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AUDIT PANEL

Day: Tuesday
Date: 22 November 2022
Time: 2.00 pm
Place: Committee Room 1 - Tameside One

Item No.	AGENDA	Page No
1.	APOLOGIES FOR ABSENCE To receive any apologies for the meeting from Members of the Panel.	
2.	DECLARATIONS OF INTEREST To receive any declarations of interest from Members of the Panel.	
3.	MINUTES The Minutes of the meeting of the Audit Panel held on 26 July 2022 to be signed by the Chair as a correct record.	1 - 6
4.	PROGRESS REPORT ON RISK MANAGEMENT AND AUDIT ACTIVITIES APRIL 2022 TO SEPTEMBER 2022 To consider a report of the Interim Head of Risk Management and Audit Services.	7 - 18
5.	REVISED RIPA POLICY To consider a report of the Head of Legal.	19 - 68
6.	TREASURY MANAGEMENT MID-YEAR To consider a report of the First Deputy for Finance, Resources and Transformation / Assistant Director of Finance.	69 - 84
7.	ANTI-MONEY LAUNDERING POLICY To consider a report of the Interim Head of Risk Management and Internal Audit Services.	85 - 114
8.	ANNUAL REPORT -NAFN - 2021/22 To consider a report of the Deputy Director of Finance.	115 - 136
9.	CORPORATE RISK REGISTER REVIEW NOVEMBER 2022 To consider a report of the Director of Finance / Risk, Insurance and Information Governance Manager.	137 - 146

From: Democratic Services Unit – any further information may be obtained from the reporting officer or from Louis Garrick, Senior Democratic Services Officer, to whom any apologies for absence should be notified.

10. URGENT ITEMS

To consider any additional items the Chair is of the opinion shall be dealt with as a matter of urgency.

From: Democratic Services Unit – any further information may be obtained from the reporting officer or from Louis Garrick, Senior Democratic Services Officer, to whom any apologies for absence should be notified.

AUDIT PANEL

26 July 2022

Commenced: 14:10

Terminated:15:10

Present: Councillors Naylor (Chair), M Smith (Deputy Chair), Bray and Billington

In Attendance:

Sandra Stewart	Chief Executive
Kathy Roe	Director of Finance
Caroline Barlow	Assistant Director of Finance
Christine Weston	Interim Head of Risk Management and Audit Services
Karen Murray	Mazars
Daniel Watson	Mazars

Apologies for Absence: Councillors L Boyle, Kitchen and Ryan

1. DECLARATIONS OF INTEREST

There were no declarations of interest.

2. MINUTES

The minutes of the Audit Panel meeting on the 15 March 2022 were approved as a correct record.

3. EXTERNAL AUDIT PROGRESS REPORT

The report provided the Audit Panel with an update on External Audit Progress in delivering their responsibilities. It also included a summary of recent national reports and publications.

It was reported that work on the 2020/21 Financial Statement continued, Mazars worked closely with the Council's finance team to resolve remaining audit queries.

Responses to initial queries led to the Council's valuers providing revised valuations for inclusion in the financial statements. Mazars had reviewed these revised valuations and, subject to clearance of a small number of follow up queries, Mazars were satisfied these valuations were appropriate. The finance team had updated the draft accounts to incorporate the required changes and we are in the process of testing the audit adjustments.

Since the last update report, a national technical issue had arisen in respect of accounting for infrastructure assets. CIPFA were currently working to resolve this issue, at which point the Council's financial statements could need further amendment. Audit firms had paused signing audit reports for authorities with significant infrastructure asset balances until this issue was resolved. Mazars aimed to complete the audit once new guidance was available and any necessary amendments had been made to the draft accounts.

In regards to 2020/21 Value for Money arrangements audit work Mazars had previously reported to Audit Panel that the revised NAO Code of Audit Practice had changed the work on the Council's value for money arrangements for 2020/21. Mazars had regular discussions with Council officers to understand the Council's arrangements, and received supporting evidence and information on the Council's arrangements in January. The value for money work required Mazars to consider reports from other regulatory bodies. Following the review of Ofsted reports, Mazars had identified a risk of significant weakness in the Council's arrangements in respect of Children's services.

The Audit Progress Report set out risks of significant weakness in arrangements. Over the past 12 months, Ofsted had issued a number of reports following focused visits to the Council and an inspection of the Council's SEND services. Each report identified areas for improvement and areas

for priority action. The SEND inspection required a Written Statement of Action from the Council and Clinical Commissioning Group because of significant areas of weakness in the area's practice. These matters indicated a risk of significant weaknesses in proper Arrangements. Mazars planned procedures included:

- Discussions with relevant Council Officers
- Review of agreed improvement plan and delivery tracker
- Review of Improvement Board meeting minutes
- Review of any Ofsted follow up inspection reports

Discussion ensued between the Panel on the national technical issue in respect of accounting for infrastructure assets. It was explained that this was a national issue and that the audit would be completed once the new guidance was available.

RESOLVED

That the report be noted

4. TREASURY MANAGEMENT YEAR END

Consideration was given to a report of the Executive Member for Finance, Resources and Transformation / Director of Finance. The report set out the Treasury Management activities for the financial year 2021/22.

The Finance Business Partner explained that Treasury Management was a critical activity to ensure Value for Money in the use of public funds. It was concerned with safely managing the working capital of an organisation, managing its cash flows, investments, money markets and banking.

It ensured that public funds work for us, and were safely maximised, without undertaking high-risk investments. It was unrelated to the Revenue Budget of the Council.

This report provided an overview of the Treasury Management activities of the organisation over the last 12 months. At year end, the total investment balance was £144m and total long term borrowing was £141m.

The current strategy was designed to ensure that borrowing costs were kept low over the longer term, rather than subject to volatility that a high risk strategy might deliver. Where investments were involved, the policy was to ensure the security of the asset rather than pursue the highest returns available.

Members were advised that due to a combination of strong investment returns and borrowing being taken up at a time of favourable interest rates, there had been an overall saving on the Council's borrowing costs of £699,000 and interest earned on day-to-day investments of £667,000. This exceeded the benchmark LIBOR / LIBID indicators by £334,000.

RESOLVED

Members are recommended to:

- Note the treasury management activities undertaken on behalf of both Tameside MBC and the Greater Manchester Metropolitan Debt Administration Fund (GMMDAF).**
- Note the outturn position for the prudential indicators in Appendix A.**

5. REVIEW OF INTERNAL AUDIT 2021/22

Consideration was given to a report of the Director of Finance. The report reviewed Internal Audit and measures practices and performance of the Internal Audit function against the standards set out in the Public Sector Internal Audit Standards (PSIAS).

It was reported that the Self-Assessment conducted in May 2022 confirmed that Internal Audit conforms to the requirements of the Public Sector Internal Audit Standards and the CIPFA Local Government Application Note 2019.

From the review of Internal Audit, it could be concluded that Internal Audit helped the organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes in accordance with the Public Sector Internal Auditing Standard's definition. Taking on board the positive comments received from Senior Management Teams, Executive Members and the Audit Panel, assurance could be given that the Council had an adequate and effective Internal Audit function which contributed to the overall effectiveness of the system of Internal Control.

RESOLVED

That the report be noted.

6. RISK MANAGEMENT AND AUDIT SERVICES – ANNUAL REPORT 2021/22

Consideration was given to a report of the Interim Head of Risk Management and Audit Services. The report summarised the work performed by the Service Unit and provided assurances as to the adequacy of the Council's System of Internal Control.

The Interim Head of Risk Management and Audit Services highlighted major achievements of the Service Unit for 2021/22:

- The implementation rate for audit recommendations was 86%.
- The percentage of Planned Audits completed was 91%.
- Grant claims reviewed by Internal Audit during 2021/22 have resulted in grants totalling £82,871 being withheld and Fraudulent claims totalling £150,119 being investigated and pursued through to recovery.

The report presented to the Audit Panel on 16 March 2021 provided an overview of the work planned for 2021/22 for the Service Unit. The Original Annual Audit Plan of 1,666 Days was detailed in the report and approved by the Audit Panel. The Audit Plan, however, as reported during the year had been revised on a regular basis to ensure that it was aligned to changes in service priorities, risks, directorate structures and resources available.

The Actual Days delivered to 31 March 2022 of 1,508 were 76 less than the Revised Plan of 1,584 days. The shortfall is a result of the unanticipated loss of an Auditor in March 2022, additional professional training as a member of the team commenced the Association of Accounting Technicians Qualification (AAT) part way through the year and further intensive on the job training for the developing Auditors/Senior Auditor.

The report set out the wider variety of work undertaken during the period. A summary of the audit opinions issued in relation to risk/system based audit work for 2021/22, compared to 2020/21 and 2019/20 was detailed in the report.

Twenty seven Post Audit Reviews had been completed in total during 2021/22. The percentage rate of all recommendations implemented for 2021/22 is 86% compared to 88% in 2020/21.

In regards to anti-fraud work, During 2021/22, fifty six COVID-19 Business Support Grants have been investigated by the Corporate Fraud Team for both Exchequer Services and the Place Directorate. Table 9 below summarises the outcome of the work undertaken by the Fraud Team as at 31 March 2022. It shows that grant applications totalling £82,871 were stopped before payment due to inconsistencies in the application. After review grants totalling £150,119 are being recovered via invoice and grants to the value of £38,241 are still being investigated.

The data sets for the National Fraud Initiative (NFI) 2020 Exercise were uploaded to the Cabinet Office' Secure System in October 2020 and the initial matches identified for Tameside were

received in February 2021. The majority of High Rated Matches had now been investigated and 32 Frauds and 211 Errors totalling £156,585, had been identified from the Exercise.

The Interim Head of Risk Management and Audit Services advised the Panel that The Audit Panel could take reasonable assurance that the Council's arrangements to secure governance, risk management and internal control were suitably designed and applied effectively.

RESOLVED

That the report and performance of the service during 2021/22 be noted.

7. ANNUAL GOVERNANCE REPORT 2021

Consideration was given to a report of the Director of Finance. The report detailed the Draft Annual Review against the Code of Corporate Governance for 2021/22, the Draft Annual Governance Statement for 2021/22 and the Code of Corporate governance 2021/23.

A review has been completed assessing the Council's position against the approved Code of Corporate Governance in order to demonstrate compliance, ongoing developments/ improvement and to prepare for the compilation of this year's Annual Governance Statement which was required, by the Accounts and Audit Regulations 2015 (as amended). The document was attached at Appendix 1 and incorporated comments received from the Senior Leadership Team.

The Draft Annual Governance Statement for 2021/2022, which had been drawn up using the guidance contained within Delivering Good Governance in Local Government - Framework issued in 2016 was attached at Appendix 2 and incorporates comments received from the Senior Leadership Team.

The Draft Annual Governance Statement will be presented to our External Auditors Mazars as part of their audit of the Statement of Accounts. The final version incorporating any updates and comments would be presented to the Audit Panel on 27 September 2022 for approval. It would then be signed by the Executive Leader and the Chief Executive and presented formally to Mazars.

The Code of Corporate Governance 2021/23 was based on the guidance document issued in 2016 - Delivering Good Governance Framework 2016 and was attached at Appendix 3. The document covered a two year period as there was no scheduled update to the guidance.

RESOLVED

That the report is noted and documents are approved:-

- (i) Draft Annual Review against the Code of Corporate Governance for 2021/2022 at (Appendix 1).**
- (ii) Draft Annual Governance Statement for 2021/2022 at (Appendix 2).**
- (iii) Code of Corporate Governance 2021/23 shown at (Appendix 3).**

8. AUDIT PANEL FORWARD PLAN AND TRAINING

Consideration was given to a report of the Director of Finance / Assistant Director of Finance. The report set out the updated forward plan and training programme for Audit Panel for 2022/23 and 2023/24.

To assist the Audit Panel with delivering its terms of reference, officers had prepared the updated work plan for 2022/23 and 2023/24, which set out the areas that should be considered by the Audit Panel. The work plan outlined in Appendix 2 had been updated to remove March 2022 and include September 2023. The dates for 2023 were provisional and could need to be amended if the reporting deadliness for the Statement of Accounts revert back to the pre-Covid timescales when the accounts were signed off in September.

Members of the panel were asked to consider whether any additional items or training were required, with reference to the core functions listed in the report and the CIPFA Position Statement: Audit Committees in Local Authorities and Police 2022.

RESOLVED

That the Audit Panel:

- (i) **Approve the updated work programme, including training, as set out in Appendix 2; and**
- (ii) **Note the core functions outlined in Section 2 of the report and the updated CIPFA Position Statement: Audit Committees in Local Authorities and Police 2022 and consider whether any further training would be beneficial for the Audit Panel.**

9. CORPORATE RISK REGISTER REVIEW JULY 2022

Consideration was given to a report of the Director of Finance / Risk, Insurance and Information Governance Manager. The report detailed the Corporate Risk Register detailed at Appendix 1 for comment and approval.

The Corporate Risk Register was attached to the report at Appendix 1. It detailed the risk scores evaluated both in February 2022 and July 2022.

Risk owners (responsible Assistant Directors or Service Unit Managers) had assisted the Risk, Insurance and Information Governance Manager to review the Corporate Risks they had responsibility for.

It was explained that the reduced prevalence of Covid infection had eased further the level of disruption in the community and to service delivery. The risk score had increased in respect of Risk 1 (Medium Term Financial Plan) since last reported in February 2022, and scores had reduced in respect of Risk 3 (Adults; Local Care Home Market), Risk 7 (Health and Safety management system), Risk 8 (Coronavirus impact), Risk 15 (Vision Tameside) and Risk 21 (Prevention of fraud).

The Assistant Director of Finance highlighted some changes and areas within the risk register. Risk 9 - Vulnerable adults were put at risk due to reduced service availability, this would be managed as part of the service delivery considerations. Under Risk 8 - Coronavirus impact, 3 new risks had been added to the register. Risk 24 - Insufficient funding to deliver entirety of ASC reform programme, had been brought in by Adults, Risk 25 - Delivery of services put at risk due to inability to recruit the required workforce, had been added as a Council-wide issue, and Risk 26 - Delivery of Place-based initiatives, identified pressures under the Place directorate.

It was further explained that due to the inclusion of the various changes there was an increased number of 8 Red risks across the register, in comparison to 7 in the last quarter.

RESOLVED

That the Corporate Risk Register attached at Appendix 1 be approved.

10. URGENT ITEMS

There were no urgent items.

CHAIR

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Agenda Item 4.

Report To:	AUDIT PANEL
Date:	22 November 2022
Reporting Officer:	Christine Weston–Interim Head of Risk Management and Audit Services
Subject:	PROGRESS REPORT ON RISK MANAGEMENT AND AUDIT ACTIVITIES APRIL 2022 TO SEPTEMBER 2022
Report Summary:	To advise members of the work undertaken by the Risk Management and Audit Service from April 2022 to September 2022 and the proposed revisions to the Plan.
Recommendations:	That members note the report and the performance of the Service Unit from April 2022 to September 2022, and approve the proposed revised Plan.
Links to Corporate Plan:	Internal Audit supports the individual operations, which deliver the objectives within the Corporate Plan.
Policy Implications:	Effective Risk Management and Internal Audit supports the achievement of Council objectives and demonstrates a commitment to high standards of corporate governance.
Financial Implications: (Authorised by the Borough Treasurer)	Effective Risk Management and Internal Audit assists in safeguarding assets, ensuring the best use of resources and reducing losses due to poor risk management. It also helps to keep insurance premiums and compensation payments to a minimum and provides assurance that a sound control environment is in place.
Legal Implications: (Authorised by the Borough Solicitor)	<p>This report is presented to Members for consideration in order to demonstrate compliance with the Accounts and Audit Regulations 2015 (as amended) which in turn demonstrates proper and prudent administration of the Council’s affairs.</p> <p>Internal Audit supports good administration through it’s work programme and risk management as detailed in the main body of this report.</p> <p>Such prudent management is all the more critical during periods when the council is operating in a challenging financial climate and to ensure that where necessary lessons are learned and improvements made.</p>
Risk Management:	Assists in providing the necessary levels of assurance that the significant risks relating to the Council’s operations are being effectively managed.
Access to Information:	<p>The background papers can be obtained from the author of the report, Christine Weston, Interim Head of Risk Management and Audit Services by contacting:</p> <p> Telephone: 0161 342 2356</p> <p> e-mail: christine.weston@tameside.gov.uk</p>

1. INTRODUCTION

1.1 This progress report covers the period April 2022 to September 2022.

1.2 The main objectives of this report are :

- To summarise the work undertaken by the Risk Management and Audit Service during the period from April 2022 to September 2022 in respect of the approved Plan for 2022/23, which was presented to the Audit Panel on 15 March 2022; and
- To obtain approval from members to the proposed revisions to the Plan.

2. INTERNAL AUDIT PROGRESS AGAINST THE PLAN 2022/23 AND PROPOSED REVISIONS TO THE PLANNED DAYS

2.1 The Audit Plan approved on 15 March 2022 covered the period April 2022 to March 2023 and totalled 1,207 Days. **Appendix 1** shows the progress made against the plan up to the end of September 2022, and the proposed revisions to the plan for the second half of the year.

2.2 In making the proposed revisions to the plan, we have consulted with Directors and Assistant Directors to ensure that their priorities have been taken into account. We have also ensured that there are sufficient financial systems reviews remaining in the plan to enable us to give the annual assurance required.

2.3 **Table 1** below provides a summary of the Audit Plan 2022/23 and details the Approved Plan Days, Actual Days delivered to September 2022 and the Days we are planning to deliver from October to March 2023. The actual days spent up to September are 398, and we are planning to spend 469 days from October to March 2023. **Appendix 1** provides a detailed breakdown for each service area and also the status of the audits and the Level of Assurance given for each audit report issued.

2.4 The main reasons for variances in the plan and the revisions having to be being made are as a result of the following:

- Additional audits/activities added to the Approved Plan, that had not originally been planned or foreseen:
 - Control report – Safeguarding Adult Services – TASP
 - Advice re Homes for Ukraine Scheme payments
 - Advice re Energy Bills Support
 - Homelessness Prevention Fund Grant – Grant Assurance
 - Advice – Protect and Vaccinate Grant
 - System Sign off – New payments system for Museums
 - Prevention and Promotion of Mental Health Grant – Grant Assurance
 - Contain Outbreak Management Fund – Grant assurance
 - Weight Management Grant – Adults – Grant Assurance
 - Substance misuse – Treatment and Recovery – Grant Assurance
 - Several schools have been identified as higher priority to be audited, compared to the schools already in the plan.
- The days brought forward to complete work in progress at the year end were not enough to complete the work required, for several audits.
- One of the Senior Auditors that we had appointed in lock down, left us in mid June. There was then a timing delay in recruiting to the post, but we successfully appointed internally one of our Auditors to the Senior role from 1 September. We are now recruiting to the Auditor vacancy that this internal promotion created. We have received an encouraging number of applications.

- The early retirement of a Senior Auditor in September 2022. There has been a time delay whilst we have been recruiting, but we have now appointed a qualified and experienced Senior Auditor who will be starting with us in mid January 2023.
- Another Senior Auditor, who is currently acting up into a Principal Auditor role is leaving in December, and we are currently recruiting for the Senior Auditor post.
- The Principal Auditor role has been advertised on the Agency website, so we are hoping that we will get some interest from this.
- One of the Corporate Fraud Investigators also left us during the year, and we are currently recruiting to the post, having been unsuccessful, the first time we advertised.

2.5 Table 1 – Annual Audit Plan Summary 2022/23

Service Area / Directorate	Approved Plan 2022/23	Actual Days to September 2022	Days Planned Oct to March 2023
Adults	82	30	37
Children's	121	11	69
Children's Learning and Schools	143	49	65
Crosscutting	61	31	1
Digital Tameside	71	35	48
Exchequer Services	79	17	45
Finance	78	43	25
People and Workforce Development	68	29	25
Policy and Performance	28	2	1
Greater Manchester Pension Fund	300	85	123
Place	154	37	27
Population Health	22	29	3
Total Planned Days 2022/23	1,207	398	469

- 2.6 The Risk Management and Audit Team are working to a hybrid model now, with staff coming into the office at least one day a week, or more often, as required to deliver the service.

3 AUDIT ACTIVITY FROM APRIL 2022 TO SEPTEMBER 2022

- 3.1 In the period to September 2022, 15 Final Reports were issued, the results of which are summarised in Table 2 below. Two of the reports were consultancy reports so they were not given a level of assurance. Four of the reports were schools, and three were Pension Fund Visits to Employers.

Table 2 – Final Reports April to September 2022

Levels of Assurance	Number of reports issued April to September 2022
High	3
Medium	9
Low	1
Totals	13

NB – the Low level of Assurance related to a GMPF Employer visit.

- 3.2 In addition to the Final Reports issued above, nine Draft Reports have been issued for management review and responses and these will be reported to the Panel in due course.
- 3.3 Not all work undertaken by the team generates an audit opinion and several pieces of work undertaken in the period fall into this category:
- Investigation Control Reports and Follow Ups;
 - Grant Assurance work;
 - Advice;
 - Post Payment Assurance work in relation to COVID-19 Business Grants;
 - System Upgrades/Sign Offs;
- 3.4 Post Audit Reviews are undertaken approximately six months after the Final Report has been issued, however, where a Low level of assurance is issued the Post Audit Review is scheduled for three months to ensure that the issues identified are addressed. Fourteen Post Audit Reviews have been completed during April 2022 to September 2022, a summary is presented in Table 3 below and details the number of recommendations made and also implemented. Internal Audit was satisfied with the reasons put forward by management where the recommendations had not yet been fully implemented and there are no significant issues outstanding to report to the Panel.

3.5 **Table 3 – Post Audit Reviews – Recommendations Implemented**

Post Audit Reviews	Recommendations		
	Made	Implemented	
	No.	No.	%
GMPF Employer Audit - University of Bolton	3	2	67
GMPF Pension Benefits Payable	8	7	87
Procure to Pay System	19	17	89
St James Hattersley Primary School	18	12	67
GMPF Ill Health Insurance Arrangements	5	5	100
Second PAR GMPF Creditor Payments	11	7	64
Milton St Johns Primary School	8	8	100
Local Investments - GMPVF	5	4	80
Supporting Families	8	8	100
St Raphael's Primary School	18	18	100
Millbrook Primary School	12	12	100
GMPF Employer Audit - Oldham Council	11	11	100
GMPF New Custodian - Northern Trust	4	4	100
Determination and Recovery of Adult Care and Support Charges	29	24	83

4 IRREGULARITIES/COUNTER FRAUD WORK

- 4.1 Fraud, irregularity and whistle-blowing investigations are conducted by two Corporate Fraud Investigators within the Internal Audit Team under the direction of a Principal Auditor and the Interim Head of Risk Management and Audit Services. One of the Corporate Fraud Investigators left the Council in July 2022 and we are currently in the process of recruiting to this post.
- 4.2 All investigations and assistance cases are reported to the Standards Panel on a regular basis for challenge and comment and where appropriate further guidance and direction is provided. Liaison with Legal Services takes place as and when required on a case by case basis.

- 4.3 Ongoing assistance cases can range from obtaining information for an investigating officer to actually undertaking some analysis work and providing evidence for the investigatory process. This work can range from analysing expenditure records, internet usage, identification of undeclared assets and assisting other organisations to progress their investigations.
- 4.4 The number of cases investigated during the period April to September 2022 is summarised below in Table 4.

Table 4 – Investigations Undertaken from April to September 2022

Detail	No. of Cases
Cases B/Forward from 2021/22	29
Current Year Referrals	26
Total	55
Cases Closed	10
Cases Still under Investigation	45
Total	55
Assistance Cases	20

- 4.5 The above investigations can be categorised by fraud type as shown in Table 5 below.

Table 5 – Investigations by Fraud Type

Fraud Type	No. of Cases	Estimated Value £
Adult Social Care	6	58,224.62
Business Rates/Grants	32	287,001.70
Children's Social Care	2	20,362.36
Council Tax	9	114,687.89
Disabled	1	-
Pensions	3	8486.68
Mandate	1	-
Household Support Fund	1	-
Total	55	488,763.25

- 4.6 The data sets for the National Fraud Initiative (NFI) 2020/21 Exercise were received in February 2021 and we are currently concluding the investigations in respect of these matches. **Table 6** below provides details of the findings to date.
- 4.7 Investigations to date have highlighted 37 frauds and 240 errors totalling £195,362, and where appropriate, work is ongoing to recover these amounts.

Table 6 – National Fraud Initiative (NFI) Findings to 30 September 2022

NFI Data Set	NFI Report Ref.	Number of Matches	Report Match Rating	Comments		
				Processed	In Progress	No. of Error/Fraud and Value
Pensions to DWP Deceased Persons	52	936	High	936	-	29 Frauds 7 Errors £35,947

NFI Data Set	NFI Report Ref.	Number of Matches	Report Match Rating	Comments		
				Processed	In Progress	No. of Error/Fraud and Value
Pensions to Payroll	54 and 55	1256	High	1256	-	-
Deferred Pensions to DWP Deceased	53	158	High	158	-	96 Errors
Housing Benefits to Student Loans	2	16	High	16	-	7 Errors £4,797
Housing Benefits Claimants to DWP Deceased	49.1	32	High	32	-	-
Council Tax Reduction Scheme to Pensions	435.1 436.1 439.1	844	High	356	-	86 Errors £65,444
Council Tax Reduction Scheme to Payroll	435 436	50	High	27	23	2 Errors £2,055
Council Tax Reduction Scheme to Council Tax Reduction Scheme	446	17	High	5	12	1 Error £2,338
Council Tax Reduction Scheme to Taxi Drivers	459.2	32	High	8	24	1 Error £1,069
Council Tax Reduction Scheme to DWP Deceased	482	77	High	77	-	-
Blue Badge to DWP Deceased	172.1	297	High	297	-	6 Errors
Payroll to Payroll	66	22	High	6	16	1 Fraud £20,113
Housing Benefit Claimants to Taxi Drivers	47.1 47.2	58	High	11	47	-
Within Council Tax Rising 18s	802	41	High	15	26	10 Errors £534
COVID-19 Grants	1700 - 1710	91	High	47	44	7 Frauds £43,065 2 Errors £20,000
Totals		3,927		3,247	192	37 Frauds 240 Errors £195,362

4.8 The appropriate Council data has been extracted from systems as at 30 September 2022 and uploaded onto the NFI web application 2022/2023 after the appropriate quality checks have been completed. The Cabinet Office have advised that the 2022/23 matches will be made available from 26 January 2023 for further investigation.

5 RISK, INSURANCE AND INFORMATION GOVERNANCE

5.1 The Risk, Insurance and Information Governance Team provide services to the whole Council. The key priorities for the team during 2022/23 are detailed in Table 7 below together with a progress update to the end of September 2022.

Table 7 – Risk, Insurance and Information Governance Key Priorities

Key Priorities 2022/23	Progress Report – September 2022
<p>To continue to work with the Single Leadership Team to review the Corporate Risk Register ensuring that it is linked to the Corporate Plan Themes and Priorities, to review the process for recording and evaluating risks and develop operational risk registers. A key priority will be to develop the monitoring of risk registers to ensure they are reported appropriately to officers and members.</p>	<p>The Corporate Risk Register is now updated and presented to the Single Leadership Team and the Audit Panel quarterly.</p> <p>Work with service areas to develop operational risk registers has been delayed to 2023/24 due to capacity issues.</p>
<p>To deliver the Information Governance Work Plan which is being developed with the Information Governance Group to ensure that the Council is compliant with all Data Protection legislation.</p>	<p>Delivery of the Work Plan is progressing well and a number of policies and procedures have been updated and approved.</p> <p>Progress during 2022/23 includes the release of an updated Information Governance Policy, an Information Governance Conduct Policy and a revised Redaction Guidance document.</p>
<p>To provide Data Protection/Information Governance advice and guidance to support services ensure new systems, processes and partnership working involving the collection, sharing, processing and storage of personal data are compliant with Data Protection legislation</p>	<p>This forms the bulk of the daily work carried out by the team in relation to Information Governance. The volume of requests for advice and guidance is high. Work is prioritised in order to deal with urgent cases first.</p>
<p>To work with senior managers to ensure that Service Area/Units Business Continuity Plans are robust and fit for purpose and regularly reviewed to support management in responding to a major incident.</p>	<p>Following completion of the Work Smart Project, the team will provide guidance to Service Areas in 2023/24 to refresh plans to reflect the new working model.</p>
<p>To review the insurance database used to ensure it is fit for purpose and that the reporting functionality is efficient and effective.</p>	<p>This review has commenced, and a decision on the most suitable database product will be made by the close of 2022/23.</p>
<p>To continue to support managers to assess their risks as services are redesigned to ensure that changes to systems and procedures remain robust and resilient offering cost effective mitigation and that claims for compensation can be successfully repudiated and defended should litigation occur.</p>	<p>The Team continue to provide advice and support to services areas as requested, in relation to Risk Management, Insurance and Business Continuity Planning:-</p>
<p>To review the information held and introduce regular reports for management in terms of claims received to inform and improve the risk management process.</p>	<p>The format of the report is being reviewed by the Risk, Insurance and Information Governance Manager and the proposed format will be discussed with the Assistant</p>

Key Priorities 2022/23	Progress Report – September 2022
	Director of Finance prior to it being presented to officers and members.
To attend management team meetings quarterly to provide updates on insurance, information governance, risk management and business continuity.	Ongoing.

6 RECOMMENDATION



6.1 As set out on the front of the report.

Audit Ref	Audit Description	Approved Plan	Actual Days	Variance	Days Planned Oct to March	Status	Level of Assurance
Adult Services							
07119/005.bf.bf	Contract Monitoring - Care Homes	1.00	4.53	-3.53	0.00	Final Report Issued	Medium
07141/002.bf	Consultancy Review - Safeguarding - Adult Services	1.00	4.75	-3.75	0.00	Final Report Issued	N/A
07134/002.bf	Budgetary Control & Financial Management - Adult Services	0.00	8.32	-8.32	0.00		
07113/003	Out Of Hours	15.00	0.00	15.00	0.00		
07166/001	Transfer of Clients from Children's Services	10.00	2.57	7.43	10.00	Work in Progress	
07106/017	Learning Disabilities Client Accounts	15.00	0.00	15.00	0.00		
07165/001	System Sign Off - Greater Manchester Care Records	6.00	0.28	5.72	6.00	Work in Progress	
03123/010	Direct Payments	10.00	0.00	10.00	10.00	Q4	
07141/003	Control Report - Safeguarding - Adult Services - TASP	0.00	6.45	-6.45	2.00	Final Report Issued	N/A
07142/015	Planning & Control - Adult Services	5.00	1.70	3.30	3.50	Ongoing	
07143/015	Advice - Adult Services	5.00	0.90	4.10	4.00	Ongoing	
07145/016	Post Audit Reviews - Adult Services	12.50	0.00	12.50	0.00	Ongoing	
07106/018	Post Audit Review - Learning Disabilities Client Accounts - 27 Neal Avenue, Ashton-under-Lyne	1.50	0.60	0.90	1.25	Work in Progress	
		82.00	30.10	51.90	36.75		
Childrens Services							
11546/001	Direct Payments	10.00	0.00	10.00	10.00	Q3/Q4	
07301/003	Safeguarding	15.00	0.07	14.93	0.00		
11208/001	Deprivation Of Liberty Orders (DOLS)	15.00	0.00	15.00	0.00		
11207/001	Missing Children	15.00	0.00	15.00	15.00	Q3/Q4	
11541/003	Conference and Review Process	15.00	0.00	15.00	0.00		
11129/002	Transition of Clients From Childrens to Adults Services	10.00	1.76	8.24	9.00	Q3/Q4	
11521/024	Supporting Families	15.00	0.00	15.00	15.00	Q4	
11112/004.bf	Fostering	0.50	1.16	-0.66	0.00	Final Report Issued	Medium
11505/013	Planning & Control - Childrens	10.00	3.34	6.66	6.00	Ongoing	
11506/018	Advice - Childrens	6.00	0.98	5.02	5.00	Ongoing	
11506/019	Advice - Childrens - Special Guardianship Orders	0.00	0.00	0.00	1.00	Work in progress	
11125/010	Post Audit Reviews - Childrens	9.00	0.00	9.00	0.00		
11111/015	Post Audit Review - Children's Homes - Review of Expenditure	0.00	0.80	-0.80	5.00	Work in Progress	
11521/025	PAR - Supporting Families	1.00	2.12	-1.12	0.00	Completed	
	PAR - Fostering	0.00	0.00	0.00	1.50	Q3	
11118/010	PAR - Procurement of Placements for Children	0.00	0.54	-0.54	1.00	Work in Progress	
		121.50	10.78	110.72	68.50		
Learning and Schools							
11353/014	Micklehurst Primary	0.00	0.00	0.00	8.00	Work in Progress	
11310/013.bf	Arlies Primary & Nursery	0.50	0.41	0.09	0.00	Final Report Issued	High Level of Assurance
11323/009.bf	Russell Scott Primary	0.50	1.19	-0.69	0.00	Final Report Issued	Medium Level of Assurance
11331/005.bf	Corrie Primary & Nursery	0.50	1.17	-0.67	0.00	Final Report Issued	Medium Level of Assurance
11369/003.bf	St Josephs R C Primary & Nursery	0.50	0.93	-0.43	0.00	Final Report Issued	Medium Level of Assurance
11393/003.bf	Thomas Ashton Primary & Secondary Centres	3.00	4.80	-1.80	1.75	Draft Report Issued	
11381/012	Mossley Hollins High - Grant Assurance work	0.00	2.84	-2.84	0.00	Completed	N/A
	The Heys	0.00	0.00	0.00	6.00	Q3/Q4	
11308/003	Gorse Hall Primary & Nursery	6.00	0.00	6.00	0.00		
11327/009	Livingstone Primary	6.00	12.76	-6.76	7.50	Work in Progress	
11329/005	Aldwyn Primary	6.00	0.00	6.00	6.00	Q3/Q4	
11333/003	Holden Clough Primary & Nursery	6.00	0.00	6.00	6.00	Q3/Q4	
11345/003	Holy Trinity C E Gee Cross	6.00	0.00	6.00	6.00	Q3/Q4	
11356/013	St Pauls R C Primary & Nursery Hyde	6.00	0.00	6.00	0.00		
11358/003	St Marys R C Primary Denton	6.00	0.00	6.00	6.00	Q3/Q4	
11359/010	St Peters RC Primary & Nursery Stalybridge	6.00	11.00	-5.00	1.00	Draft Report Issued	
11367/003	St Marys R C Primary & Nursery, Dukinfield	6.00	0.00	6.00	0.00		
11372/008	St Annes R C Primary & Nursery, Audenshaw	6.00	0.00	6.00	0.00		
11386/009	St Damians R C Science College	10.00	0.00	10.00	0.00		
11387/003	St Thomas More R C Maths & Computing College	10.00	0.00	10.00	0.00		
	Hurst Knoll Query				2.00	Work in progress	
11455/008	Planning and Control - Schools and Learning	15.00	3.17	11.83	5.00	Ongoing	
11457/012	Advice - Schools and Learning	10.00	2.77	7.23	5.23	Ongoing	
11456/007	Post Audit Review - Schools and Learning	13.00	0.00	13.00	0.00		
11315/006	Post Audit Review - Millbrook Prim & Nursery	1.50	1.77	-0.27	0.00	Completed	
11360/010	Post Audit Review - St Raphaels R C Primary	1.50	1.85	-0.35	0.00	Completed	
11352/009	PAR - Milton St Johns C E Primary	0.50	1.88	-1.38	0.00	Completed	
11362/005	Post Audit Review - Holy Trinity C E Primary	1.50	1.29	0.21	1.00	Work in progress	

Audit Ref	Audit Description	Approved Plan	Actual Days	Variance	Days Planned Oct to March	Status	Level of Assurance
11357/008.bf	PAR - St James R C Primary & Nursery Hattersley Hyde	0.00	0.63	-0.63	0.00	Completed	
11366/013.bf	PAR - Canon Burrows C E Primary	0.00	0.14	-0.14	0.50	Work in progress	
	PAR - Russell Scott				1.50	Q4	
	PAR - St Josephs				1.00	Q4	
	PAR - Arlies				1.00	Q3	
11501/003	Special Educational Needs and Disability (SEND)	15.00	0.00	15.00	0.00		
		143.00	48.58	94.42	65.48		
Crosscutting							
01171/001	STAR - Contract Monitoring	15.00	0.00	15.00	0.00		
01165/007	Greater Manchester Combined Authority - Grant Assurance Work	10.00	8.40	1.60	0.00		
09101/003	Recruitment & Selection	15.00	0.00	15.00	0.00		
01244/009	Procurement - STAR	15.00	0.00	15.00	0.00		
01137/008	Post Audit Reviews - Cross Cutting	3.00	0.00	3.00	0.00		
04228/001.bf	Domestic Abuse - Contract Monitoring	3.00	18.18	-15.18	0.50	Draft Report Issued	
01165/008	Greater Manchester Combined Authority - Grant Assurance Work - Local Transport Capital Block Funding (Pothole Fund)	0.00	4.00	-4.00			
		61.00	30.58	30.42	0.50		
Digital Tameside							
13117/002.bf	Access Control Management	0.50	0.96	-0.46	0.50	Draft Report Issued	
06319/001.bf	Physical and Environmental Controls	0.00	2.00	-2.00	0.00	Work in Progress - Salford	
13119/001.bf.bf	Cooperative Network Infrastructure (CNI)	0.00	6.76	-6.76	0.25	Draft Report Issued	
13118/003	Vulnerability Management	5.00	1.70	3.30	3.30	Work in Progress - Salford	
01105/004	ICT Business Continuity and Disaster Recovery	11.00	0.00	11.00	11.00	Salford Q4	
13505/001	Payment Security PCI DSS	8.00	0.00	8.00	8.00	Salford Q4	
06205/001	Request-Incident Management	10.00	0.20	9.80	10.00	Salford Q4	
13507/001	Software Licence Management	10.00	6.50	3.50	7.50	Work in Progress	
13504/002	New BACS system sign off	6.00	8.44	-2.44	1.00	Completed	
13106/007	Network Management	3.00	5.00	-2.00	5.00	Work in progress - Salford	
06501/014	Planning and Control - Digital Tameside	7.00	2.81	4.19	2.00	Ongoing	
06502/014	Advice and Support - Digital Tameside	1.00	1.32	-0.32	0.00		
06503/014	Post Audit Reviews - Digital Tameside	10.00	0.00	10.00	0.00		
		71.50	35.68	35.82	48.55		
Exchequer Services							
07263/003	Post Payment Assurance - Business Grants	5.00	0.58	4.42	1.00	Work in Progress	
07267/002	Advice - Support for Energy Bills	0.00	3.96	-3.96	0.00	Completed	
07212/011	Debt Recovery	15.00	0.14	14.86	15.00	Q4	
07216/003	Housing Benefits	20.00	0.00	20.00	0.00		
07206/011	NNDR Full System	15.00	0.00	15.00	15.00	Q3	
07204/004.bf	Council Tax Full System	1.00	1.60	-0.60	1.50	Draft Report Issued	
07257/002.bf	Capita System Review	0.50	0.40	0.10	0.00	Final Report Issued	Medium Level of Assurance
07268/001	Test and Trace Support Payments - Assurance	0.00	4.37	-4.37	0.00	Completed	
07235/015	Planning & Control - Exchequer & Support Services	5.00	1.85	3.15	3.00	Ongoing	
07236/016	Advice - Exchequer & Support Services	10.00	2.19	7.81	5.00	Ongoing	
07240/016	Post Audit Reviews - Exchequer & Support Services	7.00	0.00	7.00	0.00		
	2ND PAR - Determination and Recovery of Adult Service Care and Support Charges	0.00	0.00	0.00	3.00	Q3	
	PAR Capita	0.00	0.00	0.00	1.50	Q3	
07132/009.bf.bf	PAR - Determination and Recovery of Adult Service Care and Support Charges	0.00	2.26	-2.26	0.00	Completed	
		78.50	17.35	61.15	45.00		
Finance							
03113/004	Treasury Management Workflow Sign Off	0.00	3.64	-3.64	0.00	Completed	
03302/018.bf	Control Report - Adult Social Care Infection Control and Testing Grant	1.00	4.04	-3.04	0.50	Work in progress	
01136/008	Information Governance	15.00	0.00	15.00	0.00		
03108/003	Bank Reconciliation Procedures	10.00	25.10	-15.10	1.00	Draft Report Issued	
03109/005	VAT	15.00	0.65	14.35	14.50	Q4	
03112/006	Monitoring of Capital Programme	15.00	0.00	15.00	0.00		
04547/004	George Byron Trust Audit of Accounts	1.00	0.00	1.00	1.00	Q4	
	BACS post implementation				1.00	Q4	
	Cash Procedures				0.50	Q3	
03301/006	Planning & Control - Finance	5.00	3.22	1.78	1.78	Ongoing	
03302/019	Advice and Support - Finance	10.00	5.63	4.38	4.00	Ongoing	
03303/016	Post Audit Reviews - Finance	4.50	0.00	4.50	0.00		
03113/005	Post Audit Review - Treasury Management	1.50	0.30	1.20	1.20	Work in progress	
		78.00	42.57	35.43	25.48		
People and Workforce Development							
09550/001	Review of Payroll Payments	15.00	15.77	-0.77	9.00	Work in progress	
09517/004	i TREN Self Service	10.00	0.00	10.00	0.00		
10312/003	Agresso Upgrade	10.00	1.60	8.40	3.00	Work in progress	
02201/006	Registrars (Births, Deaths & Marriages)	5.00	0.00	5.00	0.00		
02303/008	Members Allowances - Publication	2.00	1.61	0.39	0.00		

Audit Ref	Audit Description	Approved Plan	Actual Days	Variance	Days Planned Oct to March	Status	Level of Assurance
10320/002	ATS - Applicant Tracking System - Greater Jobs	2.00	0.28	1.72	0.00		
09511/002	Teachers Pension Monthly Contributions Reconciliation	1.00	0.00	1.00	1.00	Q3	
12208/006	Duplicate Payment Exercise	3.00	2.50	1.00	3.00	Ongoing	
09111/012	Car Allowances Annual Review	2.00	0.00	2.00	2.00	Q3	
02401/017	Planning and Control - People and Workforce Development	5.00	1.16	3.84	2.00	Ongoing	
02402/026	Advice and Support - People and Workforce Development	10.00	5.41	4.59	4.00	Ongoing	
02403/016	Post Audit Reviews - People and Workforce Development	2.00	0.00	2.00	0.00		
	PAR - Procure to Pay	0.50	1.11	-0.61	0.00	Completed	
	PAR - Registrars	0.00	0.00	0.00	1.00	Q3	
		67.50	29.43	38.57	25.00		
Policy and Performance							
10326/003	Support to the Transformation Team	20.00	0.00	20.00	0.00	Suspended	
02703/003	Planning and Control - Policy and Performance	5.00	1.67	3.33	1.00	Ongoing	
02704/002	Advice and Support - Policy and Performance	3.00	0.47	2.53	0.00		
		28.00	2.14	25.86	1.00		
Greater Manchester Pension Fund							
08660/002	Contact Centre	10.00	5.70	4.30	4.30	Work in progress - Salford	
08113/009.bf	Debtors	3.00	8.39	-5.39	3.00	Draft Report Issued	
08663/002.bf	Treasury Management workflow Sign Off	0.00	0.75	-0.75	0.00	Work in Progress	
08609/061	Advice and Support - Pension Payroll - Early Payment - BACS issue	0.00	1.43	-1.43	0.00	Completed	
08607/004	Irregularity Investigations - NFI	5.00	0.00	5.00	5.00	Ongoing	
08202/006	Capital Call Execution Service - Custodian-Local Investments-Agresso	15.00	0.00	15.00	0.00		
08214/001	Fund Manager - UBS	15.00	0.00	15.00	0.00		
08226/004	Northern LGPS	15.00	0.00	15.00	15.00	Q3/Q4	
085604/001.bf	Fund Manager - Sci Beta	3.00	5.01	-2.01	0.00	Final Report Issued	High Level of Assurance
08211/003.bf	Northern Private Equity Partnership - NPEP	1.00	6.19	-5.19	0.00	Final Report Issued	High Level of Assurance
08413/001	Conveyancing Function	15.00	0.00	15.00	0.00		
08506/008	Pension Benefits Payable	15.00	3.00	12.00	15.00	Q3	
08507/001	Deferred Pensions	15.00	0.00	15.00	0.00		
08666/001	Pensions Dashboard	10.00	0.00	10.00	0.00		
08665/001	Mc Cloud	15.00	0.00	15.00	0.00		
08538/014	Visits to Contributing Bodies	50.00	0.00	50.00	12.00	Ongoing	
	Visit to Contributing Body - MMU				10.00	Q3	
08667/001	IT Service Desk	10.00	0.00	10.00	0.00		
08656/001	Sharepoint/One Drive	6.00	2.00	4.00	5.86	Q3/Q4	
08553/001	IT Supplier Management	10.00	1.00	9.00	10.00	Q4	
08654/001	Pensions Regulator - Single Code of Practice	10.00	0.00	10.00	0.00		
08670/001.bf	Control Report - Fraudulent Pension Payment	0.50	1.33	-0.83	0.00	Final Report Issued	N/A
08594/005.bf	i Connect - Monthly Data Collection (Post Implementation Review)	1.00	1.83	-0.83	0.00	Final Report Issued	Medium Level of Assurance
08509/001.bf	AVC's	0.50	4.58	-4.08	0.50	Draft Report Issued	
08542/006.bf	Visits to Contributing Bodies - The Chief Constable of Greater Manchester	0.00	4.24	-4.24	0.00	Final Report Issued	Low Level of Assurance
08597/003.bf	Visits to Contributing Bodies - LTE Group (incl Manchester College)	0.00	1.60	-1.60	0.00	Final Report Issued	Medium Level of Assurance
08529/004.bf	Visit To Contributing Body - Trafford Council	0.00	1.30	-1.30	0.00	Final Report Issued	Medium Level of Assurance
08542/007	Chief Constable of Greater Manchester - Audit March 2022 iConnect File	0.00	3.16	-3.16	0.00	Completed	
08671/001	Valuation Checks	0.00	1.17	-1.17	0.00	Completed	
08521/007	Employer Audit - Bolton Council	0.00	0.42	-0.42	11.00	Work in Progress	
08619/005	Altair - Administration to Payroll Upgrade	10.00	0.28	9.72	0.00	Work in Progress	
	VAT				10.00	Q4	
08314/007	Property Management Contracts	15.00	5.06	9.94	0.00		
08608/016	Planning and Control - Pensions Global-All Service Units	15.00	11.62	3.38	3.50	Ongoing	
08609/060	Advice and Support - Pensions Global-All Service Units	20.00	5.81	14.19	12.00	Ongoing	
08610/016	Post Audit Reviews - Pensions Global-All Service Units	12.00	0.00	12.00	0.00		
08316/002	PAR - Local Investments	1.50	2.37	-0.87	0.00	Completed	
	PAR - My Pension				0.50	Work in progress	
	PAR - Cyber Security				1.00	Work in progress	
08114/004.bf	2nd PAR -Creditors	0.00	1.77	-1.77	0.00	Completed	
08663/003	PAR - Treasury Management	1.50	0.30	1.20	1.20	Work in progress	
08202/005.bf	PAR - New Custodian (Northern Trust)	0.00	0.00	0.00	0.00	Completed	
08506/007.bf	PAR - Pension Benefits Payable	0.00	0.30	-0.30	0.00	Completed	
08640/003.bf	PAR - Visit to Contributing Body - University of Bolton	0.00	1.32	-1.32	0.00	Completed	
08524/012	PAR - Employer Audit - Oldham Metropolitan Borough Council	0.00	2.00	-2.00	0.00	Completed	
08104/002.bf	PAR - Ill Health & Early Retirement	0.00	0.83	-0.83	0.00	Completed	
	PAR - Visit to Police Constable GM				1.50	Work in progress	
	PAR - Visit to Trafford Council				1.50	Work in progress	

Audit Ref	Audit Description	Approved Plan	Actual Days	Variance	Days Planned Oct to March	Status	Level of Assurance
		300.00	84.77	215.23	122.86		
Place							
04513/004	Estate Management	15.00	0.00	15.00	0.00		
01243/007	Monitoring of the Facilities Management Contract	15.00	0.00	15.00	0.00		
04313/001	Development Projects	15.00	0.14	14.86	2.00	Work in progress	
04339/001	Godley Green Capital Project	15.00	0.56	14.44	5.00	Work in progress	
04323/003	Building Control	15.00	0.00	15.00	0.00		
04338/003	Post Payment Assurance - Business Grants	5.00	0.00	5.00	1.00	Q3/Q4	
04222/018	Hattersley Collaboration Agreement	6.00	0.00	6.00	0.00		
01237/004.bf.bf	Capital Project - Control Report - Hyde Community College	0.00	0.21	-0.21	0.50	Draft Report Issued	
04550/002	System Sign off - Transys	6.00	0.37	5.63	0.00		
04539/016	Local Authority Bus Subsidy Grant	2.00	1.90	0.10	0.00	Completed	
09401/003	Health & Safety	15.00	0.00	15.00	0.00		
04153/002	Welfare Rights - System Sign Off	6.00	0.00	6.00	0.00		
04201/006.bf	Homelessness & Advice	6.00	2.06	3.94	0.00		
04229/001	Homelessness Prevention Fund Grant	0.00	11.11	-11.11	0.00	Completed	
07401/001	System Sign Off - Museums Payment System	0.00	2.10	-2.10	6.00	Work in Progress	
04230/001	Protect and Vaccinate Grant	0.00	2.90	-2.90	0.00	Completed	
	Pot hole Grant				2.50	Work in progress	
	Pot hole Grant Control Report				1.25	Work in progress	
04133/015	Planning & Control - Place	10.00	3.97	6.03	6.00	Ongoing	
04317/005	Advice & Support - Place	10.00	2.28	7.72	2.00	Ongoing	
05110/002	Advice - Household Support Fund Round 2	0.00	0.80	-0.80	0.00	Work in Progress	
04340/001	Advice - Homes for Ukraine Scheme Payments	0.00	7.65	-7.65	0.00	Completed	
04135/013	Post Audit Reviews - Place	11.50	0.00	11.50	0.00		
04201/009	Post Audit Review - ABEN	1.50	0.76	0.74	1.00	Work in Progress	
		154.00	36.81	117.19	27.25		
Population Health							
07444/001	Health Protection	15.00	0.00	15.00	0.00		
07436/011	Prevention and Promotion of Mental Health Grant	0.00	3.90	-3.90	0.00	Completed	
07448/001	Contain Outbreak Management Fund - Grant Assurance	0.00	9.31	-9.31	0.00	Completed	
07449/001	Weight Management Grants - Adult	0.00	1.96	-1.96	0.00	Completed	
07448/002	Contain Outbreak Management Fund - Grant Assurance - Control Report	0.00	3.04	-3.04	0.25	Work in Progress	
07450/001	Substance Misuse - Treatment and Recovery Grant Assurance	0.00	5.83	-5.83	0.00	Completed	
07449/002	Weight Management Grant - Children's	0.00	1.55	-1.55	0.00	Completed	
07435/010	Planning & Control - Population Health	3.00	0.61	2.39	1.50	Ongoing	
07436/010	Advice - Population Health	1.00	0.59	0.41	0.00		
07447/009	Post Audit Reviews - Population Health	3.00	0.28	2.72	0.00		
07154/004	PAR - Health Visiting Service	0.00	2.01	-2.01	1.50	Work in Progress	
		22.00	29.09	-7.09	3.25		
		1207.00	397.86	809.64	469.62		

Report To:	AUDIT PANEL
Date:	22 November 2022
Reporting Officer:	Suzanne Antrobus Head of Legal
Subject:	REVIEW OF REGULATION OF INVESTIGATORY POWERS POLICY AND PROCEDURE (RIPA)
Report Summary:	<p>This report is brought to Members for a formal review of the Council's Policy in relation to the Regulation of Investigatory Powers legislation and guidance. The Policy was last amended on 17 April 2019.</p> <p>The Council recently underwent a recent desktop inspection undertaken by the Investigatory Powers Commissioner's Office ['IPCO'] on 28 March 2022. The revised RIPA policy incorporates the recommendations from the inspection.</p> <p>Members and Officers should be alert to all activities which involve investigation of any kind, carried out by or on behalf of council officers in the course of their work, and its potential to attract the use of any form of surveillance</p>
Recommendations:	<ul style="list-style-type: none">(i) To consider the attached revised policy and recommend it to Cabinet with any other changes or otherwise as they consider necessary; and(ii) Agree that Officers across the Council continue to engage in a corporate programme of refresher training led by the Director of Governance and Pensions in relation to the Regulation of Investigatory Powers legislation and guidance.
Policy Implications:	All enforcement action is taken within the context of Council and Crime and Disorder Reduction Partnership policies. The policy will also need to be added to the Information Governance Framework and disseminated across the Council.
Financial Implications: (Authorised by the statutory Section 151 Officer & Chief Finance Officer)	Not to comply with the RIPA legislation could have financial implications should court proceedings be unsuccessful or civil claims be brought against the Council as a result of non-compliance.
Legal Implications: (Authorised by the Borough Solicitor)	<p>Non-compliance with the RIPA legislation could cause court proceedings to be compromised, human rights to be breached, and reputational damage to the Council.</p> <p>Member should note this legislation applies to all types of surveillance and investigations carried out on behalf of the Council.</p>
Risk Management:	Risk assessments in relation to enforcement activity have been carried out and all recommendations form part of current reporting practices.
Background Information:	<p>The background papers can be obtained from the author of the report, Margaret Warner, Principal Solicitor, General Law by contacting:</p> <p> Telephone:0161 342 3045</p> <p> e-mail: margaret.warner@tameside.gov.uk</p>

1. INTRODUCTION

- 1.1 The Council is required to review its policy in relation to surveillance on a regular basis, and ensure that all officers engaged in investigatory work understand the requirements of the Regulation of Investigatory Powers Act 2000 (RIPA).
- 1.2 The draft current policy was revised on 17 April 2019, which was subsequently reviewed by, the Investigatory Powers Commissioners Office (IPCO) Inspector, on 13 June 2019. There were no formal recommendations arising from this inspection. This was the last full RIPA inspection.
- 1.3 Members will recall that the Investigatory Powers Commissioners Office is a non departmental public body (NDPD) which was established to oversee the authorisation and use of covert tactics by statutorily empowered public authorities, of which the Council is one. The IPCO team supports the Investigatory Powers Commissioner and Judicial Commissioners in fulfilling their duties under the Investigatory Powers Act 2016. Funding for the IPCO is provided by the Home Secretary. However, the IPCO carries out its functions independently of the Government and is not part of the Home Office.
- 1.4 Inspections are usually every three years. Since the last RIPA inspection, the Council approved the 2019 Policy and the Council has continued to review, provide training and monitor any RIPA related activity undertaken by the authority. There has been no requests for RIPA authorisation at the Council since 2013.

2. IPCO DESKTOP INSPECTION. 28 MARCH 2022

- 2.1 On 4 February 2022, the Monitoring Officer received notification from the IPCO, that our authority was due for its next programmed inspection of the use of covert surveillance in accordance with the provisions of the Regulation of Investigatory Powers Act 2000. The following information and documentation was required to be sent in advance to the Inspector:
 - If any use of RIPA has been made since the last inspection (CHIS/DSA) the exact numbers and if possible (redacted names/premises are fine) a small selection of the RIPA applications/authorisations/cancellations.
 - Details of any training undertaken since the last inspection
 - A copy of your RIPA policy
 - Details of any data assurance measures/training in place to comply with the safeguarding chapters of the codes of practice
- 2.2 On 28 March 2022, a video and desktop-based inspection took place following the Inspector's examination of the relevant documentation, thereby obviating the need for a visit by a Surveillance Inspector.
- 2.3 On 29 March 2022, the IPCO wrote to the Chief Executive with details of the Inspector's findings. The Inspector had identified that *whilst our RIPA policy contained references to the keeping and management of records (Section D), the policy should also carry details regarding the data safeguards contained within each Code of Practice, and to advise the reader as to the minimum standards required; who will undertake the required review of covertly obtained material; and the time period within which this review will take place, to determine if the material gathered will be retained or destroyed.*
- 2.4 The proposed revised Policy is attached at Appendix 1 to this report. It builds on the Policy previously revised in 2019 and contains information within the above recommendation at Section D, pages 20-22, within the Policy in red. Further changes in red, within the revised Policy follow the updated guidance contained in the IPCO newsletter dated October 2022.

- 2.5 Officers within Directorates should therefore continue to keep under review how investigations are carried out in relation to their specific disciplines and ensure their officers are complying with the requirements around surveillance.
- 2.6 Whilst Elected Members of a local authority should review their authority's use of the RIPA and its policy at least once a year it should be noted that there have however been no requests for authorisation here to use the powers under the RIPA since 2013.

3 RECOMMENDATION

- 3.1 As set out on the front of the report.

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TAMESIDE METROPOLITAN BOROUGH COUNCIL

**POLICY AND
PROCEDURAL GUIDE**

**To be read in conjunction with the Covert Surveillance and Property interference
Revised Code of Practice and the Covert Human Intelligence Sources Revised
Code of Practice August 2018**

Revised **October 2022**

**FOR THE USE OF COVERT SURVEILLANCE
AND
COVERT HUMAN INTELLIGENCE SOURCES ("CHIS")**

To comply with the Regulation of Investigatory Powers Act 2000, all its Regulations, the Human Rights Act 1998 and having regard to the Codes of Practice published by the Secretary of State under S71(3)(a) of the Regulation of Investigatory Powers Act 2000

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A. GENERAL INTRODUCTION

This Policy along with the statutory Codes of Practice published by the Secretary of State, revised in August 2018 and the Office of Surveillance Commissioners Procedures and Guidance must be readily available at Tameside Metropolitan Borough Council, Civic Centre (hereinafter referred to as the Council) for consultation and reference by Investigating Officers, Members of the Council and the public and/or their representatives.

The Policy may be amended from time to time by the Executive Director Governance and Resources, to reflect the most up to date and relevant guidance, and will be kept under review by the Council's Enforcement Coordination Panel and as directed by the Executive Director Governance and Resources.

If the Council receives an FOI request for an IPCO inspection report of our organisation, this should be brought to the attention of IPCO's Data Protection Officer at info@ipco.org.uk before making any disclosures.

If we wish to publish an IPCO Inspection Report, please note that the Council must first contact IPCO's data protection officer at info@ipco.org.uk.

These documents can be obtained from and as directed by the Executive Director – Governance and Resources Tameside One, Market Place, Ashton-Under-Lyne sandra.stewart@tameside.gov.uk.

1. This Policy applies to **any** covert surveillance or use of CHISs by Council employees whose duties include investigation under properly delegated powers and by private investigators engaged to act as agents by those employees. It should be emphasised that RIPA will only apply if the surveillance or use of CHIS is '**covert**'; quite often such activities will be done overtly and so will fall outside RIPA 2000 so it is advisable to be familiar with the definition of 'covert' under RIPA as a starting point. **A local authority may only use covert surveillance for the purpose of the prevention or detection of crime the offence of which must attract a custodial sentence of six months or more or criminal offences relating to the underage sale of tobacco or alcohol.**
2. This Policy has been drafted specifically for Tameside Council and has regard to the provisions of the Codes of Practice issued by the Secretary of State under S71 RIPA 2000. It should be noted that S72(1) RIPA states that a person exercising or performing any power or duty in relation to which provision may be made by a code of practice under Section 71 shall, in doing so, have regard to the provisions (so far as they are applicable) of every code of practice for the time being in force under that section. This Policy has been compiled especially for the Council only omitting elements which are not applicable to the Council. For example, there is no power of authorisation for '**intrusive surveillance**' (see definition B6 in the Code) so references to such authorisations have been omitted.
3. **All** covert surveillance or use of CHIS's should be authorised in writing and in accordance with this Policy and should only be authorised if it is necessary for the purpose of preventing or detecting crime or of preventing disorder. It should then be carried out in accordance with the authorisation.
4. In addition, covert surveillance and the use of CHISs should only be used by the Council where the Authorising Officer believes it is "**proportionate**" (see definitions section below).

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5. **Before** authorising covert surveillance properly appointed **Authorising Officer** should also take into account the risk of intrusion into the privacy of persons other than the specified subject of the surveillance (collateral intrusion) and take measures wherever practicable to avoid it. Similarly they should also be aware of the possibility (though rare) of obtaining confidential information and take measures to avoid it.
 6. As far as surveillance is concerned this Policy is only concerned with '**directed**' surveillance (see definitions below). This authority must not carry out 'intrusive surveillance' unless the Police are involved and the surveillance is conducted by them in accordance with their authorisation procedure. In cases of joint investigations with the Police, SOCA or CTU no covert activities should take place **unless** the Council is satisfied that the Police, SOCA or CTU have obtained their own authorisation under RIPA. In order to be 'satisfied, the Council's **Senior Authorising Officer** should be allowed to have sight of the particular RIPA authorisation and ensure that a written record has been made on the Council's file that such authorisation has been checked. The purpose of this procedure is to safeguard the Council against potential claims by persons who allege their actions are unlawful or without authorisation. Should such authorisation not be available for inspection the Council shall not continue with any covert activities without its own RIPA authorisation.
 7. There should be no situation in which an **Investigating Officer** has to engage in covert surveillance or using aCHIS without obtaining authorisation. **However**, it should be noted that Section 80 of the Act provides that without an authorisation the actions of the public authority would **not** be made unlawful by RIPA. Nonetheless, such unauthorised covert surveillance or use of a CHIS could contravene **Article 8** European Convention of Human Rights (the right to respect for one's private and family life) brought into force in the UK by the Human Rights Act 1998. Evidence obtained by covert means could also be challenged in court for a breach of **Article 6** of the European Convention on Human Rights (right to a fair trial) on the grounds that it was unlawfully obtained, thus jeopardising a criminal prosecution with potentially expensive and reputationally damaging consequences., Having an authorisation therefore makes it less likely that the covert surveillance or use of CHIS could be held to breach the Human Rights Act 1998, or be challenged in the Courts because it then becomes "**lawful for all purposes**" (Section 27(1) RIPA 2000).
 8. For the avoidance of doubt, surveillance notified to the subject is **not** covert and so does not fall within the provisions of RIPA. The same applies if information is obtained in an **overt** way, for example, when an officer behaves as an ordinary member of the public making test purchases or when checks are made on labelling etc which can only be made when overtly looking or asking questions. Such actions are often already authorised specifically by other legislation in any event.

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9. In addition common-sense of course dictates that no surveillance will be undertaken from a property e.g one situated next door or nearby the subject's property, **unless** the person who occupies the premises from which the surveillance is to take place has been notified and their consent obtained.
 10. Where an Authorising Officer receives an application for covert surveillance or CHIS which he considers should not be granted, he should strike the form through with two black lines and send it to the Surveillance Monitoring Officer with a note giving reasons for refusal. This will then be logged and a record kept. It will prove useful when inspected by the office of Surveillance Commissioners to show that the quality assurance system is operating at the source.
 11. It has been made clear in the Covert Surveillance and Property Interference (Revised Home Office Code of Practice August 2018) pursuant to Section 71 of RIPA that Members should not be involved in making decisions and specific authorisations. The Surveillance Monitoring Officer may want to keep members informed of the processes followed under RIPA through for example the Enforcement Co-ordination Panel, as and when they arise, and in any event, Elected Members of a local authority should review their authority's use of the 2000 Act and its policy annually.

B. DEFINITIONS

1. Authorisation

An authorisation is the final part of a completed R1/DS or R1/CHIS form authorising covert surveillance or use of a covert human intelligence source. It is the part of the form headed 'Authorising Officer's Section'.

Critically it must contain the Authorising Officer's view of **why** the activity is necessary for the prevention or detection of crime or disorder and why it is proportionate. It also contains the details of what the Authorising Officer actually wants to authorise, namely how many Officers, type of activity, how they will carry it out, what equipment eg cameras, CCTV, vehicles they will use, where it is to take place and strategy such as positioning so as to avoid unnecessary intrusion.

It contains the time and date it is to commence and the time and date 3 months later (unless it is a CHIS – then it is 12 months) when it is to finish. It contains review dates, usually monthly. S/He will sign their name, rank and date.

There is also provision for the Head of Paid Service/Chief Executive to authorise if there is a risk of obtaining confidential information, and an explanation of how it will assist the investigation.

The Protection of Freedoms Act 2012 introduced an additional stage in the process. **After** the form has been countersigned the local authority must seek judicial approval for the RIPA Authority.

A Justice of the Peace will decide whether a local authority grant or renewal of an authority or notice to use RIPA should be approved and it will not come into effect unless and **until** it is approved by a JP.

The officer must complete forms for judicial approval which can be found at RIPA Home Office Guidance for Magistrates Court. Copies of the forms are also kept within the Central Record retained in Legal Services. These forms must not be amended and applications will not be accepted if the approved forms are not completed. <https://www.gov.uk/government/collections/ripa-forms--2>

The forms must be submitted with the authorisation to the Head of Legal Services and a suitable date and time for an application for judicial approval will be made. Authorisations are also subject to judicial approval.

2. **Authorising Officer**

2.1 This can be 'a Director, Head of Service, Service Manager or Equivalent' (see Regulation of Investigatory Powers (Directed Surveillance and Covert Human Intelligence Sources) Order 2010 SI No 521 in force on 06/04/10). Therefore for the purposes of this Policy the authorising Officer shall be an officer of one of those ranks who may be appointed by the Council's Monitoring Officer (the Executive Director of Governance and Resources) to hold the position of 'Authorising Officer'. At the moment only the Monitoring Officer and the Assistant Executive Director of Place hold this rank.

3. **Covert**

This is **defined** in Section 26(9)(a) of the RIPA as follows:

'Surveillance is covert if and only if it is carried out in a manner that is calculated to ensure that the persons who are subject to the surveillance are unaware that it is or may be taking place'.

Therefore, if you notify a person that they are to be monitored in a particular way, or if you put up CCTV cameras and erect public notices it is not covert and, therefore, RIPA is not engaged.

4. **Confidential Material**

This has the same meaning as is given to it in sections 98-100 of the Police Act 1997.

It consists of matters subject to legal privilege, confidential personal information, or confidential journalistic material:

Matters subject to legal privilege includes both oral and written

Communications between a professional legal adviser and his or her client or any person representing his or her client, made in connection with the giving of legal advice to the client or in contemplation of legal proceedings and for the purposes of such proceedings, as well as items enclosed with or referred to in such communications. Communications and items held with the intention of furthering a criminal purpose are not matters subject to legal privilege.

Confidential personal information is information held in confidence concerning an individual (whether living or dead) who can be identified from it, and relating:

- either to his or her physical or mental health; or
- to spiritual counselling or other assistance given or to be given, and
- which a person has acquired or created in the course of any trade, business, profession or other occupation, or for the purposes of any paid or unpaid office. It includes both oral and written information and also communications as a result of which personal information is acquired or created. Information is held in confidence if:
 - it is held subject to an express or implied undertaking to hold it in confidence; or
 - it is subject to a restriction of disclosure or an obligation of secrecy contained in existing or future legislation.

Confidential journalistic material includes material acquired or created for the purposes of journalism and held subject to an undertaking to hold it in confidence, as well as communications resulting in information being acquired for the purposes of journalism and held subject to such an undertaking.

NOTE: Only the Head of Paid Service has the delegated power to authorise directed surveillance or the use of a CHIS which will result in the obtaining of Confidential Material.

5. **Covert Human Intelligence Source ("CHIS")**

This is defined in S26 (8) RIPA as follows:

'...a person is a CHIS if -

- (a) he establishes or maintains a personal or other relationship with a person for the covert purpose of facilitating the doing of anything falling within paragraph (b) or (c);
- (b) he covertly uses such a relationship to obtain information or to provide access to any information to another person; or
- (c) he covertly discloses information obtained by the use of such a relationship or as a consequence of the existence of such a relationship.'

(The RIPA also says that references to the use of a CHIS include inducing asking or assessing a person to engage in the conduct of a CHIS or to obtain information by means of the conduct of a CHIS.

6. **Directed Surveillance**

This is defined in Section 26(2) of the RIPA which says surveillance is directed if it is covert but not intrusive and is undertaken:

- (a) for the purposes of a specific investigation or specific operation;
- (b) in such a manner as is likely to result in the obtaining of private information about a person (whether or not one specifically identified for the purposes of the investigation or operation); and
- (c) otherwise than by way of an immediate response to events or circumstances the nature of which is such that it would not be reasonably practicable for an authorisation under this part to be sought for the carrying out of surveillance'.

Therefore, by way of a summary, it is covert surveillance which is planned in advance to further a particular investigation and which is likely to result in the obtaining of information about a person's private or family life.

7. **Intrusive Surveillance**

Section 26(3) states that intrusive surveillance is covert surveillance that:

- '(a) is carried out in relation to anything taking place on any residential premises or in any private vehicle; and

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- (b) involves the presence of an individual on the premises or in the vehicle or is carried out by means of a surveillance device’.

However, Section 26(5) says that surveillance which

- (i) is carried out by means of a surveillance device in relation to anything taking place on any residential premises or in any private vehicle; but
- (ii) is carried out without that device being present on the premises or in the vehicle is NOT intrusive, **unless the device is such that it consistently provides information of the same quality and detail as might be expected to be obtained from a device actually present on the premises or in the vehicle’.**

However the Local Authority have no power to authorise intrusive surveillance.

8. **‘Necessary’**

In order for an Authorising Officer to decide whether an authorisation is necessary it must fall within ground (b) which is set out in Section 28 sub-section 3 of the RIPA namely :-

- (b) for the purpose of preventing or detecting crime or of preventing disorder;
- (c) Amendments to the Regulation of Investigatory Powers (Directed Surveillance and Covert Human Intelligence Sources) Order 2010. mean that a local authority can **now only grant** an authorisation under RIPA for the use of directed surveillance where the local authority is investigating particular types of criminal offences. These are criminal offences which attract a maximum custodial sentence of six months or more **or** criminal offences relating to the underage sale of alcohol or tobacco.

9. **Private Information**

This is defined in the Act as including, ‘in relation to a person’, any information relating to his or her private or family life.

10. **Private Vehicle**

This is defined in the Act as any vehicle used primarily for the private purposes of the person who owns it or of a person otherwise having the right to use it (from the latter, paying passengers are excluded). From the point of view of a paying passenger therefore, the vehicle is **not** private.

11. **Proportionate**

There is no statutory definition but in order for covert surveillance or use of CHIS to be proportionate, it **must not be used** in cases where other more open methods of investigation will suffice. This is a very important concept and all relevant officers should be aware of it.

The following points should be considered:

1. Such methods must also only be used in cases where they are likely to result in the gathering of **cogent evidence** and in cases where there is dependable intelligence to support its use.
2. The subject's situation and any known history should also be taken into account and the seriousness of the offence.
3. It is about **balancing** the seriousness of the crime being investigated and the threat to the general public against the interference with the privacy of the individual concerned.
4. Interference with a person's right to privacy will **not** be justifiable if the means used to achieve the aim are excessive in all the circumstances.
5. For example, it could be justified on the ground that there may be no other way of obtaining the evidence or perhaps a short period of surveillance could be justified on the grounds that it would be a quicker and easier way of obtaining evidence.
6. The risk of **collateral intrusion** should also be considered when looking at proportionality as a high risk of this may tip the balance in favour of not using surveillance at all unless the risk can be minimised satisfactorily. One way of reducing the risk of collateral intrusion is to target particular times for the surveillance when the subject is at large and it is good practice to detail on the RI application the times in the day when the surveillance is to be carried out eg "6.30 am to 7.45 am".

12. **Residential Premises**

Section 48 subsection (1) provides that 'residential premises' mean (subject to subsection (7)(b)) so much of any premises as is for the time being occupied or used by any person, however temporarily, for residential purposes or otherwise as living accommodation (including hotel or prison accommodation that is so occupied or used). RIPA states that the words 'residential premises' do not include a reference to so much of any premises as constitutes any common area to which the resident has access in connection with his use or occupation of any accommodation (Section 48(7)(b) RIPA). Therefore, surveillance from a

common area is technically not intrusive, but there may be a higher risk of obtaining private information about someone so this must be considered when deciding whether or not to authorise the surveillance. For example, the entrance hall, stairs and lift in a block of flats is not counted as residential premises and this is important when assessing whether surveillance is intrusive or not.

13. **Subjects**

A member of the public or group thereof in respect of whom surveillance or the use of a CHIS has been authorised and such observed contacts of that individual or group of individuals as may come to notice during the course of the authorised surveillance or the use of a CHIS.

14. **Surveillance**

This is defined in the Regulation of Investigatory Powers Act 2000 (i.e. the RIPA) as including:

- (a) monitoring, observing or listening to persons, their movements, their conversations or their other activities or communications;
- (b) recording anything monitored, observed or listened to in the course of surveillance; and
- (c) surveillance by or with the assistance of a surveillance device.

15. **'Surveillance Device'**

This is defined in Section 48(1) of RIPA as meaning 'any apparatus designed or adapted for use in surveillance'.

This therefore includes cameras, video cameras, listening and recording devices etc.

16. **Monitoring Officer**

The Surveillance Monitoring Officer for Tameside Council is also the Council's Executive Director for Governance and Resources.

C. AUTHORISATIONS

1. **Application**

The application must be made by the Investigating Officer to the Authorising Officer (see definition B2 above) using the forms downloaded from the intranet site. Search under the words 'Regulation of Investigating Powers' to locate the site or the Home Office website.

2. **Written Authorisations** (See also definition at B1 & B2 above)

Authorisations or renewals of authorisations must be given by the Authorising Officer in writing. At the time, an authorisation is given the Authorising Officer should diary the matter for a review in a month's time. The only Officer officially able to authorise surveillance or CHIS where confidential material is likely to be obtained is the Executive Director of Governance and Resources.

Amendments in the Protection of Freedoms Act 2012 mean that local authority authorisations can only be given effect once an Order approving the authorisation or notice has been granted by a Justice of the Peace (JP).

3. **Requirements**

Before giving authorisation for surveillance or the use of a CHIS the **Authorising Officer** must be satisfied that:

- (a) it is **necessary** for the purpose of preventing or detecting crime or of preventing disorder (see definition 8 above). (You must specify the crime being investigated.)
- (b) it is **necessary** in that particular case, i.e. that particular case merits the use of this method of detection over other less underhand methods eg if it is a case where a person is suspected of having committed a crime like theft, justify why is this covert method of detection is necessary to obtain the evidence over other methods
- (c) it is **proportionate** (see definition 11 above) to the seriousness of the crime or the matter being investigated and the history and character of the subject concerned. Balance the likelihood of obtaining private information against the seriousness of the crime being investigated.
- (d) For (a) (b) and (c) the Authorising Officer must be satisfied that there is sufficient intelligence about the suspect and the alleged offence to justify the authorisation.

4. **Authorising Officer Process**

- a. In order to appoint an authorising officer, an application must be made in writing to the Surveillance Monitoring Officer and Borough Solicitor.
- b. Only those who can demonstrate that they have received the appropriate training and/or had operational experience in the use of the procedures during the course of their employment shall be eligible. After proper appointment, the name shall be placed upon a Flow Chart on the

Council's intranet site and that shall be evidence of the appointment having taken place. At the moment that is not necessary.

- c. In order to ensure that an Authorising Officer is equipped with the relevant experience and knowledge to enable them to grant authorisations, where an Authorising Officer is newly appointed, the Surveillance Monitoring Officer should be consulted and should approve the authorisation prior to the surveillance commencing.
- d. Every application must be properly scrutinised by the Authorising Officer and any applications they consider must be refused must be notified to the Surveillance Monitoring Officer in the way prescribed.
- e. Since 1 November 2012, all officer proposals have to be endorsed by the authorising officer and then approved by the Magistrates sitting in the Magistrates' Court. Applications for approval should be made through the legal department.
- f. To obtain this approval, the officer requesting the authority must apply to the Magistrates' Court in person for such approval, taking to Court four copies of the officer approved authority for endorsement by the Magistrates Court and which authority should be duly certified as approved on each of the four copies.
- g. No action may be taken in reliance upon the authorisation unless and until the Court has approved the authority and it has been so endorsed.
- h. Any application for an extension of the authority must be approved by the authorising officer and the Court in the same way. No action should be carried out outside of the approved authority.
- i. The authorisation process involves the following steps:

5. **Officers Roles and Procedures.**

Investigation Officer

- A risk assessment will be conducted by the Investigation Officer before an application is drafted and prior to staff being deployed. Lone workers will not undertake surveillance, unless this has been carefully considered and is appropriate to the investigation. This assessment will include the number of officers required for the operation; whether the area involved is suitable for directed surveillance; what equipment might be necessary, health and safety concerns of all those involved and affected by the operation and insurance issues.
- Care must be taken when considering surveillance activity close to schools or in other sensitive areas. If it is necessary to conduct surveillance around school premises, the applicant should inform the head teacher of the nature and duration of the proposed activity, in advance. A Police National Crime database check on those targets should be conducted as part of this assessment. The risk assessment and any notification to a head teacher will be recorded on the case file.

- The Investigation Officer prepares an application. When completing the forms, Investigation Officers must fully set out details of the covert activity for which authorisation is sought to enable the Authorising Officer to make an informed judgment. Consideration should be given to consultation with Legal Services concerning the activity to be undertaken.
- The Investigation Officer will obtain a unique reference number (URN) from the central register, maintained by the RIPA Co-ordinating Officer (RCO) before submitting an application.
- The Investigation Officer will submit the application form to an Authorising officer for approval.
- All applications to conduct directed surveillance (other than under urgency provisions – see below) must be made in writing in the approved format.

Authorising Officer (AO)

- The AO considers the application and if it is considered complete, the application is signed off.
- If there are any deficiencies in the application, further information may be sought from the Investigation Officer, prior to sign off.
- Once final approval has been received, the AO and the Investigation Officer will retain copies and will create an appropriate diary method to ensure that any additional documents are submitted in good time.
- The application form will form the basis of the application to the Magistrates court.

6. Urgent RIPA Applications

- The law has been changed so that urgent cases can no longer be authorised orally. Approval for directed surveillance in an emergency must now be obtained in written form. Oral approvals are no longer permitted. In cases where emergency approval is required an AO must be visited by the applicant with two completed RIPA application forms. The AO will then assess the proportionality, necessity and legality of the application. If the application is approved, then the applicant must then contact the out-of-hours HMCTS representative to seek approval from a Magistrate. The applicant must then take two signed RIPA application forms and the judicial approval form to the Magistrate for the hearing to take place.
- As with a standard application, the test of necessity, proportionality and the crime threshold must be satisfied. A case is not normally to be regarded as urgent unless the delay would, in the judgment of the person giving the authorisation, be likely to endanger life or jeopardise the investigation or operation.

- Examples of situations where emergency authorisation may be sought would be where there is intelligence to suggest that there is a substantial risk that evidence may be lost, a person suspected of a crime is likely to abscond, further offences are likely to take place and/or assets are being dissipated in a criminal investigation and money laundering offences may be occurring. An authorisation is not considered urgent if the need for authorisation has been neglected or the urgency is due to the authorising officer or applicant's own doing.

Authorised activity

- Authorisation takes effect from the date and time of the approval from the Magistrates court.
- Where possible, private vehicles used for directed surveillance purposes should have keeper details blocked.
- Notification of the operation will be made to the relevant police force intelligence units where the target of the operation is in their force area. Contact details for each force intelligence unit should be obtained in advance.
- Before directed surveillance, activity commences, the Investigation Officer will brief all those taking part in the operation. The briefing will include details of the roles to be played by each officer, a summary of the alleged offence(s), the name and/or description of the subject of the directed surveillance (if known), a communications check, a plan for discontinuing the operation and an emergency rendezvous point.
- Where 3 or more officers are involved in an operation, officers conducting directed surveillance will complete a daily log of activity. Evidential notes will also be made in the pocket notebook of all officers engaged in the operation regardless of the number of officers on an operation. These documents will be kept in accordance with the appropriate retention guidelines and Criminal Procedure Investigation Act.
- Where a contractor or external agency is employed to undertake any investigation on behalf of the Council, the Investigation Officer will ensure that any third party is adequately informed of the extent of the authorisation and how they should exercise their duties under that authorisation.

7. Information to be Included in the Application

The written authorisation should specify

- (1) identities of the subjects eg names (where known) or descriptions of the subjects and any known history and character thereof (including in cases where investigating officers have reason to believe additional subjects are probable but their identities are unknown they must say so but state their identities are as yet unknown.)
- (2) the nature of the surveillance including location of the subject and/or surveillance and (if relevant) the place where CHIS is to be located;
- (3) the type of surveillance device or vehicles/equipment to be used;
- (4) the type of activities, numbers and names of officers who will be the CHISs (if relevant);
- (5) that it is being undertaken for the purpose of preventing or detecting crime or of preventing disorder
- (6) that it is proportionate (see definition No.10 in the Definition Section above) i.e. specifying:
 - (a) the objectives of the surveillance, or the use of a CHIS;
 - (b) the crime or disorder being investigated (indicate the type of breach);
 - (c) the likelihood of obtaining private information about a subject or another person(collateral intrusion) and if the likelihood is high/medium /low, how that can be balance against the seriousness of the crime, so if the crime is not serious and there is a high likelihood of personal information being obtained it may not be proportionate to use this method of detection.
 - (d) the reliability of the intelligence which makes the covert surveillance/CHIS necessary.
- (7) The objectives of the activities;
- (8) The name and nature of the investigation or operation and what makes the Authorising Officer believe surveillance or the use of a CHIS will achieve the objectives referred to;
- (9) The risk of information relating to third parties' private and family life being obtained. This is known as 'collateral intrusion'.
- (10) The likelihood of acquiring any confidential/religious material.

8. Obtaining Judicial Authorisation

- (a) following approval by the Authorising Officer the Council's Legal Services will contact the Magistrates Court to arrange a hearing. At the same time a copy of the RIPA authorisation and supporting documents setting out the case will be supplied to the Court.
- (b) In addition the Authorising Officer should complete a judicial application/order form. The order section of the form will be completed by the JP and will be the official record of the JPs decision.
- (c) The Council will need to keep a copy of the judicial application/order form after it has been signed by the JP. The Court will also keep a copy.
- (d) Renewals also require JP approval. Cancellations do not require JP approval.
- (e) The hearing is a 'legal proceeding' therefore officers must be sworn in and present evidence as required by the JP. The hearing will be in private.
- (f) The form for application/order for judicial approval will be kept by the Council's Legal Services.

9. Additional Subjects/Targets

In cases where additional subject/targets may need to be observed the Authorising Officer should state why based on the intelligence relied upon, such additional subjects/targets are considered likely to appear (ie the intelligence behind it) and state that there are further subjects of the investigation whose identities are not yet known e.g. There may be intelligence that a number of youths whose identities are unknown are regularly appearing near a shop or other premises and smashing windows etc. If you state this in the RI Authorisation you are covered for a number of subjects. Then at Renewal stage any such additional targets can be added as and when their identities become known, should it be necessary to do so.

This would not apply where on any one occasion one subject is joined by a further person unexpectedly and it is apparent that he too should be observed but for whom authorisation has not been obtained. Oral authorisation must in this case be obtained as soon as reasonably practicable and the new name (or description) added by means of a further application if a longer period is required.

10. Covert Human Intelligence Sources (CHISs)

Although it is to be hoped that such methods will be rarely used, in addition to the above it is necessary under S29(5) RIPA that there are in force such arrangements as are necessary for ensuring:

- (a) that there will at all times be a person holding an office, rank or position with the relevant investigatory authority who will have day to day responsibility for dealing with the CHIS on behalf of that authority and for the CHISs' security and welfare;
- (b) that there will at all times be another person holding an office, rank or position with the relevant investigating authority who will have general oversight of the use made of the CHIS;
- (c) that there will at all times be a person holding an office, rank or position with the relevant investigating authority who will have responsibility for maintaining a record of the use made of the CHIS;
- (d) that the records relating to the CHIS that are maintained by the relevant investigating authority will always contain particulars of all such matters (if any) as may be specified for the purposes of this paragraph in regulations made by the Secretary of State; and
- (e) that the records maintained by the relevant investigating authority that disclose the identity of the CHIS will not be available to persons except to the extent that there is a need for access to them to be made available to those persons.

In other words, there must be an officer given direct day to day management of the CHIS to look after his/her needs and another officer in overall control of the use of the CHIS. A record must be made by a specified person of the use of the CHIS. Regulations have been made giving details of the type of particulars needed to be recorded. (See 12 below for details). The identity of CHISs is not to be disclosed unless there is a need to do so. NB - There is no need for 3 different officers. The person responsible for maintaining a record could be the same person with day-to-day responsibility. All relevant Officers involved in the use of CHIS and their management must have the appropriate level of experience and training as may be necessary to undertake the task.

11. Covert Human Intelligence Sources: Criminal Conduct Authorisation Process

First, or at the same time, a use and conduct authorisation under Section 29 of the Regulation of Investigatory Powers Act 2000 (RIPA) (with its necessity and proportionality judgements, must be granted. On top of this, a Criminal Conduct Authorisation (CCA) (must describe why the criminal conduct is necessary for a statutory purpose. The Authorising Officer must consider whether the outcome could be achieved by non-criminal means. The conduct must relate to a specific CHIS, for a specific operation or investigation, and it must be proportionate to what it seeks to achieve.

Taking into account the conditions for granting a CCA, the existing duties to safeguard the CHIS, to make full records, and ensure the CHIS's informed consent, **this means that the authorisation must be clear, specific, time-bound, understood by the CHIS, and the authority must assess that the CHIS is capable of carrying out the activity safely.** Effectively there is a double assessment of aspects of necessity and proportionality, because the CCA must relate to activity which has been authorized under Section 29.

Assessing Proportionality

The draft CHIS Code of Practice mandates proportionality tests including : whether there are reasonable alternatives, and the activity intends to prevent more serious criminality; whether the potential harm to the public interest from the proposed criminal conduct is outweighed by the potential benefit to the public interest; and how the activity will cause the least possible intrusion.

A CCA must comply with the European Convention of Human Rights (ECHR). In addition to the unqualified rights in the ECHR (for instance the right to life and the prohibition on torture and inhuman and degrading treatment and punishment), there are protective obligations on the state. Where the State knows of the existence of a real and immediate threat to a person, the state must take reasonable measures to avoid that risk. No CCA could be granted which did not comply with both the ECHR prohibitions, and its protective duties.

Special safeguards apply to the authorisation of juvenile or vulnerable individuals, and where confidential information (such as legally privileged, or journalistic source information) is likely to be acquired, including a requirement for a higher level of authorisation. These safeguards are set out in the CHIS Code of Practice.

An enhanced authorisation regime also applies to the use of undercover officers as Relevant Sources as detailed in the Regulation of Investigatory Powers (Relevant Sources) Order 2013. The regime implements the recommendations of HM Inspectorate of Constabulary following the examination of the deployment of a former undercover police officer, but whose findings are applicable to any law enforcement organisation who use undercover officers.

Additional Safeguards

All authorities have **internal disciplinary** procedures. An officer found to be operating in breach of legal or guidance obligations is liable to disciplinary procedure and investigation. This can include criminal investigation. There is an offence of 'Misconduct in a Public Office', which may be relevant to a criminal investigation into such activity, but each investigation will be fact-specific.

There is a duty on all officers involved in exercising the powers in RIPA to inform the Investigatory Powers Commissioner of any **relevant error** in the application of those powers.

12. Records Relating to the CHIS

Records must be kept containing the following by reason of the Regulation of Investigatory Powers (Source Records) Regulations 2000:

- (a) the identity of the CHIS;

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- (b) the identity, where known, used by the CHIS (i.e. his or her 'alias');
 - (c) any relevant investigating authority other than the authority maintaining the records;
 - (d) the means by which the CHIS is referred to within each relevant investigating authority (i.e. his or her 'code name');
 - (e) any other significant information connected with the security and welfare of the CHIS;
 - (f) any confirmation made by a person granting or renewing an authorisation for the conduct or use of a CHIS that the information in paragraph (d) has been considered and that any identified risks to the security and welfare of the CHIS(s) have where appropriate been properly explained to and understood by the CHIS(s);
 - (g) the date when, and the circumstances in which, the CHIS was recruited; (or if already employed by the Council and allocated this task);
 - (i) the identities of the authorising officer and the applicant; the periods during which those persons have discharged those responsibilities;
 - (j) the tasks given to the CHIS and the demands made of him or her in relation to their activities as a CHIS;
 - (k) all contacts or communications between the CHIS and a person acting on behalf of any relevant investigating authority;
 - (l) the information obtained by each relevant investigating authority by the conduct and use of the CHIS;
 - (m) any dissemination by that authority of information obtained in that way; and
 - (n) in the case of a CHIS who is not an under-cover operative, every payment, benefit or reward and every offer of a payment, benefit or reward that is made or provided by or on behalf of any relevant investigating authority in respect of the CHIS activities for the benefit of that or any other investigating authority.

Therefore, the officer in charge of maintaining a record of the use of each CHIS should record all these details. The way these records are kept is designed to try to keep the CHIS safe from discovery by the subjects and safe from any harm which could result from their disclosure and also to keep in the open any money or other benefits paid to a CHIS who is not an employee officer of an authorising body.

13. Reviews

Reviews of the authorisation shall be carried out within a period of one month from the date of the authorisation or last review. The Authorising Officer shall carry out the reviews and these reviews must not be confused with authorisations for renewal. The purpose of a review is simply to decide whether or not the activity authorised should continue.

14. Renewals

An Authorising Officer can renew an existing authorisation using Form R3 at any time up to the expiry date of the original authorisation. On or after the expiry date, the authorisation ceases to exist and a new R1 will have to be completed and a new authorisation given.

It is to be noted that renewal is not just a 'rubber stamping' of what has gone before – the requirements of form R3 ensure that the situation is adequately reviewed prior to renewal. An Authorising Officer must not renew an authorisation for the use of a CHIS unless the Authorising Officer is satisfied that a review of certain matters has been carried out and considered the result of that review.

The matters to be reviewed are –

- ***the use made of the source, tasks given to the source and information obtained.***

One useful way of viewing an Authorisation is to regard it as an **insurance policy** – in force only during the times authorised and once expired, it cannot be renewed – it has to be a new application and new policy.

15. Cancellation

The Authorising Officer must cancel an authorisation as soon as if he or she believes that the activity is no longer necessary or proportionate. A cancellation should describe the activity undertaken, explain what was achieved by that activity and give details of the evidence actually obtained. The Authorising Officer should also give instructions regarding the retention, or destruction of the evidence obtained (e. g. video recordings and the like).

An error must be reported as soon as possible and no later than 10 working days after it has been established to the Investigatory Powers Commissioner that it is a "relevant error". Examples include: Surveillance, property interference or CHIS activity has taken place without lawful authorization or there has been a failure to adhere to the safeguards relating to private information obtained.

16. Errors

Relevant Errors committed by public authorities, in the exercise of their powers and responsibilities under the Investigatory Powers Act 2016, the Regulation of Investigatory Powers Act 2000 and the Police Act 1997, will now need to be reported using the following revised process:

Public authorities must report any Relevant Error to the Investigatory Powers Commissioner (IPC) in accordance with the relevant Code of Practice. All reports should be submitted to Errors@ipco.org.uk.

- Upon receipt of a Relevant Error, an automated acknowledgement will be provided.
- Where any further information or action is required as a result of a Relevant Error report, an IPCO Inspector will make contact with the Council.
- The Relevant Error will then be assessed to determine whether the circumstances could have a) resulted in serious harm or b) call for any urgent changes to national policy or procedures. If this is the case, an investigation will take place.
- If it is not deemed serious, the Relevant Error will be addressed at the Council's next inspection.

Relevant Errors will routinely be examined at each of our inspections.

Public authorities will be required to provide records and confirmation that any material obtained in consequence of the error, that has no connection or relevance to any investigation or operation undertaken by your public authority, has been destroyed.

The Senior Responsible Officer for each public authority is responsible for oversight of reporting errors to the IPC, and the identification of both the cause(s) of errors and implementation of processes to minimise repetition.

D. RECORDS

1. Copies of all written authorities, reviews and cancellations should be kept for a period of 5 years after the conclusion of any Court proceedings arising for which the surveillance or use of the CHIS was relevant or until the next visit by the Assistant Surveillance Commissioner whichever is the later.
2. Oral authorisations should be recorded as soon as reasonably practicable after being granted and kept in as D1 above.
3. The Council's Surveillance Monitoring Officer (SMO) is the Executive Director Governance and Resources and Monitoring Officer, whose duty is to retain all original application forms and any other RIPA forms securely. The SMO shall keep a central record of the forms and keep all the forms in a central place. The SMO shall keep the procedure of each covert activity being authorised under review to ensure they comply with the legislation and Codes of Practice and shall meet the Assistant Surveillance Commissioner when he visits the Council to inspect. Also this officer shall be prepared to advise train and assist the Council's officers to enable them to comply with RIPA 2000.

The records shall only be kept for 5 years after the date of expiry and cancellation of the activity, save those cases where legal proceedings have commenced.

4. All information obtained during surveillance should be recorded in writing, in a criminal investigation by means of a surveillance log. This is a form which can be filled in which gives an account of the events observed and conversations heard at particular times which are recorded on the form or log. These should be kept for as long as may be necessary to comply with the Criminal Procedure and Investigations Act 1996 (ie the rules of disclosure in criminal proceedings).
5. All reviews of authorisations must be done in writing and kept as in D1 above as must grounds for withdrawal of authorisation or refusal to renew.
6. At no time must any of the recorded information be disclosed or used except for the purposes for which it was gathered at the time and for use in any future civil or criminal proceedings brought by or against the Council, unless required to do so by the Freedom of Information Act 2000.
7. All information obtained by the CHIS and by the officer responsible for recording the use of the CHIS should be recorded by means of a daily log similar to the surveillance log referred to in 4 above.
8. Such records referred to in 7 above which also reveal the name(s) of the CHIS should only be disclosed if legally necessary or if desired by any Court.
9. Authorising Officers must ensure compliance with the appropriate data protection requirements and the relevant codes of practice and security procedures in the handling and storage of material. Such procedures are essential when preserving continuity of evidence and ensuring admissibility of evidence in Court.
10. Regular reviews of all authorisations should be undertaken during their lifetime to assess the necessity and proportionality of the conduct.
11. Particular consideration should be given in cases where the subject of the investigation or operation might reasonably assume a high degree of confidentiality (legally privileged, confidential journalistic material, constituency business of an MP)
12. Where material has been obtained by surveillance or the use of a source, which is wholly unrelated to a criminal or other investigation or to any person who is the subject of the investigation, and there is no reason to believe it will be relevant to future civil or criminal proceedings, it should be destroyed immediately. Please remember though it is a legal requirement to keep the RIPA forms for 5 years and they must all be given to the Surveillance Monitoring Officer.
13. **The mental health and wellbeing of CHIS is a top priority for CHIS units; IPCO continues to engage with those within law enforcement charged with the management of this. IPCO is supporting new processes that are currently on trial and, when on inspection, Inspectors will continue to ensure that issues, risks and needs are identified and addressed appropriately.**

14. This section provides guidance on the procedures and safeguards to be applied in relation to the handling of any material obtained through directed surveillance or CHIS activity. This material may include private, confidential or legal privilege information.
15. Dissemination, copying and retention of material must be limited to the minimum necessary for authorised purposes. For the purposes of this code, something is necessary for the authorised purposes if the material:
 - Is, or is likely to become, necessary for any of the statutory purposes set out in RIPA in relation to covert surveillance or CHIS activity;
 - Is necessary for facilitating the carrying out of the functions of public authorities under RIPA;
 - Is necessary for facilitating the carrying out of any functions of the Commissioner or the Investigatory Powers Tribunals necessary for the purposes of legal proceedings; or Is necessary for the performance of the functions of any person by or under any enactment.
16. Material obtained through Directed Surveillance, may be used as evidence in criminal proceedings. The admissibility of evidence is governed primarily by the common law, the Criminal Procedure and Investigations Act 1996 (CPIA), the Civil Procedure Rules, section 78 of the Police and Criminal Evidence Act 1984 and the Human Rights Act 1998.
17. Ensuring the continuity and integrity of evidence is critical to every prosecution Accordingly, considerations as to evidential integrity are an important part of the disclosure regime under the CPIA and these considerations will apply to any material acquired through covert surveillance that is used in evidence. When information obtained under a covert surveillance authorisation is used evidentially, the council will be able to demonstrate how the evidence has been obtained, to the extent required by the relevant rules of evidence and disclosure.
18. Where the product of surveillance could be relevant to pending or future criminal or civil proceedings, it should be retained in accordance with established disclosure requirements. In a criminal case the codes issued under CPIA will apply. They require that the investigator record and retain all relevant material obtained in an investigation and later disclose relevant material to the Prosecuting Solicitor. They in turn will decide what is disclosed to the Defence Solicitors.
19. There is nothing in RIPA which prevents material obtained under directed or intrusive surveillance authorisations from being used to further other investigations. All material associated and obtained with an application will be subject to the provisions of the Data Protection Act (DPA) 2018 and CPIA Codes of Practice. All officers involved within this process should make themselves aware of the provisions within this legislation and how it impacts on the whole RIPA process. Material obtained together with relevant associated paperwork should be held securely. Extra care needs to be taken if the application and material relates to a CHIS.

20. Material required to be retained under CPIA should be retained until a decision is taken whether to institute proceedings against a person for an offence or if proceedings have been instituted, at least until the accused is acquitted or convicted or the prosecutor decides not to proceed with the case.
21. Where the accused is convicted, all material which may be relevant must be retained at least until the convicted person is released from custody, or six months from the date of conviction, in all other cases.
22. If the court imposes a custodial sentence and the convicted person is released from custody earlier than six months from the date of conviction, all material which may be relevant must be retained at least until six months from the date of conviction.
23. If an appeal against conviction is in progress when the release, or at the end of the period of six months, all material which may be relevant must be retained until the appeal is determined.
24. If retention is beyond these periods it must be justified under DPA. Each relevant service within the council may have its own provisions which will also need to be considered to ensure that the data is retained lawfully and for as long as is necessary.
25. The Council's Surveillance Monitoring Officer (SMO) is the Executive Director Governance and Resources must ensure compliance with the appropriate data protection requirements under DPA 2018 and any relevant internal arrangements produced by the council relating to the handling and storage of material.
26. It may be necessary to disseminate material acquired through the RIPA covert activity within Tameside Metropolitan Borough Council or shared outside with other councils or agencies, including the Police. The number of persons to whom any of the information is disclosed, and the extent of disclosure, should be limited to the minimum necessary. It must also be in connection with an authorised purpose as set out above. It will be necessary to consider exactly what and how much information should be disclosed. Only so much of the material may be disclosed as the recipient needs; for example, if a summary of the material will suffice, no more than that should be disclosed.

27. The obligations apply not just to Tameside Metropolitan Borough Council as the original authority acquiring the information, but also to anyone to whom the material is subsequently disclosed. In some cases, this will be achieved by requiring the latter to obtain permission from Tameside Metropolitan Borough Council before disclosing the material further. It is important that the Officer In Charge (OIC) of the enquiry considers these implications at the point of dissemination to ensure that safeguards are applied to the data.
28. A record will be maintained justifying any dissemination of material. If in doubt, seek advice from Legal Services.
29. Material obtained through covert surveillance, and all copies, extracts and summaries of it, must be handled and stored securely, to minimise the risk of loss. It must be held to be inaccessible to persons who are not required to see the material (where applicable). This requirement to store such material securely applies to all those who are responsible for the handling of the material. It will be necessary to ensure that both physical and IT security and an appropriate security clearance regime is in place to safeguard the material.
30. Material obtained through covert surveillance may only be copied to the extent necessary for the authorised purposes set out above. Copies include not only direct copies of the whole of the material, but also extracts and summaries which identify themselves as the product of covert surveillance, and any record which refers to the covert surveillance and the identities of the persons to whom the material relates.
31. In the course of an investigation, Tameside Metropolitan Borough Council must not act on or further disseminate legally privileged items unless it has first informed the Investigatory Powers Commissioner that the items have been obtained.
32. Information obtained through covert surveillance, and all copies, extracts and summaries which contain such material, should be scheduled for deletion or destruction and securely destroyed as soon as they are no longer needed for the authorised purpose(s) set out above. If such information is retained, it should be reviewed at appropriate intervals to confirm that the justification for its retention is still valid. In this context, destroying material means taking such steps as might be necessary to make access to the data impossible.

33. Telecommunications data -NAFN

The RIPA (Communications Data) Order 2003 came into law in January 2004. The Investigatory Powers Act 2016 (IPA) came into force for local authorities on Tuesday 11 June 2019. It allows Local Authorities to acquire limited information in respect of subscriber details and service data. It does NOT allow Local Authorities to intercept, record or otherwise monitor communications data.

Applications to use this legislation must be submitted to a Home Office accredited Single Point of Contact (SPOC). The Council uses the services of NAFN (the National Anti-fraud Network) for this purpose.

¹ Consideration of whether or not unrelated material should be destroyed is the responsibility of the Authorising Officer. Only those Officers involved in the investigation are entitled to see the material. In cases where collateral intrusion has taken place, those third parties involved shall not have an automatic right to see the material. (Please note that if they choose to exercise their rights under the Data Protection Act 1998 s7 such request would normally be refused by virtue of s29(3) of the Data Protection Act 1998 if compliance with such a request is likely to prejudice the investigation of a crime.

E. EQUIPMENT

All cctv equipment must be kept securely and a Policy should be adopted by all users of this procedure to ensure the equipment is not used for unauthorised purposes. An example of the type of policy required is on the Council's RIPA intranet site under the heading "POLICY FOR THE RETENTION AND STORAGE OF SURVEILLANCE EQUIPMENT"

F. CIVIL LIABILITY

According to s27(2) of RIPA a person shall not be subject to any civil liability in respect of any conduct of his which is incidental to any conduct which is properly authorised provided it is not of itself conduct for which an authorisation or warrant might reasonably be expected to have been obtained under another enactment. An example is where a RIPA authorisation is granted to put a tracking device on a private vehicle. This could give rise to civil liability because a 'property interference authorisation' under the Police Act 1997 is necessary.

Of course if not properly authorised a person could incur personal liability and face disciplinary action.

G. COMPLAINTS

Any complaints about any powers covered by this Procedural Guide can either be made under the Council's existing corporate complaints system or to the Investigatory Powers Tribunal set up under S65 RIPA 2000.

H. 1 FORMS FOR DIRECTED SURVEILLANCE

NB. All forms are on the Council's intranet site – do not save them as they may be updated and you need to ensure it is the most up-to-date copy. Users must access the forms from the intranet site every time without fail.

R1/DS Application for authorisation, authorisation form and record of grant of oral authorisation

R2/DS Review form

R3/DS Application for renewal of authorisation and renewed authorisation

R4/DS Cancellation form

H 2 FORMS FOR COVERT HUMAN INTELLIGENCE SOURCES

R1/CHIS Application for authorisation, authorisation form and record of grant of oral authorisation

R2/CHIS Review form

R3/CHIS Application for renewal of authorisation and renewed authorisation

R4/DS Cancellation form

H.3 FORMS FOR DIRECTED SURVEILLANCE AND CHIS

R5/DS/CHIS Authorisation control sheet for both directed surveillance and CHIS's

For ease of reference these are named forms R1-5. If it is for directed surveillance it has the initials DS after the letter R; if for a CHIS, it has CHIS.

I. THE APPLICATION AND AUTHORISATION FORMS

1. The application

1. R1, the **main application form**, should be completed by the Investigating Officer who wants to apply to the Authorising Officer for authorisation in every case and should also be completed in retrospect as soon as reasonably practicable after an oral authorisation is granted as a record of the grant of oral authorisation.
2. R1 must also be read and signed by the Authorising Officer and completed by him and signed when urgent Oral Authorisation has been granted. If he wishes to refuse the application he can do so by striking it through twice in black, notifying the Investigating Officer and sending it to the SMO with a note of reasons.
3. The application for **renewal** of authorisation R3 should be completed by the Officer in cases where written authorisation is about to end should it be necessary and proportionate to carry on the surveillance or use of CHIS beyond the time when it is due to end. R3 should then be completed by the Authorising Officer.
4. The review form R2 should be completed by the Authorising Officer at regular intervals of his own choosing or whenever the surveillance which has been authorised continues longer than one month. This is where the authorisation control sheet R5 is useful as evidence that reviews have been carried out.
5. A cancellation form R4 should be completed in full in all cases where the Authorising Officer considers that the directed surveillance or use of CHIS is no longer necessary or proportionate.
6. The authorisation control sheet R5 is essential as a monitoring tool for the authorising officer.

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7. The Surveillance Monitoring Officer (SMO) has to maintain a central record sheet of all authorisations which needs to be kept up to date. Authorising Officers need to forward all completed forms to the SMO immediately so that they can be recorded immediately or at least no later than 48 hours after the date of the authorisation.
 8. Any applications for authorisation that are refused by the Authorising Officer should be struck out with two black lines through and stamped "REFUSED". All such refusals should be forwarded to the Surveillance Monitoring Officer to be recorded accordingly, with an accompanying note stating reasons for the refusal.

NB Such applications for authorisation are important and must not be taken lightly. Time needs to be set aside for proper consideration of the matter by both Investigating and Authorising Officers and, if in doubt about any of the legal aspects and the applicability of RIPA to a given situation, advice should be sought from the Surveillance Monitoring Officer.

RESOURCES

Full Codes of Practice can be found on the Home Office website:

<http://www.homeoffice.gov.uk/>

- **Covert Surveillance & Property Interference:**

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/742041/201800802_CSPI_code.pdf

- **CHIS:**

<https://www.gov.uk/government/consultations/revised-covert-human-intelligence-source-chis-code-of-practice>

Acquisition and Disclosure of Communications Data:

<https://www.gov.uk/government/publications/code-of-practice-for-the-acquisition-and-disclosureofcommunications-data>

- Further information can also be found on The IPCO website:

<https://www.ipco.org.uk/>

J. PRACTICAL EXAMPLES, GUIDANCE AND ADVICE IN SPECIFIED CIRCUMSTANCES

A. GENERAL

Detailed guidance is set out in the Home Office Guidance and Office of Surveillance Commissioners (OSC) Procedures and Guidance to which all officers have access, and if unable to locate should contact Legal Services for assistance.

Below are some examples taken from the OSC Procedures and Guidance. Officers should familiarise themselves with the contents of this guidance, and its applicability to their activities.

To recap, surveillance, for the purpose of the 2000 Act, includes monitoring, observing or listening to persons, their movements, conversations or other activities and communications. It may be conducted with or without the assistance of a surveillance device and includes the recording of any information obtained.

Surveillance is covert if, and only if, it is carried out in a manner calculated to ensure that any persons who are subject to the surveillance are unaware that it is or may be taking place.

Specifically, covert surveillance may be authorised under the 2000 Act if it is either directed or intrusive:

Directed surveillance is covert surveillance that is not intrusive and is carried out in relation to a specific investigation or operation in such a manner as is likely to result in the obtaining of private information about any person (other than by way of an immediate response to events or circumstances such that it is not reasonably practicable to seek authorisation under the 2000 Act);

Intrusive surveillance is covert surveillance that is carried out in relation to anything taking place on residential premises or in any private vehicle (and that involves the presence of an individual on the premises or in the vehicle or is carried out by a means of a surveillance device)

Whilst a person may have a reduced expectation of privacy when in a public place, covert surveillance of that person's activities in public may still result in the obtaining of private information. This is likely to be the case where that person has a reasonable expectation of privacy even though acting in public and where a record is being made by a public authority of that person's activities for future consideration or analysis. Surveillance of publicly accessible areas of the internet should be treated in a similar way, recognising that there may be an expectation of privacy over information which is on the internet, particularly where accessing information on social media websites.

Example: *Two people holding a conversation on the street or in a bus may have a reasonable expectation of privacy over the contents of that conversation, even though they are associating in public. The contents of such a conversation should therefore still be considered as private information. A directed surveillance authorisation would therefore be appropriate for a public authority to record or listen to the conversation as part of a specific investigation or operation.*

Example: *Officers of a local authority wish to drive past a café for the purposes of obtaining a photograph of the exterior. Reconnaissance of this nature is not likely to require a directed surveillance authorisation as no private information about any person is likely to be obtained or recorded. However, if the authority wished to conduct a similar exercise, for example to establish a pattern of occupancy of the premises by any person, the accumulation of information is likely to result in the obtaining of private information about that person and a directed surveillance authorisation should be considered.*

The fact that a directed surveillance authorisation is available does not mean it is required. There may be other lawful means of obtaining personal data which do not involve directed surveillance.

Example: A surveillance officer intends to record a specific person providing their name and telephone number to a shop assistant, in order to confirm their identity, as part of a criminal investigation. Although the person has disclosed these details in a public place, there is nevertheless a reasonable expectation that the details are not being recorded separately for another purpose. A directed surveillance authorisation should therefore be sought.

In deciding whether online surveillance should be regarded as covert, consideration should be given to the likelihood of the subject(s) knowing that the surveillance is or may be taking place. Use of the internet itself may be considered as adopting a surveillance technique calculated to ensure that the subject is unaware of it, even if no further steps are taken to conceal the activity. Conversely, where a public authority has taken reasonable steps to inform the public or particular individuals that the surveillance is or may be taking place, the activity may be regarded as overt and a directed surveillance authorisation will not normally be available.

As set out in paragraph 3.14 of the August 2018 revised code, depending on the nature of the online platform, there may be a reduced expectation of privacy where information relating to a person or group of people is made openly available within the public domain, however in some circumstances privacy implications still apply. This is because the intention when making such information available was not for it to be used for a covert purpose such as investigative activity. This is regardless of whether a user of a website or social media platform has sought to protect such information by restricting its access by activating privacy settings.

Where information about an individual is placed on a publicly accessible database, for example the telephone directory or Companies House, which is commonly used and known to be accessible to all, they are unlikely to have any reasonable expectation of privacy over the monitoring by public authorities of that information. Individuals who post information on social media networks and other websites whose purpose is to communicate messages to a wide audience are also less likely to hold a reasonable expectation of privacy in relation to that information.

Whether a public authority interferes with a person's private life includes a consideration of the nature of the public authority's activity in relation to that information. Simple reconnaissance of such sites (i.e. preliminary examination with a view to establishing whether the site or its contents are of interest) is unlikely to interfere with a person's reasonably held expectation of privacy and therefore is not likely to require a directed surveillance authorisation. But where a public authority is systematically collecting and recording information about a particular person or group, a directed surveillance authorisation should be considered. These considerations apply regardless of when the information was shared online. See also paragraph 3.6 of the August 2018 revised code.

Example 1: A police officer undertakes a simple internet search on a name, address or telephone number to find out whether a subject of interest has an online presence. This is unlikely to need an authorisation. However, if having found an individual's social media profile or identity, it is decided to monitor it or extract information from it for retention in a record because it is relevant to an investigation or operation, authorisation should then be considered.

Example 2: A customs officer makes an initial examination of an individual's online profile to establish whether they are of relevance to an investigation. This is unlikely to need an authorisation. However, if during that visit it is intended to extract and record information to establish a profile including information such as identity, pattern of life, habits, intentions or associations, it may be advisable to have in place an authorisation even for that single visit. (As set out in the following paragraph, the purpose of the visit may be relevant as to whether an authorisation should be sought.)

Example 3: A public authority undertakes general monitoring of the internet in circumstances where it is not part of a specific, ongoing investigation or 20 operation to identify themes, trends, possible indicators of criminality or other factors that may influence operational strategies or deployments. This activity does not require RIPA authorisation. However, when this activity leads to the discovery of previously unknown subjects of interest, once it is decided to monitor those individuals as part of an ongoing operation or investigation, authorisation should be considered.

- Whether the information obtained will be recorded and retained;
- Whether the information is likely to provide an observer with a pattern of lifestyle;
- Whether the information is being combined with other sources of information or intelligence, which amounts to information relating to a person's private life;
- Whether the investigation or research is part of an ongoing piece of work involving repeated viewing of the subject(s);
- Whether it is likely to involve identifying and recording information about third parties, such as friends and family members of the subject of interest, or information posted by third parties, that may include private information and therefore constitute collateral intrusion into the privacy of these third parties.

Example: An authorisation under the 2000 Act would not be appropriate where police officers conceal themselves to observe suspicious persons that they come across in the course of a routine patrol or monitor social media accounts during a public order incident.

Example 1: Plain clothes police officers on patrol to monitor a high street crime hot-spot or prevent and detect shoplifting would not require a directed surveillance authorisation. Their objective is merely to observe a location and, through reactive policing, to identify and arrest offenders committing crime. The activity may be part of a specific investigation but is general observational activity, rather than surveillance of individuals, and the obtaining of private information is unlikely. A directed surveillance authorisation need not be sought.

Example 2: Police officers monitoring publicly accessible information on social media websites, using a general search term (such as the name of a particular event they are policing), would not normally require a directed surveillance authorisation. However, if they were seeking information relating to a particular individual or group of individuals, for example, by using the search term "group x" (even where the true identity of those individuals is not known) this may require authorisation. This is because use of such a specific search term indicates that the information is being gathered as part of a specific investigation or operation, particularly in circumstances where information is recorded and stored for future use.

Example 3: Local authority officers attend a car boot sale where it is suspected that counterfeit goods are being sold, but they are not carrying out surveillance of particular individuals and their intention is, through reactive policing, to identify and tackle offenders. Again this is part of the general duties of public authorities and the obtaining of private information is unlikely. A directed surveillance authorisation need not be sought.

Example 4: Intelligence suggests that a local shopkeeper is openly selling alcohol to underage customers, without any questions being asked. A trained employee or person engaged by a public authority is deployed to act as a juvenile in order to make a purchase of alcohol. In these circumstances any relationship, if established at all, is likely to be so limited in regards to the requirements of the Act, that a public authority may conclude that a CHIS authorisation is unnecessary. However, if the test purchaser is wearing recording equipment and is not authorised as a CHIS, or an adult is observing, consideration should be given to granting a directed surveillance authorisation.

Example 5: *Surveillance officers intend to follow and observe Z covertly as part of a pre-planned operation to determine her suspected involvement in shoplifting.*

It is proposed to conduct covert surveillance of Z and record her activities as part of the investigation. In this case, private life considerations are likely to arise where there is an expectation of privacy and the covert surveillance is pre-planned and not part of general observational duties or reactive policing. A directed surveillance authorisation should therefore be considered.

The 'core functions' referred to by the Investigatory Powers Tribunal are the 'specific public functions', undertaken by a particular public authority, in contrast to the 'ordinary functions' which are those undertaken by all authorities (e.g. employment issues, contractual arrangements etc.). These "ordinary functions" are covered by the Data Protection Act 2018 and the Information Commissioner's Employment Practices Code. A public authority may only seek authorisations under the 2000 Act when in performance of its 'core functions'. For example, the disciplining of an employee is not a 'core function', although related criminal investigations may be. As a result, the protection afforded by an authorisation under the 2000 Act may be available in relation to associated criminal investigations, so long as the activity is deemed to be necessary and proportionate.

Example 1: *A police officer is suspected by his employer of undertaking additional employment in breach of discipline regulations. The police force of which he is a member wishes to conduct covert surveillance of the officer outside the police work environment. Such activity, even if it is likely to result in the obtaining of private information, does not constitute directed surveillance for the purposes of the 2000 Act as it does not relate to the discharge of the police force's core functions. It relates instead to the carrying out of ordinary functions, such as employment, which are common to all public authorities.*

Example 2: *A police officer is suspected to be removing classified information from the work environment and sharing it improperly. The police force wishes to investigate the matter by undertaking covert surveillance of the employee. The misconduct under investigation amounts to the criminal offence of misfeasance in a public office, and therefore the proposed investigation relates to the core functions of the police, and the proposed surveillance is likely to result in the obtaining of private information. Consequently, a directed surveillance authorisation should be considered*

Example 3: *It is alleged that a public official has brought their department into disrepute by making defamatory remarks online, and identifying themselves as a public official. The department wishes to substantiate the allegations separately from any criminal action. Such activity, even if it is likely to result in the obtaining of private information, does not constitute directed surveillance for the purposes of the 2000 Act, as it does not relate to the discharge of the department's core functions.*

Necessity and proportionality

The following elements of proportionality should therefore be considered:

- balancing the size and scope of the proposed activity against the gravity and extent of the perceived crime or harm;
- explaining how and why the methods to be adopted will cause the least possible intrusion on the subject and others;
- considering whether the activity is an appropriate use of the legislation and a reasonable way, having considered all reasonable alternatives, of obtaining the information sought;
- evidencing, as far as reasonably practicable, what other methods had been considered and why they were not implemented, or have been implemented unsuccessfully.

The Regulation of Investigatory Powers (Directed Surveillance and Covert Human Intelligence Sources) (Amendment) Order 2012 has the following effects:

- Local authorities in England and Wales can only authorise use of directed surveillance under RIPA to prevent or detect criminal offences that are either punishable, whether on summary conviction or indictment, by a maximum term of at least 6 months' imprisonment **or** are related to the underage sale of alcohol and tobacco or nicotine inhaling products. The offences relating to the latter are in article 7A of the 2010 RIPA Order.
- Local authorities **cannot** authorise directed surveillance for the purpose of preventing disorder unless this involves a criminal offence(s) punishable (whether on summary conviction or indictment) by a maximum term of at least 6 months' imprisonment.
- Local authorities may therefore continue to authorise use of directed surveillance in more serious cases as long as the other tests are met – i.e. that it is necessary and proportionate and where prior approval from a JP has been granted.

B. Specific Examples

1. Use of Social Networking Sites (SNS)

See 3.10 to 3.17 of Covert Surveillance and Property Interference Revised Code of Practice August 2018

The internet may be used for intelligence gathering and/or as a surveillance tool, and it is important that public authorities are able to make full and lawful use of this information for their statutory purposes. Much of it can be accessed without the need for RIPA authorisation.

However, the fact that digital investigation is routine or easy to condone does not reduce the need for authorisation in relevant circumstances.

Care must be taken to understand how the SNS works. Authorising officers must not be tempted to assume that one service provider is the same as another or that the services provided by a single provider are the same.

Whilst it is the responsibility of an individual to set privacy settings to protect unsolicited access to private information, and even though data may be deemed published and no longer under the control of the author, it is unwise to regard it as 'open source' or publicly available; the author has a reasonable expectation of privacy if access controls are applied.

In some cases data may be deemed private communication still in transmission (instant messages for example). Where privacy settings are available but not applied the data may be considered open source and an authorisation is not usually required.

Directed Surveillance: Providing there is no warrant authorising interception in accordance with section 48(4) of the 2000 Act, if it is necessary and proportionate for a public authority to breach covertly access controls, the minimum requirement is an authorisation for directed surveillance.

CHIS: An authorisation for the use and conduct of a CHIS is necessary if a relationship is established or maintained by a member of a public authority or by a person acting on its behalf (ie the activity is more than mere reading of the site's content).

It is not unlawful for a member of a public authority to set up a false identity but it is inadvisable for a member of a public authority to do so for covert purposes without authorisation. Using photographs of other persons without their permission to support the false identity infringes the law.

A member of a public authority should not adopt the identity of a person known, or likely to be known, to the subject of interest or users of the site without authorisation, and without the consent of the person whose identity is used, and without considering the protection of that person. The consent must be explicit (ie the person from whom consent is sought must agree (preferably in writing) what is and is not to be done)."

2. Updating photographs for intelligence purposes

Covertly taking a photograph for the purpose of updating records is capable of being directed surveillance and should be authorised.

3. Covert surveillance of co-habiting couples

The purpose of surveillance is to investigate a crime and not a criminal. It is usually not possible to be certain of a partner's awareness of a criminal situation and proving awareness of a criminal situation and proving co-habitation is sometimes necessary and proportionate. It is appropriate subject to accurately constructed documents, to authorise surveillance against co-habiting parties. Authorising Officers should confine surveillance of the partner to that which is necessary to prove co-habitation. Surveillance of juveniles or other family members should be avoided.

4. The availability of resources

Whilst there may be a public expectation that public bodies will monitor offenders, an Authorising Officer should not grant an activity when he knows there to be insufficient covert surveillance resource to conduct it.

5. Technical feasibility studies

Feasibility studies should be conducted before the application is submitted to the Authorising Officer. Without it the Authorising Officer is unable to know the objectives can be achieved or to accurately assess proportionality or collateral intrusion. It is unacceptable to deny knowledge of technical capability from the Authorising Officer.

6. Private information

An authorisation for directed surveillance is required whenever it is believed that there is a real possibility that the manner in which it is proposed to carry out particular surveillance will result in the obtaining of private information about any person, whether or not that person is or becomes a subject of the operation.

7. Use of noise monitoring equipment

Measuring levels of noise audible in the complainant's premise is not surveillance because the noise has been inflicted by the perpetrator who has probably forfeited any claim to privacy.

Using sensitive equipment to discern speech or other noisy activity not discernible by the unaided ear is covert, likely to obtain private information and may be intrusive surveillance.

The Authorising Officer should consider whether the surveillance equipment is capable of measuring volume only or whether it can identify the perpetrators, mindful that the more sensitive the equipment the greater the potential for intrusive surveillance.

Where possible, the intention to monitor noise should be notified to the owner and occupier of the premises being monitored.

Where notice is not possible or has not been effective, covert monitoring may be considered necessary and proportionate. If monitoring equipment is used as a means also to assess whether a claim is vexatious, any consent provided by the complainant to use monitoring equipment on his premises is vitiated if the capability of the equipment is not explained.

8. CCTV and ANPR systems

It is recommended that a law enforcement agency should obtain a written protocol with a local authority if the latter's CCTV system is to be used for directed surveillance. Any such protocol should be drawn up centrally in order to ensure a unified approach.

The protocol should include a requirement that the local authority should see the authorisation (redacted if necessary to prevent the disclosure of sensitive information) and only allow its equipment to be used in accordance with it.

The use of overt CCTV cameras by public authorities does not normally require an authorisation under the 2000 Act e.g. by virtue of visible signage/cameras, information and undertaking consultation.

Guidance on their operation is provided in the Surveillance Camera Code of Practice, overseen by the Surveillance Camera Commissioner. Regard should also be had to the Commissioner's Code, 'in the Picture – A Data Protection Code of Practice for Surveillance Cameras and Personal Information'.

The Surveillance Camera code sets out a framework of good practice that includes existing legal obligations, including the processing of personal data under the Data Protection Act 2018 and a public authority's duty to adhere to the Human Rights Act 1998. Similarly, the overt use of ANPR systems to monitor traffic flows or detect motoring offences does not require an authorisation under the 2000 Act.

Example: *Overt surveillance equipment, such as town centre CCTV systems or ANPR, is used to gather information as part of a reactive operation (e.g. to identify individuals who have committed criminal damage after the event). Such use does not amount to covert surveillance as the equipment was overt and not subject to any covert targeting. Use in these circumstances would not require a directed surveillance authorisation.*

However where overt CCTV, ANPR or other overt surveillance cameras are used in a covert and planned manner as part of a specific investigation or operation, for the surveillance of a specific person or group of people, a directed surveillance authorisation should be considered. Such covert surveillance is likely to result in the obtaining of private information about a person (namely a record of their movements and activities) and therefore falls properly within the definition of directed surveillance. The use of the CCTV, ANPR or other overt surveillance cameras in these circumstances goes beyond their intended use for the general prevention or detection of crime and protection of the public.

Example: *A local police team receive information that an individual suspected of committing thefts from motor vehicles is known to be in a town centre area. A decision is taken to use the town centre CCTV system to conduct surveillance against that individual, such that he remains unaware that there may be any specific interest in him. This targeted, covert use of the overt town centre CCTV system to monitor and/or record that individual's movements should be considered for authorisation as directed surveillance.*

9. Test purchases of sales to juveniles

Guidance is given in respect of undertaking test purchasing operations by the Code of Practice: Age Restricted Products published by BIS/BRDO in 2014.

The BIS/BRDO guidance states that an enforcing authority should consider the statutory requirements for authorization under RIPA when conducting test purchase operations. The application of RIPA to test purchasing has been debated for some time with guidance and clarification being sought from a number of sources:

Test purchase activity does not in general require authorization as a CHIS under RIPA as vendor-purchaser Test purchase activity does not in general require authorisation as a CHIS under RIPA as vendor-purchaser activity does not normally constitute a relationship as the contact is likely to be so limited. However, if a number of visits are undertaken at the same establishment to encourage familiarity, a relationship may be established and authorisation as a CHIS should be considered.

If the test purchaser is wearing recording equipment and is not authorised as a CHIS, or an adult is observing, consideration should be given to granting a directed surveillance authorisation. The Home Office Code of Practice for Covert Surveillance and Property Interference (December 2014)

The ECHR has construed the manner in which a business is run as private information [see also Covert Surveillance and Property Interference Code of Practice paragraphs 2.5 and 2.6] and such authorisation must identify the premises involved.

When conducting covert test purchase operations at more than one establishment, it is not necessary to construct an authorisation for each premise to be visited but the intelligence must be sufficient to prevent “fishing trips”. Premises may be combined within a single authorisation provided that each is identified at the outset. Necessity, proportionality, and collateral intrusion must be carefully addressed in relation to each of the premises. It is unlikely that authorisations will be considered proportionate without demonstration that overt methods have been considered or attempted and failed. (Sec 245 OSC Procedures & Guidance 2016)

In all cases a prior risk assessment is essential in relation to the young person.

10. Risk Assessments

The authorisation request should be accompanied by a risk assessment, giving details of how the CHIS is going to be handled and the arrangements which are in place for ensuring that there is at all times a person with responsibility for maintaining a record of the use made of CHIS. The risk assessment should take into account the safety and welfare of the CHIS in relation to the activity and should consider the likely consequences should the role of the CHIS become known. The ongoing security and welfare of the CHIS after the cancellation of the authorization should also be considered at the outset.

It is unlikely that authorisations will be considered proportionate without demonstration that overt methods have been considered or attempted and failed.

11. Drones

Where surveillance using airborne crafts or devices, for example helicopters or unmanned aircraft (colloquially known as ‘drones’), is planned, the same considerations outlined in chapters 3 and 5 of the August 2018 code should be made to determine whether a surveillance authorisation is appropriate. In considering whether the surveillance should be regarded as covert, account should be taken of the reduced visibility of a craft or device at altitude. (See also 3.36 to 3.39 of this code with regard to overt surveillance cameras.)

Example: *An unmanned aircraft deployed by a police force to monitor a subject of interest at a public demonstration is likely to require an authorisation for directed surveillance, as it is likely that private information will be obtained and those being observed are unaware it is taking place, regardless of whether the drone is marked as belonging to the police force. Unless sufficient steps have been taken to ensure that participants in the demonstration are aware that aerial surveillance will be taking place, such activity should be regarded as covert.*

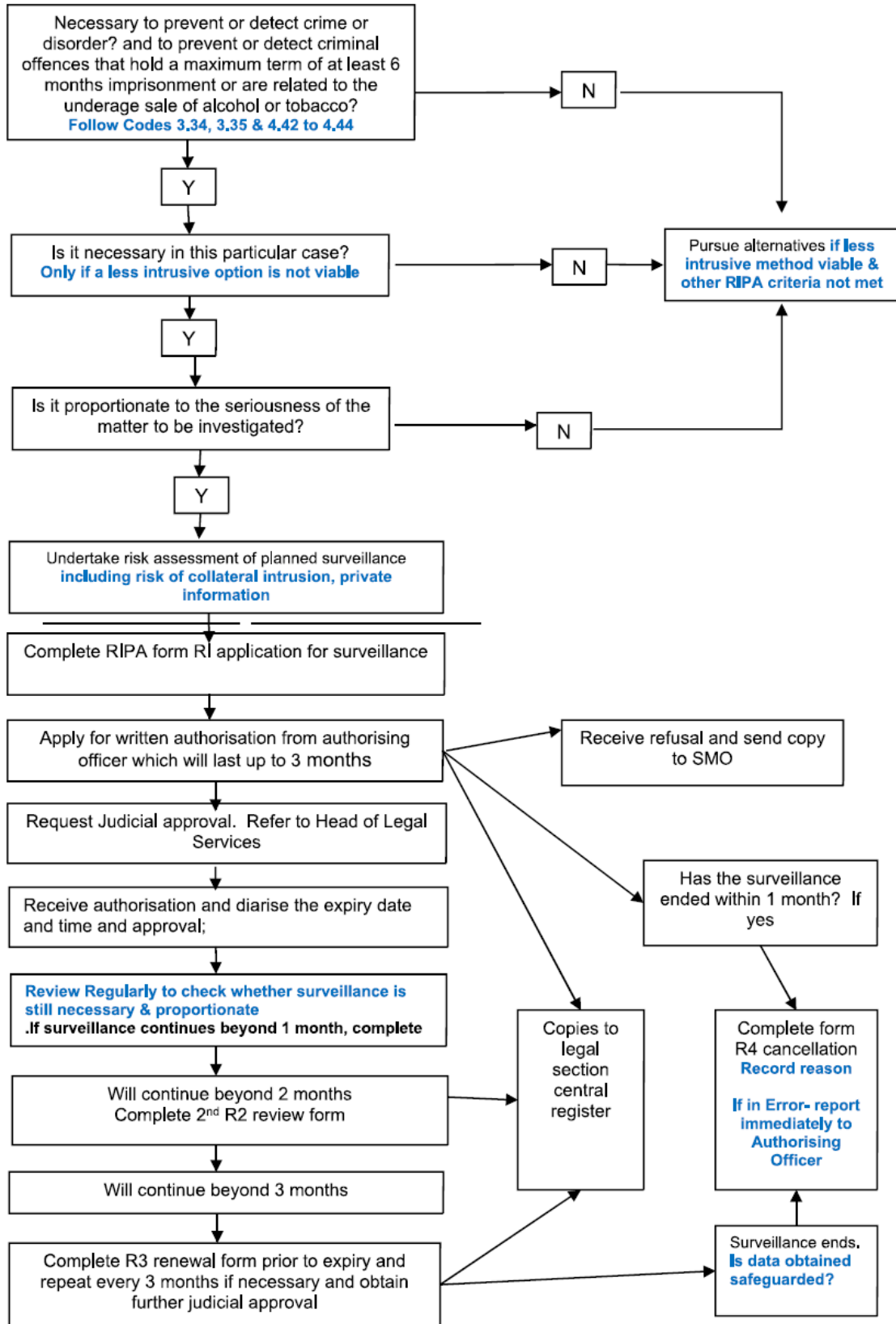
Example: An observation post outside residential premises which provides a limited view compared to that which would be achievable from within the premises does not constitute intrusive surveillance. However, the use of a zoom lens, for example, which consistently achieves imagery of the same quality as that which would be visible from within the premises, would constitute intrusive surveillance.

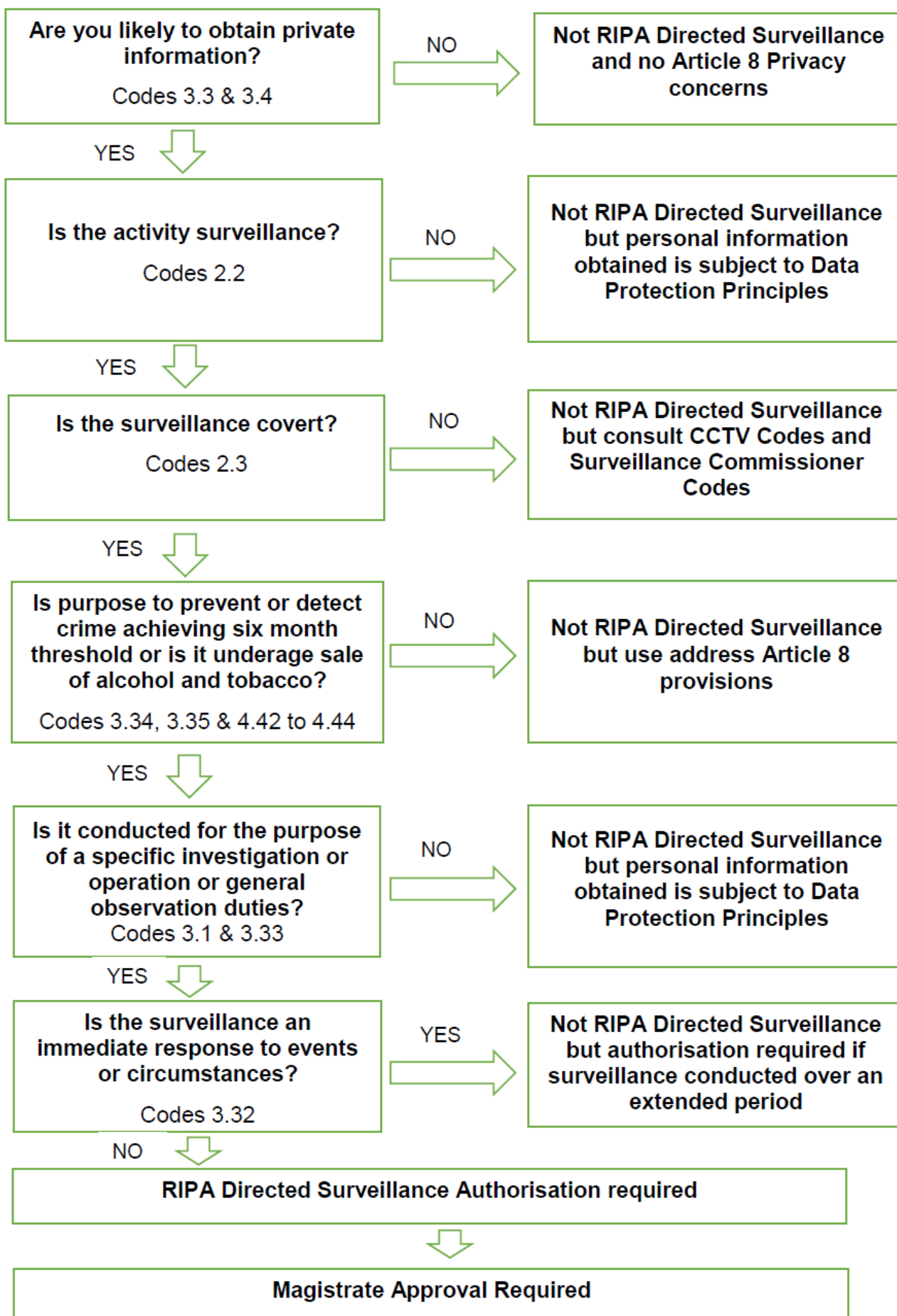
12. Researchers

A public authority undertakes general monitoring of the internet in circumstances where it is not part of a specific, ongoing investigation or operation to identify themes, trends, possible indicators of criminality or other factors that may influence operational strategies or deployments. This activity does not require RIPA authorisation. However, when this activity leads to the discovery of previously unknown subjects of interest, once it is decided to monitor those individuals as part of an ongoing operation or investigation, authorisation should be considered.

Internet searches carried out by a third party on behalf of a public authority, or with the use of a search tool, may still require a directed surveillance authorisation (see paragraphs 3.6 and 4.32 of the August 2018 revised code). Consideration should be given as to whether it is likely to result in obtaining private information about a person or group.

K. RIPA SURVEILLANCE APPLICATIONS PROCESS MAP – DIRECTED SURVEILLANCE





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Agenda Item 6.

Report To:	AUDIT PANEL
Date:	22 November 2022
Executive Member /Reporting Officer:	Councillor North – First Deputy (Finance, Resources and Transformation) Caroline Barlow – Assistant Director of Finance
Subject:	TREASURY MANAGEMENT ACTIVITIES
Report Summary:	<p>This report provides a mid-year review of the Council’s Treasury Management activities for 2022/23.</p> <p>Treasury Management is a critical activity to ensure Value for Money in the use of public funds. It is concerned with safely managing the working capital of an organisation, managing its cash flows, investments, money markets and banking.</p> <p>It ensures that public funds work for us, and are safely maximised, without undertaking high-risk investments. It is unrelated to the Revenue Budget of the Council.</p> <p>This report provides an overview of the Treasury Management activities of the organisation over the first 6 months of the year. At 30 September, the total investment balance was £131m and total long term borrowing was £141m.</p> <p>The current strategy is designed to ensure that borrowing costs are kept low over the longer term, rather than subject to volatility that a high risk strategy might deliver. Where investments are involved, the policy is to ensure the security of the asset rather than pursue the highest returns available.</p> <p>In summary, due to borrowing being taken up at a time of favourable interest rates, there has been a forecast saving on the Council’s borrowing costs of £0.1m. The Council has been able to take advantage of rising interest rates in year and interest earned on day-to-day investments is forecast to be £1.8m against a budget of £0.3m, an over performance of £1.5m. This additional investment income can now be invested in Council activities.</p>
Recommendations:	That Executive Cabinet be recommended to note the treasury activity and performance.
Links to Community Strategy:	The Treasury Management function of the Council underpins the ability to deliver the Council’s priorities.
Policy Implications:	In line with Council Policies.
Financial Implications: (Authorised by the Section 151 Officer)	<p>The achievement of savings on the cost of financing the Council's debt through repayment, conversion and rescheduling, together with interest earned by investing short term cash surpluses, is a crucial part of the Council's medium term financial strategy. This has to be carefully balanced against the level of risk incurred.</p> <p>The Council held £131.020m of investments as at 30 September 2022 and for the first 6 months of the year earned interest of £0.822m. The Council is projecting that, by the end of financial year, this will have increased to £1.8m, significantly greater than</p>

budget.

The Council benchmarks its performance against the Sterling Overnight Interest Average (SONIA) and our performance has consistently been above this benchmark.

However, the rapidly rising interest rate environment, along with some older deals at previously attractive rates still being in the portfolio, has seen benchmark rise above average earnings. Our investment portfolio yield to date of 1.11% is below SONIA of 1.22%

It is expected that as these older deals mature and are replaced, returns will again exceed SONIA.

Legal Implications:
(Authorised by the Borough Solicitor)

There is a statutory duty for the Council deliver a balanced budget and sound treasury management is a key tool in managing this.

Demonstration of sound treasury management will in turn provide confidence to the Council that it is complying with its fiduciary duty to the public purse, and in turn allows the Council to better plan and fulfil its key priorities for the coming year.

Members should ensure that they take the opportunity when considering this report to ensure that they are content with all of the analysis set out in the main body of the report.

Risk Management:

Failure to properly manage and monitor the Council's loans and investments could lead to service failure and loss of public confidence.

Access to Information:

The background papers relating to this report can be inspected by contacting Heather Green, Finance Business Partner by:



phone: 0161 342 2929



e-mail: heather.green@tameside.gov.uk

1. BACKGROUND

- 1.1 This is the Mid-Year Review of Treasury Management for the financial year 2022/23, produced in accordance with CIPFA's Code of Practice on Treasury Management, the Council's Financial Regulations and the CIPFA Prudential Code.
- 1.2 The report includes the following:
- An overview of Treasury Management
 - Treasury Management Strategy Statement and Annual Investment Strategy Update;
 - Prudential indicators;
 - The Council's investment portfolio as at September 2022;
 - The Council's borrowing position as at September 2022;
 - Minimum Revenue Provision;
 - Debt rescheduling undertaken during 2022/23;
 - Prudential Indicators. Limits v Actuals **Appendix 1**;
 - Economic Update as at 30 September 2022, provided by our external LINK Advisor, **Appendix 2**;
 - Glossary of Terms, **Appendix 3**.

2. OVERVIEW OF TREASURY MANAGEMENT

- 2.1 Treasury management is defined as: *"The management of the local authority's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risk"*.
- 2.2 The Council has cash-flows in and out of its bank accounts often worth millions of pounds in a day. There is often a delay between cash being received and it being needed in order to deliver services. Therefore, the Council often has a temporary surplus of funds. Rather than leaving these funds in the bank, the Treasury Management function of the Council invests them in order to maximise security and also generate interest income which can then be invested into services.
- 2.3 Conversely the Council can opt to borrow money in order to finance large scale capital projects. In these cases a judgement is made on whether borrowing is necessary or internal borrowing (i.e. temporarily using surplus cash balances) can be used in order to save interest costs and provide better value for money.
- 2.4 In this way the Council ensures that the money works for us, and public funds are maximised.
- 2.5 Some examples of where such cash surpluses can arise are set out below:
- When a capital grant is received but the costs of the scheme are not expected to occur for several months later;
 - When the monthly direct debits for Council Tax payments are processed but associated revenue spend occurs later in the month;
 - To invest balance sheet reserves, balances and provisions.
- 2.6 The Council has traditionally operated a relatively low risk Treasury Management strategy. This in effect means that controls and strategy are designed to ensure that borrowing costs are kept reasonably low over the longer term, rather than subject to volatility that a high risk strategy might deliver. Where investments are involved, the policy is to ensure the security of the asset rather than pursue the highest returns available. These objectives are in line with the Code of Practice.

3 TREASURY MANAGEMENT STRATEGY AND ANNUAL INVESTMENT STRATEGY UPDATE

- 3.1 The Treasury Management Strategy Statement (TMSS) for 2022/23 was approved by the Council on 22 February 2022 as part of the Budget Report.
- 3.2 There are no required policy changes to the TMSS; the details in this report update the position in the light of the current economic position and budgetary changes already approved.
- 3.3 As highlighted in Section 2.6, the Council operates a relatively low risk Treasury Management strategy and this has put us in a strong position to respond to the current volatility in the financial markets, as the global financial crisis has raised the overall possibility of default.
- 3.4 The Council continues to maintain strict credit criteria for investment counterparties to manage this risk. A system of counterparty selection was agreed by the Council in the Treasury Management Strategy, as part of the budget setting process. All counterparties used have been selected on the basis that they are highly rated and meet the criteria set out in the Council's Treasury Management Strategy.

4. PRUDENTIAL INDICATORS

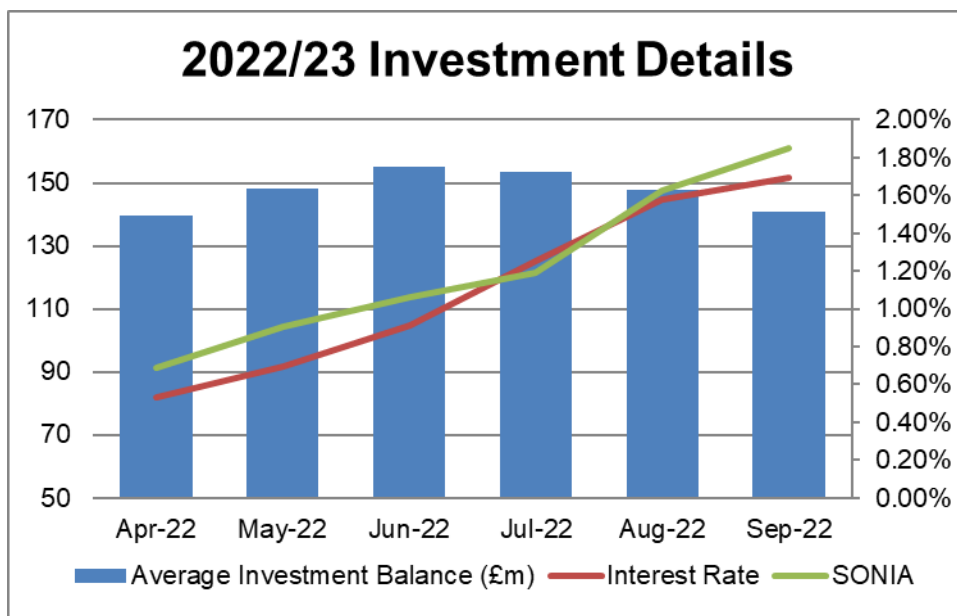
- 4.1 CIPFA's Prudential Code aims to ensure that investment plans are affordable, prudent and sustainable, and that treasury management decisions reflect good professional practice and support affordability, prudence, and sustainability. The Code also has the objectives of being consistent with and supporting local strategic planning, local asset management planning and option appraisals.
- 4.2 To demonstrate that the objectives are being fulfilled, councils are required to set specific Prudential and Treasury Indicators. These indicators draw together the Council's balance sheet, its revenue budget proposals, capital expenditure plans and the Treasury Management Strategy.
- 4.3 The Prudential Indicators are reported on a quarterly basis as part of the Capital Monitoring process. The Prudential Indicators show the current position against the limits initially set as part of the 2022/23 Budget Report.
- 4.4 The Prudential Indicators are updated from the Capital Programme as at 30 September 2022, showing the Council's capital expenditure plans and how these plans are being financed. Any changes in the capital expenditure plans will impact on the prudential indicators and the underlying need to borrow.
- 4.5 The current prudential indicator position is shown as **Appendix 1** of this report. All the indicators are within the set limits confirming that the Council's borrowing strategy remains a prudent, affordable and sustainable one.

5. INVESTMENT PORTFOLIO 2022/23

- 5.1 In accordance with the Code, it is the Council's priority to ensure security of capital and liquidity, and to obtain an appropriate level of return which is consistent with the Council's risk appetite. Whilst maintaining a cautious approach, the Council has still managed to take advantage of the current rise in interest rates and consequently returns in year are greatly in excess of what was originally budgeted.

5.2 The Council held £131.020m of investments as at 30 September 2022, with an investment portfolio yield to date of 1.11% against Sterling Overnight Interest Average (SONIA) of 1.22%. At 31 March 2022 the portfolio consisted of £143.855m of investments. The reduction is largely in relation to the payment of balances of COVID related grants such as business rates relief and support to businesses.

5.3 The below graph illustrates the change in investment balances over time along with the change in interest earned and the SONIA benchmark:



5.4 Both the SONIA benchmark and the rates of interest earned by the Council have increased rapidly since April. SONIA is largely a forward looking indicator whereas the Council’s portfolio includes some fixed investments, made when the prevailing rate of interest was much lower, which has seen the average rate of interest earned brought slightly below SONIA. As these investments mature and are replaced, the average interest earned will continue to rise. Since the start of the second half of the year, £10m of fixed investments have been made at rates in excess of 4%

5.5 The portfolio as at 30 September 2022 was as follows:

Investment Type	Total Invested (£m)	Weighted Average Duration (days)	Average Interest Rate (%)
Money Market Funds	23.320	n/a (overnight)	2.05
Banks (fixed term)	30.000	187	1.98
Banks (notice)	Nil	n/a	n/a
Local Authorities	78.700	335	1.67
Total	131.020		

5.6 The Assistant Director of Finance confirms that the approved limits within the Annual Investment Strategy were not breached during the first six months of 2022/23.

5.7 The below table shows the projected interest against budget for 2022/23:

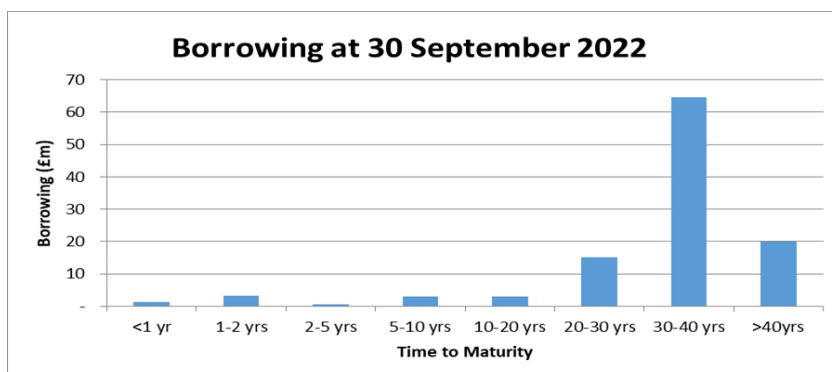
Interest	Budget (£000)	Forecast (£000)	Forecast Variation (£000)

Investments	(295)	(1,754)	1,459
Manchester Airport Group	(3,263)	(3,416)	153
Total	(3,558)	(5,170)	1,612

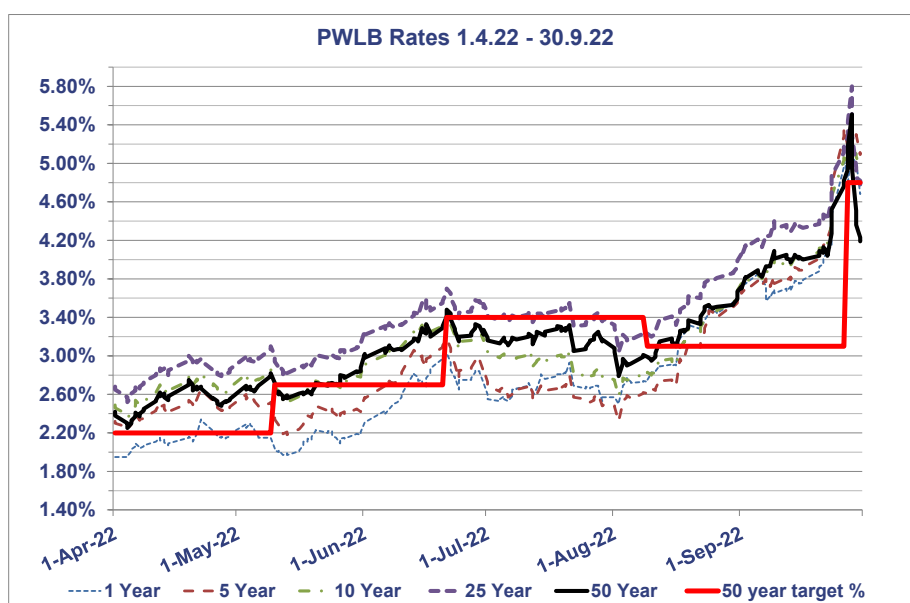
- 5.8 As outlined in the Treasury Management Strategy, the Council uses the Link Group creditworthiness service to inform counterparty selection.
- 5.9 The Link Group creditworthiness service uses a wider array of information to provide a risk weighted scoring system, it does not give undue preponderance to just one agency's ratings.
- 5.10 Typically the minimum credit ratings criteria the Council use will be:
- Short Term rating (Fitch or equivalents) of F1
 - Long Term rating of A-
- There may be occasions when the counterparty ratings from one rating agency are marginally lower than these ratings but may still be used. In these instances consideration will be given to the whole range of ratings available, or other topical market information, to support their use.
- 5.11 All credit ratings are monitored regularly. The Council is alerted to changes to ratings through its use of the Link Group creditworthiness service:
- If there is a downgrade which results in the counterparty / investment scheme no longer meeting the Council's minimum criteria, its further use for new investment is withdrawn immediately.
 - The Council is advised of information in movements in credit default swap spreads against the iTraxx benchmark and other market data on a daily basis via its Passport website, provided exclusively to it by Link Group. If this results in extreme market movements this may result in downgrade of an institution or removal from the Council's lending list.
- 5.12 Sole reliance will not be placed on the use of this external service. In addition the Council also uses market data and market information, and information on any external support for banks to help support its decision making process.

6. THE COUNCIL'S BORROWING POSITION

- 6.1 The Council has not taken up any new borrowing in the first half of 2022/23.
- 6.2 The Council has previously utilised the Public Works Loan Board (PWLB) as a major source of funding, but will consider potential alternative sources of borrowing when the need arises.
- 6.3 As at 30 September 2022 the Council's total borrowing was £141m. The maturity profile is as follows:



- 6.4 One of the Council's key prudential indicators is its Capital Financing Requirement (CFR). The CFR is a calculation that denotes the Council's underlying need to borrow for capital purposes. As at 30 September 2022, the CFR was £199.265.
- 6.5 As at 30 September the Council had an outstanding borrowing requirement of £58.662m. This is forecast to decrease slightly to £57.593m by the end of 2022/23. The remaining outstanding borrowing requirement is currently funded from internal balances which reduces the funds available for the Council to invest.
- 6.6 The balance of external and internal borrowing is generally driven by market conditions and at this time this approach continues to be prudent and cost effective in the current economic climate but is kept under regular review.
- 6.7 The table below shows the increase in Public Works Loan Board borrowing since 1 April 2022.



7. MINIMUM REVENUE PROVISION

- 7.1 The Council must make provision for the repayment of its debt. It does this through its Minimum Revenue Provision (MRP). This is the minimum amount that the Council must set aside annually.
- 7.2 The Local Authority (Capital Finance and Accounting) Regulations 2008 introduced a duty that an authority calculates an amount of MRP which it considered prudent. Although the 2008 Regulations do not define "prudent provision", they provide guidance to authorities on how they should interpret this.
- 7.3 In 2015/16 the Council updated its MRP policy. MRP is to be calculated as follows:
- 2% of the existing 2015/16 capital financing requirement over a period of 50 years.
 - Any new prudential borrowing taken up to be provided for based upon the expected useful life of the asset or by an alternative approach deemed appropriate to the expenditure in question. This will continue to be reviewed on an ongoing basis.
 - For any finance leases and any on-balance sheet public finance initiative (PFI)

schemes, the MRP charge to be equal to the principal repayment during the year, calculated in accordance with proper practices.

- There will be no MRP charge for any cash backed Local Authority Mortgage Scheme (LAMS) that the Council operates. As for this type of scheme, any future debt liability would be met from the capital receipt arising from the deposit maturing after a 5 year period. Any repossession losses for this type of scheme would be charged to a LAMS reserve.

7.4 The MRP policy was updated in 2018/19 to clarify the Council's position on loans to third parties. The Council considers an MRP charge is not necessary in respect of any loans made to third parties as the debt liability is covered by the existence of a debtor. The only expenditure consequence of a loan is the interest shortfall on its cash balances whilst the loan is outstanding. Therefore MRP for loans is not necessary unless and until such time as there is an assumption that the loan will not be repaid.

8. DEBT RESCHEDULING

8.1 Debt rescheduling opportunities have been limited in the current economic climate and consequent structure of interest rates. No debt rescheduling was undertaken during the first six months of 2022/23.

9. RECOMMENDATIONS

9.1 As set out on the front of the report.

APPENDIX 1

Prudential Indicators

Actuals v limits as at 30 September 2022

	Limit	Actual	Amount within limit
	£000s	£000s	£000s
Operational Boundary for External Debt	206,642	140,603	(66,039)
Authorised Limit for External Debt	226,642	140,603	(86,039)

These limits include provision for borrowing in advance of the Council's requirement for future capital expenditure. This may be carried out if it is thought to be financially advantageous to the Council.

	Limit	Actual	Amount within limit
	£000s	£000s	£000s
Upper Limit for fixed	199,265	2,742	(196,523)
Upper Limit for variable	66,422	6,833	(59,589)

These limits are in respect of the Council's exposure to the effects of changes in interest rates.

The limits reflect the net amounts of fixed/variable rate debt (i.e. fixed/variable loans less fixed/variable investments).

	Limit	Actual	Amount within limit
	£000s	£000s	£000s
Capital Financing Requirement	199,265	199,265	-

The Capital Financing Requirement (CFR) is aimed to represent the underlying need to borrow for a capital purpose and is calculated from the aggregate of specified items on the balance sheet. The CFR increases by the value of capital expenditure not immediately financed (i.e. borrowing) and is reduced by the annual MRP repayment.

	Limit	Actual	Amount within limit
	£000s	£000s	£000s
Capital expenditure	87,414	6,873	(80,541)

This is the estimate of the total capital expenditure to be incurred.

Gross borrowing and the capital financing requirement	CFR @ 31/03/22 + increase years 1,2,3	Gross borrowing	Amount within limit
	£000s	£000s	£000s
	199,265	140,603	(58,662)

To ensure that medium term debt will only be for capital purposes, the Council will ensure that the gross external borrowing does not, except in the short term, exceed the total of the capital financing requirement (CFR).

Maturity structure for borrowing 2021/22		
Fixed rate		
Duration	Limit	Actual
Under 12 months	0% to 15%	0.87%
12 months and within 24 months	0% to 15%	2.28%
24 months and within 5 years	0% to 30%	0.39%
5 years and within 10 years	0% to 40%	2.14%
10 years and above	50% to 100%	94.32%

These limits set out the amount of fixed rate borrowing maturing in each period expressed as a percentage of total fixed rate borrowing. Future borrowing will normally be for periods in excess of 10 years, although if longer term interest rates become excessive, shorter term borrowing may be used.

APPENDIX 2

Economic Update

The Council's treasury management advisors, Link Group, provided the below economic update as at 30th September, in line with the period end date for this report.

However, please note that this only provides a snapshot as at the 30th September and since this update there have been further significant political changes in the UK with the resignation of Liz Truss and the appointment of Rishi Sunak as Prime Minister in October, along with the reversal of the vast majority of the "mini Budget".

This appears to have calmed markets and tempered interest rate expectations, although rises in base rate are still anticipated.

This economic update therefore covers the period up to 30th September 2022, but should not be seen as representing the current economic position by the date this report is to be published.

The second quarter of 2022/23 saw:

- *GDP revised upwards in Q1 2022/23 to +0.2% q/q from -0.1%, which means the UK economy has avoided recession for the time being;*
- *Signs of economic activity losing momentum as production fell due to rising energy prices;*
- *CPI inflation ease to 9.9% y/y in August, having been 9.0% in April, but domestic price pressures showing little sign of abating in the near-term;*
- *The unemployment rate fall to a 48-year low of 3.6% due to a large shortfall in labour supply;*
- *Bank Rate rise by 100bps over the quarter, taking Bank Rate to 2.25% with further rises to come;*
- *Gilt yields surge and sterling fall following the "fiscal event" of the new Prime Minister and Chancellor on 23rd September.*

The UK economy grew by 0.2% q/q in Q1 2022/23, though revisions to historic data left it below pre-pandemic levels.

There are signs of higher energy prices creating more persistent downward effects in economic activity. Both industrial production (-0.3% m/m) and construction output (-0.8% m/m) fell in July 2022 for a second month in a row. Although some of this was probably due to the heat wave at the time, manufacturing output fell in some of the most energy intensive sectors (e.g., chemicals), pointing to signs of higher energy prices weighing on production. With the drag on real activity from high inflation having grown in recent months, GDP is at risk of contracting through the autumn and winter months.

The fall in the composite PMI from 49.6 in August to a 20-month low preliminary reading of 48.4 in September points to a fall in GDP of around 0.2% q/q in Q3 and consumer confidence is at a record low. Retail sales volumes fell by 1.6% m/m in August, which was the ninth fall in 10 months. That left sales volumes in August just 0.5% above their pre-Covid level and 3.3% below their level at the start of the year. There are also signs that households

are spending their excess savings in response to high prices. Indeed, cash in households' bank accounts rose by £3.2bn in August, which was below the £3.9bn rise in July and much smaller than the 2019 average monthly rate of £4.6bn.

The labour market remained exceptionally tight. Data for July and August provided further evidence that the weaker economy is leading to a cooling in labour demand. Labour Force Survey (LFS) employment rose by 40,000 in the three months to July (the smallest rise since February). But a renewed rise in inactivity of 154,000 over the same period meant that the unemployment rate fell from 3.8% in June to a new 48-year low of 3.6%. The single-month data showed that inactivity rose by 354,000 in July itself and there are now 904,000 more inactive people aged 16+ compared to before the pandemic in February 2020. The number of vacancies has started to level off from recent record highs but there have been few signs of a slowing in the upward momentum on wage growth. Indeed, in July, the 3my/y rate of average earnings growth rose from 5.2% in June to 5.5%.

CPI inflation eased from 10.1% in July to 9.9% in August, though inflation has not peaked yet. The easing in August was mainly due to a decline in fuel prices reducing fuel inflation from 43.7% to 32.1%. And with the oil price now just below \$90pb, we would expect to see fuel prices fall further in the coming months.

However, utility price inflation is expected to add 0.7% to CPI inflation in October when the Ofgem unit price cap increases to, typically, £2,500 per household (prior to any benefit payments). But, as the government has frozen utility prices at that level for two years, energy price inflation will fall sharply after October and have a big downward influence on CPI inflation.

Nonetheless, the rise in services CPI inflation from 5.7% y/y in July to a 30-year high of 5.9% y/y in August suggests that domestic price pressures are showing little sign of abating. A lot of that is being driven by the tight labour market and strong wage growth. CPI inflation is expected to peak close to 10.4% in November and, with the supply of workers set to remain unusually low, the tight labour market will keep underlying inflationary pressures strong until early next year.

During H1 2022, there has been a change of both Prime Minister and Chancellor. The new team (Liz Truss and Kwasi Kwarteng) have made a step change in government policy. The government's huge fiscal loosening from its proposed significant tax cuts will add to existing domestic inflationary pressures and will potentially leave a legacy of higher interest rates and public debt. Whilst the government's utility price freeze, which could cost up to £150bn (5.7% of GDP) over 2 years, will reduce peak inflation from 14.5% in January next year to 10.4% in November this year, the long list of tax measures announced at the "fiscal event" adds up to a loosening in fiscal policy relative to the previous government's plans of £44.8bn (1.8% of GDP) by 2026/27. These included the reversal of April's national insurance tax on 6th November, the cut in the basic rate of income tax from 20p to 19p in April 2023, the cancellation of next April's corporation tax rise, the cut to stamp duty and the removal of the 45p tax rate, although the 45p tax rate cut announcement has already been reversed.

Fears that the government has no fiscal anchor on the back of these announcements has meant that the pound has weakened again, adding further upward pressure to interest rates. Whilst the pound fell to a record low of \$1.035 on the Monday following the government's "fiscal event", it has since recovered to around \$1.12. That is due to hopes that the Bank of England will deliver a very big rise in interest rates at the policy meeting on 3rd November and the government will lay out a credible medium-term plan in the near term. This was originally expected as part of the fiscal statement on 23rd November but has subsequently been moved forward to an expected release date in October. Nevertheless, with concerns over a global recession growing, there are downside risks to the pound.

The MPC has now increased interest rates seven times in as many meetings in 2022 and has raised rates to their highest level since the Global Financial Crisis. Even so, coming after the Fed and ECB raised rates by 75 basis points (bps) in their most recent meetings, the Bank of England's latest 50 basis points hike looks relatively dovish. However, the UK's status as a large importer of commodities, which have jumped in price, means that households in the UK are now facing a much larger squeeze on their real incomes.

Since the fiscal event on 23rd September, we now expect the Monetary Policy Committee (MPC) to increase interest rates further and faster, from 2.25% currently to a peak of 5.00% in February 2023. The combination of the government's fiscal loosening, the tight labour market and sticky inflation expectations means we expect the MPC to raise interest rates by 100bps at the policy meetings in November (to 3.25%) and 75 basis points in December (to 4%) followed by further 50 basis point hikes in February and March (to 5.00%). Market expectations for what the MPC will do are volatile. If Bank Rate climbs to these levels the housing market looks very vulnerable, which is one reason why the peak in our forecast is lower than the peak of 5.50% - 5.75% priced into the financial markets at present.

Throughout 2022/23, gilt yields have been on an upward trend. They were initially caught up in the global surge in bond yields triggered by the surprisingly strong rise in CPI inflation in the US in May. The rises in two-year gilt yields (to a peak of 2.37% on 21st June) and 10-year yields (to a peak of 2.62%) took them to their highest level since 2008 and 2014 respectively. However, the upward trend was exceptionally sharply at the end of September as investors demanded a higher risk premium and expected faster and higher interest rate rises to offset the government's extraordinary fiscal stimulus plans. The 30-year gilt yield rose from 3.60% to 5.10% following the "fiscal event", which threatened financial stability by forcing pension funds to sell assets into a falling market to meet cash collateral requirements. In response, the Bank did two things. First, it postponed its plans to start selling some of its quantitative easing (QE) gilt holdings until 31st October. Second, it committed to buy up to £65bn of long-term gilts to "restore orderly market conditions" until 14th October. In other words, the Bank is restarting QE, although for financial stability reasons rather than monetary policy reasons.

Since the Bank's announcement on 28th September, the 30-year gilt yield has fallen back from 5.10% to 3.83%. The 2-year gilt yield dropped from 4.70% to 4.30% and the 10-year yield fell back from 4.55% to 4.09%. There is a possibility that the Bank continues with QE at the long-end beyond 14th October or it decides to delay quantitative tightening beyond 31st October, even as it raises interest rates. So far at least, investors seem to have taken the Bank at its word that this is not a change in the direction of monetary policy nor a step towards monetary financing of the government's deficit. But instead, that it is a temporary intervention with financial stability in mind.

After a shaky start to the year, the S&P 500 and FTSE 100 climbed in the first half of Q2 2022/23 before falling to their lowest levels since November 2020 and July 2021 respectively. The S&P 500 is 7.2% below its level at the start of the quarter, whilst the FTSE 100 is 5.2% below it as the fall in the pound has boosted the value of overseas earnings in the index. The decline has, in part, been driven by the rise in global real yields and the resulting downward pressure on equity valuations as well as concerns over economic growth leading to a deterioration in investor risk appetite.

Link Group's view on the anticipated future movement in interest rates is shown below.

Link Group Interest Rate View 27.09.22												
	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25
BANK RATE	4.00	5.00	5.00	5.00	4.50	4.00	3.75	3.25	3.00	2.75	2.75	2.50
3 month ave earnings	4.50	5.00	5.00	5.00	4.50	4.00	3.80	3.30	3.00	2.80	2.80	2.50
6 month ave earnings	4.70	5.20	5.10	5.00	4.60	4.10	3.90	3.40	3.10	3.00	2.90	2.60
12 month ave earnings	5.30	5.30	5.20	5.00	4.70	4.20	4.00	3.50	3.20	3.10	3.00	2.70
5 yr PWLB	5.00	4.90	4.70	4.50	4.20	3.90	3.70	3.50	3.40	3.30	3.20	3.20
10 yr PWLB	4.90	4.70	4.60	4.30	4.10	3.80	3.60	3.50	3.40	3.30	3.20	3.20
25 yr PWLB	5.10	4.90	4.80	4.50	4.30	4.10	3.90	3.70	3.60	3.60	3.50	3.40
50 yr PWLB	4.80	4.60	4.50	4.20	4.00	3.80	3.60	3.40	3.30	3.30	3.20	3.10

APPENDIX 3

Glossary of Terms

Authorised Limit - This Prudential Indicator represents the limit beyond which borrowing is prohibited, and needs to be set and revised by Members. It reflects the level of borrowing which, while not desired, could be afforded in the short term, but is not sustainable. It is the expected maximum borrowing need, with some headroom for unexpected movements.

Bank Rate / Base Rate - The rate at which the Bank of England offers loans to the wholesale banks, thereby controlling general interest rates in the economy.

Capital Expenditure – The Council's spend on fixed assets, including investment in things such as buildings, infrastructure, and vehicles.

Capital Financing Requirement (CFR) - The CFR is aimed to represent the underlying need to borrow for a capital purposes and is calculated from the aggregate of specified items on the balance sheet. The CFR increases by the value of capital expenditure not immediately financed (i.e. borrowing) and is reduced by the annual MRP repayment.

Counterparty - one of the opposing parties involved in a borrowing or investment transaction.

Credit Rating - A qualified assessment and formal evaluation of an institution's (bank or building society) credit history and capability of repaying obligations. It measures the probability of the borrower defaulting on its financial obligations, and its ability to repay these fully and on time.

Discount - Where the prevailing interest rate is higher than the fixed rate of a longterm loan, which is being repaid early, the lender can refund the borrower a discount, the calculation being based on the difference between the two interest rates over the remaining years of the loan, discounted back to present value. The lender is able to offer the discount, as their investment will now earn more than when the original loan was taken out.

Fixed Rate - A fixed rate of interest throughout the duration of the loan or investment. The rate is fixed at the start and therefore does not affect the volatility of the portfolio, until the debt matures and requires replacing at the interest rates relevant at that time.

Gilts - The loan instruments by which the Government borrows. Interest rates will reflect the level of demand shown by investors when the Government auctions Gilts.

LIBID (London Interbank Bid Rate) - This is an average rate, calculated from the rates at which individual major banks in London are willing to borrow from other banks for a particular time period. For example, 6 month LIBID is the average rate at which banks are willing to pay to borrow for 6 months. This has recently been replaced with SONIA.

LIBOR (London Interbank Offer Rate) - This is an average rate, calculated from the rates which major banks in London estimate they would be charged if they borrowed from other banks for a particular time period. For example, 6 month LIBOR is the average rate which banks believe they will be charged for borrowing for 6 months. As with LIBID, this rate is no longer produced following the introduction of SONIA.

Liquidity - The ability of an asset to be converted into cash quickly and without any loss in value. The more liquid a business is, the better able it is to meet short-term financial obligations.

LOBO (Lender Option Borrower Option) - This is a type of loan where, at various periods known as call dates, the lender has the option to alter the interest rate on the loan. Should the lender exercise this option, the borrower has a corresponding option to repay the loan in full without penalty.

Market -The private sector institutions - Banks, Building Societies etc.

Maturity Profile/Structure - an illustration of when debts are due to mature, and either have to be renewed or money found to pay off the debt. A high concentration in one year will make the Council vulnerable to prevailing interest rates.

Minimum Revenue Provision (MRP) – MRP is the minimum amount which the Council must charge to its revenue budget each year, to set aside a provision for repaying borrowing. This is an annual revenue expense in a Council's budget.

Monetary Policy Committee (MPC) - the independent body that determines Bank of England Base Rate.

Money Market Funds (MMFs) - Investment instruments that invest in a variety of institutions, therefore diversifying the investment risk.

Operational Boundary – This Prudential Indicator is based on the probable external debt during the course of the year. It is not a limit and actual borrowing could vary around this boundary for short times during the year. It should act as an indicator to ensure the Authorised Limit is not breached.

Premium - Where the prevailing current interest rate is lower than the fixed rate of a long-term loan, which is being repaid early, the lender can charge the borrower a premium, the calculation being based on the difference between the two interest rates over the remaining years of the loan, discounted back to present value. The lender may charge the premium, as their investment will now earn less than when the original loan was taken out.

Prudential Code - The Local Government Act 2003 requires the Council to 'have regard to' the Prudential Code and to set Prudential Indicators for the next three years to ensure that the Council's capital investment plans are affordable, prudent and sustainable.

Prudential Indicators – Indicators designed by CIPFA with the intention of demonstrating that the Council is operating in line with the Prudential Code. The Council sets its own limits and they are not intended to be an inter-authority comparative.

Public Works Loan Board (PWLB) - Part of the Government's Debt Management Office, which provides loans to public bodies at rates reflecting those at which the Government is able to sell Gilts.

Sterling Overnight Index Average (SONIA) - An interest rate benchmark which is based on actual transactions and reflects the average of the interest rates that banks pay to borrow sterling overnight from other financial institutions and other institutional investors.

Treasury Bills - These are marketable securities issued by the UK Government and as such counterparty and liquidity risk is very low.

Variable Rate - The rate of interest either continually moves reflecting interest rates of the day, or can be tied to specific dates during the loan period. Rates may be updated on a monthly, quarterly or annual basis.

Volatility - The degree to which the debt or investment portfolio is affected by current interest rate movements. The more debt maturing within the coming year and needing replacement, and the more debt subject to variable interest rates, the greater the volatility.

Yield Curve - A graph of the relationship of interest rates to the length of the loan. A normal yield curve will show interest rates relatively low for short-term loans compared to long-term loans. An inverted Yield Curve is the opposite of this.

Report To:	AUDIT PANEL
Date:	22 November 2022
Reporting Officer:	Christine Weston, Interim Head of Risk Management and Internal Audit Services
Subject:	ANTI-MONEY LAUNDERING POLICY
Report Summary:	The report presents the updated Anti-Money Laundering Policy for review and comment.
Recommendations:	The Audit Panel approve the updated Anti-Money Laundering Policy at Appendix 1 .
Policy Implications:	The policy will need to be uploaded on the intranet and disseminated across the Council.
Financial Implications: (Authorised by the statutory Section 151 Officer & Chief Finance Officer)	There are no direct financial implications arising from the policy. Whilst not directly covered by the regulations, guidance from the Chartered Institute of Public Finance and Accountancy ("CIPFA") indicates that Local Authorities should comply with the underlying spirit of the legislation and regulations, including the maintenance of effective arrangements to prevent and detect attempts to launder money using Council services.
Legal Implications: (Authorised by the Borough Solicitor)	The need for an Anti-Money Laundering Policy derives from the Proceeds of Crime Act 2002, the Money Laundering Regulations 2007 and the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017. Our legal obligations require the Council to prevent the misuse of services to launder money. This policy details the controls to prevent and protect against money laundering and terrorist financing.
Risk Management:	All managers are responsible for promoting an anti-fraud culture in their service. Maintenance of a zero tolerance approach to fraud requires the efforts of every member and officer of the Council.
Background Information:	The background papers can be obtained from the author of the report, Christine Weston, Interim Head of Risk Management and Internal Audit Services by:



Telephone: 0161 342 2356



e-mail: christine.weston@tameside.gov.uk

1. INTRODUCTION

- 1.1 Money Laundering is the process by which criminally obtained money or other criminal property is exchanged for “clean” money or other assets with no obvious link to their criminal origins. The term is used for a number of offences involving the integration of “dirty money” (i.e. the proceeds of crime) into the mainstream economy. The aim is to legitimise the possession of such monies through circulation and this effectively leads to “clean” funds being received in exchange.
- 1.2 Although Local Authorities are not directly covered by the requirements of The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017, guidance from the Chartered Institute of Public Finance and Accountancy (“CIPFA”) indicates that they should comply with the underlying spirit of the legislation and regulations.
- 1.3 Tameside Metropolitan Borough Council is committed to establishing and maintaining effective arrangements to prevent and detect attempts to launder money using Council services. The Council requires all members and employees to demonstrate the highest standards of honesty and integrity and this includes compliance with appropriate legislation. The Council is committed to working constructively with the Police and other relevant agencies in relation to combating money laundering and ensuring compliance with the legislation.
- 1.4 This policy provides guidance in order to ensure that the Council’s corporate stance on money laundering is being adhered to and the process to be followed to ensure that the Council to comply with its obligations.

2 DETAIL

- 2.1 The policy covers:-
 - what is meant by money laundering
 - requirements of the money laundering legislation
 - the money laundering reporting officer
 - due diligence procedure
 - politically exposed person
 - reporting procedure for suspicions of money laundering
 - action by the money laundering reporting officer
 - training and awareness
 - policy review
- 2.2 The revised document is in line with current guidance and legislation.

3 RECOMMENDATION

- 3.1 As set out on the front of the report.

Anti-Money Laundering Policy

November 2022

Contents

1. Introduction
2. Scope
3. Money Laundering
4. Requirements of the Money Laundering Legislation
5. The Money Laundering Reporting Officer
6. Due-Diligence Procedure
7. Politically Exposed Person
8. Reporting Procedure for Suspicions of Money Laundering
9. Action by the Money Laundering Officer
10. Training and Awareness

Appendix A – Offences Table

Appendix B – Possible Signs of Money Laundering

Appendix C – Customer Due-Diligence Procedure Flowchart

Appendix D – Verification of Customer Identity

Appendix E – Suspicious Transaction Reporting Procedure

Appendix F – Money Laundering Disclosure Report

Anti-Money Laundering Policy

1. INTRODUCTION

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- 1.4 This policy should be read in conjunction with the Council’s Fraud, Bribery and Corruption Response Procedure and the Councils Whistleblowing Policy. The Council will seek to ensure the corporate stance on money laundering is widely publicised and that employees and members have access to the appropriate guidance. A breach of these procedures may lead to disciplinary and/or criminal action being taken.

2. SCOPE

- 2.1 This policy applies to Tameside Metropolitan Borough Council, and as a consequence it applies to all its members and all employees, including temporary and agency staff. It contains specific sections to advise employees and members of the process to be followed to enable the Council to comply with its legal obligations.
- 2.2 Our policy is to ensure all appropriate action is taken to prevent, wherever possible, the Council and its members and employees from being exposed to money laundering and to comply with all legal and regulatory obligations, including the reporting of suspected or actual cases in line with disclosure requirements.

3. MONEY LAUNDERING

- 3.1 The Proceeds of Crime Act 2002 (as amended by the Crime and Courts Act 2013, Serious Crime Act 2015 and the Criminal Finances Act 2017), Terrorism Act 2000 (as amended by the Criminal Finances Act 2017) and the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (as amended by the Money Laundering and Terrorist Financing (amendment) Regulations 2019) cover a range of activities and offences in relation to money laundering. The

primary ones are listed below; further details are provided in **Appendix A: Offences Table**:

- Concealing, disguising, converting or transferring criminal property or removing it from the UK; (section 327 of the 2002 Act); or
- Entering into, or becoming concerned in, an arrangement which you know or suspect facilitates the acquisition, retention, use or control of criminal property by, or on behalf of, another person; (section 328); or
- Acquiring, using or possessing criminal property; (section 329); or
- Failure to disclose knowledge or suspicion of another person(s) involvement in money laundering; and,
- Tipping off or making a disclosure which is likely to prejudice an investigation being carried out by a law enforcing authority, knowing that such an investigation is in motion.

3.2 These offences cover a range of activities, which do not necessarily need to involve money or laundering, regarding the proceeds of crime. This means that potentially any employee or member, irrespective of what sort of Council business they are undertaking, could commit an offence if they become aware of, or suspect the existence of, criminal activity, irrespective of the size of the benefit gained, and/or fail to report their concerns.

3.3 Where an employee/member suspect money laundering and report, or are aware that someone else has, they must exercise caution in what is discussed with others as a further offence of “tipping off” may be committed if, knowing or suspecting a disclosure has been made, the employee/member take any action which is likely to prejudice any investigation that may be conducted.

3.4 It is impossible to give a definitive list of ways in which to spot money laundering or how to decide whether to make a report. Facts which tend to suggest that something ‘odd’ is happening may be sufficient for a reasonable suspicion of money laundering to arise. Risk factors which may, either alone or cumulatively with other factors, suggest the possibility of money laundering activity, are provided in **Appendix B: Possible Signs of Money Laundering**.

3.5 Potentially any employee or member could be caught by the money laundering provisions if they suspect money laundering and either become involved with it in some way and/or do nothing about it; then they may be liable to prosecution. Heavy penalties, including unlimited fines and up to 14 years imprisonment, can be handed down to those who are convicted of one of the offences listed in paragraph 3.1 above.

3.6 The key requirement for Council employees, members and partners, is to promptly report any suspected money laundering activity to the Council’s Head of Risk Management and Audit Services, who fulfils the role of the Money Laundering Reporting Officer (MLRO), (POCA, Section 337, Protected Disclosures).

4. REQUIREMENTS OF THE MONEY LAUNDERING LEGISLATION

4.1 The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 impose specific obligations on “relevant persons.”

4.2 The term relevant person relates to the following activities carried out in the course of business; tax advice; accounting services; treasury management; investment or other financial services; credit institutions; audit services; legal services; estate agents;

services involving the formation, operation or arrangement of a company or trust; dealing in goods wherever a transaction involves a cash payment equivalent to €15,000 (£12,000) or more.

4.3 Some activities undertaken by the Council could be included within the scope of the money laundering regulations. Therefore, to ensure compliance with the regulations and legislation and for the purposes of this Policy, the Council are considered a relevant person when acting in the course of business and activities carried on by them.

4.4 The obligations include the following requirements:

- Appoint a Money Laundering Reporting Officer (MLRO).
- Obtain sufficient knowledge to ascertain the true identity of customers in certain circumstances, by applying customer due diligence measures.
- Know the intended nature of business relationships and undertake ongoing monitoring of them (to identify unusual transactions).
- Implement a procedure for assessing and controlling risk and reporting suspicions of money laundering.
- Maintain record keeping procedures (e.g. for evidence of identity obtained, details of transactions undertaken, for at least 5 years).

4.5 The European Union 4th Money Laundering Directive requires a focus on risk assessments in relation to anti-money laundering; in particular the need to evidence that an organisation's exposure to risk is considered as part of ongoing business. As such Senior Management should maintain engagement with Risk Management and Audit Services as business operations change with regard to undertaking appropriate and proportionate assessments.

5. THE MONEY LAUNDERING REPORTING OFFICER

5.1 If an individual becomes aware that their involvement in a matter may amount to money laundering then they must report it to the Money Laundering Reporting Officer (MLRO) and not take any further action until they have received consent from the MLRO, who may have to be granted such consent by the National Crime Agency (NCA).

5.2 The Council's nominated Money Laundering Reporting Officer (MLRO) is : Head of Risk Management and Audit Services.

Address: Tameside One, Market Place, Ashton-under-Lyne, Tameside, OL6 6BH

Telephone: 0161 342 2356

5.3 In the absence of the MLRO or in instances where it is suspected that the MLRO is involved in suspicious transactions, concerns should be raised with the Principal Auditor

Address: Tameside One, Market Place, Ashton-under-Lyne, Tameside, OL6 6BH

Telephone: 0161 342 2870

6. DUE DILIGENCE PROCEDURE

- 6.1 Where the Council is carrying out activities in the course of business (see paragraph 4.2 above), extra care needs to be taken to check the identity of the customer – this is known as carrying out customer due diligence. This is covered in Regulations 27-38 of the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017. Details of the process to be undertaken is provided in **Appendix C: Customer Due Diligence Procedure Flowchart**.
- 6.2 The requirement for customer due diligence applies immediately for new customers and should be applied on a risk basis for existing customers. Ongoing customer due diligence must also be carried out during the life of a business relationship but should be proportionate to the risk of money laundering and terrorist funding, based on the officers' knowledge of the customer and a regular scrutiny of the transactions involved.
- 6.3 Due diligence essentially means identifying the customer and verifying their identity on the basis of documents, data or information obtained from reliable and independent source and depending upon the purpose and intended nature of the business relationship. Where you need to carry out customer due diligence then you must seek evidence of identity. See **Appendix D: Verification of Customer Identity**.
- 6.4 Where the customer is acting or appears to be acting for someone else, reasonable steps must also be taken to establish the identity of that other person.

Payments

- 6.5 Where cash in excess £1,000 is received from customers, employees should ask for, and inspect, identification. See **Appendix D: Verification of Customer Identity**. This will help to identify and report any suspicious transactions.
- 6.6 Electronic or cheque payments to the Council are easily traceable through the banking system. As traceability is key and an individual walking in to pay a debt with cash is not necessarily traceable, it is best practice to recommend on payment electronically from a UK Clearing Bank.
- 6.7 An upper limit of €10,000 (which is currently the equivalent to approximately £9000) should be set for cash transactions. Even though the regulations do not apply to Local Authorities it is recommended that an upper limit be established for cash payments which include notes, coins or travellers cheques in any currency. If a larger sum in cash is offered this needs to be referred to the MLRO for consideration.
- 6.8 Overpayments made via credit card, debit card, standing order or direct debit, should only be refunded by crediting the overpayment to the card or bank account which made the original payment.

General

- 6.9 In general:
- The Council knows most of its customers and those through whom they are acting – there is no, or very little, doubt as to their identity;
 - Any Services that may be defined as regulated business activities are provided to customers who are UK Local Authority/Public Bodies; and

- The Council is subjected to defined, robust public sector governance and financial management controls.

Record Keeping Procedures

- 6.10 Each area of the Council acting in the course of business carried out by them, see paragraph 4.2 above, must maintain due diligence records, preferably electronically, and details of all relevant transactions carried out for customers for a minimum of five years from the date of (as appropriate) the transaction/end of any client relationship. This is to meet the requirements of the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (Regulation 4) and may be used as evidence in any subsequent investigation/inspection by the relevant supervising body.
- 6.11 Records must be capable of providing an audit trail during any investigation, for example distinguishing the customer and the relevant transaction and recording in what form any funds were received or paid. In practice, the business areas of the Council will be routinely maintaining such records in the course of normal business and these should suffice in this regard.
- 6.12 Any record keeping should be in line with GDPR and the originating Service Areas Privacy Statement.

7. POLITICALLY EXPOSED PERSON

- 7.1 A Politically Exposed Person is defined, in the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017, as “an individual who is entrusted with prominent public functions, other than as a middle-ranking or more junior official.”
- 7.2 The Council must determine whether a customer or the beneficial owner of a customer is;
- a politically exposed person (a PEP); or
 - a family member (including spouse, civil partner, children, parents), or a known close associate (such as sole or joint beneficial ownership of a legal entity) of a PEP.

and manage the enhanced risks arising from the relevant person’s business relationship or transactions with such a customer.

- 7.3 Where an employee has determined that a customer, or a potential customer, is a PEP, or a family member or known close associate of a PEP, the relevant person must assess;
- the level of risk associated with that customer, and
 - the extent of the enhanced due diligence measures to be applied in relation to that customer.
- 7.4 Where the Council proposes to have, or to continue, a business relationship with a PEP, or a family member or a known close associate of a PEP, the Council must;
- have approval from senior management for establishing or continuing the business relationship with that person;

- (b) take adequate measures to establish the source of wealth and source of funds which are involved in the proposed business relationship or transaction with that person; and
- (c) where the business relationship is entered into, conduct enhanced ongoing monitoring of the business relationship with that person.

8. REPORTING PROCEDURE FOR SUSPICIONS OF MONEY LAUNDERING

- 8.1 Where an employee or member knows or suspects that money laundering activity is taking place (or has happened) they must immediately disclose to the MLRO. If the employee or member does not immediately report this to the MLRO then they may be liable to prosecution. Examples of warnings signs or relevant Council activity of possible money laundering are listed in Appendix B.
- 8.2 Disclosure should be made to the MLRO in line with the procedure outlined at **Appendix E: Suspicious Transactions Reporting Procedure**. The standard pro-forma report attached at **Appendix F: Money Laundering Disclosure Report** should be used for this purpose. The report must include as much detail as possible, for example:
- Full details of the people involved (including employee or member, if relevant);
 - Full details of the nature of their involvement;
 - The types of money laundering activity involved (see **Appendix B: Possible Signs of Money Laundering**);
 - The dates of such activities, including whether the transactions have happened, are ongoing or are imminent;
 - Where they took place;
 - How they were undertaken;
 - The (likely) amount of money/assets involved;
 - Exactly why there are suspicions; the NCA will require full reasons;
 - Any other relevant available information to enable the MLRO to make a sound judgement as to whether there are reasonable grounds for knowledge or suspicion of money laundering and to enable them to prepare their report to the NCA, where appropriate.
- 8.3 If an employee or member becomes concerned that their own involvement in a transaction would amount to an offence under sections 327-329 of the Proceeds of Crime Act 2002 or Regulations 86-88 of the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (see **Appendix A: Offences Table**), then the report must include relevant details. Consent will be required from the NCA, via the MLRO, for the individual to take any further part in the transaction. This is the case even if the customer gives instructions for the matter to proceed before such consent is given. Employees and members should therefore make it clear in the report if such consent is required and clarify whether there are any deadlines for giving such consent e.g. a completion date or court deadline.
- 8.4 Employees and members must still report concerns, even if it is believed someone else has already reported their suspicions of the same money laundering activity.
- 8.5 Once the matter has been reported to the MLRO then any subsequent directions provided must be followed. Further enquiries into the matter should not be made by the employee or member; any necessary investigation will be undertaken by the NCA. At no time, and under no circumstances, should an employee voice any suspicions to the person(s) whom is suspected of money laundering, otherwise they may commit a criminal offence of “tipping off”. However, preliminary enquiries of a client to obtain more

information (e.g. to confirm their identity, clarify the source of funds) will not constitute tipping off unless the employee knows or suspects that a report has been made.

- 8.6 Should allegations be raised regarding employees of the Council then the Councils Disciplinary Procedure will also apply.
- 8.7 Should the allegations be raised regarding members of the Council then the Statutory Monitoring Officer should also be contacted.
- 8.8 Reference of any reports being made to the MLRO should not be recorded on client files – should the client exercise their right to see their records, then such a note/reference will tip them off to the report having been made and may render the employee or member liable for prosecution. The MLRO must keep the appropriate records in a confidential manner.
- 8.9 Any information containing personal and/or sensitive data which is supplied or processed during the course of a money laundering investigation shall not be processed wider than is absolutely necessary for the purposes of determining whether a money laundering offence has been committed.

9. ACTION BY THE MONEY LAUNDERING REPORTING OFFICER

- 9.1 The MLRO must promptly evaluate any Disclosure Report, in the light of relevant information which is available and determine whether it gives rise to knowledge or suspicion, or reasonable grounds for knowledge or suspicion, that a person is engaged in money laundering or terrorist financing, to determine whether it should be reported to the NCA. The MLRO will notify the Statutory Monitoring Officer before any reports are made to the Police or the NCA.
- 9.2 The MLRO must normally suspend the transaction if they suspect money laundering or terrorist financing. If it's not practical - or not safe - to suspend the transaction, they should make the report as soon as possible after the transaction is completed.
- 9.3 Once the MLRO has evaluated the Disclosure Report they must make a timely determination as to;
 - whether there is, or seems to be, any evidence of money laundering or terrorist financing taking place;
 - whether consent needs to be sought from the NCA for a particular transaction to proceed.
- 9.4 If the MLRO determines actual or suspected money laundering activity then, with advice from the Statutory Monitoring Officer, this should be promptly reported to the NCA. This can be done online using the SAR Online System, see link below, which will provide instant acknowledgement and a reference number.

<https://www.ukciu.gov.uk/saronline>

Alternatively paper forms can be obtained from;

<http://www.nationalcrimeagency.gov.uk/crime-threats-sars>

- 9.5 The MLRO commits a criminal offence if he/she knows or suspects, or has reasonable grounds to do so, through a disclosure being made to him/her, that another person is engaged in money laundering and does not disclose this as soon as practicable to the NCA.
- 9.6 All Disclosure Reports referred to the MLRO and reports made by the MLRO to the NCA must be retained by the MLRO in a confidential file kept for that purpose and retained for a minimum of six years. A copy of the Disclosure Report must be provided to the Council's Statutory Monitoring Officer.

10. TRAINING AND AWARENESS

- 10.1 The Council will provide all employees and members with fraud awareness training which will cover the law relating to money laundering and terrorist financing and transfer of funds.
- 10.2 The Council may provide additional service specific training to areas that pose a higher risk to attempts to launder money.
- 10.3 Notwithstanding the paragraphs above, it is the duty of employees and members to report all suspicious transactions whether they have received their training or not.
- 10.4 Further information can be obtained from the MLRO and the following sources;
- National Crime Agency [Home - National Crime Agency](#)
 - CIPFA [Home \(cipfa.org\)](#)
 - CCAB - Anti money laundering (proceeds of crime and terrorism) guidance for accountants [Anti-Money Laundering and Counter-Terrorist Financing Guidance for the Accountancy Sector 2020 - CCAB](#)
 - The law society - Anti-money laundering guidance and advice [Anti-money laundering | The Law Society](#)
 - Other relevant council policies.

11. REVIEW

- 11.1 This policy will be reviewed on an annual basis.

OFFENCES TABLE

Section Ref.	Type of Offence	Definition
S327 Proceeds of Crime Act 2002	Money Laundering Offence: Concealing Criminal Property	A person commits an offence if they conceal, disguise, convert or transfer criminal property or if they remove criminal property from England, Wales, Scotland or Northern Ireland. This is punishable by a maximum term of imprisonment of 14 years at the Crown Court and an unlimited fine. At the Magistrates Court it is 6 months and a £5,000 fine.
S328 Proceeds of Crime Act 2002	Money Laundering Offence: Arrangements	This offence requires a person to become actively involved in some arrangement which helps someone else to get, keep, use or control the proceeds of a crime. The punishment is as for S327.
S329 Proceeds of Crime Act 2002	Money Laundering Offence: Acquisition, Use and Possession	This offence is committed by anyone that has criminal proceeds in their possession provided they know or suspect that it represents the proceeds of a crime unless they paid 'adequate consideration' for it. Someone who pays less than the open market value is therefore guilty of the offence but someone who pays the full retail price, despite knowing or suspecting they are stolen goods, is not guilty. The punishment is as for S327.
S330 Proceeds of Crime Act 2002	Failure to Disclose Offence: Regulated Sector	This offence is committed by an employee of a business in the regulated sector who has knowledge or suspicion of another person's involvement in money laundering and does not make a report through the appropriate channels. Negligence is not a defence as the employee will be tried upon what they should have known given their experience, knowledge and training. This is punishable by a maximum term of imprisonment of 5 years and/or a fine.

<p>S331 Proceeds of Crime Act 2002</p>	<p>Failure to Disclose Offence: Nominated Officers in the Regulated Sector</p>	<p>This offence is committed by a nominated officer (MLRO) of a business in the regulated sector who has knowledge or suspicion of another person's involvement in money laundering and does not make a report through the appropriate channels without an acceptable excuse under the legislation. Negligence is not a defence as the nominated officer will be tried upon what they should have known given their experience, knowledge and training.</p> <p>This is punishable by a maximum term of imprisonment of 5 years and/or a fine.</p>
<p>S332 Proceeds of Crime Act 2002</p>	<p>Failure to Disclose Offence: Other Nominated Officers</p>	<p>This offence is committed by a nominated officer (MLRO) of a business outside of the regulated sector who has knowledge or suspicion of another person's involvement in money laundering and does not make a report through the appropriate channels without an acceptable excuse under the legislation. The officer will be tried on what they knew or suspected not on what they might have been expected to know or suspect.</p> <p>This is punishable by a maximum term of imprisonment of 5 years and/or a fine.</p>
<p>S332 Proceeds of Crime Act 2002</p>	<p>Tipping Off Offence</p>	<p>This offence is committed if an officer or member makes a disclosure which is likely to prejudice an investigation being carried out by a law enforcing authority, knowing that such an investigation is in motion.</p> <p>This is punishable by a maximum term of imprisonment of 5 years and/or a fine.</p>
<p>Reg 86 Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017</p>	<p>Contravening a relevant requirement</p>	<p>A person commits an offence if they have not followed any relevant guidance issued by the European Supervisory Authorities, Financial Conduct Authority or any other relevant supervisory authority approved by the Treasury.</p> <p>This is punishable by a maximum term of imprisonment of 2 years at the Crown Court, a fine, or both. At the Magistrates Court a term of three months, a fine, or both.</p>

<p>Reg 87 Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017</p>	<p>Prejudicing and investigation</p>	<p>This offence is committed when a person who knows or suspects that an appropriate officer is acting (or proposing to act) in connection with an investigation into potential contravention of a relevant requirement which is being, or is about to be, conducted. The offence is committed if either they make a disclosure which is likely to prejudice the investigation or they falsely, conceal, destroy or otherwise dispose of, or cause to permit the falsification, concealment, destruction or disposal of, documents which are relevant to the investigation.</p> <p>The punishment is as for Reg 86.</p>
<p>Reg 88 Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017</p>	<p>Providing false or misleading information</p>	<p>There are two separate offences under Regulation 88. Under regulation 88(1) a person commits an offence if:</p> <ol style="list-style-type: none"> 1. In purported compliance with a requirement imposed on him by or under the MLR 2017, provides information which is false or misleading in a material particular and knows that the information is false or misleading; or 2. Is reckless as to whether the information is false or misleading. <p>In respect of both offences, the punishment is the same as Regs 86 and 87 above.</p>

POSSIBLE SIGNS OF MONEY LAUNDERING

Types of risk factors which *may*, either alone or along with other factors, suggest the possibility of money laundering activity:

GENERAL

- A new customer with no previous 'history' with the Council;
- A secretive customer: for example, one who refuses to provide requested information without a reasonable explanation;
- Concerns about honesty, integrity, identity of a customer;
- Illogical third party transactions: for example, unnecessary routing or receipt of funds from third parties or through third party accounts;
- Involvement of an unconnected third party without logical reason or explanation;
- Payment of a substantial sum in cash (but it's reasonable to be suspicious of any cash payments, particularly those above £1,000);
- Overpayments by a customer;
- Absence of an obvious legitimate source of the funds;
- Movement of funds to/from overseas, particularly to and from a higher risk country;
- Where, without reasonable explanation, the size, nature and frequency of transactions or instructions is out of line with normal expectations;
- A transaction without obvious legitimate purpose or which appears uneconomic, inefficient to irrational;
- Cancellation or reversal of an earlier transaction;
- Requests for release of customer account details other than in the normal course of business;
- Poor business records or internal accounting controls;
- A previous transaction for the same customer which has been, or should have been, reported to the MLRO.
- A refund request following the cancellation or reversal of an earlier transaction;
- A person suddenly changes their pattern of activity i.e. if someone is usually in arrears and then they pay off the arrears and pay a large sum in advance;
- A customer's profile does not fit the transaction, i.e. a person enters into an arrangement beyond their apparent financial means;
- A customer attempts to use cash to complete a proposed transaction when this type of business transaction would normally be handled by card payment or an electronic payment;
- The source or destination of funds (such as a refund) differs from the original details given by the client;

- Cash paid exceeds the amount necessary to settle a transaction and a non-cash return of the excess is requested.

PROPERTY MATTERS

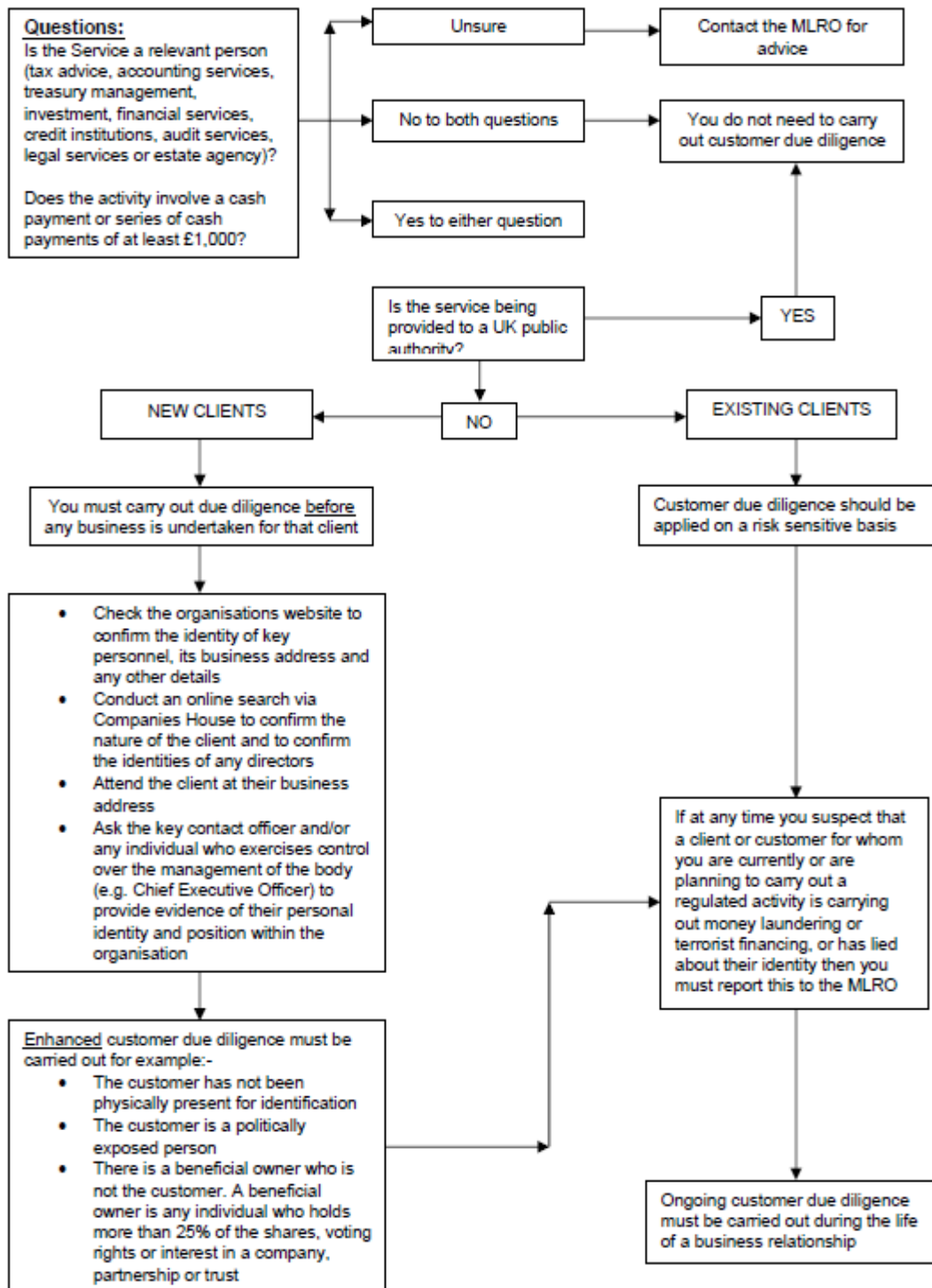
- The other party is happy to enter into an apparent bad deal for them and is not interested in obtaining a better price for the transaction;
- A developer/third party offers the Council a price for land/property that is far in excess of its estimated value;
- Unusual property investment transactions if there is no apparent investment purpose or rationale;
- There is an unexplained and unusual geographic use of a solicitor in relation to a purchase of a property/parcel of land;
- Where there is more than one solicitor/conveyancer used in the sale or purchase of a property or land;
- Funds received for deposits, or prior to completion, from an unexpected source or where instructions are given for settlement funds; or
- If the buyer or seller's financial profile does not fit.

The following table sets out the types of activities that might be suspicious and where the Council may be susceptible to money laundering activities. It is not intended to be exhaustive, and just because something is not on the list, it doesn't mean that it should not be reported.

ACTIVITY	The types of activity that may be affected
New customers with high value transactions	Selling property to individuals or businesses. Renting out property to individuals or businesses. Entering into lease agreements.
Secretive clients	Housing benefit claimants who have sums of money entering into/out of their bank account (even if we do not award them benefit, we should still consider money laundering implications). People buying or renting property from the Council who may not want to say what it is for. People receiving grant funding who refuse to demonstrate what the funding was used for.
Customers who we think are acting dishonestly or illegally	People paying for Council services who do not provide details about themselves. People making odd or unusual requests for payment arrangements.
Illogical transactions	People paying in cash then requesting refunds. Requests for the Council to pay seemingly unconnected third parties in respect of goods/services provided to the Council. Requests for the Council to pay foreign currencies for no apparent reason.

Payments of substantial sums by cash	Large debt arrears paid in cash. Refunding overpayments. Deposits/payments for property.
Movement of funds overseas	Requests to pay monies overseas, potentially for "tax purposes."
Cancellation of earlier transactions	Third party "refunds" grant payment as no longer needed/used. No payment demanded even though goods/services have been provided. Sudden and unexpected termination of lease agreements.
Request for client account details outside normal course of business	Queries from other companies regarding legitimacy of customers. Council receiving correspondence/information on behalf of other companies.
Extensive and over-complicated client business structures/arrangements	Requests to pay third parties in respect of goods/services. Receipt of business payments (rent, business rates) in settlement from seemingly unconnected third parties.
Poor accounting records and internal financial control	Requests for grant funding/business support indicates third party is not supported by financial information. Companies tendering for contracts unable to provide proper financial information/information provided raises concerns. Tender for a contract which is suspiciously low
Unusual property investment or transactions	Requests to purchase Council assets/land with no apparent purpose. Requests to rent Council property with no apparent business motive.
Overcomplicated legal arrangements/multiple solicitors	Property transactions where the Council is dealing with several different parties.

CUSTOMER DUE DILIGENCE PROCEDURE FLOWCHART



VERIFICIATION OF CUSTOMER IDENTITY

Verification of Customer Identity Checklist for customer:

Name: _____

NB: If you are receiving funds from a Council customer in any transaction **above £1,000 cash**, the identity of the customer must be checked.

All suspicions, regardless of amount, should be reported to the MLRO via the Money Laundering Reporting Form.

A. Evidence not obtained – reasons:

1. Customer previously identified in: Month: _____ Year: _____
2. Other - state reason fully: _____

B. Evidence obtained to verify name and address:

(GROUP A) – Acceptable on their own:

- Full National Passport.
- Full National Driving Licence with photo.
- Pension book.
- Armed Forces ID Card.
- Signed ID card of employer known to you.

(GROUP B) – Acceptable with two of next group below:

- Young person NI Card (under 18 only).
- Pensioner's travel pass.
- Building Society passbook.
- Credit Reference agency search.
- National ID card.
- Copy Company Certificate of Incorporation if a Limited Company.
- Company and 2 Directors personal identity as above.

(GROUP C) - ***NOT acceptable on their own**:

- Gas, electricity, telephone bill.
- Mortgage statement.
- Council Tax demand.
- Bank/Building Society/Credit Card Statement.
- Young person's Medical Card (under 18 only).
- Home visit to applicants address.
- Check of telephone directory.
- Check electoral roll.

**Suitable for proof of address only*

NB BEST PRACTICE is to have one of Group A plus two of Group C.

C. Evidence obtained for unquoted company or partnership:

- Certificate of Incorporation or equivalent.
- Certificate of Trade or equivalent.
- Latest report and audited accounts.
- Principal shareholder/partner (personal ID).
- Principal Director (personal ID).
- Screenshot of the customer's website to confirm their business address.
- Screenshot of Companies House website detailing the nature and business of the customer and confirming the identities of Directors.
- A written instruction on the organisation in question's headed paper.

D. Disadvantaged Customers:

E.g. Confirmation of identity from Social Worker or Bail Officer, Police, School, Courts etc.

E. If evidence not obtained for the reasons in A, do you have any suspicions regarding identity?

I confirm that I have seen the originals of the documents indicated above and have identified the above Customer(s)

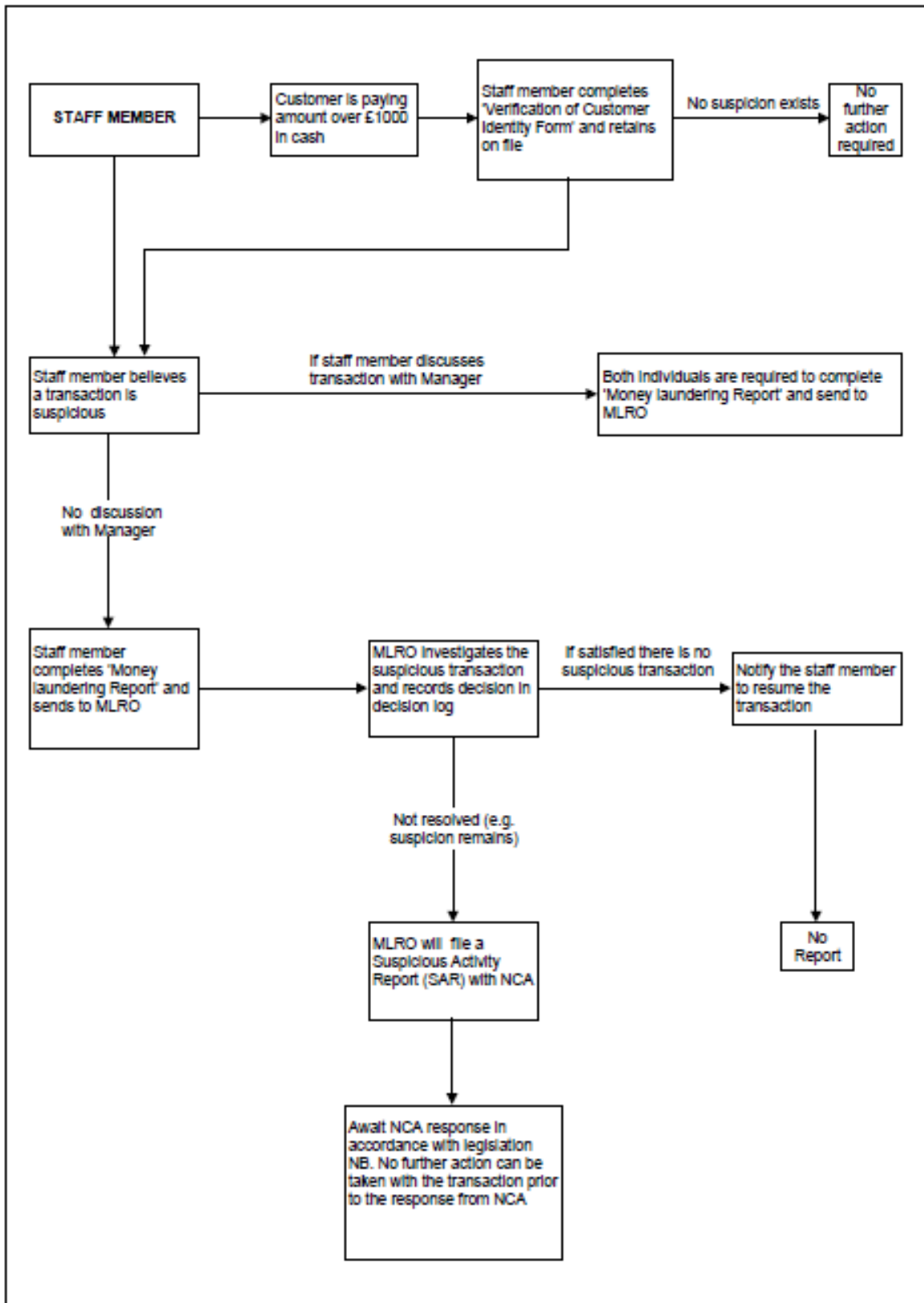
Signed:

Date:

NB Wherever possible take copies of the identification TO RETAIN ON FILE. Copies should be notarised to indicate a copy and signed to evidence sight of the original.

Where a client's identity has been confirmed under the client verification procedure the record of evidence obtained must be retained for at least six years. In practice, such evidence will be obtained in the normal course of business and this should be sufficient for this requirement.

SUSPICIOUS TRANSACTION REPORTING PROCEDURE



CONFIDENTIAL

MONEY LAUNDERING DISCLOSURE REPORT

To: Money Laundering Reporting Officer

From:

(Insert name of officer)

**Service Area
/Post Title:**

Tel No:

DETAILS OF SUSPECTED OFFENCE

Name(s) and address(es) of person(s) involved:

(if a company/public body please include details of nature of business)

Nature, value and timing of activity involved:

(Please include full details e.g. what, when, where, how. Continue on a separate sheet if necessary)

Nature of suspicions regarding such activity:

(please continue on a separate sheet if necessary)

Has any investigation been undertaken (as far as you are aware)? **Yes / No**

If yes, please include details below:

Have you discussed your suspicions with anyone else? **Yes / No**

If yes, please specify below, explaining why such discussion was necessary:

Have you consulted any supervisory body guidance re money laundering? (e.g. the Law Society) **Yes / No**

If yes, please specify below:

Do you feel you have a reasonable excuse for not disclosing the matter to the National Crime Agency? (e.g. are you a lawyer and wish to claim legal professional privilege?)
Yes / No

If yes, please set out full details below:

Are you involved in a transaction that might be a prohibited act under sections 327- 329 of the Proceeds of Crime Act 2002 or Regulations 86 – 88 of the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 and which requires appropriate consent from the National Crime Agency? See Appendix A, Offences Table) **Yes / No**

If yes, please enclose details in the box below:

Please set out below any other information you feel is relevant:

Signed: _____ **Dated:** _____

Please do not discuss the content of this report with anyone you believe to be involved in the suspected money laundering activity described. To do so may constitute a tipping off offence, which carries a maximum penalty of 5 years imprisonment.

THE FOLLOWING PART OF THIS FORM IS FOR COMPLETION BY THE MLRO

Date report received:

Date receipt of report acknowledged:

CONSIDERATION OF DISCLOSURE

Action Plan:

OUTCOME OF CONSIDERATION OF DISCLOSURE

Are there reasonable grounds for suspecting money laundering activity?

If there are reasonable grounds for suspicion, will a report be made to the National Crime Agency? Yes / No

In accordance with Council Policy the Statutory Monitoring Officer should authorise referrals to the Police/National Crime Agency. Please confirm authorisation.

If yes, please confirm the date of the report to the National Crime Agency: and complete the box below:

Date:

Details of liaison with National Crime Agency regarding the report:

Notice of Period: _____ to _____

Moratorium Period: _____ to _____

Is consent required from National Crime Agency to any on-going or imminent transactions which would otherwise be prohibited acts? Yes / No

If yes, please confirm full details in the box below:

Date consent received from National Crime Agency:

Date consent given by you to employee:

If there are reasonable grounds to suspect money laundering, but you do not intend to report the matter to National Crime Agency please set out below the reason(s) for non-disclosure:

Date consent given by you to employee for any prohibited act transactions to proceed:

Other relevant information:

Signed:

Dated:

Copied to Statutory Monitoring Officer

CONFIDENTIAL

Acknowledgment of Receipt of Report

Dear _____

Thank you for your recent money laundering suspicion report. I have logged this in my file and allocated it a unique reference number _____

You must not continue with any further business or execute any transactions, on behalf of this client without my consent.

In the meantime, please remember not to discuss your report, or the fact that you have made a report, with anyone except me. In particular, do not indicate in any way to the client that a report has been made about him or record such information on the client file.

If I need any more information, I will get in touch with you. If you are concerned about the report or about dealing with the client in the future, please contact me to discuss it.

If other people within our organisation need to know about the report, I will let them know.

Yours sincerely

Money Laundering Reporting Officer

CONFIDENTIAL

Money Laundering Consent to Proceed Form

DETAILS OF MLRO

Name

(Insert name of MLRO/Authorised Deputy)

Position

(insert post title)

Tel No:

DETAILS OF EMPLOYEE / MEMBER

Name

(Insert name of employee / member)

Position/
Directorate

(insert post title/directorate)

Ext/Tel No:

DETAILS OF REPORT

Report unique number

Date of report

OUTCOME

I can confirm that the above transaction/query can proceed



Signed
(*MLRO/Authorised Deputy*)

Date

Copied to Statutory Monitoring Officer

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Agenda Item 8.

Report To:	AUDIT PANEL
Date:	22 November 2022
Reporting Officer:	Caroline Barlow – Deputy Director of Finance
Subject:	NATIONAL ANTI-FRAUD NETWORK (NAFN) DATA AND INTELLIGENCE SERVICES
Report Summary:	To provide members with the Annual Report 2021/22 for NAFN.
Recommendations:	That members note the report.
Links to Corporate Plan:	NAFN provides data and intelligence to investigators in their fight against fraud and crime and therefore indirectly supports the community strategy.
Policy Implications:	Counter fraud activities support the achievement of objectives and demonstrates a commitment to high standards of corporate governance.
Financial Implications: (Authorised by the Borough Treasurer)	There is no financial implication for Tameside as NAFN is self financing and fully funded by membership fees and external funding.
Legal Implications: (Authorised by the Borough Solicitor)	<p>NAFN Data and Intelligence Services is a public sector organisation providing support to its members.</p> <p>Membership is open to any organisation which has responsibility for managing public funds and/or assets. Currently, almost 90% of local authorities are members</p> <p>As NAFN is not a legal entity it requires a host. This hosting function is undertaken by the Council which is supported by a service level agreement and associated third party agreements which include indemnities to provide the Council with the necessary protection with regard to its hosting role.</p>
Risk Management:	<p>The service is governed by an Executive Board of senior managers nominated by Local Authority members.</p> <p>The NAFN Head of Service maintains a risk register, which is regularly reviewed and updated by the Executive Board.</p>
Access to Information:	<p>The background papers relating to this report can be inspected by contacting Christine Weston, Interim Head of Risk Management and Audit Services by:</p> <p> Telephone:0161 342 2356</p> <p> e-mail: Christine.weston@tameside.gov.uk</p>

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gov.uk
Data & Intelligence Services

ANNUAL REPORT 2022

Published 7 October 2022

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OUR MISSION AND PURPOSE

To be the most effective and efficient point of contact through which our members can acquire data, intelligence and knowledge to support their investigations, protecting the public purse and safeguarding the community.

The quality of our products, professional services and legal compliance will be assured and provided by a team of trained and accredited officers.

To support members and gain their trust through communication, collaboration, innovation and continuous improvement.



To be a nationally recognised centre of excellence for the acquisition and sharing of data and intelligence for the public sector.



Accountability – Putting Members First

Listening and communicating with our members, ensuring transparency and building trust.

Professionalism and Integrity

Showing the highest standards of occupational practice and behaviour. Operating to defined standards and targets. Valuing and treating all members with equality, dignity and respect.

Advocacy and Collaboration

Working together to achieve the best outcomes for the membership on behalf of their communities through negotiations with business solution providers; working collaboratively with all stakeholders; through membership of national and regional working groups; in wider discussions with Central and Local Government.

Not-for-Profit

To offer a value-for-money service driven by purpose rather than profit with membership fees and charges sufficient to cover operating costs only.

Agility and Continuous Improvement

Actively seeking business improvement opportunities to enhance skills and develop the service offer to members. Responding positively and creatively to changing and emerging business needs. Demonstrating innovation and creativity in the delivery of projects, with a commitment to pursuing excellence in service provision.

Chair's Report

John Peerless-Mountford
Brighton & Hove City Council
NAFN Chair 2022



Dear Members

Earlier this year, I was elected to the Chair of the NAFN Executive Board, replacing Wendy Poole who steered the organisation for more than ten years through a period of major change to service delivery and membership. On behalf of the Executive Board I want to acknowledge her stewardship and wish Wendy well in her retirement. I have been a Board member since 2006 and look forward to leading the organisation through what will be a period of further change and transformation.

I would like to thank members of the Executive Board for their valuable input and the NAFN Service Team for their ongoing commitment and dedication. The Executive Board was further strengthened with the addition of three new members: Nick Jennings (Hertfordshire County Council), Robert James (Birmingham City Council) and Russell Hawkins (Southampton City Council).

Looking back to 2021-22, the country was emerging from the Covid National Emergency and many organisations were forced to examine their business strategies and working practices. NAFN was no exception and the key change for the organisation was to maintain home-working and pursue opportunities to further automate the service to benefit members.

Membership is consistently strong across local authorities, housing associations and wider public sector organisations and operational efficiencies and external funding ensured that there was no requirement to increase the annual membership fee. It was disappointing that Covid-19 restrictions prevented us from hosting our Annual Conference in person, but we were able to organise a successful virtual AGM and Summit attracting over 400 delegates.

NAFN remains a trusted organisation recognised across both Central and Local Government and continues to work collaboratively and in partnership with a range of bodies providing access to data and intelligence supporting fraud prevention and investigation to protect the public and the public purse.

The Service Team continues to work closely with the Cabinet Office, Home Office, BEIS and the Department for Transport as well as the LGA, National Trading Standards and the Institute of Licensing. Last year, significant progress was made on developing the NR3S Taxi Licensing Database and expanding access to the National ANPR Service and both initiatives will enhance our service offer to members.

In 2022-23 NAFN celebrates its 25th Anniversary. I am proud to be a key part of this award winning national service which has grown from strength to strength. Members will benefit from further improvements and developments as Project Argus is relaunched and delivered.

John Peerless-Mountford

Treasurer's Report

Peter Farrow

**Sandwell Metropolitan Borough Council and
the City of Wolverhampton Council
NAFN Treasurer 2010-22**



NAFN continues to remain mindful of the difficult financial circumstances you face and the need to keep costs down and service delivery up. Our fee model, we believe, helps towards this. Please be assured we remain committed to providing a value for money service to members.

Service Delivery

As you are aware NAFN services are centred in one office based at Tameside Metropolitan Borough Council. The ability to provide services through local government accommodation, professional support services and further improvements in the use of technology enables NAFN to continue to operate in an efficient and effective manner. We also continue to be committed to demonstrating year on year improvement to our services. As in previous years the Executive Board has pushed forward with new services for the benefit of its members and further investment in NAFN continues to be made in order to enhance service delivery.

Annual Accounts

Both the Executive Board and Members are aware that NAFN must be self-financing, largely through subscriptions and wherever possible seeking additional funding through other routes such as government grants. During the year, as demonstrated in the accompanying accounts we received funding from Central Government to work collaboratively on the Covid national emergency to address business grant fraud. However, we remain mindful that in these challenging economic times, we may not always be able to attract the level of funding that we have done in the past. Should this come into effect, then we will need to consider alternative options.

The approved reserve is held to mitigate the risks to the Host Authority for delivering the NAFN services and is agreed annually. The level of this reserve continues to be monitored and where appropriate funds are released to keep membership costs low. A significant part of the increased working reserve is to be used as part of our continuing transformation agenda, with a particular focus on our ICT infrastructure which will bring a range of additional benefits in the service we offer to our members.

The financial prospects for the future will no doubt continue to be difficult for the public sector. However, the commitment across the whole of the public sector to fighting fraud, preventing crime and protecting the public purse remains high. In light of the current climate of high inflation and rising costs, the Board will need to review membership and usage charges which have remained largely unchanged for the past four years.

Overview

By successfully maintaining our membership levels, accessing government department and other grants wherever possible, and retaining the ability to use our working reserve as and when required, we continue to be able to improve and widen service delivery and help contain membership fees. We remain in a sound position financially as things currently stand but also are mindful that funding could be volatile.

Peter Farrow

NAFN – Statement of Accounts 2021-22

Income and Expenditure Account for the year ended 31 March 2022

	2021-22	2020-21
<u>Expenditure</u>		
Employee Related Costs	613,402	505,017
Premises Related Costs	986	12,000
Transport Related Costs	53	117
Supplies and Services	302,741	203,198
Project Related Costs	33,208	37,145
Specialist Services	164,851	156,869
Total	1,115,241	914,346
<u>Income</u>		
Specialist Services – Income	187,450	162,426
Annual Fees	895,309	805,278
BEIS, ANPR and SiD	224,245	92,789
Interest	2,303	851
Total	1,309,307	1,061,344
 Surplus/(Shortfall)	 194,066	 146,998

Balance Sheet as at 31 March 2022

Liabilities -	Working Reserve	976,794	782,728
	Approved Reserve	500,000	500,000
	Sundry Creditors	49,283	6,387
	Total	1,526,077	1,289,115
Assets -	Sundry Debtors	82,323	75,025
	Prepayments	23,780	0
	Bank	1,419,973	1,214,090
	Total	1,526,077	1,289,115

Head of Service

Mark Astley
NAFN Data and Intelligence Services



As we emerge from the Covid National Emergency my key priorities are to maintain service delivery and performance, working closely with the Executive Board and Service Team to meet the existing and emerging business needs of all NAFN members. There are challenges on many fronts including access to data and intelligence, legal compliance, delivery of service improvements and home-working.

Home-working arrangements continued throughout the year but as lockdown rules were relaxed plans were drawn up to introduce hybrid working to address a range of performance and staff development issues. Hybrid working is intended to improve morale, enhance personal development and promote innovation, all of which underpins service delivery. As with many other organisations 2021-22 was a challenging year for staff retention and recruitment. For example we were without a Project Manager for the second half of the year.

Members increasingly view NAFN as a one-stop-shop for data and intelligence to support their fraud prevention and criminal investigation activities. Increasingly, we are working with a range of partners and stakeholders to identify and pursue opportunities to meet these emerging business needs. This reinforces NAFN's role as a guardian and gatekeeper ensuring legal compliance at all times.

Significant progress was made during 2021-22 to introduce and further develop the NAFN service offer to members. These included NR3 and NAS as well as upgrades to the Equifax Public Sector Gateway and the NAFN Intelligence Search function. The NAFN e-learning and CPD platform was launched in June 2021 providing a dedicated training resource at no additional cost to members. Plans to introduce an Enhanced Intelligence Service for members was piloted successfully and the Executive Board has approved plans to create a new team to establish and rollout this offer that will streamline intelligence gathering and fraud investigation.

During 2021-22 we continued to work collaboratively with BEIS, local authority members and other stakeholders to address business grant fraud. Our involvement was reactive and led by BEIS. This joint working has been positive and we will maintain collaborative working arrangements, sharing data, intelligence and expertise to support the delivery of joined-up strategies.

Also, we continue to be closely involved and consulted on a number of national strategic and operational initiatives. This is an opportunity to represent the membership and pursue business opportunities that will enhance the service. For example, in October 2021 we established and continue to co-chair the National NR3 User Group.

Finally, I want to echo my new Chair's reference to his predecessor Wendy Poole who was my line manager throughout her time as NAFN Chair. We had a very close and successful working relationship and I hope that this will continue with John at the helm.

Mark Astley

Membership and Communications Manager



Tiren Deopel
NAFN Data and Intelligence Services

I stepped into a big pair of shoes in November, covering for Lavinia Ferguson as she embarked on maternity leave, and I hope that during my tenure I have done the function she established so well justice.

Membership retention over the past 12 months has been exceptional, and we continued to grow our community. In anticipation of the Taxi and Private Hire Vehicle Safety and Safeguarding Legislation in March, 96% of all UK licencing authorities had become NAFN members by the end of the year. We expect to increase this number during the year ahead, on target to reach our goal of 100% of UK local authorities. We have augmented our value proposition with the introduction of new services and have seen an increase in membership from social housing providers and wider public bodies, who have found centralised access to data and intelligence and wrap around training and support invaluable.

The recruitment of a dedicated Membership and Communication Officer (MCO) in November supported the delivery of more tangible benefits to members in multiple areas. We automated Webinar administration, making access to the learning curriculum consistently available to all and increasing participation by over 40%, whilst freeing valuable administrative support. We also utilised the underused space on the NAFN secure website landing page, which now acts as a dynamic notice board with content and updates posted regularly, providing the opportunity to share important messaging to as many members as possible in real time. The new member onboarding process has been streamlined, maximising time and resources whilst delivering a positive, memorable experience.

NAFN is a learning organisation, and the launch of our e-Learning platform provided an opportunity to create relevant and specific content aimed at supporting members to confidently apply for, acquire and work with the intelligence they need within the parameters of the legislation. We also embarked on a webinar digitisation programme to make the ten most popular NAFN webinars available to members 24/7, accessed through the NAFN secure website. Furthermore, we put into development three stand-alone Intelligence courses to help drive a national minimum standard for public sector Intelligence Officers, available in 2022-23 and we continue to work with stakeholders to develop a collaborative curriculum with the wider counter-fraud community.

Building upon the success of the NAFN monthly newsletter, we have consistently delivered a well-regarded source of news and timely updates and have developed an internal version of the same to ensure that the NAFN team are equally informed.

We were delighted to win the iStand Award for Information Governance this year, for innovative design in the NR3S processes to limit the risks involved in the management of data and ensure compliance. We were also honoured, once again, to be invited to judge this year's TECAs Awards, which recognise and reward outstanding performance in organisations and individuals combating economic crime.

We end the year with a pipeline of new membership applications, as current members continue to promote the value and value-for-money that being part of the NAFN community affords. I look forward to seeing many new innovative and collaborative projects come to fruition in the year ahead, for the benefit of all.

Tiren Deopel

Project Manager

Doliz Miah NAFN Data and Intelligence Services



I joined NAFN just five months ago, but have been associated with the organisation for many years delivering the IT and infrastructure support required to run the secure service. Prior to my appointment, NAFN had been without a PM for the last six months of 2021-22, and having an understanding of the organisational context has proven invaluable.

My introduction to Members has, through necessity, been via email, Teams and the monthly NAFN newsletter, and I am grateful for their willingness to collaborate and actively participate in focus groups, to achieve outcomes that benefit all. Although my main focus is on the upgrading of services by redesigning the web interface, accessing new data and working with existing and new partners to automate the enquiries, I am also responsible for managing our current IT service supplier, ICT host and general issues with our IT services.

Progress on Project Argus was highly impacted by Covid 19 and the redeployment of resources to pivot and respond to member needs. The untimely loss of both PM and Business Analyst caused further delay, however we end the year in the final stages of process analysis, moving towards the development of a technical specification that is comprehensive, fit-for-purpose and sustainable. This transformation project pays homage to the innovation and collaboration NAFN is known for, managing member expectations by enhancing and future proofing our IT capabilities.

Maintaining and improving the service remains both critical and constant, and over the past five months a range of new services and updates have been released. Major enhancements to the NAFN Intelligence Enquiry and Search facility have been successfully implemented and the Equifax PSG rewrite has been launched - both add significant operational value.

The current GSA migration to cloud and upgrade of the system was delayed by technical implications identified by the supplier, and subsequent assurances to the Home Office on the security of the solution. Delivery of the new CycComms Cloud system is programmed for early 2023, however we continue to develop and disseminate interim workarounds to support member organisations who are experiencing operational challenges.

I anticipate working closely the NAFN Leadership Team and Executive Board over the coming year to review and develop the overall transformation strategy and identify improvement opportunities for our members.

As always, members will be consulted before a preferred business solution is identified and I look forward to working through the consultation process, getting to know the members of our community better.

Doliz Miah

Service Team Manager

Sarah Cooper
NAFN Data and Intelligence Services



Over the last 12 months the NAFN Service Team have been working hard to deliver the service you have come to know and expect whilst continuing to develop and improve the options available to you as members.

We have successfully created and piloted an Enhanced Intelligence Service to provide clarified and succinct intelligence packages to support member investigations. Using this service, members will be able to submit their investigation to a NAFN Intelligence Analyst who, having gathered, reviewed and analysed data and intelligence, will provide a recommendation as to the development of the investigation. Over the coming months we will be recruiting an intelligence team who will be responsible for the roll out of this service.

NAFN also continues to represent councils and wider public authorities at a number of national working groups hosted by the Home Office. During the year, significant progress was made on professionalising the communications data SPOC role. We have helped shape the scope and content of modules relating to pre-course work, the course itself and post-course action to receive a 'Licence to Practice'. We anticipate approval to develop and host a CPD module, helping qualified SPOCs to update and retain their accreditation

Our annual inspection by the Investigatory Powers Commissioners Office took place in November and I am pleased to report another great outcome. The inspection recorded no recommendations and offered a small number of observations, which provided us with an opportunity to review processes and policies. A number of observations of good practice were also highlighted, reflecting on the high-quality service already provided by the NAFN communications data SPOCs, demand for which continues to go from strength to strength.

Following the reduction of intake seen during the pandemic I am pleased to report that NAFN members submitted 14% more enquiries this year with almost 27,000 additional enquiries submitted to the team when compared to 2020-21.

NAFN has experienced a baby boom this year with two staff members taking maternity leave. We have also welcomed a new Administrative Support Officer to the team and anticipate further growth in 2022/23. Despite the increase in intake and reduction in resource from experienced staff we have maintained performance levels and look forward to supporting you throughout the year ahead.

Sarah Cooper

NAFN Executive Board Membership

Chair

John Peerless
Principal Trading Standards Officer
Brighton and Hove City Council
Bartholomew House
Brighton
BN1 1JP
Tel: 01273 292486
EMAIL: john.peerless@brighton-hove.gov.uk

Treasurer

Peter Farrow
Head of Audit
Sandwell MBC/City of Wolverhampton Council
Oldbury
West Midlands
B69 3BY
Tel: 0121 569 3656
Email: Peter.Farrow@sandwell.gov.uk

Other Executive Board Members

Andy Hyatt

Head of Fraud
RB of Kensington and Chelsea
Corporate Anti-Fraud
Hornton Street
London, W8 7NX

Tel: 0207 361 3795
Email: andrew.hyatt@rbkc.gov.uk

Tom Powell

Head of Internal Audit and Risk Management
Manchester City Council
Town Hall Extension, Albert Square
Manchester, PO Box 532
M60 2LA

Tel: 0161 234 5273
Email: tom.powell@manchester.gov.uk

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Head of Business and Consumer Services
North Yorkshire County Council
Thornfield Business Park
Standard Way, North Allerton
North Yorkshire,
DL6 2XQ

Tel: 01609 534832
Email: jo.boutflower@northyorks.gov.uk

Nick Hobbs

Head of Internal Audit
Swindon Borough Council
Civic Offices
Euclid Street
Swindon
SN1 2JH

Tel: 01793 463940
Email: nhobbs@swindon.gov.uk

John Hillarby

Trading Standards Manager
LB Merton
London Road
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Tel: 0208 545 3755

Email: john.hillarby@merton.gov.uk

Nick Jennings

Head of Service
Shared Anti-Fraud Service
Hertfordshire County Council
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Pegs Lane
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SG13 8DN

Tel: 01438 844705

Email: nick.jennings@hertfordshire.gov.uk

Russell Hawkins

Senior Licensing Officer
Licensing Team
Southampton City Council
Civic Centre
Southampton
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Tel: 01438 844705

Email: nick.jennings@hertfordshire.gov.uk

Ivan Bradshaw (Co-Opted)

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Email: ivan.bradshaw@nhs.net

Shona Duncan (ACFM)

Corporate Fraud Supervisor
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Corporate Services
PO Box 216
Dundee

Tel: 01382 431259

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Robert James

Managing Director
Birmingham City Council
City Operations Directorate
2nd Floor, Council House Extension
6 Margaret Street
Birmingham
B3 3BU

Tel: 0121 303 2047

Email: Robert.James@birmingham.gov.uk

Caroline Barlow

Assistant Director of Finance
Tameside MBC
Financial Management
Tameside One
Market Place
Ashton-under-Lyne, OL6 6BH

Tel: 0161 342 5584

Email: caroline.barlow@tameside.gov.uk

Iain O'Brien (Co-Opted)

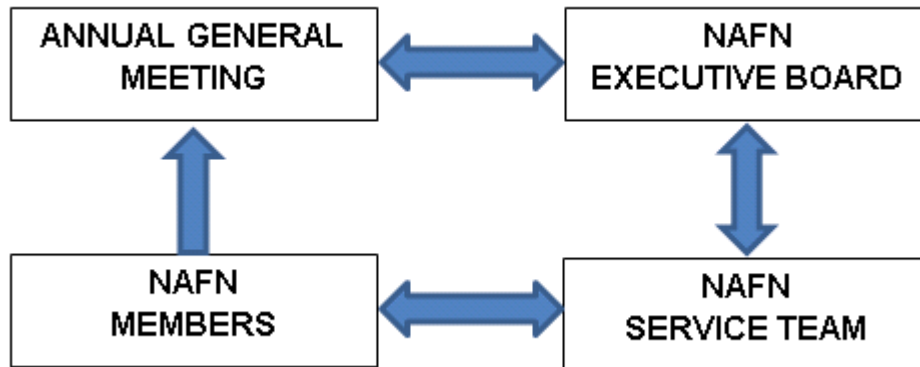
Policy Advisor Spectrum Enforcement
OFCOM
Riverside House
2a Southwark Bridge Road
London, SE1 9HA

Tel: 0207 783 4446

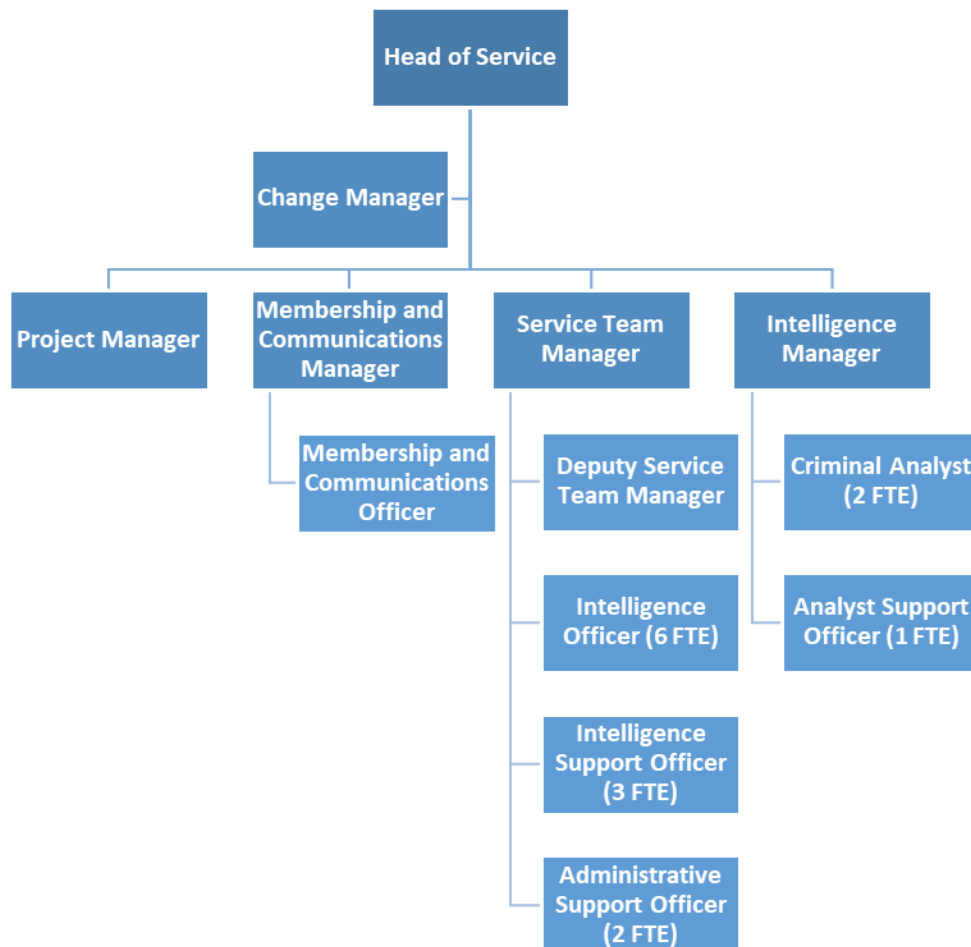
Email: iain.obrien@ofcom.org.uk

Governance and Organisational Structure

Over the past 25 years the organisational structure has remained consistent as shown in the diagram below. The Executive Board and the NAFN Service Team work with external partners and other stakeholders to maintain and enhance the services for members. The Service Team works closely with members and a range of data and business solution providers to support operations and day to day business.



The current organisational structure is set out below:



NAFN Service Team

HEAD OF SERVICE

Mark Astley
Tel: 0161 342 3662
Email: mark.astley@nafn.gov.uk

SERVICE TEAM MANAGER

Sarah Cooper
Tel: 0161 342 2898
Email: sarah.cooper@nafn.gov.uk

MEMBERSHIP AND COMMUNICATIONS OFFICER

Jessica Rigg
Tel: 0161 342 4160
Email: jessica.rigg@nafn.gov.uk

INTELLIGENCE OFFICERS

Paul Choudhry
Tel : 0161 342 2987
Email: paul.choudhry@nafn.gov.uk

Debbie Wright
Tel : 0161 342 3188
Email: debbie.wright@nafn.gov.uk

Carly Lomas
Tel: 0161 342 3188
Email: carly.lomas@nafn.gov.uk

INTELLIGENCE SUPPORT OFFICERS

Belinda O'Brien
Tel : 0161 342 2808
Email: belinda.obrien@nafn.gov.uk

Lucy McDonald
Tel : 0161 342 3513
Email: lucy.mcdonald@nafn.gov.uk

ADMINISTRATIVE SUPPORT OFFICERS

Louis Hill
Tel : 0161 342 3514
Email: louis.hill@nafn.gov.uk

Office Fax Number:
0345 515 0032/0345 515 0042
Office Email: general@nafn.gov.uk

MEMBERSHIP AND COMMUNICATIONS MANAGER

Tirene Deopel
Tel: 0161 342 2809
Email: tirene.deopel@nafn.gov.uk

PROJECT MANAGER

Doliz Miah
Tel: 0161 342 3685
Email: doliz.miah@nafn.gov.uk

CHANGE MANAGER

VACANT

Email:

Scott Mitchell
Tel: 0161 342 2989
Email: scott.mitchell@nafn.gov.uk

Durga Paul
Tel: 0161 342 2811
Email: durga.paul@nafn.gov.uk

Johanna Nolan
0161 342 3188
Email: johanna.nolan@nafn.gov.uk

Joanne Egerton
Tel : 0161 342 3480
Email: joanne.egerton@nafn.gov.uk

VACANT
Tel : 0161 342 3480
Email: @nafn.gov.uk

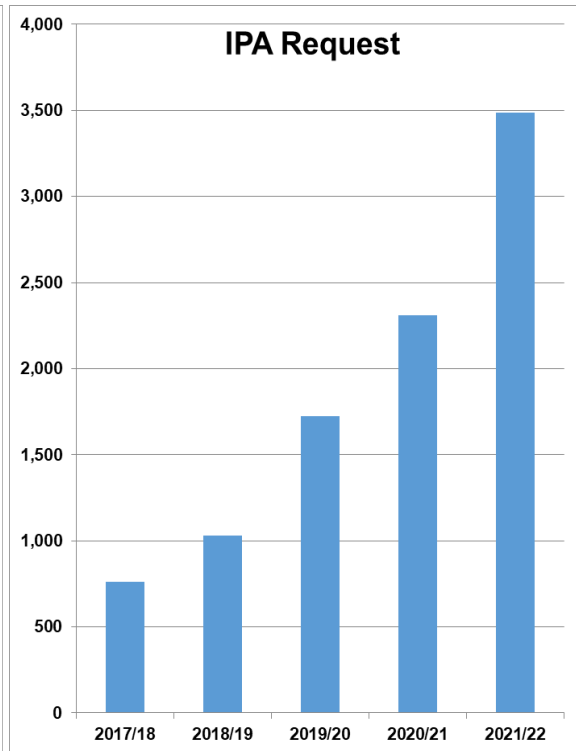
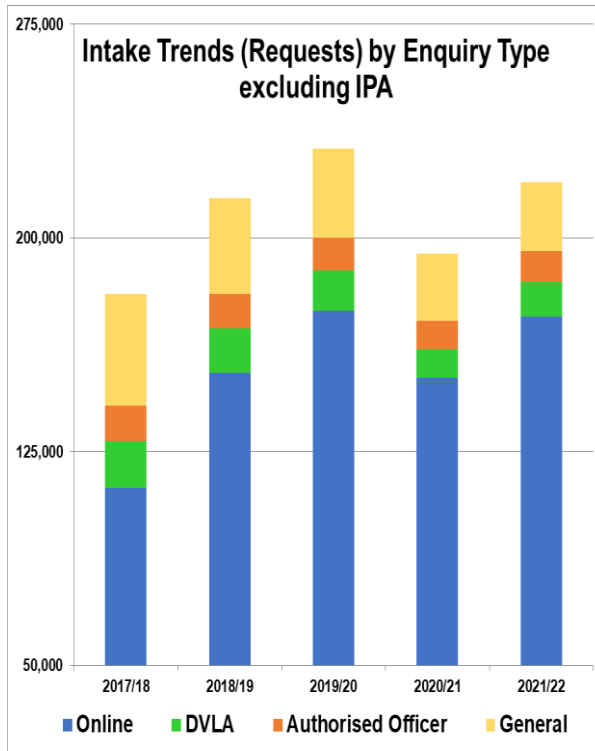
Postal Address:

Tameside MBC
PO Box 304
Ashton-under-Lyne
Tameside
OL6 0GA

APPENDIX A

Intake

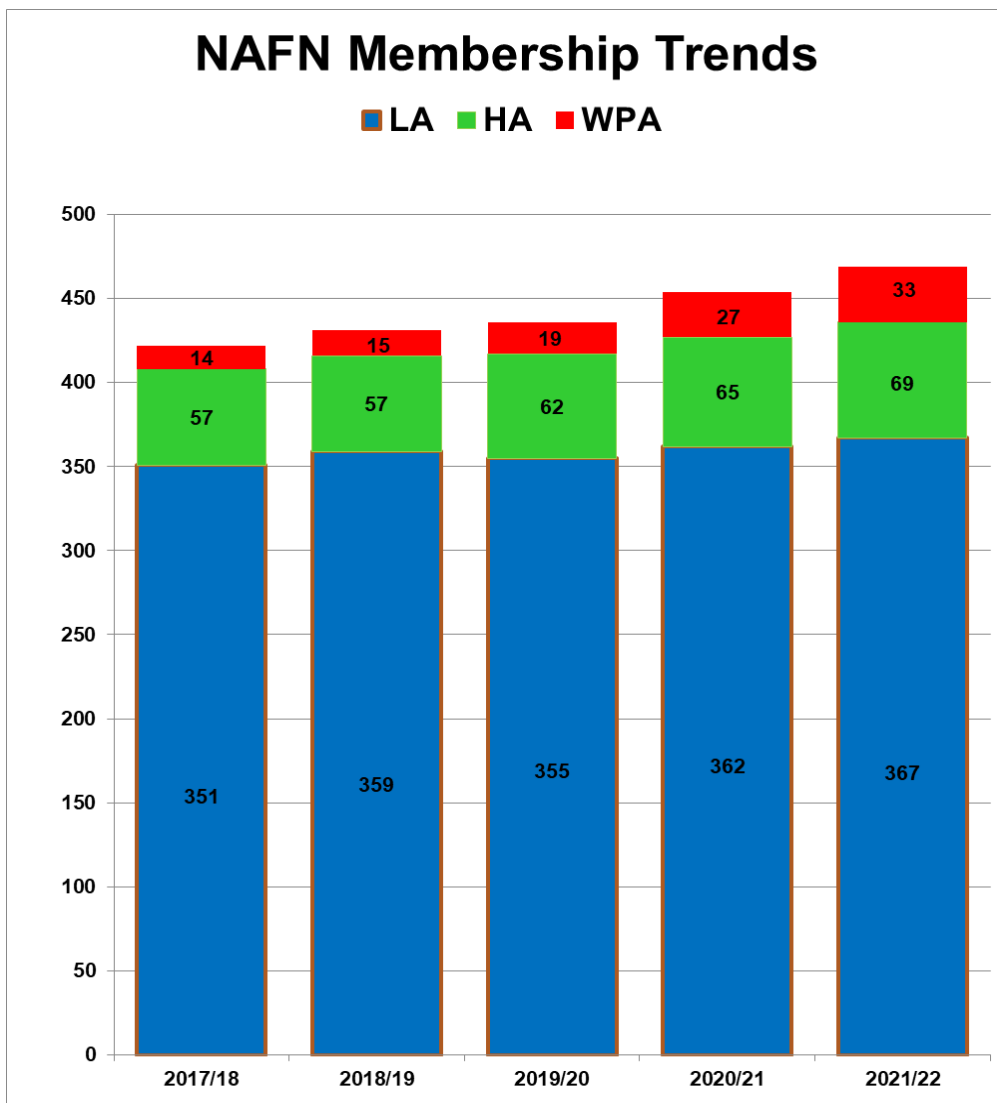
Enquiry Type	2021/22 April – March	2020/21 April - March
General Service	24,389	23,648
Authorised Officer Service	10,778	10,001
DVLA	12,217	10,082
Type 'B' Data	172,310	150,858
IPA	3,488	2,312
Total Enquiries	223,182	196,901



APPENDIX B

Membership

Organisation Type	March 2021	March 2020
Local Authority	367	362
Housing Associations	69	65
Wider Public Authorities	33	27
Total	469	454



APPENDIX C

Membership March 2021-2022

LOCAL AUTHORITIES

Aberdeenshire Council
Adur Worthing District Council
Allerdale District Council
Amber Valley BC
Anglesey Council
Angus Council
Argyll & Bute Council
Arun District Council
Ashford Borough Council
Babergh District Council
Barnsley MBC.
Barrow -in-Furness BC
Basildon District Council
Basingstoke & Deane BC
Bassetlaw District Council
Bath & North East Somerset Council
Bedford Borough Council
Belfast City Council
Birmingham City Council
Blaby District Council
Blackburn Borough Council
Blackpool Borough Council
Blaenau Gwent CBC
Bolsover District Council
Bolton MBC
Boston Borough Council
Bournemouth, Poole and Christchurch
Bracknell-Forest Borough Council
Bradford City Council
Braintree District Council
Breckland District Council
Brentwood Borough Council
Bridgend CBC
Brighton & Hove Council
Bristol City Council
Broadland District Council
Bromsgrove District Council
Broxbourne Borough Council
Broxton Borough Council
Buckinghamshire Council
Burnley Borough Council
Bury MBC.
Caerphilly CBC
Calderdale MBC.
Cambridge City Council
Cambridgeshire County Council
Cannock Chase Council
Canterbury City Council
Cardiff Council
Carmarthenshire County Council
Castle Point Borough Council
Causeway Coast and Glens DC
Central Bedfordshire Council
Ceredigion County Council
Charnwood Borough Council
Chelmsford City Council
Cheltenham Borough Council
Cherwell District Council
Cheshire East Council
Cheshire West & Chester Council
Chesterfield Borough Council
Chichester District Council
Chorley MBC
City of London Corporation
City of Wolverhampton Council
Comhairle nan Eilean Siar
Conwy CBC
Copeland Borough Council
Cornwall Council
Cotswold District Council
County Durham Council
Coventry City Council
Craven District Council
Crawley Borough Council
Cumbria County Council
Cyngor Gwynedd Council
Darlington Borough Council
Dartford Borough Council
Denbighshire County Council
Derby City Council
Derbyshire County Council
Devon County Council
Doncaster Metropolitan Council
Dorset Council
Dover District Council
Dudley MBC
Dundee City Council
East Ayrshire Council
East Cambridgeshire DC
East Devon District Council
East Dunbartonshire Council
East Hertfordshire DC
East Lindsey District Council
East Renfrewshire Council
East Riding of Yorkshire Council
East Staffs Borough Council
East Suffolk
East Sussex County Council
Eastbourne Borough Council
Eastleigh Borough Council
Edinburgh City Council
Elmbridge Borough Council
Epping Forest District Council
Epsom & Ewell Borough Council
Erewash Borough Council
Essex County Council
Exeter City Council
Falkirk Council
Fareham Borough Council
Fenland District Council
Fermanagh and Omagh DC
Fife Council
Flintshire County Council
Folkestone and Hythe DC
Forest of Dean DC
Fylde Borough Council
Gateshead Council
Gedling Borough Council
Glasgow City Council
Gloucester City Council
Gloucestershire County Council
Gosport Borough Council
Gravesham Borough Council
Great Yarmouth DC
Guildford Borough Council
Halton Borough Council
Hambleton District Council
Hampshire County Council
Harborough District Council
Harlow Council
Harrogate Borough Council
Hartlepool Borough Council
Hastings Borough Council
Havant Borough Council
Herefordshire County Council
Hertfordshire County Council
Hertsmere Borough Council
High Peak Borough Council
Hinckley and Bosworth BC
Horsham District Council
Huntingdonshire DC
Hyndburn Borough Council
Inverclyde Council
Ipswich Borough Council
Isle of Wight Council
Kent County Council
King's Lynn and West Norfolk BC
Kingston upon Hull City
Kirklees MBC.
Knowsley MBC.
Lancashire County Council
Lancaster City Council
Leeds City Council
Leicester City Council
Leicestershire County Council
Lewes DC
Lichfield District Council
Lincolnshire County Council
Liverpool City Council
LB Barking and Dagenham
LB Barnet
LB Bexley
LB Brent
LB Bromley
LB Camden
LB Croydon
LB Ealing
LB Enfield
LB Hackney
LB Hammersmith & Fulham
LB Haringey Council
LB Harrow Council
LB Havering
LB Hillingdon
LB Hounslow
LB Islington
LB Lambeth
LB Lewisham
LB Merton
LB Newham
LB Redbridge
LB Richmond upon Thames
LB Southwark Council
LB Sutton
LB Tower Hamlets
LB Waltham Forest
LB Wandsworth
Luton Borough Council
Maidstone Borough Council
Maldon District Council
Malvern Hills District Council
Manchester City Council
Mansfield District Council
Medway Council
Melton Borough Council
Mendip District Council
Merthyr Tydfil CBC
Mid Devon DC
Mid Suffolk DC
Mid Sussex DC
Middlesbrough BC
Midlothian Council
Milton Keynes Council
Mole Valley District Council
Monmouthshire County Council
Neath Port Talbot CBC
Newark and Sherwood DC

New castle under Lyme Council
New castle upon Tyne City Council
New port City Council
Norfolk County Council
North Ayrshire Council
North East Derbyshire DC
North East Lincolnshire Council
North Hertfordshire DC
North Kesteven DC
North Lanarkshire Council
North Lincolnshire Council
North Norfolk District Council
North Northamptonshire Council
North Somerset Council
North Tyneside Council
North West Leicestershire DC
North Yorkshire County Council
Northumberland County Council
Norwich City Council
Nottingham City Council
Nottinghamshire County Council
Nuneaton & Bedworth BC
Oadby & Wigston BC
Oldham MBC.
Orkney Islands Council
Oxford City Council
Oxfordshire County Council
Pembrokeshire County Council
Perth & Kinross Council
Peterborough City Council
Plymouth City Council
Portsmouth Borough Council
Powys County Council
Preston City Council
Reading Borough Council
Redcar & Cleveland BC
Redditch Borough Council
Reigate & Banstead BC
Renfrewshire Council
Rhondda Cynon Taff CBC
Ribble Valley Borough Council
Richmondshire District Council
Rochdale MBC
Rochford District Council
Rossendale Borough Council
Rother District Council
Rotherham MBC.
RB Greenwich Council
RB Kensington & Chelsea
RB Kingston upon Thames
RB Windsor & Maidenhead
Runnymede Borough Council
Rushcliffe Borough Council
Rushmoor BC

Rutland County Council
Ryedale District Council
Salford MBC.
Sandwell MBC.
Scarborough Borough Council
Scottish Borders
Sedgemoor District Council
Sefton Council
Selby District Council
Sevenoaks District Council
Sheffield City Council
Shropshire Council
Slough Borough Council
Solihull MBC
Somerset County Council
Somerset West and Taunton Council
South Ayrshire Council
South Cambridgeshire DC
South Derbyshire District Council
South Gloucestershire Council
South Hams District Council
South Holland DC
South Kesteven District Council
South Lakeland DC
South Lanarkshire Council
South Norfolk District Council
South Oxford District Council
South Ribble Borough Council
South Somerset District Council
South Staffordshire DC
South Tyneside MBC
Southampton City Council
Southend Borough Council
Spelthorne Borough Council
St. Helens MBC
Stafford Borough Council
Staffordshire County Council
Staffordshire Moorlands DC
Stevenage Borough Council
Stirling Council
Stockport MBC.
Stockton-On-Tees BC
Stoke City Council
Stratford on Avon DC
Stroud District Council
Suffolk County Council
Sunderland City Council
Surrey County Council
Surrey Heath B. C.
Surrey Borough Council
Surrey Heath City Council
Surrey Heath Borough Council
Surrey Heath MBC
Tameside MBC
Tamworth Borough Council

Tandridge DC
Teignbridge District Council
Telford & Wrekin Council
Tendring District Council
Test Valley Borough Council
Tewkesbury Borough Council
Thanet District Council
The Highland Council
The Moray Council
Three Rivers District Council
Thurrock Borough Council
Tonbridge & Malling BC
Torbay Borough Council
Torfaen CBC
Torrington District Council
Trafford Borough Council
Tunbridge Wells BC
Uttlesford District Council
Vale of Glamorgan Council
Vale of White Horse DC
Wakefield District Council
Walsall MBC.
Warrington Borough Council
Warwick District Council
Warwickshire County Council
Watford Borough Council
Waverley Borough Council
Wealden District Council
Welwyn Hatfield Council
West Berks District Council
West Devon Borough Council
West Dunbartonshire Council
West Lancashire District Council
West Lothian Council
West Northamptonshire DC
West Oxfordshire DC
West Suffolk Council
West Sussex County Council
Westminster City Council
Wigan MBC.
Wiltshire Council
Wirral MBC
Woking Borough Council
Wokingham BC
Wolverhampton MBC
Worcester City Council
Worcestershire County Council
Worthing Borough Council
Wrexham CBC
Wychavon District Council
Wyre Borough Council
Wyre Forest District Council
York City Council

Associate Members March 2021-22

HOUSING ASSOCIATIONS



A2 Dominion	Hyde Housing	Salix Homes
Abri Housing	Irwell Valley	Settle Housing Group
Accent Housing	L & Q Group	Shepherds Bush
Arawak Walton	Livv Housing Group	Soha Housing
Arhag Housing Association	Magenta Living	Soho Housing
Aster Group	Merlin Housing Association	South Liverpool Homes
B3 Living	Metropolitan Thames Valley Housing	South Yorkshire Housing Association
Bolton at Home	Moat Homes	Southern Housing
Bromford Housing Group	Network Homes	Southway Homes
Bromsgrove Housing Trust	Nottingham City Homes	Sovereign Housing Association
Cadwyn Housing Association	Octavia Housing	St. Leger Homes of Doncaster
Clarion Housing	One Housing	Stockport Homes
Connexus Homes Limited	Onward Homes	The Charity of Elizabeth Jane Jones
Eastend Homes	Optivo Housing	Thrive Homes
Eleanor Palmer Trust	Orbit Group LTD	Torus 62 Ltd
First Choice Homes Oldham	PA Housing	Two Rivers
Gateway Housing Association	Peabody Housing	Vale of Aylesbury Housing Trust
Gentoo Group	Phoenix Housing	Vivid Homes
Great Places Housing Group	Platform Housing Limited	Wandle Housing Association
Greensquare Housing	Poplar Harca	Waterman's Housing Co-Op
Guinness Partnership	Red Kite Community Housing	Watford Community Housing
Haig Housing	Riverside Group	Weaver Vale Housing
Hexagon Housing	Rooftop Housing Group	Wyre Forest Community Housing

WIDER PUBLIC AUTHORITIES

Department of Health	Information Commissioners Office	OFCOM
DWP	Intellectual Property Office	Office Of Immigration Services Commissioner
DWP NISSA	Mersey Internal Audit Agency	Office of Product Safety and Standards
Environment Agency	NHS CFS Wales	Police Investigation and Review Commissioner
FACT	NHS Counter Fraud Authority	Social Security Scotland
Food Standards Agency E & W	NHS Imperial	South Yorkshire Police Force
Food Standards Scotland	NHS New castle	Test and Trace
Gangmaster and Labour Authority	NHS Scotland	The Insolvency Service
Government Internal Audit Agency	NI Courts & Tribunals Service	The Pensions Regulator
HM Land Registry	NI Housing Executive	Transport For London
Humberside Police Force	NI Trading Standards Service	UK Research and Innovation

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Agenda Item 9.

Report to:	AUDIT PANEL
Date:	Tuesday, 22 November 2022
Reporting Officer:	Kathy Roe - Director of Finance Martin Nixon – Risk, Insurance and Information Governance Manager
Subject:	CORPORATE RISK REGISTER REVIEW
Report Summary:	To present the Corporate Risk Register detailed at Appendix 1 for comment and approval.
Recommendations:	Members consider and approve the Corporate Risk Register attached at Appendix 1 .
Corporate Plan:	Managing risks will enable the Council to deliver services safely and in an informed manner to achieve the best possible outcomes for residents.
Policy Implications:	Effective risk management supports the achievement of Council objectives and demonstrates a commitment to high standards of corporate governance.
Financial Implications: (Authorised by the statutory Section 151 Officer & Chief Finance Officer)	Effective risk management assists in safeguarding assets, ensuring the best use of resources and the effective delivery of services. It also helps to keep insurance premiums and compensation payments to a minimum.
Legal Implications: (Authorised by the Borough Solicitor)	<p>The Council has a statutory responsibility to have in place arrangements for managing risks, as stated in the Accounts and Audit Regulations 2015 (amended 2016):</p> <p>‘A relevant authority must ensure that it has a sound system of internal control which includes effective arrangements for the management of risk’.</p> <p>Regularly reviewing the Council’s arrangements for risk and updating them as needed ensures that the Council is managing its statutory responsibility.</p> <p>This report is aimed at addressing the requirement that the Council achieves its strategic aims and operates its business, under general principles of good governance and that it identifies risks which threaten its ability to be legally compliant and operate within the confines of the legislative framework.</p>
Risk Management:	Failure to manage risks will impact on service delivery, the achievement of objectives and the Council’s Medium Term Financial Plan.
Access to Information:	<p>The background papers relating to this report can be inspected by contacting Martin Nixon, Risk, Insurance and Information Governance Manager.</p> <p> Telephone: 0161 342 3883</p> <p> e-mail: martin.nixon@tameside.gov.uk</p>

1. INTRODUCTION

- 1.1 The report presents the revised and updated Corporate Risk Register for comment, challenge and approval. The report was presented to the Senior Leadership Team on 15 November 2022.

2. WHAT IS RISK MANAGEMENT?

- 2.1 Risk Management is the process of identifying risks, evaluating their likelihood and potential impact and determining the most effective methods of controlling them or responding to them. It is a means of maximising opportunities and minimising the costs and disruption to the organisation caused by undesired events.
- 2.2 Corporate Risks are potential barriers to the Council achieving its priorities and have the potential to disrupt large parts of our service.

3. CORPORATE RISK REGISTER

- 3.1 The Corporate Risk Register is attached at **Appendix 1**. It details the risk scores evaluated both in September 2022 and November 2022.
- 3.2 Risk owners (responsible Assistant Directors or Service Unit Managers) have assisted the Risk, Insurance and Information Governance Manager to review the Corporate Risks they have responsibility for. Review comments have been added to the risk register under Appendix 1 alongside each risk.
- 3.3 Ranking of risks across the whole Corporate register has remained largely consistent with the position in September 2022. There are still Red risks in respect of Risk 1 (Medium Term Financial Plan) where Finance are working with Services to mitigate a forecast budget overspend, Risk 8 (Coronavirus impact) where the potential for an Autumn/Winter surge cannot be overlooked, and Risk 26 (Cost of Living Crisis) where the multiple impacts of rising budget costs, a possible downturn in Council revenue and increasing public service demand must be managed.

Risks 25 (Recruitment issues) and 26 (Cost of Living Crisis) are considered as having effect on all Council services. Therefore review comments have been prepared following consultation with all Service areas.

The scoring for Risk 3 (Adults – Failure to manage the local care home market) has been increased from 12 to 16 (Red) due to known concerns over the viability of some providers. The number of Red risks has increased to 9 across the whole register, in comparison to 8 in the last quarter. Current risk scores are displayed in the ‘heat map’ comparisons provided under item 3.5 below.

- 3.4 The key developments in the risk register following review in September 2022 and November 2022 are summarised below.

Risk	Comment	Risk Rating Sept 2022	Risk Rating Nov 2022
1	<p>Finance: Risk the Council is unable to deliver it's Medium Term Financial Plan</p> <p>Period 6 monthly monitoring has just been completed showing a £8.2m overspend. There is urgent and unrelenting work with Directorates to identify options for budget reductions. This position is currently projected to continue into 2023/24 requiring long term as well as short term budget reductions.</p>	25	25
3	<p>Adults: Failure to manage the local home care market and care home capacity available to deliver appropriate and timely care.</p> <p>The care market is currently under significant pressure. Providers are seriously considering both their financial viability and ability to attract staff following the loss of additional Covid funding which ceased on 31 March 2022.</p>	12	15
8	<p>Population Health: Negative impact of Coronavirus on health and wellbeing objectives.</p> <p>There is reduced prevalence of infection in the community and therefore reduced disruption. There remains a high indirect impact caused by previous waves of the pandemic. This is particularly the case in education, and the health and social care system, where lagged pressures continue. Impacts of possible autumn/winter escalations could include localised outbreaks in care homes), service & staffing disruption. An autumn booster vaccination programme is currently being implemented.</p>	15	15
25	<p>Delivery of services across the Council put at risk due to Inability to recruit the required workforce.</p> <p>Rolling recruitment campaigns are in place for key statutory functions. The Apprenticeship levy is being used where possible. A benchmarking exercise on key job roles is also underway to understand our competitive place in the market particularly for key professional roles.</p>	12	12
26	<p>The risk that the Cost of Living crisis causes budget management pressures, increases in demand for health and social care services, and a detrimental effect to Tameside poverty levels and health.</p> <p>Exchequer have not seen an immediate impact on collection rates, but this situation will continue to be monitored during winter months. There is also concern regarding public health impacts caused to those in fuel poverty.</p>	15	15

3.5 The corporate risk scores are summarised in the risk heat maps below:-

Heat Map 1 – September 2022 (23 Risks)

		Impact level				
		Insignificant (1)	Minor (2)	Medium (3)	Major (4)	Major Disaster (5)
Likelihood						
Almost Certain	(5)					1
Very likely	(4)			3	4	
Likely	(3)			3	5	3
Unlikely	(2)			1	2	
Very Low	(1)				1	

Heat Map 2 – November 2022 (23 Risks)

		Impact level				
		Insignificant (1)	Minor (2)	Medium (3)	Major (4)	Major Disaster (5)
Likelihood						
Almost Certain	(5)					1
Very likely	(4)			3	5	
Likely	(3)			3	4	3
Unlikely	(2)			1	2	
Very Low	(1)				1	

This analysis shows that there are currently a total of 9 Red risks across the register. When compared to the 8 Red risks reported in September 2022.

4. RECOMMENDATIONS

- 4.1 As set out on the front of the report.

Corporate Plan Theme	Risk No.	Risk Description	Residual Impact score	Residual Likelihood score	Residual Risk rating (Impact x Likelihood) Sept 2022	Residual Impact score	Residual Likelihood score	Residual Risk rating (Impact x Likelihood) Nov 2022	Direction of Travel	Risk Owner (Director)	Responsible AD/SUM	Updated position and other comments
Starting Well	1	The Council is unable to deliver its Medium Term Financial Plan - Failure to deliver services within available budgets and provide for future financial stability, including the maintenance of the Council's resource base and council tax collection and dealing with the current cost pressures and demand levels in Children's Services.	5	5	25	5	5	25	⇒	Kathy Roe	Caroline Barlow	Since the budget was set in February 2022 we are now operating in a very different economic climate. The very high level of inflation is creating significant overspends against a range of services. CPI is continuing to rise, moving in some areas into double digits. Analysts expect this to continue with the risk that the economy is moving into recession. Increased energy costs have already hit and further inflationary pressures are expected to follow. The position within demand led services continues to be very difficult, particularly with the residual impact of the Covid-19 pandemic. In addition, the Council has challenging savings targets and needs to evidence effective and sustained progress in all these savings areas without which the revenue position will deteriorate further. Period 6 monthly monitoring has just been completed showing a £8.2m overspend. There is urgent and unrelenting work with Directorates to identify options for budget reductions. M4
Living Well												
Ageing Well												
Great Place Inclusive Growth												
Corporate Support and Enabling Services	2	Not implementing the latest products or best practice in information technology to ensure that the organisation remains effective and efficient, enabling it to deliver its services.	3	4	12	3	4	12	⇒	Kathy Roe	Colin Skoyles	Deployment of Office 365 is underway. Teams Meeting mode was completed in April, Teams Voice will complete in July, Sharepoint sites and Teams Champions are underway. Board/Cabinet approval of additional resource for roll out and support of Office 365 has been provided. Planned work continues to support further deployment of the Office 365 product suite.
Ageing Well	3	Failure to manage the local home care market and care home capacity available to deliver appropriate and timely care packages and appropriate placements for people requiring long term care.	4	3	12	4	4	16	↑	Stephanie Butterworth	Tracey Harrison	The care market is currently under significant pressure. There is a national workforce shortage and we are seeing the impact of this locally. For example there are challenges to find care packages without significant waiting times. Providers are raising concerns about their ability to sustain services at the current fee levels. Cost of living increases are impacting on the ability of staff to remain working in the sector – providers are competing with seasonal retail and hospitality work, which is better paid. Providers are seriously considering both their financial viability and ability to attract staff following the loss of additional Covid funding which ceased on 31 March 2022. Providers are also being hit significantly by the rising cost of mortgages. Given the fragility of the market, there is an increased likelihood of the local authority needing to seriously consider being a 'provider of last resort', and so work is ongoing to recruit staff to provide this capacity.
Great Place Inclusive Growth	4	The property portfolio rationalisation necessary for the delivery of appropriate council wide services is not delivered and consequently savings and capital receipts required to fund the current and future investment programme are not achieved.	3	3	9	3	3	9	⇒	Julian Jackson	Lindsay Johnson	The rationalisation strategy in relation to the Council's operational buildings is being revisited in light emerging priorities, such as the Children's Transformation journey. However, it is anticipated that alternative revenue savings (and in some cases capital receipts) will be achieved elsewhere across the Council's estate. New proposals regarding a rationalisation of the Council's estate are in progress, with mitigations to address previously undelivered savings to be developed.
Starting Well	5	Failing to protect vulnerable children - Vulnerable children are put at risk due to poor systems/processes and reduced service provision.	5	3	15	5	3	15	⇒	Alison Stathers-Tracey	Tony Decrop	Ofsted undertook a Focused Visit on the 27th and 28th April on the Front Door, which looked at Early Help, MASH and Duty & Assessment Teams. A written notice of improvement has been received from the DiE in addition to the 2 priority actions received following the visit.. The Improvement Board continues to meet to monitor the new improvement plan. The DiE Advisor is now an appointed position within the Service and will chair the Improvement Board going forward. The Children's Scrutiny Committee has had its first meeting. Further meetings have been timetabled for the remainder of the year, with a work programme agreed.

Starting Well	6	Failure to ensure effective services (ILACS, LAR, YJS etc.) which are highly regarded by regulators and that robust improvement plans are in place NB. likelihood of 4 is driven by SEND	4	4	16	4	4	16	⇒	Alison Stathers-Tracey	Tim Bowman	This risk remains high. Tameside has now received a SEND inspection and is required to produce a written statement of action. Tameside receives the lowest level of SEND funding in Greater Manchester. Tameside's funding is being capped by the Government. This cap costs Tameside £3m a year. This resource gap is causing a significant pressure. The impact of COVID has been significant on SEND health services and has caused an increase in demand for statutory assessment.
Corporate Support and Enabling Services	7	Failure to effectively implement and monitor the effectiveness of a health and safety management system within the organisation.	4	1	4	4	1	4	⇒	Julian Jackson	Sharon Smith	Risk assessments are continuously reviewed. The Health and Safety Team are carrying out Service Audits to ensure that appropriate Safety Management systems are being applied. Significant work was completed during lockdown around stress. Accident and incident reports continue to be closely monitored with the Health and Safety Team assisting in accident investigations as necessary and reporting on any recommendations towards improvements that need to be put into effect. Health and safety is discussed and reported on at Directorate meetings, at the Corporate Health & Safety Group and will be reported on quarterly basis to the Employment Consultation Group
Living Well	8	Coronavirus has a negative impact on health and wellbeing objectives, immediately through direct COVID illness and death; to non-COVID healthcare being displaced or delayed; to short and long-term impact on socio-economic determinants of health and wellbeing.	5	3	15	5	3	15	⇒	Debbie Watson	James Mallion	Level of disruption due to Covid-19 impact and measures has reduced in recent months due to changes in policy as part of the government's Living With Covid Strategy, and due to reduced prevalence of infection in the community. There remains a high ongoing indirect impact due to the disruption caused by previous waves of the pandemic and measures put in place. This is particularly the case in education, and the health and social care system, where there continue to be service pressures on the back of the pandemic. Pressures in healthcare and adult social care include measures such as strict IPC controls and outbreak response. Outbreaks in care homes are at a lower level than seen previously. There continue to be unpredictable waves of infection including a spike in July 2022 which has since reduced. There remains a high likelihood of a future surge in infections, particularly heading into the autumn/winter period, alongside other seasonal challenges such as influenza. Impacts of escalations could include localised outbreaks (eg. care homes), service & staffing disruption, and the rapid stand up of operational responses such as Covid-19 booster vaccinations. An autumn booster vaccination programme for all over-50s, vulnerable groups and front line health and social care staff is due to commence, in line with another year of expanded flu vaccination eligibility.
Living Well	10	Increased demand for services due to demographic changes - Tameside is unable to meet the needs of its ageing population and young people with increasingly complex needs. This is against a back drop of ongoing budget pressures and increased impact from pandemic such as widening health inequalities.	4	3	12	4	3	12	⇒	Stephanie Butterworth	Tracey Harrison	ASC continues to understand current and future demand for services. Improved systems and linkages with Children's Services through the Preparing for Adulthood Lead will ensure that there is good quality intelligence to inform future budget setting, identifying pressures and the type and level of accommodation and local services that are required. This work is supported by Finance colleagues. Regardless of the level of planning and development of services, there are expensive placements costs that will place pressure on budgets e.g. a new care package has become the responsibility of ASC in March 2022 at a cost of £13,000 per week. Care home placements and home care requirements are demand led, so as the complexity of demand increases, so does the cost of formal interventions. A high level plan for implementation of the white paper is in place from April 2022. Modelling work on future demand and anticipated reform changes has formed the basis of a report to Exec Cabinet at the end of Sept 2022 - considering the capacity needed in ASC to ensure safe services and meeting statutory duties.
Corporate Support and Enabling Services	11	The inconsistent application of information standards and controls could result in a significant, unauthorised disclosure of personal and/or special category data.	4	4	16	4	4	16	⇒	Sandra Stewart / Kathy Roe	Christine Weston	Work is ongoing with IT Services to review the technological based policies and procedures, although the progress has been delayed due to the departure of the Assistant Director of Digital Service and the appointment of a replacement interim Director of Digital Services. Cyber Ninjas training on Me Learning has recently been updated and is being rolled out again, with a mandatory requirement that all staff complete it by the end of October 2022. There will be an annual requirement for completion. The Cyber Ninjas course and an appropriate data protection course will be made available for members.

Corporate Support and Enabling Services	12	Ineffective procurement and contract monitoring - Procurement does not deliver value for money and is not conducted in line with best practice, PSOs and legislation. The strategic focus on commissioning is less effective due to a lack of skills and capacity to drive the change in culture.	3	3	9	3	3	9	⇒	Kathy Roe	Caroline Barlow	The number of contracts in place within the Council that have been awarded outside of contract procedure rules has continued to reduce and the risks of not achieving Value for Money or being legally compliant has also continued to reduce. Officers have worked with STAR and agreed an updated and streamlined set of contract procedure rules which were approved at Council in Oct 2022. These amended CPRs will improve timeliness of procurement activity. STAR have experienced a number of procurement vacancies that have proved difficult to fill and this has created operational challenges. There are a number of new procurement officers now in post. Quarterly meetings are now scheduled in with key officers from the Council and STAR to improve working arrangements and resolve operational difficulties.
Great Place Inclusive Growth	13	Tameside is unable to exploit growth opportunities and this has a detriment to residents, local businesses and the borough's future prosperity.	3	4	12	3	4	12	⇒	Julian Jackson	Gregg Stott	There is continued push on taking forward key strategic sites and town centres working with landowners and the private sector. These future developments will seek to address and provide appropriate provision (including repurposing) and one which will seek flexibility and ability to the changing market. There have been recent success in attracting funding to undertake key investment/development studies and these will continue. In addition there is an expectation of further announcements at Budget around the Levelling Up Fund and UK Shared Prosperity Funding programmes with further detail to follow.
Starting Well	14	Implementation of a GM Integrated Care System may increase the operational and financial risks of the Council and may delay our progress in implementing local strategies to improve population health outcomes.	4	3	12	4	3	12	⇒	Steven Pleasant	Single Leadership Team	The Board including the Executive team of the Greater Manchester ICS is now in place. This has clarified continued desire for integrated health and social care leadership. Tameside have confirmed the Place Based Lead as the Chief Executive and the Deputy Place-based Lead as Trish Cavanagh. Financial delegations are not yet finalised.
Living Well												
Ageing Well												
Great Place Inclusive Growth												
Great Place Inclusive Growth	16	Failure to provide an appropriate Civil Contingencies response to an incident or emergency affecting the community or the Council, including the risks relating to extreme weather conditions due to climate change or in response to the current COVID-19 pandemic.	4	2	8	4	2	8	⇒	Julian Jackson Kathy Roe	Emma Varnam Mike Gurney Christine Weston	The Chief Officers Group meet quarterly a review of Civil Contingencies and training plan is in progress within GMCA. The processes and support are well documented and the mutual aid support arrangements have been tested. Emergency planning and on-call training is being rolled out for officers in the Autumn of 2022. A new suite of Health and Safety training is being delivered for Tameside managers. Business Continuity will be addressed once services have determined the delivery model in terms of hybrid working.
Great Place Inclusive Growth	17	The Council fails to benefit from the opportunities generated from the increased central government devolution to the Greater Manchester Region.	3	4	12	3	4	12	⇒	Single Leadership Team	Senior Management Group	The borough (as with every other area) has been materially impacted by the COVID pandemic, although progress continues on the development of its key town centres and major developments including Godley Green Garden Village. Whilst the Government's Levelling Up Fund (LUF) White Paper has only very recently been announced there is still little detail or clarification at this point. That said TMBC was successful within the initial first bidding round of LUF and secured £19.87m of Government funding towards Ashton Town Centre. In addition to LUF, TMBC has been successful in securing significant sums of other funding including that from across a range of Governmental Departments and Agencies for investment, development, housing and Place. Whilst we await further detail on the LUF agenda and other key programmes such as the UK Shared Prosperity Fund, TMBC will continue to engage and participate at the GM level and ensure the borough is best placed to secure future benefits for the borough.
Starting Well	18	Failure to ensure there are sufficient high quality school places (including specialist places and early years provision) and that children all have fair access to our schools.	4	3	12	4	3	12	⇒	Alison Stathers-Tracey	Tim Bowman	High quality collaborative work with school leaders is supporting plans to increase places in specialist and secondary provision. Whilst we continue to meet parental preferences for mainstream places, there are significant demands for specialist places. Capacity challenges within capital delivery teams remain.

Living Well	25	Delivery of services across the Council put at risk due to inability to recruit the required workforce.	4	3	12	4	3	12	⇒	Sandra Stewart	Tracy Brennand	There are rolling recruitment campaigns in place for key statutory functions. In Childrens and Adults the campaigns are supported by dedicated web pages, recruitment videos, updated Job adverts and information outlining the benefits of working for Tameside. The Apprenticeship levy and other opportunities to 'grow your own' are being used to promote, train and value people who wish to change careers but remain working for Tameside. A benchmarking exercise on key job roles is also underway to understand our competitive place in the market particularly for key professional roles.
Ageing Well												
Great Place Inclusive Growth												
Starting Well	26	The risk that the Cost of Living crisis causes budget management pressures to Council Services, possible increases in community demand for health and social care services, and the detrimental effect to Tameside poverty levels and health.	5	3	15	5	3	15	⇒	TBA	TBA	The very high level of inflation is expected to result in an adverse budget position. Analysts expect this to continue with the risk that the economy is moving into recession. Increased energy costs have already hit and further inflationary pressures are expected to follow. Exchequer have not seen an immediate impact on collection rates, but this situation will continue to be monitored during winter months. Concern also raised regarding public health impacts caused to those in fuel poverty who do not adequately heat their homes. Cold homes can potentially lead to a range of health conditions— including short term increase in respiratory and CVD issues in those already vulnerable.
Living Well												
Ageing Well												
Great Place Inclusive Growth												

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