerging risks to the strategic register which is considered by Informal Executive and A&G Committee on a quarterly basis. Significant progress has been made in improving the identification and reporting of risks and improved communication and processes to ensure risks are appropriately escalated to the strategic register and visible to the Senior Leadership Team.
- Key performance indicators are measured and reported quarterly. Significant work has been undertaken to develop service performance reports which are present to the Executive and the Overview & Scrutiny Committee.
- Budgets are prepared annually in accordance with objectives, strategies and the MTFS, following consultation with residents, Members and Officers. The budget procedures rules, contained in the Constitution, were reviewed and amended in November 2023.
- The MTFS is a live document and can be reviewed, updated and reported as necessary, to respond to the changing environment.

As we move forward, we will continue to analyse the impact of the cost-of-living crisis and how that may impact our strategic priorities. The Council will continue to work with residents and local businesses to review and respond to their changing needs.

#### **E. Developing the entity's capacity, including the capability of its leadership and the individuals within it**

- Developing the entity's capacity
- Developing the capability of the entity's leadership and other individuals
- The Council is developing a People Strategy to ensure it has the right employees, in the right places to deliver its services and the Council Plan, building on the work delivered through Publica. It will also cover how the Council supports its employees, helps them develop professionally and manage performance. This will be in place during the 25/26 Financial Year.

- The Constitution contains schemes of delegation for executive and non-executive (Council) functions. These are reviewed and revised as structures change.
- Financial Procedure Rules are in place and are currently being reviewed with an updated version due to be presented to the Constitution Working Group and full Council during 2025/26.
- An induction programme is available to new employees and Members. Training is also provided for both Members and Officers on an on-going basis as appropriate and necessary. Members on certain Committees (e.g., Planning, Standards and Licensing) are required to undertake training before attending the Committee meetings, and to attend further training to remain up to date and improve their knowledge.
- Officers undertake regular 121 meetings with their line manager. As part of these 121 meetings, Officers discuss work plans/tasks and any training requirements associated with the successful delivery of the work plan. Officers are encouraged to complete Continuing Professional Development as relevant to their professional qualifications and service areas hold budgets to ensure that training can be undertaken to maintain skills and knowledge.
- Training is also provided for Officers on an on-going basis as appropriate and necessary with CPD being undertaken by Officers accredited to professional bodies.
- The Head of Paid Service, the Section 151 Officer, the Monitoring Officer and the Leader of the Council have clear statutory responsibilities. Roles and responsibilities are contained within the Constitution along with the Member/Officer Protocol and Monitoring Officer Protocol.
- The Ihasco online training facility has been further developed to create a suite of mandatory and service specific training. Selected courses can now also be accessed by Members.
- Mandatory Officer Cyber Ninja training has been undertaken with a specific tailored on-line module created for and rolled out to Members. Data Protection training will also be rolled out to Members during 2025/26.
- A Leadership Development Programme has been run for senior managers within Publica and the Council. All Senior Managers have received Carbon Literacy training with Silver accreditation being achieved.

#### **F. Managing risks and performance through robust internal controls and strong public financial management**

- Managing risk
- Managing performance
- Robust internal control
- Managing data
- Strong public financial management

- The Council explains and reports regularly on activities, performance and the Council's financial position through reports to its Executive and Committees. Timely, objective and understandable information about the Council's activities, achievements, performance and financial position is provided. This includes publication of:
  - Quarterly Performance Reports, publicly reported to the Executive.
  - Externally audited accounts including an Annual Governance Statement.
- The Senior Leadership Team reviews the Strategic Risk Register on a bi-monthly basis and also presents the Strategic Risk Register to informal Executive. The Strategic Risk Register is reported to the Audit & Governance Committee on a twice-yearly basis.
- Risks are identified when undertaking Internal Audit reviews and reported when necessary. The Council, through the S151 Officer, is able to flag any areas of concern to be added to the work of the Internal Audit team in the coming year.
- The work of the Internal Audit team is reviewed and challenged by both the S151 Officer and the Audit and Governance Committee.
- Performance Management measures the quality of service for users to ensure services are delivered in accordance with the Council's objectives and represent best use of resources.
- Performance is measured on a regular basis through the quarterly KPI dashboards and reported to Members and the Executive.
- Minutes of meetings are published and highlight the challenge made by Members to Officers and to Executive Members.
- The Internal Audit service is provided by South-West Audit Partnership Internal Audit Services ('SWAP') and is run in partnership with other local authorities.
- A risk-based Audit Plan is drafted annually following consultation with Officers, Members and the S151 Officer. The Audit Plan is approved at the Audit & Governance Committee prior to the financial year.
- Audit reports, once completed, are discussed with the service manager. Executive summaries, including findings, and progress on the Annual Plan are reported to the Audit & Governance Committee, on a quarterly basis.
- Recommendations made in audit reports are followed up 6 months after the completion of the audit and priority 1 and 2 findings are reported to the Audit & Governance Committee. Recommendations not implemented within that time scale are reported to the S151 Officer and to the Audit & Governance Committee.
- The Audit & Governance Committee's Terms of Reference are contained within the Constitution. Training is provided to Members on various aspects of the Committee's functions and responsibilities (internal audit, external audit, statement of accounts, risk, counter-fraud, treasury).
- The CIPFA self-assessment was carried out by the Audit & Governance Committee in the last quarter of 2023/24 with the results being assessed at Committee in March 2024 recommending to Council to reduce the numbers on the Committee from 15 to 11, not to appoint Executive Members, to recruit up to two IP's and produce a tailored training programme. These recommendations were agreed at the Annual Council meeting in May

2024. The Council has since successfully recruited 2 Independent Members who provide challenge and support to the Committee as non-voting members.

- The Counter Fraud and Enforcement Unit supports the Council and other third parties. Where investigations identify possible improvements to the internal control framework the Counter Fraud and Enforcement Unit will liaise with the Internal Audit team to ensure the improvements are followed up and implemented by management.
- The Council's Data Protection Officer has responsibility for Data Protection policies and ensuring that Officers and Members are informed and appropriately trained. The Council has appointed the Director of Place as the SIRO.
- The Council has invested in its cyber security capability to increase its resilience against a cyber-attack, by implementing additional security solutions, recruiting additional staff and resourcing an ongoing training programme to maintain the impact of this investment.
- Audit reviews ensure data is held securely whether electronically or hard copy.
- The MTFS is reviewed and updated on a regular basis by the Section 151 Officer to ensure that the Head of Paid Service, Monitoring Officer and Members are aware of the financial standing of the Council.
- A review was undertaken of the Overview and Scrutiny function one-year on from the replacement of three committees with a single committee. A survey was circulated to all Members and Senior Officers and the results were reported to the Constitution Working Group and the Overview and Scrutiny Committee in spring 2025. The report identified a number of further improvements to the function and a proposal to reduce the size of the Overview and Scrutiny Committee from 24 to 15 Members will be considered at the Annual Council meeting in May 2025.
- The Independent Remuneration Panel met in January 2025 to undertake a mid-term review of the Council's Members' Allowances Scheme 2023-27. The recommendations of the IRP will be considered by full Council in July 2025.

**G. Implementing good practices in transparency, reporting, and audit to deliver effective accountability**

- Implementing good practice in transparency
- Implementing good practices in reporting
- Assurance and effective accountability

- Data in respect of transparency is published on the Council's website.
- The Council's Statement of Accounts is produced and published annually in accordance with statutory legislation. Aligned with this is the production of the Annual Governance Statement which identifies how the Council has met its governance reporting obligations.
- External Audit recommendations are reported to the Audit & Governance Committee, following the completion of their annual audit process, follow-ups of recommendations are also reported.
- Internal Audit processes ensure compliance with Public Sector Internal Auditing Standards. Internal Audit recommendations are followed up and reported to the Audit & Governance Committee, further follow-up is planned if recommendations have not been actioned in full.
- The Council has a process for the receipt and processing of freedom of information requests made under the Freedom of Information Act and environmental information requests under Environmental Information Regulations. The process has been reviewed during 2024/25 to improve efficiency.
- There is a presumption that all reports and the associated annexes to be considered in public meetings will be published. The Council's Legal Officer is consulted in circumstances where reports or annexes contain information which is considered to be exempt from publication.

**4. REVIEW OF EFFECTIVENESS**

The Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of the senior managers, the annual opinion from the Head of Internal Audit, the Officer Corporate Governance Group and comments made by the External Auditors and other review agencies and inspectorates.

**The Council's process for maintaining and reviewing the effectiveness of the governance framework has included the following:**

Statutory Officers, Directors, Executive Directors, Assistant Directors and Heads of Service/Business Managers are required to complete an Annual Assurance Statement at the end of the financial year. These governance declarations provide appropriate management assurance that key elements of the system of internal control are in place and are working effectively and help to identify areas for improvement.

The Senior Leadership Team (including the Chief Executive, Section 151 Officer, the Monitoring Officer and Directors) review the Strategic Risk Register on a bi-monthly basis and Service/Project Risk Registers are maintained by each Head of Service/Business Manager.



A Governance Group meets quarterly to discuss and action matters such as staff declarations of interests/gifts and hospitality, audit recommendations, cyber security and GDPR updates/breaches register and counter fraud updates.

The SWAP Assistant Director (Head of Internal Audit) provides the Audit & Governance Committee, as the Committee charged with governance, with an Annual Opinion on the control environment of the Council, which includes its governance arrangements.

Investigation of, and decisions on, allegations of failure to comply with the Members' Code of Conduct are considered and determined by the Monitoring Officer and the Standards Sub-Committee taking into account the views of the Independent Person.

The Council have three Independent Persons ('IP's') as a result of appointing an additional two IP's, under the Localism Act 2011, during 2023/24 to ensure resilience if there was an absence or conflict of interest situation.

Induction processes are provided for newly elected Members, including a comprehensive welcome pack and training on the Code of Conduct.

Training and awareness sessions are carried out for the Audit & Governance Committee in relation to Informal/External Audit functions, risk, counter fraud, the statement of accounts and treasury annually.

Bishop Fleming have been appointed, by the Public Sector Audit Appointments (PSAA), as the External Auditors for the period 2023/24 to 2027/28.

The External Auditors present regular progress reports to the Audit and Governance Committee.

The External Auditor's Annual Audit Letter and follow-up of management responses to issues raised in the Letter or other reports are overseen by the Audit & Governance Committee.

Quarterly performance reports, including the budget position, are presented to the appropriate Member panel and Executive, demonstrating performance management against agreed performance indicators and budgets.

The Audit & Governance Committee reviews the Annual Statement of Accounts, including the final AGS, the Treasury Management Strategy and quarterly progress reports from both Internal Audit (SWAP) and External Audit (Bishop Fleming).

Full Council approves the annual budget and reviews and approves the Treasury Management Strategy, following recommendations from the Audit & Governance Committee.

Internal Audit monitors the quality and effectiveness of systems of internal control. Audit reports include an opinion that provides management with an independent judgement on the adequacy and effectiveness of internal controls. Reports including recommendations for improvement are detailed in an action plan agreed with the relevant Director/Head of Service/Business Manager.

The Annual Internal Audit Opinion for 2024/2025, in respect of the areas reviewed during the year, was one of “Reasonable” Assurance, that there is a generally sound system of governance, risk management and control in place.

The Council’s Financial Rules and Contract Rules are kept under review and revised periodically, with new Contract Procedure Rules adopted in March 2025 and the Financial Procedure Rules currently under review.

Other explicit review/assurance mechanisms, such as the Annual Report from the Local Government & Local Care Ombudsman and reports from SWAP or Bishop Fleming are also reviewed.

## 5. REVIEW OF GOVERNANCE ACTION PLAN FOR 2024/2025

When preparing its 2023/2024 statement the Council identified a number of areas which required focus and attention. These have been actively monitored throughout the year and progress by the end of March 2025 is detailed in the table below:

|   | Key Area of Focus           | Planned Actions   | Update   | Responsible Officer / Date | Status   |
|---|-----------------------------|---|--|----------------------------|----------|
| 1 | Freedom of Information      | <ul style="list-style-type: none"> <li>Improve response times to Freedom of Information requests to ensure compliance with the relevant Act</li> <li>Publish a greater range of information to reduce the need to respond to regularly made Freedom of Information requests</li> </ul>  | <ul style="list-style-type: none"> <li>Review undertaken and now performing above 90%</li> <li>Work underway to further develop website and internal guidance for Managers</li> </ul>  | BM Gov<br>31/03/25         | Complete |
| 2 | Complaints Process          | <ul style="list-style-type: none"> <li>Introduce a revised customer complaints process which aligns to the new Customer Complaints Code issued by the Local Governance following a two rather than three stage process.</li> </ul>  | <ul style="list-style-type: none"> <li>New complaint process approved and ready for implementation on 1 April 2025</li> </ul>  | BM Gov<br>31/03/25         | Complete |
| 3 | New service delivery models | <ul style="list-style-type: none"> <li>Conclude the review of future service delivery options to make sure the solutions needed for the council to achieve financial stability can be achieved, given the MTFS shortfall over the years ahead</li> <li>Insourcing services back from Publica and examine the priorities for a new service delivery model</li> <li>Implement options for efficiency and transformation</li> <li>Develop new values and behaviours</li> </ul> | <ul style="list-style-type: none"> <li>Phase 1 successfully transferred on 1 November 2024</li> <li>Phase 2 recommendation being presented at Overview &amp; Scrutiny, Exec and Council in March.</li> <li>Phase 2 transfer date, if approved, 1 July 2025</li> <li>Decision to 'pause' following phase 2 due to Devolution / Local Government Reorganisation</li> <li>New values and behaviours under development with WODC employees.</li> </ul> | CEO<br>31/03/25            | Complete |

|   |  |  |  |                      |                            |
|---|--|--|--|----------------------|----------------------------|
| 4 | Council Constitution                       | <ul style="list-style-type: none"> <li>Undertake a full review of the Council's Constitution and Scheme of Delegation to reflect the new service delivery model</li> </ul>   | <ul style="list-style-type: none"> <li>The Council constitution has been reviewed following the transfer of services under phase 1.</li> <li>This action will carry over into next financial year, as a further review will need to be completed when the phase 2 transition of services is complete.</li> </ul>   | DG<br>31/03/25       | Complete                   |
| 5 | Emergency Planning and Business Continuity | <ul style="list-style-type: none"> <li>Ensure the Council has resilience and can respond effectively in the event of a significant local incident under the new service delivery model</li> <li>Further develop business continuity plans to ensure they are robust and fit for purpose under the new service delivery model</li> <li>To test the business-critical Business Continuity Plans (BCPs) in 2024-25</li> </ul> | <ul style="list-style-type: none"> <li>Locality on-call, response team and rest teams now in place.</li> <li>On-call by locality will commence from 1 April 2025</li> <li>Employees who hold a role in Emergency Planning have all been trained and ongoing training is in place.</li> <li>BCPs have been reviewed annually and services which have transferred have reviewed their BCPs for any changes.</li> <li>BCP process being reviewed inline with best practice and any changed will be implemented over the next 12-18 months.</li> </ul> | BM Gov<br>31/03/25   | Complete<br><br>Carry over |
| 6 | Risk Management                            | <ul style="list-style-type: none"> <li>To review the Risk Management Policy</li> <li>To complete a risk maturity self-assessment</li> </ul>  | <ul style="list-style-type: none"> <li>Risk Policy is currently being reviewed.</li> <li>Risk maturity self-assessment will be undertaken by Internal Audit</li> </ul>   | BM Gov<br>31/03/25   | Complete                   |
| 7 | Review of Audit and Governance Committee   | <ul style="list-style-type: none"> <li>To appoint two independent persons to Audit and Governance Committee</li> <li>Restrict membership to Non-Executive members reducing the number on committee from 17 to 11 with up to two independent persons recruited.</li> </ul>  | <ul style="list-style-type: none"> <li>A&amp;G Committee has a reduced number of Cllrs, 11, with membership restricted to Non-Executive Members</li> <li>Two Independent Persons have been recruited to A&amp;G for a 4-year term</li> </ul>   | DG & CFO<br>31/03/25 | Complete                   |
| 8 | Financial Management                       | <ul style="list-style-type: none"> <li>To review the financial procedure rules and financial processes to be completed in</li> </ul>   | <ul style="list-style-type: none"> <li>The financial Rules and processes are currently in the process of being reviewed</li> </ul>   | CFO<br>31/03/25      | Carry over                 |

|   |             |  |   |                     |                                   |
|---|-------------|--|---|---------------------|-----------------------------------|
|   |             | against the CIPFA Financial Management Code.   | in advance of being submitted to the Constitution Working Group (CWG) and Council for approval in the next financial year.  |                     |                                   |
| 9 | Procurement | <ul style="list-style-type: none"> <li>• Implementation of the Procurement Act 2023 and subsequent revision of contract procedure rules</li> <li>• To train officers as required.</li> </ul> | <ul style="list-style-type: none"> <li>• The act is now live and contract procurement rules will be presented to CWG and Council for approval in March.</li> <li>• Training is scheduled for the new Financial Year.</li> <li>• A toolkit is being developed for use by officers who undertake procurement</li> </ul> | BP Proc<br>31/03/25 | <p>Complete</p> <p>Carry over</p> |

## 6. GOVERNANCE ACTION PLAN FOR 2025 - 2026

In preparing this statement for 2024/25 and reviewing the effectiveness of the governance arrangements as part of our continuous improvement approach, a number of areas have been identified where the Council needs to focus attention and improve arrangements over the next financial year 2025/26. These areas of work are planned to strengthen the control framework and are set out in the table below and due to be completed by 31/03/26.

|   | Key Area of Focus           | Planned Actions   | Update | Responsible Officer / Date | Status |
|---|-----------------------------|---|--------|----------------------------|--------|
| 1 | New service delivery models | <ul style="list-style-type: none"> <li>To complete the phase 2 transition of services</li> <li>To ensure new services are embedded into the WODC culture</li> </ul>   |        | CEO<br>31/03/2026          |        |
| 2 | Council Constitution        | <ul style="list-style-type: none"> <li>Undertake a full review of the Council's Constitution and Scheme of Delegation to reflect the new service delivery model following phase 2 transfer of services</li> </ul>                               |        | DG<br>31/03/2026           |        |
| 3 | Business Continuity         | <ul style="list-style-type: none"> <li>Further develop business continuity plans to ensure they are robust and fit for purpose under the new service delivery model</li> <li>To test the business-critical Business Continuity Plans</li> </ul> |        | BM Gov<br>31/03/2026       |        |
| 4 | Procurement                 | <ul style="list-style-type: none"> <li>To ensure officers are trained and competent in the new Procurement Act 2023</li> <li>To develop a toolkit for use by officers who undertake procurement</li> </ul>                                      |        | BP Proc<br>31/03/2026      |        |
| 5 | LGR / Devolution            | <ul style="list-style-type: none"> <li>To ensure WODC and our partner organisations are prepared / ready in advance of LGR / Devolution</li> </ul>  |        | CEO<br>31/03/2026          |        |

|   |                        |   |  |   |  |
|---|------------------------|---|--|---|--|
|   |                        | <ul style="list-style-type: none"> <li>To place our staff in the best position possible, through training, development and support.</li> <li>To ensure WODC are in the best financial position possible pre and post LGR / Devolution.</li> </ul> |  |   |  |
| 6 | Service Plans          | <ul style="list-style-type: none"> <li>To have service plans in place for all business areas, delivered directly by the council and its partners</li> </ul>   |  | Service / Business Managers<br>30/06/2026 |  |
| 7 | Financial Management   | <ul style="list-style-type: none"> <li>The Financial Procedure Rules are currently in the process of being reviewed in advance of being submitted to the Constitution Working Group (CWG) and Council for approval later in the year</li> </ul>   |  | CFO<br>31/03/2026                         |  |
| 8 | WODC specific policies | <ul style="list-style-type: none"> <li>To ensure all WODC specific policies are up to date and comply with relevant legislation</li> <li>To produce new policies and procedures where required.</li> </ul>  |  | Service / Business Managers<br>31/03/2026 |  |

**7. APPROVAL OF LEADER AND CHIEF EXECUTIVE**

We have been advised on the implications of the result of the review of the effectiveness of the governance framework and that the arrangements continue to be regarded as fit for purpose in accordance with the governance framework.

**Signed on behalf of West Oxfordshire District Council:**


**Andy Graham  
Leader of the Council**

**Date:  
(END)**

**Giles Hughes  
Chief Executive**

**Date:**



|   |   |
|---|---|
|  <p><b>WEST OXFORDSHIRE<br/>DISTRICT COUNCIL</b></p> | <p><b>WEST OXFORDSHIRE DISTRICT COUNCIL</b></p>   |
| <p>Name and Date of Committee</p>   | <p><b>AUDIT AND GOVERNANCE – 26 JUNE 2025</b></p>   |
| <p>Subject</p>  | <p><b>ANNUAL REPORT ON CODE OF CONDUCT COMPLAINTS – 1 SEPTEMBER 2024 TO 31 MARCH 2025</b></p>   |
| <p>Wards Affected</p>   | <p>None</p>   |
| <p>Accountable Member</p>   | <p>Councillor Carl Rylett – Chair of Audit and Governance Committee.<br/>Email: <a href="mailto:carl.rylett@westoxon.gov.uk">carl.rylett@westoxon.gov.uk</a></p>  |
| <p>Accountable Officer</p>  | <p>Andrea McCaskie – Director of Governance.<br/>Email: <a href="mailto:andrea.mccaskie@westoxon.gov.uk">andrea.mccaskie@westoxon.gov.uk</a></p>  |
| <p>Report Author</p>  | <p>Andrew Brown – Head of Democratic and Electoral Services.<br/>Email: <a href="mailto:andrew.brown@westoxon.gov.uk">andrew.brown@westoxon.gov.uk</a></p>  |
| <p>Summary/Purpose</p>  | <p>To advise the Committee of the number and status of Code of Conduct complaints received and considered by the Council's Monitoring Officer in the period from 1 September 2024 to 31 March 2025.</p> |
| <p>Annexes</p>  | <p>None</p>   |
| <p>Recommendation(s)</p>  | <p>That the Audit and Governance Committee resolves to:<br/>I. Note the report.</p>   |
| <p>Corporate Priorities</p>   | <ul style="list-style-type: none"> <li>Working Together for West Oxfordshire</li> </ul>   |
| <p>Key Decision</p>   | <p>NO</p>   |
| <p>Exempt</p>   | <p>NO</p>   |
| <p>Consultees/<br/>Consultation</p>   | <p>N/A</p>  |

## **1. BACKGROUND**

- 1.1** The Council has in place complaint handling arrangements to enable an individual to make a formal complaint that an elected or co-opted member of West Oxfordshire District Council, or a Town or Parish Council within the district area, has failed to comply with their Council's Member Code of Conduct. The complaint handling arrangements seek to ensure that complaints are dealt with fairly and are resolved informally where appropriate.
- 1.2** The Audit and Governance Committee is responsible for promoting high standards of ethical behaviour by developing, maintaining and monitoring the Members' Code of Conduct. The Committee has appointed a Standards Sub-Committee, which has responsibility for undertaking hearings to determine whether or not a member has breached the Code of Conduct.
- 1.3** The Committee is also responsible for receiving a report, at least annually, from the Council's Monitoring Officer with a summary of conduct complaints, trends and key issues arising. This report is to update the Committee on the numbers of Code of Conduct complaints received and the outcomes of those complaints. It also identifies any issues or learning points arising from the complaints.
- 1.4** The previous annual report was presented to the Audit and Governance Committee on 26 September 2024 and covered the reporting period 1 September 2023 to 31 August 2024. This report covers the following period from 1 September 2024 up to 31 March 2025, in order to align the reporting period with financial years. The intention is that, going forwards, the Audit and Governance Committee will consider a report covering the previous financial year at its scheduled meeting each June,
- 1.5** The Committee on 26 September 2024 recommended to Council the adoption of revised complaint handling arrangements and Standards Sub-Committee procedure rules following a review of these arrangements by officers and the Council's three Independent Persons who are consulted on standards matters. These updated arrangements were adopted by full Council on 27 November 2025 (during the reporting period) and remain in force.

## **2. NUMBER AND STATUS OF CODE OF CONDUCT COMPLAINTS RECEIVED**

- 2.1** Table 1 below sets out the numbers of Code of Conduct complaints received by the Council's Monitoring Officer in the period from 1 September 2024 to 31 March 2025, broken down by district and town/parish members, and at which stage of the complaint process the complaints were resolved.
- 2.2** During the reporting period 5 new code of conduct complaints were received, all of which have been concluded. A further complaint which pre-dated the reporting period (shown as awaiting assessment in the 26 September 2024 report) was also concluded within this reporting period.
- 2.3** The number of complaints received during the 7-month reporting period is perhaps slightly lower than might normally be expected at less than one complaint per month, on average.

The early indications from 2025-26 suggest that this was a relatively quiet period, rather than the start of a trend.

**Table 1: Summary of complaint resolution by stage of the process**

| Stage of complaints process resolved | Outcome                            | # District | # Town or Parish |
|--------------------------------------|------------------------------------|------------|------------------|
| Assessment stage                     | No action – complaint withdrawn    |            |                  |
|                                      | No action - complaint dismissed    | 1          | 4                |
|                                      | Local resolution                   |            | 1                |
|                                      | Awaiting Local Assessment          |            |                  |
| Investigation stage                  | No action – complaint dismissed    |            |                  |
|                                      | Local resolution                   |            |                  |
|                                      | Not Pursued - Resignation          |            |                  |
| Local hearing stage                  | No breach found                    |            |                  |
|                                      | Breach found and sanctions applied |            |                  |
| <b>Total #</b>                       |                                    | <b>1</b>   | <b>5</b>         |
| <b>Overall Total #</b>               |                                    | <b>6</b>   |                  |

- 2.4** The table shows that all six complaints were resolved at the assessment stage, with one resolved by way of a local resolution and the remainder dismissed. The local resolution involved a town councillor updating their register of interests and being issued advice on declaring interests (both on their register of interests and when they arise at meetings) and public perceptions around interests. For the remaining complaints the Monitoring Officer, in consultation with an Independent Person, concluded that whilst the Code of Conduct was engaged when the alleged conduct took place the conduct did not meet the threshold to be referred for an investigation. Under our Complaint Handling Procedure matters that are considered include whether the conduct in question is considered to be sufficiently serious and whether the public interest would be served by referring the complaint for investigation. Complaints that are considered to be trivial, malicious, vexatious or tit for tat will not normally be investigated.
- 2.5** The updated complaint handling arrangements were in force for the assessment of three of the complaints and these arrangements are considered to be working well. No further improvements are proposed to the complaint handling arrangements based on the

experience to date but officers and the Independent Persons will continue to keep these arrangements under review.

### 3. CONCLUSIONS AND LEARNINGS RESULTING FROM CODE OF CONDUCT COMPLAINTS

- 3.1 The nature of the alleged breaches of the Code of Conduct are summarised in Table 2 below. Complainants may allege that multiple sections of the Code of Conduct have been breached when submitting complaints. Half of the complaints that were resolved within the reporting period related to an alleged breach of confidentiality, while one third of the complaints related to respect and one third related to use of position. A further complaint (which was resolved informally) related to the registration and declaration of interests.

**Table 2: Summary of complaints by nature of alleged breach.**

| Complaint # | Registering and declaring interests | Respect | Confidentiality and access to information | Use of position |
|-------------|-------------------------------------|---------|---|-----------------|
| 1*          | ✓                                   |         |   |                 |
| 2           |                                     | ✓       |   |                 |
| 3           |                                     |         | ✓   |                 |
| 4           |                                     |         | ✓   |                 |
| 5           |                                     | ✓       |   | ✓               |
| 6           |                                     |         | ✓   | ✓               |

*\*Complaint received prior to the reporting period.*

- 3.2 The complaint that was resolved informally highlights the need for members to regularly consider their interests and to update their register of interests when they become aware that their interests have changed. Democratic Services have written to all West Oxfordshire District Councillors following the start of the new civic year advising members to consider and, if necessary, update their register of interests by Friday 4 July 2025.
- 3.3 The complaints related to confidentiality, respect and use of position were all dismissed at the assessment stage as not meeting the threshold to warrant an investigation, so there are limited lessons to be drawn from these complaints. However, these issues are all recurring themes in Code of Conduct complaints, which highlights that members of the public expect high standards of conduct from councillors in these (and other) regards.

### 4. FINANCIAL IMPLICATIONS

- 4.1 The processing of code of conduct complaints is relatively resource-intensive for officers but the direct financial costs arising from complaints are minimal.
- 4.2 The Council has three Independent Persons who are paid co-optees' allowances as per the Council's Members Allowances Scheme 2023-27, funded from the budget for members allowances. This allowance is currently £75 for up to 4 hours work and £150 for over 4 hours work.

- 4.3** The Council has allocated a budget of £8,000 per annum for member training. Training on the Code of Conduct is delivered internally at no financial cost to the Council. However, other relevant training which is externally provided may be funded from this budget e.g. the equality and inclusion training held following the local elections in 2023 and 2024.

**5. LEGAL IMPLICATIONS**

- 5.1** The Localism Act 2011 requires the Council to have a Code of Conduct which sets out the standards expected of members whenever they act in their official capacity as councillors. The Code must also have in place a suitable procedure at a local level to investigate and determine allegations that elected members and co-opted members of the district council or town and parish councils within the district area have breached the Code of Conduct.

**6. RISK ASSESSMENT**

- 6.1** If the Council fails to process complaints in a fair and timely fashion in accordance with its own processes and procedures, then there are risks to the Council's reputation and to the integrity of its corporate governance and decision-making processes.

**7. EQUALITIES IMPACT**

- 7.1** Equalities and human rights issues are taken into account in the handling of Code of Conduct complaints.

**8. CLIMATE AND ECOLOGICAL EMERGENCIES IMPLICATIONS**


- 8.1** Not applicable.

**9. BACKGROUND PAPERS**

- 9.1** None.

(END)

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| <br><b>WEST OXFORDSHIRE<br/>DISTRICT COUNCIL</b> | <b>WEST OXFORDSHIRE DISTRICT COUNCIL</b>   |
| <b>Name and date of Committee</b>   | <b>AUDIT AND GOVERNANCE COMMITTEE –<br/>26 JUNE 2025</b>   |
| <b>Subject</b>  | <b>WHISTLE-BLOWING POLICY</b>  |
| <b>Wards affected</b>   | All indirectly   |
| <b>Accountable member</b>   | Councillor Andy Graham, Leader of the Council<br>Email: <a href="mailto:Andy.Graham@westoxon.gov.uk">Andy.Graham@westoxon.gov.uk</a>   |
| <b>Accountable officer</b>  | Andrea McCaskie, Director of Governance and Regulatory Services<br>Email: <a href="mailto:Andrea.McCaskies@westoxon.gov.uk">Andrea.McCaskies@westoxon.gov.uk</a>   |
| <b>Report author</b>  | Emma Cathcart, Head of Service, Counter Fraud and Enforcement Unit<br>Email: <a href="mailto:Emma.Cathcart@cotswold.gov.uk">Emma.Cathcart@cotswold.gov.uk</a>  |
| <b>Summary/Purpose</b>  | <p>To present the Audit and Governance Committee with an updated Whistle-Blowing Policy for approval.</p> <p>To update and replace the existing Whistle-Blowing Policy to highlight key legislation and the roles and responsibilities of Members, Officers and other parties.</p>   |
| <b>Annexes</b>  | Annex A – Whistle-Blowing Policy<br>Annex B – Whistle-Blowing Flowchart<br>Annex C – Managers Guidance   |
| <b>Recommendation(s)</b>  | <p>That the Audit and Governance Committee:</p> <ol style="list-style-type: none"> <li>1. Approve and adopt the Policy attached to this report.</li> <li>2. Authorises the Director of Governance and Regulatory Services to approve future minor amendments to the Policy in consultation with the Counter Fraud and Enforcement Unit, Legal Services and the Leader of the Council.</li> </ol> |
| <b>Corporate priorities</b>   | <ul style="list-style-type: none"> <li>• Working Together for West Oxfordshire</li> </ul>  |

|                             |  |
|-----------------------------|--|
| Key Decision                | NO   |
| Exempt                      | NO   |
| Consultees/<br>Consultation | Consultation has been undertaken with Human Resources Officers, Legal representatives and Monitoring Officers across the Counter Fraud and Enforcement Unit Partnership. |



## **1. BACKGROUND**

- 1.1** The Counter Fraud and Enforcement Unit is tasked with reviewing the Council's Whistle-Blowing Policy.
- 1.2** Whistle-Blowing is legislative, and the Policy has therefore been reviewed to ensure it is fit for purpose.

## **2. MAIN POINTS**

- 2.1** The Policy, attached at Annex A, has been updated in accordance with the review period. Review frequency is as required by legislative changes or every three years.
- 2.2** The changes are relatively minor in relation to content, amendments have been made to the wording of the policy to enhance clarity and understanding. The Policy has been refreshed and includes an entry at 4.16 which highlights the Office for Environmental Protection's role and how to contact them, as per their email request. Reference to reports made 'in good faith' have been removed, a whistle-blower is required to 'reasonably believe' the allegation is true. For ease of reference, new text is shown in red and text to be removed is shown as struck through. This is now a shared Policy for all staff employed by Cotswold, Forest of Dean and West Oxfordshire District Councils and Publica.
- 2.3** The Policy details employer responsibilities to ensure that the Council protects staff who report or whistle-blow about any areas of concern within the organisation and/or within Publica. The Policy also safeguards those against whom allegations are made. In administering its responsibilities, the Council has a duty to protect staff members who choose to alert the authority to wrongdoing and to protect employees against whom vexatious allegations are made.
- 2.4** All referrals received by the Counter Fraud and Enforcement Unit and Human Resources must be dealt with in the correct manner adhering to Regulations, Legislation and Guidance. This includes internal alerts of wrongdoing which must adhere to whistle-blowing legislation. Adherence to this legislation in the workplace means the Council is less susceptible to legal challenge.
- 2.5** Any breach of the Policy or the revealing of the identity of someone that has made an anonymous disclosure could result in litigation action against the Council and a significant fine. Whistle-Blowing is embedded in the Employment Rights Act 1996 (as amended by the Public Interest Disclosure Act 1998). This legislates that an employee has the right to take a case to an Employment Tribunal if they have been victimised at work or lost their job as a consequence of 'blowing the whistle'.
- 2.6** The Policy highlights the key legislation and the roles and responsibilities of Members, Statutory Officers, Publica Directors, Senior Managers, Officers and other parties.
- 2.7** If an individual is considering raising a concern the Policy will enable them to understand the type of issues which can be raised, how the person raising a concern will be protected from victimisation and harassment, how to raise a concern and what the Council will do because of the report.

- 2.8 The Council has a responsibility to prevent wrongdoing within the authority by promoting high ethical standards and encouraging the exposure of any abuse.
- 2.9 Audit and Governance Committee last considered the Whistle-Blowing Policy in April 2022.
- 2.10 The Constitution Working Group agreed to the changes as set out in Annex A on 26 March 2025 however the formulating and keeping under review of the Policy is a function of the Audit and Governance Committee and as such the updated Whistle-Blowing Policy is being presented for approval.
- 2.11 Awareness will be raised with staff and refresher training will be provided following approval of the Policy.
- 2.12 The flow chart attached at Annex B will accompany the Policy to provide a one-page overview of the Policy and process for staff.
- 2.13 In addition, a managers guidance document, attached at Annex C is also published to assist any staff member who receives a whistle-blowing report.

### **3. FINANCIAL IMPLICATIONS**

- 3.1 There are no direct financial implications as a result of this report.
- 3.2 The support of the Whistle-Blowing Policy will help to support the prevention and detection of misuse of public funds and fraud therefore reducing potential financial loss to the Council.

### **4. LEGAL IMPLICATIONS**

- 4.1 There are no significant legal implications associated with this report.
- 4.2 The original Public Interest Disclosure Act 1998 whistleblowing provisions, inserted into the Employment Rights Act 1996, were amended by the Enterprise and Regulatory Reform Act 2013 and provide protection against victimisation or dismissal for workers reporting malpractice by their employers or third parties.
- 4.3 The Policy is set out to ensure the Council, its Officers, Members, employees and contractors (including agency staff) comply with and adheres to the legislation governing whistle-blowing in the workplace meaning the Council is less susceptible to legal challenge.
- 4.4 Any breach of the Policy or the revealing of the identity of a whistleblower could result in an award of compensation against the Council by an employment tribunal, or a fine issued by the Information Commissioner in the case of a breach of Data Protection.

### **5. RISK ASSESSMENT**

- 5.1 If the Council does not have an effective Whistle-Blowing Policy and procedures in place it puts staff and its reputation at risk. The Council must fulfil its legal obligations in relation to whistle-blowing arrangements.
- 5.2 Without an appropriate Policy in place the Council is unable to take effective and efficient measures to ensure staff are protected when making allegations of wrongdoing and that staff are protected from vexatious allegations.

## **6. EQUALITIES IMPACT**

- 6.1** The promotion of effective counter fraud controls and a zero-tolerance approach to internal misconduct promotes a positive work environment.
- 6.2** The CFEU seeks to ensure that public authorities' actions are consistent with the Human Rights Act 1998 (HRA). It balances safeguarding the rights of the individual against the needs of society as a whole to be protected from crime and other public safety risks.

## **7. CLIMATE AND ECOLOGICAL EMERGENCIES IMPLICATIONS**

- 7.1** None directly.

## **8. BACKGROUND PAPERS**

- 8.1** The following documents have been identified by the author of the report in accordance with section 100D.5(a) of the Local Government Act 1972 and are listed in accordance with section 100 D.1(a) for inspection by members of the public:
  - Audit Committee Report April 2022 – Whistle-Blowing Policy.
  - Executive Committee Report May 2022 – Whistle-Blowing Policy.
- 8.2** These documents will be available for inspection online at [www.westoxon.gov.uk](http://www.westoxon.gov.uk) or by contacting democratic services [democratic.services@westoxon.gov.uk](mailto:democratic.services@westoxon.gov.uk) for a period of up to 4 years from the date of the meeting.

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| <b>Version Control:</b>     |   |
| <b>Document Name:</b>       | Whistle-Blowing Policy  |
| <b>Version:</b>             | 1. <del>3</del> 2   |
| <b>Responsible Officer:</b> | Emma Cathcart, Counter Fraud and Enforcement Unit<br><del>Head of</del> Deb Bainbridge, Human Resources                   |
| <b>Approved by:</b>         | CDC – Cabinet June 2022<br>FODDC - Audit Committee March 2022<br>WODC – Cabinet May 2022<br>Publica – Board February 2022 |
| <b>Next Review Date</b>     | <u>March 2028</u> <del>January 2025</del>   |

### Revision History

| Revision date     | Version    | Description   |
|-------------------|------------|---|
| January 2018      | 1.1        | Update to include further reporting choices / information |
| January 2022      | 1.2        | Review  |
| <u>March 2025</u> | <u>1.3</u> | <u>Review</u>   |

### Consultees

| Internal  | External |
|---|----------|
| Human Resources<br>Legal Services<br>Corporate Management / <u>Senior Leadership Team</u> |          |

### Distribution

| Name                 |  |
|----------------------|--|
| All staff (intranet) |  |

## CONTENTS

|       |  |               |
|-------|--|---------------|
| 1     | INTRODUCTION AND PURPOSE OF THE POLICY .....                             | 3             |
| 2     | AIMS AND SCOPE OF THE POLICY .....                                       | 5             |
| 3     | EMPLOYEE SAFEGUARDS AND ASSURANCES .....                                 | 7             |
| 3.1.  | Harassment or Victimisation .....  | 7             |
| 3.8.  | Confidentiality and Anonymity.....                                       | 8             |
| 4     | PROCEDURE .....  | 9             |
| 4.1.  | Raising a concern as an employee .....                                   | 9             |
| 4.7.  | Raising a concern as an elected Member .....                             | 9             |
| 4.10. | Raising a concern as a third party contractor, agency employees etc..... | 9             |
| 4.13. | Alternative Reporting Routes .....                                       | 10            |
| 4.17. | Process .....  | 10            |
| 5     | HOW THE COUNCIL AND PUBLICA WILL RESPOND.....                            | 11            |
| 6     | RESPONSIBILITIES .....   | 13            |
| 7     | <del>FURTHER INFORMATION.....</del>                                      | <del>14</del> |
| 8     | POLICY REVIEW.....   | 14            |

## 1 INTRODUCTION AND PURPOSE OF THE POLICY

- 1.1. Staff Employees are often the first to realise that there may be something of concern occurring within the Council or its wholly owned company, Publica. The majority of ~~Usually any~~ issues can be resolved swiftly and satisfactorily ~~h~~However, when these concerns relate to more serious matters, employees may be discouraged from expressing their concerns or 'whistle-blowing'.
- 1.2. Whistle-blowing is the term used when an employee passes on information concerning wrongdoing. This can also be called 'making a disclosure' or 'blowing the whistle'. Typically (although, not always) the wrongdoing will be something that the employee has witnessed at work.
- 1.3. Employees may feel disloyal and may fear victimisation or harassment. In such circumstances, it may be easier to ignore the concern rather than report what may just be a suspicion of malpractice. However, any person raising a concern is protected in law.
- 1.4. Whistle-blowing law is embedded in the Employment Rights Act 1996 (as amended by the Public Interest Disclosure Act 1998). This legislation provides that an employee has the right to take a case to an Employment Tribunal if they have been victimised at work or lost their job as a consequence of 'blowing the whistle'.
- 1.5. To be covered by this law, an employee who makes a disclosure must reasonably believe:
  - That they are acting in the public interest; referring to considerations which affect the good order and functioning of the Council for the benefit of its constituents. Public interest can also be described as being for the benefit of society, the public or the community as a whole. Personal ~~– therefore personal~~ grievances and complaints are therefore not ordinarily covered by whistle-blowing law unless it is within the public interest or where bullying, harassment or discrimination concerns a number of employees or is affecting their rights in a significant way;
  - That the disclosure of information indicates past, present or future wrongdoing within the following categories:
    - (a) criminal offences which may include financial impropriety such as fraud;
    - (b) failure to comply with legal obligations;
    - (c) miscarriages of justice;
    - (d) endangering another person's health and safety;
    - (e) damage to the environment;
    - (f) covering up any wrongdoing in any of the above;

## Whistle-Blowing Policy

- 1.6. Employees are not prevented from making disclosures in the public interest by 'gagging clauses' in Settlement or ~~Compromise~~ or Non-Disclosure Agreements. In short, where an employee wishes to make a disclosure that is in the public interest and relates to wrongdoing as detailed above, this cannot be prevented by a clause within a Settlement or ~~Compromise~~ or Non-Disclosure Agreement.
- 1.7. The Council and Publica are now part of various shared service arrangements, and it is important that there is clear guidance for anyone wishing to raise an issue. This ~~P~~policy applies to all employees of the Council and, Publica. Whilst the same protections may not be as directly applicable and to individuals to individuals working within the organisations who are not employees (e.g. contractors, agency employees, volunteers, Councillors, employees ~~staff~~ of associated employers etc.), all are encouraged to read this Policy and report any concerns confidentially for investigation.
- 1.8. The Council and Publica are committed to the highest possible standards of openness, probity and accountability. In line with that commitment, we wish to encourage employees and others with serious concerns about any aspect of the work carried out by any of the organisations to come forward and voice them without fear of reprisal.
- 1.9. This Policy is intended to encourage and enable employees to make disclosures at an early stage, rather than waiting. Employees are also encouraged to raise any issues internally with the Council and/ or Publica first rather than raising it outside of the organisations. If issues are raised externally in the first instance you may weaken the protection given to you under the Public Interest Disclosure Act 1998.
- 1.10. This Policy also seeks to ensure concerns are raised in the right way and seeks to protect those ~~staff members~~ employees against whom complaints are made from malicious allegations. The Council and Publica have a duty to investigate all reports of irregularity. This does not mean that the organisations support the allegation.
- 1.11. This Policy should be read if you are considering raising a concern to provide clarification in relation to the following:
- The type of issues which can be raised.
  - How the person raising a concern will be protected from victimisation and harassment.
  - How to raise a concern.
  - What the Council and Publica ~~organisation~~ will do as a consequence of the report.



- 1.12. This Policy has been agreed with any relevant trade unions or non-union representatives.
- 1.13. Disclosures can be made to the Officers as detailed in this Policy or to their nominated Deputy Officer.

## 2 AIMS AND SCOPE OF THE POLICY

### 2.1. This Policy aims to:

- Encourage employees to raise serious concerns at the earliest opportunity and to question and act upon concerns about potential malpractice.
- Encourage employees to be watchful for illegal or unethical conduct and report anything of that nature of which they become aware. Everyone should be aware of the importance of preventing and eliminating wrongdoing at work.
- Ensure all reported allegations are treated in absolute confidence, with every effort made by the Council and Publica not to reveal a whistle-blower's identity if they so wish. However, it may be necessary for the whistle-blower to become an identified witness at an appropriate time, particularly if it has not been possible to substantiate the allegation by other means. The implications of this and the appropriate support/protection arrangements will be discussed with the whistle-blower. This is detailed at Part 3: Employee Safeguards and Assurances.
- Ensure all reported allegations are treated fairly, ethically and consistently.
- Provide a robust procedure and ensure any matter raised under this procedure will be investigated thoroughly, promptly and confidentially, and the outcome of the investigation reported back to the employee who raised the issue, as appropriate.
- Provide reassurance for those making a referral ~~acting in good faith~~ that they will be protected from possible reprisals or victimisation. This means that the continued employment and opportunities for future promotion or training of the employee will not be prejudiced because he or she has raised a legitimate concern. Victimisation of an employee for raising a qualified disclosure is a disciplinary offence.
- If misconduct is discovered as a result of any investigation under this procedure, the relevant organisation's disciplinary procedure will be used, in addition to any other appropriate measures. This could include internal criminal investigation and appropriate further action.
- Allow whistle-blowers to raise concerns and proceed further if they are dissatisfied with the organisational response. It should be recognised that certain cases will have to proceed on a confidential basis and that feedback will be limited due to legal constraints.

## Whistle-Blowing Policy

- 2.2. This Policy is not a substitute for other policies and procedures on such matters as personal grievances, bullying and harassment, health and safety, safeguarding issues (children and/or adults) or complaints. It should also not be used to raise matters relating to an employee's own terms and conditions of service.
- 2.3. There are existing procedures in place to enable employees to lodge a grievance relating to their own employment. This process does not form part of this Policy. For further guidance on whistle-blowing and grievances, employees can contact the Advisory, Conciliation and Arbitration Service (ACAS) at [www.acas.org.uk/grievances](http://www.acas.org.uk/grievances).
- 2.4. If a member of the public has a concern about any service they have been provided by the Council or Publica then this should be raised appropriately as a complaint or as a general matter to be considered. There are existing procedures in place which relate to this. However, if that concern relates to malpractice by an ~~member of staff~~ employee, then they should be directed to Human Resources at the earliest opportunity.
- 2.5. If a member of the public has concerns relating to malpractice by a Councillor, then they should be directed to Democratic Services or the Monitoring Officer for the appropriate Council at the earliest opportunity.
- 2.6. Making malicious, vexatious or false allegations will not be tolerated and is a disciplinary offence. If a person makes an allegation ~~in good faith and~~ that they reasonably believes it to be true, but it is not confirmed by the investigation, the Council and Publica will recognise your concern. However, if a person makes an allegation frivolously, maliciously or for personal gain, appropriate action, which could include disciplinary proceedings, may be taken.
- 2.7. An instruction to cover up wrongdoing is itself a disciplinary offence. If told not to raise or pursue any concern, even by a person in authority such as a manager, employees should not agree to remain silent and should report the matter at the earliest opportunity.
- 2.8. This Policy and procedure is primarily for issues where the interests of others or of the organisation itself are at risk. That issue may be one of the following (although this list is not exhaustive). The following are examples of concerns that might be raised:
- Financial irregularities including fraud, corruption or unauthorised use of public funds or other assets.
  - Conduct which is against the law, a miscarriage of justice or a failure to meet a legal obligation.
  - Failure to observe health and safety regulations, or actions which involve risks to the public or other employees.

- Damage to the environment.
- A criminal offence being committed.
- Claiming benefits and/or expenses to which there is no entitlement.
- The conduct of contractors and/or suppliers to the Council.
- Sexual, racial, disability or other discrimination.
- Neglect or abuse; physical or verbal.
- Any other unethical conduct, malpractice, negligent or unprofessional behaviour.
- Discriminatory acts not specifically covered by other procedures.
- Concealment of any of the above.

### **3 EMPLOYEE SAFEGUARDS AND ASSURANCES**

#### **3.1. Harassment or Victimisation**

- 3.2. The Council and Publica recognise that the decision to report a concern can be a difficult one to make, not least because of the fear of reprisal from those responsible for the malpractice.
- 3.3. The Council and Publica will not tolerate harassment or victimisation in any form of anyone raising a legitimate concern. Any employee who attempts at any stage to apply any retribution or detriment to a whistle-blower will face serious disciplinary charges.
- 3.4. The Council and Publica will support and protect whistle-blowers who raise an issue in line with this Policy, in accordance with the safeguards contained in the Public Interest Disclosure Act 1998. This legislation protects everyone from victimisation and dismissal when speaking out against corruption or malpractice at work.
- 3.5. Protection does not mean that if an employee is already the subject of disciplinary action or redundancy procedures that those procedures would cease or be suspended as a result of their whistle-blowing.
- 3.6. It may be that the employee making the report is (or was) directly involved in the action now being raised. In such circumstances it is in the employee's own interest to come forward as soon as possible. The Council and Publica cannot promise not to act against such an employee but the fact that they came forward may be taken into account.
- 3.7. If the whistle-blowing referral raises any safeguarding issues they will be dealt with in accordance with the relevant Safeguarding Policies.

**3.8. Confidentiality and Anonymity**

- 3.9. All reports will be treated in the strictest of confidence and every effort will be made to protect, and not disclose, the identity of an informant if that is their wish. However, if disciplinary or other proceedings are an option as a result of the investigation it may not be possible to take any action without further assistance, in which case the informant may be asked to become an identified witness and provide a witness statement. It is possible that the identity of the informant will become obvious during the investigation. In addition there is a risk that some colleagues may speculate about the source of the original complaint.
- 3.10. The law does not compel an organisation to protect the confidentiality of a whistle-blower. However, it is considered best practice to do so unless required by law to disclose it.
- 3.11. Any requests for disclosure of information relating to or collected as part of any whistle-blowing complaint or investigation will be considered and determined in accordance with the relevant provisions of the Freedom of Information Act 2000 and Data Protection Regulations / Legislation.
- 3.12. At all times the informant will receive full support from the Council and Publica. There will be a limited number of people aware of the investigation at any one time but there will always be a representative from Human Resources involved in the process.
- 3.13. This Policy encourages a whistle-blower to put their name to an allegation. If you do not reveal your identity then you will not receive a response or feedback. It may also make the task of investigating the allegation and protecting the whistle-blower more difficult.
- 3.14. Concerns can of course be raised anonymously but are much less powerful. They can be considered at the discretion of the Council and Publica. In exercising this discretion the factors taken into account would include:
- The seriousness of the allegation.
  - The credibility of the concern.
  - The likelihood of confirming the allegation from other sources.
- 3.15. Employees who whistle-blow can seek independent support from the charity Protect. Details can be found by following the link below.  
<https://protect-advice.org.uk/>

## **4 PROCEDURE**

### **4.1. Raising a concern as an employee**

4.2. An employee can choose who to report a concern to.

4.3. As a guide, issues should normally be raised with a member of the Human Resources Team. A decision can then be made in relation to how the matter will be dealt with and who should be informed depending on the seriousness and sensitivity of the issues involved and who is suspected of wrongdoing.

4.4. ~~If the Human Resources staff are not available,~~ Employees may also direct any concerns to Internal Audit or the Counter Fraud and Enforcement Unit.

4.5. Alternatively an employee can speak to their own manager, or someone they feel comfortable talking to but must outline that they are making a whistle-blowing disclosure.

4.6. A third party or Union representative may also attend any meetings for moral support however, they would be required to maintain confidentiality. A whistle-blower may also wish to take advice from, or invite, a trade union or professional association to raise a matter on their behalf. Meetings may be held away from the workplace if necessary.

### **4.7. Raising a concern as an elected Member**

4.8. If an elected Member has any concerns about the work conducted by the Council or Publica, they should raise the matter directly with ~~Democratic Services,~~ the Chief Executive / Head of Paid Service or the Monitoring Officer. In the case of financial irregularity, disclosure may be made to the ~~Chief Finance Officer~~ appointed under Section 151 of the Local Government Act 1972 ('Section 151 Officer').

4.9. Concerns may also be directed to Internal Audit or the Counter Fraud and Enforcement Unit.

### **4.10. Raising a concern as a third party contractor, agency employees etc.**

4.11. Concerns should be raised with the Head of Human Resources ~~Manager,~~ the Chief Executive or the Monitoring Officer. In the case of financial irregularity, disclosure may be made to the Section 151 ~~Officer appointed under section 151 of the Local Government Act 1972~~

4.12. Concerns may also be directed to Internal Audit or the Counter Fraud and Enforcement Unit.

**4.13. Alternative Reporting Routes**

- 4.14. There are a number of prescribed bodies and organisations who may be contacted if there is a reason not to raise the matter internally. Employees can find guidance by following the link below which provides a comprehensive list with contact details therein.

<https://www.gov.uk/government/publications/blowing-the-whistle-list-of-prescribed-people-and-bodies--2/whistleblowing-list-of-prescribed-people-and-bodies>

- 4.15. Publica employees may also raise concerns with one of the Company Non-Executive Directors if they feel they cannot raise concerns with those listed under 4.1 of this Policy.

- 4.16. In the case of Local Government, that would include raising concerns with the Council's External Auditor (to establish who this is, contact Public Sector Audit Appointments Limited <https://www.psaa.co.uk>). If the concerns relate to the conduct of public business, value for money or fraud and corruption relating to the provision of public services, employees may contact the National Audit Office <https://www.nao.org.uk>. If matters relate to failures to comply with environmental law, employees may contact the Office for Environmental Protection <https://www.theoep.org.uk>

- 4.17. The Council and Publica would not ordinarily expect a whistle-blower to make disclosures to the media prior to raising the matter internally. If a person does approach the media with their concerns, the informant should expect in most cases to lose their whistle-blowing law rights.

**4.18. Process**

- 4.19. Concerns may be raised by telephone, in person or in writing. The earlier the matter is raised, the easier it is to take action. A whistle-blower is asked to provide the nature of the concern and why they believe it to be true, background details giving names, dates and places where possible, together with any other supporting evidence or information. An informant may be asked if they have any personal interest in the matter.

- 4.20. When raising an issue or making an allegation it is important that it is made clear that an informant is doing so as a whistle-blower to ensure they are dealt with correctly.

- 4.21. Although it is not expected that a person ~~prove~~ proves beyond doubt that the allegation is correct, it will need to be demonstrated that ~~the allegation has been made in good faith and~~ there are reasonable grounds for concern.

- 4.22. A whistle-blower informant should:

- Make a referral after consideration of the facts in a calm manner.
- Make a note of the facts as soon as it is feasible to do so.
- Be specific with dates, times, locations, names etc.
- Deal with the matter promptly.
- Contact someone with the appropriate authority to deal with the matter.

4.23. A whistle-blower ~~informant~~ should not:

- Be reticent because they fear they are wrong.
- Approach, alert or confront the person they suspect of wrongdoing, directly themselves.
- Investigate personally – there are important rules of evidence which must be adhered to.
- Consult or discuss the matter with anyone other than those with the correct authority.
- Do nothing or leave it to someone else to report.

4.24. If approached by someone wishing to whistle-blow, a person should take full details and contact a member of the Human Resources Team to discuss the matter. It is imperative that employees do not undertake any kind of investigation or intelligence gathering exercise which could compromise the evidence.

4.25. It may be necessary for Human Resources (or other appropriate Officer) to take a preliminary statement to gather more information to entirely understand the situation and nature of the allegation.

## 5 HOW THE COUNCIL AND PUBLICA WILL RESPOND

5.1. The action taken by the Council and Publica will depend on the nature of the issue. The Council and Publica will respond to your concerns as quickly as possible. Please note that making initial enquiries about the concerns is not the same as accepting or rejecting them.

5.2. The overriding principle for the Council and Publica will be the public interest. In order to be fair to all employees, including those who may be wrongly or mistakenly accused, initial independent enquiries will be made to decide whether an investigation is appropriate and, if so, what form it should take. This decision will be made by Human Resources, the relevant Council Statutory Officers (the Chief Executive/Head of Paid Service, the Monitoring Officer or the Section 151 Officer) or in the case of Publica employees, and Publica Directors. Where the matter relates to a Statutory Officer, appropriate steps will be taken in accordance with contractual arrangements and in accordance with legislation. The matters raised may be:



- Investigated internally, either in accordance with internal Policy and procedure or in line with criminal investigative regulations where appropriate. Whilst not all allegations will result in criminal action, this is an option open to the Council and Publica, and it is thus critical that the investigation is conducted in the appropriate manner. Evidence gathered as part of that investigation could form part of the disciplinary process whether or not criminal proceedings commence.
  - Referred to the Police or other external enforcement agency such as the Health and Safety Executive, Environment Agency etc.
  - Referred to the External Auditor.
  - Form the subject of an independent enquiry.
- 5.3. Concerns or allegations which fall within the scope of existing procedures will normally be referred for consideration under those procedures. In some situations, the matter may be resolved without the need for an investigation. Urgent and immediate action may be necessary where the security of relevant information is at risk or to protect the safety of employees.
- 5.4. If an investigation is appropriate, it may be necessary for this to be carried out under terms of strict confidentiality, i.e. by not informing the subject of the complaint until (or if) it becomes necessary to do so. However, in certain cases, such as allegations of ill treatment of others, suspension from work may have to be considered immediately. Protection of others is paramount in all cases.
- 5.5. Within ten working days of a concern being raised, the whistle-blower will receive the following in writing:
- Acknowledgement that the concern has been received.
  - Confirmation of how the Council and Publica propose to deal with the matter.
  - If an investigation is to take place, who will be conducting the investigation.
  - If further investigation is not appropriate, the reasons why.
  - Process information and employees support mechanisms.
- 5.6. Contact between the whistle-blower and the Officers considering the issues and/or conducting an investigation will depend on the nature of the matters raised, the potential difficulties involved, and the clarity of the information provided. If the matter is on-going then feedback may be limited; if the matter is dealt with promptly then the whistle-blower will be advised on the outcome.
- 5.7. You need to be assured that your disclosure has been properly addressed. Unless there are any legal reasons why this cannot be done, you will be kept informed of the progress and outcome of any investigation.
- 5.8. Coordination of any investigation will be undertaken by a member of Human Resources with the authority to do so.



- 5.9. The investigation process is independent and will seek to determine whether an irregularity has been committed, and if so, by whom. The investigator will have the authority to access all necessary data and other resources pertinent to a full, fair and properly conducted investigation.
- 5.10. Once an investigation has been completed there are a number of potential outcomes including the following:
- No case to answer/ case closed.
  - Informal action.
  - Formal action, disciplinary action and/or prosecution by the appropriate body. Suspension may also be appropriate. (For information relating to these outcomes see the relevant internal Policy or Procedure where applicable which will detail processes, actions and appeal information).
  - External referral to the Police and/or other body.
- 5.11. The Council and Publica will do what it can to minimise any difficulties that you may experience as a result of raising a concern. For instance, if you are asked to give evidence in criminal or disciplinary proceedings, the Council and Publica will arrange for you to receive appropriate advice and support.
- 5.12. If ~~an member of staff~~ **employee** is dissatisfied with the conduct of an investigation, whether as the person under investigation, as the informant, or in any other involved capacity, a complaint may be raised with Human Resources who will ensure this is reviewed by ~~an member of staff~~ **employee** who is independent and who has not previously been involved in the investigation.
- 5.13. This Policy does not prevent any person from taking external legal advice.

## **6 RESPONSIBILITIES**

- 6.1. Managers should ensure all employees, including agency employees, consultants and contractors etc. are aware of and follow all Council and Publica Policies and Procedures. Managers should register any whistle-blowing cases brought to their attention immediately with Human Resources and provide support to any employee making such a complaint.
- 6.2. Employees should be vigilant and raise any serious concerns about aspects of work or practices which affect the integrity of the Council and Publica or safety of employees and/or the public.
- 6.3. Statutory Officers, Publica Directors and Senior Managers will respond to whistle-blowing submissions positively and within the timescales set out. The Chief

## Whistle-Blowing Policy

Executive / Head of Paid Service and Managing Director has overall responsibility for ensuring that the Policy is adhered to.

- 6.4. Human Resources will record and deal with any whistle-blowing issues including the provision of any support and advice as required to include attendance at meetings as necessary.

## **7 FURTHER INFORMATION**

- 7.1. ~~Further information on Council and Publica policy can be found in the following documents (or equivalent documentation / codes) :-~~

- ~~• The Constitution;~~
- ~~• Code of Conduct for Staff and the Councillors Code of Conduct which include information in relation to gifts and hospitality and declaring and registering interests;~~
- ~~• Counter Fraud and Anti-Corruption Policy;~~
- ~~• Corporate Enforcement Policy;~~
- ~~• Proceeds of Crime and Anti-Money Laundering Policy;~~
- ~~• Recruitment and Selection Policies and Procedures;~~
- ~~• Financial Rules;~~
- ~~• Contract Rules or equivalent;~~
- ~~• Fair Processing Statements;~~
- ~~• Disciplinary and Grievance Procedures;~~

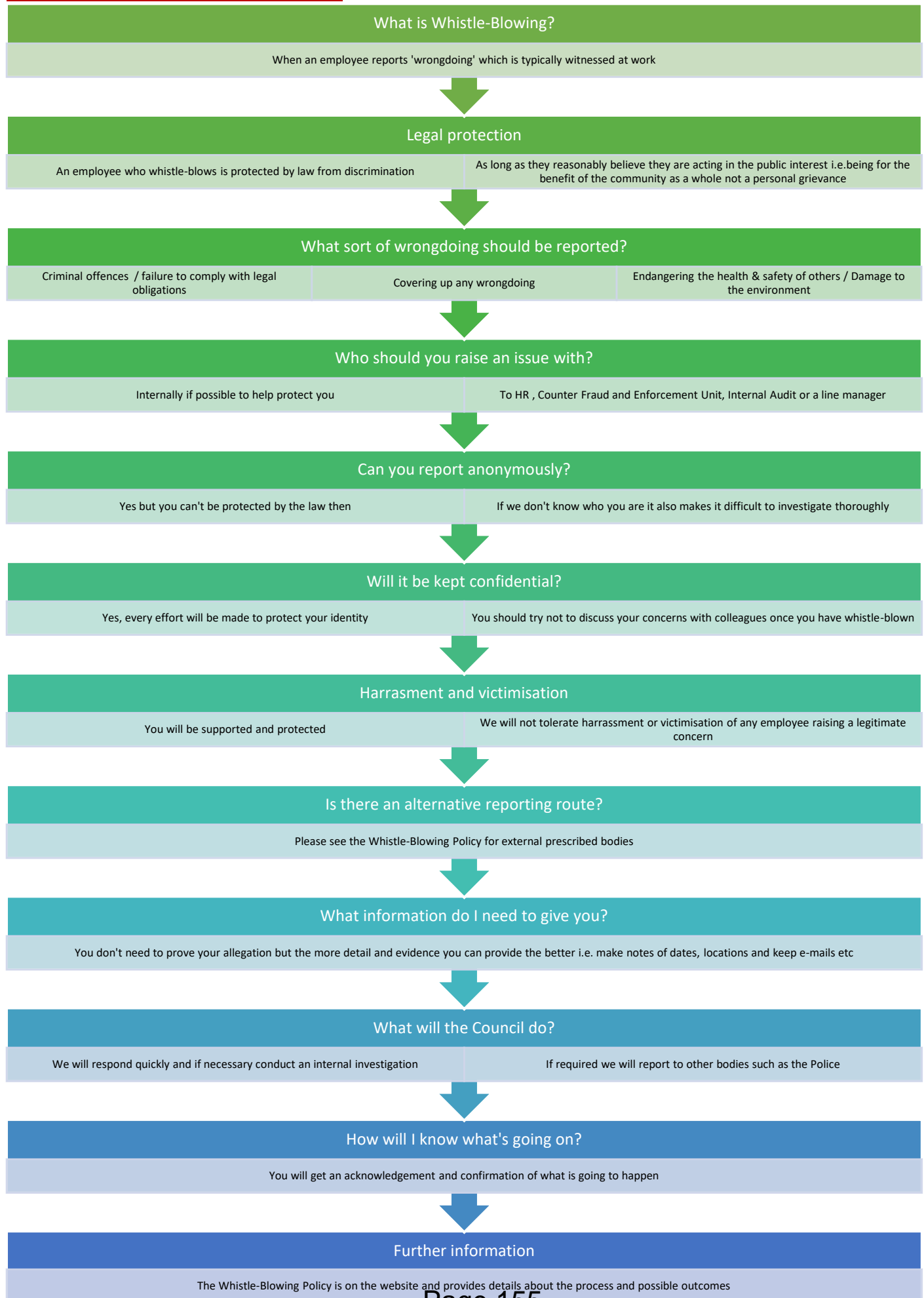
## **8 POLICY REVIEW**

- 8.1. The Counter Fraud and Enforcement Unit and Human Resources will review and amend this Policy as necessary to ensure that it continues to remain compliant and meets legislative requirements and the vision of the Council and Publica.
- 8.2. Human Resources and the Counter Fraud and Enforcement Unit will monitor the effectiveness of the Policy and provide the necessary awareness sessions to employees.
- 8.3. ~~Responsible Department: Human Resources / Counter Fraud and Enforcement Unit~~  
~~Date: January 2022~~

~~Review frequency as required by legislative changes / every three years.~~

# A SHORT GUIDE TO WHISTLE-BLOWING

## Counter Fraud and Enforcement Unit



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## **WHISTLE-BLOWING GUIDANCE FOR HR / MANAGERS / LEADERSHIP TEAMS**

When Managers or Senior Officers receive allegations about an individual employee or Councillor they need to be mindful of whether these fall within the remit of a whistle-blowing allegation.

The key criteria that indicate that whistle-blowing legislation should apply are as follows:

- Did an employee make the allegation? (If it was from a member of the public or a Councillor then it is not whistle-blowing as the same protections are not applicable however such referrals should be dealt with in confidence and can follow the spirit of the Whistle-Blowing Policy).
- Does the allegation relate to any of the following? (If not, it is not whistle-blowing).
  - 1) criminal offences which may include financial impropriety such as fraud;
  - 2) failure to comply with legal obligations;
  - 3) miscarriages of justice;
  - 4) endangering another person's health and safety;
  - 5) damage to the environment;
  - 6) covering up any wrongdoing in any of the above

Whistle-blowing legislation only protects the whistle-blower if they identify themselves and are not anonymous. However, this does not mean that the information cannot be kept confidential when they do identify themselves. Protecting the identity of the whistle-blower is extremely important whilst the allegations are investigated.


This means that not only should their identity be kept a secret, but also that as few people as possible should be aware that the allegation is the result of whistle-blowing.

The individual who is the subject of the investigation does not need to know that there is a whistle-blower. Once the veracity of the allegation is established, the individual will be notified that they are the subject of an investigation, according to the usual disciplinary, code of conduct or criminal investigation procedure.

The only time they may become aware that there was a whistle-blowing allegation is if the whistle-blower agrees to provide witness testimony for the investigation but even then, it may not mean that they can be specifically identified as the source of the original allegation.

A record of whistle-blowing allegations received must be kept. Please ensure that HR are notified so that a central record may be kept.

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|   |  |
|---|--|
| <br><b>WEST OXFORDSHIRE<br/>DISTRICT COUNCIL</b> | <b>WEST OXFORDSHIRE DISTRICT COUNCIL</b>   |
| <b>Name and date of Committee</b>   | <b>AUDIT AND GOVERNANCE COMMITTEE – 26 JUNE 2025</b>   |
| <b>Subject</b>  | <b>ANNUAL SUMMARY OF COMPLAINTS STATISTICS FROM THE LOCAL GOVERNMENT AND SOCIAL CARE OMBUDSMAN – YEAR ENDING 31 MARCH 2025</b>                                       |
| <b>Wards affected</b>   | All  |
| <b>Accountable member</b>   | Cllr Andy Graham, Leader of the Council<br>Email: <a href="mailto:andy.graham@westoxon.gov.uk">andy.graham@westoxon.gov.uk</a>                                       |
| <b>Accountable officer</b>  | Giles Hughes, Chief Executive Officer<br>Email: <a href="mailto:giles.hughes@westoxon.gov.uk">giles.hughes@westoxon.gov.uk</a>                                       |
| <b>Report author</b>  | Cheryl Sloan, Business Manager, Governance, Risk & Business Continuity<br>Email: <a href="mailto:cheryl.sloan@publicagroup.uk">cheryl.sloan@publicagroup.uk</a>      |
| <b>Summary/Purpose</b>  | This report presents the Annual Complaints statistics as provided by the Local Government and Social Care Ombudsman for the year 1 April 2024 – 31 March 2025.       |
| <b>Annexes</b>  | Annex A – Annual Review Letter 2024 – 2025<br>Annex B – Upheld complaint by Local Government and Social Care Ombudsman   |
| <b>Recommendation(s)</b>  | That the Audit and Governance Committee:<br>1. Note the content of the report and the Local Government and Social Care Ombudsman’s Annual Review Letter 2024 – 2025. |
| <b>Corporate priorities</b>   | All  |
| <b>Key Decision</b>   | No   |
| <b>Exempt</b>   | No   |
| <b>Consultees/ Consultation</b>   | N/A  |

## **I. BACKGROUND**

- I.1** At the end of each financial year, the Local Government and Social Care Ombudsman (LGO) write to the Chief Executive, Leader of the Council, and Chair of Scrutiny to provide an annual summary of the complaint statistics which have been received by the LGO in relation to the West Oxfordshire District Council (WODC).
- I.2** The information is provided to give insight about the organisations approach to complaints, and for consideration as part of the Council corporate governance processes.
- I.3** In 2024 / 2025, WODC had three stages to its' internal complaints process as detailed below. Once this was exhausted, if the complainant remained unsatisfied with the response provided, it was at this point that they could refer their complaint to the LGO.
- Stage 1: Service Area Response
  - Stage 2: Independent Review
  - Stage 3: Appeal
- I.4** The Annual Letter details the complaints which have been escalated to the LGO in relation to services provided by WODC.
- I.5** Following a period of consultation, the LGO launched the Complaint Handling Code for Councils in February 2024, setting out a clear process for responding to complaints effectively and fairly. Councils were urged to adopt this Code without delay, as they expect councils to carefully consider the Code when developing policies and procedures and will begin considering it as part of their processes from April 2026.
- I.6** As a result, a new Complaint's Policy and Procedure was produced and approved by the Audit and Governance Committee in November 2024 (minute number refers) This changed the complaints process from a three stage internal process, to a two-stage which went live on 1 April 2025. Therefore, next year's report will be against a two-stage process as shown below:
- Stage 1: Service Area Response
- Stage 2: Appeal and Final Decision Notice
- I.7** In addition, as part of the new Policy, next financial year, the Audit and Governance Committee will receive an annual complaints performance and service improvement report. This will include the following:



- a) the annual self-assessment against the Code to ensure our complaint handling policy remains in line with the Code requirements.
- b) a qualitative and quantitative analysis of the Council's complaint handling performance which will also include a summary of the types of complaints the Council has refused to accept;
- c) any findings of non-compliance with the Code;
- d) service improvements made as a result of the learning from complaints;
- e) presentation of the annual report about the Council's performance from the LGO; and
- f) any other relevant reports or publications produced by the LGO in relation to the work of the Council.

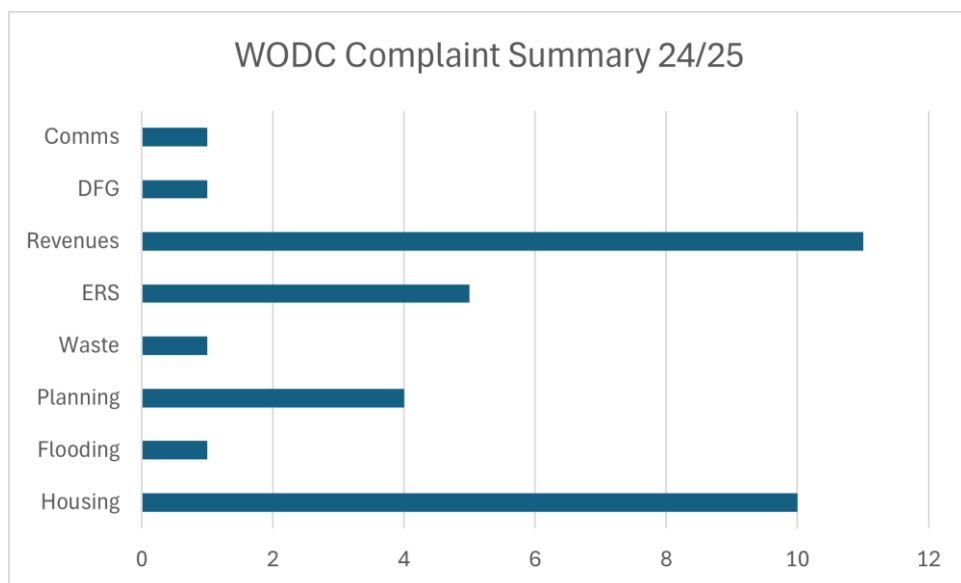
## 2. OVERVIEW

- 2.1** A total of 11 complaints were escalated to the LGO about services provided by WODC during financial year 2024 - 2025. This is an increase of 7 compared to 2023-2024.
- 2.2** Of the 11 complaints received by the LGO 6 were immediately dismissed, 4 had preliminary enquiries, and one was investigated, and this was upheld.
- 2.3** The table below provides a summary of the 5 complaints investigated by the LGO that weren't immediately dismissed, the complaint category (service area), the decision which has been made and the reason for the decision.

| Category              | Decided    | Decision                       | Decision Reason  |
|-----------------------|------------|--------------------------------|--|
| Revenues and Benefits | 15/07/2025 | Closed after initial enquiries | Cannot by law investigate                                |
| Homelessness          | 21/07/2025 | Upheld                         | Found some fault which caused confusion with complainant |
| ERS                   | 26/09/2024 | Closed after initial enquiries | Another body better placed to investigate                |
| Revenues and Benefits | 15/10/2024 | Closed after initial enquiries | Right of appeal to valuation tribunal                    |
| Housing               | 26/02/2025 | Closed after initial enquiries | Insufficient evidence                                    |

- 2.4** 4 complaints were closed after initial enquiries, 3 of these were due to another body being better placed for the complaint, 1 was due to insufficient evidence.
- 2.5** The complaint, which was upheld, a summary of which is included in Annex B, related to a homeless application. As you will see, the majority of the complaint was not upheld, however, it was found that when the Council initially placed the complainant on silver banding, it did not explain what this banding meant. To mitigate this, the Council has reviewed its correspondence to ensure information is provided about what each banding means. The complaint has been closed by the Ombudsman following this mitigation and an apology being provided to the complainant.

- 2.6** During 2024-2025, WODC recorded a total of 34 complaints, which equates to 32% being referred to the LGO. This is an increase of 27% year on year. However, the total number of complaints received was down by over 50%. Below is a chart showing the complaints received by WODC during 23/24 by service area.



- 2.7** Whilst the Council receives a wide range of complaints, the majority relate to where decisions have been made, as opposed to the standard of services provided. This includes decisions around planning, revenues and benefits and enforcement. A number of these complaints could be rejected by the Council as they are excluded under the Complaints Policy, however, to try to mitigate residents' concerns, they are, in the main, still responded to under the complaints process.
- 2.8** Comparative data for other similar Authorities, as provided by the LGO, was that an average of 66% of the complaints investigated were upheld.
- 2.9** Given the number of services provided by WODC, to only have 1 complaint upheld by the LGO should be seen as a positive reflection of the way in which services are provided, and complaints are managed and subsequently rectified.

### **3. ALTERNATIVE OPTIONS**

- 3.1** None

### **4. FINANCIAL IMPLICATIONS**

- 4.1** There are no financial implications arising from this report.

### **5. LEGAL IMPLICATIONS**

- 5.1** There are no direct legal implications arising from this report.

## **6. RISK ASSESSMENT**

- 6.1** If the Council's governance arrangements are weak then the Council is at risk of failing to safeguard the use of public funds. In turn this would lead to poor external assessments, damaging the reputation of the Council.

## **7. EQUALITIES IMPACT**

- 7.1** An equalities impact assessment is not required for this report

## **8. CLIMATE AND ECOLOGICAL EMERGENCIES IMPLICATIONS**

- 8.1** There are no climate or ecological emergency implications arising directly from this report.

## **9. BACKGROUND PAPERS**

- 9.1** The following documents have been identified by the author of the report in accordance with section 100D.5(a) of the Local Government Act 1972 and are listed in accordance with section 100 D.1(a) for inspection by members of the public:

- Annual Complaints Statistics and Annual Letter from the LGO

- 9.2** These documents will be available for inspection online at [www.westoxon.gov.uk](http://www.westoxon.gov.uk) or by contacting democratic services [democratic.services@westoxon.gov.uk](mailto:democratic.services@westoxon.gov.uk) for a period of up to 4 years from the date of the meeting.

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21 May 2025

*By email*

Mr Hughes  
Head of Paid Service  
West Oxfordshire District Council

Dear Mr Hughes

### **Annual Review letter 2024-25**

I write to you with your annual summary of complaint statistics from the Local Government and Social Care Ombudsman for the year ending 31 March 2025. The information offers valuable insight about your organisation's approach to complaints, and I know you will consider it as part of your corporate governance processes. We have listened to your feedback, and I am pleased to be able to share your annual statistics earlier in the year to better fit with local reporting cycles. I hope this proves helpful to you.

[Your annual statistics are available here.](#)

In addition, you can find the detail of the decisions we have made about your Council, read the public reports we have issued, and view the service improvements your Council has agreed to make as a result of our investigations, as well as previous annual review letters.

In a change to our approach, we will write to organisations in July where there is exceptional practice or where we have concerns about an organisation's complaint handling. Not all organisations will get a letter. If you do receive a letter it will be sent in advance of its publication on our website on 16 July 2025, alongside our annual Review of Local Government Complaints.

### **Supporting complaint and service improvement**

In February we published [good practice guides](#) to support councils to adopt our [Complaint Handling Code](#). The guides were developed in consultation with councils that have been piloting the Code and are based on the real-life, front-line experience of people handling complaints day-to-day, including their experience of reporting to senior leaders and elected members. The guides were issued alongside free [training resources](#) organisations can use to make sure front-line staff understand what to do when someone raises a complaint. We will be applying the Code in our casework from April 2026 and we know a large number of councils have already adopted it into their local policies with positive results.

This year we relaunched our popular [complaint handling training](#) programme. The training is now more interactive than ever, providing delegates with an opportunity to consider a complaint from receipt to resolution. Early feedback has been extremely positive with delegates reporting an increase in confidence in handling complaints after completing the training. To find out more contact [training@lgo.org.uk](mailto:training@lgo.org.uk).

Yours sincerely,



Amerdeep Somal  
Local Government and Social Care Ombudsman  
Chair, Commission for Local Administration in England

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## **The Ombudsman's final decision**

Summary: Ms X complained about the way the Council has dealt with her homelessness application and about its communication with her. We found some fault with what the Council did, which caused Ms X confusion. The Council has apologised and made service improvements.

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## **The complaint**

1. Ms X complains about how the Council dealt with her homelessness application, and how the Council has treated her while she is in temporary accommodation. Specifically, she complains the Council:
  - a. falsely raised a safeguarding report about her daughter;
  - b. failed to explain what the silver banding priority it gave to Ms X meant;
  - c. has not allowed her to bid for her choice of property, instead enforcing a property of its choice on her;
  - d. wrongly told Ms X's husband to sign a tenancy agreement although she had told the Council he was not eligible to be a social tenant;
  - e. gave contradictory information about whether Ms X could bring furniture to the property;
  - f. entered her property unreasonably in September 2023; and
  - g. was accusatory and intimidating in a visit and an email about non-payment of rent.
2. Ms X says the Council has caused her family significant distress and prevented them from securing their preferred housing. She would like the Council to correct this, to apologise for how it has treated her family, and to change its processes.

## **The Ombudsman's role and powers**

3. We investigate complaints about 'maladministration' and 'service failure'. In this statement, I have used the word fault to refer to these. We must also consider whether any fault has had an adverse impact on the person making the complaint. I refer to this as 'injustice'. If there has been fault which has caused significant injustice, or that could cause injustice to others in the future we may suggest a remedy. (Local Government Act 1974, sections 26(1) and 26A(1), as amended)
4. If we are satisfied with an organisation's actions or proposed actions, we can complete our investigation and issue a decision statement. (Local Government Act 1974, section 30(1B) and 34H(i), as amended)

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## **How I considered this complaint**

5. I have considered information provided by the Council and Ms X, alongside the relevant law and guidance.
6. Ms X and the Council have had an opportunity to comment on a draft decision before this final decision was made.

## **What I found**

### **What happened**

7. Ms X made a homelessness application to the Council in July 2023. The application form did not make clear that Ms X's partner, Mr X, was not eligible for social housing but would be a part of the household.
8. The Council asked Ms X to provide a rent statement but later realised this was not needed.
9. Three weeks after the application was made, the Council asked Ms X to provide Mr X's address history. The Council chased for this information twice before she provided it at the end of August.
10. The Council then provided Ms X with its online bidding account details so she could begin bidding for a property. This was 47 days after Ms X made her application.
11. A week later, the Council made a final offer of suitable temporary accommodation to Ms X. It explained that if she declined the offer, the Council would not make any further offers. Ms X would also no longer be able to bid for other properties.
12. Ms X was provided with house rules and a licence agreement when she moved into the property. The Council mistakenly asked Mr X to sign the licence agreement before asking Ms X to sign a further agreement in her sole name.
13. Shortly after Ms X had moved into the property, the Council entered without giving her any notice. She was not home at the time, so found out on her return.

### **Law and Guidance**

14. Part 7 of the Housing Act 1996 and the Homelessness Code of Guidance for Local Authorities set out councils' powers and duties to people who are homeless or threatened with homelessness.
15. When a Council decides an applicant is eligible and homeless, it has a duty to help the person find accommodation which has a reasonable prospect of being available for at least 6 months.
16. The duty ends if the applicant refuses a suitable Part 6 or final offer of private rented accommodation.
17. The Council has a duty under the Children Act 2004 to ensure it considers the need to safeguard and promote the welfare of children when carrying out its functions.

### **The Licence Agreement between Ms X and the Council**

18. The agreement includes the following clause:  
  
For the duration of the licence the council may gain access to the premises for any purpose including the provision of services and inspection of the premises, at any time as may reasonably be required by the council, and in the case of an



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emergency, at any time at all and reserves the right to move you from the premises to other premises.

### **Analysis and findings**

#### **The Council falsely raised a safeguarding report relating to her daughter.**

19. The Council explained the report was not made because of any parenting concerns. While the Council were assessing Ms X's application, it had concerns for Ms X's daughter, in case it was unable to house the family. It made a referral to the Multi-Agency Safeguarding Hub to ensure Ms X's daughter would be considered even if the Council was unable to house the family.
20. The Council has a duty to consider the welfare of children. On receiving a homelessness application, the Council does not immediately know whether the application will be successful. As the Council was told a household which included a child may become homeless, it has acted in accordance with its duties by making the referral to MASH. As the Council explained, this action was to protect the child from homelessness, not from her parents. This is not fault.

#### **The Council failed to explain what the silver banding priority it gave to Ms X meant.**

21. The Council wrote to Ms X in September 2023, explaining what she would need to do to show she had a local connection to the area she wished to secure accommodation in. This letter also confirmed she was on a silver banding for allocation but gave no further information about this.
22. The Council later wrote to Ms X and told her it had moved her to gold banding. It explained this was a high priority banding and that she was required to bid on all types of suitable property. It also explained circumstances which may lead to her being moved back to silver.
23. The Council has not shown that it told Ms X what the silver banding meant when she was given that banding. This information should have been provided to Ms X so that she could understand the priority she had been given, the reasons for this and any obligations this placed on her. Failing to do this is fault. Given that Ms X was moved to gold banding shortly after, the injustice here is limited.

#### **The Council has not allowed her to bid for her choice of property, instead enforcing a property of its choice on her.**

24. Ms X made her homelessness application in July 2023. Over the following weeks, the Council clarified its understanding of the details of the application, and obtained further information from Ms X.
25. Once the Council had the information it needed to make a decision, it allowed access to its online bidding system within seven weeks from Ms X's application.
26. The Council should make a decision following a homelessness application within 56 days. The Council asked for information and clarifications from Ms X. It realised it did not need some of the information, but ensured the decision was made within the timeframe we would expect to see. This is therefore not fault.
27. The Council made a final offer of tenancy a week after it had provided Ms X with account details so she could bid online. This is within the Council's right – it had been asked to provide a suitable property for the family. Once it had, it is correct to say that a refusal of the property would mean it would make no further offers. A refusal would end the council's duty to Ms X. This is not fault.

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**The Council wrongly told Ms X's husband to sign a tenancy agreement although she had told the Council he was not eligible to be a social tenant.**

28. The Council accept it asked Ms X's partner to sign the house rules and licence agreement when the family moved into temporary accommodation. It says this was a mistake made by a newer member of staff, and the Council asked Ms X to sign a licence agreement in just her name when it realised this had happened.
29. Mr X should not have been asked to sign the licence agreement, so this is a fault. However, there is no injustice to Mrs X, as the only impact of this is that she was asked to sign another agreement. The Council has said it has provided training to relevant staff and there has been no repeat of the mistake made here. There is therefore no need for any further remedy.

**The Council gave contradictory information about whether Ms X could bring furniture to the property.**

30. The Council says it told Ms X she was not permitted to bring her own furniture as it may pose a fire risk. This is set out in a welcome letter which sets out all rules for staying in the accommodation. It then reviewed the furniture she had brought and agreed she could keep what she had brought with her, if she did not add any more, and removed it when she left.
31. The Council later found out Ms X had added more furniture and carried out a property inspection.
32. Although the Council's message here changed, this was not without reason. The Council told Ms X its rules, but then satisfied itself that a limited amount of furniture did not pose a risk and permitted her to break that rule. The Council told her the basis on which they were doing this, so when she added more furniture, the Council did not have to accept her doing this.
33. The Council is not at fault for allowing Ms X to safely add some furniture even if that was against its general stance.

**The Council entered her property unreasonably in September 2023.**

34. The Council says it felt the need to urgently enter the building when it became aware Ms X had moved a large volume of furniture into the property and this posed a fire risk. It says following Ms X's complaint, it found there were gaps in its policy on how, when and why property inspections should be carried out. It is working on a code of conduct to cover this, which it wants to implement by the end of June 2024.
35. However, at the time, there was no policy to say the Council had to follow any specific process in this circumstance, there was only the licence agreement which contains the terms and conditions of PA's accommodation. The licence agreement allows the Council to enter the premises at any time, in an emergency. The agreement was signed by Ms X, so she was sufficiently aware of this term at the time. This is not fault.

**The Council was accusatory and intimidating in a visit and an email regarding non-payment of rent.**

36. The Council has accepted that its tone was unnecessary. It has apologised to Ms X and provided guidance to the individual involved to ensure this is not repeated.
37. This is fault. The Council has adequately addressed the issue and no further remedy is required.

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### **Agreed action**

38. The Council has:
- apologised to Ms X for the fault identified; and
  - reviewed its correspondence about allocation banding, and amended it to ensure it is providing all relevant information to applicants when it decides which band they are in.
39. The Council has provided us with evidence it has complied with the agreed actions.

### **Final decision**

40. We found the Council was at fault and had caused some injustice. It has apologised and amended its communications.

### **Investigator's final decision on behalf of the Ombudsman**

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WEST OXFORDSHIRE  
DISTRICT COUNCIL

AUDIT AND GOVERNANCE COMMITTEE WORK PROGRAMME  
1 MAY 2025 – 31 AUGUST 2025

The Audit and Governance Committee responsible for monitoring the adequacy and effectiveness of the Council's governance arrangements. This includes overseeing the audit function, annual accounts and the work of the internal auditors, promoting and maintaining high standards of conduct of members and, through its Standards Sub-Committee, determining standards matters.

The Committee has the following powers under the Council's Constitution:

- To require the attendance of any Council officers and/or members in order to respond directly to any issue under consideration;
- To review any issues referred to it by the Chief Executive, other statutory officer or any Council body;
- To report and make recommendations to Council;
- To call expert witnesses from outside the Council to give advice on matters under review or discussion;
- The ability to raise issues at a meeting of the Executive; and
- The power to establish Sub-Committees.

This work programme sets out the expected business for meetings of the Audit and Governance Committee.

| Item  | Meeting Date | Lead Officer  |
|---|--------------|---|
| <b>Thursday 26 June 2025</b>  |              |   |
| Statement of Accounts - 2024/25 - Update and Accounting Policies                                  | 26 Jun 2025  | Georgina Dyer, Chief Accountant<br>georgina.dyer@westoxon.gov.uk  |
| Internal Audit Annual Opinion 2024/25   | 26 Jun 2025  | Lucy Cater, Assistant Director SWAP<br>lucy.cater@publicagroup.uk   |
| Strategic Risk Register, Risk Policy and Draft Risk and Opportunity Management Strategy and Guide | 26 Jun 2025  | Cheryl Sloan, Business Manager - Business Continuity, Governance and Risk<br>cheryl.sloan@publicagroup.uk |
| Treasury Management Outturn Quarter 4   | 26 Jun 2025  | Madhu Richards, Director of Finance<br>madhu.richards@westoxon.gov.uk                                     |
| Annual Governance Statement for 2024/25 and Action Plan for 2025/26                               | 26 Jun 2025  | Cheryl Sloan, Business Manager - Business Continuity, Governance and Risk<br>cheryl.sloan@publicagroup.uk |
| Annual Summary of Member Conduct Complaints   | 26 Jun 2025  | Andrew Brown, Head of Democratic and Electoral Services<br>andrew.brown@westoxon.gov.uk                   |
| Whistleblowing Policy   | 26 Jun 2025  | Emma Cathcart, Head of Service, Counter Fraud and Enforcement Unit<br>emma.cathcart@cotswold.gov.uk       |
| Annual Local Government Ombudsman Letter 2024/25  | 26 Jun 2025  | Cheryl Sloan, Business Manager - Business Continuity, Governance and Risk<br>cheryl.sloan@publicagroup.uk |

|   |             |   |
|---|-------------|---|
| <b>Thursday 25 September 2025</b>                           |             |   |
| Internal Audit Progress Report                              | 25 Sep 2025 | Lucy Cater, Assistant Director SWAP<br>lucy.cater@publicagroup.uk   |
| CFEU Update Report  | 25 Sep 2025 | Emma Cathcart, Head of Service, Counter Fraud and Enforcement Unit<br>emma.cathcart@cotswold.gov.uk       |
| Treasury Management Q1 Report                               | 25 Sep 2025 | Madhu Richards, Director of Finance<br>madhu.richards@westoxon.gov.uk                                     |
| <b>Thursday 27 November 2025</b>                            |             |   |
| 2024/25 Audit Completion Report and Auditor's Annual Report | 27 Nov 2025 | Georgina Dyer, Chief Accountant<br>georgina.dyer@westoxon.gov.uk  |
| Internal Audit Progress Report                              | 27 Nov 2025 | Lucy Cater, Assistant Director SWAP<br>lucy.cater@publicagroup.uk   |
| Treasury Management Mid-Term Report                         | 27 Nov 2025 | Madhu Richards, Director of Finance<br>madhu.richards@westoxon.gov.uk                                     |
| <b>Thursday 22 January 2026</b>                             |             |   |
| Internal Audit Progress Report                              | 22 Jan 2026 | Lucy Cater, Assistant Director SWAP<br>lucy.cater@publicagroup.uk   |
| Strategic Risk Register                                     | 22 Jan 2026 | Cheryl Sloan, Business Manager - Business Continuity, Governance and Risk<br>cheryl.sloan@publicagroup.uk |

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| Thursday 19 March 2026                                     |             |   |
| Internal Audit Progress Report                             | 19 Mar 2026 | Lucy Cater, Assistant Director SWAP<br>lucy.cater@publicagroup.uk   |
| Internal Audit Plan 2026/27                                | 19 Mar 2026 | Lucy Cater, Assistant Director SWAP<br>lucy.cater@publicagroup.uk   |
| External Audit Plan 2025/26                                | 19 Mar 2026 | Madhu Richards, Director of Finance<br>madhu.richards@westoxon.gov.uk                                     |
| CFEU Update Report (RIPA and IPA annual update)            | 19 Mar 2026 | Emma Cathcart, Head of Service, Counter Fraud and Enforcement Unit<br>emma.cathcart@cotswold.gov.uk       |
| Annual Governance Statement Action Plan for 2025/26 Update | 19 Mar 2026 | Cheryl Sloan, Business Manager - Business Continuity, Governance and Risk<br>cheryl.sloan@publicagroup.uk |
| Quarter 3 Treasury Management Performance                  | 19 Mar 2026 | Madhu Richards, Director of Finance<br>madhu.richards@westoxon.gov.uk                                     |
| Provisional member induction and training programme        | 19 Mar 2026 | Andrew Brown, Head of Democratic and Electoral Services<br>andrew.brown@westoxon.gov.uk                   |