

Thurrock - An ambitious and collaborative community which is proud of its heritage and excited by its diverse opportunities and future

Standards and Audit Committee

The meeting will be held at **7.00 pm** on **13 December 2018**

Committee Room 1, Civic Offices, New Road, Grays, Essex, RM17 6SL

Membership:

Councillors Tony Fish (Chair), Russell Cherry (Vice-Chair), Oliver Gerrish, Barry Johnson, Ben Maney and Garry Hague

Jason Oliver, Co-Opted Member

Substitutes:

Councillors Clare Baldwin, Jack Duffin, Mike Fletcher and Tom Kelly

Agenda

Open to Public and Press

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Queries regarding this Agenda or notification of apologies:

Please contact Wendy Le, Democratic Services Officer by sending an email to Direct.Democracy@thurrock.gov.uk

Agenda published on: **5 December 2018**

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DECLARING INTERESTS FLOWCHART – QUESTIONS TO ASK YOURSELF

Breaching those parts identified as a pecuniary interest is potentially a criminal offence

Helpful Reminders for Members

- *Is your register of interests up to date?*
- *In particular have you declared to the Monitoring Officer all disclosable pecuniary interests?*
- *Have you checked the register to ensure that they have been recorded correctly?*

When should you declare an interest *at a meeting*?

- **What matters are being discussed at the meeting?** (including Council, Cabinet, Committees, Subs, Joint Committees and Joint Subs); or
- If you are a Cabinet Member making decisions other than in Cabinet **what matter is before you for single member decision?**



Does the business to be transacted at the meeting

- relate to; or
- likely to affect

any of your registered interests and in particular any of your Disclosable Pecuniary Interests?

Disclosable Pecuniary Interests shall include your interests or those of:

- your spouse or civil partner's
- a person you are living with as husband/ wife
- a person you are living with as if you were civil partners

where you are aware that this other person has the interest.

A detailed description of a disclosable pecuniary interest is included in the Members Code of Conduct at Chapter 7 of the Constitution. **Please seek advice from the Monitoring Officer about disclosable pecuniary interests.**

What is a Non-Pecuniary interest? – this is an interest which is not pecuniary (as defined) but is nonetheless so significant that a member of the public with knowledge of the relevant facts, would reasonably regard to be so significant that it would materially impact upon your judgement of the public interest.

Pecuniary

If the interest is not already in the register you must (unless the interest has been agreed by the Monitoring Officer to be sensitive) disclose the existence and nature of the interest to the meeting

If the Interest is not entered in the register and is not the subject of a pending notification you must within 28 days notify the Monitoring Officer of the interest for inclusion in the register

Unless you have received dispensation upon previous application from the Monitoring Officer, you must:

- **Not participate or participate further in any discussion of the matter at a meeting;**
- **Not participate in any vote or further vote taken at the meeting; and**
- **leave the room while the item is being considered/voted upon**

If you are a Cabinet Member you may make arrangements for the matter to be dealt with by a third person but take no further steps

Non- pecuniary

Declare the nature and extent of your interest including enough detail to allow a member of the public to understand its nature

You may participate and vote in the usual way but you should seek advice on Predetermination and Bias from the Monitoring Officer.

Our Vision and Priorities for Thurrock

An ambitious and collaborative community which is proud of its heritage and excited by its diverse opportunities and future.

1. **People** – a borough where people of all ages are proud to work and play, live and stay
 - High quality, consistent and accessible public services which are right first time
 - Build on our partnerships with statutory, community, voluntary and faith groups to work together to improve health and wellbeing
 - Communities are empowered to make choices and be safer and stronger together

2. **Place** – a heritage-rich borough which is ambitious for its future
 - Roads, houses and public spaces that connect people and places
 - Clean environments that everyone has reason to take pride in
 - Fewer public buildings with better services

3. **Prosperity** – a borough which enables everyone to achieve their aspirations
 - Attractive opportunities for businesses and investors to enhance the local economy
 - Vocational and academic education, skills and job opportunities for all
 - Commercial, entrepreneurial and connected public services

Minutes of the Meeting of the Standards and Audit Committee held on 27 September 2018 at 7.00 pm

Present: Councillors Tony Fish (Chair), Oliver Gerrish and Barry Johnson

Apologies: Jason Oliver, Co-Opted Member

In attendance: Gary Clifford, Chief Internal Auditor
Lee Henley, Strategic Lead, Information Management
David Kleinberg, Assistant Director, Fraud and Investigation
Jonathon Wilson, Assistant Director, Finance

Before the start of the Meeting, all present were advised that the meeting may be filmed and was being recorded, with the audio recording to be made available on the Council's website.

12. Minutes

The Minutes of the 19 July 2018 meeting were approved as a true and correct record.

13. Items of Urgent Business

There were no items of urgent business.

14. Declaration of Interests

There were no declarations of Interest.

15. Internal Audit Progress Report 2018/19

The Chair invited the Officer Gary Clifford, Chief Internal Auditor, to introduce the report. The Officer stated that of the Audits completed in period; all outcomes had been either green or amber-green. The Officer then stated that Audits in progress were detailed on page 16 of the Agenda and summarised that there had been some learning from a complaint in relation to Housing, and that the audit of the Troubled Families Service were proving to be resource intensive.

Councillor Gerrish asked what "amber-green" was, as this had not previously been part of the Red, Amber, Green (RAG) rating system. The Officer clarified that it had been pointed out that a service could be rated amber even if it was almost red or almost green, and therefore "amber-green or amber-red" had been added to indicate how close the service was to falling into another rating.

Councillor Gerrish asked what had progressed in terms of developing the Council's Debt Recovery approach. The Officer stated that due to some changes in management this had not yet been advanced however new managers were in place and this was being picked up.

Councillor Johnson stated that as this crossed into his Portfolio he was aware of the challenges but was confident these were being addressed now the new manager was in post.

RESOLVED:

That the Standards and Audit Committee considered the reports issued and the work being carried out by Internal Audit in relation to the 2018/19 audit plan.

16. Counter Fraud & Investigation Quarterly Update

The Chair invited the Officer David Kleinberg, Assistant Director for Fraud and Investigations, to present the report. The Officer provided a short overview of the report and highlighted the positive news that the Fraud Team had been invited to speak at a national conference in recognition of their work. The Officer went on to explain that the work programme for the year was on page 27, and that the team was fully resourced and on target to deliver.

The Chair thanked Officers for the report. There were no questions.

RESOLVED:

The Standards and Audit Committee noted the performance of the Counter Fraud and Investigation Department.

17. Thurrock Annual Audit Letter 2017/18

The Officer Jonathan Wilson, Assistant Director for Finance, introduced this item, stating that there had been only one charge added above the initial quote, which had been for a whistleblowing investigation. The additional charge was for £3120.

The Officer further stated that all leases were now being treated as Financial Leases and would be reflected in the financial reporting.

RESOLVED:

The Standards and Audit Committee considered and noted the report of Thurrock's External Auditors.

18. Annual Access to Records Report 2017/18

The Chair asked the Officer Lee Henley, Strategic Lead for Information Management, to introduce the report. The Officer explained that the report

covered Freedom of Information (FOI) Requests and Subject Access Requests (SAR). The Officer went on to state that FOI volumes remained comparable to the previous year, with an increase of just 10 in this period. The Officer stated 96% of these had been responded to in timeframe which was down 1% on the previous year, and that 293 had been rejected.

The Officer stated SAR performance had remained the same however volumes had decreased.

Councillor Gerrish asked if there had been any impact from the publicity around Rights of Access. The Officer responded that this had been the case, and most significantly in that the Council is no longer able to charge for providing this service.

RESOLVED:

The Standards and Audit Committee noted the statistics for the year 2017/18.

19. Annual Complaints & Enquiries Report April 2017 to March 2018

The Chair again invited the Officer Lee Henley, Strategic Lead for Information Management, to introduce the report. The Officer provided a brief summary of the report highlighting that complaint volumes had reduced significantly, performance had dipped by 4% and the percentage of upheld complaints had increased upon last year. The Officer then stated that for Members Enquiries 94% had been responded to in timeframe and that there had been room for improvement in responding to MP and MEP Enquiries, where performance had hit 77%.

The Chair asked why there had been such a dip in performance. The Officer stated that there was a significant volume of activities being undertaken in terms of Complaints, Enquiries, SAR's and FOI's; and that this was impacting officer capacity.

Councillor Gerrish queried the lifecycle of a complaint, and where specifically in the cycle was the delay occurring. The Officer stated that a number of factors had caused apparent delays, including a reduction in the timeframe and the volume of activities being sent to services. The Officer also stated that he felt the performance target of 95% was too high. Lastly, the Officer noted that performance was up this year, although not in the period which the report covered.

Councillor Johnson stated that he felt "percentage upheld" was a poor measure of performance, as 1 upheld complaint, out of a total of 1 complaints would show as 100% of complaints upheld, and this would be misleading. The Officer stated that the service level "Dashboards" in the Appendices provided a more accurate breakdown and measure of performance, and that percentage upheld was used to provide a general overview.

Councillor Gerrish commented that the volume of complaints around bin collections had increased, as had the percentage of upheld complaints. The Councillor asked if this was showing any signs of improvement. The Officer stated that there had been no improvement and more work was required in this area.

RESOLVED:

The Standards and Audit Committee noted the statistics and performance for this reporting period.

20. Work Programme

No changes to the proposed Work Programme were requested.

The meeting finished at 7.27 pm

Approved as a true and correct record

CHAIR

DATE

**Any queries regarding these Minutes, please contact
Democratic Services at Direct.Democracy@thurrock.gov.uk**

| | | |
|---|---------------------------------|----------------|
| 13 December 2018 | | ITEM: 5 |
| Standards and Audit Committee | | |
| Regulation of Investigatory Powers Act (RIPA) 2000 - Activity Report April 2018 – September 2018 | | |
| Wards and communities affected: All | Key Decision: Non-key | |
| Report of: Lee Henley, Strategic Lead – Information Management | | |
| Accountable Assistant Director: David Lawson, Assistant Director of Legal and Governance | | |
| Accountable Director: Sean Clark, Director of Finance and IT | | |
| This report is Public | | |

Executive Summary

This report:

- Provides an update on the usage and activity of RIPA requests during 1 April 2018 to 30 September 2018
- Confirms that policy changes have been considered and actioned

1. Recommendation(s)

1.1 To note the statistical information relating to the use of RIPA for the period 1 April 2018 – 30 September 2018

1.2 To note the minor changes made to the RIPA Policy (Appendix A)

2. Introduction and Background

2.1 The Regulation of Investigatory Powers Act 2000 (RIPA), and the Protection of Freedoms Act 2012, legislates for the use of local authorities of covert methods of surveillance and information gathering to assist in the detection and prevention of crime in relation to an authority's core functions.

2.2 On the 1st September 2017, The Office of Surveillance Commissioners, The Intelligence Services Commissioner's Office and The Interception of Communications Commissioner's Office were abolished by the Investigatory Powers Act 2016. The Investigatory Powers Commissioner's Office (IPCO) is now responsible for the judicial oversight of the use of covert surveillance by public authorities throughout the United Kingdom.

2.3 The RIPA Single Point of Contact (SPOC) maintains a RIPA register of all directed surveillance RIPA requests and approvals across the council.

3. Issues, Options and Analysis of Options

3.1 RIPA Activity

3.1.1 The number of Thurrock RIPA surveillance authorisations processed during 1 April 2018 to 30 September 2018 is 2. Below is a breakdown showing the areas the authorisations relate to for this period (along with previous year's figures):

| | 2018/19 (April – Sept) | 2017/18 |
|--|-----------------------------------|----------------|
| Trading Standards | 0 | 1 |
| Fraud | 2 | 2 |
| Covert Human Intelligence Source (CHIS) authorisations | 0 | 1 (Fraud) |
| Total | 2 | 4 |

3.1.2 The outcomes of the above RIPA directed surveillance authorisations cannot be summarised in detail. This is due to Data Protection requirements and to ensure that any on-going investigations are not compromised due to the disclosure of information.

3.1.3 The table below shows the number of requests made to the National Anti-Fraud Network (NAFN) for Communication Data requests:

| Application Type: | 2018/19 (April – Sept) | 2017/18 |
|--------------------------|-----------------------------------|-----------------------|
| Service Data | 0 | 0 |
| Subscriber Data | 3 (3 Fraud) | 0 |
| Combined | 0 | 1 (Trading Standards) |
| Totals | 3 | 1 |

Notes in relation to NAFN applications:

- Service Data – Is information held by a telecom or postal service provider including itemised telephone bills and/or outgoing call data.
- Subscriber Data – Includes any other information or account details that a telecom provider holds e.g. billing information.
- Combined – Includes applications that contain both service and subscriber data.

3.2 **Policy Changes**

3.2.1 Minor amendments to the RIPA Policy (Appendix A) have been made due to Government consultation work on surveillance activity and the introduction of the General Data Protection Regulation. The amendments to policy are summarised below:

- Page 15 (section 7) – The change is in relation to CHIS Authorisations. Juvenile CHIS authorisations will now cease after 4 months (this was 1 month previously)
- Page 23 – The policy has been updated to reflect changes to the Data Protection Act
- Page 16 (section 9) – Now includes a requirement that Designated Persons must not authorise communication data requests for their own area of work and that checks must take place to ensure requests meet the serious crime threshold (attracting a sentence of 12 months or more)

4. **Reasons for Recommendation**

4.1 This report provides an update on the usage and activity of RIPA requests for the reporting period 1 April 2018 – 30 September 2018.

5. **Consultation (including Overview and Scrutiny, if applicable)**

5.1 The RIPA SPOC has consulted with the relevant departments to obtain the data set out in this report.

6. **Impact on corporate policies, priorities, performance and community impact**

6.1 Monitoring compliance with RIPA supports the council's approach to corporate governance and will ensure the proper balance of maintaining order against protecting the rights of constituents within the borough.

7. **Implications**

7.1 **Financial**

Implications verified by: **Jonathan Wilson**
Assistant Director of Finance

There are no financial implications directly related to this report.

7.2 **Legal**

Implications verified by: **Joe Pinter**

Senior Employment Lawyer

Legal implications comments are contained within this report above.

7.3 Diversity and Equality

Implications verified by: **Natalie Warren**
**Community Development and Equalities
Manager**

There are no such implications directly related to this report.

8. Background papers used in preparing the report (including their location on the council's website or identification whether any are exempt or protected by copyright):

- None.

9. Appendices to the report

- Appendix A – RIPA Policy

Report Author:

Lee Henley

Strategic Lead - Information Management

Regulation of Investigatory Powers Act 2000 (RIPA) Corporate Policy

USE OF DIRECTED SURVEILLANCE COVERT HUMAN
INTELLIGENCE SOURCES AND COMMUNICATIONS DATA
ACQUISITION FOR THE PREVENTION AND DETECTION
OF CRIME OR THE PREVENTION OF DISORDER

Version Control Sheet

| | |
|---------------------------------|---|
| <i>Title:</i> | RIPA Policy. |
| <i>Purpose:</i> | To advise staff of the procedures and principles to follow to comply with the RIPA Act. |
| <i>Author:</i> | Lee Henley – Strategic Lead Information Management |
| <i>Owner:</i> | David Lawson – Monitoring Officer and Assistant Director of Law and Governance |
| <i>Approved by:</i> | Standards and Audit Committee. |
| <i>Date:</i> | 13 December 2018 |
| <i>Version Number:</i> | 2.0 |
| <i>Status:</i> | Final. |
| <i>Review Frequency:</i> | As and when changes to legislation take place |
| <i>Next review date:</i> | As and when changes to legislation take place |

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1. A brief overview of RIPA

(For text in **bold**, see glossary of terms – Appendix 1)

The Regulation of Investigatory Powers Act (the Act) was introduced by Parliament in 2000. The Act sets out the reasons for which the use of **directed surveillance** (DS) and **covert human intelligence source** (CHIS) may be authorised.

Local Authorities' abilities to use these investigation methods are restricted in nature and may only be used for the prevention and detection of crime or the prevention of disorder. Local Authorities are not able to use **intrusive surveillance**.

Widespread, and often misinformed, reporting led to public criticism of the use of surveillance by some Local Authority enforcement officers and investigators. Concerns were also raised about the trivial nature of some of the 'crimes' being investigated. This led to a review of the legislation and ultimately the introduction of the Protection of Freedoms Act 2012 and the RIPA (Directed Surveillance and CHIS) (Amendment) Order 2012 (Appendix 2). In addition to defining the circumstances when these investigation methods may be used, the Act also directs how applications will be made and how, and by whom, they may be approved, reviewed, renewed, cancelled and retained.

The Act must be considered in tandem with associated legislation including the Human Rights Act (HRA) (Appendix 3), and the Data Protection Act (DPA) (Appendix 4).

The purpose of Part II of the Act is to protect the privacy rights of anyone in a Council's area, but only to the extent that those rights are protected by the HRA. A public authority, such as the Council, has the ability to infringe those rights provided that it does so in accordance with the rules, which are contained within Part II of the Act. Should the public authority not follow the rules, the authority loses the impunity otherwise available to it. This impunity may be a defense to a claim for damages or a complaint to supervisory bodies, or as an answer to a challenge to the admissibility of evidence in a trial.

Further, a Local Authority may only engage the Act when performing its 'core functions'. For example, a Local Authority may rely on the Act when conducting a criminal investigation as this would be considered a 'core function', whereas the disciplining of an employee would be considered a 'non-core' or 'ordinary' function.

Examples of when local authorities may use RIPA and CHIS are as follows:

- Trading standards – action against loan sharks, rogue traders, consumer scams, deceptive advertising, counterfeit goods, unsafe toys and electrical goods;
- Enforcement of anti-social behaviour orders and legislation relating to unlawful child labour;

- Housing/planning – interventions to stop and make remedial action against unregulated and unsafe buildings, breaches of preservation orders, cases of landlord harassment;
- Counter Fraud – investigating allegations of fraud, bribery, corruption and theft committed against the Council; and
- Environment protection – action to stop large-scale waste dumping, the sale of unfit food and illegal ‘raves’.

The examples do not replace the key principles of necessity and proportionality or the advice and guidance available from the relevant oversight Commissioners.

The RIPA (Communications Data) order came into force in 2004. It allows Local Authorities to acquire communications data, namely service data and subscriber details for limited purposes. This order was updated by the Regulation of Investigatory Powers Communications Data) Order 2010.

There are various codes of practice and guidance available in relation to the RIPA Act and these are shown in the links below:

OSC Procedures and Guidance July 2016:

<https://osc.independent.gov.uk/osc-procedures-and-guidance/>

Current RIPA Codes:

<https://www.gov.uk/government/collections/ripa-codes>

In particular:

[Interception of communications: code of practice 2016](#)

[Equipment interference: code of practice](#)

[Codes of practice for the acquisition, disclosure and retention of communications data](#)

[Covert surveillance and covert human intelligence sources codes of practice](#)

[Code of practice for investigation of protected electronic information](#)

2. Directed Surveillance

This policy relates to all staff directly employed by Thurrock Council when conducting relevant investigations for the purposes of preventing and detecting crime or preventing disorder, and to all contractors and external agencies that may be used for this purpose as well as to those members of staff tasked with the authorisation and monitoring of the use of directed surveillance, CHIS and the acquisition of communications data.

The policy will be reviewed annually and whenever changes are made to relevant legislation and codes of practice.

'It is essential that the Chief Executive, or Head of Paid Service, together with the Directors and the Heads of Units should have an awareness of the basic requirements of RIPA and also an understanding of how it might apply to the work of individual council departments. Without this knowledge at senior level, it is unlikely that any authority will be able to develop satisfactory systems to deal with the legislation. Those who need to use or conduct directed surveillance or CHIS on a regular basis will require more detailed specialised training (Office of Surveillance Commissioners).

The use of directed surveillance or a CHIS must be necessary and proportionate to the alleged crime or disorder. Usually, it will be considered to be a tool of last resort, to be used only when all other less intrusive means have been used or considered.

Necessary

A person granting an authorisation for directed surveillance must consider *why* it is necessary to use covert surveillance in the investigation *and* believe that the activities to be authorised are necessary on one or more statutory grounds.

If the activities are deemed necessary, the authoriser must also believe that they are proportionate to what is being sought to be achieved by carrying them out. This involves balancing the seriousness of the intrusion into the privacy of the subject of the operation (or any other person who may be affected) against the need for the activity in investigative and operational terms.

Proportionate

The authorisation will not be proportionate if it is excessive in the overall circumstances of the case. Each action authorised should bring an expected benefit to the investigation or operation and should not be disproportionate or arbitrary. The fact that a suspected offence may be serious will not alone render intrusive actions proportionate. Similarly, an offence may be so minor that any deployment of covert techniques would be disproportionate. No activity should be considered proportionate if the information which is sought could reasonably be obtained by other less intrusive means.

The following elements of proportionality should therefore be considered:

- balancing the size and scope of the proposed activity against the gravity and extent of the perceived crime or offence;
- explaining how and why the methods to be adopted will cause the least possible intrusion on the subject and others;

- considering whether the activity is an appropriate use of the legislation and a reasonable way, having considered all reasonable alternatives, of obtaining the necessary result;
- evidencing, as far as reasonably practicable, what other methods had been considered and why they were not implemented.

The Council will conduct its directed surveillance operations in strict compliance with the DPA principles and limit them to the exceptions permitted by the HRA and RIPA, and solely for the purposes of preventing and detecting crime or preventing disorder.

The **Senior Responsible Officer** (SRO) (as named in Appendix 5) will be able to give advice and guidance on this legislation. The SRO will appoint a **RIPA Coordinating Officer** (RCO) (as named in Appendix 5). The RCO will be responsible for the maintenance of a **central register** that will be available for inspection by the Office of the Surveillance Commissioners (OSC). The format of the central register is set out in Appendix 6.

The use of hand-held cameras and binoculars can greatly assist a directed surveillance operation in public places. However, if they afford the investigator a view into private premises that would not be possible with the naked eye, the surveillance becomes intrusive and is not permitted. Best practice for compliance with evidential rules relating to photographs and video/CCTV footage is contained in Appendix 8. Directed surveillance may be conducted from private premises. If they are used, the applicant must obtain the owner's permission, in writing, before authorisation is given. If a prosecution then ensues, the applicant's line manager must visit the owner to discuss the implications and obtain written authority for the evidence to be used. (See *R v Johnson (Kenneth)* 1988 1 WLR 1377 CA (Appendix 10).

The general usage of the council's CCTV system is not affected by this policy. However, if cameras are specifically targeted for the purpose of directed surveillance, a RIPA authorisation must be obtained.

Wherever knowledge of **confidential information** is likely to be acquired or if a vulnerable person or juvenile is to be used as a CHIS, the authorisation must be made by the Chief Executive, who is the Head of Paid Service (or in their absence whoever deputises for this role).

Directed surveillance that is carried out in relation to a **legal consultation** on certain premises will be treated as intrusive surveillance, regardless of whether legal privilege applies or not. These premises include prisons, police stations, courts, tribunals and the premises of a professional legal advisor. Local Authorities are not able to use intrusive surveillance. Operations will only be authorised when there is sufficient, documented, evidence that the alleged crime or disorder exists and when directed surveillance is considered to be a necessary and proportionate step to take in order to secure further evidence.

Low level surveillance, such as 'drive-bys' or everyday activity observed by officers in the course of their normal duties in public places, does not need RIPA authority. If surveillance activity is conducted in immediate response to an unforeseen activity, RIPA authorisation is not required. However, if repeated visits are made for a specific purpose, authorisation may be required. In cases of doubt, legal advice should be taken.

When vehicles are being used for directed surveillance purposes, drivers must at all times comply with relevant traffic legislation.

Crime Threshold

An additional barrier to authorising directed surveillance is set out in the Regulation of Investigatory Powers (Directed Surveillance and CHIS) (Amendment) Order 2012. This provides a 'Crime Threshold' whereby only crimes which are either punishable by a maximum term of at least 6 months' imprisonment (whether on summary conviction or indictment) or are related to the underage sale of alcohol or tobacco can be investigated through Directed Surveillance.

The crime threshold applies only to the authorisation of directed surveillance by local authorities under RIPA, not to the authorisation of local authority use of CHIS or their acquisition of Communications Data (CD). The threshold came into effect on 1 November 2012.

Thurrock **cannot** authorise directed surveillance for the purpose of preventing disorder unless this involves a criminal offence(s) punishable (whether on summary conviction or indictment) by a maximum term of at least 6 months' imprisonment.

Thurrock may therefore continue to authorise use of directed surveillance in more serious cases as long as the other tests are met – i.e. that it is necessary and proportionate and where prior approval from a Magistrate has been granted. Examples of cases where the offence being investigated attracts a maximum custodial sentence of six months or more could include more serious criminal damage, dangerous waste dumping and serious or serial fraud.

Thurrock may also continue to authorise the use of directed surveillance for the purpose of preventing or detecting specified criminal offences relating to the underage sale of alcohol and tobacco where the necessity and proportionality test is met and prior approval from a JP has been granted.

A local authority such as Thurrock **may not authorise** the use of directed surveillance under RIPA to investigate disorder that does not involve criminal offences.

3. Covert Human Intelligence Sources (CHIS)

A person who reports suspicion of an offence is not a CHIS, nor do they become a CHIS if they are asked if they can provide additional information, e.g. details of the suspect's vehicle or the time that they leave for work. It is only if they establish or maintain a personal relationship with another person for the purpose of covertly obtaining or disclosing information that they become a CHIS.

If it is deemed unnecessary to obtain RIPA authorisation in relation to the proposed use of a CHIS for test purchasing, the applicant should complete the council's CHIS form and submit to an Authorising Officer for authorisation. Once authorised, any such forms must be kept on the relevant investigation file, in compliance with the Criminal Procedure for Investigations Act 1996 ("CPIA").

The times when a local authority will use a CHIS are limited. The most common usage is for test-purchasing under the supervision of suitably trained officers.

Officers considering the use of a CHIS under the age of 18, and those authorising such activity must be aware of the additional safeguards identified in The Regulation of Investigatory Powers (Juveniles) Order 2000 and its Code of Practice.

A vulnerable individual should only be authorised to act as a CHIS in the most exceptional circumstances. A vulnerable individual is a person who is or may be in need of community care services by reason of mental or other disability, age or illness, and who is or may not be able to take care of himself. The Authorising Officer in such cases must be the Chief Executive, who is the Head of Paid Service, or in their absence whoever deputises for this role.

Any deployment of a CHIS should take into account the safety and welfare of that CHIS. Before authorising the use or conduct of a CHIS, the authorising officer should ensure that an appropriate bespoke risk assessment is carried out to determine the risk to the CHIS of any assignment and the likely consequences should the role of the CHIS become known. This risk assessment must be specific to the case in question. The ongoing security and welfare of the CHIS, after the cancellation of the authorisation, should also be considered at the outset.

A CHIS handler is responsible for bringing to the attention of a CHIS controller any concerns about the personal circumstances of the CHIS, insofar as they might affect the validity of the risk assessment, the conduct of the CHIS, and the safety and welfare of the CHIS.

The process for applications and authorisations have similarities to those for directed surveillance but there are also significant differences, namely that the following arrangements must be in place at all times in relation to the use of a CHIS:

- There will be an appropriate officer of the Council who has day-to-day responsibility for dealing with the CHIS, and for the security and welfare of the CHIS; and
- There will be a second appropriate officer of the use made of the CHIS, and who will have responsibility for maintaining a record of this use. These records must also include information prescribed by the Regulation of Investigatory Powers (Source Records) Regulations 2000. Any records that disclose the identity of the CHIS must not be available to anyone who does not have a need to access these records.

An Authorising Officer's Aide-Memoire has been produced (Appendix 11) to assist Authorising Officers when considering applications for directed surveillance.

4. The Authorisation Process

The processes for applications and authorisations for CHIS are similar as for directed surveillance, but note the differences set out in the CHIS section above. Directed Surveillance applications and CHIS applications are made using forms that have been set up in a shared network drive by the council. These forms must not be amended and applications will not be accepted if the approved forms are not completed.

The authorisation process involves the following steps and is also summarised (in flowchart form) within Appendix 12:

Investigation Officer

1. A risk assessment will be conducted by the Investigation Officer before an application is drafted. This assessment will include the number of officers required for the operation; whether the area involved is suitable for directed surveillance; what equipment might be necessary, health and safety concerns of all those involved and affected by the operation and insurance issues. Particular care must be taken when considering surveillance activity close to schools or in other sensitive areas. If it is necessary to conduct surveillance around school premises, the applicant should inform the head teacher of the nature and duration of the proposed activity, in advance. A PNC check on those targets should be conducted as part of this assessment by the Counter Fraud & Investigation team.
2. The Investigation Officer prepares an application. When completing the forms, Investigation Officers must fully set out details of the covert activity for which authorisation is sought to enable the Authorising Officer to make an informed judgment. Consideration should be given to consultation with a lawyer concerning the activity to be undertaken (including scripting and tasking).
3. The Investigation Officer will obtain a unique reference number (URN) from the central register before submitting an application.

4. The Investigation Officer will submit the application form to an authorising officer for approval (see Appendix 5).
5. All applications to conduct directed surveillance (other than under urgency provisions – see below) must be made in writing in the approved format.

Authorising Officer (AO)

6. The AO considers the application and if it is considered complete the application is signed off and forwarded to the SRO for review and counter approval.
7. An Authorising Officer's Aide-Memoire has been produced to assist AO's when considering applications for directed surveillance.
8. If there are any deficiencies in the application further information may be sought from the Investigation Officer, prior to sign off.
9. Once final approval has been received from the SRO (see below), the AO and the Investigation Officer will retain copies and will create an appropriate diary method to ensure that any additional documents are submitted in good time.

Senior Responsible Officer (SRO)

10. The SRO then reviews the AO's approval and countersigns it.
11. If the application requires amendment the SRO will return this to the AO for the necessary revisions to be made prior to sign off. Once the SRO is satisfied that concludes the internal authorisation procedure and he or she will countersign the application.

Application to JPs Court

12. The countersigned application form will form the basis of the application to the JPs Court (see further below).

Authorised Activity

13. Authorisation takes effect from the date and time of the approval from the JPs Court.
14. Where possible, private vehicles used for directed surveillance purposes should have keeper details blocked by the Counter Fraud & Investigation team.
15. Notification of the operation will be made to the relevant police force intelligence units where the target of the operation is located in their force area. Contact details for each force intelligence unit are held by the Group Manager Counter Fraud & Investigation - Counter Fraud & Investigation team.

16. Before directed surveillance activity commences, the Investigation Officer will brief all those taking part in the operation. The briefing will include details of the roles to be played by each officer, a summary of the alleged offence(s), the name and/or description of the subject of the directed surveillance (if known), a communications check, a plan for discontinuing the operation and an emergency rendezvous point. A copy of the briefing report (Appendix 7) will be retained by the Investigation Officer.
17. Where 3 or more officers are involved in an operation, officers conducting directed surveillance will complete a daily log of activity an example shown at Appendix 9. Evidential notes will also be made in the pocket notebook of all officers engaged in the operation regardless of the number of officers on an operation. These documents will be kept in accordance with the appropriate retention guidelines and CPIA.
18. Where a contractor or external agency is employed to undertake any investigation on behalf of the Council, the Investigation Officer will ensure that any third party is adequately informed of the extent of the authorisation and how they should exercise their duties under that authorisation.

Conclusion of Activities

19. As soon as the authorised activity has concluded the Investigation Officer will complete a Cancellation Form.
20. The original copy of the complete application will be retained with the central register.

5. SRO Review and Sign Off

The SRO will review the AO approval prior to it being submitted for Magistrates/JP authorisation.

If in the SRO's opinion there are inconsistencies, errors or deficiencies, in the application such that the AO's approval requires amendments or augmentation, the SRO will return the application form to the AO with recommendation for alternative wording or further information and the AO will incorporate the same.

The form will then be returned to the SRO for countersigning.

Once the SRO has countersigned the form this will form the basis of the application to the Magistrates Court for authorisation.

6. Judicial Authorisation

From 1 November 2012, sections 37 and 38 of the Protection of Freedoms Act 2012 are in force. This will mean that a local authority who wishes to authorise the use of directed surveillance, acquisition of Communication Data (CD) and use of a CHIS under RIPA will need to obtain an order approving the grant or renewal of an authorisation or notice from a JP (a District Judge or lay magistrate) before it can take effect. If the JP is satisfied that the statutory tests have been met and that the use of the technique is necessary and proportionate he/she will issue an order approving the grant or renewal for the use of the technique as described in the application.

The new judicial approval mechanism is in addition to the existing authorisation process under the relevant parts of RIPA as outlined above and in this section. The current process of assessing necessity and proportionality, completing the RIPA authorisation/application form and seeking approval from an authorising officer/designated person will therefore remain the same.

The Authorising Officer from Thurrock will provide the JP with a copy of the original RIPA authorisation or notice and the supporting documents setting out the case. This forms the basis of the application to the JP and should contain all information that is relied upon. For communications data requests the RIPA authorisation or notice may seek to acquire consequential acquisition of specific subscriber information. The necessity and proportionality of acquiring consequential acquisition will be assessed by the JP as part of their consideration.

The original RIPA authorisation or notice should be shown to the JP but also be retained by Thurrock Council so that it is available for inspection by the Commissioners' officers and in the event of any legal challenge or investigations by the Investigatory Powers Tribunal (IPT). The Court may also wish to keep a copy so an extra copy should be made available to the Court.

Importantly, the Authorising Officer will also need to provide the JP with a partially completed judicial application/order form.

Although the officer is required to provide a brief summary of the circumstances of the case on the judicial application form, this is supplementary to and does not replace the need to supply the original RIPA authorisation as well.

The order section of the form will be completed by the JP and will be the official record of the JP's decision. The officer from Thurrock will need to obtain judicial approval for all initial RIPA authorisations/applications and renewals and will need to retain a copy of the judicial application/order form after it has been signed by the JP. There is no requirement for the JP to consider either cancellations or internal reviews.

The authorisation will take effect from the date and time of the JP granting approval and Thurrock may proceed to use the techniques approved in that case.

It will be important for each officer seeking authorisation to establish contact with Her Majesty's Court and Tribunals Service (HMCTS) administration at the magistrates' court. HMCTS administration will be the first point of contact for the officer when seeking a JP approval. Thurrock will need to inform HMCTS administration as soon as possible to request a hearing for this stage of the authorisation.

On the rare occasions where out of hours access to a JP is required then it will be for the officer to make local arrangements with the relevant HMCTS legal staff. In these cases we will need to provide two partially completed judicial application/order forms so that one can be retained by the JP. They should provide the court with a copy of the signed judicial application/order form the next working day.

In most emergency situations where the police have power to act, then they are able to authorise activity under RIPA without prior JP approval. No RIPA authority is required in immediate response to events or situations where it is not reasonably practicable to obtain it (for instance when criminal activity is observed during routine duties and officers conceal themselves to observe what is happening).

Where renewals are timetabled to fall outside of court hours, for example during a holiday period, it is the local authority's responsibility to ensure that the renewal is completed ahead of the deadline. Out of hours procedures are for emergencies and should not be used because a renewal has not been processed in time.

The hearing is a 'legal proceeding' and therefore our officers need to be formally designated to appear, be sworn in and present evidence or provide information as required by the JP.

The hearing will be in private and heard by a single JP who will read and consider the RIPA authorisation or notice and the judicial application/order form. He/she may have questions to clarify points or require additional reassurance on particular matters.

The Authorising Officer will need to be able to answer the JP's questions on the policy and practice of conducting covert operations and the detail of the case itself. Thurrock's officers may consider it appropriate for the SPoC (single point of contact) to attend for applications for CD/RIPA authorisations. This does not, however, remove or reduce in any way the duty of the authorising officer to determine whether the tests of necessity and proportionality have been met. Similarly, it does not remove or reduce the need for the forms and supporting papers that the authorising officer has considered and which are provided to the JP to make the case (see paragraphs 47-48).

It is not Thurrock's policy that legally trained personnel are required to make the case to the JP.

The forms and supporting papers must by themselves make the case. It is not sufficient for the local authority to provide oral evidence where this is not reflected or supported in the papers provided. The JP may note on the form any additional information he or she has received during the course of the hearing but information fundamental to the case should not be submitted in this manner.

If more information is required to determine whether the authorisation or notice has met the tests then the JP will refuse the authorisation. If an application is refused the local authority should consider whether they can reapply, for example, if there was information to support the application which was available to the local authority, but not included in the papers provided at the hearing.

The JP will record his/her decision on the order section of the judicial application/order form. HMCTS administration will retain a copy of the local authority RIPA authorisation or notice and the judicial application/order form. This information will be retained securely. Magistrates' Courts are not public authorities for the purposes of the Freedom of Information Act 2000.

7. Authorisation periods

The authorisation will take effect from the date and time of the JP granting approval and Thurrock may proceed to use the techniques approved in that case.

A written authorisation (unless renewed or cancelled) will cease to have effect after 3 months.

Renewals should not normally be granted more than seven days before the original expiry date. If the circumstances described in the application alter, the applicant must submit a review document before activity continues.

As soon as the operation has obtained the information needed to prove, or disprove, the allegation, the applicant must submit a cancellation document and the authorised activity must cease.

CHIS authorisations will (unless renewed or cancelled) cease to have effect 12 months from the day on which authorisation took effect, except in the case of juvenile CHIS which will cease to have effect after 4 months. Urgent oral authorisations or authorisations will unless renewed, cease to have effect after 72 hours.

8. Urgency

The law has been changed so that urgent cases can no longer be authorised orally. Approval for directed surveillance in an emergency must now be obtained in written form. Oral approvals are no longer permitted. In cases where emergency approval is required an AO must be visited by the applicant with two completed RIPA application forms. The AO will then

assess the proportionality, necessity and legality of the application. If the application is approved then the applicant must then contact the out-of-hours HMCTS representative to seek approval from a Magistrate. The applicant must then take two signed RIPA application forms and the judicial approval form to the Magistrate for the hearing to take place.

As with a standard application the test of necessity, proportionality and the crime threshold must be satisfied. A case is not normally to be regarded as urgent unless the delay would, in the judgment of the person giving the authorisation, be likely to endanger life or jeopardise the investigation or operation. Examples of situations where emergency authorisation may be sought would be where there is intelligence to suggest that there is a substantial risk that evidence may be lost, a person suspected of a crime is likely to abscond, further offences are likely to take place and/or assets are being dissipated in a criminal investigation and money laundering offences may be occurring. An authorisation is not considered urgent if the need for authorisation has been neglected or the urgency is due to the authorising officer or applicant's own doing.

9. Telecommunications Data - NAFN

The RIPA (Communications Data) Order 2003 came into law in January 2004. It allows Local Authorities to acquire limited information in respect of subscriber details and service data. It does NOT allow Local Authorities to intercept, record or otherwise monitor communications data.

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

Officers may make the application by accessing the NAFN website. The application will first be vetted by NAFN for consistency, before being forwarded by NAFN to the Council's Designated Persons for the purposes of approving the online application. The Council will ensure that Designated Persons receive appropriate training when becoming a Designated Person.

Designated Persons must not authorise requests for their own service area and will access the restricted area of the NAFN website using a special code, in order to review and approve the application. When approving the application, the Designated Person must be satisfied that the acquiring of the information is necessary, proportionate and meets the serious crime threshold. Approvals are documented by the Designated Person completing the online document and resubmitting it by following the steps outlined on the site by NAFN. This online documentation is retained by NAFN who are inspected and audited by the Office Surveillance Commissioner (OSC).

When submitting an online application, the officer must also inform the relevant Designated Person, in order that they are aware that the NAFN application is pending.

10. Handling of material and use of material as evidence

Material obtained from properly authorised directed surveillance or a source may be used in other investigations. Arrangements shall be in place for the handling, storage and destruction of material obtained through the use of directed surveillance, a source or the obtaining or disclosure of communications data, following relevant legislation such as the Criminal Procedure and Investigations Act (CPIA). Authorising Officers must ensure compliance with the appropriate data protection and CPIA requirements, having due regard to the Public Interest Immunity test and any relevant Corporate Procedures relating to the handling and storage of material.

Where the product of surveillance could be relevant to pending or future proceedings, it should be retained in accordance with established disclosure requirements for a suitable period and subject to review.

11. Training

Officers conducting directed surveillance operations, using a CHIS or acquiring communications data must have an appropriate accreditation or be otherwise suitably qualified or trained.

Authorising Officers (Appendix 5) will be appointed by the Chief Executive and will have received training that has been approved by the Senior Responsible Officer. The Senior Responsible Officer will have appointed the RIPA Coordinating Officer who will be responsible for arranging suitable training for those conducting surveillance activity or using a CHIS.

All training will take place at reasonable intervals to be determined by the SRO or RSO, but it is envisaged that an update will usually be necessary following legislative or good practice developments or otherwise every 12 months.

12. Surveillance Equipment

All mobile surveillance equipment is kept in secure premises of each investigation and enforcement team in the Civic Offices. Access to the area is controlled by the relevant team, who maintain a spreadsheet log of all equipment taken from and returned to the area.

13. The Inspection Process

The OSC will make periodic inspections during which the inspector will wish to interview a sample of key personnel; examine RIPA and CHIS applications and authorisations; the central register and policy documents. The inspector will also make an evaluation of processes and procedures.

14. Shared Arrangements

Thurrock conducts Counter Fraud & Investigation activities to protect other public authorities who have no counter fraud function but have an ongoing statutory duty to protect the public funds they administer. In rare instances, where activity governed by RIPA is required to support that Counter Fraud work, only officers employed by Thurrock Council are used to conduct that activity, as the tasking agency. Thurrock therefore follows its own RIPA policy which will result in its Authorising Officers' signing off other agencies RIPA surveillance requests.

15. Social Media and online covert activity

The use of the internet may be required to gather information prior to and/or during an operation, which may amount to directed surveillance. Alternatively an investigator may need to communicate covertly online, for example, contacting individuals using social media websites.

Whenever the council intends to use the internet as part of an investigation, it must first consider whether the proposed activity is likely to interfere with a person's Article 8 rights (Right to respect for private and family life), including the effect of any collateral intrusion. Any activity likely to interfere with an individual's Article 8 rights should only be used when necessary and proportionate to meet the objectives of a specific case.

The use of social media for the gathering of evidence to assist in enforcement activities, must comply with the requirements set out below:

- It is not unlawful for a council officer to set up a false identity but it is inadvisable to do so for a covert purpose without authorisation. Using photographs of other persons without their permission to support the false identity infringes other laws.
- Where it is necessary and proportionate for officers pursuing an investigation to create a false identity in order to 'friend' individuals on social networks, a CHIS authorisation must be obtained. If such activity is likely to result in the obtaining of private information, a directed surveillance authorisation (combined with a CHIS authorisation or separate) must be obtained.
- Authorisation for the use and conduct of a CHIS is necessary if a relationship is established or maintained by a council officer (i.e. the activity is more than merely reading of the site's content). Where activity is only carrying out a test purchase a CHIS authorisation may not be necessary, however this should be confirmed with the Authorising Officer on a case by case basis.
- Where privacy settings are available but not applied, the data may be considered open source and an authorisation is not usually required.
- Officers viewing an individual's open profile on a social network should do so as infrequently as possible in order to substantiate or refute an allegation.
- Where repeated viewing of open profiles on social networks is necessary and proportionate to gather further evidence or to monitor an individual's status, then RIPA authorisation must be considered as repeat viewing of "open source" sites may

constitute directed surveillance on a case by case basis. Any decision not to seek authorisation must be made in consultation with an Authorising Officer and that the decision making process should be documented.

- Officers should be aware that it may not be possible to verify the accuracy of information on social networks and if such information is to be used as evidence, then reasonable steps must be undertaken to ensure its validity

16. Resources

OSC home page:

<https://osc.independent.gov.uk>

OSC Procedures and Guidance issued in July 2016:

<https://osc.independent.gov.uk/osc-procedures-and-guidance/>

OSC list of current RIPA Codes:

<https://www.gov.uk/government/collections/ripa-codes>

In particular:

[Interception of communications: code of practice 2016](#)

[Equipment interference: code of practice](#)

[Codes of practice for the acquisition, disclosure and retention of communications data](#)

Covert surveillance and covert human intelligence sources codes of practice

[Code of practice for investigation of protected electronic information](#)

GLOSSARY OF TERMS

Collateral intrusion

The likelihood of obtaining private information about someone who is not the subject of the directed surveillance operation.

Confidential information

This covers confidential journalistic material, matters subject to legal privilege, and information relating to a person (living or dead) relating to their physical or mental health; spiritual counselling or which has been acquired or created in the course of a trade/profession/occupation or for the purposes of any paid/unpaid office.

Covert relationship

A relationship in which one side is unaware of the purpose for which the relationship is being conducted by the other.

Directed Surveillance

Surveillance carried out in relation to a specific operation which is likely to result in obtaining private information about a person in a way that they are unaware that it is happening. It excludes surveillance of anything taking part in residential premises or in any private vehicle.

Intrusive Surveillance

Surveillance which takes place on any residential premises or in any private vehicle. A Local Authority cannot use intrusive surveillance.

Legal Consultation

A consultation between a professional legal adviser and his client or any person representing his client, or a consultation between a professional legal adviser or his client or representative and a medical practitioner made in relation to current or future legal proceedings.

Residential premises

Any premises occupied by any person as residential or living accommodation, excluding common areas to such premises, e.g. stairwells and communal entrance halls.

Senior Responsible Officer (SRO)

The SRO is responsible for the integrity of the processes in order for the Council to ensure compliance when using Directed Surveillance or CHIS.

Service data

Data held by a communications service provider relating to a customer's use of their service, including dates of provision of service; records of activity such as calls made, recorded delivery records and top-ups for pre-paid mobile phones.

Surveillance device

Anything designed or adapted for surveillance purposes.

Regulation of Investigatory Powers (Directed Surveillance and Covert Human Intelligence Sources) Order 2010

The Order consolidates four previous Orders relating to directed surveillance and the use or conduct of covert human intelligence sources by public authorities under Part II of the Regulation of Investigatory Powers Act 2000 (RIPA) and to reflect the outcome of a public consultation which took place between April and July 2009.

It identifies the 'relevant public authorities' authorised to conduct RIPA and CHIS activities. This list includes local authorities in England and Wales. It also gives examples of such activity, as shown on page 3 of this document.

The Human Rights Act 1998

Articles 6 and 8 of the Human Rights Act are relevant to RIPA.

If it is proposed that directed surveillance evidence is to be used in a prosecution, or other form of sanction, the subject of the surveillance should be informed during an interview under caution.

The Data Protection Act (DPA) 2018

The principles of the DPA relating to the acquisition of personal data need to be observed when using RIPA. To ensure compliance, the information must:

- Be processed lawfully, fairly and in a transparent manner in relation to the data subject ('lawfulness, fairness and transparency')
- Be collected for specified, explicit and legitimate purposes and not further processed in a manner that is incompatible with those purposes
- Be adequate, relevant and limited to what is necessary in relation to the purposes for which they are processed ('data minimisation')
- Be accurate and, where necessary kept up to date. Every reasonable step must be taken to ensure that inaccurate personal data is erased or rectified without delay
- Be kept in a form which permits identification of data subjects for no longer than is necessary for the purposes for which the personal data is processed
- Be processed in a manner that ensures appropriate security of the personal data, including protection against unauthorised or unlawful processing and against accidental loss, destruction or damage, using appropriate technical or organisational measures ('integrity and confidentiality')

List of Authorising Officers

The following post holders may authorise RIPA applications where there is a likelihood of obtaining Confidential Information: Chief Executive or deputy.

The following post holders may authorise the use of a vulnerable person or a juvenile to be used as a Covert Human Intelligence Source: Chief Executive, as Head of Paid Service or his or her deputy.

The following post holders may authorise applications, reviews, renewals and cancellations of Directed Covert Surveillance of Covert Human Intelligence Sources: Chief Executives and Directors, or in their absence, the Head of Legal and Democratic Services.

Principal RIPA Officers

| | | |
|--|---|--------------|
| David Lawson Monitoring Officer and Assistant Director of Law and Governance | Senior Responsible Officer (SRO) | 01375 652087 |
| Matthew Boulter Deputy Monitoring Officer | Deputy SRO | 01375 652082 |
| Lee Henley Strategic Lead -Information Management | RIPA Co-ordinating Officer (Single Point of Contact) | 01375 652500 |

Authorising Officers

| | | |
|--|---------------------|--------------|
| Chief Executive | Authorising Officer | 01375 652390 |
| Rory Patterson Corporate Director of Children's Services | Authorising Officer | 01375 659840 |
| Sean Clark Director of Finance & IT | Authorising Officer | 01375 652010 |
| Andrew Millard Assistant Director - Planning and Growth | Authorising Officer | 01375 652710 |
| Jackie Hinchliffe Director of HR,OD & Transformation | Authorising Officer | 01375 652016 |

Appendix 6

Central Register

A central register will be maintained by the RIPA single point of contact. The register will contain details of all RIPA and CHIS applications (whether approved or not) and all reviews, renewals and cancellations.

Each operation will be given a unique reference number (URN) from which the department involved and the year of the operation may be readily identified.

The register will also contain the following information:

- The operation reference name or number
- The name of the applicant
- The name of the subject of the surveillance or CHIS activity (for internal enquiries a pseudonym may be used)
- The date and time that the activity was authorised
- The date and time of any reviews that are to be conducted
- The date and time of any renewals of authorisations
- The date and time of the cancellations of any authorisations

Kept in conjunction with the register will be the details of the training and updates delivered to authorising officers, a list of authorising officers, a copy of the RIPA policy and copies of all relevant legislation.

The original of all documents will also be held with the register, which must be available for inspection by the Office of the Surveillance Commissioners.

Briefing Report

Before any RIPA or CHIS operation commences, all staff will be briefed by the officer in charge of the case using the format of this briefing report. The original will be retained with the investigation file.

RIPA URN

Name and number to identify operation

Date, time and location of briefing

.....

Persons present at briefing

.....

Information (Sufficient background information of the investigation to date to enable all those taking part in the operation to fully understand their role).

Intention (What is the operation seeking to achieve?).

Method (How will individuals achieve this? If camcorders are to be used, remind officers that any conversations close to the camera will be recorded).

Administration (To include details of who will be responsible for maintenance of the log sheet and collection of evidence; any identified health and safety issues; the operation; an agreed stand down procedure – NOTE It will be the responsibility of the officer in charge of the investigation to determine if and when an operation should be discontinued due to reasons of safety or cost-effectiveness – and an emergency rendezvous point. On mobile surveillance operations, all those involved will be reminded that at ALL times speed limits and mandatory road signs MUST be complied with and that drivers must NOT use radios or telephones when driving unless the equipment is ‘hands free’).

Communications (Effective communications between all members of the team will be established before the operation commences).

Best practice regarding photographic and video evidence

Photographic or video evidence can be used to support the verbal evidence of what the officer conducting surveillance actually saw. There will also be occasions when video footage may be obtained without an officer being present at the scene. However it is obtained, it must properly documented and retained in order to ensure evidential continuity. All such material will be disclosable in the event that a prosecution ensues.

Considerations should be given as to how the evidence will eventually be produced. This may require photographs to be developed by an outside laboratory. Arrangements should be made in advance to ensure continuity of evidence at all stages of its production. A new film, tape or memory card should be used for each operation.

If video footage is to be used start it with a verbal introduction to include day, date, time and place and names of officers present. Try to include footage of the location, e.g. street name or other landmark so as to place the subject of the surveillance.

A record should be maintained to include the following points:

- Details of the equipment used
- Confirmation that the date & time on the equipment is correct
- Name of the officer who inserted the film, tape or memory card into the camera
- Details of anyone else to whom the camera may have been passed
- Name of officer removing film, tape or memory card
- Statement to cover the collection, storage and movement of the film, tape or memory card
- Statement from the person who developed or created the material to be used as evidence

As soon as possible the original recording should be copied and the master retained securely as an exhibit. If the master is a tape, the record protect tab should be removed once the tape has been copied. Do not edit anything from the master. If using tapes, only copy on a machine that is known to be working properly. Failure to do so may result in damage to the master.

Stills may be taken from video. They are a useful addition to the video evidence.

Surveillance Log

Daily log of activity, to be kept by each operator or pair of operators.

- A – Amount of time under observation
- D – Distance from subject
- V - Visibility
- O - Obstruction
- K – Known, or seen before
- A – Any reason to remember, subject or incident
- T – Time elapsed between sighting and note taking
- E – Error or material discrepancy – e.g. description, vehicle reg etc.

Operation name or number

Date

Time of activity (from) (to)

Briefing location and time

Name of operator(s) relating to THIS log

.....

Details of what was seen, to include ADVOKATE (as above).

.....

.....

.....

.....

.....

.....

.....

R v Johnson

R. v. Johnson [1988] 1 WLR 1377 laid down the correct procedure when using observation posts:

- The police officer in charge of the observation, who should be of no lesser rank than sergeant, should testify that he had visited the observation posts & ascertained the attitude of the occupiers to the use of the premises & to disclosure which might lead to their identification. (It is suggested that 'Sergeant' could be replaced by section manager).
- An inspector should then testify that immediately before the trial he visited those places & ascertained whether the occupiers were the same persons as those at the time of the observations. (It is suggested that 'inspector' could be replaced by head of department).
- If they were not he, should testify as to their attitude to the use made of the premises and to possible disclosure which might lead to their identification.
- The judge should explain to the jury when summing up or at some other point the effect of his ruling to exclude the evidence of the location.

Public Interest Immunity (PII) protects the identity of a person who has permitted surveillance to be conducted from private premise, so this extends to the address and any other information that could reveal their identity. If, however, the location can be revealed without identifying the occupier, then it should be.

Appendix 11

RIPA Authorising Officer's Aide-Memoire

| | | |
|--|------------|-----------|
| <p>Has the applicant satisfactorily demonstrated proportionality? Court will ask itself should (not could) we have decided this was proportionate. Is there a less intrusive means of obtaining the same information? What is the risk – to the authority (loss), to the community of allowing the offence to go un-investigated? What is the potential risk to the subject? What is the least intrusive way of conducting the surveillance? Has the applicant asked for too much? Can it safely be limited? Remember – Don't use a sledge-hammer to crack a nut! YOUR COMMENTS</p> | Yes | No |
|--|------------|-----------|

| | | |
|---|------------|-----------|
| <p>Has the applicant satisfactorily demonstrated necessity (see below)?</p> <ul style="list-style-type: none"> • What crime is alleged to be committed? • Is the surveillance necessary for what we are seeking to achieve? • Does the activity need to be covert or could the objectives be achieved overtly? • Does this crime come under the Fraud Act 2006 and if so please state which section of the Act this applies to? • Will the offence attract a custodial sentence of 6 months or more? If no, directed surveillance should not be used <p>YOUR COMMENTS</p> | Yes | No |
|---|------------|-----------|

| | | |
|--|------------|-----------|
| <p>What evidence does applicant expect to gather? Has applicant described (a) what evidence he/she hopes to gain, and (b) the value of that evidence in relation to THIS enquiry? YOUR COMMENTS</p> | Yes | No |
|--|------------|-----------|

| | | |
|--|------------|-----------|
| Is there any likelihood of obtaining confidential information during this operation? If "Yes" operation must be authorized by the Chiel Executive. | Yes | No |
| Have any necessary risk assessments been conducted before requesting authorization? Details what assessment (if any) was needed in this particular cases. In the case of a CHIS authorization an appropriate bespoke risj assessment must be completed. | Yes | No |
| When applying for CHIS authorization, have officers been identified to: a) have day to day responsibility for the CHIS (a handler) b) have general oversight of the use of the CHIS (a controller) c) be responsible for retaining relevant CHIS records, including true identity, and the use made of the CHIS. | Yes | No |

| | | |
|---|------------|-----------|
| Have all conditions necessary for authorization been met to your satisfaction? GIVE DETAILS | Yes | No |
|---|------------|-----------|

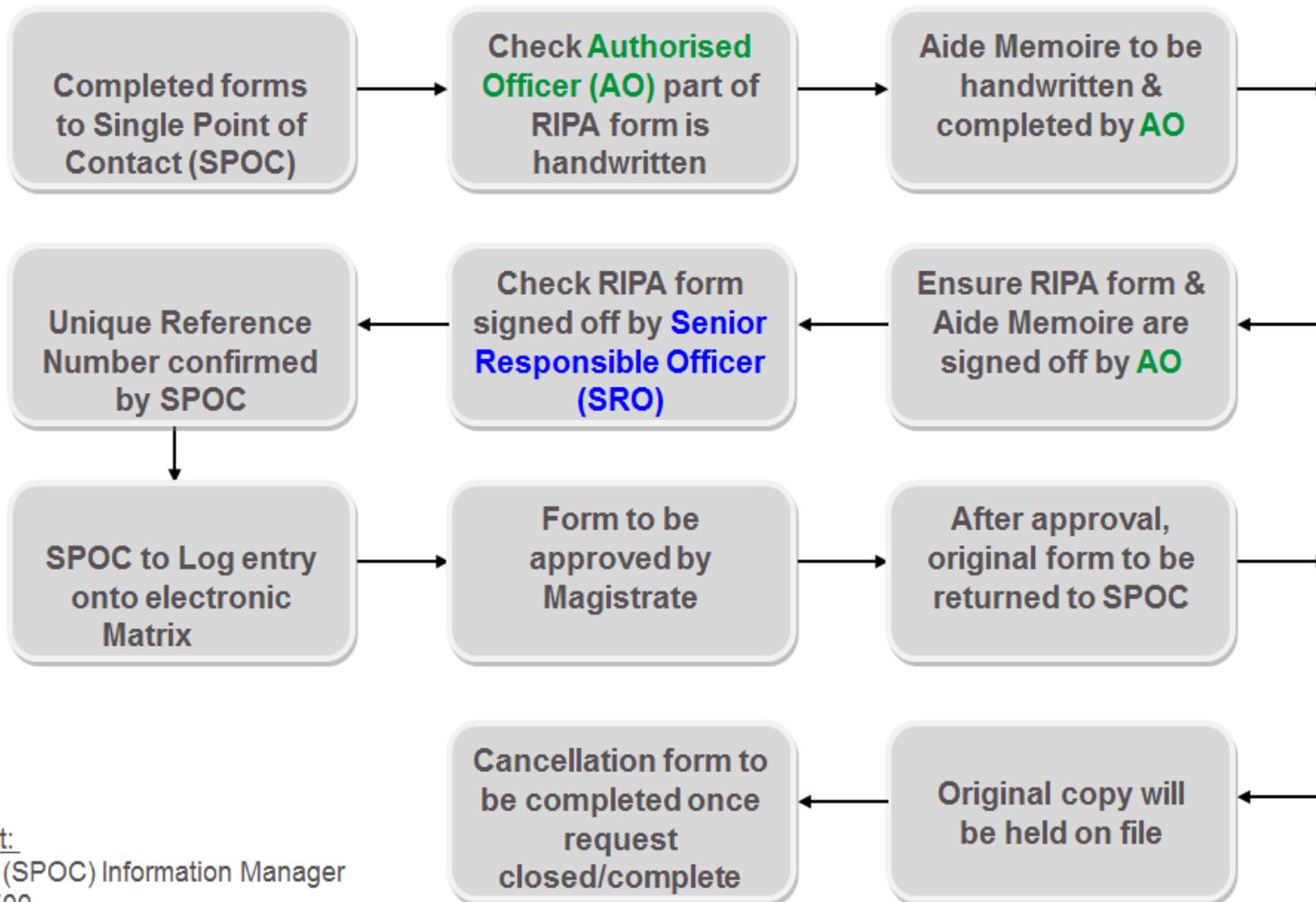
| | | |
|---|------------|-----------|
| Do you consider that it is necessary to place limits on the operation? IF YES, GIVE DETAILS (eg no. of officers, time, date etc) and REAASONS | Yes | No |
|---|------------|-----------|

| | | | |
|---|--|---------------|--|
| Name (Print) | | Grade / Rank | |
| Signature | | Date and time | |
| Expiry date and time [e.g.: authorisation granted on 1 April 2011 - expires on 30 June 2011, 23.59] | | | |

Remember to diarise any review dates and any subsequent action necessary by you and/or applicant. Return copy of completed application to applicant and submit original to Legal Services. Retain copy.

RIPA Process

Appendix 12



Key Contact:
Lee Henley (SPOC) Information Manager
01375 652500

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| | |
|---|---------------------------------|
| 13 December 2018 | ITEM: 6 |
| Standards and Audit Committee | |
| Mid-Year Review of the Strategic/Corporate Risk and Opportunity Register | |
| Wards and communities affected: All | Key Decision: Non-key |
| Report of: Andy Owen, Corporate Risk and Insurance Manager | |
| Accountable Assistant Director: Jonathan Wilson, Assistant Director of Finance | |
| Accountable Director: Sean Clark, Director of Finance and IT | |
| This report is a Public | |

Executive Summary

One of the functions of the Standards and Audit Committee under the Terms of Reference of the Constitution is to provide independent assurance that the authority's risk management arrangements are adequate and effective.

To enable the Standards and Audit Committee to consider the effectiveness of the council's risk and opportunity management arrangements the report is presented on a bi annual basis and provides details of how the key risks and opportunities facing the authority are identified and managed.

The Corporate Risk and Insurance Manager has engaged with Services, Department Management Teams, Performance Board and Directors Board during October and November to review the Strategic/Corporate Risk and Opportunity Register.

This report provides Standards and Audit Committee with the key risks and opportunities identified by the review and the revised Strategic/Corporate Risk and Opportunity Register.

1. Recommendation(s)

- 1.1 That Standards and Audit Committee note the items and details contained in the Dashboard (Appendix 1).**
- 1.2 That Standards and Audit Committee note the 'In Focus' report (Appendix 2), which highlights the higher priority items identified by the review.**

2. Introduction and Background

- 2.1 Risk and Opportunity Management (ROM) describes the planned and systematic approach used to identify, evaluate and manage the risks to and the opportunities for the achievement of the council's objectives.
- 2.2 ROM makes a significant contribution to the sound Corporate Governance arrangements to meet the requirements set out in the Account and Audit Regulations and is an important part of the council's overall Performance Management Framework.
- 2.3 In accordance with the ROM Policy Strategy and Framework regular reviews of the Strategic/Corporate Risk and Opportunity register were undertaken during 2017/18 and reported to Standards & Audit Committee, via Directors Board and Performance Board.
- 2.4 The annual review of the council's ROM arrangements was undertaken in the last quarter of 2017/18. As part of the review the ROM Policy, Strategy and Framework were updated and reported to Standards and Audit Committee 6 March 2018, via Directors Board 13 February 2018 and Performance Board 29 January 2018.
- 2.5 The Strategic/Corporate Risk and Opportunity Register was refreshed in April 2018 and the details reported to Standards and Audit Committee 19th July 2018, via Directors Board 12th June 2018 and Performance Board 4th June 2018.
- 2.6 For the Mid-Year Review the Corporate Risk and Insurance Manager has engaged with Services, Department Management Teams, Performance Board and Directors Board during October and November 2018 to update the Strategic/Corporate Risk and Opportunity Register.

3. Issues, Options and Analysis of Options

- 3.1 The outcome of the review is shown in the Dashboard (Appendix 1), In Focus report (Appendix 2) and the following tables.
- 3.2 Appendix 1 – Dashboard
The dashboard provides a summary of the items in the register mapped against the council's priorities, shows the significance of the risks and opportunities, along with the developments to date and the management time frames.
- 3.3 Appendix 2 – Risks and Opportunities In Focus report
This document highlights the higher priority items identified by the review.

The rationale for items being in focus is based on the numeric value of the rating. Any risks/opportunities which are currently rated 16 or 12 automatically

become in focus, and any which are currently rated 9 or 8 would be considered on a case by case basis for the in focus report.

One new item for the Impact of the UK Withdrawal from the EU has been identified by the exercise and the details included in the In Focus report.

A summary of the position for each in focus item is included below:

Risk - In priority (rating) and then reference number order.

Health and Social Care Transformation - Risk 1 (Rating: 12 Critical/Likely)

Significant programme management capacity and expertise is required to deliver both the Adult Social Care Transformation Programme and the Health and Social Care Integration Programme (including the Better Care Fund). There are also challenges to overcome to progress a programme which is truly 'whole system'. This includes current pressures on the Essex-wide health economy, a 'local' health agenda which is geographically broader than Thurrock, and how decisions made by non-Thurrock parts of the Essex-wide system will impact upon what Thurrock wants and needs to achieve. Thurrock is a very low spending authority per capita on Adult Social Care (ASC) and also faces significant challenge in its ability to meet the growth in demand and complexity. The department has though received additional funding for ASC which it has used to help provide stability and capacity, including helping to deliver the essential transformation required. The additional funding is limited however both in terms of the Improved Better Care Fund (iBCF) and the additional precept. The pressures identified remain and will not be alleviated in the short term and therefore the residual and forecast ratings have been evaluated as 12 (Critical/Likely). The risk level will be reviewed and revised as the transformation programme develops.

As part of the Mid and South Essex Sustainability and Transformation Partnership, a consultation took place on proposals for hospital service changes. The consultation covered all three hospitals providing acute services (Basildon, Southend, Broomfield), and also Orsett Hospital. The decision made with regard to Orsett Hospital was for some of the services provided by Orsett to be moved closer to where people live. This included tests and scans and would lead to the eventual closure of Orsett. Part of the transformation of health and care in Thurrock includes the development of four Integrated Medical Centres – with the first two planned for Tilbury and Purfleet followed by two further IMCs in Corringham and Grays. A memorandum of understanding has been developed across all partners which commits to keeping Orsett open until the relevant services can be moved to the planned IMCs. The development of the IMCs is being overseen by specific programme and project arrangements.

Adult Social Care Stability and Market Failure - Risk 6 (Rating: 12 Critical/Likely)

Adult Social Care has received additional funding during the last two years – through a precept as part of the Council Tax and also through the Improved Better

Care Fund. A significant proportion of this money has been used to stabilise the market place and deliver sustainability for care providers. This has included increasing the capacity of the contract and brokerage team to ensure contract compliance visits and monitoring to take place in a timely manner – reducing or aiding early identification of risks. The introduction of a Brokerage function has also meant that more realistic costs and fees are negotiated. In addition uplifts have been provided (as described in the risk description) to improve stability and domiciliary care has been retendered. Further work will continue during 18-19 that will contribute towards the stability and sustainability of the market place – including diversification. Despite this, the risk is very real but will be reviewed once the new domiciliary care tender has had sufficient time to embed.

Since the beginning of the year, the new domiciliary care contract has started with new providers now well established within the Borough. Work is also taking place on alternative approaches to traditional domiciliary care, with two Wellbeing Teams planned for February 2019. In addition, Thurrock has been allocated additional funding for the Winter Period which is traditionally a very difficult time for the health and care system. Work is taking place to identify how the allocation should be spent to ensure that the system is able to continue to function – for example increasing capacity for home care and residential care.

CSC, Service Standards & Inspection Outcome - Risk 7 (Rating: 12 Critical/Likely)

This risk evaluates the impact of increased demand and resource pressures on children's social care quality of service and provision. The pressures outlined throughout previous years remain acute. They include increased volumes, increased complexity and ongoing activity to review high cost placements. The implementation of the early help service model and the Thurrock multi-agency safeguarding hub (MASH) has been successful although as anticipated it has led to an increase in the volume of work to children's social care, this is ongoing. The service continues to maximize the external investment and opportunities presented through the Troubled Families Programme and continuously measures impact of the MASH. Ongoing savings to be made across Children's Services including from the Children's Social care budget will be risk assessed to mitigate the impact on front line services.

The service has to be demand led and cannot fail to respond to the needs of a child due to budget or resource constraints. Changes on a local, regional and national level can have a significant impact on the demand for services. War and international factors can result in an unplanned increase in the number of unaccompanied asylum seeking children or families with no recourse to public funds. Geographical movement of families across the Eastern Region and London can see a rise in families needing services, including large sibling groups. An incident of civil disorder could result in more young people being placed in custody and a resulting increase in remand costs to the local authority. Caseloads are too high in some teams and this represents a pressing safeguarding concern. Areas for improvement have been identified within the recent Ofsted (SIF).

The level and complexity of some children and young people's needs and the lack of available national resources (specialist placements) to meet those needs is driving up cost pressures. As the Council continues to improve practice regarding the identification and tackling of Child Sexual Exploitation there is an increase in demand for service provision in terms of intervention; prevention and victim support. Current and new duties in terms of radicalization also place pressures on the service in terms of workforce capacity. Trends can be predicted based on previous levels of demand but these are subject to variance.

The pressures outlined above will not be alleviated in the short term and the risk rating will remain at the higher (red) level for the period covered.

CSC, Safeguarding & Protecting Children & YP - Risk 8 (Rating: 12 Critical/Likely)

The nature of the work in terms of safeguarding and supporting children at risk of harm means that this will always be a high risk area although through the application of the S.E.T (Southend, Essex & Thurrock) Child Protection procedures the department actively works to mitigate this risk and reduce the likelihood.

The risk of children and young people coming to harm cannot be completely eliminated and the risk level needs to remain high and ensure clear vigilance across the council and partner agencies. New and emerging risk factors will arise and there is always a potential for agencies 'not knowing, what they don't know' that needs to be guarded against.

Embedding the Multi Agency Safeguarding Hub and Early Offer of Help has supported earlier identification of risk through a multi-agency approach enabling the department to work to intervene at an earlier stage and reduce the risk of harm in some cases.

The impact for individual children and families, particularly in cases of child death is significant and whilst actions to reduce the likelihood are implemented the impact will remain as critical. There is also a critical impact score in terms of reputational damage should a child death or serious injury occur.

The ongoing nature of risk in child protection and safeguarding is such that despite effective mitigation the acknowledgement of the risk needs to remain high and will not reduce. This is not to say that the risks are unmanageable but for effective management the gravity and complexity of the risk needs to be acknowledged.

Within the context of this work we have a high level and critical risk that is being proactively managed. The management of the risk across partner agencies is reducing the likelihood of such risk, where the potential for such risks are known but cannot reduce the potential magnitude for the child in incidents such as child death or permanent disability. The unknown element of risk for families not

known to the service means that overall the likelihood remains high. Families are also not static and risk is a constant changing variable within known families.

Managing this risk places inherent pressures on the Children's Social Care budget as a demand led budget. The current trend has seen increasing numbers of children requiring child protection plans, children in need plans and children who the council is required to look after (children in care). Effective demand and resource management remain a priority for the service within an overriding context of keeping children safe.

Risk will remain constant throughout the period covered.

Business Continuity Planning - Risk 21 (Rating: 12 Critical/Likely)

The risk evaluates the position if business continuity plans are not coordinated and maintained, which would lead to service delivery arrangements across the council being ineffective in times of a disruption affecting the council and Thurrock e.g. loss of ICT, loss of use of the Civic Offices.

Oversight of Business Continuity Management is now being provided by Performance Board. The list of current BCPs and critical functions has been updated and will form the basis of ongoing review process by Performance Board and service areas. BCPs are the responsibility of individual service areas.

A recent internal audit report on emergency planning, separately recommended a review of BCP arrangements at service level. The Strategic Business Continuity Plan has now been updated and links as appropriate have been made with the emergency planning team. However, Performance Board are continuing their work with services to confirm all areas have up to date BCPs so until that work has concluded, the risk rating will remain the same.

Fraud - Risk 23 (Rating: 12 Critical/Likely)

The Counter Fraud & Investigation service has an organisational-wide strategy and proactive work plan to monitor and manage the identified risks. In the 2016/17 year the service detected £4.5m of fraud and recovered £3.2m back in to the council.

A persistent training and education regime is in place, where experts from the service work with staff, contractors, members and in the council's supply chain to identify and mitigate the risks, and increase awareness.

The council has current and effective policies on Counter Fraud, Bribery & Corruption and Money Laundering which are kept under constant review. These policies acknowledge the threats and install an action plan in identified incidents including, civil & criminal litigation and redress to recover any identified losses. Any control weaknesses identified in investigations are rectified in collaboration with the affected services and Internal Audit through SMART Action Plans.

Impact of UK Withdrawal from the EU - Risk 28 (Rating: 12 Critical/Likely)

Although Central government remains confident that a deal will be made prior to the UK leaving the EU, there is still an element of uncertainty that it will not be reached or in place by March 2019. Withdrawal from the EU involves a complex set of negotiations and the outcome of the process is difficult to predict.

The Council is working with the Essex Resilience Forum and wider stakeholders to consider and plan for the potential impact of Brexit on Thurrock and the Council.

Opportunity - In priority (rating) and then reference number order.

Treasury Management/Investment Strategy - Opportunity 16a (Rating: 12 Exceptional/Likely)

Investments identified as having the greater ability to make significant income with the minimum of impact on service provision. Treasury Management and Investment Strategy established and presented to Council 28th February, via Cabinet 7th February 2018 and Corporate Overview & Scrutiny Committee 23rd January 2018.

Thurrock Regeneration Ltd (TRL) - Opportunity 10 (Rating: 12 Major/Very Likely)

TRL Thurrock Ltd is a company set up and wholly owned by Thurrock Council. The principle focus of TRL has broadened to support the Council's wider regeneration goals however the priority focus is on delivering new homes.

The Council agreed, in February 2018, to financially commit supporting TRL's objective to deliver 1000 units over 5 years (subject to governance procedures). Consideration will be given to ensure an optimum level for a functioning, compelling business plan that effectively balances the competing issues of development/financial risk, delivery capacity and commercial returns.

To support this, the TRL Board and Shareholders agreed an updated Investment Strategy which sets out the basis on which the Company will seek to operate. TRL has a revised financial model in place, prepared by Capita, on a fairly prudent set of assumptions TRL should be able to repay its borrowings from the Council (giving rise to a small annual surplus to the General Fund) and, in addition, generate a longer term equity return to the Council.

The Council will transfer land to TRL in exchange for shares and the Council will prudentially borrow and on- lend money (at a margin) to TRL to develop housing on that land. The first site has been completed and the second Belmont Road will be on site in November 2018. The development of a pipeline of schemes is ongoing.

3.4 For members information the Criteria Guide for Impact and Likelihood levels are included under Appendix 3 to show the guidelines used to rate and prioritise the items.

3.5 The whole register has been filed on Objective under the shared file for Risk and Opportunity Management (see 8 below for information and link).

4. Reasons for Recommendation

4.1 One of the functions of the Standards and Audit Committee under the Terms of Reference of the Constitution is to provide independent assurance that the authority's risk management arrangements are adequate and effective

4.2 To enable the Standards and Audit Committee to consider the effectiveness of the council's risk and opportunity management arrangements the report is presented on a bi annual basis and provides details of how the key risks and opportunities facing the authority are identified and managed.

5. Consultation (including Overview and Scrutiny, if applicable)

5.1 The Corporate Risk and Insurance Manager has engaged with Services, Department Management Teams, Performance Board and Directors Board to review the Strategic/Corporate Risk and Opportunity Register.

5.2 The updated Strategic/Corporate Risk and Opportunity Register was presented to Directors Board 13 November 2018, via Performance Board 29 October 2018.

6. Impact on corporate policies, priorities, performance and community impact

6.1 ROM is recognised as a good management practice and how successful the council is in managing the risks and opportunities it faces will have a major impact on the achievement of the council's priorities and objectives.

7. Implications

7.1 Financial

Implications verified by: **Dammy Adewole**
Management Accountant

Effective risk and opportunity management and the processes underpinning it will provide a more robust means to identify, manage and reduce the likelihood of financial claims and/or loss faced by the council.

7.2 Legal

Implications verified by: **David Lawson**
Assistant Director of Law & Governance

Effective risk and opportunity management and the processes underpinning it will provide a more robust means to identify, manage and reduce the likelihood of legal claims or regulatory challenges against the council

7.3 Diversity and Equality

Implications verified by: **Roxanne Scanlon**
Community Engagement & Project Monitoring Officer

The management of risk and opportunities provides an effective mechanism for monitoring key equality and human right risks associated with a range of service and business activities undertaken by the council. It also provides a method for reducing the likelihood of breaching our statutory equality duties.

7.4 Other implications (where significant) – i.e. Staff, Health, Sustainability, Crime and Disorder)

Risk and opportunity management contributes towards the council meeting the requirements of Corporate Governance and the Account & Audit Regulations.

8. Background papers used in preparing the report (including their location on the Council's website or identification whether any are exempt or protected by copyright):

- Strategic/Corporate Risk and Opportunity Register, October 2018. The document can be accessed via the following shared Risk and Opportunity Management file on Objective:
<https://edrms.thurrock.gov.uk:443/id:fA1213633>

9. Appendices to the report

- Appendix 1 – Dashboard, Table 1 – Strategic/Corporate Risk & Opportunity Register October 2018
- Appendix 2 - In Focus report
- Appendix 3 - Criteria Guide for Impact and Likelihood

Report Author:

Andy Owen

Corporate Risk and Insurance Manager

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Dashboard, Table 1 - Strategic/Corporate Risk & Opportunity Register October 2018

Appendix 1

| Risks | | | | | | | | | |
|--|---|----------------------------|--------------------|--------------------|--------------------|--------------------|-----|----------|------------------------|
| Risk Ref / Priority | Risk Heading | Director / Head of Service | Previous Ratings | | | Latest Rating | DOT | Forecast | |
| | | | Mid Year (2017/18) | In Qtr 4 (2017/18) | In Qtr 1 (2018/19) | Mid Year (2018/19) | | Rating | Date |
| People - A borough where people of all ages are proud to work and play, live and stay | | | | | | | | | |
| • High quality, consistent and accessible public services which are right first time | | | | | | | | | |
| 5 | Fire Safety Housing Stock | Carol Hinvest | 8 | 8 | 8 | 8 | → | 8 | 31/03/19* |
| 9 | Emergency Planning | Gavin Dennett | 9 | 6 | 6 | 6 | → | 6 | 31/03/19* |
| 14 | ICT Disaster Recovery Planning | Murray James | 12 | 12 | 9 | 9 | → | 4 | 30/09/18 30/04/19 |
| 15 | Cyber Security | Murray James | 9 | 9 | 6 | 6 | → | 6 | 30/09/18* 31/03/19* |
| 17 | Sickness Absence | Jackie Hinchliffe | 12 | 12 | 9 | 9 | → | 6 | 31/03/19* |
| 19 | Employee Engagement & Capacity for Change | Jackie Hinchliffe | 9 | 6 | 6 | 6 | → | 4 | 31/03/19 |
| 21 | Business Continuity Planning | Performance Board | 12 | 12 | 12 | 12 | → | 8 | 31/03/19* |
| 23 | Fraud | David Kleinberg | - | - | 12 | 12 | → | 12 | 31/03/19* |
| • Build on our partnerships with statutory, community, voluntary and faith groups to work together to improve health and wellbeing | | | | | | | | | |
| 1 | Health & Social Care Transformation | Roger Harris | 12 | 12 | 12 | 12 | → | 12 | 31/03/19* |
| 2 | Welfare Reforms | Roger Harris | 9 | 9 | 9 | 9 | → | 9 | 31/03/19* |
| 4 | Housing Needs and Homelessness | Carol Hinvest | 9 | 9 | 9 | 9 | → | 9 | 31/03/19* |
| 6 | ASC Stability and Market Failure | Les Billingham | - | - | 12 | 12 | → | 8 | 31/03/19 |
| 7 | CSC Service Standards & Inspection Outcome | Rory Patterson | 12 | 12 | 12 | 12 | → | 12 | 31/03/19* |
| 8 | CSC Safeguarding & Protecting Children & Young People | Rory Patterson | 12 | 12 | 12 | 12 | → | 12 | 31/03/19* |
| Place - A heritage-rich borough which is ambitious for its future | | | | | | | | | |
| • Roads, houses and public spaces that connect people and places | | | | | | | | | |
| 22 | Highway Funding and Standard | Julie Nelder | - | - | 9 | 9 | → | 9 | 31/03/19* |
| 25 | Lower Thames Crossing | Anna Eastgate | - | - | 9 | 9 | → | 9 | 31/03/19* |
| 27 | Local Plan | Andy Millard | - | - | 9 | 9 | → | 9 | 31/03/19* |
| • Fewer public buildings with better services | | | | | | | | | |
| 12 | Property Ownership Liability | Michelle Thompson | 8 | 8 | 8 | 8 | → | 8 | 31/03/19* |
| Prosperity - A borough which enables everyone to achieve their aspirations | | | | | | | | | |
| • Commercial, entrepreneurial and connected public services | | | | | | | | | |
| 16b | Treasury Management & Investment Strategy | Sean Clark | - | - | 8 | 8 | → | 8 | 31/03/19* |
| • Attractive opportunities for businesses and investors to enhance the local economy | | | | | | | | | |
| 26 | Delivery of Capital Projects | Detlev Munster | - | - | 9 | 9 | → | 9 | 31/03/19* |
| All Priorities - People, Place & Prosperity | | | | | | | | | |
| 24 | Political Balance of the Council | Karen Wheeler | - | - | 8 | 8 | → | 6 | 31/03/19 |
| 28 | Impact of UK Withdrawal from EU (new) | Karen Wheeler | - | - | - | 12 | N/A | 12 | 31/03/19 |

Footnote: Forecast Date: Retained = The risk is managed to the required level (risk appetite) but ongoing monitoring/review required via the S/C R&O Register.
 Removed = The risk is removed from the S/C R&O Register (e.g. risk realised or managed to the required level - risk appetite). For items managed to the required level any ongoing monitoring to be undertaken by Dept., if needed.
 * = The date applies to when the risk/management action plan documentation will be refreshed (e.g. used for medium/long term risks, where the risk circumstances are expected to change over a period of time).
 Priority: **Red** = High, **Amber** = Medium, **Green** = Low. Ratings: Lower is best DOT: Latest v Previous Rating (→ Static, ↑ Increased, ↓ Decreased)

| Opportunities | | | | | | | | | |
|--|---|----------------------------|--------------------|--------------------|--------------------|--------------------|-----|----------|-----------|
| Opp Ref / Priority | Opportunity Heading | Director / Head of Service | Previous Ratings | | | Latest Rating | DOT | Forecast | |
| | | | Mid Year (2017/18) | In Qtr 4 (2017/18) | In Qtr 1 (2018/19) | Mid Year (2018/19) | | Rating | Date |
| People - A borough where people of all ages are proud to work and play, live and stay | | | | | | | | | |
| • High quality, consistent and accessible public services which are right first time | | | | | | | | | |
| 18 | Digital Council Programme | Jackie Hinchliffe | 8 | 8 | 9 | 9 | ➔ | 12 | 31/03/19* |
| • Build on our partnerships with statutory, community, voluntary and faith groups to work together to improve health and wellbeing | | | | | | | | | |
| 3 | Development of Libraries and Community Hubs | Natalie Warren | 9 | 9 | 9 | 9 | ➔ | 12 | 31/03/19* |
| Place - A heritage-rich borough which is ambitious for its future | | | | | | | | | |
| • Roads, houses and public spaces that connect people and places | | | | | | | | | |
| 10 | Thurrock Regeneration Ltd | Steve Cox | 9 | 12 | 12 | 12 | ➔ | 12 | 31/03/19* |
| Prosperity - A borough which enables everyone to achieve their aspirations | | | | | | | | | |
| • Attractive opportunities for businesses and investors to enhance the local economy | | | | | | | | | |
| 11 | South East Local Enterprise Partnership | Stephen Taylor | 12 | 8 | 8 | 8 | ➔ | 8 | 30/11/18* |
| 13 | Business/NNDR Growth | Stephen Taylor | 6 | 6 | 9 | 9 | ➔ | 9 | 31/03/19* |
| 20 | Raising Thurrock's Profile & Image | Karen Wheeler | 9 | 9 | 9 | 9 | ➔ | 12 | 31/03/19* |
| • Commercial, entrepreneurial and connected public services | | | | | | | | | |
| 6a | Treasury Management & Investment Strategy | Sean Clark | - | - | 12 | 12 | ➔ | 16 | 28/02/19 |

Footnote: Forecast Date: Retained = The opportunity is managed to the required level but ongoing monitoring/review required via the S/C R&O Register.
 Removed = The opportunity is removed from the S/C R&O Register (e.g. opportunity realised or managed to the required level). For items managed to the required level any ongoing monitoring to be undertaken by Dept., if needed.
 * = The date applies to when the opportunity/management action plan documentation will be refreshed (e.g. used for medium/long term opportunities, where the opportunity circumstances are expected to change over a period of time).
 Priority: **Gold** = High, **Silver** = Medium, **Bronze** = Low. Ratings: Higher is best DOT: Latest v Previous Rating (➔ Static, ⬆ Increased, ⬇ Decreased)

Strategic/Corporate Risk & Opportunity Register October 2018

In Focus Report

The Items are Split Between Risk & Opportunity and Listed in Priority (Rating) and then Reference Number Order.

Risks In Focus

UNMANAGED / INHERENT RISK

| Risk Description | Risk Owner |
|---|--------------|
| <p>Adult Social Care and the NHS are finding it increasingly difficult to meet demand for services, particularly with the increase of demand and complexity. With the expected ageing and growth of the population, we can expect age-related disease to continue to rise. Dementia for example is predicted to rise steeply in Thurrock, and by 2033 the population aged 85+ is projected to double. Two thirds of the resource spent on social care nationally is already spent on individuals with at least one-term condition. Lifestyle factors too will continue to compound the problem with Thurrock levels for smoking and obesity being significantly higher than the national average. Alongside a system that was designed in the 1940s and is no longer fit for purpose and a change in the way that local government is funded in the future, major transformation is required.</p> <p>The Council, working in partnership with NHS Thurrock Clinical Commissioning Group (CCG), NHS providers and the voluntary and community sector (also as part of Stronger Together Thurrock), is part of a system-wide transformation programme which is overseen via an Integrated Commissioning Executive (which is also responsible for the Better Care Fund) and also the Thurrock Integrated Care Alliance (TICA). The Transformation Programme is known as Better Care Together Thurrock and is the culmination of transformational work to date. Failure of the programmes to achieve their objectives will lead to the inability of social care and health to be able to meet demand within existing resources. For adult social care, this would mean either not providing services to those people who were eligible to receive them – which would leave the Council open to challenge and also result in a failure to meet statutory duties – or continue to provide services to those who qualify but exceeding the available budget.</p> | Roger Harris |

Link to Corporate Priority

People - A borough where people of all ages are proud to work and play, live and stay - Build on our partnerships with statutory, community, voluntary and faith groups to work together to improve health and wellbeing

| | | | | | | | | |
|-----------------------------|-------|------------|---------|--------------|-------------|-----------------|---------|----|
| Inherent Risk Rating | Date: | 01/04/2018 | Impact: | Critical (4) | Likelihood: | Very Likely (4) | Rating: | 16 |
|-----------------------------|-------|------------|---------|--------------|-------------|-----------------|---------|----|

DASHBOARD

| Inherent Risk Rating & Date: 01/04/2018 | Residual Risk Rating as at: 01/04/2018 | Residual Risk Rating as at: 29/10/2018 | Residual Risk Rating as at: | Residual Risk Rating as at: | Forecast Risk Rating & Date: 31/03/2019 |
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Comments

Significant programme management capacity and expertise is required to deliver both the Adult Social Care Transformation Programme and the Health and Social Care Integration Programme (including the Better Care Fund). There are also challenges to overcome to progress a programme which is truly 'whole system'. This includes current pressures on the Essex-wide health economy, a 'local' health agenda which is geographically broader than Thurrock, and how decisions made by non-Thurrock parts of the Essex-wide system will impact upon what Thurrock wants and needs to achieve. Thurrock is a very low spending authority per capita on Adult Social Care (ASC) and also faces significant challenge in its ability to meet the growth in demand and complexity. The department has though received additional funding for ASC which it has used to help provide stability and capacity, including helping to deliver the essential transformation required. The additional funding is limited however both in terms of the Improved Better Care Fund (iBCF) and the additional precept. The pressures identified remain and will not be alleviated in the short term and therefore the residual and forecast ratings have been evaluated as 12 (Critical/Likely). The risk level will be reviewed and revised as the transformation programme develops.

As part of the Mid and South Essex Sustainability and Transformation Partnership, a consultation took place on proposals for hospital service changes. The consultation covered all three hospitals providing acute services (Basildon, Southend, Broomfield), and also Orsett Hospital. The decision made with regard to Orsett Hospital was for some of the services provided by Orsett to be moved closer to where people live. This included tests and scans and would lead to the eventual closure of Orsett. Part of the transformation of health and care in Thurrock includes the development of four Integrated Medical Centres – with the first two planned for Tilbury and Purfleet followed by two further IMCs in Corringham and Gray. A memorandum of understanding has been developed across all partners which commits to keeping Orsett open until the relevant services can be moved to the planned IMCs. The development of the IMCs is being overseen by specific programme and project arrangements.

EXISTING ACTION / RESIDUAL RISK

| Management Action or Mitigation Already in Place | | | | | | | Date Implemented | |
|--|-------|------------|---------|--------------|-------------|------------|------------------|----|
| 1. Programme Management arrangements in place | | | | | | | 2014/15 | |
| 2. Programme Initiation Document including separate risk register developed, established and agreed | | | | | | | " | |
| 3. Close partnership working with Thurrock CCG via Integrated Commissioning Executive to oversee the integration of health and ASC | | | | | | | " | |
| 4. Joint Health and Social Care Transformation Programme agreed – For Thurrock in Thurrock | | | | | | | 2016/17 | |
| 5. Re-tender of Domiciliary Care | | | | | | | 2018 | |
| Residual Risk Rating | Date: | 01/04/2018 | Impact: | Critical (4) | Likelihood: | Likely (3) | Rating: | 12 |

FURTHER ACTION / FORECAST RISK / REVISED RESIDUAL RISK

| Further Management or Mitigating Action | Implementation Date | Progress |
|---|-------------------------------|--|
| 6. Delivery of 2018-19 work programme for ASC: 6.1 Better Care Fund 2017-19; 6.2 Assistive Technology Strategy; | Throughout 2018-19 and beyond | Progress has been made on the delivery of the 2018-19 work programme as follows: Technology Enabled Care approach well under way with |

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|---|--|--|
| <p>6.3 Developing a 21st Century Residential Care Facility;</p> <p>6.4 Specialised Housing: Medina Road; Chichester Close; Calcutta Road;</p> <p>6.5 Communication and Engagement Plan and Delivery</p> <p>6.6 Well-Being Teams Pilot</p> <p>6.7 Improvement Programme</p> <p>6.8 Community Led Support Social Work Pilot</p> <p>6.9 Outcome-based commissioning</p> | | <p>specific practitioner training established – including the creation of champions who will receive specialist training. The approach will be trailed in Tilbury and Chadwell as part of the Better Care Together Thurrock programme and reviewed accordingly</p> <p>A report seeking authority to undertake the design and development of a new residential care facility is to go to HOSC in November and Cabinet in Dec. Should authority be given, a design team will be appointed as a first stage</p> <p>Work is about to commence at Medina Road with a ‘turf cutting’ ceremony taking place on the 25th October</p> <p>An Engagement Worker has been appointed (hosted by Thurrock CVS) who is carrying out engagement activity on behalf of Better Care Together, steered by a consultation and engagement steering group.</p> <p>Work on Wellbeing Teams has commenced with a Wellbeing Team Leader(s) to be appointed on 1st November</p> <p>Significant improvement work has been undertaken across Adult Social Care process – ensuring a review of the end-to-end process takes place. This is overseen by an ASC Improvement Group and ASC Improvement Officer. The work is designed to ensure that our processes are as efficient and effective as possible</p> <p>The Community Led Support Team commenced on the 1st October. The team consists of 6 social workers, support planners and a team manager and is working to review the way of working and to become more accessible to the community. Testing and learning will take place throughout the year of the pilot</p> <p>Work continues with Thurrock Clinical Commissioning Group to develop a joint approach to Outcome-based Commissioning</p> |
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| <p>6.10 Health and Care System Redesign (New Model of Care)</p> <p>6.11 Micro Enterprises</p> <p>6.12 Shared Lives</p> | | <p>Health and Care system redesign is taking place as part of the Better Care Together Thurrock Transformation Programme. This incorporates Wellbeing Teams and CLS – which are progressing as identified above. Programme has also been made on developing an enhanced primary care model and better identification and treatment of key long term conditions – e.g. COPD, Hypertension, AF (as led by Public Health)</p> <p>Development of the market place is a significant element of our transformation programme, and micro enterprises is a key part of this. Over 80 micros are now in place offering a variety of small personalised support options to communities. This is providing individuals with greater choice and also supporting people back in to the work place – the development of micros has increased the number of people employed plus the number of people able to have volunteering opportunities</p> <p>Shared Lives continues with work progressing to identify shared lives carers and to enabled shared lives placements to take place</p> |
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| Forecast Risk Rating | Forecast Date: | Refresh 31/03/2019 | Impact: | Critical (4) | Likelihood: | Likely (3) | Rating: | 12 |
| Revised Residual Risk Rating | Date: | 29/10/2018 | Impact: | Critical (4) | Likelihood: | Likely (3) | Rating: | 12 |

UNMANAGED / INHERENT RISK

| Risk Description | | Risk Owner | | | |
|---|-------|----------------|----------------------|-----------------------------|------------|
| <p>The risk is that a combination of on-going pressures will result in lack of stability in the care market place resulting ultimately in market failure. Whilst the Council has given an uplift to residential care providers for older age adults and adults with dementia and has also reviewed the costs of individual placements for adults of working age, the uplifts provided fall short of what is requested. The domiciliary care rate has been increased with a tender process recently being completed – this has resulted in greater stability, but difficulties remain. For example, issues concerning recruitment. Hospital capacity is still an issue, but our ability to move people on more quickly has increased as a result of increased investment arising from additional adult social care monies – e.g. improved better care fund and social care precept. For providers, fees and rates are still an issue and as a result – compounded by the National Living Wage, and despite activity over the last 18 months, the risk of failure is still very real.</p> | | Les Billingham | | | |
| Link to Corporate Priority | | | | | |
| <p>People - A borough where people of all ages are proud to work and play, live and stay - Build on our partnerships with statutory, community, voluntary and faith groups to work together to improve health and wellbeing.</p> | | | | | |
| Inherent Risk Rating | Date: | 01/04/2018 | Impact: Critical (4) | Likelihood: Very Likely (4) | Rating: 16 |

DASHBOARD

| Inherent Risk Rating & Date: 01/04/2018 | Residual Risk Rating as at: 01/04/2018 | Residual Risk Rating as at: 29/10/2018 | Residual Risk Rating as at: | Residual Risk Rating as at: | Forecast Risk Rating & Date: 31/03/2019 |
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| Comments |
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| <p>Adult Social Care has received additional funding during the last two years – through a precept as part of the Council Tax and also through the Improved Better Care Fund. A significant proportion of this money has been used to stabilise the market place and deliver sustainability for care</p> |

providers. This has included increasing the capacity of the contract and brokerage team to ensure contract compliance visits and monitoring to take place in a timely manner – reducing or aiding early identification of risks. The introduction of a Brokerage function has also meant that more realistic costs and fees are negotiated. In addition uplifts have been provided (as described in the risk description) to improve stability and domiciliary care has been retendered. Further work will continue during 18-19 that will contribute towards the stability and sustainability of the market place – including diversification. Despite this, the risk is very real but will be reviewed once the new domiciliary care tender has had sufficient time to embed.

Since the beginning of the year, the new domiciliary care contract has started with new providers now well established within the Borough. Work is also taking place on alternative approaches to traditional domiciliary care, with two Wellbeing Teams planned for February 2019. In addition, Thurrock has been allocated additional funding for the Winter Period which is traditionally a very difficult time for the health and care system. Work is taking place to identify how the allocation should be spent to ensure that the system is able to continue to function – for example increasing capacity for home care and residential care.

EXISTING ACTION / RESIDUAL RISK

| Management Action or Mitigation Already in Place | | | | | | | Date Implemented |
|---|-------|------------|---------|--------------|-------------|------------|---------------------|
| 1. Process for compliance monitoring and audit in place 2. Quarterly information sharing meetings with the CQC to identify and share concerns/risks 3. Uplift for older people's residential care, dementia care, and review of individual placements for adults of working age 4. Retender of domiciliary care contract 5. Increased capacity in contracts and brokerage team 6. Implementation of brokerage function | | | | | | | In Place or ongoing |
| Residual Risk Rating | Date: | 01/04/2018 | Impact: | Critical (4) | Likelihood: | Likely (3) | Rating: 12 |

FURTHER ACTION / FORECAST RISK / REVISED RESIDUAL RISK

| Further Management or Mitigating Action | Implementation Date | Progress |
|---|---------------------|--|
| 7. Application of ongoing actions in 1 - above 8. Refresh of Market Development Plan | Throughout 2018-19 | The Market Development Plan has been developed and sets out expectations for the future of the market. The Plan has been agreed recently by Cabinet. |
| 9. Diversification of market place – e.g. direct payments, shared lives scheme, micro enterprises | | Micro Enterprises have developed significantly with over 80 now in place. Micros offer significant variety and provide different solutions for all people – not just those eligible for care and support services. |
| 10. Market Place transformation – e.g. via | | Diversification and development of the market place continues through a |

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|---|----------------|---|---------|--------------|-------------|--------------|---------|----|
| <p>implementation of Wellbeing Teams pilot</p> <p>11. Implementation of Winter Pressures planning</p> | | <p>number of different ways. For example work is taking place to develop Wellbeing Teams in Thurrock. They are expected to be implemented in February and will test a new approach to delivering homecare. Work is taking place to develop Individual Service Funds which will help offer further flexibility to service users about how funding allocated to them is used to best deliver outcomes.</p> <p>Work is now taking place to identify how the current Winter Pressures allocation for Thurrock should be used. This will include investments such as: expanding the Bridging Service hosted by Basildon Hospital; retaining residential care beds; providing an enhancement for domiciliary care providers; expanding the availability of spot purchasing to provide more capacity over the winter period.</p> | | | | | | |
| Forecast Risk Rating | Forecast Date: | 31/03/2019 | Impact: | Critical (4) | Likelihood: | Unlikely (2) | Rating: | 8 |
| Revised Residual Risk Rating | Date: | 29/10/2018 | Impact: | Critical (4) | Likelihood: | Likely (3) | Rating: | 12 |

UNMANAGED / INHERENT RISK

| | | | | | | | | |
|---|-------|------------|---------|--------------|-------------|-----------------|-------------------|----|
| Risk Description | | | | | | | Risk Owner | |
| Failure to manage the increases in demand and budget/ resource pressures for Children's Social Care could lead to a breakdown in the quality or performance of the service provided to vulnerable children and results in less favourable outcomes from inspection and damage to reputation of the service does meet the required standards | | | | | | | Rory Patterson | |
| Link to Corporate Priority | | | | | | | | |
| People – A borough where people of all ages are proud to work and play, live and stay – Build on our partnerships with statutory, community, voluntary and faith groups to work together to improve health and wellbeing. | | | | | | | | |
| Inherent Risk Rating | Date: | 01/04/2018 | Impact: | Critical (4) | Likelihood: | Very Likely (4) | Rating: | 16 |

DASHBOARD

| Inherent Risk Rating & Date: 01/04/2018 | Residual Risk Rating as at: 01/04/2018 | Residual Risk Rating as at: 24/10/2018 | Residual Risk Rating as at: | Residual Risk Rating as at: | Forecast Risk Rating & Date: 31/03/2019 |
|---|--|--|-----------------------------|-----------------------------|---|
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Comments

This risk evaluates the impact of increased demand and resource pressures on children's social care quality of service and provision. The pressures outlined throughout previous years remain acute. They include increased volumes, increased complexity and ongoing activity to review high cost placements. The implementation of the early help service model and the Thurrock multi-agency safeguarding hub (MASH) has been successful although as anticipated it has led to an increase in the volume of work to children's social care, this is ongoing. The service continues to maximize the external investment and opportunities presented through the Troubled Families Programme and continuously measures impact of the MASH. Ongoing savings to be made across Children's Services including from the Children's Social care budget will be risk assessed to mitigate the impact on front line services.

The service has to be demand led and cannot fail to respond to the needs of a child due to budget or resource constraints. Changes on a local, regional and national level can have a significant impact on the demand for services. War and international factors can result in an unplanned increase in the number of unaccompanied asylum seeking children or families with no recourse to public funds. Geographical movement of families across the Eastern Region and London can see a rise in families needing services, including large sibling groups. An incident of civil disorder could result in more young people being placed in custody and a resulting increase in remand costs to the local authority. Caseloads are too high in some teams and this represents a pressing safeguarding concern. Areas for improvement have been identified within the recent Ofsted (SIF).

The level and complexity of some children and young people's needs and the lack of available national resources (specialist placements) to meet those needs is driving up cost pressures. As the Council continues to improve practice regarding the identification and tackling of Child Sexual Exploitation there is an increase in demand for service provision in terms of intervention; prevention and victim support. Current and new duties in terms of radicalization also place pressures on the service in terms of workforce capacity. Trends can be predicted based on previous levels of demand but these are subject to variance.

The pressures outlined above will not be alleviated in the short term and the risk rating will remain at the higher (red) level for the period covered.

EXISTING ACTION / RESIDUAL RISK

| Management Action or Mitigation Already in Place | Date Implemented |
|--|---------------------|
| 1. Quality Assurance and Safeguarding functions are in place and robustly applied. Functions extended to include the establishment of an Improvements Board. | Ongoing |
| 2. Trix Policies and Procedures have been introduced across Children's Social care. All procedures to be subject to review and updating. | Completed / ongoing |
| 3. Joint delivery of the 'Early Offer of Help Strategy' and associated services are now embedded to meet the new the duty placed on Council's to coordinate an early offer of help to families who do not meet the criteria for social care services and ensure that the 'step down and step up' processes are robustly managed. Further improvements in these services have been identified within the Ofsted SIF. A service redesign is planned based on the SIF findings and work by iMPOWER. | Ongoing |
| 4. Internal quality assurance audits to evidence appropriate application of thresholds. | Ongoing |
| 5. Ongoing data analysis to enable us to benchmark and target areas for improvement; complete redesign of PKI and trends analysis. | From Apr 2016 |
| 6. Placement Review – an external reviews of high cost placements. | Ongoing |
| 7. Ofsted inspection and action plan to address recommendations included in report | From Feb |

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|---|-------|------------|---------|--------------|-------------|------------|---------------|
| 8. Review of key strategic, operational, technological, partnership and practice developments relating to Child Sexual Exploitation (CSE) | | | | | | | 2016 |
| | | | | | | | From May 2015 |
| Residual Risk Rating | Date: | 01/04/2018 | Impact: | Critical (4) | Likelihood: | Likely (3) | Rating: 12 |

FURTHER ACTION / FORECAST RISK / REVISED RESIDUAL RISK

| Further Management or Mitigating Action | | | Implementation Date | Progress | | | |
|--|----------------|--------------------|---------------------|---------------------------------------|-------------|------------|------------|
| 9. Ongoing implementation and/or application of actions 1 - 8 above. | | | From Apr 2018 | Ongoing as outlined in comments table | | | |
| Forecast Risk Rating | Forecast Date: | Refresh 31/03/2019 | Impact: | Critical (4) | Likelihood: | Likely (3) | Rating: 12 |
| Revised Residual Risk Rating | Date: | 24/10/2018 | Impact: | Critical (4) | Likelihood: | Likely (3) | Rating: 12 |

UNMANAGED / INHERENT RISK

| Risk Description | | | | | | | Risk Owner | |
|--|-------|------------|---------|--------------|-------------|-----------------|----------------|----|
| Failure to ensure that all children and young people in need of help or protection are safeguarded and supported could result in them not achieving their full potential and increasing the risk of a child death or serious injury. | | | | | | | Rory Patterson | |
| Link to Corporate Priority | | | | | | | | |
| People – A borough where people of all ages are proud to work and play, live and stay – Build on our partnerships with statutory, community, voluntary and faith groups to work together to improve health and wellbeing. | | | | | | | | |
| Inherent Risk Rating | Date: | 01/04/2018 | Impact: | Critical (4) | Likelihood: | Very Likely (4) | Rating: | 16 |

DASHBOARD

| Inherent Risk Rating & Date: 01/04/2018 | Residual Risk Rating as at: 01/04/2018 | Residual Risk Rating as at: 24/10/2018 | Residual Risk Rating as at: | Residual Risk Rating as at: | Forecast Risk Rating & Date: 31/03/2019 |
|---|--|--|-----------------------------|-----------------------------|---|
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Comments

The nature of the work in terms of safeguarding and supporting children at risk of harm means that this will always be a high risk area although through the application of the S.E.T (Southend, Essex & Thurrock) Child Protection procedures the department actively works to mitigate this risk and reduce the likelihood.

The risk of children and young people coming to harm cannot be completely eliminated and the risk level needs to remain high and ensure clear vigilance across the council and partner agencies. New and emerging risk factors will arise and there is always a potential for agencies 'not knowing, what they don't know' that needs to be guarded against.

Embedding the Multi Agency Safeguarding Hub and Early Offer of Help has supported earlier identification of risk through a multi-agency approach enabling the department to work to intervene at an earlier stage and reduce the risk of harm in some cases.

The impact for individual children and families, particularly in cases of child death is significant and whilst actions to reduce the likelihood are implemented the impact will remain as critical. There is also a critical impact score in terms of reputational damage should a child death or serious injury occur.

The ongoing nature of risk in child protection and safeguarding is such that despite effective mitigation the acknowledgement of the risk needs to remain high and will not reduce. This is not to say that the risks are unmanageable but for effective management the gravity and complexity of the risk needs to be acknowledged.

Within the context of this work we have a high level and critical risk that is being proactively managed. The management of the risk across partner agencies is reducing the likelihood of such risk, where the potential for such risks are known but cannot reduce the potential magnitude for the child in incidents such as child death or permanent disability. The unknown element of risk for families not known to the service means that overall the likelihood remains high. Families are also not static and risk is a constant changing variable within known families.

Managing this risk places inherent pressures on the Children's Social Care budget as a demand led budget. The current trend has seen increasing numbers of children requiring child protection plans, children in need plans and children who the council is required to look after (children in care). Effective demand and resource management remain a priority for the service within an overriding context of keeping children safe.

Risk will remain constant throughout the period covered.

EXISTING ACTION / RESIDUAL RISK

| Management Action or Mitigation Already in Place | Date Implemented |
|---|------------------|
| 1. Application of the Southend, Essex & Thurrock Child Protection procedures | Ongoing |
| 2. Local Safeguarding Children's Board established, progress reported annually and guidance reviewed | Ongoing |
| 3. Quality assurance and safeguarding function of Children's Social Care. | Ongoing |
| 4. Legal framework and court action | Ongoing |
| 5. Continue to strengthen the Thurrock Multi Agency Safeguarding Hub introduced Sept 2014 and services commissioned as part of the Early Offer of Help Strategy | Ongoing |
| 6. Case Audits | Ongoing |

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|---|-------|------------|---------|--------------|-------------|------------|---------------|
| 7. Quality assurance framework | | | | | | | Ongoing |
| 8. Improvement plan in line with Ofsted inspection and iMPower consultation | | | | | | | From Feb 2016 |
| Residual Risk Rating | Date: | 01/04/2018 | Impact: | Critical (4) | Likelihood: | Likely (3) | Rating: 12 |

FURTHER ACTION / FORECAST RISK / REVISED RESIDUAL RISK

| Further Management or Mitigating Action | | | Implementation Date | Progress | | | |
|---|----------------|-----------------------|----------------------------|--|-------------|------------|------------|
| 9. Ongoing implementation and/or application of actions 1-8 above | | | From Apr 2018 | Ongoing as outlined in comments table. | | | |
| Forecast Risk Rating | Forecast Date: | Refresh 31/03/2019 | Impact: | Critical (4) | Likelihood: | Likely (3) | Rating: 12 |
| Revised Residual Risk Rating | Date: | 24/10/2018 | Impact: | Critical (4) | Likelihood: | Likely (3) | Rating: 12 |

UNMANAGED / INHERENT RISK

| | | | | | | | | |
|--|-------|------------|---------|--------------|-------------|------------|-------------------|----|
| Risk Description | | | | | | | Risk Owner | |
| Failure of the council and /or service managers to coordinate and maintain business continuity plans would lead to service delivery arrangements across the council being ineffective in times of a disruption affecting the council and Thurrock. | | | | | | | Performance Board | |
| Link to Corporate Priority | | | | | | | | |
| People – A borough where people of all ages are proud to work and play, live and stay – High quality, consistent and accessible public services which are right first time. | | | | | | | | |
| Inherent Risk Rating | Date: | 01/04/2018 | Impact: | Critical (4) | Likelihood: | Likely (3) | Rating: | 12 |

DASHBOARD

| Inherent Risk Rating & Date: 01/04/2018 | Residual Risk Rating as at: 01/04/2018 | Residual Risk Rating as at: 01/10/2018 | Residual Risk Rating as at: | Residual Risk Rating as at: | Forecast Risk Rating & Date: 31/03/2019 |
|---|--|--|-----------------------------|-----------------------------|---|
| | | | | | |

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| Comments |
| <p>The risk evaluates the position if business continuity plans are not coordinated and maintained, which would lead to service delivery arrangements across the council being ineffective in times of a disruption affecting the council and Thurrock e.g. loss of ICT, loss of use of the Civic Offices.</p> <p>Oversight of Business Continuity Management is now being provided by Performance Board. The list of current BCPs and critical functions has been updated and will form the basis of ongoing review process by Performance Board and service areas. BCPs are the responsibility of individual service areas.</p> |

A recent internal audit report on emergency planning, separately recommended a review of BCP arrangements at service level. The Strategic Business Continuity Plan has now been updated and links as appropriate have been made with the emergency planning team. However, Performance Board are continuing their work with services to confirm all areas have up to date BCPs so until that work has concluded, the risk rating will remain the same.

EXISTING ACTION / RESIDUAL RISK

| Management Action or Mitigation Already in Place | | | | | | | | Date Implemented |
|---|-------|------------|---------|--------------|-------------|------------|---------|--------------------------|
| 1. BC Review of Team function – Review of BC team undertaken. Decision taken to transfer the BC function from the Emergency Planning Team to Service managers with effect from 1 April, 2015. | | | | | | | | April 2015 |
| 2. Business Impact Analysis undertaken by Service Areas to identify (i) Priority functions and the time frames for reinstatement (ii) Priority IT applications and order/speed of restoration and Service Business Continuity Plans updated. | | | | | | | | Oct 2015 - Feb 2016 |
| 3. Analysis of priority functions/IT applications undertaken by ICT Service and report on the interim solution for ICT DR arrangements presented to Directors Board, via Digital Board | | | | | | | | Feb – March 2016 |
| 4. Outcome of review along with proposals to strengthen BCM arrangements across the Council submitted to Directors Board in April 2016. Performance Board to provide oversight role for Business Continuity Planning from July 2016 | | | | | | | | April 2016 |
| 5. Quality assurance process for Business Continuity Plans for critical functions considered by PB Aug 2016. List of current BCPs and critical functions to be established and to form the basis of ongoing review process by PB and service areas. | | | | | | | | August 2016 – March 2017 |
| 6. Quality assurance of all BCPs undertaken by services | | | | | | | | Apr 2017 |
| Residual Risk Rating | Date: | 01/04/2018 | Impact: | Critical (4) | Likelihood: | Likely (3) | Rating: | 12 |

FURTHER ACTION / FORECAST RISK / REVISED RESIDUAL RISK

| Further Management or Mitigating Action | | | Implementation Date | | Progress | | | | |
|--|--|----------------|------------------------------|---------|-----------------------|-------------|--------------|---------|----|
| 7. Ongoing review of BCP list by Performance Board | | | Quarterly throughout 2018/19 | | Ongoing | | | | |
| 8. Strategic Business Continuity Plan updated | | | June 2018 | | Strategic BCP updated | | | | |
| Forecast Risk Rating | | Forecast Date: | Refresh 31/03/2019 | Impact: | Critical (4) | Likelihood: | Unlikely (2) | Rating: | 8 |
| Revised Residual Risk Rating | | Date: | 01/10/2018 | Impact: | Critical (4) | Likelihood: | Likely (3) | Rating: | 12 |

UNMANAGED / INHERENT RISK

| Risk Description | | | | | | Risk Owner | | | |
|--|--|-------|------------|---------|--------------|-----------------|-----------------|---------|----|
| <p>The Council is responsible for and provides a wide range of functions and services.</p> <p>There is a risk that the Authority experiences significant incidents of fraud, bribery, corruption or other economic crime as well as cases of money laundering. This can subsequently result in losses from the delivery of Council functions and services.</p> | | | | | | David Kleinberg | | | |
| Link to Corporate Priority | | | | | | | | | |
| <p>People – a borough where people of all ages are proud to work and play, live and stay. High quality, consistent and accessible public services which are right first time.</p> | | | | | | | | | |
| Inherent Risk Rating | | Date: | 04/05/2018 | Impact: | Critical (4) | Likelihood: | Very Likely (4) | Rating: | 16 |

DASHBOARD

| Inherent Risk Rating Date: 04/05/2018 | Residual Risk Rating as at: 04/05/2018 | Residual Risk Rating as at: 30/10/2018 | Residual Risk Rating as at: | Residual Risk Rating as at: | Forecast Risk Rating & Date: 31/03/2019 |
|--|---|---|--------------------------------|--------------------------------|---|
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Comments

The Counter Fraud & Investigation service has an organisational-wide strategy and proactive work plan to monitor and manage the identified risks. In the 2016/17 year the service detected £4.5m of fraud and recovered £3.2m back in to the council.

A persistent training and education regime is in place, where experts from the service work with staff, contractors, members and in the council's supply chain to identify and mitigate the risks, and increase awareness.

The council has current and effective policies on Counter Fraud, Bribery & Corruption and Money Laundering which are kept under constant review. These policies acknowledge the threats and install an action plan in identified incidents including, civil & criminal litigation and redress to recover any identified losses. Any control weaknesses identified in investigations are rectified in collaboration with the affected services and Internal Audit through SMART Action Plans.

EXISTING ACTION / RESIDUAL RISK

| Management Action or Mitigation Already in Place | | | | | | | Date Implemented | |
|--|-------|------------|---------|--------------|-------------|------------|-------------------------|----|
| 1. Establishment & proactive enhancement of CFID | | | | | | | Nov 2014 | |
| 2. Fraud and Corruption Policy established from 2014, updated in December 2017 | | | | | | | Nov 2017 | |
| 3. Revised annual work counter fraud plan and strategy implemented | | | | | | | July 2018 | |
| 4. Regular review of policies and procedures from within the council to ensure that it can prevent, detect and deter and fraud and other economic crime. | | | | | | | Nov 2014 | |
| 5. Counter Fraud and Money Laundering Policies reviewed, enhanced and implemented. | | | | | | | Jun - Nov 2017 | |
| Residual Risk Rating | Date: | 01/11/2018 | Impact: | Critical (4) | Likelihood: | Likely (3) | Rating: | 12 |

FURTHER ACTION / FORECAST RISK / REVISED RESIDUAL RISK

| Further Management or Mitigating Action | Implementation Date | Progress |
|---|----------------------------|---|
| 6. Ongoing application of actions 3-5 above | From Apr 2018 | Counter fraud, bribery & corruption policy and counter money laundering policy presented to Standards & Audit Committee Nov 2017. Annual report, work plan & Fraud Loss Assessment presented to Standards & Audit Committee Jul 2018. Progress against work plan provided to Standards & Audit Committee Sept 2018. |
| 7. Corporate-wide Money Laundering Risk Review | Oct 2018 | Questionnaire developed & is circulated across the Council in November 2018 |
| 8. Corporate-wide Bribery & Corruption Risk Review | Oct 2018 | Questionnaire developed & is circulated across the Council in November 2018 |
| 9. Corporate-wide Cyber Crime Risk Review | August 2018 | Collaboration agreement in place with the police Regional Cyber Crime Unit. An intelligence-based programme of assessment will commence in December 2018 to understand the risk profile and response for the Council. |
| 10. Know-Your-Customer System Testing to Identify Fraud | September 2018 | Fraud risk matrix/loss assessment presented to Standards & |

| | | | | | | | | |
|---|----------------|--------------------|--------------|--------------|---|------------|---------|----|
| Flags | | | | | Audit Committee, via Director of Finance July 2018. The programme falls in line with the council's use of business intelligence & middleware solutions currently being tested. The application of these tools to identify intervention is being rolled out to directorates. | | | |
| 11. Review of supply chain against identified national crime risks. | | | October 2018 | | Intelligence-base has been developed along with the middleware solution being tested. Engagement with the Procurement Team will establish protocols of when and how any intervention should take place in both preventative and enforcement action. | | | |
| Forecast Risk Rating | Forecast Date: | Refresh 31/03/2019 | Impact: | Critical (4) | Likelihood: | Likely (3) | Rating: | 12 |
| Revised Residual Risk Rating | Date: | 30/10/2018 | Impact: | Critical (4) | Likelihood: | Likely (3) | Rating: | 12 |

UNMANAGED / INHERENT RISK

| Risk Description | | | | | | | Risk Owner | | |
|--|--|-------|------------|---------|--------------|-------------|-----------------|---------|----|
| <p>The United Kingdom (UK) is due to withdraw from the European Union (EU) in March 2019. Withdrawal from the EU involves a complex set of negotiations and the outcome of the process is difficult to predict.</p> <p>Potential scenarios that could affect Thurrock and/or the council include:</p> <ul style="list-style-type: none"> • Environment & highways - Congestion in and around ports and the effects on transport flows in Thurrock and beyond, if significant disruption encountered • Workforce - Reliance of local economies and public services on non UK EU workers to deliver products or services. • Goods & Supplies - Availability of items if significant disruption at ports encountered and/or potential increase in costs of items from the EU. • Legislation, Rules & Regulation – Transfer of and potential changes to responsibilities (e.g. Trading Standards if additional checks of products from EU required). • Funding - Loss of access to EU provisions and availability of UK replacement funds and/or potential capacity/resource implications if increase demand on services. | | | | | | | Karen Wheeler | | |
| Link to Corporate Priority | | | | | | | | | |
| All priorities - People, Place & Prosperity | | | | | | | | | |
| Inherent Risk Rating | | Date: | 06/11/2018 | Impact: | Critical (4) | Likelihood: | Very Likely (4) | Rating: | 16 |

DASHBOARD

| Inherent Risk Rating & Date: 06/11/2018 | Residual Risk Rating as at: 06/11/2018 | Residual Risk Rating as at: | Residual Risk Rating as at: | Residual Risk Rating as at: | Forecast Risk Rating & Date: 31/03/2019 |
|---|--|-----------------------------|-----------------------------|-----------------------------|---|
| | | | | | |

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|--|
| Comments |
| Although Central government remains confident that a deal will be made prior to the UK leaving the EU, there is still an element of uncertainty that it will not be reached or in place by March 2019. Withdrawal from the EU involves a complex set of negotiations and the outcome of the process is difficult to predict. |
| The Council is working with the Essex Resilience Forum and wider stakeholders to consider and plan for the potential impact of Brexit on Thurrock and the Council. |

EXISTING ACTION / RESIDUAL RISK

| Management Action or Mitigation Already in Place | | | | | | | Date Implemented | |
|---|-------|------------|---------|--------------|-------------|------------|-------------------------|----|
| 1. Continue to review key developments in relation to government Brexit negotiations and liaison with appropriate organisations on the potential impact to Thurrock and the Council of the UK leaving the EU. | | | | | | | From Apr 2018 | |
| 2. Consideration of Government and LGA notices and guidance with regard to Brexit and aspects relative to Local Government | | | | | | | Aug - Sept 2018 | |
| 3. Establishment of Brexit Focus Group | | | | | | | Oct 2018 | |
| 4. Engage and work with Essex Resilience Forum and wider stakeholders to consider and plan for the potential impact of Brexit on Thurrock and the Council. | | | | | | | Oct 2018 | |
| Residual Risk Rating | Date: | 06/11/2018 | Impact: | Critical (4) | Likelihood: | Likely (3) | Rating: | 12 |

FURTHER ACTION / FORECAST RISK / REVISED RESIDUAL RISK

| Further Management or Mitigating Action | | | Implementation Date | Progress | | | | |
|---|----------------|------------|----------------------------|-----------------|-------------|------------|---------|----|
| 5. Ongoing application of actions 1 - 4 above as appropriate. | | | From Nov 2018 | | | | | |
| Forecast Risk Rating | Forecast Date: | 31/03/2019 | Impact: | Critical (4) | Likelihood: | Likely (3) | Rating: | 12 |
| Revised Residual Risk Rating | Date: | | Impact: | | Likelihood: | | Rating: | |

Opportunities In Focus

UNMANAGED / INHERENT OPPORTUNITY

| Opportunity Description | Opportunity Owner |
|---|-------------------|
| <p>A mix of approaches (e.g. service reviews, expenditure efficiencies, general income increases, managing demand, transformation, investment, etc.) have been adopted to deliver future balanced budgets and enable services to continue to be provided to meet the needs of residents.</p> <p>All the approaches are important to maintain balanced budgets for the life of the Medium Term Financial Strategy (MTFS) and it is recognised that investments have the greater ability to make significant income with the minimum of impact on service provision (e.g. in recent years the treasury function and activities have contributed approx. £11.7M per annum towards savings/income, with the long term investments area now contributing in excess of a further £3M per annum).</p> <p>The development and implementation of the Treasury Management Strategy and Investment Programme could lead to the Council achieving further significant income and contributions towards the delivery of Council services</p> | Sean Clark |

Link to Corporate Priority

Prosperity – a borough which enables everyone to achieve their aspirations. Commercial, entrepreneurial and connected public services.
 People – a borough where people of all ages are proud to work and play, live and stay. High quality, consistent and accessible public services which are right first time.

| | | | | | | | | |
|------------------------------------|-------|------------|---------|-----------------|-------------|--------------|---------|---|
| Inherent Opportunity Rating | Date: | 10/05/2018 | Impact: | Exceptional (4) | Likelihood: | Unlikely (2) | Rating: | 8 |
|------------------------------------|-------|------------|---------|-----------------|-------------|--------------|---------|---|

DASHBOARD

| Inherent Opp. Rating & Date: 10/05/2018 | Residual Opp. Rating as at: 10/05/2018 | Residual Opp. Rating as at: 16/10/2018 | Residual Opp. Rating as at: | Residual Opp. Rating as at: | Forecast Opp. Rating & Date: 28/02/2019 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
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| <table border="1"> <tr><td>16</td><td>12</td><td>8</td><td>4</td></tr> <tr><td>12</td><td>9</td><td>6</td><td>3</td></tr> <tr><td>8</td><td>6</td><td>4</td><td>2</td></tr> <tr><td>4</td><td>3</td><td>2</td><td>1</td></tr> <tr><td colspan="4" style="text-align: right;">Likelihood</td></tr> <tr><td colspan="4" style="text-align: left;">Impact</td></tr> </table> | 16 | 12 | 8 | 4 | 12 | 9 | 6 | 3 | 8 | 6 | 4 | 2 | 4 | 3 | 2 | 1 | Likelihood | | | | Impact | | | | <table border="1"> <tr><td>16</td><td>12</td><td>8</td><td>4</td></tr> <tr><td>12</td><td>9</td><td>6</td><td>3</td></tr> <tr><td>8</td><td>6</td><td>4</td><td>2</td></tr> <tr><td>4</td><td>3</td><td>2</td><td>1</td></tr> <tr><td colspan="4" style="text-align: right;">Likelihood</td></tr> <tr><td colspan="4" style="text-align: left;">Impact</td></tr> </table> | 16 | 12 | 8 | 4 | 12 | 9 | 6 | 3 | 8 | 6 | 4 | 2 | 4 | 3 | 2 | 1 | Likelihood | | | | Impact | | | | <table border="1"> <tr><td>16</td><td>12</td><td>8</td><td>4</td></tr> <tr><td>12</td><td>9</td><td>6</td><td>3</td></tr> <tr><td>8</td><td>6</td><td>4</td><td>2</td></tr> <tr><td>4</td><td>3</td><td>2</td><td>1</td></tr> <tr><td colspan="4" style="text-align: right;">Likelihood</td></tr> <tr><td colspan="4" style="text-align: left;">Impact</td></tr> </table> | 16 | 12 | 8 | 4 | 12 | 9 | 6 | 3 | 8 | 6 | 4 | 2 | 4 | 3 | 2 | 1 | Likelihood | | | | Impact | | | | <table border="1"> <tr><td>16</td><td>12</td><td>8</td><td>4</td></tr> <tr><td>12</td><td>9</td><td>6</td><td>3</td></tr> <tr><td>8</td><td>6</td><td>4</td><td>2</td></tr> <tr><td>4</td><td>3</td><td>2</td><td>1</td></tr> <tr><td colspan="4" style="text-align: right;">Likelihood</td></tr> <tr><td colspan="4" style="text-align: left;">Impact</td></tr> </table> | 16 | 12 | 8 | 4 | 12 | 9 | 6 | 3 | 8 | 6 | 4 | 2 | 4 | 3 | 2 | 1 | Likelihood | | | | Impact | | | | <table border="1"> <tr><td>16</td><td>12</td><td>8</td><td>4</td></tr> <tr><td>12</td><td>9</td><td>6</td><td>3</td></tr> <tr><td>8</td><td>6</td><td>4</td><td>2</td></tr> <tr><td>4</td><td>3</td><td>2</td><td>1</td></tr> <tr><td colspan="4" style="text-align: right;">Likelihood</td></tr> <tr><td colspan="4" style="text-align: left;">Impact</td></tr> </table> | 16 | 12 | 8 | 4 | 12 | 9 | 6 | 3 | 8 | 6 | 4 | 2 | 4 | 3 | 2 | 1 | Likelihood | | | | Impact | | | | <table border="1"> <tr><td>16</td><td>12</td><td>8</td><td>4</td></tr> <tr><td>12</td><td>9</td><td>6</td><td>3</td></tr> <tr><td>8</td><td>6</td><td>4</td><td>2</td></tr> <tr><td>4</td><td>3</td><td>2</td><td>1</td></tr> <tr><td colspan="4" style="text-align: right;">Likelihood</td></tr> <tr><td colspan="4" style="text-align: left;">Impact</td></tr> </table> | 16 | 12 | 8 | 4 | 12 | 9 | 6 | 3 | 8 | 6 | 4 | 2 | 4 | 3 | 2 | 1 | Likelihood | | | | Impact | | | |
| 16 | 12 | 8 | 4 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
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| 16 | 12 | 8 | 4 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 12 | 9 | 6 | 3 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
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| 4 | 3 | 2 | 1 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Likelihood | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
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| 12 | 9 | 6 | 3 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
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| 16 | 12 | 8 | 4 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
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| Comments |
|---|
| Investments identified as having the greater ability to make significant income with the minimum of impact on service provision. Treasury Management and Investment Strategy established and presented to Council 28 th February, via Cabinet 7 th February 2018 and Corporate Overview & Scrutiny Committee 23 rd January 2018. |

EXISTING ACTION / RESIDUAL OPPORTUNITY

| Management Action Already in Place | Date Implemented | | | |
|--|------------------|-------------------------|------------------------|------------|
| 1. Update on the Medium Term Financial Strategy and proposed investment approach (including principles) reported to and agreed by Cabinet 11 th Oct 2017. | Oct 2017 | | | |
| 2. Follow up on the investment approach and the revisions required to the Treasury Management Strategy reported to and agreed by Council 25 th Oct 2017, including increases to the parameters for how much the council can borrow/invest and changes required to bolster the investment programme (e.g. capital cash investments/expenditure, acquisition or development of revenue generating assets, bringing more sites forward for development through Thurrock Regeneration Ltd). | Oct 2017 | | | |
| 3. Treasury Management Strategy, Annual Minimum Revenue Provision Statement, proposed Prudential Indicators and Treasury Management projections reported to and agreed by Council 28 th February 2018, via Cabinet 7 th February 2018 and Corporate Overview & Scrutiny Committee 23 rd January 2018. | Feb 2018. | | | |
| Residual Opportunity Rating | Date: 26/04/2018 | Impact: Exceptional (4) | Likelihood: Likely (3) | Rating: 12 |

FURTHER ACTION / FORECAST OPPORTUNITY / REVISED RESIDUAL OPPORTUNITY

| Further Management Action | Implementation Date | Progress |
|---|---------------------|---|
| 4. Plan & develop investment programme in line with codes of practice and guidance to Identify further investment opportunities and achieve a balanced portfolio. | From Feb 2018 | 4 and 5 ongoing. Opportunities have been identified and completed up to October 2018. Further opportunities are under discussion with potential closure in the coming months. |
| 5. Manage current and explore, develop and implement new opportunities. | From Feb 2018 | As 4 above |
| 6. Regularly review/monitor and report on all investments, including new items. | From Feb 2018 | 6. Regular meetings have been held with the Fund Managers involved in the investments to review and monitor all current investments |

| | | | | | | | | |
|--|----------------|------------|----------|--|-------------|-----------------|---------|----|
| 7. Review and report Treasury Management Strategy, Annual Minimum Revenue Provision Statement & Prudential Indicators to Council Feb 2019. | | | Feb 2019 | 7. All reporting requirements will be met throughout 2018/19 | | | | |
| Forecast Opportunity Rating | Forecast Date: | 28/02/2019 | Impact: | Exceptional (4) | Likelihood: | Very Likely (4) | Rating: | 16 |
| Revised Residual Opportunity Rating | Date: | 16/10/2018 | Impact: | Exceptional (4) | Likelihood: | Likely (3) | Rating: | 12 |

UNMANAGED / INHERENT OPPORTUNITY

| Opportunity Description | | Opportunity Owner | | | | | | |
|--|-------|-------------------|---------|-----------|-------------|-------------------|---------|---|
| <p>TRL Thurrock Ltd is a company set up and wholly owned by Thurrock Council. The principle focus of TRL has broadened to support the Council's wider regeneration goals however the priority focus is on delivering new homes.</p> <p>The Council agreed, in February 2018, to financially commit supporting TRL's objective to deliver 1000 units over 5 years (subject to governance procedures). Consideration will be given to ensure an optimum level for a functioning, compelling business plan that effectively balances the competing issues of development/financial risk, delivery capacity and commercial returns.</p> <p>To support this, the TRL Board and Shareholders agreed an updated Investment Strategy which sets out the basis on which the Company will seek to operate. TRL has a revised financial model in place, prepared by Capita, on a fairly prudent set of assumptions TRL should be able to repay its borrowings from the Council (giving rise to a small annual surplus to the General Fund) and, in addition, generate a longer term equity return to the Council.</p> <p>The Council will transfer land to TRL in exchange for shares and the Council will prudentially borrow and on-lend money (at a margin) to TRL to develop housing on that land. The first site has been completed and the second Belmont Road will be on site in November 2018. The development of a pipeline of schemes is ongoing.</p> | | Steve Cox | | | | | | |
| Link to Corporate Priority | | | | | | | | |
| Place - a heritage-rich borough which is ambitious for its future. Roads, houses and public spaces that connect people and places. | | | | | | | | |
| Inherent Opportunity Rating | Date: | 11//05/2018 | Impact: | Major (3) | Likelihood: | Very Unlikely (1) | Rating: | 3 |

DASHBOARD

| Inherent Opp. Rating & Date: 11/05/2018 | Residual Opp. Rating as at: 11/05/2018 | Residual Opp. Rating as at: 15/10/2018 | Residual Opp. Rating as at: | Residual Opp. Rating as at: | Forecast Opp. Rating & Date: 31/03/2019 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
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| <table border="1"> <tr><td>16</td><td>12</td><td>8</td><td>4</td></tr> <tr><td>12</td><td>9</td><td>6</td><td>3</td></tr> <tr><td>8</td><td>6</td><td>4</td><td>2</td></tr> <tr><td>4</td><td>3</td><td>2</td><td>1</td></tr> </table> <p style="text-align: center;">Likelihood</p> <p style="text-align: center;">Impact</p> | 16 | 12 | 8 | 4 | 12 | 9 | 6 | 3 | 8 | 6 | 4 | 2 | 4 | 3 | 2 | 1 | <table border="1"> <tr><td>16</td><td>12</td><td>8</td><td>4</td></tr> <tr><td>12</td><td>9</td><td>6</td><td>3</td></tr> <tr><td>8</td><td>6</td><td>4</td><td>2</td></tr> <tr><td>4</td><td>3</td><td>2</td><td>1</td></tr> </table> <p style="text-align: center;">Likelihood</p> <p style="text-align: center;">Impact</p> | 16 | 12 | 8 | 4 | 12 | 9 | 6 | 3 | 8 | 6 | 4 | 2 | 4 | 3 | 2 | 1 | <table border="1"> <tr><td>16</td><td>12</td><td>8</td><td>4</td></tr> <tr><td>12</td><td>9</td><td>6</td><td>3</td></tr> <tr><td>8</td><td>6</td><td>4</td><td>2</td></tr> <tr><td>4</td><td>3</td><td>2</td><td>1</td></tr> </table> <p style="text-align: center;">Likelihood</p> <p style="text-align: center;">Impact</p> | 16 | 12 | 8 | 4 | 12 | 9 | 6 | 3 | 8 | 6 | 4 | 2 | 4 | 3 | 2 | 1 | <table border="1"> <tr><td>16</td><td>12</td><td>8</td><td>4</td></tr> <tr><td>12</td><td>9</td><td>6</td><td>3</td></tr> <tr><td>8</td><td>6</td><td>4</td><td>2</td></tr> <tr><td>4</td><td>3</td><td>2</td><td>1</td></tr> </table> <p style="text-align: center;">Likelihood</p> <p style="text-align: center;">Impact</p> | 16 | 12 | 8 | 4 | 12 | 9 | 6 | 3 | 8 | 6 | 4 | 2 | 4 | 3 | 2 | 1 | <table border="1"> <tr><td>16</td><td>12</td><td>8</td><td>4</td></tr> <tr><td>12</td><td>9</td><td>6</td><td>3</td></tr> <tr><td>8</td><td>6</td><td>4</td><td>2</td></tr> <tr><td>4</td><td>3</td><td>2</td><td>1</td></tr> </table> <p style="text-align: center;">Likelihood</p> <p style="text-align: center;">Impact</p> | 16 | 12 | 8 | 4 | 12 | 9 | 6 | 3 | 8 | 6 | 4 | 2 | 4 | 3 | 2 | 1 | <table border="1"> <tr><td>16</td><td>12</td><td>8</td><td>4</td></tr> <tr><td>12</td><td>9</td><td>6</td><td>3</td></tr> <tr><td>8</td><td>6</td><td>4</td><td>2</td></tr> <tr><td>4</td><td>3</td><td>2</td><td>1</td></tr> </table> <p style="text-align: center;">Likelihood</p> <p style="text-align: center;">Impact</p> | 16 | 12 | 8 | 4 | 12 | 9 | 6 | 3 | 8 | 6 | 4 | 2 | 4 | 3 | 2 | 1 |
| 16 | 12 | 8 | 4 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
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Comments

The opportunities flow directly from the Company’s objectives which are to build high quality housing and other development projects in support of Thyrrock’s Vision and growth targets. If TRL can deliver these developments within the financial parameters of the business case then much needed quality housing and other premises will be provided for the Borough and a financial return will flow to the Council. Belmont Road, Grays, TRL’s second scheme is out to tender. Feasibility and capacity studies are ongoing on a number of other sites. Meetings with Planning, Corporate Property, Highways etc. are ongoing to ensure feasibility of sites. A review mechanism is in place following the Council’s 3 ‘Rs’ land review.

The governance and scheme gateway process is established. An Investment Strategy has been agreed. A procurement policy and Service level Agreements are being drafted. These documents will continue to be developed and thus enable the effective management of opportunities and risks flowing from the company and its developments.

The Company has moved from a scheme by scheme approach to a pipeline of developments, a loan facility was agreed at Full Council in Feb 2018 this will ensure scheme delivery can be accelerated. Further investment opportunities would be analysed on a commercial basis (over time), the majority of which would be a build and sale model. Risk will be spread across a programme, establishing a TRL brand, as well as managing risk on an individual scheme by scheme basis. Future developments would look to be planning compliant with 35% affordable housing, subject to financial viability.

Opportunity managed as per management action plan and risk register.

EXISTING ACTION / RESIDUAL OPPORTUNITY

| Management Action Already in Place | Date Implemented |
|---|------------------|
| Action plan amended/reformatted for the mid-year review and early actions omitted for the period Dec 2012 to Apr 17 as they are no longer relevant. | |
| 1. Ongoing implementation and development of Belmont Road, Grays (following planning agreement). | From Apr 2017 |
| 2. Feasibility and capacity studies for a further two potential sites | From Apr 2017 |
| 3. Identification of sites for a pipeline of development. | From Jun 2017 |
| 4. Belmont Road scheme received planning permission | Sep 2017 |
| 5. Change of Company name to Thurrock Regeneration Ltd (TRL) | Nov 2017 |
| 6. Belmont Road scheme received Full Council support to transfer the land and provide the funding for the residential development | Jan 2018 |
| 7. Full Council support for a loan facility for TRL is agreed | Feb 2018 |
| 8. Temporarily roadway and compound site awarded planning permission | Jun 2018 |

| | | | | | | | | |
|------------------------------------|-------|------------|---------|-----------|-------------|-----------------|---------|----|
| Residual Opportunity Rating | Date: | 11/05/2018 | Impact: | Major (3) | Likelihood: | Very Likely (4) | Rating: | 12 |
|------------------------------------|-------|------------|---------|-----------|-------------|-----------------|---------|----|

FURTHER ACTION / FORECAST OPPORTUNITY / REVISED RESIDUAL OPPORTUNITY

| Further Management Action | | Implementation Date | Progress | | | | | | |
|--|--|---------------------|--|---------|-----------|-------------|-----------------|---------|----|
| 9. Land Transfer and s.106 for Belmont Road to be signed | | June 2018 | Heads of terms agreed, all documents for transfer prepared. Awaiting clarification on a legal issue. Solicitors to go through the s.106 with Directors of the company. | | | | | | |
| 10. Service level agreements for finance , legal and housing development services drafts | | May 2018 | All SLA's drafted. Awaiting quotes from external legal services to ensure best value. | | | | | | |
| 11. Review of sites for pipeline development | | May 2018 | Ongoing. Additional sites have been sent for feasibility studies. | | | | | | |
| 12. Review risk register | | July 2018 | Completed. Reviewed by the TRL Board in Sep 2018. | | | | | | |
| 13. Award of the construction contract | | Nov 2018 | Final tender price received. | | | | | | |
| 14. Belmont Road on-site | | Nov 2018 | Licence has been granted to ensure the capture and relocation of the invertebrates. | | | | | | |
| 15. Procurement of managing agent for St Chads | | Nov 2018 - Feb 2019 | Procurement meetings undertaken with a timetable in place for the procurement process. | | | | | | |
| Forecast Opportunity Rating | | Forecast Date: | Refresh | Impact: | Major (3) | Likelihood: | Very Likely (4) | Rating: | 12 |
| Revised Residual Opportunity Rating | | Date: | 15/10/2018 | Impact: | Major (3) | Likelihood: | Very Likely (4) | Rating: | 12 |

Criteria Guide for Impact and Likelihood

Appendix 3

Criteria Guide for Impact Levels

Risk

Opportunity

| Negative Impact | Description |
|--------------------------|--|
| 4 Critical | <ul style="list-style-type: none"> • Inability to deliver a number of strategic objectives or a priority. • Major loss of service, including several important service areas • Major reputation damage - adverse central government response, involving threat of / removal of delegated powers or adverse and persistent national media coverage • Loss of Life • Major personal privacy infringement - All personal details compromised / revealed • Huge financial loss/cost - >£1M in a year. Up to 75% of budget. • Major disruption to project / huge impact on ability to achieve project objectives. |
| 3 Substantial | <ul style="list-style-type: none"> • Inability to deliver an organisational priority or strategic objective. • Major disruption to important service or a number of service areas. • Significant reputation damage - adverse publicity in professional/municipal press or adverse local publicity of a major and persistent nature. • Major injury. • Many individual personal details compromised / revealed • Major financial loss/cost - >£500K - <£1M in a year. Up to 50% of budget • Significant disruption to project / significant |

| Positive Impact | Description |
|--------------------------|---|
| 4 Exceptional | <ul style="list-style-type: none"> • Exceptional improvement to service(s) (e.g. quality, level, speed, cost, etc) and/or delivery of strategic objectives/priorities • National award or recognition/elevated status by national government • Positive national press/media coverage • Major improvement to the health, welfare & safety of stakeholders • Income/savings of >£500K in a year or exceptional saving of resource (e.g. time and labour) |
| 3 Major | <ul style="list-style-type: none"> • Major improvement to service(s) (e.g. quality, level, speed, cost, etc) and/or delivery of strategic objective/priority. • Regional recognition for initiative, partnership or arrangement. • Positive publicity in professional/municipal press or sustained positive local publicity. • Significant improvement to the health, welfare & safety of stakeholders • Income and/or savings of >£250K - <£500K in a year or major savings of resource (e.g. time and labour). |

| | |
|-------------------------|---|
| | impact on ability to achieve the project's objectives. |
| 2 Marginal | <ul style="list-style-type: none"> • Significant disruption to important service or major disruption to non crucial service. • Moderate reputation damage - adverse local publicity / local public awareness • Serious injury • Some individual personal details compromised / revealed • High financial loss/cost – >£100K - <£500K in a year. Up to 25% of budget • Moderate disruption to project / moderate impact on ability to achieve the project's objectives. |
| 1 Negligible | <ul style="list-style-type: none"> • Brief disruption to important service or significant disruption to non crucial service. • Minimal reputation damage - no external publicity and contained within Council • Minor injury or discomfort. • Isolated individual personal detail compromised/ revealed • Low or medium financial loss/cost <£100K in a year. Up to 10% of budget • Minor disruption to project / minor impact on ability to achieve the project's objectives. |

| | |
|-----------------------|---|
| | |
| 2 Moderate | <ul style="list-style-type: none"> • Moderate improvement to service(s) (e.g. quality, level, speed, cost, etc) and/or delivery of strategic objective/priority. • Borough or County wide recognition for initiative, partnership or arrangement. • Positive local publicity / local public awareness • Moderate improvement to the health, welfare & safety of stakeholders. • Income and/or savings of >£100K - <£250K in a year or moderate savings of resource (e.g. time and labour). |
| 1 Minor | <ul style="list-style-type: none"> • Minor improvement to service(s) (e.g. quality, level, speed, cost, etc) and/or delivery of strategic objective/priority. • Local level recognition for initiative, partnership or arrangement. • Minor positive local publicity • Minor improvement to the health, welfare & safety of stakeholders. • Income and/or savings of <£100K in a year or minor saving of resource (e.g. time and labour) |

Risk

| Likelihood | Description |
|--------------------|--|
| 4 Very Likely | <ul style="list-style-type: none"> • More than 75% chance of occurrence • Will probably occur at some time or in most circumstances. • Circumstances frequently encountered - daily, weekly, monthly and quarterly. |
| 3 Likely | <ul style="list-style-type: none"> • Between 40% and 75% chance of occurrence. • Fairly likely to occur at some time or in some circumstances. • Circumstances occasionally encountered - occurs once every 1 to 2 years. |
| 2 Unlikely | <ul style="list-style-type: none"> • Between 10% and 40% chance of occurrence. • Fairly unlikely to occur, but could occur at some time. • Occurs once every 2 to 3 years |
| 1 Very Unlikely | <ul style="list-style-type: none"> • Less than 10% chance of occurrence. • May occur only in exceptional circumstances. • Has never or very rarely happened before. |

Opportunity

| Likelihood | Description |
|--------------------|--|
| 4 Very Likely | <ul style="list-style-type: none"> • More than 75% chance of happening. • A clear opportunity already apparent, which can easily be achieved with a bit of further work or management. • Achievable in under 1 year (12 months) |
| 3 Likely | <ul style="list-style-type: none"> • Between 40% and 75% chance of happening. • An opportunity that has been identified and/or explored and may be achievable but will require some further work or management. • Achievable between 1 to 2 years |
| 2 Unlikely | <ul style="list-style-type: none"> • Between 10% and 40% chance of happening • Opportunity that is fairly unlikely to happen that will need full investigation and require considerable work or management. • Achievable between 2 to 3 years |
| 1 Very Unlikely | <ul style="list-style-type: none"> • Less than 1% chance of happening. • Opportunity that is very unlikely to happen that will need full investigation and require considerable work or management. • Achievable in more than 3 years |

Risk/Opportunity Matrix & Priority Table

| | | Risk | | | |
|---------------|---|------------|----------|-------------|----------|
| Very Likely | 4 | 4 | 8 | 12 | 16 |
| Likely | 3 | 3 | 6 | 9 | 12 |
| Unlikely | 2 | 2 | 4 | 6 | 8 |
| Very Unlikely | 1 | 1 | 2 | 3 | 4 |
| | | 1 | 2 | 3 | 4 |
| | | Negligible | Marginal | Substantial | Critical |

| | | Opportunity | | | |
|-----------------|--|-------------|-------|----------|-------|
| High Priority | | 16 | 12 | 8 | 4 |
| Medium Priority | | 12 | 9 | 6 | 3 |
| Low Priority | | 8 | 6 | 4 | 2 |
| | | 4 | 3 | 2 | 1 |
| | | 4 | 3 | 2 | 1 |
| | | Exceptional | Major | Moderate | Minor |

4 Very Likely
 3 Likely
 2 Unlikely
 1 Very Unlikely

| Priority Risk | Rating | Priority Opp. |
|---------------|---------|---------------|
| High | 12 - 16 | High |
| Medium | 6 - 9 | Medium |
| Low | 1 - 4 | Low |

| | |
|---|---------------------------------|
| 13 December 2018 | ITEM: 7 |
| Standards and Audit Committee | |
| Internal Audit Service Update 2018/19 | |
| Wards and communities affected: All | Key Decision: Non-key |
| Report of: Gary Clifford, Chief Internal Auditor | |
| Accountable Assistant Director: Jonathan Wilson, Assistant Director of Finance | |
| Accountable Director: Sean Clark, Director of Finance and IT | |
| This report is Public | |

Executive Summary

This update provides a high level summary of the progress that the service has made since it was brought back in-house from the 1st April 2015. This report will be presented to members of the Committee on an annual basis to provide them with an update on how the service is developing in the long term.

1. Recommendation(s)

**1.1 That the Standards & Audit Committee:
Agree that the structure provides members of the Standards & Audit Committee with assurance around the internal control, risk management and governance frameworks.**

2. Introduction and Background

2.1 The role of internal audit is to provide management with an objective assessment of the adequacy and effectiveness of internal control, risk management and governance arrangements. Internal audit is therefore a key part of Thurrock Council's internal control system and integral to the framework of assurance that the Standards & Audit Committee can place reliance on to assess its internal control system.

2.2 The Accounts and Audit Regulations 2015 require that a relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance. This responsibility has been delegated to the Director of Finance & IT (Section 151 Officer) under the Council's Executive Scheme of Delegation and is delivered through the Chief Internal Auditor in consultation with the Director of Finance & IT.

- 2.3 The contract with the external provider of internal audit services ended on 31st March 2015, with the staff being brought back in-house from the 1st April 2015. As a result of this action, resources during 2015/16 were stretched due to the small permanent on-site team. To help with the resource issue, a framework agreement was entered into with the London Borough of Croydon to provide additional audit resource.
- 2.4 It was agreed with the Director of Finance & IT, that in the longer-term, a new structure needed to be developed and additional resources obtained. This process started in 2016/17. Following agreement for the new posts and a job evaluation process to determine their grade, recruitment started in November 2016 and the 2 successful staff started in January 2017.
- 2.5 In addition, it is clear that with all of the budgetary pressures being put on local authorities to make savings, do more with less and look for additional ways to generate income, means that having a robust, well-resourced internal audit service is more important than ever to provide senior management and members with assurance around the internal control, risk management and governance frameworks.

3. Issues, Options and Analysis of Options

- 3.1 To address some of these issues, the Chief Internal Auditor continues to utilise the framework agreement with Croydon Council but this is now limited to IT Audit where there is no capacity within the team. The framework operates under a call off arrangement so there is no commitment by the council on how much or little it is used.
- 3.2 It is acknowledged that there is still much to do in getting the service to a position where it will be compliant with the Public Sector Internal Audit Standards (PSIAS) but progress has, and continues to be made, in developing the service. The service update at Appendix 1 provides more detail on this.
- 3.3 The service needs to undertake a self-assessment and have a full external assessment against the PSIAS by 31st March 2020 i.e. within 5 years of it being brought back in-house. It is anticipated the self-assessment process will be carried out early in 2019/20 with the external assessment being undertaken in late 2019/20.

4. Reasons for Recommendation

- 4.1 To assist the Standards & Audit Committee in satisfying itself that the internal audit service is making progress, is able to provide assurance around the governance, risk management and internal control frameworks and will meet the PSIAS within the required timeframe.

5. Consultation (including Overview and Scrutiny, if applicable)

5.1 The review of the structure was consulted on with the Director of Finance & IT, senior HR Advisors and staff within the internal audit team.

6. Impact on corporate policies, priorities, performance and community impact

6.1 The Council's corporate priorities are used to inform the annual audit plan and the internal audit service makes recommendations which are designed to further the implementation of these corporate priorities.

7. Implications

7.1 Financial

Implications verified by: **Dammy Adewole**
Management Accountant

This report is for information purposes only so there are no direct financial implications arising from the report. Any financial decisions made around staffing levels have been considered and will be contained within the existing budget.

7.2 Legal

Implications verified by: **David Lawson**
Assistant Director of Law & Governance

This report is for information purposes only so there are no direct legal implications arising from the report

7.3 Diversity and Equality

Implications verified by: **Roxanne Scanlon**
Community Engagement and Project Monitoring Officer

This report is for information purposes only so there are no direct diversity and equality implications arising from the report

7.4 Other implications (where significant) – i.e. Staff, Health, Sustainability, Crime and Disorder)

This report is for information purposes only so there are no other implications arising from the report.

8. Background papers used in preparing the report:

- Internal Audit budget reports
- Internal Audit Structure Chart.

9. Appendices to the report

- Appendix 1 – Service Update.

Report Author:

Gary Clifford

Chief Internal Auditor

Thurrock Council Internal Audit Service, Corporate Finance

Thurrock Council

Standards & Audit Committee

Service Update Report

Date of Committee: 13th December 2018

Service Update for Standards & Audit Committee – 13th December 2018

Background

The Internal Audit Service provides senior management and members with assurance around the council's governance, internal control and risk management arrangements. It achieves this by preparing and agreeing an annual plan with Director's and senior management. The final plan is presented to Directors Board and presented to members at the meeting of the Standards & Audit Committee in March each year. This plan then forms the work programme for the internal audit team. However, it should be noted that the plan has to remain fluid as there are likely to be changes during the year e.g. services evolve and working practices change, departments restructure, high priority one-off assignments need to be undertaken etc.

The service transferred back in to the Council on the 1st April 2015. During the previous 8½ years, it was provided through an outsourced arrangement with a number of private firms of Chartered Accountants (the contractor).

With the transfer of the core team back into the Council, this resulted in the need to identify and source the shortfall from another provider in the short-term and to look at options for a more permanent solution in the longer term. On this basis, a decision was made to utilise a framework agreement with Croydon Council for the provision of additional internal audit resources. We have continued to utilise this framework following a competitive tendering process undertaken by Croydon Council in March 2018, when the previous contract ended, which resulted in the current provider retaining the contract. The rates remained the same so there has been no additional cost to the council. In addition, as this is a call-off agreement, we only pay for the days we use.

Staffing

The current service operates with an establishment of 4.90 full-time equivalent in-house staff. Some additional resource has been purchased, on a call-off arrangement, through the framework agreement. This is limited to IT audits where there is insufficient work to justify employing a specialist IT auditor in-house on a full-time basis but the skills do not exist within the current team.

In addition, we are currently investigating, with the Essex Audit Group which is represented by members from Essex County Council, Southend and Thurrock unitary authorities and a number of district councils, potentially sharing resources including apprentices. This is currently in the early stages but would help those councils with diminished resources to provide sufficient assurance to issue an opinion in the Head of Audit's Annual Report.

One of the Assistant Internal Auditors has recently been accepted on the first cohort of apprentices to undertake Level 7 of the Institute of Internal Auditor's scheme. This takes 3 years but will lead to him becoming a fully qualified internal auditor. As this has been leveraged through the apprenticeship levy, the cost to the council is minimal, although there is a time and supervision element which has to be absorbed.

Processes and Procedures

All public sector internal audit functions, whether in-house, outsourced or co-sourced (a mixture of both), have to undertake an internal self-assessment and external assessment of their compliance with the Public Sector Internal Audit Standards (PSIAS) within 5 years. With the team coming back in-house in 2015, Thurrock's team now have to put in place a process for meeting the standards by March 2020. During 2018/19, we have started a self-evaluation process to identify any gaps between the requirements to meet the Standards and how the service currently operates. This will allow the Chief Internal Auditor to develop an action plan to address these gaps during 2019/20 with a view to getting an external review towards the end of the financial year.

The previous contractor had their own processes and procedures covering all aspects of the internal auditing process which were documented within their Internal Audit Manual. However, as this document reflected the working practices which used their own bespoke audit software, a new Thurrock Council Internal Audit Manual needs to be developed. This will need to cover all aspects of the internal auditing process from the planning of individual assignments through to the issuing of final reports, how to use the internal audit software, the annual plan and 3 year strategy and compliance of the staff with all relevant professional and ethical regulations.

At its meeting of the 8th December 2015, the Standards & Audit Committee approved the Internal Audit Charter and the Internal Audit Protocol. The Internal Audit Charter is a formal document that defines the internal audit activity's purpose, authority and responsibility. The Internal Audit Charter establishes the internal audit activity's position within the Council, including the nature of the Chief Internal Auditor's functional reporting relationship with the Standards & Audit Committee; authorises access to records, personnel and physical properties relevant to the performance of engagements; and defines the scope of internal audit activities. Final approval of the Internal Audit Charter lies with the Standards & Audit Committee and having a formally approved Charter meets one element of compliance with the PSIAS. The Internal Audit Protocol gives some general guidance on responsibilities of members, officers and the internal audit team. It also provides detailed guidance on specific issues around the internal audit processes, such as turnaround times for reports and the timeframes for management responses. The Charter and Protocol will be further developed during 2018/19 and presented to members for approval in early 2019/20.

Moving forward

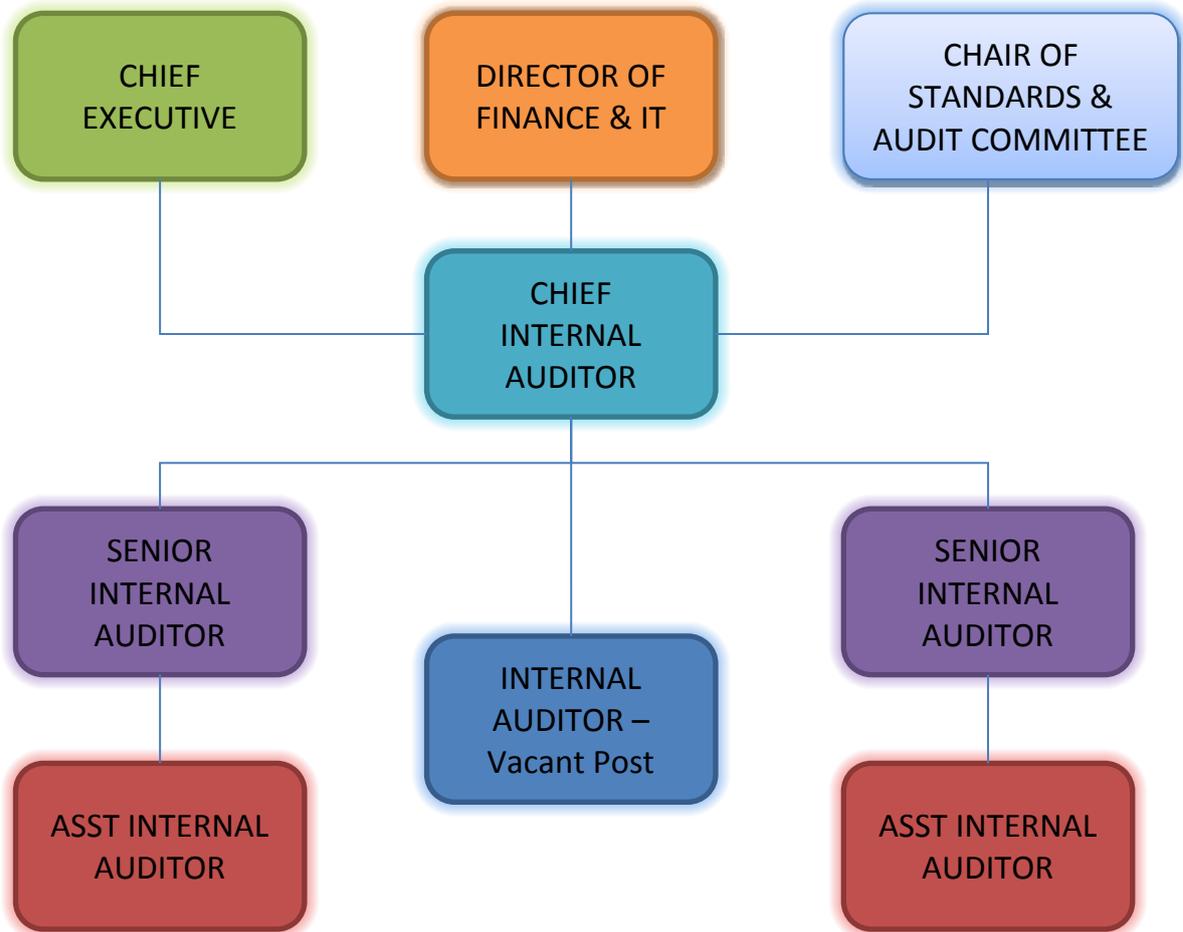
Part of the process for meeting the Standards was to install and implement electronic working papers and reporting. TeamMate software has been installed on machines and we moved to a production, from a development database, in October 2018.

Now the TeamMate software has been implemented, the Internal Audit Manual will need to be fully developed to provide the advice and guidance that is required to shape the service. This will ensure there is a consistent approach to the work and the service can provide high quality and relevant output to senior and operational management and give additional assurance to members of the Standards & Audit Committee around the internal control, risk management and governance frameworks. This process has started and will be completed by March 2019.

In addition, we need to develop the Internal Audit intranet site and raise the profile of the service. We can do this internally, by raising awareness of the work we can undertake and by becoming more involved in projects and providing assurance to Project Managers around their monitoring and governance arrangements. We can also carry out post implementation reviews on an advisory basis to determine if outcomes are meeting the original expectations. This process has started and we are finding ourselves being asked to provide advice and guidance on more projects.

Externally, the process of raising our profile continues with the Chief Internal Auditor now attending not only local internal audit groups such as the Essex Audit Group but also regional meetings of the London Audit Group and the Home Counties Chief Internal Auditor's Group and national meetings such as the Local Authority's Chief Auditor Network. Not only do these meetings provide excellent opportunities to be updated on any new legislation, regulations etc. that we need to consider in carrying out our audit work, but also allow us to network with other local authorities and increase the sources of information we can access through points of practice requests and direct contact requests with other local authority Heads of Internal Audit.

CURRENT INTERNAL AUDIT ORGANISATIONAL STRUCTURE CHART



1 x Senior Internal Auditor post term time only so 0.90 fte. Total permanent staff on site 4.90 fte's.

There is 1 vacancy which is the Internal Auditor post.

Now only require additional resources for specialist IT audit.

| Cost Centre | Subjective Code | Original Budget (2017/18) | Revised Budget (2017/18) | Last Year Outturn (2017/18) | Variance (2017/18) | Base budget (2018/19) |
|-------------------------------------|-----------------|---------------------------|--------------------------|-----------------------------|--------------------|-----------------------|
| DA002 - Internal Audit Total | | 243801 | 249974 | 192341 | (57633)* | 258815 |

* The large underspend in 2017/18 was caused by the following factors:

- Vacant post costed into salaries.
- TeamMate training deferred to 2018/19.
- Limited use of private contractor for IT Audit work undertaken.

| | |
|---|---------------------------------|
| 13 December 2018 | ITEM: 8 |
| Standards and Audit Committee | |
| Internal Audit Progress Report 2018/19 | |
| Wards and communities affected: All | Key Decision: Non-key |
| Report of: Gary Clifford, Chief Internal Auditor | |
| Accountable Assistant Director: Jonathan Wilson, Assistant Director of Finance | |
| Accountable Director: Sean Clark, Director of Finance and IT | |
| This report is Public | |

Executive Summary

The Internal Audit Plan 2018/19 was discussed by the Standards & Audit Committee at their meeting of 6th March 2018. This progress report covers work undertaken since the last report issued on 27th September 2018.

1. Recommendation(s)

**1.1 That the Standards & Audit Committee:
Consider reports issued and the work being carried out by Internal Audit in relation to the 2018/19 audit plan.**

2. Introduction and Background

2.1 The Accounts and Audit Regulations 2015 require that a relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance.

2.2 The Internal Audit Service carries out the work to satisfy this legislative requirement and part of this is reporting the outcome of its work to the Standards & Audit Committee.

2.3 The Standards & Audit Committee has a responsibility for reviewing the Council's corporate governance arrangements, including internal control and formally approving the Annual Governance Statement. The audit work carried out by the Internal Audit Service is a key source of assurance to the Standards & Audit Committee about the operation of the internal control environment.

2.4 The audits contained in the Internal Audit Plan 2018/19 are based on an assessment of risk for each system or operational area. The assessment of risk includes elements such as the level of corporate importance, materiality, service delivery/importance and sensitivity.

3. Issues, Options and Analysis of Options

3.1 The reports issued by Internal Audit provide 4 levels of assurance opinion. The 4 opinions use a Red/Amber/Green (RAG) assurance level and reports are now categorised as:

- Green; Amber/Green (positive assurance opinions);
- Amber/Red (negative assurance opinion that provides some assurance but a number of weaknesses were identified); and
- Red (negative assurance opinion).

3.2 During the period being reported on, we have finalised 4 reports. These cover the following areas: Recruitment & Selection, Transforming Homes, Unaccompanied Asylum Seekers (Children) and Cyber Security.

3.3 Of the 4 reports issued, 1 received a Green assurance opinion and 3 an Amber/Green opinion. Therefore, all of these reports received positive assurance opinions and further details of the headline findings are shown in Appendix 1.

3.4 The purpose of this progress report is not only to highlight reports issued as final but to provide members with an update on work which has reached the draft report stage and work currently in progress. The status of work currently being undertaken is shown at Appendix 1.

4. Reasons for Recommendation

4.1 To assist the Standards & Audit Committee in satisfying itself that progress against the Internal Audit Plan is sufficient as one of the means of assuring itself of the effective operation of internal controls.

5. Consultation (including Overview and Scrutiny, if applicable)

5.1 The audit risk assessment and the plan are periodically discussed with the Chief Executive, Corporate Directors, Directors and Heads of Service before being reported to Directors Board and the Standards & Audit Committee.

5.2 All terms of reference and draft reports are discussed and agreed with the relevant Corporate Directors, Directors, Heads of Service and/or management before being finalised.

5.3 The Internal Audit Service also consults with the council's External Auditors to ensure that respective audit plans provide full coverage whilst avoiding duplication.

6. Impact on corporate policies, priorities, performance and community impact

6.1 The council's corporate priorities were used to inform the annual audit plan 2018-19. Recommendations made are designed to further the implementation of these corporate priorities.

7. Implications

7.1 Financial

Implications verified by: **Dammy Adewole**
Management Accountant

Whilst there are no direct financial implications arising from this report, it is important that the authority maintains adequate internal controls to safeguard the authority's assets. If there is a cost to any audit recommendation, this is to be met from existing budgets.

7.2 Legal

Implications verified by: **David Lawson**
Assistant Director of Law & Governance

The contents of this report and appendixes form part of the council's responsibility to comply with the Audit Commission Act 1998 and the Accounts and Audit Regulations 2015 to at least annually undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance. The council has delegated responsibility for ensuring this is taking place to the Standards & Audit Committee. There are no adverse legal implications relating to this progress report.

7.3 Diversity and Equality

Implications verified by: **Roxanne Scanlon**
Community Engagement and Project Monitoring Officer

There are no direct diversity or equality implications arising from this report.

7.4 Other implications (where significant) – i.e. Staff, Health, Sustainability, Crime and Disorder)

In terms of risk and opportunity management, the Internal Audit Plan and its outcomes are a key part of the council's risk management and assurance

frameworks. The Internal Audit Plan is based on risk assessments that include a review of the council's risk and opportunity register.

8. Background papers used in preparing the report:

- Strategy for Internal Audit 2018/19 to 2020/21 and Internal Audit Plan 2018/19
- Internal Audit Reports issued in 2018/19.

9. Appendices to the report

- Appendix 1 – Internal Audit Progress Report.

Report Author:

Gary Clifford

Chief Internal Auditor

Thurrock Council Internal Audit Service, Corporate Finance

Thurrock Council

Standards & Audit Committee

Internal Audit Progress Report 2018/19

Date of Committee: 13th December 2018

Introduction

The internal audit plan for 2018/19 was presented to the Standards & Audit Committee on 6th March 2018. This report provides an update on progress against that plan.

Table showing reports issued as Final

| Assignment | Status | Opinion | Actions Agreed (by priority) | | |
|---|--------|-----------------|------------------------------|--------|-----|
| | | | High | Medium | Low |
| Audits to address specific risks | | | | | |
| Community Safety | Final | Amber/ Green | 0 | 3 | 4 |
| Disabled Facilities Grants | Final | Green | 0 | 0 | 4 |
| Direct Payments (Adults) | Final | Amber/ Green | 0 | 2 | 5 |
| Holy Cross Catholic Primary School | Final | Green | 0 | 0 | 3 |
| Right to Buy | Final | Green | 0 | 2 | 2 |
| Housing Rents | Final | Amber/ Green | 1 | 2 | 1 |
| Recruitment & Selection | Final | Amber/ Green | 0 | 3 | 2 |
| Transforming Homes | Final | Green | 0 | 0 | 2 |
| Unaccompanied Asylum Seekers (Children) | Final | Amber/ Green | 1 | 2 | 1 |
| Cyber Security* | Final | Amber/ Green | 0 | 2 | 1 |
| Sickness Management | Draft | N/A | N/A | N/A | N/A |
| Key Performance Indicators (Adults) | Draft | N/A | N/A | N/A | N/A |
| Car Parking Income | Draft | N/A | N/A | N/A | N/A |
| Street Cleaning | WIP | N/A | N/A | N/A | N/A |
| Children's Centres | WIP | N/A | N/A | N/A | N/A |

* This work and the assurance opinion were provided under the Croydon Framework Agreement by specialist IT Auditors. An overall assurance opinion and narrative has been provided under the "Key Findings from Internal Audit Work" section of this report.

Work and other issues for which no reports are generated

Further significant work has, and is still being carried out on the payment by results funding provided as part of the troubled families programme. We continue to undertake sample testing of claims before submission to MHCLG.

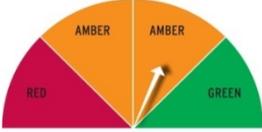
The service continues to work with the software provider of our automated working papers to resolve some issues around the assignment brief and report. This has been time consuming but is close to being completed which will then enable us to fully utilise the software.

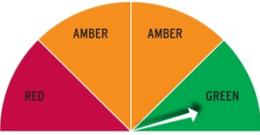
Changes to the Annual Plan

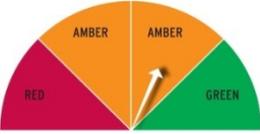
There have been 3 additions to the plan since the last meeting. All of these were requested by the relevant Directors. These reviews cover Fleet Management, Stores and Fostering. The first 2 come under the Director of Environment & Transportation and the 3rd under the Corporate Director of Children's Services.

It is anticipated there will continue to be a significant impact on resources due to the additional work being under taken on the troubled family's programme which may result in other audits being deferred or taken out of the plan.

Key Findings from Internal Audit Work

| Assignment: Recruitment & Selection | Opinion: Amber/Green |  |
|---|--|---|
| <p>Headline Findings: Our review of the Recruitment & Selection identified 3 medium and 2 low recommendations around the adequacy of the control framework. Effective recruitment and selection ensures that the organisation has the necessary knowledge, skills and experience to fulfil its responsibilities and achieve its objectives. The purpose of selection is to match people to work and this is the most important element in any organisation's management of people simply because it is not possible to optimise the effectiveness of human resources if there is a less than adequate match. A number of changes in the induction process were introduced as a result of the staff survey and have resulted in significant improvements from the previous audit review in this area. The 1 high, 5 medium and 2 low recommendations from the previous audit had been implemented.</p> | | |
| Action and Response | Responsible Officer | Date |
| <p>Action – Once interview panel members have been identified, the recruitment team should check the training log to ensure at least one panel member had received recruitment training.</p> <p>Response - Recruitment Team Leader to liaise with P&OD team to ensure master spreadsheet is kept up to date and names of panel members are checked against this as part of each recruitment campaign.</p> | <p>Recruitment Team Leader and Recruitment Team</p> | <p>November 2018 and ongoing</p> |
| <p>Action – Managers must ensure that new starters are booked onto, and attend, one of the monthly corporate induction training sessions during their probation period as this is a mandatory requirement in the new member of staff passing their probation (as is completion of equality and diversity training). Failure to do so could result in the staff member being unable to be permanently employed.</p> <p>Response - Recruitment team have ensured new starters are booked on to attend corporate induction as part of pre-employment checks.</p> <p>HR to implement robust process to check that new starters are attending the relevant training sessions that they are booked on to as part of probation sign offs.</p> | <p>Strategic Lead HR & OD and HR Business Partners</p> | <p>November 2018 and ongoing</p> |
| <p>Action – The Recruitment Team should ensure that all relevant documentation is provided to them from service areas within 3 working days of the interviews and this is checked for completeness so they can get assurance that the correct processes were followed.</p> <p>Response - Recruitment team do chase managers, however suggest new process implemented where onboarding does not commence unless interview notes provided by the manager and interview panel members.</p> | <p>Recruitment Team Leader and Recruitment Team</p> | <p>November 2018 and ongoing</p> |

| | | |
|--|---------------------------------|---|
| Assignment: Transforming Homes | Opinion: Amber/Green |  |
| <p>Headline Findings: Our review of the Transforming Homes Programme identified 2 low recommendations around the adequacy of the control framework. The transformation of council homes is expected to bring significant improvements to the long term viability of the council’s housing stock and to the living conditions for the residents and ensures the council fulfils its duty to provide warm homes with modern facilities. Continuation of the programme will enable the council to complete all internal refurbishment and then commence the external works, thereby raising all residential council assets to the new Thurrock standard. There has been no previous audit in this area so there were no recommendations to follow up.</p> | | |

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| Assignment: Unaccompanied Asylum Seekers (Children) | Opinion: Amber/Green |  |
| <p>Headline Findings: Our review of Unaccompanied Asylum Seekers (Children) (UASC) identified 1 high, 2 medium and 1 low recommendations around the adequacy of the control framework. The Home Office defines a UASC as a person who, at the time of making the asylum application is “Applying for asylum in their own right and is separated from both parents and is not being cared for by an adult who by law has responsibility to do so. A child or young person may arrive in the UK and come to the attention of agencies through a port or via a lorry drop, often at a roadside service station. It is at this stage that the process commences for the child or young person in terms of claiming asylum and ensuring their safety and welfare through statutory child care processes.</p> | | |

| Action and Response | Responsible Officer | Date |
|--|--|---|
| <p>Action - Although it is appreciated that the UASC team only took over from the Through Care Team 1 & 2 in September 2016, it is recommended that safety plans are developed promptly to ensure the council safeguards the child or young person immediately.</p> <p>Response - The following is incorporated into the current safety plan:</p> <p>A robust initial assessment (risk assessment, risk of trafficking and mental health) is made to ascertain needs and to consider any immediate safeguarding concerns.</p> <p>A risk assessment is incorporated into the transfer paperwork and placement request forms informing all prospective placements of the safeguarding requirements.</p> <p>A NRM referral is considered at point of entry to the UK and reviewed as new information becomes known.</p> | <p>Service Manager (Children Looked After)</p> | <p>Complete - to be reviewed by Dec 18</p> |
| <p>Action - Although it is appreciated that most of the UASC are aged between 16 and 17, it is recommended that for future arrivals, pathway plans are prepared without undue delay. This will help to improve the transition into adulthood.</p> <p>Response - All UASC Team Social Workers have been instructed to begin the Pathway Plan on all eligible UASC without undue delay.</p> <p>Supervision, formal audits and self-audit tools to be utilised to ensure compliance.</p> | <p>Service Manager (Children Looked After)</p> | <p>Complete – Cases to be audited Dec 18</p> |
| <p>Action - Management should make arrangements to have an age assessment service in place. Options include in-house staff trained to undertake the work, use the services of an independent social worker with</p> | <p>Service Manager (Children Looked After)</p> | <p>Immediate capability and provision to undertake Age Assessments.</p> |

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| <p>relevant experience, or, look at buying in the service from another local authority e.g. Essex County Council, who have their own age assessment team.</p> <p>Response - Currently 5 out of 6 social workers in the CLA3 / UASC Team are trained to undertake Age Assessments. The one remaining Social Worker is due to undertake the training in February 2019.</p> <p>There are a number of Social Workers in the other Children Looked After Teams trained to undertake age assessments and further training sessions have been offered to those who require it.</p> <p>The above provision, as it currently stands, should negate the need to instruct an Independent Social Worker or to buy the service in.</p> <p>All CLA3 Social Workers where UASC are held will be trained as of February 2019.</p> | | |
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| <p>Assignment: Cyber Security</p> | <p>Opinion: Amber/Green</p> |  |
| <p>Headline Findings: Our review of Cyber Security identified 2 medium and 1 low recommendations around the adequacy of the control framework. As part of the “Connected Thurrock 2017-2020” plan, Thurrock Council has set out to connect its community with technology so that Thurrock is a better place to live, learn, work and do business. However, this digital vision implies a greater exposure to cyber threats. In parallel, the UK Government has promoted the Cyber Essentials scheme as a security baseline in order to prevent 80% of the cyber-attacks.</p> <p>In such context of increasing cyber threats and more pervasive systems, the council requested a review of its cyber security against the Cyber Essentials criteria. Internal Audit has been working with IT, Corporate Fraud and Information Governance on an on-going basis to review the council’s resilience to such attacks.</p> <p>As a result of this work, in our opinion we are able to provide assurance to the Standards & Audit Committee that the council does have systems and controls in place to help them manage this risk.</p> | | |

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|--|---------------------------------|
| 13 December 2018 | ITEM: 9 |
| Standards and Audit Committee | |
| Counter Fraud and Investigation Quarterly Update | |
| Wards and communities affected: All | Key Decision: Non-key |
| Report of: David Kleinberg, Assistant Director for Fraud and Investigation | |
| Accountable Assistant Director: David Kleinberg, Assistant Director for Fraud and Investigation | |
| Accountable Director: Sean Clark, Director of Finance and IT | |
| This report is Public | |

Executive Summary

The Counter Fraud & Investigation Department (CFID) is responsible for the prevention, detection and deterrence of all instances of alleged economic crime affecting the authority including: allegations of fraud, theft, corruption, bribery and money laundering.

CFID has developed working arrangements with other agencies to share the Council's counter-fraud culture providing specialist support and capabilities to those public bodies where necessary.

This report outlines the performance of CFID over the last quarter for Thurrock Council as a whole as well as the work the team have delivered nationally for other public bodies.

1. Recommendation

1.1 The Committee notes the performance of the Counter Fraud & Investigation Department.

2. Introduction & Background

2.1 The Counter Fraud & Investigation Department (CFID) leads the council's work to reduce loss to the council from fraud and economic crime. This work is delivered through its Proactive Work Plan and in response to reports of suspected fraud reported by internal departments, other agencies and the public. This report updates the committee on the progress of that work since September 2018.

2.2 The CFID service also supports other councils, police forces and government departments requiring assistance in preventing, detecting and deterring fraud and economic crime against them. This activity is on a public – to – public model with partner agencies reimbursing Thurrock Council for that work.

3. Performance

3.1 CFID has made continued good progress in delivering the 2018/19 counter fraud work plan over the last year.

- 215 reports of suspected fraud have been received
- 17 of those cases have been closed as 'no fraud'
- 158 reports are currently under investigation
- 83 reports are being held as intelligence reports under constant review
- 56 number of intelligence reports have been disseminated
- 31 sanctions have been delivered in cases of proven fraud

3.2 Reports are produced monthly to the section 151 Officer (Director of Finance & IT) and the Assistant Director of Legal Services detailing live investigations.

3.3 Services are updated where investigations take place in their area. In cases where specific risks are identified the relevant director is briefed immediately and continually updated with the progress of any investigations.

3.4 The Internal Audit Service is also informed to ensure that control weaknesses are identified and remediated to protect the council.

4. Work Plan for 2018/19

4.1 CFID conducts targeted proactive work across the organisation to ensure the council's posture against fraud is robust and effective. **Appendix A** sets out the progress made in delivering the proactive work programme this year.

4.2 The work programme is a working document and if during the year changes or additions to the plan are proposed between the CFID and the Section 151 Officer, these will be brought back to the Committee.

5. National Counter Fraud Activity

5.1 CFID has been operating in its current form since 2014, following the award of grant monies from the then-Department for Communities & Local Government 'Counter Fraud Fund' programme.

5.2 Following the conclusion of that project CIPFA Auditors appointed on behalf of the MHCLG to review the progress made in the Counter Fraud Fund programme, visited Thurrock. It was reported in that audit that 58 councils who were awarded a portion of the £16m in that programme detected £100m. The auditors from CIPFA identified that the work of CFID detected £26.2m of the entire £100m figure.

- 5.3 Following the success of that project Thurrock has been supported by government in rebranding its national activity for other agencies as the 'National Investigation Service.'
- 5.4 The new National Investigation Service function will be co-locating and joining forces with the police 'Regional Organised Crime Unit' network, supported by the Eastern Region Special Operations Unit (ERSOU). This unique and innovative collaboration is the first of its kind in the UK.
- 5.5 The National Investigation Service, being hosted at Thurrock with ERSOU, will ensure Thurrock Council is at the forefront of fighting fraud and economic crime with the best possible resources to protect the public being located and available in Thurrock.

6. Reasons for Recommendation

- 6.1 This report provides a detailed update to the Committee on the improved counter-fraud measures for the Council and how it is reducing fraud under the council's counter-fraud strategy.

7. Consultation (including Overview and Scrutiny, if applicable)

- 7.1 All Directors and Heads of Service were consulted with the current strategy to be taken by the Council in its counter-fraud approach.

8. Impact on corporate policies, priorities, performance and community impact

- 8.1 Work undertaken by to reduce fraud and enhance the Council's anti-fraud and corruption culture contributes to the delivery of all its aims and priorities supporting good corporate governance.

9. Implications

9.1 Financial

Implications verified by: **Jonathan Wilson**
Assistant Director of Finance

The financial implications are set out in the report. The prevention and detection of fraud protects the financial resources of the Council to support the wider delivery of corporate priorities.

9.2 Legal

Implications verified by: **David Lawson**

Monitoring Officer, Assistant Director of Law and Governance

The Accounts and Audit (England) Regulations 2015 section 4 (2) require that: *The relevant body shall be responsible for ensuring that the financial management of the body is adequate and effective and that the body has a sound system of internal control which facilitates the effective exercise of that body's functions and which includes the arrangements for the management of risk.*

This proactive and investigative work undertaken by the department as well as the regular monitoring of compliance with the requirements of Fighting Fraud Locally discharges this duty.

9.3 Diversity and Equality

Implications verified by: **Rebecca Price**
Team Manager, Community Development & Equalities

There are no specific equality and diversity implications arising from this update report.

9.4 Other implications (where significant) – i.e. Staff, Health, Sustainability, Crime and Disorder)

None.

10. Background papers used in preparing the report (including their location on the Council's website or identification whether any are exempt or protected by copyright):

- Counter Fraud & Investigation Policy & Strategy – thurrock.gov.uk/fraud
- Counter Money Laundering Policy & Strategy – thurrock.gov.uk/fraud
- CroweClarkWhitehill Annual Fraud Indicator – crowe.co.uk

11. Appendices to the report

- Appendix A – Counter Fraud & Investigation Counter Fraud Proactive Work Plan

Report Author:

Nick Coker

Intelligence Manager, CFID

| Risk area | Tasks | Planned for | Current status | Responsible CFID Officer | Completed Activity Date |
|------------------------|--|------------------------------|---|--------------------------|--|
| Council-wide | Fraud risk matrix assessment to be delivered to all service areas | Oct – Dec 2018 | Has been presented to Audit Committee and Director of Finance. Meetings will now be booked with Directors and relevant management with business areas | Daniel Helps | DMT briefings on delivery of the strategy have taken place in November and are concluding in December. |
| Council-wide | UK Bribery Act (UKBA) Compliance Review. A questionnaire will be distributed to all Managers to ensure UKBA compliance. | October 2018 | Questionnaire now developed and being tested before being circulated across the council. | Michael Dineen | Targeted research was completed for all service areas in November. That information forms part of the council's ongoing statutory compliance review programme. |
| Council-wide | Counter Money Laundering (CML) Compliance Review. A questionnaire will be distributed to all staff to ensure CML compliance. | October 2018 – February 2019 | Questionnaire now developed and being tested before being circulated across the council. | Michael Dineen | Targeted research was completed for all service areas in November. That information is being assessed to ensure the council's strategy is effective. |
| Proactive Fraud Drives | Conduct proactive activity to disrupt and detect fraud affecting the council. | Throughout 2018/19 | Proactive work continues to be undertaken across the high-risk areas. Monthly meetings are | Michael Dineen | A programme was successfully concluded in September, working collaboratively with |

| Risk area | Tasks | Planned for | Current status | Responsible CFID Officer | Completed Activity Date |
|---------------------------|---|----------------------------|--|-------------------------------|--|
| | | | taking place with housing to continue pro-active operations | | Housing to audit tenant data accuracy. |
| Investigation Review | Review of insider threat investigations with Human Resources to review action and learning points | Throughout 2018/19 | Meetings booked once an insider threat is identified. A monthly meeting also takes place between CFID and HR Single Point of Contact. | Daniel Helps | |
| Fraud Awareness Training | Training to be delivered to high risk areas – housing officers, housing allocations, temporary accommodation, right to buy and procurement. | Ongoing to March 2019 | Training now being booked with assistance from CFID business support team. | Michael Dineen / Tanya Furber | |
| Assistance to Social Care | Assistance in relation to No Recourse to Public Funds | Ongoing throughout 2018/19 | CFID are providing assistance in NRPF cases where suspicion is identified by caseworks. This has been successful so far with a number of savings being made. | Nick Coker | |

**Standards & Audit Committee
Work Programme
2018/19**

Dates of Meetings: 19 July 2018, 27 September 2018, 13 December 2018 and 14 March 2019

| Topic | Lead Officer |
|--|----------------------------|
| 19 July 2018 | |
| Regulation of Investigatory Powers Act (RIPA) 2000 - 2017/18 Activity Report | Lee Henley |
| Chief Internal Auditor's Annual Report – Year ended 31 March 2018 | Gary Clifford |
| Refresh of the Strategic / Corporate Risk and Opportunity Register | Andy Owen |
| Internal Audit Progress Report 2017/18 | Gary Clifford |
| Audit Results Report for the Year Ended 31 March 2018 | Ernst & Young / Sean Clark |
| Financial Statements and Annual Governance Statement 2017/18 | Ernst & Young / Sean Clark |
| Red Reports (as required) | |
| Counter Fraud & Investigation Annual Report & Strategy | David Kleinberg |
| Work Programme | Democratic Services |
| 27 September 2018 | |

| | |
|---|----------------------------|
| Annual Access to Records Report | Lee Henley |
| Annual Complaints Report | Lee Henley |
| Internal Audit Progress Report | Gary Clifford |
| Counter Fraud & Investigation Quarterly Status Report | David Kleinberg |
| Annual Audit Letter | Ernst & Young / Sean Clark |
| Red Reports (as required) | |
| Work Programme | Democratic Services |
| 13 December 2018 | |
| Regulation of Investigatory Powers Act (RIPA) 2000 – Activity Report April 2018 – Sept 2018 | Lee Henley |
| Mid-Review of the Strategic/Corporate Risk and Opportunity Register | Andy Owen |
| Internal Audit Service Update Report 2018/19 | Gary Clifford |
| Internal Audit Progress Report 2018/19 | Gary Clifford |
| Counter Fraud & Investigation Quarterly Status Report | David Kleinberg |
| Red Reports (as required) | |
| Work Programme | Democratic Services |

14 March 2019

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|--|---------------------|
| Mid-Year Complaints Report | Lee Henley |
| Annual Review of Risk and Opportunity Management | Andy Owen |
| Internal Audit Plan & Strategy | Gary Clifford |
| Audit Planning Report and Certification of Claims report | BDO / Sean Clark |
| Internal Audit Progress Report | Gary Clifford |
| Counter Fraud & Investigation Quarterly Status Report | David Kleinberg |
| Red Reports (as required) | |
| 2018-2019 Fee Letter (Date to be confirmed) | Jonathan Wilson |
| Work Programme | Democratic Services |

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