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Wednesday, 25 October 2023

To All Councillors:

As a Member or Substitute of the **Governance & Resources Committee**, please treat this as your summons to attend a meeting on **Thursday, 2 November 2023 at 6.00 pm** in the **Council Chamber, Town Hall, Matlock, DE4 3NN**

Yours sincerely,

Paul Wilson
Chief Executive

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AGENDA

1. APOLOGIES FOR ABSENCE

Please advise the Democratic Services Team on 01629 761133 or email committee@derbyshiredales.gov.uk of any apologies for absence.

2. APPROVAL OF MINUTES OF PREVIOUS MEETING (Pages 5 - 10)

14 September 2023

3. PUBLIC PARTICIPATION

To enable members of the public to ask questions, express views or present petitions, **IF NOTICE HAS BEEN GIVEN**, (by telephone, in writing or by email) **BY NO LATER THAN 12 NOON OF THE WORKING DAY PRECEDING THE MEETING**. As per Procedural

Rule 14.4 at any one meeting no person may submit more than 3 questions and no more than 1 such question may be asked on behalf of one organisation.

4. INTERESTS

Members are required to declare the existence and nature of any interests they may have in subsequent agenda items in accordance with the District Council's Code of Conduct. Those interests are matters that relate to money or that which can be valued in money, affecting the Member, her/his partner, extended family and close friends. Interests that become apparent at a later stage in the proceedings may be declared at the time.

5. QUESTIONS PURSUANT TO RULE OF PROCEDURE NUMBER 15

To answer questions from Members who have given the appropriate notice.

6. ANTI-FRAUD BRIBERY AND CORRUPTION STRATEGY (INCLUDING ANTI-MONEY LAUNDERING POLICY) (Pages 11 - 52)

The purpose of this report is to seek approval for the Council's updated Anti-Fraud, Bribery and Corruption Strategy (including Anti - Money Laundering Policy) which is attached as Appendix A to the report.

7. INTERNAL AUDIT PROGRESS UPDATE 2023/24 (Pages 53 - 78)

This report is to present for Members' information a progress update in respect of the 2023/2024 Internal Audit Plan. The report includes a summary of internal audit reports issued since the last meeting of this committee and an update on the implementation of internal audit recommendations.

8. ARREARS FOR WRITE OFF 2023/24 (Pages 79 - 86)

This report provides information about debtor write offs authorised by the Director of Resources under delegated authority in accordance with the Council's Financial Regulations and seeks approval for the write off of individual debts of £10,000 or more in accordance with the Council's Financial Regulations.

9. ANNUAL REPORT ON THE REGULATION OF INVESTIGATORY POWERS ACT (RIPA) (Pages 87 - 92)

To provide the annual report on the Council's use of RIPA and any related matters.

10. ASSET MANAGEMENT PLAN - LAND HOLDINGS REVIEW PHASE 7 (Pages 93 - 108)

This report represents the seventh phase of an ongoing review of the Council's land and property assets in accordance with the Asset Management Plan. This phase of the Land Holdings Review covers two sites in the District, one for acquisition for operational requirements and one for which expressions of interest have been received for enhancing a facility.

11. SUCCESSION PLANNING (Pages 109 - 124)

We are facing recruitment difficulty in a competitive employment market. In addition, we have several potential retirements in singleton posts. It is therefore appropriate to consider a Succession Planning Policy. A draft was considered at Corporate Leadership Team before going to consultation at Employee Group and Joint Consultative Group.

12. EXCLUSION OF PUBLIC AND PRESS

At this point the Committee will consider excluding the public and press from the meeting in order to consider the exempt information contained within Item 7, Appendix 3. The reasons for this exemption are detailed below, as per paragraphs 3 and 7 of Schedule 12A of the Local Government Act 1972:

3. Information relating to the financial or business affairs of any particular person (including the authority holding that information).

7. Information relating to any action taken or to be taken in connection with the prevention, investigation or prosecution of crime.

Members of the Committee - Councillors Nick Wilton (Chair), Neil Buttle (Vice-Chair), Geoff Bond, Steve Flitter, David Hughes, Stuart Lees, Lucy Peacock, Simon Ripton and Roger Shelley

Substitutes – Councillors David Chapman, Marilyn Franks, Joanne Linthwaite, Laura Mellstrom, Andy Nash and Mark Wakeman

NOTE

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committee@derbyshiredales.gov.uk

Governance & Resources Committee

Minutes of a Governance & Resources Committee meeting held at 6.00 pm on Thursday, 14th September, 2023 in the Council Chamber, Town Hall, Matlock, DE4 3NN.

PRESENT

Councillor Nick Wilton - In the Chair

Councillors: Neil Buttle, Steve Flitter, Stuart Lees, Lucy Peacock, Roger Shelley, Marilyn Franks and Mark Wakeman

Mike Hase (Policy Manager), Kerry France (Legal Services Manager), Lucy Harrison (Democratic Services Assistant), Karen Henriksen (Director of Resources), Caroline Leatherday (Business Support Manager), Mark Mealey (Information Governance Officer), Alastair Newall (Mazars LLP), Tommy Shaw (Democratic Services Team Leader) and Paul Wilson (Chief Executive)

Note:

“Opinions expressed or statements made by individual persons during the public participation part of a Council or committee meeting are not the opinions or statements of Derbyshire Dales District Council. These comments are made by individuals who have exercised the provisions of the Council’s Constitution to address a specific meeting. The Council therefore accepts no liability for any defamatory remarks that are made during a meeting that are replicated on this document.”

APOLOGIES

Apologies for absence were received from Councillor(s): Geoff Bond, David Hughes, Tony Morley and Simon Ripton

120/23 - APPROVAL OF MINUTES OF PREVIOUS MEETING

It was moved by Councillor Neil Buttle, seconded by Councillor Steve Flitter and

RESOLVED

That the minutes of the meeting of the Governance and Resources Committee held on 20 July 2023 be approved as a correct record.

Voting

06 For

00 Against

02 Abstention

The Chairman declared the motion **CARRIED**.

121/23 - PUBLIC PARTICIPATION

There was no public participation.

122/23 - INTERESTS

There were no declarations of interest.

123/23 - QUESTIONS PURSUANT TO RULE OF PROCEDURE NUMBER 15

No questions were received.

124/23 - EXTERNAL AUDIT STRATEGY MEMORANDUM FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

Alastair Newall from Mazars LLP introduced a report which provided information about the external audit plan for the 2022/23 accounts. It was noted within the report that the Council's external auditor, Mazars LLP, provided an Audit Strategy Memorandum on an annual basis which covered the forthcoming audit of the Council's financial statements. This document, included as an appendix to the report, summarised the audit approach, highlighted significant audit risks and areas of key judgements, and provided the Committee with details of the audit team.

The external auditor requested that the Audit Strategy Memorandum for financial accounts for the year ending 31 March 2023 be brought to Members' attention. It was noted within the report that the Accounts and Audit Regulations 2015 (amended) stated the deadline for completion of the audit relating to the 2022/23 accounts as 30 September 2023. Members were presented with details of the audit scope, approach and timeline, they were also informed of the intention for the audit to be completed in time for a report on the outcome to be presented to the Committee at the February 2024 meeting.

It was moved by Councillor Steve Flitter, seconded by Councillor Mark Wakeman and

RESOLVED (unanimously)

That the External Audit Strategy Memorandum for the year ending 31 March 2023 be received and agreed.

The Chair declared the motion **CARRIED**.

125/23 - EQUALITY, CONSULTATION AND ENGAGEMENT PLAN 2022-2024

The Policy Manager introduced a report which updated Members on the progress made against the 2022-23 actions set out in the Equality, Consultation and Engagement Plan 2022-24.

The public sector equalities statutory duty comprises of a general equality duty and a specific duty. The Council must comply with both, the details of which were presented in the report. The Council must ensure due consideration is given to the aims of the duty in all its decisions. The paragraph on 'Equality implications' in every committee report was added to remind Members that although Officers have had regard to equality issues when preparing reports, Members should also consider equality issues in order to meet the Equality Duty.

It was noted within the report that the Council had a comprehensive Equality, Diversity and Inclusion Policy which detailed how the Council met the requirements of equality legislation and provided the context for the Equality, Consultation and Engagement Plan. The Council's Equality Objectives for 2022-24 were agreed by the Governance and Resources Committee on 22 September 2022. The Equality, Consultation & Engagement Plan 2022-24 set out performance measures/targets which were detailed in appendix one and two to the report.

It was moved by Councillor Steve Flitter, seconded by Councillor Mark Wakeman and

RESOLVED (unanimously)

That Progress against the actions in the Equality, Consultation and Engagement Plan 2022-24 (as set out in Appendices one and two) be received.

The Chair declared the motion **CARRIED**.

126/23 - DEVELOPMENT OF THE DERBYSHIRE DALES PLAN 2024-28

The Policy Manager introduced a report informing Members of the results of extensive consultation with Derbyshire Dales residents, as well as an independent evidence base that objectively set out statistics about the Council's area. The report sought Member approval for the process and timescale for completing the new Derbyshire Dales Plan for the period 2024-2028.

The Corporate Plan set out the aims of the Council for the coming years and listed the key improvement projects. The current Corporate Plan was adopted by Council in March 2020. With the election of a new administration in May 2023, it was necessary to identify the Council's highest priority services and projects for the future. The preparation of a new corporate plan provided the opportunity to set out the District Council's priority services and projects, and to ensure that appropriate budgetary and staffing provision could be made to deliver these.

The report set out the work completed to date on the new corporate plan, including the extensive consultation and hard evidence gathering that had been undertaken to help inform Members' prioritisation, alongside the new administration's own aspirations. It sought agreement to the remaining process and timescale for developing and adopting the new plan. It was proposed that the corporate plan now be termed the Derbyshire Dales Plan. This would better reflect the fact that the plan is largely outward-looking, not just a plan for the Council but mostly it was the Council's vision for the Derbyshire Dales.

It was moved by Councillor Steve Flitter, seconded by Councillor Mark Wakeman and

RESOLVED (unanimously)

1. That the evidence base set out in Appendix 2 and summarised in section 2(D) of the report be received and used to inform corporate prioritisation and planning.
2. That the resident's consultation results set out in Appendix 1 and summarised in sections 2(C) and 2(E) of the report be received and used to inform corporate prioritisation and planning.
3. That corporate prioritisation and planning should take into account staffing levels and financial resources.
4. That the process and timescale for completing the development and adoption of the Derbyshire Dales Plan set out in the report be agreed.

The Chair declared the motion **CARRIED**.

127/23 - DATA PROTECTION AND INFORMATION GOVERNANCE ANNUAL REPORT 2022/23

The Legal Services Manager introduced the annual report on the Council's compliance with the General Data Protection Regulation, the Data Protection Act and the Freedom of Information Act.

Background information was provided within the report which included descriptions of the functions of Information Governance, the statutory obligations of the Council, and information regarding the Freedom of Information and Environmental Information Regulations processes. The report also provided information on the responsibilities of the Information Governance Officer and the Information Governance Board.

The report presented Performance Indicator Data for the 2022/23 year, in addition to the data for the two previous years to allow for comparison. The lack of benchmarking information was noted within the report, as Council's are not required to submit any annual information to the Information Commissioners Office there was therefore no published data available that could allow for comparison with other similar authorities.

The report also summarised the main developmental activities planned for 2023/24, these included improving the Council's compliance with the Information Commissioners Office Accountability Tracker, reviewing and updating the Council's Information Asset register, and further developing the 'self-service' approach to information management advice and guidance.

It was moved by Councillor Neil Buttle, seconded by Councillor Mark Wakeman and

RESOLVED (unanimously)

That the Data Protection and Information Governance Annual Report 2022/23 be accepted.

The Chair declared the motion **CARRIED**.

128/23 - ANNUAL GOVERNANCE STATEMENT 2022/23

The Director of Resources introduced a report which covered the annual review of the Council's governance arrangements. The report showed the extent to which the Council had complied with its own code of governance and described any significant governance issues, alongside an explanation of what actions had been taken to bring about required improvements, and what work was still to be done.

It was noted within the report that confidence in public sector governance was of critical importance given the significant investments by the government and council taxpayers in local services. Members were informed that the Annual Governance Statement (AGS) should not be seen as a dry financial requirement, but as an important public expression of what the Council has done to put in place good business practice, high standards of conduct and sound governance.

Appendix 1 to the report detailed the Annual Governance Statement for 2022/23. It was consistent with the CIPFA/SOLACE publication 'Delivering Good Governance in Local Government'. The layout of the Annual Governance Statement reflected the layout of the Council's Code of Corporate Governance and the CIPFA/SOLACE guidance. It also took into account of the standards and requirements of the CIPFA Financial Management Code.

It was moved by Councillor Steve Flitter, seconded by Councillor Stuart Lees and

RESOLVED (unanimously)

1. That the Annual Governance Statement for 2022/23 is approved.
2. That the significant governance issues be noted and the action plan to address them be approved.

The Chair declared the motion **CARRIED**.

129/23 - RISK MANAGEMENT - ANNUAL REPORT 2022/23 AND UPDATED RISK MANAGEMENT POLICY AND STRATEGY

The Director of Resources introduced a report which described the Council's risk management processes and working practices, which ensure that risk management arrangements continue to be effective, timely and fit for purpose, providing the Council with the correct levels of insight and support in relation to its risk exposure. The report also sought Member approval of an updated Risk Management Policy and Strategy.

The Council's Risk Management Policy and Strategy, approved by the Governance and Resources Committee in March 2021, required the Chief Executive to report to Members, by way of an annual report on the Council's Risk Management arrangements and how key strategic risks are being managed. This report described the current risk management processes and working practices, which had been developed to ensure they continue to provide the Council with the correct levels of insight and support in relation to its risk exposure. The report illustrated the strategic risks and scores them as high (red), medium (yellow) or low (green) and showed the actions that are planned to mitigate or reduce the risks.

It was noted that risks were regularly reported to the Risk Continuity Group (which includes all members of the Corporate Leadership Team as well as other key colleagues), ensuring

that risks, risk management etc. were challenged and reported effectively. Members were informed that further guidance on the Council's risk management processes and procedures could be found in the Risk Management Policy and Strategy dated September 2021. An updated version was proposed at Appendix 1.

It was moved by Councillor Roger Shelley, seconded by Councillor Mark Wakeman and

RESOLVED (unanimously)

1. That the annual report and risk management arrangements be approved.
2. That the Risk Management Strategy and Policy 2023-2025 be approved.

The Chair declared the motion **CARRIED**.

130/23 - TREASURY MANAGEMENT OUTTURN REPORT 2022/23

The Director of Resources introduced a report summarising Treasury Management activities and the out-turn position against Prudential Indicators for 2022/23.

Members were informed that the Authority had long adopted the Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Service: Code of Practice (the CIPFA Code) which required the Authority to approve treasury management mid-year and annual reports.

The Authority's Treasury Management Strategy for 2022/23 was approved at a meeting on 24th March 2022. The Authority had invested substantial sums of money and was therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of risk remained central to the Authority's treasury management strategy.

Appendix 1 to the report detailed the Prudential Indicators for 2022/23.

It was moved by Councillor Mark Wakeman, seconded by Councillor Neil Buttle and

RESOLVED (unanimously)

1. That the Treasury Management Out-turn position for 2022/23 be approved.
2. That the Prudential Indicators contained in Appendix 1 be approved.

The Chair declared the motion **CARRIED**.

Meeting Closed: 7.03 pm

Chairman



Agenda Item 6

OPEN REPORT GOVERNANCE AND RESOURCES COMMITTEE

Governance & Resources Committee – 2 November 2023

ANTI-FRAUD BRIBERY AND CORRUPTION STRATEGY (including Anti- Money Laundering Policy)

Report of the Director of Resources

Report Author and Contact Details

Karen Henriksen, Director of Resources

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Wards Affected

District-wide

Report Summary

The purpose of this report is to seek approval for the Council's updated Anti-Fraud, Bribery and Corruption Strategy (including Anti - Money Laundering Policy) which is attached as Appendix 1 to this report.

Recommendation

That the updated Anti-Fraud, Bribery and Corruption Strategy (including Anti - Money Laundering Policy), which is attached as Appendix A to this report, is approved.

List of Appendices

Appendix A: Anti- Fraud, Bribery and Corruption Strategy (including Anti- Money Laundering policy)

Appendix B: Equality Impact Assessment

Background Papers

None

Consideration of report by Council or other committee

Not required

Council Approval Required

No

Exempt from Press or Public
No

Anti- Fraud, Bribery and Corruption Strategy (including Anti Money Laundering policy)

1. Background

- 1.1 One key element of effective financial governance is that the Council has appropriate arrangements in place in respect of fraud. The Council last reviewed its Anti-Fraud and Corruption Strategy and Anti - Money Laundering Policy in 2018. It was agreed at the time that the Strategy should be periodically reviewed to ensure that it is kept up-to-date and remains relevant.

2. Key Issues

- 2.1 In line with good practice for all public bodies, the Council should have in place an up-to-date Anti –Fraud, Bribery and Corruption Strategy. The formal commitment to this strategy will serve to restate the Council’s zero tolerance of fraud and all forms of malpractice. The refresh of the strategy will also provide an opportunity to promote the key message to both Members and Employees.
- 2.2 The strategy that has been recommended for adoption has been reviewed and updated to reflect developing good practice. A copy of the revised strategy can be seen at Appendix A to this report. There have been no regulatory or legislative changes since the last review. The changes made are to try and provide further clarity to Officers and Members as to the requirements of the strategy and guidance as to what may indicate potential money laundering activities.

3. Options Considered and Recommended Proposal

- 3.1 Not applicable.

4. Consultation

- 4.1 No public consultation is required.

5. Timetable for Implementation

- 5.1 The updated Strategy is intended to be implemented immediately following approval by this Committee.

6. Policy Implications

- 6.1 The maintenance of an up-to-date Anti-Fraud, Bribery and Corruption Strategy contributes to the Council’s core values of being open and transparent when making decisions and using public resources ethically and responsibly.

7. Financial and Resource Implications

- 7.1 There are no direct financial implications of adopting the Anti-Fraud, Bribery and Corruption Strategy (including Anti - Money Laundering Policy), and it is envisaged that any costs will be met within existing budgets.

8. Legal Advice and Implications

- 8.1 Fraud, Bribery, Corruption and Money Laundering are all criminal activities. This strategy is intended to minimise the risk that the Council suffers because of such activity, or that the Council is unwittingly used to undertake or assist such activity.

9. Equalities Implications

- 9.1 An Equality Impact Assessment (EIA) has been prepared and is shown at Appendix B. The EIA shows that the updated strategy is not anticipated to have a disproportionate impact on any protected group.

10. Climate Change Implications

- 10.1 None

11. Risk Management

- 11.1 The development and effective publication of a revised strategy will help to mitigate the risk of fraud and help ensure that the Council has effective measures in place to deter, prevent and detect fraud and corruption.
- 11.2 Failure to minimise fraud and corruption could lead to a significant risk of a critical public response and loss of credibility, thereby undermining the reputation of the Council.

Report Authorisation

Approvals obtained from Statutory Officers:-

	Named Officer	Date
Chief Executive	Paul Wilson	23/10/2023
Director of Resources/ S.151 Officer	Karen Henriksen	23/10/2023
Monitoring Officer (or Legal Services Manager)	Kerry France	23/10/2023

Appendix A



Anti-Fraud, Bribery and Corruption Strategy (including Anti-Money Laundering Policy) October 2023

POLICY STATEMENT

Derbyshire Dales District Council expects that both Members and Officers will demonstrate the highest standards of behaviour in the conduct of public business.

In undertaking its functions and activities, the Council will not tolerate any form of fraud, corruption, bribery, abuse of position or other malpractice, whether it is attempted by persons or organisations within or external to the Council.

The Council is committed to working in an open, honest and fair way and will:

- Maintain a policy and culture characterised by zero tolerance of fraud and malpractice
- Encourage and promote the prevention of fraud, bribery and corruption or other malpractice
- Promote the detection of fraud, bribery, corruption or other malpractice
- Maintain clear procedures for investigation and further action where necessary

It is expected that Members and staff at all levels will lead by example in ensuring adherence to legal requirements, rules, procedures, practices and probity.

The Council also expects that individuals and organisations, with which it comes into contact, will act towards the Council with honesty and integrity.

The Council expects all partners in both public and private sectors to establish robust and transparent governance arrangements.



Anti-Fraud, Bribery and Corruption Strategy

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Anti-Fraud Bribery and Corruption Strategy

- 1 Introduction
- 2 Culture
- 3 Prevention
- 4 Detection and Investigation
- 5 Housing Benefit and Council Tax Support
- 6 Government Grants
- 7 Raising Awareness of this Policy Statement
- 8 Conclusion

Anti- Money Laundering Policy

- 1 Introduction
- 2 Purpose of Policy
- 3 The Council's Obligations
- 4 Scope of the Policy
- 5 What is Money Laundering
- 6 What is Terrorist Financing
- 7 Employee Responsibilities
- 8 Money Laundering Reporting Officer
- 9 Disclosure Procedure
- 10 Consideration of Disclosure by the Money Laundering Reporting Officer
- 11 Employee Awareness and Training
- 12 Restricted or Regulated Activities
- 13 CIPFA's Treasury Management Code

Appendices

- Appendix 1 – Types of Money Laundering activity
- Appendix 2 – Money Laundering Reporting Forms

Anti-Fraud Bribery and Corruption Strategy

1. INTRODUCTION

1.1 The Council is opposed to all forms of fraud and corruption. It recognises that fraud and corruption undermine the standards of public service which it promotes and reduce the resources available for the good of the whole community and erodes public confidence in our governance.

1.2 The Anti-Fraud, Bribery and Corruption Strategy is designed to: -

- provide a clear statement of values;
- encourage prevention;
- promote detection,
- act as a deterrent; and
- set out a clear approach for investigation of any concerns, complaints etc.

1.3 **Fraud** is defined as:

- The intentional distortion of financial statements or other records by persons internal or external to the authority which is carried out to conceal the misappropriation of assets or otherwise for gain.
- Failure to disclose information where there is a legal duty to do so.
- False Representation.
- Abuse of Position

Corruption is defined as:

The offering, giving, soliciting or acceptance of an inducement or reward which may influence the action of any person.

Theft is defined as:

A person shall be guilty of theft if they dishonestly appropriate property belonging to another with the intention of permanently depriving the other of it.

Bribery is defined as:

An inducement or reward offered, promised or provided to gain personal, commercial, regulatory or contractual advantage.

Or

Giving someone a financial or other advantage to encourage that person to perform their functions or activities improperly or to reward that person for already having done so.

Bribery Includes:

- Bribery of another person
- Accepting a Bribe
- Failure to prevent or disclose Bribery

1.4 Benefit fraud is where a person,

- a) makes a false statement or representation; or
- b) causes or allows a false statement or representation; or
- c) fails to notify a change of circumstances; or causes or allows another person to fail to notify a change of circumstances for the purpose of obtaining or increasing entitlement to housing benefit/council tax support for themselves or another.

1.5 This document presents a Strategy for an Open and Honest Council characterised by a clear policy of Zero tolerance of Fraud, Bribery, Corruption and related activities. The sections which follow set out the framework which it is intended will help secure that objective.

2. **CULTURE**

2.1 The Council is determined that the culture and tone of the organisation will continue to be one of honesty and opposition to fraud and corruption, bribery, money laundering and any activity of this nature.

2.2 All individuals and organisations associated with the Council are required to act with integrity and probity. Council staff and Members, at all levels, will lead by example.

2.3 The Council's staff are an important element in its stance on fraud, corruption, bribery, money laundering etc. They are encouraged to raise any concerns and can do this in the knowledge that these will be treated in confidence and properly investigated.

2.4 This commitment to investigate the concerns of any members of staff has been formally acknowledged by the Council by the adoption of a Confidential Reporting (Whistleblowing) Policy. The Confidential Reporting (Whistleblowing) Policy aims to set out how issues can be raised in good faith and without fear of recrimination to help ensure that the District Council operates in a safe and ethical manner. It is recognised that most cases will need to be dealt with confidentially.

2.5 Full copies of the Confidential Reporting (Whistleblowing) Policy are available on the Council's Intranet or in printed format if required. It should be noted that the Confidential Reporting (Whistleblowing) Policy covers all issues (not just fraud and corruption, bribery, money laundering etc).

2.6 Where either staff or members of the public have concerns there are a number of channels available to report these concerns through:

- The Chief Executive
- Directors
- Managers
- The Monitoring Officer
- The Internal Audit Consortium Manager/Senior Auditor
- The Council's External Auditors
- The Confidential Reporting (Whistleblowing) Policy
- Or through the Council's Complaints Procedure

Alternatively, benefit fraud can be reported directly to the Department for Work and Pensions at their website.

2.7 Senior Management are responsible for following up any allegation of fraud or corruption received and will do so by taking the following action: -

- immediately informing the Director of Resources or the Internal Audit Consortium Manager/Senior Auditor or the Chief Executive;
- recording and securing and keeping safe all evidence received and collected;
- ensuring that evidence is sound and adequately supported;
- implementing Council disciplinary procedures where appropriate;
- where the matter is raised through the Confidential Reporting (Whistleblowing) Policy, responding in accordance with that Policy.

2.8 Senior Management are expected to deal swiftly and firmly with those who defraud the Council or who are corrupt.

2.9 The investigation process must not be misused and any abuse, such as raising malicious allegations, will be dealt with as a disciplinary matter.

3. **PREVENTION**

3.1 **Staff**

3.1.1 Staff recruitment will be in accordance with the Council's Recruitment and Selection procedures particularly with regard to the obtaining of written references. These will be used to assist in verifying the previous record of potential staff in terms of propriety, integrity and probity. All recruitment processes must involve the Human Resources Section.

3.1.2 Employees of the Council must follow the Code of Conduct which is included in the Council's Constitution

3.1.3 Employees must declare in writing any circumstances where their personal interests (financial and non-financial) may conflict with those of the Council e.g. processing a planning application form for a relative or friend. Forms are available from the Monitoring Officer

on which to make declarations. Any concerns regarding a potential conflict of interest must be discussed with a senior manager.

- 3.1.4 The Council has in place agreed disciplinary procedures which management and employees must follow.
- 3.1.5 Many procedures have been designed to ensure that the work of one member of staff is checked by another. These types of checks are important deterrents to fraud. Managers must ensure that all staff have access to procedural guidance and should periodically confirm that the agreed procedures are being operated.
- 3.1.6 Where necessary staff will receive appropriate training to ensure that they are equipped to identify and tackle fraud related matters.
- 3.1.7 Investigation officers will receive appropriate levels of training ensuring high quality investigations. This will include training by other professional investigation bodies such as the police.
- 3.1.8 Any data matches raised by the National Fraud Initiative will be investigated. The provisions of the 2018 Data Protection Act will be applied.

3.2 **Members**

3.2.1 Councillors and co-opted members must follow the rules in Part 5 of the Council's Constitution, including:

- General Principles of Conduct
- Members' Code of Conduct
- Code of Conduct on Planning Matters
- Summary of other rules affecting members' conduct
- Protocol on Member / Officer Relations

Councillors learn about these rules as part of the induction process and further ongoing training will be provided as appropriate.

3.2.2 The Council has a Governance and Resources Committee to deal with standards of conduct and probity of Councillors.

3.2.3 Members are expected to declare any interests at the start of all committee meetings and in addition to this complete the register of Members interests.

3.3 **Systems**

3.3.1 It is a management responsibility to maintain the internal control system. This includes the responsibility for the prevention of fraud and other illegal acts. By undertaking an agreed plan of work,

internal audit will evaluate the adequacy and effectiveness of these controls as a means of assisting management to discharge its responsibilities.

- 3.3.2 The Director of Resources has a statutory responsibility under Section 151 of the Local Government Act 1972 to ensure the proper arrangement of the Council's financial affairs. In addition, the Monitoring Officer is responsible for ensuring that the Council's business is conducted in accordance with legislation and good practice.
- 3.3.3 To help him/her do this, all service financial recording systems must be designed in consultation with and to the satisfaction of the Director of Resources.
- 3.3.4 The Council's Financial Regulations and Procedures are set down in Part 4 of the Council's Constitution. These Regulations and Procedures set out in detail how the Council's financial affairs are to be administered and controlled.

3.4 Combining with Others

- 3.4.1 Arrangements are in place to encourage the exchange of information between the Council and other agencies on fraud and corruption activity as an aid to prevention/detection. The agencies involved include: -
 - External Audit ;
 - Department for Work and Pensions
 - Inland Revenue
 - Customs and Excise.

In exchanging data with other organisations, the Council will comply with the requirements of the General Data Protection Regulations 2018.

4. DETECTION AND INVESTIGATION

- 4.1 The internal control and other monitoring systems outlined above have been designed to highlight fraudulent activity, and they should be sufficient in themselves to deter fraud.
- 4.2 It is the responsibility of managers to ensure that there are appropriate controls in place to reduce the risk of fraud, corruption, bribery and money laundering etc. However, it is often the alertness of other staff, Members and the public that enables detection to occur and appropriate action to be taken.
- 4.3 Financial Procedures require managers to immediately notify the Director of Resources or the Internal Audit Consortium Manager/Senior Auditor of

any financial irregularity or suspected irregularity. Reporting is essential because it:

- Ensures consistent treatment;
- Enables investigation to be assisted by an independent team;
- Ensures agreed investigation procedure is followed.

- 4.4 Depending on the nature and the anticipated extent of the allegations, the Audit Section will normally work closely with Management and other Agencies, such as the Police, to ensure that all allegations and evidence are properly investigated and reported upon, and where appropriate, maximum recoveries are secured for the Council.
- 4.5 The Council's Disciplinary procedures will be used where the outcome of an investigation indicates improper behaviour by a Council Employee.
- 4.6 Ignoring potential/possible fraud, including benefit fraud, may be construed as improper behaviour by a Council employee. If an employee has any suspicion, they should make appropriate officers aware, so that the matter can be investigated in accordance with the confidential reporting (Whistleblowing) policy.

The people to contact are:-

- your Manager
- your Director
- the Chief Executive
- The Director of Resources
- the Internal Audit Consortium Manager/Senior Auditor
- the Benefits Team

Where your own Manager is not available or you don't feel comfortable reporting to your own manager then you should contact another senior manager.

- 4.7 Causing or allowing a person to either make a false statement or declaration, or to fail to notify a change of circumstances is an offence under the law relating to the payment of benefit. Any employee / member involved is liable to prosecution.
- 4.8 Where financial impropriety is discovered, the Council's presumption is that the Police will be called in. Referral to the Police is a matter for the Chief Executive, in consultation with the Director of Resources and relevant Director. Referral to the Police will not prohibit and should not delay action under the Disciplinary Procedure.

5. **HOUSING BENEFIT AND COUNCIL TAX SUPPORT (Local Council Tax Reduction)**

- 5.1 Whilst encouraging genuine claimants to apply for benefit the Council has adopted a number of initiatives to detect and prevent fraudulent applications, such as: -
- checks at the start and during the life of a benefit claim;
 - A page on the Council's website that provides a range of information for reporting suspected fraud.
 - Publicity for a national fraud 'hotline' (0800 854440) and the reporting tool on the Department for Work and Pensions website together with details on the Council's website of other channels for reporting issues (www.gov.uk/report-benefit-fraud).
 - participation in all DWP sponsored or similar Data matching exercises, including National Fraud Initiative (NFI), Housing Benefit Matching Service (HBMS) and Real Time Information (RTI) to identify and investigate data irregularity;
 - internal data matching, payroll data to benefit data;
 - using computer links to the Department for Work and Pensions to check entitlements, to receive benefit notifications, and to check National Insurance numbers and other data;
 - having a prosecution policy for alleged council tax fraudsters;
 - undertaking land registry checks;
 - co- operating with the Department for Work and Pensions Single Fraud Investigation Service (SFIS) on the referring and investigation of potential Housing Benefit and associated social security benefit fraud.
 - Regular articles in 'Dales matters'.
 - The employment of a shared Revenues Counter Fraud Assistant
 - Resources allocated to the identification and correction of data inaccuracies or fraud associated with single person discount fraud on council tax liability
- 5.2 The Council has adopted a Policy to undertake the Prosecutions of persons who have committed criminal offences in obtaining council tax support to which they were not entitled.
- 5.3 Benefit staff receive training in fraud awareness. Codes of Conduct have been established for Benefits staff. These explicitly state that no employee should deal with any claimant who is a friend or family or get

involved in any case where they have a pecuniary interest, e.g. the claim is in respect of a property they own or for a member of their family.

6. GOVERNMENT GRANTS

6.1 Derbyshire Dales District Council will administer Government grants in accordance with guidance issued. Derbyshire Dales will ensure the safe administration of grants and measures such as pre- and post-payment checks will be put in place to mitigate against the risk of fraud. This will also include the use of the Government's checking tool, Spotlight. If any fraud is detected as attempted or actual it will be reported to the National Anti-Fraud Network (NAFA).

7. RAISING AWARENESS OF THIS POLICY STATEMENT

7.1 To be effective, it is essential that all staff and Members are aware of the existence of this Policy Statement. This will be achieved through a variety of means, such as inclusion on the Council's Internet and Intranet sites.

8. CONCLUSION

8.1 The Council has in place a clear set of systems and procedures to assist it in the fight against fraud and corruption.

8.2 The Council will maintain a continuous overview of such arrangements through the annual review of the Constitution and Financial Regulations / Procedures, various Codes of Conduct and audit arrangements.

7.3 This Policy Statement will be subject to periodic review to ensure its continued relevance.

October 2023



**ANTI-MONEY LAUNDERING POLICY
(INCORPORATING TERRORIST FINANCING
REQUIREMENTS)**

(October 2023)

DERBYSHIRE DALES DISTRICT COUNCIL

ANTI – MONEY LAUNDERING POLICY

1. Introduction

- 1.1 The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (MLR 2017) came in to force in June 17 and, for any offences committed after 26 June 2017, replace the Money Laundering Regulations 2007. The 2017 Regulations impact on certain areas of local authority business and require local authorities to establish internal procedures to prevent the use of their services for money laundering.

2. Purpose of the Policy

- 2.1 The legislative requirements concerning anti-money laundering procedures are lengthy and complex. This policy has been written to enable the Council to comply with the Proceeds of Crime (Anti-Money Laundering) Practical guidance for Public Service Organisations by the Chartered Institute of Public Finance and Accountancy (CIPFA) relating to the anti- money laundering regulations.
- 2.2 While all organisations are required to take appropriate steps to prevent money laundering local authorities do not undertake activities which have been identified as being high risk and the approach outlined is considered proportionate to what is considered to be a low risk to the Council and its employees. While the Council undertakes activities considered to be ‘low risk’ what constitutes money laundering is very widely defined and it is important that the Council takes appropriate steps to prevent money laundering.
- 2.3 The purpose of the Policy is to make all staff aware of the legislation and their responsibility under it including the consequence of non – compliance of the Policy.
- 2.4 Potentially any member of staff or elected 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.
- 2.5 Whilst the risk of the Council of contravening the legislation is low, it is extremely important that all employees are familiar with their legal responsibilities as serious criminal sanctions could be imposed for breaches of the legislation.

3. The Council's Obligations

- 3.1 Under the Legislation Organisations conducting “relevant Business” must:
- Appoint a Money Laundering Reporting Officer (“MLRO”) (Compliance and Nominated Officer) to receive disclosures from employees of money laundering activity; At DDDC this is the Director of Resources

- Implement a procedure to enable the reporting of suspicions of money laundering;
- Undertake enhanced client identification procedures if the money laundering risk is high e.g. if the transaction has no apparent economic or legal purpose;
- Maintain record keeping procedures.
- Undertake an assessment of the money laundering risk that the council is exposed to
- Train relevant employees on their anti-money laundering responsibilities

3.2 The Council has a ceiling of £10,000 on any one transaction.

4. Scope of the Policy

- 4.1 This Policy applies to all staff and elected members of the Council and aims to maintain high standards of conduct, by reducing the risk of criminal activity through money laundering. This policy sets out the procedures, which must be followed.
- 4.2 Failure by staff and elected members to comply with the procedures set out in this Policy may lead to a criminal offence being committed and disciplinary action being taken against them in the case of staff and investigation by the Monitoring Officer in the case of elected members. Any disciplinary action will be dealt with in accordance with the Council's Disciplinary Policy and Procedure or in the case of elected members the relevant committee.
- 4.3. Money laundering offences may be tried at a Magistrate's Court or in the Crown Court, depending on the severity of the suspected offence. Trials at the former can attract fines of up to £5,000, up to six months in prison, or both. In a Crown Court, fines are unlimited and sentences up to fourteen years in prison may be handed out. A defence is available if it can be shown that any knowledge or suspicion of money laundering was reported to the National Crime Agency and as a result that any resultant transaction was on hold until consent to proceed was given.
- 4.4 Managers must ensure that all staff are aware of this policy and their duties within it. The Monitoring Officer should ensure that elected members are aware of the policy.
- 4.5. The Anti Money Laundering Policy is part of the Council's Anti -Fraud and Corruption policy and Strategy and sits alongside its Confidential Reporting Code and Employees and elected members Code of Conduct.

5. What is Money Laundering?

- 5.1. Money laundering is a process by which the illegal proceeds of crime are converted into assets which appear to have a legitimate origin, so that they can be retained permanently or recycled into further criminal enterprises.

- 5.2. The source of money, either in cash, paper or electronic form (often referred to as “dirty money”) is disguised and given the appearance of being clean funds. These are normally used to hide the proceeds of serious criminal activities such as terrorism, drug smuggling, theft and fraud.
- 5.3. The money laundering legislation and regulations attempt to provide a preventative solution to this problem.
- 5.4. The broad definition of money laundering means that potentially anybody (and therefore any Council employee, irrespective of what Council business they are undertaking) could contravene the Regulations if they become aware of or suspect the existence of criminal property and continue to be involved in a matter which relates to that property without reporting their concerns.
- 5.5 Primary money laundering offences include:
- Concealing, disguising, converting, transferring criminal property or removing it from the UK
 - 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
 - Acquiring, using or processing criminal property

There are also two secondary offences:

- failure to disclose any of the three primary offences
- “tipping off” whereby somebody informs a person or persons who are, or who are suspected of being involved in money laundering, in such a way as to reduce the likelihood of their being investigated or prejudicing an investigation.

6. What is Terrorist Financing?

- 6.1 The Terrorism Act 2000 (as amended by the anti-terrorism Crime and Security Act 2001, the Terrorism Act 2000 and Proceeds Of Crime Act 2002 (Amendment) Regulations 2007) creates a money laundering offence under Section 18 whereby a person commits an offence if he or she enters into or becomes concerned in an arrangement which facilitates the retention or control by or on behalf of another person of terrorist property:
- by concealment
 - by removal from the jurisdiction
 - by transfer to nominees, or
 - in any other way.

7. Employee and elected member responsibility

- 7.1 Although the term ‘money laundering’ is generally used when describing the activities of organised crime - for which the legislation and regulations were first and foremost introduced - to most people who are likely to come across or be affected by it, it involves a suspicion that someone they know, or know of, is benefiting financially from dishonest activities.

- 7.2 Guidance for employees and elected members on their possible exposure to money laundering is attached at Appendix 1. This provides information on the types of activities where the Council may be subject to money laundering offences.
- 7.3 Employees and elected members should follow this policy in respect of all crimes, however small. The money laundering regime adopts an 'all crimes' approach and sets no lower limit below which suspected crimes should not be internally reported.
- 7.4 The offences may apply to a very wide range of more everyday activities within the Council. This could include for example, being complicit in crimes involving the falsification of claims, benefiting from non-compliance with the conditions attaching to a grant, retaining customer overpayments on a ledger or facilitating employment on which tax is not paid

8. Money Laundering Reporting Officer (MLRO)

- 8.1 All employees and elected Members are obliged to report any suspicion of money laundering or terrorist financing to the Council's nominated officer for anti-money laundering activities. The Council has nominated the Director of Resources as the Anti-Money Laundering Reporting Officer (MLRO). In the absence of the MLRO the Director of Corporate & Customer Services is authorised to deputise.
- 8.2 The Legal Section is available to give advice as required.
- 8.3 The Money Laundering Reporting Officer will receive staff disclosures on suspicions of money laundering and decide on disclosure to National Crime Agency (NCA).
- 8.4 The Money Laundering Reporting Officer is:
The Director of Resources
Town Hall
Bank Road
Matlock
Derbyshire
DE4 3GL
Tel: 01629 761284.

9. Disclosure Procedure

- 9.1 Reporting to the Money Laundering Reporting Officer
- 9.2 Enquiries can be made by an employee or elected member of the individual to establish whether or not there is an innocent explanation before deciding whether or not to make a disclosure to the MLRO. However, once you have reasonable grounds for knowing or suspecting that the individual is engaged in money laundering a report must be made and the suspected money launderer must not be informed of this. Under no circumstances must an employee do anything that may tip off the subject of the report that such report has been made.

9.3 Where you know or suspect that money laundering activity is taking/has taken place, or become concerned that your involvement in a matter may amount to a prohibited act under the legislation, you must disclose this as soon as practicable to the MLRO. This disclosure should be within “hours” of the information coming to your attention, not weeks or months later.

SHOULD YOU NOT DO SO, THEN YOU MAY BE LIABLE TO PROSECUTION.

9.4 Your disclosure should be made using the disclosure forms attached as **Appendix 2**. The report must include as much detail as possible, for example:

Full details of the people involved (including yourself if relevant) e.g. name, date of birth, address, company names, directorship, phone numbers etc. Full details of the nature of their/your involvement:

9.5 Once you have reported the matter to the MLRO you must follow any directions they may give. You **MUST NOT** make any further enquiries into the matter yourself: any necessary investigation will be undertaken by the National Crime Agency (NCA). Simply report your suspicions to the MLRO who will refer the matter to the NCA if they consider this appropriate. All members of staff will be required to co-operate with the MLRO and the authorities during any subsequent money laundering investigation.

10. Consideration of disclosure by the Money Laundering Reporting Officer

10.1 Upon receipt of a disclosure report (copy attached as Appendix 1) the MLRO must note the date of receipt on the section of the report and acknowledge receipt of it. They should advise you of the timescale within which they expect to respond to you.

10.2 The MLRO will consider the report and any other available internal information they think relevant: e.g.

- Reviewing other transaction patterns and volumes
- The length of any business relationship involved
- The number of any one-off transactions and linked one-off transactions
- Any identification evidence held

10.3 And undertake such other reasonable inquiries they think appropriate in order to ensure that all available information is taken into account in deciding whether a report to the National Crime Agency (NCA) is required (such enquiries being made in such a way as to avoid any appearance of tipping off those involved). The MLRO may also need to discuss the report with you.

10.4 Once the MLRO has evaluated the disclosure report and any other relevant information, they must make a timely determination as to whether:

- There is actual or suspected money laundering taking place; or
- There are reasonable grounds to know or suspect that this is the case; and
- Whether he needs to seek consent from the NCA for a particular transaction to proceed.

- 10.5 All disclosure reports referred to the MLRO and reports made by him to the NCA must be retained by the MLRO in a confidential file kept for that purpose for a minimum of 5 years.
- 10.6 The MLRO commits a criminal offence if he knows or suspects, or has reasonable grounds to do so, through a disclosure being made to him, that another person is engaged in money laundering and he does not disclose this as soon as practicable to the NCA.
- 10.7 Where money laundering is suspected the MLRO will report to the National Crime Agency and also notify the Head of the Internal Audit Consortium, and the Monitoring Officer.
- 10.8 To ensure the Council minimises the risk of tipping off and to minimise any reputational damage should the suspicion be unfounded, the confidentiality of the matter will be respected at all times. The MLRO will only inform anyone of the suspicion where there is a genuine business need.
- 10.9 In some cases it may be necessary to seek approval from the National Crime Agency before the Council can undertake any further activity in respect of the transaction. Where the MLRO has made such a referral to the National Crime Agency, they will notify the person raising the concern and again inform the individual when the Agency has provided permission for the transaction to proceed.
- 10.10 If a request for consent has been made to the National Crime Agency, no action should occur for a period of 7 days or until the Agency gives consent. If this results in a transaction having to be deferred or delayed, it should be carefully handled to ensure that the customer is not tipped off as to the money laundering concern.
- 10.11 After 7 days if the National Crime Agency does not notify otherwise, they are deemed to have given their consent to the transaction. If the Agency instead notifies they refuse to give consent, they have a further 31 calendar days to take action. A moratorium period of 31 days starts on the day the Council receives the refusal notice. During this period the Council cannot proceed with the matter for which the consent was applied. At the expiry of the 31 days if nothing has been heard, the Agency is deemed to have consented to the request and the Council can proceed.

11. Employee Awareness and Training

- 11.1 In support of this policy, the Council will:
- Make all staff aware of the requirements and obligations placed on the Council and on themselves as individuals by the anti-money laundering legislation; and
 - Give targeted training to those most likely to encounter money laundering.

- 11.2 It is not necessary for all staff to have a detailed knowledge of what constitutes a criminal offence under the legislation. Those who are most likely to encounter money laundering should read this policy as it documents what procedures are in place to help prevent money laundering and informs them of their personal responsibilities and possible liabilities as individuals.
- 11.3 The Council does not have any areas of activity that are considered to be especially vulnerable to money laundering. This is supported by the fact that local authorities are not included as a 'relevant person' in the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 and are therefore not covered by those regulations.
- 11.4 Any managers who believe they have identified any especially vulnerable areas should first consult the Money Laundering Reporting Officer. If agreed, more targeted training to the employees should then be delivered.

12. **Restricted or Regulated Activities**

12.1 This policy requires certain activities to be regulated or restricted as follows:

12.1.1 Undertaking Investment Activities for a Third Party. In making investment arrangements, the Council should not act as a principal or agent in, or an arranger of, investment activities for a third party, without prior authority from the MLRO, as such activities might be interpreted as being a regulated activity and expose the Council to additional money laundering regulations. This excludes the investments of trust and charitable funds and the placing of cash deposits for other local authorities, as such activities in the Chartered Institute of Public Finance and Accountancy's view, would not be interpreted as being 'by way of business'.

12.1.2 Receiving High Value Cash Receipts. For the purpose of preventing money laundering:

- Cash receipts of £10,000 or more should not be accepted. 'Cash' includes notes, coins or travellers' cheques in any currency. It is not appropriate for payment of a balance owed to the Council to be sub-divided into smaller cash receipts to circumvent this limit, whatever the purpose of the payment. Any attempts to do this should be reported to the MLRO as suspicious activity.
- If money offered in cash is £5,000 or more, then the payment must not be accepted until the employee has received guidance from the MLRO or their deputy.
- The Council in the normal operation of its services, accepts payments from individuals and organisations. For all transactions under £5,000, no action is required unless the employee has reasonable grounds to suspect money laundering activities, proceeds of crime or is simply suspicious.

12.1.3 Refunds

A significant overpayment of an amount owed which results in a repayment, should be properly investigated and authorised as not suspicious, before repayment is made.

12.1.4 Structuring of Agreements

Advice from the MLRO should be sought in structuring agreements relating to the following activities, if undertaken on behalf of third parties. Such activities might be interpreted as being a regulated activity and expose the Council to additional money laundering regulations:

- Advice about tax affairs;
- Accountancy services;
- Audit services;
- Legal services which involve participation in a financial or real property transactions; and
- Services which involve the formation, operation or management of a company.

13 CIPFA's Treasury Management Code

- 13.1 Treasury management activities and the legal and best practice requirements relating to them (including money laundering), are subject to the provisions of CIPFA's Treasury Management: Code of Practice. This document is legally enforceable in local authorities.

The types of activities that may be affected by money laundering

The following table sets out the types of activities that might be suspicious and how the Council may come across those activities. It is not intended to be exhaustive and just because something you are suspicious about is not on the list, it doesn't mean you shouldn't report it.

Activity	The types of activity that may be affected
New customers with high value transactions	<ul style="list-style-type: none"> • Selling property to individuals or businesses • Renting out property to individuals or businesses • Entering into other lease agreements • Undertaking services for other organisations
Secretive clients	<ul style="list-style-type: none"> • 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 funding was used for
Customers who we think are acting dishonestly or illegally	<ul style="list-style-type: none"> • People paying for Council services who do not provide details about themselves • People making odd or unusual requests for payment arrangements
Illogical transactions	<ul style="list-style-type: none"> • People paying 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 in foreign currencies for no apparent reason
Payments of substantial sums by cash	<ul style="list-style-type: none"> • Large debt arrears paid in cash • Refunding overpayments • Deposits/payments for property <p>If money offered in cash is £5,000 or more then the payment must not be accepted until the employee has received guidance from the MLRO or Deputy. For transactions under £5,000 no action is required unless the employee has reasonable grounds to suspect money laundering activities, proceeds of crime or is simply suspicious.</p>
Movement of funds overseas	<ul style="list-style-type: none"> • Requests to pay monies overseas, potentially for 'tax purposes'
Cancellation of earlier transactions	<ul style="list-style-type: none"> • Third party 'refunds' grant payment as no longer needed/used • No payment demanded even though good/service has been provided • Sudden and unexpected termination of lease agreements
Requests for client account details outside normal course of business	<ul style="list-style-type: none"> • Queries from other companies regarding legitimacy of customers • Council receiving correspondence/information on behalf of other companies

Extensive and overcomplicated client business structures/arrangements	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • Requests for grant funding/business support, indicates third party 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 investments or transactions	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • Property transactions where the Council is with several different parties

STRICTLY CONFIDENTIAL

Report to: Money Laundering Reporting Officer (MLRO)

Re: money laundering activity suspicion

To:, DDDC Money Laundering Reporting Officer

From:

Name.....Post.....
[Insert name of employee or elected member and post title]

Service:

Tel No/E Mail address:
[Insert service area and contact details]

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]

[Please continue on a separate sheet if necessary]

Nature, value and timing of activity involved:
[Please include full details e.g. what, when, where, how]

[Please continue on a separate sheet if necessary]

Nature of suspicions regarding such activity:

[Please continue on a separate sheet if necessary]

Have you discussed your suspicions with anyone else?

[Please tick the relevant box]

Yes

No

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

[Please continue on a separate sheet if necessary]

Has any investigation been undertaken (as far as you are aware)?

[Please tick the relevant box]

Yes

No

If yes, please include details below:

[Please continue on a separate sheet if necessary]

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

[Please continue on a separate sheet if necessary]

DECLARATION:

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?

[Please tick the relevant box] Yes No

If yes, please confirm date of report to NCA:and complete the box below:

Details of liaison with the NCA regarding the report:
Notice Period: To
Moratorium Period: To

Is consent required from the NCA to any ongoing 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 NCA:

Date consent given by you to employee or elected member:

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

[Please set out any reasonable excuse for non-disclosure]

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

Other relevant information:

Signed:.....Dated:.....

THIS REPORT IS TO BE RETAINED FOR AT LEAST FIVE YEARS

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Derbyshire Dales District Council Equality Impact Assessment



Please refer to the guidance whilst completing this form.

Please contact Claire Allen [Claire.allen@derbyshiredales.gov.uk or 01269 761240] for support.

1. Outline

Information required	Detail
a. Title of policy, practice, service or function being assessed	Anti-Fraud, Bribery and Corruption Strategy (including Anti-Money Laundering Policy) October 2023
b. Links to Service and/or Corporate Plan Ref/s	The maintenance of an up-to-date Anti-Fraud, Bribery and Corruption Strategy contributes to the Council's core values of being open and transparent when making decisions and using public resources ethically and responsibly.
c. Name and Role of Officers conducting assessment	Karen Henriksen, Director of Resources
d. Date of assessment	October 2023
e. Reason for assessment	A review of the current Strategy has taken place. Approval for an updated strategy is to be sought from the Governance & Resources Committee on 2 November 2023. No significant changes from the current version are proposed but there is no evidence of an EIA for current/earlier versions of the strategy.

Information required	Detail
	The review is an opportunity to promote the Council's key messages within the Anti-Fraud, Bribery and Corruption Strategy to all employees and elected members.
f. What is the purpose of this policy, practice, service or function? (specify aims and objectives)	The Anti-Fraud, Bribery and Corruption Strategy (including Anti-Money Laundering Policy) is designed to: - <ul style="list-style-type: none"> • provide a clear statement of values in relation to these issues; • encourage prevention; • promote detection, • act as a deterrent; and • set out a clear approach for investigation of any concerns, complaints etc.
g. Are there any other organisations involved in its implementation?	The Council expects all partners in both public and private sectors to establish robust and transparent governance arrangements. Partner organisations that deliver council services (such as Chesterfield BC who delivers the revenues and benefits service) will be expected to comply with the Strategy.
h. Likely customer groups to be impacted	The strategy will mainly benefit employees of DDDC and relevant partner organisations by giving them a clear set of guidelines to follow and an understanding of their responsibilities in relation to the reporting of fraud, bribery and corruption. Elected members at DDDC will also benefit.
i. Other stakeholders likely to be impacted	Elected members Employees Organisations associated with the Council
Which District Council departments are affected by the policy, practice, service or function?	All

Information required	Detail
Do any of the objectives directly support or hinder another Council activity?	No

2. Assessing Relevance to the General Equality Duty

The General Equality Duty has three aims which require the District Council to have due regard to the need to:	Tick those which are relevant ✓
1. Eliminate unlawful discrimination (both direct or indirect), harassment and victimisation	✓
2. Advance equality of opportunity between all persons by <ul style="list-style-type: none"> • removing or minimising disadvantages suffered by protected groups; • taking steps to meet the needs of people from protected groups where these are different from the needs of other people • encouraging people from protected groups to participate in public life or other activities where participation is disproportionately low 	
3. Foster good relations between different groups	

3. What existing information / data do you have / monitor about different diverse groups in relation to this policy, practice, service or function?

For example: previous EIA's, reports, consultation, surveys, demographic data etc.

Information / Data	Data source and date	Information relevant to proposed policy/service/function
Derbyshire Dales District Council currently has 226 employees and 34 elected members.		

4. Consultation and engagement

4a. if no consultation has taken place OR is unnecessary, please explain why.

Public consultation is not required, as this is an internal policy.
--

4b. Add the results of any completed consultation and how it has/will inform the development of the policy/service.

Who <u>did</u> you consult with?	How and when	Outcomes/Results	Implications and amendments as a result of consultation
N/A			

4c. Add consultation plans and results here

Think about who the stakeholders are? How will you gather their views? By when?

Remember to complete a Consultation Proposal form to access support and refer to the guides – everything you need is here

<X:\Partnerships and Projects\Consultation All Directorates\Strategies Guidance Resources>

Who <u>will</u> you consult with?	How and When	Results	Implications and amendments as a result of consultation
N/A			

5. Based on the evidence above, does the policy, practice, service or function have a positive or negative impact on any protected group(s)?

Protected groups	Positive effects	Negative effects	No Impact	Potential Improvement Actions
Age			✓	
Disability or long-term ill heath Physical disabilities, sensory impairments, limiting long-term illnesses, learning disabilities or mental health issues			✓	
Race / ethnic groups			✓	
Women or men			✓	
Sexual orientation			✓	
Religion or belief (including non-belief)			✓	
Transgender (including people planning to or going through gender reassignment)			✓	
Pregnancy and maternity (including maternity and paternity leave)			✓	
Marital status (including civil partnership & same sex marriage)			✓	

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5a. Are there any local priority groups / factors which should be considered?

Other factors	Positive effects	Negative effects	Improvement actions
Rural areas	N/A		
Poverty / deprivation	N/A		

6. Commissioned / outsourced services

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Is your policy, practice, service or function partly or wholly provided by any external organisation / agency?	Yes, Chesterfield Borough Council delivers the revenues and benefits service and are expected to comply with this policy under the terms of the Service Level Agreement.
If yes, please list any contractual or other arrangements which aim to ensure that the provider promotes equality and diversity (e.g., <i>monitoring data</i>)	<p>The Revenues and Benefits Service Level Agreement between Derbyshire Dales District Council and Chesterfield Borough Council includes the following in the list of relevant policies:</p> <ul style="list-style-type: none"> • Anti-Fraud, Bribery and Corruption Strategy (including Money Laundering Policy) • Equality and Diversity Policy • Procurement Equalities Policy.

7. Summary

Use this space to summarise key data and its implications, the key issues to be addressed, potential actions to address them and any other points relevant to the Policy/service.

The updated strategy is not anticipated to have a disproportionate impact on any protected group.

The application of the strategy affects two broad categories of people – employees and external individuals. The policy deals with the Council's approach to members of staff who commit fraud. In taking formal action against staff as a result of a fraud investigation, we are bound by the disciplinary process. The policy also deals with the approach to customers, suppliers and others who defraud the Council, such as those applying for Housing Benefit or Council Tax Support. In undertaking external investigation, we are bound by the Police and Criminal Evidence Act and the Criminal Procedure and Investigations Act. There is nothing in the framework that suggests particular groups would be adversely affected by the Strategy as the decision-making which arises from the framework is based on factors which have no relevance to age, race, gender, sexual orientation, religious belief or disability. For example, the decision to take prosecution action against an individual is based upon evidential and public interest tests.

However, it is acknowledged that when conducting investigations into benefit claimants, those in receipt of council tax support or other service users, it could be argued that certain groups are worse financially off than others and therefore it could be argued that they are more likely to claim benefits or support or to use such services and hence more likely to be investigated.

This potential for bias has been recognised and can be mitigated by evidential tests being undertaken by the investigating officer and by a more senior officer reviewing each case using objective criteria such as the potential value of the fraud and the standard of evidence available.

8. Improvement Plan

Key issues identified	Actions
N/A	

PLEASE FORWARD THE COMPLETED FORM TO THE POLICY MANAGER / POLICY OFFICER (Consultation & Equalities)

51

Signed: *Karen Henriksen* Director of Resources (Completing Officer)

13 October 2023

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Agenda Item 7

THIS IS AN OPEN REPORT EXCEPT FOR APPENDIX 3, WHICH IS NOT FOR PUBLICATION – Exempt information as described in paragraphs 3 and 7 of Schedule 12A of the Local Government Act 1972

GOVERNANCE AND RESOURCES COMMITTEE

Governance and Resources 2nd November 2023

Internal Audit Progress Update 2023/24

Report of the Director of Resources

Report Author and Contact Details

Jenny Williams – Head of the Internal Audit Consortium
Telephone: 01246 959770
Email: jenny.williams@chesterfield.gov.uk

Wards Affected

District Wide

Report Summary

This report is to present for members' information a progress update in respect of the 2023/2024 Internal Audit Plan. The report includes a summary of internal audit reports issued since the last meeting of this committee and an update on the implementation of internal audit recommendations.

Recommendation

That the report be received and noted.

List of Appendices

Appendix 1 Internal Audit Reports Issued 2023/24

Appendix 2 Progress on the 2023/24 Internal Audit Plan

Appendix 3 Implementation of Internal Audit Recommendations. **This appendix is NOT FOR PUBLICATION as it contains exempt information as described in paragraphs 3 and 7 of Schedule 12A of the Local Government Act 1972**

Background Papers

None

Consideration of report by Council or other committee

Not Required

Council Approval Required

No

Exempt from Press or Public

No

Progress Update on the 2023/24 Internal Audit Plan

1. Background

- 1.1 The 2023/24 Operational Audit Plan was approved by the Governance and Resources Committee on the 8th March 2023. The plan provides a framework by which service functions are reviewed to test and report on the adequacy and effectiveness of the governance, risk and control arrangements in place.
- 1.2 This report details the results of the internal audit reviews undertaken since the last meeting and a review of the progress made on the 2023/24 internal audit plan and in respect of implementing internal audit recommendations.

2. Report

- 2.1 Recruitment difficulties meant that very little of the 2022/23 Internal Audit plan was completed however, a Senior Auditor commenced at the end of May 2023 and an Auditor in July 2023.
- 2.2 Progress against the 2023/24 plan and whether it is still achievable has been assessed. It is currently anticipated that most of the plan will be completed so the plan has not been revised at this point in time. However, it should be noted that the contingency days have been fully utilised, so it is critical that the Auditors are not diverted to other work if an unlimited audit opinion is to be given at the year end.
- 2.3 Attached, as Appendix 1, is a summary of reports issued to date in respect of the 2023/24 financial year. The Appendix shows for each report the level of assurance given in respect of the audit area examined and the number of recommendations made / agreed where a full response has been received.
- 2.4 The table below provides the meaning of the assurance levels that can be awarded in terms of risk and control.

Assurance Level	Definition
Substantial Assurance	There is a sound system of controls in place, designed to achieve the system objectives. Controls are being consistently applied and risks well managed.
Reasonable Assurance	The majority of controls are in place and operating effectively, although some control improvements are required. The system should achieve its objectives. Risks are generally well managed.
Limited Assurance	Certain important controls are either not in place or not operating effectively. There is a risk that the system may not achieve its objectives. Some key risks were not well managed.
Inadequate Assurance	There are fundamental control weaknesses, leaving the system/service open to material errors or abuse and exposes the Council to significant risk. There is little assurance of achieving the desired objectives.

- 2.5 This period, two reports have been issued both with Reasonable Assurance.
- 2.6 In respect of the audits being reported, no fraud was identified.
- 2.7 Attached at Appendix 2 is a summary of progress made on the 2023/24 internal audit plan overall.

IMPLEMENTATION OF INTERNAL AUDIT RECOMMENDATIONS

- 2.8 Attached at Appendix 3 is a summary of made, implemented and overdue internal audit recommendations as at the end of September 2023. There are 25 recommendations where implementation has either not started or is in progress (2 High priority 10 Medium priority and 13 Low priority recommendations). The appendix provides a current update from managers in respect of each outstanding recommendation where provided.

3 Options Considered and Recommended Proposal

- 3.1 N/A

4 Consultation

- 4.1 No public consultation is required.

5 Timetable for Implementation

- 5.1 N/A

6 Policy Implications

- 6.1 Audit reviews help to ensure that the Council's resources and priorities are focused on achieving the objectives within the corporate plan and that there are appropriate governance, risk and control arrangements in place.

7 Financial and Resource Implications

- 7.1 There are no financial implications arising from this report.

8 Legal Advice and Implications

- 8.1 Internal Audit provides a valuable service in reviewing procedures and processes against high standards of governance. Recommendations arising from specific reports help the organisation to learn, improve and mitigate risk. There are no specific legal considerations arising from this report.

9 Equalities Implications

- 9.1 There are no equalities implications arising from this report.

10 Climate Change Implications

- 10.1 There are no climate change implications arising from this report.

11. Risk Management

- 11.1 Audit reviews provide assurance that governance, risk and control arrangements are in place and operating. The timely implementation of internal audit recommendations reduces the risk of fraud, error and system failure.

Report Authorisation

Approvals obtained from:-

	Named Officer	Date
Chief Executive	Paul Wilson	24/10/2023
Director of Resources/ S.151 Officer (or Financial Services Manager)		
Monitoring Officer (or Legal Services Manager)	Kerry France	24/10/2023

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Internal Audit Reports Issued in respect of the 2023/24 Internal Audit Plan

Report Ref.	Report Title	Scope and Objectives	Overall Opinion	Date		Number of Recommendations	
				Report Issued	Response Due	Made	Accepted
D001	Council Tax	To ensure that bills are raised promptly and accurately and that there are adequate debt collection procedures in place.	Reasonable	17/07/23	07/08/2023	7 (3M 4L)	Note 1
D002 59	Housing Benefits / Council Tax Support	To ensure that payments are prompt and accurate.	Reasonable	19/09/2023	10/10/2023	5 (3M 2L)	Note 2

Note 1 – Response not received at time of writing Report.

Note 2 – Response not due at time of writing Report

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DDDC Internal Audit Plan 2023/24

Complete
In Progress
Ongoing throughout the year

Priority	Main Financial Systems	<u>2023/24</u> <u>Days</u>
H/M	Main Accounting System	9
H/M	Budgetary Control	5
H/M	Cash and Bank	15
H/M	Treasury Management	15
H/M	Council Tax	10
H	Housing / Council Tax Benefit	20
	Total Main Financial Systems	74
	Other Operational Audits	
H/M	Asset Management	12
M/L	Energy Grants	5
L	Expenses and Allowances	10
L	Illuminations	2
L	Parks	5
H	Refuse Collection	15
M/H	Transport/plant/vehicles/fuel	12
	Total Other Operational Audits	61
	Corporate/Cross Cutting	
M	Corporate Targets	10
H	Climate Change	10
H/M	Data Protection	12
M	Business Continuity	10
M	Ethics	12
H	Follow up Previous Recommendations	10
L	Freedom of Information	8
M	Health and Safety	12
H	Procurement	10

	Total Corporate/Cross Cutting	94
	IT Systems	
M	Laptops / Removable Media	10
	Total IT Systems	10
	Fraud and Corruption	
N/A	National Fraud Initiative	1
	Total Fraud and Corruption	1
	Other	
	Contingency	62
	Financial Advice/Working Groups	25
	Total Other	87
	Management Time (Head of IA Consortium)	30
	Grand Total	357

By virtue of paragraph(s) 3, 7 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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Agenda Item 8

OPEN REPORT GOVERNANCE AND RESOURCES COMMITTEE

Governance and Resources Committee – 2 November 2023

ARREARS FOR WRITE OFF 2023/24

Report of the Director of Resources

Report Author and Contact Details

Karen Henriksen – Director of Resources

01629 761284 or karen.henriksen@derbyshiredales.gov.uk

Wards Affected

District-wide

Report Summary

This report provides information about debtor write offs authorised by the Director of Resources under delegated authority in accordance with the Council's Financial Regulations and seeks approval for the write off individual debts of £10,000 or more in accordance with the Council's Financial Regulations.

Recommendation

That the individual debts of £10,000 or more listed in Appendix 1 totalling £80,136.38 be approved for write off.

List of Appendices

Appendix 1: Schedule of proposed write offs

Background Papers

None

Consideration of report by Council or other committee

No

Council Approval Required

No

Exempt from Press or Public

No

Arrears for write off 2022/23

1 Background

- 1.1 Under regulation 5.2.12 of the Council's Financial Regulations, authority is delegated to the Director of Resources to write-off individual debts up to £10,000. Under the scheme of delegation to officers the Director of Resources also has authority to write off any arrears that have been caused by an officer error. This report details those debts of £10,000 or more for which authorisation to write-off is required from this Committee under regulation 5.2.12 of the Financial Regulations.
- 1.2 This mid-year report for 2023/24 covers arrears relating to council tax, non-domestic rates, housing benefit overpayments and sundry debts.
- 1.3 The debts detailed in this report have been pursued through all appropriate methods of recovery open to the Council. The [Revenues Debt Recovery Policy](#) was last approved in 2016 but is currently under review. It shows the approach taken to recovery for each type of debt. It is considered that any further action attempted at recovering the debts proposed for write off would be likely to incur additional expenses to the Council without the prospect of payment. As such, where these individual debts are for £10,000 or more, they are referred to this Committee for approval to write them off.
- 1.4 It should be noted that any debt will be reinstated where further information subsequently comes to light that allows further recovery action to be pursued.
- 1.5 Accounts submitted for write-off generally fall into one of the following categories:
 - Amounts remitted by the Magistrates Court (or where the Court has refused to grant a Liability Order)
 - Amounts where the debtor is bankrupt, insolvent, has entered into an Individual Voluntary Arrangement (IVA), has a Debt Relief Order (DRO) or is a company In Administration where there is no prospect of payment;
 - Amounts where the debtor has died and there are insufficient funds in their estate
 - Amounts where the debtor has absconded or gone abroad and cannot be traced
 - Amounts where it has become uneconomic to pursue the debt
 - Amounts for which the debtor has served a prison sentence;
 - (Very rarely) Amounts where there has been an officer error.
- 1.6 The Chartered Institute of Public Finance & Accountancy (CIPFA) recommends that it is good practice to identify debts that are unlikely to be paid and to account for them in the accounts as soon as possible.

2. Key Issues

- 2.1 The position as at 30 September 2023 is summarised in the table below. There are four proposed write offs for individual debts of £10,000 or more that require the committee's approval on this occasion. All of these relate to non-domestic rates.

Table 1: Write offs summary 2023/24 as at 30 September 2023

	Council Tax Arrears £	Non- Domestic Rates Arrears £	Housing Benefit Overpay- ment Arrears £	Sundry Debtors Arrears £	Total £
Amounts of less than £10,000 written-off under delegated authority from 1 April 2023 to 30 September 2023	38,582.70	88,732.07	15,754.06	0.00	143,068.83
Amounts of £10,000 or more to be considered by Governance & Resources Committee on 2 November 2023 (see Appendix 1)	0.00	80,136.38	0.00	0.00	80,136.38
Amounts of £10,000 or more relating to officer error and written-off under delegated authority	0.00	0.00	0.00	0.00	0.00
Total	38,582.70	168,868.45	15,754.06	0.00	223,205.21
Provision for Doubtful Debts 01/04/23	479,317.28	72,577.00	58,383.84	41,841.69	652,119.81
Total written-off in 2018/19	67,368.90	70,867.00	28,506.67	79,227.41	245,969.98
Total written-off in 2019/20	67,881.04	158,714.00	44,363.24	10,799.92	281,758.20
Total written-off in 2020/21	106,558.55	21,576.00	4,512.15	1,900.12	134,546.82
Total written-off in 2021/22	148,867.31	60,968.00	46,601.76	1,743.61	258,180.68
Total written-off in 2022/23	36,050.16	19,789.29	19,930.78	13,779.04	89,549.27

2.2 Officer comment

Most write offs in 2023/24 relate to cases involving bankruptcy, insolvency, debt relief orders, where payers are deceased or have left with no trace or where debts are uneconomic to pursue.

Council Tax

- 2.3 No write offs are proposed in this report for individual council tax debts of £10,000 or more. The 2023/24 Council Tax net collectable debit is currently in the order of £65m. The amount of £38,582.70 shown in table 1 above for write offs represents 0.06% of this amount and is well within the impairment provision in the Council's accounts, which stood at £479,317 on 31 March 2023. The write offs in this report cover several financial years.
- 2.4 Irrecoverable council tax is shared between the district council and major preceptors. For 2023/24 Derbyshire Dales District Council meets 14% of the amounts written off.
- 2.5 Council tax collections for 2020/21, 2021/22 and 2022/23 are below target as payments have been impacted by the coronavirus pandemic and the 'cost of living' crisis. The Council took the decision to take a "light touch approach" to debt recovery during the pandemic, wishing to support residents and businesses through this difficult time. Debt recovery action was suspended in 2020/21 and the early months of 2021/22. From the July 2021 the revenues team were able to send reminders to non-payers. The first available Magistrates Court Hearings were in September 2021. The collection rates for 2020/21 to 2022/23 are continuing to improve but, because of the delays in being able to take higher level recovery action, collection rates for these financial years might not reach the usual targets by 31 March 2024. However, the arrears will continue to be actively collected beyond that date (as with all arrears).

Table 2: % of council tax and non-domestic rates debt collected to 30 September 2023

Year	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24 To 30 Sept.*
Council Tax Target	99.3%	99.3%	99.3%	99.3%	99.3%	61.5%
Council Tax Actual	99.7%	99.5%	99.1%	98.9%	98.4%	61.5%
Non-Domestic Rates Target	98.2%	98.2%	98.2%	98.2%	98.2%	59.1%
Non-Domestic Rates Actual	98.9%	99.0%	98.7%	98.9%	98.3%	58.4%

*Targets for 2023/24 have been adjusted to reflect a 6-month collection period to 30 September 2023 (based on in-year collections in 2018/19 & 2019/20 i.e. pre-covid).

Non-domestic rates

- 2.6 Four individual debts of £10,000 or more relating to non-domestic rates are proposed for write off in this report. These proposed write offs are shown in Appendix 1 and total £80,941.11. The 2023/24 Non-Domestic Rates net collectable debit is currently in the order of £16.7m. The amount of £168,868.45 shown in table 1 for write offs represents 1% of this amount. The write offs in

this report cover several financial years.

- 2.7 Non-domestic rates collections for previous years are now back on track following the decision to take a “light touch approach” to debt recovery, which applied until August 2021. This was helped in part by additional rate reliefs, such as government-funded ‘Covid rate reliefs’, which reduced the net debit collectable by around £8m (44%) in 2020/21 and £5m (28%) in 2021/22.
- 2.8 Non-domestic rates collections for 2023/24 are slightly under target at 30 September but this is mainly due to one large public sector body who usually pays its rates bill in full in September each year. This year payment has been delayed, which has distorted the collection rate as at 30 September. It is expected that recovery action will mean that a payment is received soon, and the in-year collection rate will be back on track. Performance against targets is monitored monthly.
- 2.9 Irrecoverable Non-Domestic Rates are shared between central government and local government under the Business Rates Retention Scheme. For 2023/24, Derbyshire Dales District Council meets 40% of the amounts written off.

Housing benefit overpayments

- 2.10 No write offs are proposed in this report for housing benefit overpayments over £10,000. At the time of writing this report there have been 24 cases for write off authorised under delegated authority in this financial year, totalling £15,754.06, which is well within the provision of £58,384.
- 2.11 The reasons for housing benefit overpayment write offs approved so far this financial year are given in table 3 below. The most common reason for write off so far in 2023/24 is “Debtor deceased (with no estate)”, with 7 cases and write offs totalling £1,683.39 (the average amount of write off in this category being £240.48).

Table 3: Reasons for the housing benefit overpayments write offs approved 1 April 2023 to 18 October 2023:

	<u>No</u>	<u>£</u>
Absconded	5	£2,526.85
Recovery exhausted	3	£2,533.00
Debtor deceased (no estate)	7	£1,683.39
Uneconomical to recover	5	£8.27
Debt Relief Order	1	£4,533.60
IVA	2	£4,456.95
Discretionary Housing Payments	1	£12.00
	24	Total £15,754.06

- 2.12 The arrears outstanding at 1 April 2023 was £568,978. At 30 September 2023 the arrears outstanding had reduced to £545,869 (before the write offs in table 3 had been actioned). The fact that the balance of arrears continues to reduce

demonstrates that recovery action by the Benefits Overpayments Officer continues to be effective. Arrears outstanding at 31 March 2017 (when the appointment was approved) amounted to £1,132,755.

- 2.13 Members should note that recovering housing benefit overpayments from people on low incomes is very difficult, especially at the time of a cost-of-living crisis. Payment arrangements need to be reasonable and affordable for debtors and it can take several years to fully recover a debt in some cases.

Sundry debts

- 2.14 There have been no requests for write offs relating to sundry debts so far in 2023/24. The net collectable debt for sundry debts in 2022/23 was £5.5m; £2.9m has been raised for 2023/24 up to 30 September 2023. There is £41,842 in the provision for impairment, which will be reviewed at the year-end.

3. Options Considered and Recommended Proposal

- 3.1 The Committee could choose not to write off the arrears in some or all of the cases shown in Appendix 1. Given that officers have exhausted debt recovery in these cases, not writing them off would be contrary to CIPFA advice (see above).

4. Consultation

- 4.1 No consultation is required.

5. Timetable for Implementation

- 5.1 Subject to approval of the report recommendations, the write offs will be actioned as soon as possible following the publication of the minutes of the meeting.

6. Policy Implications

- 6.1 The debts detailed in this report have been pursued through all appropriate methods of recovery open to the Council. The [Revenues Debt Recovery Policy](#) shows the approach taken to recovery for each type of debt. This policy is currently under review; a revised Debt Recovery will be presented to this committee for approval in due course.

7. Financial and Resource Implications

- 7.1 The Council has established provisions for doubtful debts, as set out in table 1 in paragraph 2.1. The amounts written off or proposed in 2023/24 total £223,205.21 and are within the overall budgetary provision of £652,120. The financial risk is assessed as “medium”.

8. Legal Advice and Implications

- 8.1 This report provides information about debtor write offs authorised by the Director of Resources under delegated authority in accordance with the Council's Financial Regulations and seeks approval for the write off of individual debts of £10,000 or more in accordance with the Council's Financial Regulations.
- 8.2 The Director of Resources is acting in accordance with powers delegated to her under Section 151 of the Local Government Act 1972.
- 8.3 The Council has a duty to pursue all monies owed to it and the write offs are to enable the District Council to finalise its accounts for the year. It will use the appropriate legal powers available to it to recover the sums due.
- 8.4 The Legal risk connected to the decision making contained in this report has been assessed as low.

9. Equalities Implications

- 9.1 There are no equalities implications for this report. It is clear that effort is made to ensure people on low incomes are given reasonable and affordable ways to repay debts.

10. Climate Change Implications

- 10.1 There are no climate change implications arising from the recommendations of this report.

11. Risk Management

- 11.1 Financial and legal risks have been assessed above.
- 11.2 The Council is expected to have a sound policy and financial regulations in place to cover the collection of debts and arrangements for write offs. Failure to comply with these would amount to a reputational risk.

Report Authorisation

Approvals obtained from:-

	Named Officer	Date
Chief Executive	Paul Wilson	23/10/2023
Director of Resources/ S.151 Officer (or Financial Services Manager)	Karen Henriksen	23/10/2023
Monitoring Officer (or Legal Services Manager)	Kerry France	23/10/2023

Appendix 1: Schedule of Proposed Write Offs (individual debts of £10,000 or more)

Non-Domestic Rates Write Offs

Reference	Business Type	Reason for Write off	Amount	Period of charge
70164088	Retail	Liquidation	£14,592.81	2016-2023
70170809	Construction	Company Dissolved	£44,347.30	2017-2021
70198210	Community Interest Company	VOA Backdating Restriction & Insufficient Funds	£10,752.48	2018 - 2022
70198203	Community Interest Company	VOA Backdating Restriction & Insufficient Funds	£10,443.79	2018 - 2021

Total: Non-Domestic Rates £80,136.38

Total for individual write offs of £10,000 or more £80,136.38



Agenda Item 9

**OPEN REPORT
GOVERNANCE AND RESOURCES COMMITTEE**

Governance and Resources Committee – 2 November 2023

ANNUAL REPORT ON THE REGULATION OF INVESTIGATORY POWERS ACT (RIPA)

Report of the Director of Corporate and Customer Services (Monitoring Officer)

Report Author and Contact Details

Kerry France, Legal Services Manager
01629 761152 or kerry.france@derbyshiredales.gov.uk

Wards Affected

District-wide

Report Summary

To provide the annual report on the Council's use of RIPA and any related matters.

Recommendations

1. That the Annual Report on the Council's use of the Regulation of Investigatory Powers Act be accepted and approved.
2. That the Regulation of Investigatory Powers Act (RIPA) Policy be amended as detailed within the report.

List of Appendices

None

Background Papers

Home Office Codes of Practice on Covert Surveillance and property interference
Home Office Codes of Practice on Covert Human Intelligence Sources

Consideration of report by Council or other committee

No

Council Approval Required

No

Exempt from Press or Public

No

Annual Report on the Regulation of Investigatory Powers Act (RIPA)

1. Background

- 1.1 The Regulation of Investigatory Powers Act 2000 (RIPA) was put in place to ensure that the use of investigatory powers by certain organisations complies with the UK's obligations under the European Convention on Human Rights (ECHR) including Article 8 (the right to privacy). The proper authorisation of certain covert surveillance powers under RIPA ensures that the Council is acting in accordance with such human rights
- 1.2 The provisions of the Act include:
- the interception of communications;
 - the acquisition of communications data (e.g. billing data);
 - intrusive surveillance (on residential premises/ in private vehicles);
 - covert surveillance in the course of specific operations;
 - the use of covert human intelligence sources (agents, informants, undercover officers); and
 - access to encrypted data
- 1.3 There are various code of practice, updated periodically, which broadly cover the specific bullet points above. These help public authorities assess and understand whether, and in what circumstances, it is appropriate to use covert techniques. The codes also provide guidance on what procedures need to be followed in each case.
- 1.4 Following criticism of local authorities' use of covert surveillance powers additional safeguards were put in place including:-
- The need to obtain magistrate approval
 - Only be used to investigate offences which attract sentences of six months or more or relate to the underage sale of alcohol or tobacco.
- 1.5 The purpose of this annual report is to set out the level and nature of Derbyshire Dales District Council's use of covert surveillance under RIPA.

2. Key Issues

- 2.1 The District Council's RIPA Policy was approved by Council in January 2020 and communicated to officers accordingly following that time.
- 2.2 It was updated in July 2022 to include a procedure for the use of corporate social media accounts to access information. The policy clearly explains the type of surveillance the Council can and cannot undertake and also explains those limited circumstances where covert surveillance, requiring external authorization, may be appropriate.
- 2.3 The policy ensures compliance with the regulatory framework for the use of covert investigatory techniques by officers, as set out in the Regulation of Investigatory Powers Act 2000 and RIPA (Directed Surveillance and Covert Human Intelligence Sources CHIS) Order 2010 (and as amended 2012).

- 2.4 Following the adoption of the updated policy in July 2022, the Council was subject to a desktop inspection by the Investigatory Powers Commissioner's Office (IPCO). The feedback from the IPCO was that the policy was well structured but required a further update in respect of:
- (a) Part two of the policy, which provides guidance regarding the acquisition of communications data, does not reflect the impact of Section 73 of the Act. The organisation is yet to form a collaboration with the National Anti-Fraud Network and the SRO should ensure that all are aware of the opportunities presented under Section 73 of the IPA going forward.
 - (b) Deletion of references to the OSC Procedures and Guidance document which is now obsolete.
- 2.5 In response to (a) above, the Investigatory Powers Act 2016, which came into force on 30 December 2016 sets out how communications data can be obtained. Much of the Act is only relevant to local authorities in a peripheral way. Local authorities are not included in the Schedule 4 list of relevant public authorities that may obtain communications data and section 61 specifically excludes local authorities from being able to obtain internet connection records (ICRs). However, section 73 defines local authorities as a relevant public authority for the purposes of Part 3 of the Act and section 78 – 79 set out the circumstances in which local authority authorisation for obtaining communications data (other than ICRs) can be granted.
- 2.6 In order to obtain communications data, the following tests must be satisfied:
- It must be for the purpose of preventing or detecting crime or of preventing disorder;
 - The local authority must be part of a collaboration agreement that has been published and has been certified by the Secretary of State;
 - The authorisation must be granted by a designated senior officer, which means a director, head of service, service manager, or equivalent or a higher person;
 - It must be granted to an officer of a local authority that is either a 'supplying' or 'subscribing' authority under the collaboration agreement. (The Council have not entered into a collaboration agreement.);
 - A person who is acting as the single point of contact must be consulted, unless the circumstances are exceptional, i.e. an imminent threat to life; and
 - The conduct authorised must be proportionate to what is sought to be achieved and judicial approval from a justice of the peace obtained.
- 2.7 Whilst the authority has not carried out any activity under the Act for some time, the IPCO was pleased that that a number of targeted training sessions were delivered in 2021 to those involved in the use, application, and authorisation of covert tactics.

3. Options Considered and Recommended Proposal

- 3.1 The other option is to do nothing and to keep the Regulation of Investigatory Powers Act (RIPA) Policy as currently drafted and not amend the policy as detailed within the report. This option is not considered as appropriate due to the amendments are in line with feedback from the IPCO.
- 4. Consultation**
- 4.1 The feedback from the IPCO has informed the development of the policy changes proposed within this report. No formal consultation has taken place.
- 5. Timetable for Implementation**
- 5.1 The proposed changes to the policy will take effect immediately and will also be communicated to officers.
- 6. Policy Implications**
- 6.1 By complying with RIPA, the authority continues to demonstrate that it is a modern efficient and effective Council that delivers for its community by delivering a high quality, effective and timely service to our customers and communities and harnessing intelligence to ensure priorities are informed by evidence.
- 7. Financial and Resource Implications**
- 7.1 As the Council has previously responded to the recommendations of the IPCO, this has helped to mitigate any financial risks which may arise should the Council fail to comply with legislation, government guidance and recommendations. The financial risk of this report is assessed as low.
- 8. Legal Advice and Implications**
- 8.1 This report ensures that the Council has oversight of the use of RIPA powers and ensure that policies remain fit for purpose. A failure to follow the updated Policy which reflects government guidance and the recommendations of the IPCO inspector would increase the risk of a misuse of RIPA powers and intervention by the Investigatory Powers Commissioner.
- 8.2 Evidence obtained unlawfully in breach of the policy may result in a breach of the provisions of the Human Rights Act 1998 and also result in evidence being inadmissible in subsequent court proceedings.
- 8.3 The legal risk associated with this report is considered to be low.
- 9. Equalities Implications**
- 9.1 This report has a low or low relevance to the substance of the Equality Act 2010. There is no apparent equality impact on end users. However, the use of RIPA powers can result in a direct interference with a person's human rights. As noted in the legal implications above, the Council must comply with its procedures and any authorisations must be proportionate in order to justify such interference.

10. Climate Change and Biodiversity Implications

- 10.1 There are no climate change or biodiversity implications associated with this report.

11. Risk Management

- 11.1 There are some risks associated with RIPA, most notably reputational risks arising from possible adverse media coverage. Given that the use of RIPA is minimal, the Council is already mitigating that risk by following a use of RIPA that is proportionate and appropriate.

Report Authorisation

Approvals obtained from Statutory Officers:-

	Named Officer	Date
Chief Executive	Paul Wilson	24/10/2023
Director of Resources/ S.151 Officer (or Financial Services Manager)	Karen Henriksen	20/10/2023
Monitoring Officer (or Legal Services Manager)	Kerry France	27/10/2023

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Agenda Item 10



OPEN REPORT GOVERNANCE & RESOURCES COMMITTEE

Governance & Resources Committee - 2nd November 2023

ASSET MANAGEMENT PLAN – LAND HOLDINGS REVIEW PHASE 7

Report of Director of Regulatory Services

Report Author and Contact Details

Mike Galsworthy - Estates and Facilities Manager

Telephone: 01629 761207

Email: mike.galsworthy@derbyshiredales.gov.uk

Wards Affected

Bakewell

Ashbourne North

Report Summary

This report represents the seventh phase of an ongoing review of the Council's land and property assets in accordance with the Asset Management Plan. This phase of the Land Holdings Review covers 2 sites in the District, one for acquisition for operational requirements and one for which expressions of interest have been received for enhancing a facility.

Recommendations

1. That, in respect of Site 1, Land south of Bakewell Cemetery, the Estates and Facilities Manager be delegated to agree terms for the acquisition of the required land and access rights as outlined in Appendix 1 of this report, subject to planning consent and subject to further approval by this Committee.
2. That a request is made to Council (for the update due in February 2024) to include an amount of £125,000 in the Capital Programme for 2024/25 and £75,000 in 2025/26 in respect of Site 1 to cover the land purchase costs and enabling infrastructure works to form a cemetery extension.
3. That in respect of Site 2, Fishponds at Fishpond Meadows, Ashbourne, the Estates and Facilities Manager be delegated to proceed with a leasehold disposal of the site as outlined in Appendix 1 of this report, subject to appropriate Public Open Space consultation.
4. That it is noted that the disposal in 3 above comprises an undervalue transaction as permitted under the General Disposal Consent 2003.

List of Appendices

Appendix 1 - LAND HOLDINGS REVIEW PHASE 7 BY PROPERTY

Background Papers

None applicable

Consideration of report by Council or other committee

Not applicable

Council Approval Required

Yes for Recommendation 2

Exempt from Press or Public

No

ASSET MANAGEMENT PLAN – LAND HOLDINGS REVIEW PHASE 7

1. Background

- 1.1 The Asset Management Plan (AMP) 2019 -2023 outlines the Council's strategic approach to the management of its land and property and provides a framework within which property asset decisions can be made in support of the Council's corporate aims and objectives.
- 1.2 The Asset Management Plan recommends that all assets should be reviewed to ensure that they fully contribute to the Corporate Plan objectives of the Council.
- 1.3 This the seventh of a number of phases of reports consider the future arrangements for surplus land and buildings across the District and recommends a potential acquisition and a leasehold disposal of 2 sites in support of Service and Corporate Plan objectives.

2. Key Issues

- 2.1 Phase 7 of the Land Holdings Review covers 2 sites. Site 1 is required as an extension to Bakewell Cemetery and Site 2 will bring an under used area of land back into community use. Following consideration of planning, legal and estate management factors, together with operational requirements, recommendations are made regarding whether the sites should be acquired, retained, allocated for a particular use or sold and the terms which would apply.
- 2.2 An appraisal of each site has taken place comprising advice on any planning constraints, legal restrictions and maintenance liabilities/costs.
- 2.3 Site 1 comprises a privately owned site of 1.21 hectares (3 acres) adjacent to Bakewell Cemetery.
- 2.4 Site 2 comprises two ponds at Fishpond Meadows, Ashbourne of total area 1.36 hectares (3.36 acres).
- 2.5 The results and recommendations for the two sites are summarised in Appendix 1 together with plans of each site.

3. Options Considered and Recommended Proposal

- 3.1 As outlined in Appendix 1.

4. Consultation

- 4.1 Ward Members and the relevant Town/Parish Council have been consulted on the proposed acquisition and disposal and any comments received will be reported to the meeting.

5. Timetable for Implementation

- 5.1 In respect of Site 1, negotiations will take place with the aim of reporting recommended heads of terms to this committee in Spring 2024.
- 5.2 In respect of Site 2, negotiations will take place with the aim of completing the lease in Spring 2024.

6. Policy Implications

- 6.1 In preparing this report, the relevance of the following factors has also been considered: prevention of crime and disorder, equalities, environmental, climate change, health, human rights, personnel and property.

7. Financial and Resource Implications

- 7.1 In respect of site 1, land for the extension of Bakewell Cemetery, it is proposed that (when the capital programme is being reviewed by Council in February 2024) an amount of £125,000 is allocated in the Capital Programme for 2024/25 and £75,000 for 2025/26 to cover the land purchase costs, access rights and enabling infrastructure works to form a cemetery extension. The financing will be considered as part of that report. The financial risk of this acquisition is assessed as Medium.
- 7.2 In respect of site 2, the fishing pond at Fishpond Meadows, Ashbourne, subject to Members' approval a 10-year lease would be negotiated on the terms set out in Appendix 1. After a 2-year rent free period, this would generate an annual income of £1,000, which would be credited to the revenue account. The financial risk of this lease is assessed as Low.

8. Legal Advice and Implications

- 8.1 As previously stated this report represents the 7th phase of an ongoing review of the Council's land and property assets in accordance with the Asset Management Plan.
- 8.2 There are 4 recommended decisions set out at the start of this report, if decisions are taken in line with those recommendations, the legal risk has been assessed as low.

9. Equalities Implications

- 9.1 None applicable

10. Climate Change Implications

- 10.1 These are site specific and included in Appendix 1 of this report.

11. Risk Management

11.1 Financial and legal risks have been assessed above.

Report Authorisation

Approvals obtained from:-

	Named Officer	Date
Chief Executive	Paul Wilson	23/10/2023
Director of Resources/ S.151 Officer	Karen Henriksen	20/10/2023
Monitoring Officer (or Legal Services Manager)	Kerry France	23/10/2023

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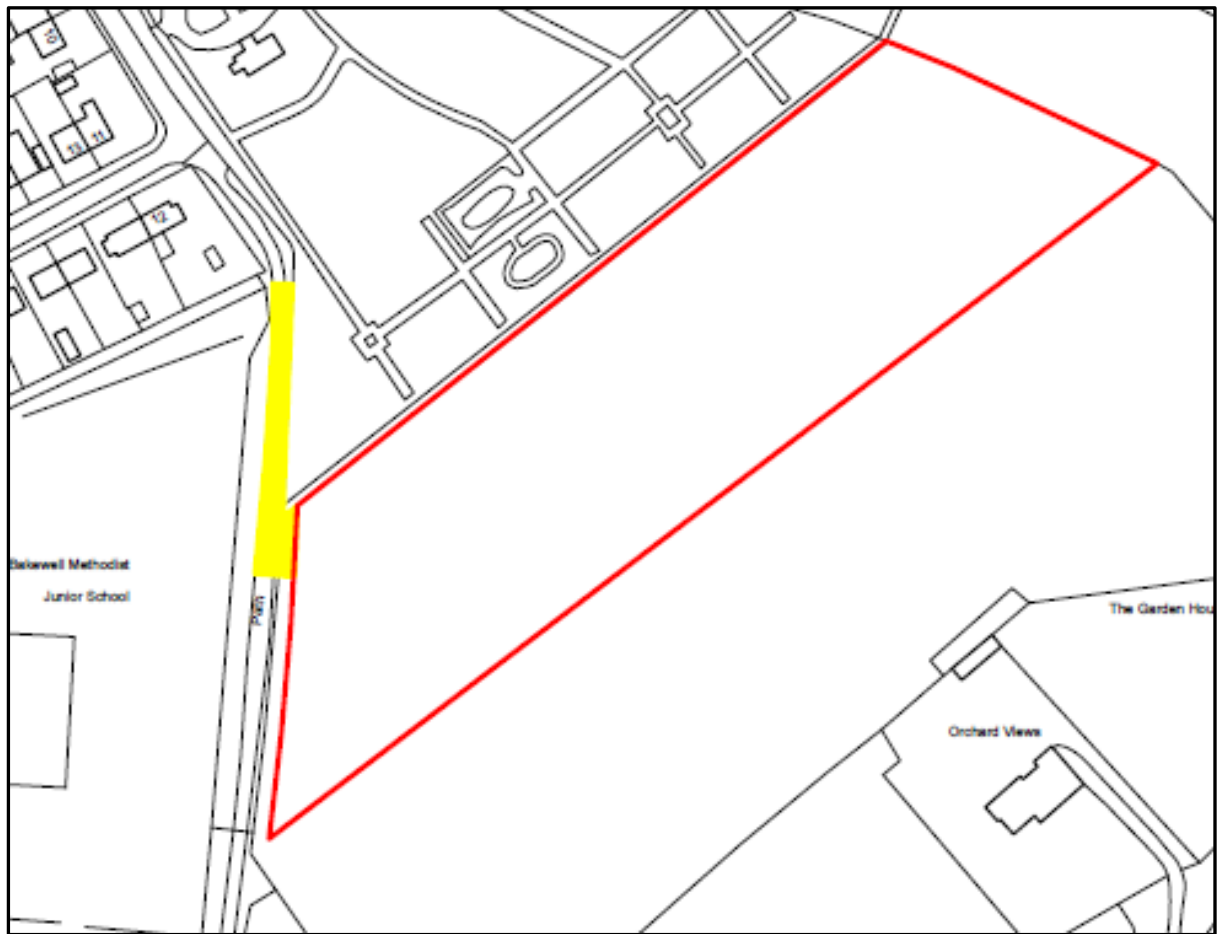
APPENDIX 1 – LAND HOLDINGS REVIEW PHASE 7 BY PROPERTY

SITE INDEX

1.	Land to south of Bakewell Cemetery	Acquisition
2.	Fishing Pond, Fishpond Meadow Ashbourne	Long Lease



Site 1 – Land to south of Bakewell Cemetery



Indicative Plan only

Red outline – area for acquisition 1.21 hectares (3 acres).
Yellow shading – Right of access required from DCC.

LAND HOLDINGS REVIEW

SITE NO. 1

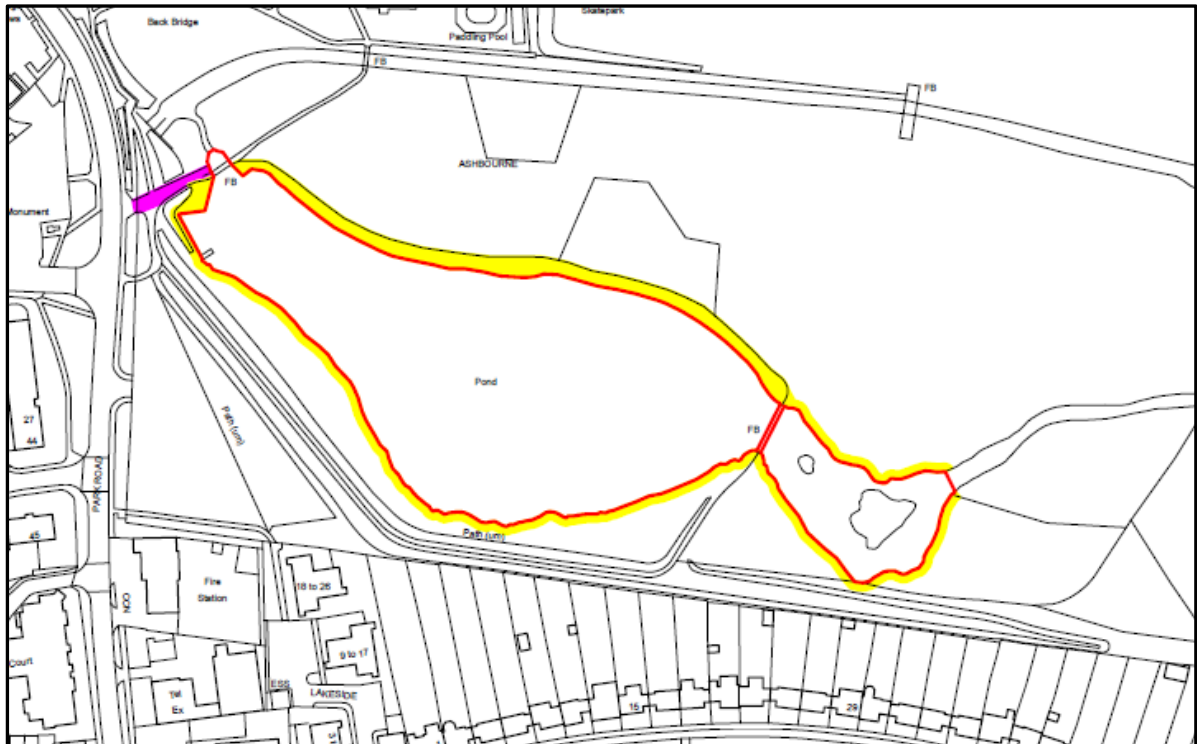
ADDRESS	Land to south of Bakewell Cemetery Yeld Road Bakewell DE45 1FJ Reference: N/A
REQUEST RECEIVED	Bakewell Cemetery is nearing capacity and an extension is required
DESCRIPTION/LOCATION	<p>The site of interest for the extension comprises 1.21 hectares (3 acres) adjoining the south boundary of Bakewell Cemetery. It is located close to residential properties and a primary school's grounds and on the fringe of Bakewell. The site is relatively flat but slopes gently from the north to south.</p> <p>Access to the site is from a rough track which is fenced on both sides with a school's playing field on the west. The track is subject to a wayleave for the electricity board and is a well used public footpath. Access rights require further investigation but are likely to be limited.</p> <p>The land is classified by DEFRA tables as Grade 3 (good to moderate) and part being 4 (poor) and Soilscape data (sponsored by DEFRA) as 'slightly acidic, loamy and clay soils with impeded drainage'.</p>
OWNERSHIP	<p>Freehold of the 3 acres is owned privately and registered under DY513926. This title extends to other agricultural land to the south.</p> <p>The access track is partly adopted highway and the remainder (highlighted yellow) is owned by Derbyshire County Council (DCC) under title DY387669.</p>
LEGAL COVENANTS RESTRICTIONS	Subject to title check

PLANNING	Comes under Peak Park Joint Planning Board (PPJPB) who are currently preparing a replacement Local Plan.
MAINTENANCE	N/A -site and track currently privately owned.
HEALTH & SAFETY/RISKS	None noted.
CLIMATE CHANGE	<p>The site is currently grassland, most recently used for grazing. The land will store carbon in the soil. The amount is difficult to estimate, as it will depend on climate, soil type and management history. There will be a limited amount of storage above ground due to the absence of woody matter.</p> <p>The change of use of the site to accommodate the cemetery extension will not significantly impact the ability of the land to store carbon. In some areas the soil will clearly be disturbed on a temporary basis while graves are dug, but this will be short term. The use of the land as a cemetery will ultimately protect it from further significant future disturbance.</p> <p>There will be some additional vehicle emissions associated with servicing the extended cemetery, in terms of digging the graves themselves and associated maintenance. These emissions will be reported as part of the Council's carbon footprint. The Council is working towards reducing emissions from fleet vehicles as part of fleet replacement.</p> <p>The change of use of the site could represent an opportunity to improve biodiversity depending on health and safety requirements and then adopted management regime. This will be explored as part of the Councils developing biodiversity action plan.</p>
OFFICER COMMENT	This is the preferred site for the extension of the cemetery and to date preliminary discussions have been held with the landowner through their representative. A joint valuation was undertaken in November 2022 and the values suggested were £70,000 for two acres with a £10,000 option to purchase a third acre. Rather than proceed with this option it is preferred to look for the outright

	<p>purchase of 3 acres which may be in the order of £100,000.</p> <p>No discussions have been held with DCC to extend a right of way or PPJPB to make allowance for the cemetery extension in their revised Local Plan.</p> <p>Capital works will be required for the development of the land for cemetery use (estimated at £75,000) and determining initial costs of acquisition of the site is an important first step in taking the project forward. It is requested that an amount of £125,000 is allocated in the Capital Programme 2024/25 and £75,000 in 2025/26 to cover the land purchase costs and access rights and enabling infrastructure works to form a cemetery extension.</p> <p>It is intended to carry out the necessary landscaping and other associated works in three sections/phases. Once we have purchased the land and had the extension designed and obtained planning permission, a more detailed design will be commissioned, and costs obtained.</p>
<p>RECOMMENDATION</p>	<p>That negotiations are undertaken with the current owner for the 3 acres and DCC are approached for them to grant access rights to the land for cemetery use along the track. Discussions should also be opened with PPJPB.</p> <p>It is proposed that the Estates and Facilities Manager be delegated to proceed with the following actions -</p> <ol style="list-style-type: none"> 1. negotiate and agree (subject to contract/Council approval) a suitable commercial arrangement for the purchase of up to 3 acres of land. 2. negotiate and agree a suitable arrangement with DCC (subject to contract/Council approval) for the granting of a right of way along the track. 3. Discuss planning requirements for change of use with PPJPB.

	<ol style="list-style-type: none">4. Develop the costings for the scheme based on the above to inform any capital funding requirement.5. When a project plan is developed that the acquisition come back to the G&R Committee for final approval.
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Site 2 – Fishing Pond, Fishpond Meadows. Ashbourne



Indicative plan only

- Red outline - Leased area 1.36 hectares (3.36 acres)
- Yellow shading – access and maintenance strip
- Pink – access from highway

LAND HOLDINGS REVIEW

SITE NO. 2

ADDRESS	Fishing Pond, Fishpond Meadows. Ashbourne Reference: A/00458
REQUEST RECEIVED	Various requests have been received from individuals and via the Friends of the Park Group
DESCRIPTION/LOCATION	Fishing pond comprising two ponds fed by Henmore Brook on the Park Road side of Ashbourne Park and to the south of the Memorial Gardens.
OWNERSHIP	Freehold part title DY401340
LEGAL COVENANTS RESTRICTIONS	Subject to title check.
PLANNING	No planning consent is required for use of the ponds for fishing but further advice will be required for any new physical features proposed e.g. boardwalks.
MAINTENANCE	Although the curtilage of the ponds is maintained by the Council, maintenance of the ponds themselves and the features within such as reed beds and fishing pegs will be the responsibility of the lessee under the terms of the proposed lease.
HEALTH & SAFETY/RISKS	The usual risks of deep water are present and the Council will work with the lessee to ensure these risks are minimised.
CLIMATE CHANGE	<p>The recommendation proposes no major change in use of the site so no significant climate change impact applies. The amount of carbon sequestered on site may increase if the management regime changes.</p> <p>Ponds are among the most biodiverse and ecologically important freshwater habitats globally. They can sustain many rare and endangered aquatic species. Alongside aquatic species, many terrestrial species, including insect pollinators, birds, bats, and</p>

	<p>other mammals rely on ponds for water, food, and habitat.</p> <p>The site is currently unmanaged, and fishing is unregulated. The proposal will allow Dove Valley Angling Club to manage fishing on the site in accordance with the national rod fishing byelaws for England – the rules and regulations explaining who can fish, where, when and what fish you can take. The byelaws protect and improve freshwater fish and their habitats.</p> <p>As part of taking over the site, the Committee will undertake to make improvements to the biodiversity of the site including a new management plan.</p>
OFFICER COMMENT	<p>The site was originally transferred to DDDC from Nestle and from 1972 the Nestle employee fishing club was licensed to use this site. Over the years the club changed their name and focus from the Wine Tavern Angling Club to Ashbourne Angling Club. This licence was terminated in September 2019.</p> <p>Since this time the site has been unregulated for any fishing activity and the pegs and small boardwalk have deteriorated with access restricted to maintain safety. All built features need capital expenditure to make them safe for continued use for fishing.</p> <p>After a number of enquiries about reinstating fishing as an activity Bagshaws (Agricultural) were commissioned to promote an Expression of Interest to ensure any parties who may be interested had an opportunity to submit an application. This process closed on 22nd September with three parties responding. The agent has recommended that the expression of interest received from the Ashbourne Royal Shrovetide Football Committee with a sub-lease to Dove Valley Angling Club represents the most favourable proposal. This is due to their established local involvement and the expertise of an established fishing club.</p>
RECOMMENDATION	<p>That, subject to appropriate Public Open Space consultation, that the Estates and Facilities Manager be delegated to proceed with the disposal of the site to agree a suitable</p>

	<p>arrangement with the Trustees of Ashbourne Royal Football Committee and Dove Valley Angling club to achieve: -</p> <ul style="list-style-type: none"> - a lease of 10 -15 years term - a rent of £1,000pa with 2 years rent free with an index linked (CPI or RPI review after/each 5 years of the term. - terms to promote community involvement, biodiversity and conservation. - right to have underlease or licence to Dove Valley Angling Club - ARFC to pay DDDC legal and surveying costs



Agenda Item 11

OPEN REPORT GOVERNANCE & RESOURCES COMMITTEE

Governance & Resources Committee 2 November 2023

SUCCESSION PLANNING

Report Author and Contact Details

Deborah Unwin, Human Resources Manager
01629 761364 or deborah.unwin@derbyshiredales.gov.uk

Report Summary

We are facing recruitment difficulty in a competitive employment market. In addition, we have several potential retirements in singleton posts. It is therefore appropriate to consider a Succession Planning Policy. A draft was considered at Corporate Leadership Team before going to consultation at Employee Group and Joint Consultative Group.

Recommendation

1. That the proposed Succession Planning policy be adopted.

List of Appendices

Appendix 1 : Succession Planning Policy.

Background Papers

Not applicable

Consideration of report by Council or other committee

No

Council Approval Required

No

Exempt from Press or Public

No

SUCCESSION PLANNING

1. Background

- 1.1 In 2013 Corporate Leadership Team (CLT) supported development of a Succession Planning Policy. Senior Management Team (SMT) were consulted given the additional responsibilities senior managers would have for implementing development identified through Succession Planning. SMT felt that, given the budget challenges at that time, we had insufficient budget to develop employees and significantly that we could not predict the future organisation needs/ size to be able to invest in Succession Planning. The proposal was therefore 'mothballed.'

2. Key Issues

- 2.1 Since the pandemic we have seen increasing turnover of staff (c18% in 21/22 and 18% in 22/23 compared with 11% in 2020/21). In addition, we are experiencing proven difficulty to recruit in some key posts. Given the size of the organisation some of these key posts are singleton posts i.e., with one post holder. There would be a significant impact on service delivery and on workloads in other posts if these posts remain vacant for any length of time.
- 2.2 Our solution has been 3-fold:
- a) To cover vacancies with expensive agency workers, sometimes for significant periods of time as we have had consistent recruitment difficulty over many months e.g., in Resources costing £243,430 in 21/22
 - b) Where there has been proven difficulty to recruit (at least 2 unsuccessful campaigns), we have tried to recruit with 'welcome payments' of £2000 (repayable if the new recruit leaves within 2 years). This has enabled successful recruitment to 2 posts. However, some existing staff felt that their loyalty was not recognised.
 - c) We have increased the number of posts with 'market supplements' to 11 in total (3 in Legal Services, 5 in Resources and 3 in Clean & Green). Most pay a supplement at 9% but 2 had to go to the maximum of 15% given ongoing difficulty to recruit. Under the 'Green Book' (Local Government Terms and Conditions of Employment), market supplements require regular reviews of to ensure they remain justified. There could be issues when we reduce or cease the supplement when market conditions change.
- 2.3 The local government pay award in 2021 recognised nationally that there are skills shortages in certain professions including finance and legal and mechanics. This made the recruitment market is very competitive across local government and against the private sector.
- 2.4 A Succession Planning Policy is also required as our annual equality report confirms that we are an ageing workforce. 34% of staff are aged over 55, an age where staff can consider Flexible Retirement taking their pension accrued at the date of Flexible Retirement. Normal retirement in the Local Government Pension Scheme now matches State Retirement Age. Retirement before that age gives a significant actuarial reduction in the

pension benefits as the pension is drawn early and paid for longer. For example, an employee retiring at age 60 i.e., 6 years before their state pension age would suffer a 24.3% reduction in their pension benefits. Retiring at 65 when their state retirement age is 66 would incur at 4.9% reduction.

- 2.5 Even though the state retirement age has moved to 66+ we will face the retirement of long serving, skilled and knowledgeable colleagues when they choose to retire over the next decade. As we are a relatively small District Council, many of these colleagues are in 'singleton posts' and would give a significant loss of knowledge if they retired without a potential successor. In addition, service delivery could be severely affected if we are unable to recruit to these posts at first attempt.

Organisation age profile as published in the annual Equality Report:

Grade	Posts	All Posts	Age Groups				
			<21	21-30	31-40	41-50	51+
Apprentice to Grade 5	number	107	1	15	15	20	56
	% of the scale	48%	1%	14%	14%	19%	52%
Grade 6 -9	number	73	0	6	13	22	32
	% of the scale	33%	0	8%	18%	30%	44%
Grade 10+	number	41	0	0	8	12	21
	% of the scale	19%	0	0	20%	29%	51%
All Posts	Total number	221	1	21	36	54	109
	% of posts	100%	.5%	9.5%	16%	24%	49%

- 2.6 Succession Planning is also a powerful retention tool in that those being developed are likely to feel valued and see future opportunities with the District Council (or elsewhere in local government).
- 2.7 The draft policy recognises that all employees have a personal development review (PDR) between January and March. Indeed in 2023, 97.3% of employees had a PDR. Through the PDR, employee can have a personal development plan to enable personal development in their current and for future roles. If training requiring budget is identified, this is considered by CLT and budgets allocated in June each year.
- 2.8 The draft Succession Planning Policy proposes that CLT consider a corporate succession plan in June each year. It is based on identifying risk to service delivery if posts were vacant for any length of time through

resignation or retirement, especially singleton posts. Once such posts are identified, employees interested and capable for development as potential successors can be sought through discussion with line managers in the PDRs. Their skills gaps would then be identified, and development plans put in place.

- 2.9 It is important to note that for reasons of fairness and equality the draft policy confirms that successors are not guaranteed to be appointed. Succession is about providing development opportunities so that staff “can become the best candidate they can be” for normal competitive recruitment (in accordance with our Recruitment, Interview and Selection Procedures) when a vacancy occurs.

3. Options Considered and Recommended Proposal

- 3.1 To consider adopting the proposed Succession Planning Policy.
- 3.2 To consider if the draft at appendix 1 is suitable.

4. Consultation

- 4.1 Employee consultation has been undertaken through Employee Group. At Joint Consultative Group on 26 September, Members and trade unions and staff representatives were consulted.
- 4.2 JCG recommended that Governance and Resources Committee adopt the proposed policy.

5. Timetable for Implementation

8 August	First consideration at CLT
17 August	All staff consultation via email and Employee Group.
26 September	Consultation at JCG.
3 October	Final consideration at CLT.
2 November	Governance and Resources Committee consideration to adopt the draft policy as an employment policy.

6. Policy Implications

- 6.1 The proposal is for a new employment policy.

7. Financial and Resource Implications

- 7.1 If approved at Governance & Resources Committee Human Resources will launch the policy to all staff.
- 7.2 Finance is required to invest in development through succession planning. There is potential for establishment of a Staff Development Reserve to be used over time.

8. Legal Advice and Implications

- 8.1 It is within employment policy to have succession plans. The legal risk associated with this report is low.

8.2 Data protection is required of any sensitive personal data and that only those who need to know are party to the detail of the corporate and any individual succession plans.

9. Equalities Implications

9.1 The policy covers the importance of equality of opportunity in deciding which employees are identified for succession planning but also that succession planning is about ensuring development so that employees can be 'the best candidate they can be' at the point a vacancy occurs and is appointed through competitive recruitment.

9.2 An Equality Impact assessment has been completed and is supported by the Policy Officer- Consultation and Equalities.

10. Climate Change Implications

10.1 None

11. Risk Management

11.1 There is a risk to not undertaking corporate succession planning; that we endure vacancies and additional costs. There is a risk to equality if we do not have competitive recruitment.

Report Authorisation

Approvals obtained from: -

	Named Officer	Date
Chief Executive	Paul Wilson	29/09/2023
Director of Resources/ S.151 Officer (Or Financial Services Manager)	Karen Henriksen	29/09/2023
Monitoring Officer (Or Legal Services Manager)	Kerry France	29/09/2023

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SUCCESSION PLANNING POLICY 2023

CONTENTS

- 1 Policy statement
- 2 Scope
- 3 Process
- 4 Equality and Diversity
- 5 Manager responsibilities
- 6 Employee responsibilities
- 7 Human Resources responsibilities
- 8 Relevant employment policies and procedures and legislation
- 9 Guidance Notes & succession planning process

draft September 2023



SUCCESSION PLANNING POLICY 2023

1. Policy statement

- 1.1 Derbyshire Dales District Council supports succession planning in order to manage the risk of losing valuable skills and knowledge required in key posts. In addition, succession planning enables the development of existing staff to their full potential to be able to apply for key posts. It is particularly valuable to develop staff (to 'grow our own') for future posts where there is known difficulty to recruit.
- 1.2 Personal development for future roles is considered through in the annual Performance & Development Review (PDR) process. Following PDRs Corporate Leadership Team allocate the Corporate and Vocational development budgets. Corporate Leadership Team will then consider Corporate Succession planning for senior posts, 'business critical' posts/ specialist posts and future posts where either new skills will be required and/or potential vacancies resulting from future retirements or staff turnover may give recruitment challenges.

2. Scope

- 2.1 This policy applies to all permanent employees.

3. Process

- 3.1 Corporate Succession Planning can be undertaken for individual business critical posts with specific skills or for posts of certain type e.g., senior management posts with generic skills. Given the analysis required, and ability of Corporate Leadership Team to manage succession planning (time and budget), the number of individuals identified on the Corporate Plan will be relatively small.
- 3.2 The Succession Plan is built on evidence of the current skills and aspirations of staff gathered through the Performance and Development Review (PDR) process. In addition, CLT need evidence from the Corporate Planning process, their annual Learning & Development Needs Analysis and workforce data (e.g., turnover- actual and probable, availability of skills required within the Council and externally and potential retirements or turnover) and ability to recruit together with an understanding of transferrable skills where current posts may no longer be required.

- 3.3 Once evidence is gathered, Corporate Leadership Team can identify key posts at risk and potential of staff to develop to retain skills and knowledge within the District Council and to develop skills and experience necessary through a tailored development plan which can be added to the individual's personal development plan.
- 3.4 The Succession plan will not be about identifying an appointee before a vacancy arises. Succession Planning will enable individuals to develop so that they can be the 'best possible candidate that they can be' when an opportunity arises. Candidates can then apply and be considered through the normal competitive and fair recruitment and selection process in the Recruitment, Interview and Selection Procedure.
- 3.5 By complying with the recruitment and selection procedures using competitive appointments, the District Council will ensure a fair and equitable process to appoint the right person to a vacancy, balancing the opportunity to bring in new ideas/wider experience from external recruits and nurturing the expertise and potential of existing employees.
- 3.6 Managers will encourage, support, and assist staff to have equal access to and benefit from succession planning opportunities that:
- Contribute to meeting corporate priorities as detailed in the Corporate Plan.
 - Develop skills and knowledge to meet potential/anticipated future needs.
 - Meet specific statutory requirements now and as they develop.
 - Open up new, innovative opportunities to meeting existing or anticipated needs.
 - Help to retain staff by supporting the career and personal development aspirations of staff with the District Council and elsewhere.
 - Enable sharing of valuable knowledge and skills prior to retirement.
- 3.7 Succession planning development actions will include the full range of development identified in the Learning & Development Policy including shadowing, coaching, mentoring, project work, lateral moves to different roles, secondment (including to partner organisations) and regional government development opportunities.
- 3.8 Corporate Leadership Team will review their Succession Plan annually to ensure it remains fair and relevant to future needs and organisation development and check that there is a business case to devoting resources to development.

4. Equality and Diversity

- 4.1 Succession planning must be managed fairly and free from discrimination. There will be no discrimination directly or indirectly on any of the 9 protected Characteristics in the Equality Act 2010 i.e., an employee's age, disability, gender reassignment, marriage or civil partnership, pregnancy and maternity, race, religion or belief, sex, or sexual orientation.

- 4.2 When developing the succession plan, Corporate Leadership Team will manage the tensions that can arise between meeting the specific development needs of the organisation and aspirations of individual members of staff and communicate reasons for inclusion.
- 4.3 To ensure fairness and equity succession plans are:
- Evidenced by data from the PDR process, workforce data, strategic planning for future operational needs, potential retirements.
 - Appointments to roles will be made in accordance with the recruitment and selection process and the managing change policy.

5. Corporate Leadership Team responsibilities

- 5.1 To plan ahead to identify the need and opportunities for succession planning, considering the future needs of the organisation, posts at risk should the skills/knowledge of the existing post holder be lost, the ease or difficulty to recruit and availability of skills internally and externally.
- 5.2 To seek advice from and involve Human Resources in succession planning activities, for monitoring purposes and key performance indicators and ensuring the fit with HR policies.
- 5.3 To establish a fair and equitable and evidence-based Succession Plan
- 5.4 To be open minded and creative about the methods of learning and development within succession planning

6. Employee responsibilities

- 6.1 To actively commit to and participate in succession planning and jointly take responsibility with their manager for their personal development in connection with succession planning.
- 6.2 To be open-minded about the different learning opportunities that contribute to succession planning.
- 6.3 To raise any concerns about the fairness of a succession plan with their line manager in the first instance and then through the Grievance Procedure if applicable.

7. Human Resources' responsibilities

- 7.1 To give advice and guidance on the implementation of this policy.
- 7.2 To support Corporate Leadership Team to develop and review the corporate succession plan.

- 7.3 To monitor cases and provide management information in order to enable succession planning and to monitor equality of opportunity in succession plans and ensures a fit with existing policies and procedures particularly Recruitment, Interview & Selection and Change Management.
- 7.4 To review this policy periodically to reflect developments in best practice.

8. Relevant employment policies and procedures and legislation

- Learning and Development Policy
- Performance & Development Review (PDR) Process
- Equality & Diversity Policy
- Recruitment, Interview and Selection procedure
- Change Management Policy
- Data Protection Regulations
- Employment Rights Act 1996
- Equality Act 2010



SUCCESSION PLANNING GUIDANCE NOTES & PROCESS

8. Guidance Notes

These notes do not form part of the Succession Planning Policy. The purpose of these notes is to give practical guidance on the implementation of the Policy. The notes can be updated in line with best practice and experience from implementing the policy through approval at Corporate Leadership Team.

Through the PDR process, all employees are encouraged to have a Personal Development Plan to develop their skills and knowledge in their current post. In addition, skills and knowledge required in the individual's future/aspirational posts can be identified and specific development included in the personal development plan.

Succession planning however, is done at a corporate and strategic level to identify posts at risk if key skills and knowledge required by the District Council are lost. Using the information from PDRs (and other sources) succession planning is used to identify development opportunities in order to retain and develop the skills and knowledge to be able to fill business critical posts and future posts. It is not about identifying the only person for appointment but about ensuring that internal candidates are 'the best possible candidate they can be' for recruitment in competition when an opportunity arises.

There is a clear business case for the investment of time and for development activity in order to recognise a small number of high achievers with potential and plan development activity to retain business critical skills and knowledge and develop future skills required as the organisation develops, or colleagues retire. The business case includes reducing the time and cost of having vacancies/recruitment costs, posts with known skills shortages in the market/ difficulty to recruit cost of losing skilled people, opportunities to develop high performers to be even more productive in their current posts through their development and the 'release of discretionary effort' through individuals being recognised, valued, and being given development support.

a) Evidence gathering

To inform the development of the Corporate Succession Plan, CLT will utilise their knowledge of/ gather the following evidence (as much as needed to ensure needs are correctly and fairly identified i.e., 'light touch' wherever possible)

- Corporate Plan to identify future service delivery & priorities.
- Identify business critical posts (e.g., specialist posts for specialist skills) and future role type for development (e.g., senior management posts with generic management skills) 'at risk' if key skills/ knowledge are lost through resignation or retirement.
- Annual Corporate Learning & Development Plan for identified skills gaps and learning needs.
- Service information re distribution of grades, turnover, average lengths of service, recruitment information re difficult to recruit posts/ normal lead times/ skill shortages internally and externally, current role types v future need.
- Identify new ways of working/ new posts likely to be required in the future.
- Identify skills gap- technical, leadership, general.
- Consider redeployment opportunities/ transferrable skills.
- Evidence from PDRs on high achievers- against work programme/ KPIs (ability) and against values (potential) and eagerness to develop.
- Evidence from PDRs where employees are keen to develop and have the potential to do so.
- CLT to consider the ability of managers to undertake PDRs in order to ensure PDR evidence is accurate and fair and managers are identifying those with development ability/aspirations.
- Constraints- time, budget, ability internally to develop for future skills/ roles.

b) CLT and HR to meet (as PDRs and Corporate Learning & Development planning is complete) to

- Consider evidence gathered match individuals against future requirements.
- Check that high performers in current role also have the potential to develop further.
- Keep the plan small and manageable (cost, monitoring, development opportunities likely to become available)
- Prioritise needs given corporate opportunities could be limited.
- Allocate resources to development identified (budget, time, coach/mentor support)
- Consider management/ transferable skills of those whose skills no longer meet requirements.
- Consider if an individual should be recognised and retained whilst being developed for future posts elsewhere if opportunities here are

limited.

- Consider with HR the equality and fairness issues as the plan develops plus the fit with wider HR policies and procedures.
- Communicate with those identified and development opportunities for those who are not.

c) Once individuals identified, CLT to determine development solutions from the range available in the Learning & Development Policy

- Shadowing
- Project team opportunities
- Secondment (to another team/ department)
- Secondment to another Council/ non-government employer
- Establishing a career grade post
- Job swaps
- Coaching
- Mentoring including acting as a mentor to others.
- Academic qualification (day release/ night school/ open learning)
- East Midlands Personal Development Programme
- District Council's Network Development Programme
- East Midlands Councils Local Authority Challenge

d) Add development solutions to Personal Development plans to be managed and monitored by the relevant line manager.

- Directors to ensure, with line managers, that individuals on the Corporate Succession Plan have identified development added to their personal development plans.
- Directors to identify a suitable mentor to support the developpee (internal or external mentor) and ensure development occurs.

e) CLT annual review and evaluate the Succession plan.

- Is the current plan still relevant/ have needs changed?
- Has individual development been completed (opportunity for another person to be developed) or is more time required?
- Has development plan show potential is not that originally identified (opportunity for another person to be developed)
- The succession plan should be reviewed annually but it can be a fluid process that responds to and influences/ developments internally and externally to the organisation during the year. Ongoing monitoring of appropriateness and fairness with adjustments where necessary, will ensure the organisation is prepared for changes to culture, policy and service needs.
- Evaluation can also be measured in terms of retention of staff and their knowledge and skills and/or the continuity of service delivery/. For example, where there is a seamless transition when staff and/or

roles and responsibilities within District Council change, vacancies or retirements occur. Effective use of succession planning will contribute to organisation development that ensures a constantly evolving organisation that is fit for purpose now and in the future.

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