



Enquiries to Democratic Services

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Date: 23rd January 2026

Our Ref: MM

Dear Sir/Madam,

A meeting of the **AUDIT & STANDARDS COMMITTEE** will be held in the Council Chamber, Town Hall, Nuneaton, on **Tuesday, 3rd February 2026 at 6.00pm**

Yours faithfully,

TOM SHARDLOW

Chief Executive

To: All Members of the Audit & Standards Committee

Councillors J. Bonner (Chair), D. Brown (Vice-Chair), A. Bull, T. Cooper, L. Cvetkovic, B. Hancox, J. Hartshorn, T. Jenkins, W. Markham, C. Smith, M. Wright and Mr A. Morgan.

The Council is committed to providing a safe and respectful environment for both our staff, our customers and elected members. As such, please be advised that any form of abuse, aggression, or disrespectful behaviour towards our team will not be tolerated under any circumstances.

A G E N D A

PART I - PUBLIC BUSINESS

1. ANNOUNCEMENTS

To advise the meeting participants of the procedure that will be followed by the Members of the committee.

A fire drill is not expected, so if the alarm sounds please evacuate the building quickly and calmly. Please use the stairs and do not use the lifts. Once out of the building, please gather outside Lloyds Bank on the opposite side of the road.

Exit by the door by which you entered the room or by the fire exits which are clearly indicated by the standard green fire exit signs.

If you need any assistance in evacuating the building, please make yourself known to a member of staff.

Please also make sure all your mobile phones are turned off or set to silent.

2. APOLOGIES - To receive apologies for absence from the meeting.

3. MINUTES – To confirm the minutes of the meeting of the Audit and Standards Committee held on 25th November 2025, attached (**Page 5**).

4. DECLARATIONS OF INTEREST

To receive declarations of Disclosable Pecuniary and Other Interests, in accordance with the Members' Code of Conduct.

Declaring interests at meetings

If there is any item of business to be discussed at the meeting in which you have a disclosable pecuniary interest or non- pecuniary interest (Other Interests), you must declare the interest appropriately at the start of the meeting or as soon as you become aware that you have an interest.

Arrangements have been made so that interests that are declared regularly by members can be viewed in a schedule on the Council website ([Councillor Schedule of Declarations of Interests for Meetings](#)). Any interest noted in the schedule on the website will be deemed to have been declared and will be minuted as such by the Democratic Services Officer. As a general rule, there will, therefore, be no need for those Members to declare those interests as set out in the schedule.

There are, however, TWO EXCEPTIONS to the general rule:

1. When the interest amounts to a Disclosable Pecuniary Interest that is engaged in connection with any item on the agenda and the member feels that the interest is such that they must leave the room. Prior to leaving the room, the member must inform the meeting that they are doing so, to ensure that it is recorded in the minutes.
2. Where a dispensation has been granted to vote and/or speak on an item where there is a Disclosable Pecuniary Interest, but it is not referred to in the Schedule (where for example, the dispensation was granted by the Monitoring Officer immediately prior to the meeting). The existence and nature of the

dispensation needs to be recorded in the minutes and will, therefore, have to be disclosed at an appropriate time to the meeting.

Note: Following the adoption of the new Code of Conduct, Members are reminded that they should declare the existence and nature of their personal interests at the commencement of the relevant item (or as soon as the interest becomes apparent). If that interest is a Disclosable Pecuniary or a Deemed Disclosable Pecuniary Interest, the Member must withdraw from the room.

Where a Member has a Disclosable Pecuniary Interest but has received a dispensation from Audit & Standards Committee, that Member may vote and/or speak on the matter (as the case may be) and must disclose the existence of the dispensation and any restrictions placed on it at the time the interest is declared.

Where a Member has a Deemed Disclosable Interest as defined in the Code of Conduct, the Member may address the meeting as a member of the public as set out in the Code.

Note: Council Procedure Rules require Members with Disclosable Pecuniary Interests to withdraw from the meeting unless a dispensation allows them to remain to vote and/or speak on the business giving rise to the interest.

Where a Member has a Deemed Disclosable Interest, the Council's Code of Conduct permits public speaking on the item, after which the Member is required by Council Procedure Rules to withdraw from the meeting.

5. **PUBLIC CONSULTATION** - Members of the Public will be given the opportunity to speak on specific agenda items, if notice has been received.

Members of the public will be given three minutes to speak on a particular item and this is strictly timed. The chair will inform all public speakers that: their comments must be limited to addressing issues raised in the agenda item under consideration: and that any departure from the item will not be tolerated.

The chair may interrupt the speaker if they start discussing other matters which are not related to the item, or the speaker uses threatening or inappropriate language towards Councillors or officers and if after a warning issued by the chair, the speaker persists, they will be asked to stop speaking by the chair.

The chair will advise the speaker that, having ignored the warning, the speaker's opportunity to speak to the current or other items on the agenda may not be allowed. In this eventuality, the chair has discretion to exclude the speaker from speaking further on the item under consideration or other items of the agenda.

6. **TREASURY MANAGEMENT UPDATE 2025/26** – a report of the Assistant Director – Finance, attached (**Page 7**).
7. **TREASURY MANAGEMENT PRACTICES 2026/27** – a report of the Assistant Director – Finance, attached (**Page 24**).
8. **TREASURY MANAGEMENT STRATEGY STATEMENT (TMSS) 2026/27** - a report of the Assistant Director - Finance, attached (**Page 66**).
9. **CONSTITUTION UPDATES – REPORT FROM CONSTITUTION REVIEW WORKING PARTY** – a report of the Monitoring Officer, attached (**Page 108**).

10. PRE-ELECTION PERIOD PUBLICITY PROTOCOL - a report of the Monitoring Officer, attached (**Page 118**).
11. REVIEW OF THE COUNCIL'S STRATEGIC RISK REGISTER - a report of the Assistant Director – Democracy and Governance, attached (**Page 133**).
12. GOVERNMENT CONSULTATION: STRENGTHENING THE STANDARDS AND CONDUCT FRAMEWORK FOR LOCAL AUTHORITIES IN ENGLAND – a report of the Monitoring Officer, attached (**Page 228**).
13. ANY OTHER ITEMS - which in the opinion of the Chair should be discussed as a matter of urgency because of special circumstances (which must be specified).

NUNEATON AND BEDWORTH BOROUGH COUNCIL

AUDIT & STANDARDS COMMITTEE

25th November 2025

A meeting of the Audit & Standards Committee was held on Tuesday, 25th November 2025 in the Council Chamber, Town Hall, Nuneaton.

Present

Councillor J. Bonner – Chair

Councillors: D. Brown (Vice-Chair), A. Bull, T. Cooper, L. Cvetkovic, B. Hancox, J. Hartshorn, T. Jenkins, W. Markham, C. Smith and M. Wright.

PART I – PUBLIC BUSINESS

ASC19 **Minutes**

RESOLVED that the minutes of the Audit and Standards Committee meeting held on 9th September 2025 be approved and signed by the Chair.

ASC20 **Declarations of Interest**

RESOLVED that the declarations of interests are as set out in the Schedule which can be viewed on the Council website ([Councillor Declarations of Interests](#)).

ASC21 **Internal Audit Progress Report**

The Audit Manager presented a report which provided the Committee with an update on progress against the approved Internal Audit Plan. The report detailed the performance and activity of Internal Audit since the last Progress Report presented to the Audit and Standards Committee.

RESOLVED that the report be considered and issues identified be subject to a follow-up report as appropriate.

ASC22 **Auditor's Annual Report**

The Strategic Director – Corporate Resources and External Auditors provided the Committee with the Annual Auditor's Report for 2024/25.

RESOLVED that the Auditor's Annual Report be noted.

ASC23 **Treasury Management Update 2025-2026**

The Finance Manager – Treasury reported that the Council is required through the CIPFA Code of Practice on Treasury Management (the Code) and the CIPFA Prudential Code for Capital Finance in Local Authorities (the Prudential Code) to report to Full Council a mid-year review.

This report to the Committee set out the Council's treasury position as at 30th September 2025 and therefore any decisions made after this date are not reflected in this report.

RESOLVED that IT BE RECOMMENDED TO COUNCIL that

- a) the Treasury Management Report for 2025/26 – Mid-Year review be noted; and
- b) the update to the Treasury Management Practice (TMP) 5 be approved.

ASC24 **Review Of Performance Management Framework And Risk Management Policy And Strategy**

A Report of the Governance, Risk Management and Performance Officer provided the Committee with the reviewed Performance Management Framework and Risk Management Policy and Strategy documents for consideration, approval and referral to Full Council for adoption.

RESOLVED that

- a) the revised Performance Management Framework and Risk Management Policy and Strategy documents be endorsed; and
- b) **IT BE RECOMMENDED TO COUNCIL** that the Performance Management Framework and Risk Management Policy and Strategy documents be adopted and the constitution be updated accordingly.

ASC25 **Review Of The Register Of Members' Interests And The Gifts And Hospitality Register 2024-2025**

A Report of the Monitoring Officer provided Committee Members with information regarding the registration of Members' Interests and, Gifts and Hospitality by Members and Officers for the period 16 October 2024 – 23 October 2025

RESOLVED that

- a) the contents of Members' Interests between 16 October 2024 and 23 October 2025 be considered and noted; and
- b) the contents of the Register of Gifts and Hospitality for Members and Officers between 16 October 2024 and 23 October 2025 be considered and noted.

ASC 26 **Any Other Business**

The Monitoring Officer advised the Committee Members that an independent Co-Opted Member had now been appointed to the Audit and Standards Committee, and would hopefully be attending the next meeting.

Chair _____

AGENDA ITEM NO. 6

NUNEATON AND BEDWORTH BOROUGH COUNCIL

Report to: Audit and Standards Committee

Date of Meeting: 3rd February 2026

Subject: Treasury Management Update 2025/26

Portfolio: Not Applicable

Responsible Officer: Assistant Director - Finance

Corporate Plan – Theme: Your Council

Corporate Plan – Aim: Deliver continued forward financial planning to safeguard the finances of the Council.
Strive for transparency and accountability, in all that we do.

Ward Relevance: All

Public or Private: Public

Subject: Treasury Management 2025/26 – Quarter 3 Review

Forward Plan: Not Applicable

Subject to Call-in: Not Applicable

1. Purpose of Report

- 1.1. The Council is required through the CIPFA Code of Practice on Treasury Management (the Code) and the CIPFA Prudential Code for Capital Finance in Local Authorities (the Prudential Code) to report to full Council a mid-year review.
- 1.2. This report sets out the Council's treasury position as at 30th December 2025 and therefore any decisions made after this date are not reflected in this report.

2. Recommendations

2.1. To recommend to Council that the Treasury Management Report for 2025/26 – Quarter 3 Report be noted.

2.2. To recommend to Council the approval of the update to Treasury Management Practices in Appendix A.

3. Background

Capital Strategy

3.1. In December 2021, the Chartered Institute of Public Finance and Accountancy, (CIPFA), issued revised Prudential and Treasury Management Codes. These require all local authorities to prepare a Capital Strategy which is to provide the following: -

- a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services
- an overview of how the associated risk is managed
- the implications for future financial sustainability.

3.2. CIPFA is currently consulting local authorities in respect of potential changes to the Codes. Currently, the focus seems to be on the Non-Treasury investment aspects of local authority activity.

3.3. An update on any material developments/changes will be provided to the Committee when they are known.

3.4. The updated Capital Strategy for the Council was approved by Council in December 2025.

Treasury management

3.5. The Council operates a balanced budget, which broadly means cash raised during the year will meet its cash expenditure. Part of the treasury management operations ensure this cash flow is adequately planned, with surplus monies being invested in low-risk counterparties, providing adequate liquidity initially before considering optimising investment return.

3.6. In addition, the treasury management service provides details on the funding of the Authority's capital plans. These capital plans provide a guide to the borrowing need of the Authority, essentially the longer-term cash flow planning to ensure the Authority can meet its capital spending operations.

3.7. The management of longer-term cash may involve arranging long or short-term loans, or using longer term cash flow surpluses, and on

occasion any debt previously drawn may be restructured to meet Authority risk or cost objectives.

3.8. Accordingly, treasury management is defined as:

“The management of the local authority’s borrowing, investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.”

Introduction

3.9. This report has been written in accordance with the requirements of the Chartered Institute of Public Finance and Accountancy’s (CIPFA) Code of Practice on Treasury Management (revised 2021).

3.10. The primary requirements of the Code are as follows:

- Creation and maintenance of a Treasury Management Policy Statement which sets out the policies and objectives of the Council’s treasury management activities.
- Creation and maintenance of Treasury Management Practices which set out the manner in which the Council will seek to achieve those policies and objectives.
- Receipt by the full Council of an annual Treasury Management Strategy Statement - including the Annual Investment Strategy and Minimum Revenue Provision Policy - for the year ahead, a Mid-year Review Report (this report) and an Annual Report covering activities during the previous year. Quarterly reports are also required for the periods ending April to June and October to December and are submitted to Audit and Standards Committee.
- Delegation by the Council of responsibilities for implementing and monitoring treasury management policies and practices and for the execution and administration of treasury management decisions.
- Delegation by the Council of the role of scrutiny of treasury management strategy and policies to a specific named body. For this Authority, the delegated body is Audit and Standards Committee:

3.11. This quarterly report has been prepared in compliance with CIPFA’s Code of Practice on Treasury Management, and covers the following:

- An economic update for the third quarter of the 2025/26 financial year;
- A review of the Authority’s investment portfolio for 2025/26;
- A review of the Authority’s borrowing strategy for 2025/26;
- A review of any debt rescheduling undertaken during 2025/26;

4. Economic update for the Quarter 3 of the 2025/26 financial year

4.1. The third quarter of the financial year saw:

- A -0.1% m/m change in real GDP in October, meaning the economy hasn't grown since the start of April.
- A fall in the average wage growth (excluding bonuses) as the headline 3mmy rate to 4.6% in October
- CPI inflation fell sharply from 3.6% to 3.2% in November with core CPI inflation easing to 3.2%
- 10-year gilt yields changing between 4.4% and 4.7%, ending at 4.50% at the end of December

4.2. Whilst the economy started slower in April due to US tariffs, it did recover in May and June. With minimal changes in July to September and a decrease in October, this means that growth has slowed to around 1.4% for 2025 as a whole

4.3. A 0.1% m/m fall in retail sales in November after a 0.9% drop in October suggests that weak employment and slowing wage growth is impacting the sector even after a 1.5% year on year increase in September.

4.4. The Public Finance position has changed since the November Budget. The Chancellor increased spending by £11.3bn in 2029/30 paid for by a £26.1bn increase in taxes in the same year.

4.5. Following the Autumn Budget, the Office for Budget Responsibility (OBR) calculated the net tightening in fiscal policy as £11.7bn (0.3% of GDP) in 2029/30, smaller than the consensus forecast of £25bn. It did downgrade productivity growth by 0.3%, from 1.3% to 1.0%, but a lot of that influence was offset by upgrades to its near-term wage and inflation forecasts.

4.6. The Public Net Borrowing in November was £11.7bn, less than the previous years of £13.6bn. This was mainly due to an increase in tax receipts and disposal of assets ahead of the budget. This means that borrowing for 2025/26 should be lower than 2024/25.

4.7. Annual employment growth has declined to -0.6% from -0.5%. The number of job vacancies stayed consistent, but other reports infer the number of employees has decreased with the unemployment rate increasing from 5.0% to 5.1%.

4.8. CPI inflation fell sharply in November from 3.6% in October to 3.2%. There was a widespread easing in price pressures with inflation slowing in 10 of the 12 main categories used to calculate the CPI rate.

4.9. Core inflation also reduced from 3.4% to 3.2% and services inflation reduced from 4.5% to 4.4%. Capital Economics therefore forecasts that inflation is on track to settle at the Bank of England's 2.0% target or slightly below at the end of 2026.

4.10. Gilts have been slightly volatile as a spike in the rates occurred in July over fiscal concerns over the UK's future budgets. Whilst this was a short lived spike, it did highlight uncertainty in the UK's fiscal position. Long term gilts rose to a 27 year high of 5.6% in August due to a sell-off, but rates are starting to ease back since then.

4.11. Gilt rates affect the amount of interest the Council receives on its investments, and a reduction in the gilt rate will reduce the amount of interest the Council receives. This reduction can be caused directly when the Council invests in Treasury Bills or Money Market Funds (which use Treasury Bills as part of their investment portfolio), or indirectly by changing the rate of PWLB borrowing. If PWLB borrowing becomes cheaper other Council will borrow from the PWLB rather than us.

4.12. The reduction in gilt rates will reduce the amount of interest on any new PWLB loans the Council takes out, but only if the loans are taken out after the gilt rate drops. Loans with the market are indirectly affected by gilt rates, and reductions in the gilt rate should reduce other sources of borrowing as well.

Monetary Policy Committee (MPC) Meetings

4.13. There have been two MPC meetings since the mid-year report on 6th November and 18th December.

4.14. The bank has cut the rate twice previously in this financial year, as the rate had reduced from 4.50% to 4.00% by 30th September 2025.

4.15. At the 6th November meeting, Governor Bailey was the deciding vote to keep the bank rate at 4.00% but hinting at a rate cut if data supported the move.

4.16. As the November CPI inflation had fallen to 3.2% and the Q2 GDP figures had been revised down, the MPC voted 5-4 to cut the rate to 3.75% in the 18th December meeting. Governor Bailey has made it clear however that any further reductions would require strong supporting data and the market expects the next cut to be in April.

Interest Rates

4.17. The Council has appointed MUFG Group as its treasury advisors and part of their service is to assist the Council to formulate a view on interest rates. The PWLB rate forecasts below are based on

the Certainty Rate (the standard rate minus 20 bps) which has been accessible to most authorities since 1 November 2012.

4.18. MUFG's latest forecast was created on 11th August and sets out a view that short, medium and long-dated interest rates will fall back over the next year or two. This is a forecast, and will depend on gilt rates, and what the economy actually does and when the Bank of England's Base Rate reduces compared to MUFG's forecast.

4.19. MUFG's PWLB rate forecasts below are based on the Certainty Rate (the standard rate minus 20 bps, calculated as gilts plus 80bps). The HRA currently gets another 60 bps reduction on the Certainty Rate, but this can only be used for borrowing towards new builds (or externalising the debt for previous builds)

MUFG Corporate Markets Interest Rate View 22.12.25													
	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27	Jun-27	Sep-27	Dec-27	Mar-28	Jun-28	Sep-28	Dec-28	Mar-29
BANK RATE	3.75	3.50	3.50	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25
3 month ave earnings	3.80	3.50	3.50	3.30	3.30	3.30	3.30	3.30	3.30	3.30	3.30	3.30	3.30
6 month ave earnings	3.80	3.50	3.50	3.40	3.30	3.30	3.30	3.40	3.40	3.40	3.40	3.40	3.40
12 month ave earnings	3.90	3.60	3.60	3.50	3.40	3.50	3.50	3.50	3.50	3.50	3.60	3.60	3.60
5 yr PWLB	4.60	4.50	4.30	4.20	4.10	4.10	4.10	4.10	4.10	4.10	4.10	4.10	4.10
10 yr PWLB	5.20	5.00	4.90	4.80	4.80	4.70	4.70	4.70	4.70	4.60	4.60	4.60	4.70
25 yr PWLB	5.80	5.70	5.60	5.50	5.50	5.40	5.30	5.30	5.30	5.20	5.20	5.20	5.20
50 yr PWLB	5.60	5.50	5.40	5.30	5.30	5.20	5.10	5.10	5.10	5.00	5.10	5.00	5.00

5. The Council's Investment Portfolio as at 31st December 2025

5.1. The Treasury Management Strategy Statement (TMSS) for 2025/26, which includes the Annual Investment Strategy, was approved by the Council on 19th February 2025. In accordance with the CIPFA Treasury Management Code of Practice, it sets out the Authority's investment priorities as being:

- Security of capital
- Liquidity
- Yield

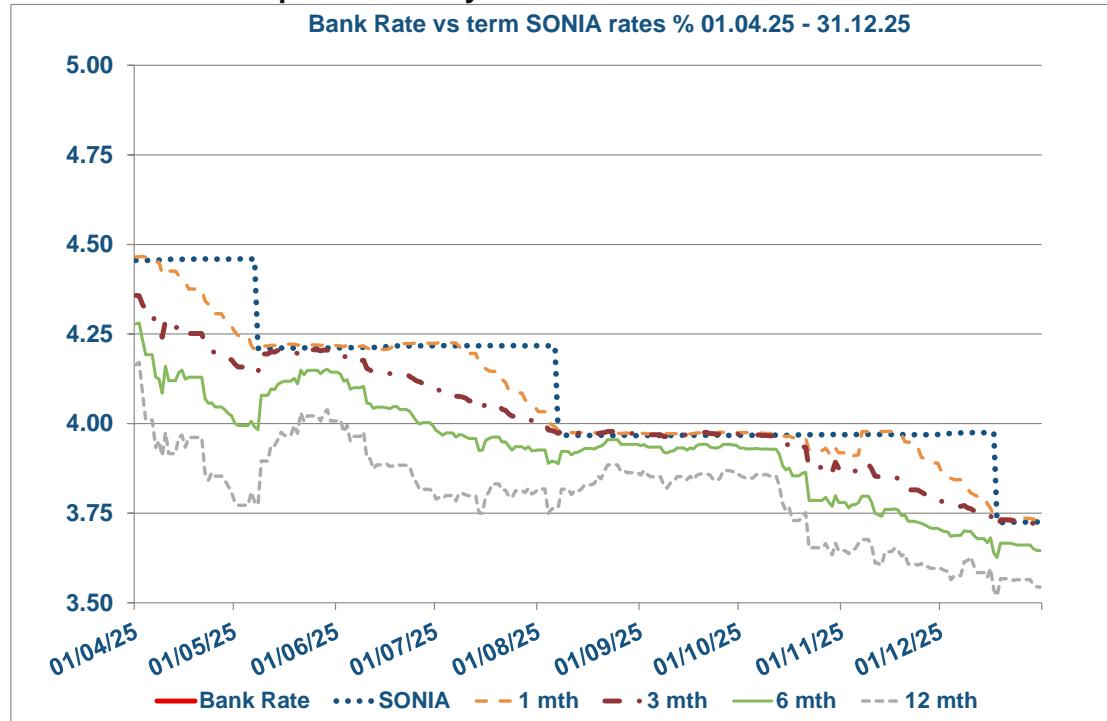
5.2. The Council aims to achieve the optimum return (yield) on its investments commensurate with proper levels of security and liquidity and with the Council's risk appetite. In the current economic climate, it is considered appropriate to keep investments short term to cover cash flow needs, but also to seek out value available in periods up to 12 months with high credit quality financial institutions, using the Link suggested creditworthiness approach, including a minimum sovereign credit rating and Credit Default Swap (CDS) overlay information

5.3. A list of all investments held as at 31st December 2025 is shown below:

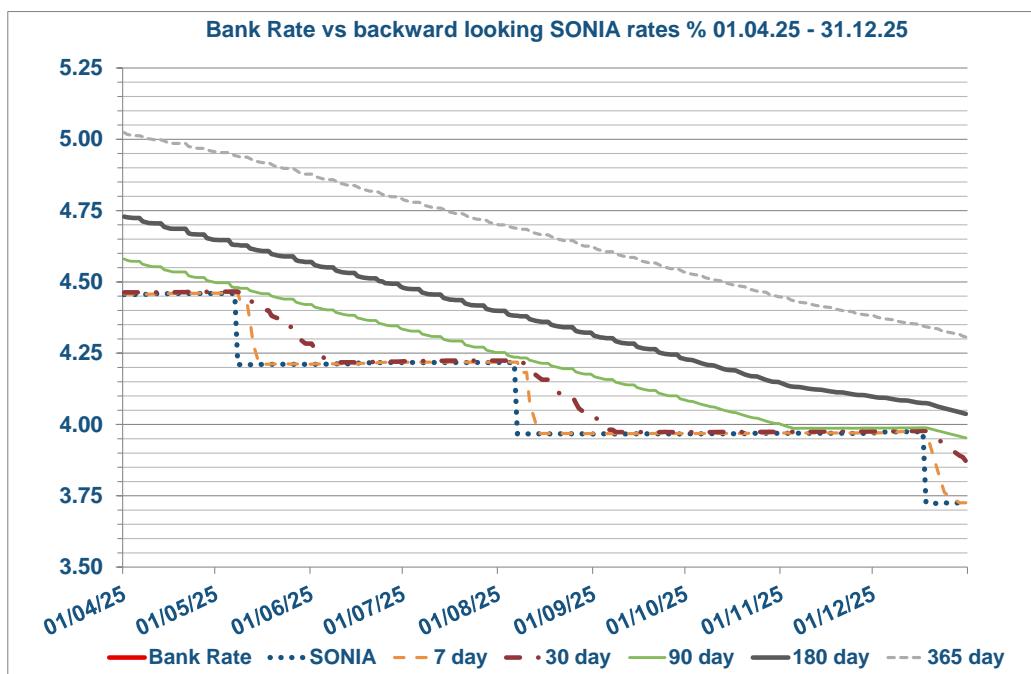
Counterparty	Amount Invested	Deposit Period	Maturity Date	Interest Rate
Fixed Term Deposit:				
Total Fixed Term Deposits	£0.0m			N/A
Notice Accounts:				
Total Notice Accounts	£0.0m			N/A
Property Funds				
CCLA Local Authority Property Fund	£2.0m	N/A	N/A	3.90%
Total Property Funds	£2.0m			3.90%
Money Market Funds:				
Federated Prime Rate	£9.0m	N/A	N/A	3.87%
Total Money Market Funds	£9.0m			3.87%
Instant Access/Call Accounts				
Lloyds Bank (Current Account)	£4.38	Overnight	N/A	3.65%
Total Instant Access	£4.38m			3.65%
Total Investments	£15.38m			3.81%

5.4. The current investment counterparty criteria selection approved in the TMSS is meeting the requirement of the treasury management function, and no in year changes are required.

5.5. Investment performance year to date as of 31st December 2025



	SONIA	1 mth	3 mth	6 mth	12 mth
High	4.46	4.47	4.36	4.28	4.17
High Date	07/05/2025	03/04/2025	01/04/2025	02/04/2025	02/04/2025
Low	3.72	3.73	3.71	3.63	3.52
Low Date	22/12/2025	29/12/2025	18/12/2025	18/12/2025	18/12/2025
Average	4.10	4.07	4.01	3.93	3.80
Spread	0.74	0.73	0.65	0.66	0.65



	SONIA	7 day	30 day	90 day	180 day	365 day
High	4.46	4.46	4.47	4.58	4.73	5.02
High Date	07/05/2025	28/04/2025	06/05/2025	01/04/2025	01/04/2025	01/04/2025
Low	3.72	3.73	3.87	3.95	4.04	4.31
Low Date	22/12/2025	29/12/2025	31/12/2025	31/12/2025	31/12/2025	31/12/2025
Average	4.12	4.14	4.17	4.25	4.39	4.69
Spread	0.74	0.74	0.59	0.63	0.69	0.72

Investment performance year to date as of 31st December 2025

7 Day SONIA Benchmark Return	NBBC Performance	Investment Interest Earned
4.14%	4.18%	£621,632.11

5.6. As shown, the Combined Council and HRA investment portfolio is outperforming the 7 Day Benchmark by 4 Basis Points. The 7 Day Benchmark was chosen as the average length of investments for the Council is around 7 days. The Council's budgeted investment return for 2025/26 is £741k, and we currently forecasting a return of around

£739k for both the HRA and General Fund combined for the end of the year. This figure is then split between the General Fund and HRA based on reserves and balances at year end. General fund is currently therefore expecting a return of around £644k, with the HRA expecting a return of around £95k.

5.7. Whilst the current interest rate is lower than the year to date performance, NBBC is still performing better than the current 7 Day SONIA rate.

6. The Council's Debt Position as at 31st December 2025

6.1. The Council's borrowing activity for the third quarter of the financial year can be summarised as follows:

- A Short-term Local Authority Loan of £5.0m was taken out
- £2.5m of debt matured in Q3 for a total of £5.0m of debt repaid in 25/26.
- £62.205m of debt is outstanding as at 31st December 2025 at an average rate of 4.49%. There is £7.0m of debt due to be repaid in 25/26 in Q4.

6.2. Due to the high interest rates, officers are minimalising the amount of new external debt that the Council is undertaking, and are waiting for the rates to drop unless there is a cashflow reason for requiring externalising the Council's debt.

6.3. The Council's Debt Position as at 31st December 2025 is shown below:

Borrowing	2025/26 Opening Balance £m	Balance as of 31 st Dec 2025 £m	2025/26 Closing Forecast £m
General Fund			
PWLB (Public Works Loan Board)	6.75	6.75	14.75
Market LOBO	2.00	2.00	2.00
LA Loan	0.00	5.00	5.00
HRA			
PWLB	53.96	48.96	58.96
Total	62.71	62.71	80.71

7. Debt Rescheduling

7.1. Debt rescheduling opportunities have been very limited in the current economic climate and following the various increases in the margins added to gilt yields which have impacted PWLB new borrowing rates. No debt rescheduling has therefore been undertaken to date in the current financial year.

7.2. The Council is currently breaching their Debt Maturity limits when the full Debt of both the General Fund and the HRA is considered. This is mainly due to HRA debts that were transferred from Central Government to the Council in 2011/12 which are expecting to mature in the next 5 years.

7.3. Part of the reason for the breach has been the use of internal borrowing over the last few years. Whilst making financial sense due to the high interest rates, this has indirectly led to the breach as the council is not borrowing more long-term debt, and therefore the percentage of debt that is maturing shortly is higher. As the Capital Financing Requirement is higher than the amount of external borrowing, the Council has more capacity for external debt and therefore this is not as much a problem as if we were over-borrowed.

7.4. The Council is expecting to use external borrowing later this year, however short-term borrowing may be still be used with an expectation to refinance the loan long-term once the loan is completed to minimise the effect of high interest rates.

Total Debt Maturity Profile				
Debt Maturity within	£m	% of Total Debt	% of Running Total Debt	% for Lower and Upper Limit of Debt
Under 6 months	14.5	23.1%	23.1%	0%-35%
Up to 2 Years	17.8	28.3%	51.4%	0%-40%
Up to 5 Years	22.5	35.8%	87.2%	0%-50%
Up to 10 Years	1.0	1.6%	88.8%	0%-60%
Up to 20 Years	3.0	4.8%	93.6%	0%-70%
Up to 30 Years	0.0	0.0%	93.6%	0%-80%
Up to 40 Years	2.0	3.2%	96.8%	0%-90%
Over 40 Years	2.0	3.2%	100.0%	0%-100%
Total Debt	62.7	100.0%	100.0%	

8. Consultation with the public, members, officers and associated stakeholders

8.1. None directly related to this report.

9. Financial Implications

9.1. Contained within the report.

10. Legal Implications

10.1. None directly related to this report.

11. Equalities implications

11.1. Not applicable to this report.

12. Health implications

12.1. Not applicable to this report.

13. Climate and environmental implications

13.1. No direct climate and/or environmental implications have been identified.

14. Section 17 Crime and Disorder Implications

14.1. Not applicable to this report.

15. Risk management implications

15.1. Treasury Management provides potential risk due to the volatile nature of interest rates and risks over the security of investments and borrowing. The Quarterly Treasury Management Report is part of the Council's procedures to mitigate that risk.

16. Human resources implications

16.1. No direct human resource implications have been identified.

17. Conclusion

- 17.1. This report demonstrates the Council's commitment to providing transparency on its investments and borrowing. The Audit & Standards Committee is invited to note the Treasury Management 2025/26 – Mid Year Review.
- 17.2. The Treasury Management Practices are the Council's rules on what the Council's staff are allowed to do with regards the Council's Treasury Function. Due to staffing changes, the Audit & Standards Committee is invited to recommend the update to TMP 5 to Full Council for approval.

18. Appendices

- 18.1. Please note the following appendix:
Appendix A – Updated TMP 5

19. Background papers

- 19.1. Please note there are no background papers attached to this report.

20. Report Writer Details:

21. Officer Job Title: Treasury and Technical Business Partner
22. Officer Name: Andrew Pillow
23. Officer Email Address: andrew.pillow@nuneatonandbedworth.gov.uk

Appendix A

TMP 5 Organisation, Clarity and Segregation of Responsibilities, and Dealing Arrangements

5.1 Allocation of responsibilities

(i) Full council

- receiving and reviewing reports on treasury management policies, practices and activities
- approval of annual treasury management strategy
- approval of capital strategy
- approval of amendments to the organisation's adopted clauses, treasury management policy statement and treasury management practices

(ii) Cabinet

- budget consideration and approval
- approval of the division of responsibilities
- receiving and reviewing regular monitoring reports and acting on recommendations
- approving the selection of external service providers and agreeing terms of appointment.

(iii) Audit and Standards Committee

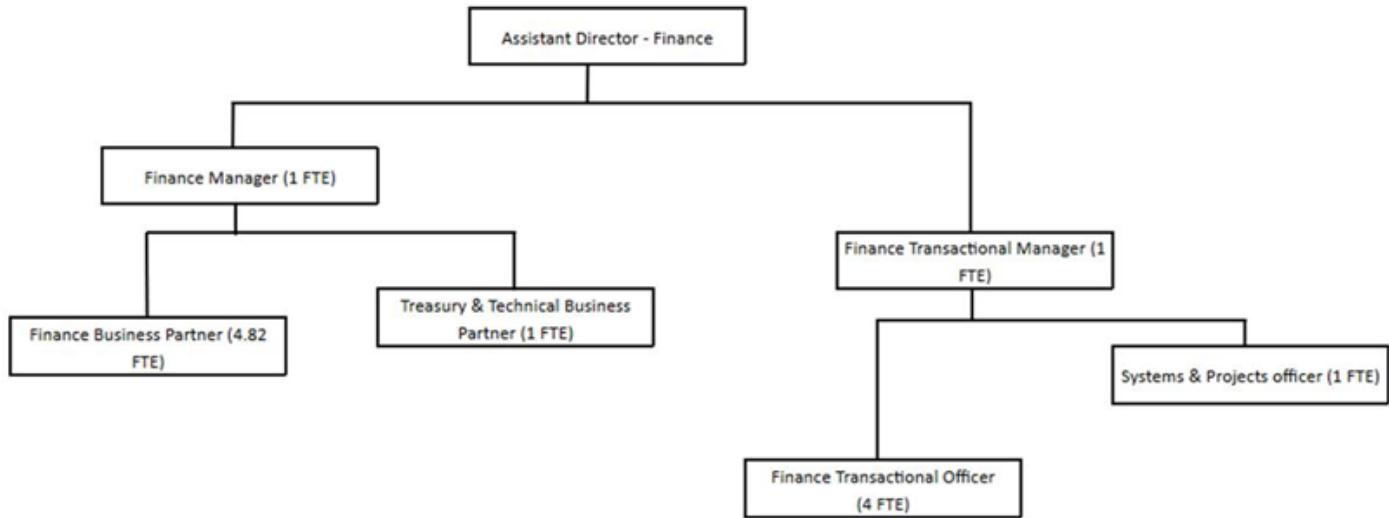
- reviewing the treasury management policy and procedures and making recommendations to the responsible body.
- receiving and reviewing regular treasury management reports and acting on recommendations

5.2 Principles and Practices Concerning Segregation of Duties

5.2.1 The following duties must be undertaken by separate officers: -

Dealing	Negotiation and approval of deal. Receipt and checking of brokers confirmation note against loans diary. Reconciliation of cash control account. Bank reconciliation
Accounting Entry	Production of transfer note. Processing of accounting entry
Authorisation/Payment of Deal	Entry onto system. Approval and payment.

5.3 Treasury Management Organisation Chart



5.4 Statement of the treasury management duties/responsibilities of each treasury post

5.4.1. The responsible officer

The responsible officer is the person charged with professional responsibility for the treasury management function and in this Council is the Strategic Director – Corporate Resources. This person will carry out the following duties: -

- a) recommending clauses, treasury management policy/practices for approval, reviewing the same regularly, and monitoring compliance
- b) submitting regular treasury management policy reports
- c) submitting budgets and budget variations
- d) receiving and reviewing management information reports
- e) reviewing the performance of the treasury management function
- f) ensuring the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function
- g) ensuring the adequacy of internal audit, and liaising with external audit
- h) recommending the appointment of external service providers.
- i) The responsible officer has delegated powers through this policy to take the most appropriate form of borrowing from the approved sources, and to make the most appropriate form of investments in approved instruments.
- j) The responsible officer may delegate his power to borrow and invest to members of his staff. The Financial Planning Team must conduct all dealing transactions, or staff authorised by the responsible officer to act as temporary

cover for leave/sickness. All transactions must be authorised by at least two of the officers in the Treasury Management Organisation Chart.

- k) The responsible officer will ensure that treasury management policy is adhered to, and if not will bring the matter to the attention of elected members as soon as possible.
- l) Prior to entering into any capital financing, lending or investment transaction, it is the responsibility of the responsible officer to be satisfied, by reference to the Council's legal department and external advisors as appropriate, that the proposed transaction does not breach any statute, external regulation or the Council's Financial Regulations
- m) It is also the responsibility of the responsible officer to ensure that the Council complies with the requirements of The UK Money Markets Code (formerly known as the Non-Investment Products Code) for principals and broking firms in the wholesale markets.

5.4.2. The Financial Planning Team

The responsibilities of the Assistant Director of Finance is to act as the deputy responsible officer for the council when the responsible officer is unavailable. If the Responsible officer is available to undertake their duties, the Assistant Director of Finance will have the same level of responsibility (with regards to Treasury Management) as the Treasury and Technical Business Partner (see below). The Finance Manager also has the same level of responsibility as the Treasury and Technical Business Partner with regards to Treasury Management.

The responsibilities of the Treasury and Technical Business Partner will be: -

- a) execution of transactions
- b) adherence to agreed policies and practices on a day-to-day basis
- c) maintaining relationships with counterparties and external service providers
- d) supervising treasury management staff
- e) monitoring performance on a day-to-day basis
- f) submitting management information reports to the responsible officer
- g) identifying and recommending opportunities for improved practices
- h) opportunities for improved practices

The Treasury and Technical Business Partner requires at least 1 year of professional experience in Financial Markets (including knowledge of transactions or services envisaged). If they do not have this experience, they will need advice from Treasury Advisors before undertaking any new

investments or supervision from a member of the Treasury Management Organisational Chart who has the relevant experience.

The Financial planning team additionally includes the following persons: -

Finance Transactional Manager

The Finance Transactional Manager have the same limits on investments as the Treasury and Technical Business Partner, and will require authorisation from a more senior role to undertake new debt arrangements. They will also require at least 1 year of professional experience in Financial Markets, or supervision from another member of the Treasury Management Organisational Chart which has the relevant experience.

Finance Transactional Officer(s)

The Finance Transactional Officer(s) can process investments with the deals being authorised by the Finance Transactional Manager, Treasury & Technical Business Partner or more senior member of staff within the Treasury Management Organisation Chart above.

5.4.3. The Head of the Paid Service – the Chief Executive

The responsibilities of this post will be: -

- a) Ensuring that the system is specified and implemented
- b) Ensuring that the responsible officer reports regularly to the Cabinet on treasury policy, activity and performance.

5.4.4. The Monitoring Officer

The responsibilities of this post will be: -

- a) Ensuring compliance by the responsible officer with the treasury management policy statement and treasury management practices and that they comply with the law.
- b) Being satisfied that any proposal to vary treasury policy or practice complies with law or any code of practice.
- c) Giving advice to the responsible officer when advice is sought.

5.4.5. Internal Audit

The responsibilities of Internal Audit will be: -

- a) Reviewing compliance with approved policy and treasury management practices.
- b) Reviewing division of duties and operational practice.
- c) Assessing value for money from treasury activities.
- d) Undertaking probity audit of treasury function.

5.5 Absence Cover Arrangements

In the case of the Treasury and Technical Business Partner, the Finance Transactional Manager, and the Finance Manager all being unavailable, the Strategic Director – Corporate Resources and

Assistant Director for Finance can deal for the Council. If secondary approval is needed, other Strategic Directors or the Chief Executive can provide this approval.

5.6 Dealing Limits

There is no specific dealing limit by post, but limits on dealing is within the TMSS.

5.7 List of Approved Brokers

A list of approved brokers is maintained within the Financial Planning Team and a record of all transactions recorded against them. See TMP 11.1.2.

5.8 Policy on Brokers' Services

It is this Council's policy to rotate business between brokers.

5.9 Policy on Taping of Conversations

It is not this Council's policy to tape brokers conversations.

5.10 Direct Dealing Practices

The Council will consider dealing direct with counterparties if it is appropriate and the Council believes that better terms will be available. At present, most deals are arranged through brokers. There are certain types of accounts and facilities, however, where direct dealing is required, as follows;

- Business Reserve Accounts:
- Call Accounts:
- Money Market Funds.

5.11 Settlement Transmission Procedures

A formal letter signed by an agreed cheque signatory setting out each transaction must be sent to the local authority's bankers where preliminary instructions have been given by telephone. For payments a transfer will be made through the Online Banking system to be completed by 5pm on the day of transfer.

5.12 Documentation Requirements

For each deal undertaken a record should be prepared giving details of dealer, amount, period, counterparty, interest rate, dealing date, payment date(s), broker.

5.13 Arrangements Concerning the Management of Third-Party Funds.

The Council holds a number of trust funds. The cash in respect of these funds is held in the Council's bank account but transactions are separately coded. Interest is given on credit balances at the average rate for internal balances for the year.

AGENDA ITEM NO. 7

NUNEATON AND BEDWORTH BOROUGH COUNCIL

Report to: Audit and Standards Committee

Date of Meeting: 3rd February 2026

Subject: Treasury Management Practices 2026/27

Portfolio: Not Applicable

Responsible Officer: Assistant Director - Finance

Corporate Plan – Theme: Your Council

Corporate Plan – Aim: Deliver continued forward financial planning to safeguard the finances of the Council.
Strive for transparency and accountability, in all that we do.

Ward Relevance: All

Public or Private: Public

Subject: Review of Treasury Management Practices (TMPs) 2026/27

Forward Plan: Not Applicable

Subject to Call-in: Not Applicable

1. Purpose of Report

1.1. To provide Audit and Standards Committee with the reviewed Treasury Management Practices (TMPs) for approval.

2. Recommendations

2.1. That the updated TMPs are noted and recommended to Council for approval.

3. Review Process

3.1. The Treasury Management Practices (TMPs) are subject to review every year unless significant changes are identified in the interim period. Approval of reviews / significant changes are required by this committee.

4. Treasury Management Practices

4.1. The updated TMPs are attached as Appendix A.

4.2. Other than the updates to TMP5 (which occurred during 2025/26), there are no major updates to the Treasury Management Practices

4.3. The Key Changes:

- Updates to Position titles to reflect current titles
- Change in name of the main Treasury Advisor from Link to MUFG
- The End date of the contract with MUFG is updated to reflect the extension clauses in the contract.

5. Consultation with the public, members, officers and associated stakeholders

5.1. None directly related to this report.

6. Financial Implications

6.1. Contained within the report.

7. Legal Implications

7.1. None directly related to this report.

8. Equalities implications

8.1. Not applicable to this report.

9. Health implications

9.1. Not applicable to this report.

10. Climate and environmental implications

10.1. No direct climate and/or environmental implications have been identified.

11. Section 17 Crime and Disorder Implications

11.1. Not applicable to this report.

12. Risk management implications

12.1. Treasury Management provides potential risk due to the volatile nature of interest rates and risks over the security of investments and borrowing. The Treasury Management Practices is part of the Council's policies to mitigate that risk.

13. Human resources implications

13.1. No direct human resource implications have been identified.

14. Conclusion

14.1. This report demonstrates the Council's commitment to providing transparency on its investments and borrowing. The Audit & Standards Committee is invited to accept the Treasury Management Practices 2026/27

15. Appendices

15.1. Please note the following appendix:
Appendix A – Treasury Management Practices 2026/27

16. Background papers

16.1. Please note there are no background papers attached to this report.

17. Report Writer Details:

18. Officer Job Title: Treasury and Technical Business Partner

19. Officer Name: Andrew Pillow

20. Officer Email Address: andrew.pillow@nuneatonandbedworth.gov.uk

2026/27

Treasury Management Practices



Nuneaton and Bedworth
Borough Council
03/02/2026

Contents

TMP 1 Risk Management	6
TMP 2 Performance Measurement.....	10
TMP 3 Decision Making and Analysis	13
TMP 4 Approved Instruments, Methods and Techniques	17
TMP 5 Organisation, Clarity and Segregation of Responsibilities, and Dealing Arrangements	18
TMP 6 Reporting Requirements and Management Information Arrangements	23
TMP 7 Budgeting, Accounting and Audit Arrangements.....	27
TMP 8 Cash and Cash Flow Management	28
TMP 9 Money Laundering.....	30
TMP 10 Training and Qualifications	33
TMP 11 Use of External Service Providers	35
TMP 12 Corporate Governance	39
Appendix 1. Environmental, Social and Governance risk management	40

TMP 1 Risk Management

The DLUHC issued Investment Guidance in 2018, and this forms the structure of the Council's policy below. These guidelines do not apply to either trust funds or pension funds which operate under a different regulatory regime.

The key intention of the Guidance is to maintain the current requirement for local authorities to invest prudently, and that priority is given to security and liquidity before yield. In order to facilitate this objective, the Guidance requires this Council to have regard to the CIPFA publication Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes. This Council adopted the Code and will apply its principles to all investment activity. In accordance with the Code, the Director of Corporate Resources has produced its treasury management practices (TMPs). This part, TMP 1, covering investment counterparty policy requires approval each year.

Annual Investment Strategy - The key requirements of both the Code and the investment guidance are for the Council to set an Annual Investment Strategy, as part of its annual treasury strategy for the following year, covering the identification and approval of the following:

- The strategy guidelines for choosing and placing investments, particularly non-specified investments.
- The principles to be used to determine the maximum periods for which funds can be committed.
- Specified investments that the Council will use. These are high security and high liquidity investments in sterling and with a maturity of no more than a year.
- Non-specified investments, clarifying the greater risk implications, identifying the general types of investment that may be used and a limit to the overall amount of various categories that can be held at any time.

The investment policy proposed for the Council is:

Strategy guidelines – The main strategy guidelines are contained in the body of the Treasury Management Strategy Statement.

Specified investments – These investments are sterling investments of not more than one-year maturity, or those which could be for a longer period but where the Council has the right to be repaid within 12 months if it wishes. They also include investments which were originally classed as being non-specified investments, but which would have been classified as specified investments apart from originally being for a period longer than 12 months once the remaining period to maturity falls to under 12 months.

These are considered low risk assets where the possibility of loss of principal or investment income is small. These would include sterling investments which would not be defined as capital expenditure with: -

- The UK Government (such as the Debt Management Account deposit facility, UK Treasury Bills or a Gilt with less than one year to maturity).
- Supranational Bonds of less than one year's duration.
- A Local Authority, Housing Association, Parish Council or Community Council.
- Pooled investment vehicles (such as Money Market Funds) that have been awarded a high credit rating by a credit rating agency e.g., Standard and Poor's, Moody's and/or Fitch rating agencies.
- A body that is considered of a high credit quality (such as a bank or building society This category covers bodies with a minimum Short-Term rating of AA- (or the equivalent) as rated by Standard and Poor's, Moody's and / or Fitch rating agencies.

In accordance with the Code, the Council has set out additional criteria to limit the time and the amount of monies which will be invested in these bodies. These criteria are a maximum of £10m per organisation and with organisations that meet the Treasury Management Staff's

Non-specified investments – are any other type of investment (i.e., not defined as specified above). The identification and rationale supporting the selection of these other investments and the maximum limits to be applied are set out below. Non-specified investments would include any sterling investments with: -

	Non-Specified Investment Category	Limit (£ or %)
a	<p>Supranational Bonds greater than 1 year to maturity</p> <p>(a) Multilateral Development Bank bonds - These are bonds defined as an international financial institution having as one of its objectives economic development, either generally or in any region of the world (e.g., European Reconstruction and Development Bank etc).</p> <p>(b) A financial institution that is guaranteed by the United Kingdom Government (e.g., National Rail)</p> <p>The security of interest and principal on maturity is on a par with the Government and so very secure. These bonds usually provide returns above equivalent gilt-edged securities. However, the value of the bond may rise or fall before maturity and losses may accrue if the bond is sold before maturity.</p>	<p>AAA long term ratings</p> <p>£10m</p>
b	Gilt edged securities with a maturity of greater than one year. These are Government bonds and so provide the highest security of interest and the repayment of	£10m

	principal on maturity. Similar to category (a) above, the value of the bond may rise or fall before maturity and losses may accrue if the bond is sold before maturity.	
c.	The Council's own banker if it fails to meet the basic credit criteria. In this instance balances will be minimised as far as is possible.	£2m
d.	Building Societies not meeting the basic security requirements under the specified investments. The operation of some building societies does not require a credit rating, although in every other respect the security of the society would match similarly sized societies with ratings. The Council may use such building societies which have a minimum asset size of £100m, but will restrict these types of investments to under 1 year.	£2m
e.	Any Bank or Building Society that has a minimum long-term credit rating of AA-, for deposits with a maturity of greater than one year (including forward deals in excess of one year from inception to repayment).	£10m
f.	Any Non-Rated Subsidiary of a credit rated institution included in the specified investment category. These institutions will be included as an investment category subject to a guarantee from a parent company, the investment must be under 1 year, and the subsidiary must be UK based.	£2m
g.	Share Capital in a body corporate – The use of these instruments will be deemed to be capital expenditure, and as such will be an application (spending) of capital resources. Revenue resources will not be invested in corporate bodies. See note 1 below.	£2m
h.	Other fund: The use of these instruments can be deemed to be capital expenditure, and as such will be an application (spending) of capital resources. This Council will seek guidance on the status of any fund it may consider using and will update Cabinet before any use of a new style of fund.	

NOTE 1. This Council will seek further advice on the appropriateness and associated risks with investments in these categories.

The monitoring of investment counterparties - The credit rating of counterparties will be monitored regularly. The Council receives credit rating information (changes, rating watches and rating outlooks) from Link as and when ratings change, and counterparties are checked promptly. On occasion ratings may be downgraded when an investment has already been made. The criteria used are such that a minor downgrading should not affect the full receipt of the principal and interest.

Any counterparty failing to meet the criteria will be removed from the list immediately by the Director of Corporate Resources, and if required new counterparties which meet the criteria will be added to the list.

TMP 2 Performance Measurement

2.1 Evaluation and Review of Treasury Management Decisions

The Council has a number of approaches to evaluating treasury management decisions: -

- a. Monthly reviews carried out by the Treasury team
- b. reviews with our treasury management consultants
- c. annual review after the end of the year as reported to full council
- d. Quarterly monitoring reports to Audit and Standards Committee and Full Council
- e. comparative reviews
- f. strategic, scrutiny and efficiency value for money reviews

2.1.1 Periodic reviews during the financial year

The Treasury and Technical Business Partner holds a treasury management review meeting with the Financial Planning Team every month to review actual activity against the Treasury Management Strategy Statement and cash flow forecasts.

This will include :

- a) Total debt (both on-and off balance sheet) including average rate and maturity profile
- b) Total investments including average rate and maturity profile and changes to the above from the previous review and against the TMSS.

2.1.2 Reviews with our treasury management consultants

The treasury management team holds reviews with our consultants every 6 months to review the performance of the investment and debt portfolios.

2.1.3 Review reports on treasury management

An Annual Treasury Report is submitted to the Council each year after the close of the financial year which reviews the performance of the Investment and Debt portfolios. This report contains the following: -

- a. total external debt (gross external borrowing plus other long term liabilities such as finance leases) and average interest rates at the beginning and close of the financial year compared to the Capital Financing Requirement
- b. borrowing strategy for the year compared to actual strategy
- c. whether or not a decision was made to defer borrowing or to borrow in advance
- d. comment on the level of internal borrowing and how it has changed during the year
- e. assumptions made about interest rates

- f. investment strategy for the year compared to actual strategy
- g. explanations for variance between original borrowing and investment strategies and actual
- h. debt rescheduling done in the year
- i. actual borrowing and investment rates available through the year
- j. the performance and return of all investments by type of investment, evaluated against the stated investment objectives
- k. the Report shall identify investments where any specific risks have materialised during the year and report on any financial consequences of that risk; together with details of any remedial action taken. This includes reporting any short term borrowing costs incurred to remediate any liquidity problem.
- l. the Report shall include details of any review of long-term investments, held by the authority, which was undertaken in the year in accordance with the Annual Investment Strategy.
- m. compliance with Prudential and Treasury Indicators
- n. other needed information

In addition, quarterly reports will be submitted to the Council each year to provide updates on the above.

2.1.4 Comparative reviews

When data becomes available, comparative reviews are undertaken to see how the performance of the authority on debt and investments compares to other authorities with similar size portfolios (but allowing for the fact that Prudential and Treasury Indicators are locally set). Data used will be sourced from: -

- CIPFA Treasury Management statistics published each year for the last complete financial year
- CIPFA Benchmarking Club

2.2 Benchmarks and Calculation Methodology:

2.2.1 Debt management

- Average rate on all external debt
- Average rate on external debt borrowed in previous financial year
- Average rate on internal borrowing (based on rate of investment)
- Average period to maturity of external debt
- Average period to maturity of new loans in previous year
- Debt portfolio compared to the debt liability benchmark

2.2.2 Investment.

The performance of investment earnings will be measured against the following benchmarks:

- Average daily SONIA rate
- Backward-looking compounded SONIA (based on the average rate to maturity. 7-days for short term, 3/6/9 months etc if longer).

2.3 Policy Concerning Methods for Testing Value for money in Treasury Management

2.3.1 Frequency and processes for tendering

Tenders are normally awarded on a 3 year basis with the option to extend for 1 year twice, if approved by the Cabinet. The process for advertising and awarding contracts will be in line with the Council's Contract Standing Orders.

2.3.2 Banking services

The Council's banking arrangements are to be subject to competitive tender every 5 years unless it is considered that there will be changes in the volume of transactions in the foreseeable future which renders a shorter period appropriate.

If tendering is not considered appropriate a specialist banking company must be appointed to ensure that the terms offered represent value for money.

2.3.3 Money-brokering services

The Council will use money brokering services in order to make deposits or to borrow, and will establish charges for all services prior to using them.

An approved list of brokers will be established which takes account of both prices and quality of services.

2.3.4 Consultants'/advisers' services

This Council's policy is to appoint full-time professional treasury management consultants and separate leasing advisory consultants.

2.3.5 Policy on External Managers (Other than relating to Superannuation Funds)

The Council's policy is not to appoint external investment fund managers.

TMP 3 Decision Making and Analysis

3.1 Funding, Borrowing, Lending, and New Instruments/Techniques:

3.1.1 Records to be kept

The Treasury section has a computerised system in which all investment and loan transactions are recorded. Full details of the system are covered in the user manual. The following records will be retained:

- Daily cash balance forecasts
- Money market rates for the Council's MMFs
- Dealing slips for all money market transactions
- Brokers' confirmations for investment and temporary borrowing transactions
- Confirmations from borrowing /lending institutions where deals are done directly
- PWLB loan confirmations
- PWLB debt portfolio schedules.
- Certificates for market loans, local bonds and other loans
- Contract notes received from fund manager(s)
- Fund manager(s) valuation statements

3.1.2 Processes to be pursued

- Cash flow analysis.
- Debt and investment maturity analysis
- Ledger reconciliation
- Review of opportunities for debt restructuring
- Review of borrowing requirement to finance capital expenditure (and other forms of financing where those offer value for money)
- Performance information (e.g. monitoring of actuals against budget for debt charges, interest earned, debt management; also monitoring of average pool rate, investment returns, etc).

3.1.3 Issues to be addressed.

3.1.3.1. In respect of every treasury management decision made the Council will:

- a) Above all be clear about the nature and extent of the risks to which the Council may become exposed
- b) Be certain about the legality of the decision reached and the nature of the transaction, and that all authorities to proceed have been obtained
- c) Be content that the documentation is adequate both to deliver the Council's objectives and protect the Council's interests, and to deliver good housekeeping

- d) Ensure that third parties are judged satisfactory in the context of the Council's creditworthiness policies, and that limits have not been exceeded
- e) Be content that the terms of any transactions have been fully checked against the market and have been found to be competitive.

3.1.3.2 In respect of borrowing and other funding decisions, the Council will:

- a) consider the ongoing revenue liabilities created, and the implications for the organisation's future plans and budgets to ensure that its capital plans and investment plans are affordable, proportionate to the Council's overall financial capacity, and are within prudent and sustainable levels. This evaluation will be carried out in detail for three budget years ahead.
- b) Less detailed evaluation will also be carried out over a longer period of 5 years to ensure that plans continue to be affordable, proportionate, prudent and sustainable in the longer term.
- c) not borrow to invest primarily for financial return.
- d) not borrow earlier than required to meet cash flow needs unless there is a clear business case for doing so.
- e) not borrow unless it is to finance the current capital programme or to fund future debt maturities, or to ensure an adequate level of short-term investments to provide liquidity for the Council.
- f) increase its CFR and borrowing solely for purposes directly and primarily related to the functions of the authority and where any financial returns are either related to the financial viability of the project in question or otherwise incidental to the primary purpose.
- g) undertake an annual review of any investments in commercial (debt for yield) schemes with a view to identify whether such assets should be sold to provide resources to finance capital expenditure plans or refinance maturing debt.
- h) evaluate the economic and market factors that might influence the manner and timing of any decision to fund.
- i) consider the merits and demerits of alternative forms of funding, including funding from revenue, leasing and private partnerships.
- j) consider the alternative interest rate bases available, the most appropriate periods to fund and repayment profiles to use and, if relevant, the opportunities for foreign currency funding.
- k) ensure that treasury management decisions are made in accordance with good professional practice.

3.1.3.3 In respect of investment decisions, the Council will:

- a) Consider the optimum period, in the light of cash flow availability and prevailing market conditions;
- b) Consider the alternative investment products and techniques available, especially the implications of using any which may expose the Council to changes in the value of its capital;

- c) ensure that any long-term treasury investment is supported by a business case.

TMP 4 Approved Instruments, Methods and Techniques

4.1 Approved Instruments, Method and Techniques

The Council will undertake its treasury management activities by employing only those instruments, methods and techniques detailed in the schedule to this document, and within the limits and parameters defined and parameters defined in TMP1.

Where the Council intends to use derivative instruments for the management of risks, these will be limited to those set out in its annual treasury strategy.

The Council will seek proper advice and will consider that advice when entering into arrangements to use such products to ensure that it fully understands those products.

The Council has reviewed its classification with financial institutions under MIFID II and has set out in the schedule to this document those organisations with which it is registered as a professional client and those with which it has an application outstanding to register as a professional client.

TMP 5 Organisation, Clarity and Segregation of Responsibilities, and Dealing Arrangements

5.1 Allocation of responsibilities

(i) Full council

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(iii) Audit and Standards Committee

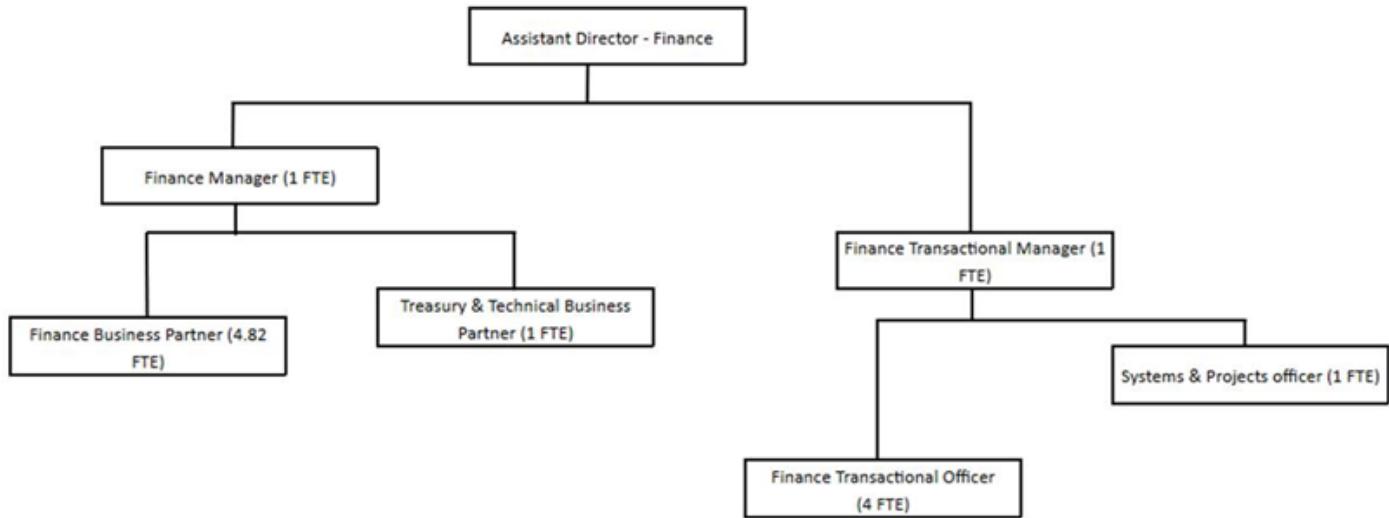
- reviewing the treasury management policy and procedures and making recommendations to the responsible body.
- receiving and reviewing regular treasury management reports and acting on recommendations

5.2 Principles and Practices Concerning Segregation of Duties

5.2.1 The following duties must be undertaken by separate officers: -

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5.4.1. The responsible officer

The responsible officer is the person charged with professional responsibility for the treasury management function and in this Council is the Strategic Director – Corporate Resources. This person will carry out the following duties: -

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- i) The responsible officer has delegated powers through this policy to take the most appropriate form of borrowing from the approved sources, and to make the most appropriate form of investments in approved instruments.
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cover for leave/sickness. All transactions must be authorised by at least two of the officers in the Treasury Management Organisation Chart.

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5.4.2. The Financial Planning Team

The responsibilities of the Assistant Director of Finance is to act as the deputy responsible officer for the council when the responsible officer is unavailable. If the Responsible officer is available to undertake their duties, the Assistant Director of Finance will have the same level of responsibility (with regards to Treasury Management) as the Treasury and Technical Business Partner (see below). The Finance Manager also has the same level of responsibility as the Treasury and Technical Business Partner with regards to Treasury Management.

The responsibilities of the Treasury and Technical Business Partner will be: -

- a) execution of transactions
- b) adherence to agreed policies and practices on a day-to-day basis
- c) maintaining relationships with counterparties and external service providers
- d) supervising treasury management staff
- e) monitoring performance on a day-to-day basis
- f) submitting management information reports to the responsible officer
- g) identifying and recommending opportunities for improved practices
- h) opportunities for improved practices

The Treasury and Technical Business Partner requires at least 1 year of professional experience in Financial Markets (including knowledge of transactions or services envisaged). If they do not have this experience, they will need advice from Treasury Advisors before undertaking any new

investments or supervision from a member of the Treasury Management Organisational Chart who has the relevant experience.

The Financial planning team additionally includes the following persons: -

Finance Transactional Manager

The Finance Transactional Manager have the same limits on investments as the Treasury and Technical Business Partner and will require authorisation from a more senior role to undertake new debt arrangements. They will also require at least 1 year of professional experience in Financial Markets, or supervision from another member of the Treasury Management Organisational Chart which has the relevant experience.

Finance Transactional Officer(s)

The Finance Transactional Officer(s) can process investments with the deals being authorised by the Finance Transactional Manager, Treasury & Technical Business Partner or more senior member of staff within the Treasury Management Organisation Chart above.

5.4.3. The Head of the Paid Service – the Chief Executive

The responsibilities of this post will be: -

- a) Ensuring that the system is specified and implemented
- b) Ensuring that the responsible officer reports regularly to the Cabinet on treasury policy, activity and performance.

5.4.4. The Monitoring Officer

The responsibilities of this post will be: -

- a) Ensuring compliance by the responsible officer with the treasury management policy statement and treasury management practices and that they comply with the law.
- b) Being satisfied that any proposal to vary treasury policy or practice complies with law or any code of practice.
- c) Giving advice to the responsible officer when advice is sought.

5.4.5. Internal Audit

The responsibilities of Internal Audit will be: -

- a) Reviewing compliance with approved policy and treasury management practices.
- b) Reviewing division of duties and operational practice.
- c) Assessing value for money from treasury activities.
- d) Undertaking probity audit of treasury function.

5.5 Absence Cover Arrangements

In the case of the Treasury and Technical Business Partner, the Finance Transactional Manager, and the Finance Manager all being unavailable, the Strategic Director – Corporate Resources and

Assistant Director for Finance can deal for the Council. If secondary approval is needed, other Strategic Directors or the Chief Executive can provide this approval.

5.6 Dealing Limits

There is no specific dealing limit by post, but limits on dealing is within the TMSS.

5.7 List of Approved Brokers

A list of approved brokers is maintained within the Financial Planning Team and a record of all transactions recorded against them. See TMP 11.1.2.

5.8 Policy on Brokers' Services

It is this Council's policy to rotate business between brokers.

5.9 Policy on Taping of Conversations

It is not this Council's policy to tape brokers conversations.

5.10 Direct Dealing Practices

The Council will consider dealing direct with counterparties if it is appropriate and the Council believes that better terms will be available. At present, most deals are arranged through brokers. There are certain types of accounts and facilities, however, where direct dealing is required, as follows;

- Business Reserve Accounts:
- Call Accounts:
- Money Market Funds.

5.11 Settlement Transmission Procedures

A formal letter signed by an agreed cheque signatory setting out each transaction must be sent to the local authority's bankers where preliminary instructions have been given by telephone. For payments a transfer will be made through the Online Banking system to be completed by 5pm on the day of transfer.

5.12 Documentation Requirements

For each deal undertaken a record should be prepared giving details of dealer, amount, period, counterparty, interest rate, dealing date, payment date(s), broker.

5.13 Arrangements Concerning the Management of Third-Party Funds.

The Council holds a number of trust funds. The cash in respect of these funds is held in the Council's bank account but transactions are separately coded. Interest is given on credit balances at the average rate for internal balances for the year.

TMP 6 Reporting Requirements and Management Information Arrangements

6.1 Annual programme of reporting

- a) Annual reporting requirements before the start of the year: -
 - review of the organisation's approved clauses, treasury management policy statement and practices
 - treasury management strategy report on proposed treasury management activities for the year comprising of the Treasury management strategy statement, Annual Investment Strategy and Minimum Revenue Provision Policy Statement.
 - capital strategy to cover the following: -
 - i. give a long-term view of the capital programme and treasury management implications thereof beyond the three year time horizon for detailed planning.
 - ii. an overview of treasury and non-treasury investments to highlight the risks and returns involved in each and the balance, (proportionality), between both types of investments.
 - iii. The authorities risk appetite and specific policies and arrangements for non-treasury investments
 - iv. Schedule of non-treasury investments
- b) Mid-year review
- c) Quarterly monitoring
- d) Annual review report after the end of the year

6.2 Annual Treasury Management Strategy Statement

1. The Treasury Management Strategy Statement sets out the specific expected treasury activities for the forthcoming financial year. This strategy will be submitted to the Cabinet and then to the full Council for approval before the commencement of each financial year.
2. The formulation of the annual Treasury Management Strategy Statement involves determining the appropriate borrowing and investment decisions in the light of the anticipated movement in both fixed and shorter -term variable interest rates. For instance, this Council may decide to postpone borrowing if fixed interest rates are expected to fall or borrow early if fixed interest rates are expected to rise.

3. The Treasury Management Strategy Statement is concerned with the following elements:
 - a) Prudential and Treasury Indicators
 - b) current Treasury portfolio position
 - c) borrowing requirement
 - d) prospects for interest rates
 - e) borrowing strategy
 - f) policy on borrowing in advance of need
 - g) debt rescheduling
 - h) investment strategy
 - i) creditworthiness policy
 - j) policy on the use of external service providers
 - k) any extraordinary treasury issue
 - l) the MRP strategy
4. The Treasury Management Strategy Statement will establish the expected move in interest rates against alternatives (using all available information such as published interest rate forecasts where applicable), and highlight sensitivities to different scenarios.

6.3 The Annual Investment Strategy Statement

At the same time as the Council receives the Treasury Management Strategy Statement it will also receive a report on the Annual Investment Strategy which will set out the following: -

- a) The Council's risk appetite in respect of security, liquidity and optimum performance
- b) The definition of high credit quality to determine what are specified investments as distinct from non-specified investments
- c) Which specified and non-specified instruments the Council will use
- d) Whether they will be used by the in house team, external managers or both (if applicable)
- e) The Council's policy on the use of credit ratings and other credit risk analysis techniques to determine creditworthy counterparties for its approved lending list
- f) Which credit rating agencies the Council will use
- g) How the Council will deal with changes in ratings, rating watches and rating outlooks
- h) Limits of value and time for individual counterparties and groups
- i) Country limits
- j) Maximum value and maximum periods for which funds may be prudently invested
- k) Levels of cash balances and investments over the same time period (as a minimum) as the authority's capital investment plans and how the use of internal borrowing and borrowing in advance will influence those levels
- l) Interest rate outlook
- m) Budget for investment earnings
- n) A review of the holding of longer-term investments
- o) Use of a cash fund manager (if applicable)

- p) Policy on the use of external service providers

6.4 The Annual Minimum Revenue Provision Statement

This statement will set out how the Council will make revenue provision for repayment of its borrowing using the four options for so doing and will be submitted at the same time as the Annual Treasury Management Strategy Statement.

6.5 Policy on Prudential and Treasury Indicators

1. The Council approves before the beginning of each financial year a number of treasury limits which are set through Prudential and Treasury Indicators.
2. The responsible officer is responsible for incorporating these limits into the Annual Treasury Management Strategy Statement, and for ensuring compliance with the limits. Should it prove necessary to amend these limits, the responsible officer shall submit the changes for approval to the full Council

6.6 Quarterly and Mid-year reviews

The Council will review its treasury management activities and strategy on a quarterly and six monthly basis. The mid-year review will go to Full Council. This review will consider the following: -

- a) activities undertaken
- b) variations (if any) from agreed policies/practices
- c) interim performance report
- d) regular monitoring
- e) monitoring of treasury management and prudential indicators

The quarterly review will monitor the treasury management and prudential indicators as part of the authority's general revenue and capital monitoring.

6.7 Annual Review Report on Treasury Management Activity

An annual report will be presented to the Cabinet and then to the full Council at the earliest practicable meeting after the end of the financial year, but in any case by the end of September. This report will include the following: -

- a) transactions executed and their revenue (current) effects

- b) report on risk implications of decisions taken and transactions executed
- c) compliance report on agreed policies and practices, and on statutory/regulatory requirements
- d) performance report
- e) report on compliance with CIPFA Code recommendations, approved policies and practices, the member approved treasury management strategy and on statutory/regulatory requirements
- f) monitoring of treasury management indicators

6.8 Management Information Reports

Management information reports will be prepared every month by the Treasury and Technical Business Partner and will be presented to the Strategic Director – Corporate Resources.

These reports will contain the following information: -

- a) a summary of transactions executed and their revenue (current effects);
- b) measurements of performance including effect on loan charges/investment income;
- c) degree of compliance with original strategy and explanation of variances.
- d) any non-compliance with Prudential limits or other treasury management limits.

6.9 Publication of Treasury Management Reports

Reports made to Audit and Standards Committee and Council will be published as part of the meetings agenda.

TMP 7 Budgeting, Accounting and Audit Arrangements

7.1 Statutory/Regulatory Requirements

The accounts are drawn up in accordance with the Code of Practice on Local Authority Accounting in Great Britain that is recognised by statute as representing proper accounting practices.

The Council has also adopted in full the principles set out in CIPFA's 'Treasury Management in the Public Services - Code of Practice' (the 'CIPFA Code'), together with those of its specific recommendations that are relevant to this Council's treasury management activities.

7.2 Sample Budgets / Accounts / Prudential and Treasury Indicators

The Treasury and Technical Business Partner will prepare a five-year financial plan for treasury management with Prudential and Treasury Indicators which will incorporate the budget for the forthcoming year and provisional estimates for the following two years. This will bring together all the costs involved in running the function, together with associated income. The Treasury and Technical Business Partner will exercise effective controls over this budget and monitoring of performance against Prudential and Treasury Indicators and will report upon and recommend any changes required in accordance with TMP6.

7.3 List of Information Requirements of External Auditors.

- Reconciliation of loans outstanding in the financial ledger to treasury management records
- Maturity analysis of loans outstanding
- Certificates for new long term loans taken out in the year
- Reconciliation of loan interest, discounts received and premiums paid to financial ledger by loan type
- Calculation of loans fund interest and debt management expenses
- Details of interest rates applied to internal investments
- Calculation of interest on working balances
- Interest accrual calculation
- Principal and interest charges reports from the Financial Systems
- Analysis of any deferred charges
- Calculation of loans fund creditors and debtors
- Annual Treasury Report
- Treasury Management Strategy Statement and Prudential and Treasury Indicators
- Review of observance of limits set by Prudential and Treasury Indicators
- Calculation of the Minimum Revenue Provision
- External fund manager(s) valuations including investment income schedules and movement in capital values.

7.4 Monthly Budget Monitoring Report

Monthly Budget Monitoring reports are produced for the Strategic Director – Corporate Resources whilst a quarterly budget monitoring report goes to Cabinet. The report is intended to highlight any variances between budgets and spend in order that the Council can assess its financial position. Details of treasury management activities are included within this report.

TMP 8 Cash and Cash Flow Management

8.1 Arrangements for Preparing/Submitting Cash Flow Statements

Cash flow projections are prepared annually, monthly and daily. The annual and monthly cash flow projections are prepared from the previous years' cash flow records, adjusted for known changes in levels of income and expenditure and also changes in payments and receipts dates. These details are supplemented on an ongoing basis by information received of new or revised amounts to be paid or received as and when they are known.

A debt liability benchmark will be created and monitored on a quarterly basis to inform a long-term view of liquidity requirements.

8.2 Bank Statements Procedures

The Council receives daily bank statements and a daily download of data from its bank. All amounts on the statement are checked to source data from Payroll, Creditors etc.

A formal bank reconciliation is undertaken on a daily basis by the Finance Transactional Team on the Council's finance system.

8.3 Payment Scheduling and Agreed Terms of Trade with Creditors

Our policy is to pay creditors within 30 days of the invoice date, and this effectively schedules the payments. Certificated payments to sub-contractors must be paid within 14 days.

8.4 Arrangements for Monitoring Debtors / Creditors Levels

The Assistant Director for Finance is responsible for monitoring the levels of debtors and creditors. Details are passed to the treasury team on a monthly basis to assist in updating the cash flow models.

8.5 Procedures for Banking of Funds

All money received by an officer on behalf of the Council will without unreasonable delay be passed to the cashiers to deposit in the Council's banking accounts. The cashiers will notify the Finance

Transactional Team by the following morning of cash and cheques banked the previous day so that the figures can be taken into account in the daily cash flow.

8.6 Practices Concerning Prepayments to Obtain Benefits

The Council has no formal arrangement in place. Where such opportunities arise, the prepayment would be sought and authorised by the responsible officer.

TMP 9 Money Laundering

9.1 Proceeds of Crime Act 2002

Money laundering has the objective of concealing the origin of money generated through criminal activity. Legislation has given a higher profile to the need to report suspicions of money laundering. The Proceeds of Crime Act (POCA) 2002 established the main offences relating to money laundering. In summary, these are:

- concealing, disguising, converting, transferring or removing criminal property from England and Wales, from Scotland or from Northern Ireland
- being concerned in an arrangement which a person knows or suspects facilitates the acquisition, retention, use or control of criminal property
- acquiring, using or possessing criminal property.

These apply to all persons in the UK in a personal and professional capacity. Any person involved in any known or suspected money-laundering activity in the UK risks a criminal conviction. Other offences under the POCA include:

- failure to disclose money-laundering offences
- tipping off a suspect, either directly or indirectly
- doing something that might prejudice an investigation – for example, falsifying a document.

9.2 The Terrorism Act 2000

This act made it an offence of money laundering to become concerned in an arrangement relating to the retention or control of property likely to be used for the purposes of terrorism or resulting from acts of terrorism. All individuals and businesses in the UK have an obligation to report knowledge, reasonable grounds for belief or suspicion about the proceeds from, or finance likely to be used for, terrorism or its laundering, where it relates to information that comes to them in the course of their business or employment

9.3 The Money Laundering Regulations 2012, 2015 and 2017

Organisations pursuing relevant business (especially those in the financial services industry regulated by the FCA) are required to do the following: -

- identify and assess the risks of money laundering and terrorist financing
- have policies, controls and procedures to mitigate and manage effectively the risks of money laundering and terrorist financing identified through the risk assessments
- appoint a nominated officer
- implement internal reporting procedures
- train relevant staff in the subject

- obtain, verify and maintain evidence and records of the identity of new clients and transactions undertaken
- report their suspicions.

9.4 Local authorities

Public service organisations and their staff are subject to the full provisions of the Terrorism Act 2000 and subsequent Terrorism Acts and may commit most of the principal offences under the POCA but are not legally obliged to apply the provisions of the Money Laundering Regulations 2012, 2015 and 2017. However, as responsible public bodies, they should employ policies and procedures which reflect the essence of the UK's anti-terrorist financing, and anti-money laundering, regimes. Accordingly this Council will do the following: -

- a) evaluate the prospect of laundered monies being handled by them
- b) determine the appropriate safeguards to be put in place
- c) require every person engaged in treasury management to make themselves aware of their personal and legal responsibilities for money laundering awareness
- d) make all its staff aware of their responsibilities under POCA
- e) appoint a member of staff to whom they can report any suspicions. This person is Corporate Fraud Officer
- f) in order to ensure compliance is appropriately managed, this Council will require senior management to give appropriate oversight, analysis and assessment of the risks of clients and work/product types, systems for monitoring compliance with procedures and methods of communicating procedures and other information to personnel.
- g) The officer responsible for the creation and monitoring the implementation of a corporate anti money laundering policy and procedures is Head of Audit and Governance and it shall be a requirement that all services and departments implement this corporate policy and procedures.

9.5 Procedures for Establishing Identity / Authenticity of Lenders

It is not a requirement under POCA for local authorities to require identification from every person or organisation it deals with. However, in respect of treasury management transactions, there is a need for due diligence, and this will be effected by following the procedures below.

The Council does not accept loans from individuals.

All loans are obtained from the PWLB, other local authorities or from authorised institutions under the Financial Services and Markets Act 2000. This register can be accessed through the FCA website on www.fca.gov.uk.

When repaying loans, the procedures in 9.6 will be followed to check the bank details of the recipient.

9.6 Methodologies for Identifying Deposit Takers

In the course of its Treasury activities, the Council will only lend money to or invest with those counterparties that are on its approved lending list. These will be local authorities, the PWLB, Bank of England and authorised deposit takers under the Financial Services and Markets Act 2000. The FCA register can be accessed through their website on www.fca.gov.uk).

All transactions will be carried out by either BACS or CHAPS for making deposits or repaying loans.

TMP 10 Training and Qualifications

This organisation recognises the importance of ensuring that all staff involved in the treasury management function are fully equipped to undertake the duties and responsibilities allocated to them. It will therefore seek to appoint individuals who are both capable and experienced and will provide training for staff to enable them to acquire and maintain an appropriate level of expertise, knowledge and skills. The responsible officer will recommend and implement the necessary arrangements, including the specification of the expertise, knowledge and skills required by each role or member of staff.

The responsible officer will ensure that council members tasked with treasury management responsibilities, including those responsible for scrutiny, have access to training relevant to their needs and those responsibilities.

Those charged with governance recognise their individual responsibility to ensure that they have the necessary skills to complete their role effectively. The present arrangements, including a knowledge and skills schedule, are detailed in the schedule to this document.

All treasury management staff should receive appropriate training relevant to the requirements of their duties at the appropriate time. The Council operates a Annual Development Review system which identifies the training requirements of individual members of staff engaged on treasury related activities.

Additionally, training may also be provided on the job, and it will be the responsibility of the Finance Manager to ensure that all staff under his / her authority receive the level of training appropriate to their duties. This will also apply to those staff who from time to time cover for absences from the Financial Planning team.

10.1 Details of Approved Training Courses

Treasury management staff and members will go on courses provided by our treasury management consultants, CIPFA, money brokers etc.

10.2 Records of Training Received by Treasury Staff

The Treasury and Technical Business Partner will maintain records on all staff and the training they receive.

10.3 Record of Secondment of Senior Management

Records will be kept of senior management who are seconded into the treasury management section in order to gain first-hand experience of treasury management operations.

10.4 Statement of Professional Practice (SOPP)

1. Where the Chief Financial Officer is a member of CIPFA, there is a professional need for the CFO to be seen to be committed to professional responsibilities through both personal compliance and by ensuring that relevant staff are appropriately trained. When the CFO is not a member of CIPFA, they must meet the equivalent requirement for their professional body, whilst ensuring the relevant staff are appropriately trained.
2. Other staff involved in treasury management activities who are members of CIPFA must also comply with the SOPP. Staff who are members of other Accountancy bodies must comply with the equivalent requirements for their professional body.

10.5 Member training records

Records will be kept of all training in treasury management provided to members.

10.6 Members charged with governance

Members charged with diligence also have a personal responsibility to ensure that they have the appropriate skills and training for their role.

TMP 11 Use of External Service Providers

11.1 Details of Contracts with Service Providers, Including Bankers, Brokers, Consultants, Advisers

This Council will employ the services of other organisations to assist it in the field of treasury management. In particular, it will use external consultants to provide specialist advice in this ever more complex area. However, it will ensure that it fully understands what services are being provided and that they meet the needs of this organisation, especially in terms of being objective and free from conflicts of interest.

It will also ensure that the skills of the in house Financial Planning team are maintained to a high enough level whereby they can provide appropriate challenge to external advice and can avoid undue reliance on such advice.

Treasury management staff and their senior management will therefore be required to allocate appropriate levels of time to using the following sources of information so that they are able to develop suitable levels of understanding to carry out their duties, especially in challenge and avoiding undue reliance.

- The quality financial press
- Market data
- Information on government support for banks and
- The credit ratings of that government support

11.1.1 Banking Services

- a) Name of supplier of service is the Lloyds Bank.
- b) Regulatory status – banking institution authorised to undertake banking activities by the FCA
- c) The branch address is:
17/23 Coventry Street, Warwickshire CV11 5TD
Tel :- 0345 602 1997
- d) Contract commenced 01/11/2022 and runs for 7 years until 31/10/2029.
- e) Cost of service is variable depending on schedule of tariffs and volumes
- f) Payments due Monthly
- g) Early Termination details:
Following a review of the pricing table, if Lloyds changes the terms and conditions and an agreement cannot be

reached, then the Council can cancel immediately. Otherwise if the Council cancels the contract in advance, the full remaining value of the contract is due.

11.1.2 Money-Broking Services

The Council will use money brokers for temporary borrowing and investment and long term borrowing. It will seek to give an even spread of business amongst the approved brokers. The performance of brokers is reviewed by the Treasury and Technical Business Partner every year to see if any should be taken off the approved list and replaced by another choice and will make appropriate recommendations to change the approved brokers list to the Assistant Director - Finance. A minimum of two brokers will be available at any one time to ensure value for money.

Broker 1
King and Shaxson Limited
First Floor, 155 Fenchurch Street LONDON EC3M 6AL
0207 426 5950
Authorised and Regulated by FCA (FCA No: 823315)

Broker 2
Tradition (UK) Ltd
Beaufort House, 15 St Botolph Street, London, EC3A 7QX
Authorised and Regulated by FCA (FCA No: 139200)

Broker 3
BGC Sterling Treasury
5 Churchill Place, London, E14 5HU
0207 894 7742
Authorised and Regulated by FCA as part of BGC Brokers L.P
(FCA No 454814)

Broker 4
Imperial Treasury Services
5 Port Hill, Hertford, SG14 1PJ
01992 945550
Imperial Treasury Services Ltd is an Appointed Representative of
Frank Investments Limited a firm which is authorised and
regulated by the FCA (FCA No. 627697)

11.1.3 Consultants'/Advisers' Services

Treasury Consultancy Services

The Council will seek to take expert advice on interest rate forecasts, annual treasury management strategy, timing for borrowing and lending, debt rescheduling, use of various borrowing and investment instruments, how to select credit worthy counterparties to put on its approved lending list etc.
The performance of consultants will be reviewed by the Treasury and Technical Business Partner every year to check whether performance has met expectations.

- a) Name of supplier of service is MUFG Corporate Markets. Their address is 19th Floor, 51 Lime Street, London, EC3M 7DQ
- b) Regulatory status: investment adviser authorised by the FCA (FCA no. 150403)
- c) Contract commenced 01/10/2022 and ran for 3 years ending on 30/09/2025. The Contract has been optionally extended for 1 year with an option to extend 1 more year.

Other Consultancy services may be employed on short term contracts as and when required.

11.1.4 Credit Rating Agency

The Council receives a credit rating service through its treasury management consultants, the costs of which is included in the consultant's annual fee.

11.2 Procedures and Frequency for Tendering Services

See TMP2

TMP 12 Corporate Governance

12.1.1 List of Documents to be Made Available for Public Inspection

- a. The Council is committed to the principle of openness and transparency in its treasury management function and in all its functions.
- b. It has adopted the CIPFA Code of Practice on Treasury Management and implemented key recommendations on developing Treasury Management Practices, formulating a Treasury Management Policy Statement and implementing the other principles of the Code.
- c. The following documents are available for public inspection: -
 - Treasury Management Policy Statement
 - Treasury Management Strategy Statement
 - Annual Investment Strategy
 - Minimum Revenue provision policy statement
 - Annual Treasury Review Report
 - Treasury Management monitoring reports (e.g. half yearly, quarterly)
 - Annual accounts and financial instruments disclosure notes
 - Annual budget
 - Annual Capital budget
 - Capital Strategy
 - Minutes of Council / Cabinet / committee meetings
 - Schedule of all external funds managed by the Council on behalf of others and the basis of attributing interest earned and costs of these investments.

Appendix 1. Environmental, Social and Governance risk management

Policy on ESG issues

ESG is an area that CIPFA is still working on after the 2022 revised codes. In particular, work will be needed to coordinate the priority which needs to be given to issues of security, liquidity and yield (SLY) while also accommodating ESG principles as a fourth priority and principle to apply.

The assessment and implementation of ESG considerations are better developed in equity and bond markets than for short-term cash deposits, primarily due to the wider scope of potential investment opportunities. Furthermore, there is a diversity of market approaches to ESG classification, analysis and integration. This means that a consistent and developed approach to ESG for public service organisations, focussed on more typical Treasury-type investments, is currently difficult to achieve. CIPFA, therefore, recommends authorities to consider their credit and counterparty policies in light of ESG information and develop their own ESG investment policies and treasury management practices consistent with their organisation's own relevant policies, such as environmental and climate change policies.

CIPFA does not expect that the organisation's ESG policy will currently include ESG scoring or other real-time ESG criteria at individual investment level.

When drafting an ESG "policy", Councils will need to understand that anything too "broad" in its approach could have a material impact on potential counterparties, which could then limit diversification and / or security considerations in investment processes. Furthermore, Councils will also need to be clear that when choosing between two counterparties that pass all relevant "security" tests, that the additional implementation of an ESG policy may mean that a lower investment rate is achieved by choosing the counterparty that passes the council's ESG requirements.

Please note that these are examples of ESG factors that are considered by Credit Rating Agencies, such as Fitch, Moody's and Standard & Poor's when assigning credit ratings to counterparties. The credit ratings provided by these agencies are also used as the basis for selecting suitable counterparties by Councils.

- *Environmental: Emissions and air quality, energy and waste management, waste and hazardous material, exposure to environmental impact.*

- *Social: Human rights, community relations, customer welfare, labour relations, employee wellbeing, exposure to social impacts.*
- *Governance: Management structure, governance structure, group structure, financial transparency.*

This Council is supportive of the Principles for Responsible Investment (www.unpri.org) and will seek to bring ESG (environmental, social and governance) factors into the decision-making process for investments. Within this, the Council is also appreciative of the Statement on ESG in Credit Risk and Ratings which commits signatories to incorporating ESG into credit ratings and analysis in a systemic and transparent way. The Council uses ratings from Fitch, Moody's and Standard & Poor's to support its assessment of suitable counterparties. Each of these rating agencies is a signatory to the ESG in credit risk and ratings statement, which is as follows:

"We, the undersigned, recognise that environmental, social and governance (ESG) factors can affect borrowers' cash flows and the likelihood that they will default on their debt obligations. ESG factors are therefore important elements in assessing the creditworthiness of borrowers. For corporates, concerns such as stranded assets linked to climate change, labour relations challenges or lack of transparency around accounting practices can cause unexpected losses, expenditure, inefficiencies, litigation, regulatory pressure and reputational impacts.

At a sovereign level, risks related to, inter alia, natural resource management, public health standards and corruption can all affect tax revenues, trade balance and foreign investment. The same is true for local governments and special purpose vehicles issuing project bonds. Such events can result in bond price volatility and increase the risk of defaults.

In order to more fully address major market and idiosyncratic risk in debt capital markets, underwriters, credit rating agencies and investors should consider the potential financial materiality of ESG factors in a strategic and systematic way. Transparency on which ESG factors are considered, how these are integrated, and the extent to which they are deemed material in credit assessments will enable better alignment of key stakeholders.

In doing this the stakeholders should recognise that credit ratings reflect exclusively an assessment of an issuer's creditworthiness. Credit rating agencies must be allowed to maintain full independence in determining which criteria may be material to their ratings. While issuer ESG analysis may be considered an important part of a credit rating, the two assessments should not be confused or seen as interchangeable.

With this in mind, we share a common vision to enhance systematic and transparent consideration of ESG factors in the assessment of creditworthiness."

For short term investments with counterparties, this Council utilises the ratings provided by Fitch, Moody's and Standard & Poor's to assess creditworthiness, which do include analysis of ESG factors when assigning ratings. The Council will continue to evaluate additional ESG-related metrics and assessment processes that it could incorporate into its investment process and will update accordingly.

This Council will not invest in companies whose core activities pose a risk of serious harm to individuals or groups, or whose activities are inconsistent with the Council's mission and values e.g.:

- a. Human rights abuse (e.g., slave or child labour, political oppression)
- b. Activities that damage the environment by extraction of fossil fuels, destruction of habitat, or creation of pollutants
- c. Socially harmful activities (e.g., tobacco, gambling)
- d. Manufacture of weapons

If information is received that alerts the Council that a current investment is with a company whose cores activities pose risk of serious harm to individuals or groups, or whose activities are inconsistent with the Council's mission and values (even if the core activities have changed during the investment), the Council will aim to disinvest at the earliest possible opportunity from that company, and will not extend any current investments.

AGENDA ITEM NO. 8

NUNEATON AND BEDWORTH BOROUGH COUNCIL

Report to: Audit and Standards Committee

Date of Meeting: 3rd February 2026

Subject: Treasury Management Strategy Statement (TMSS) 2026/27

Portfolio: Not Applicable

Responsible Officer: Assistant Director - Finance

Corporate Plan – Theme: Your Council

Corporate Plan – Aim: Deliver continued forward financial planning to safeguard the finances of the Council.
Strive for transparency and accountability, in all that we do.

Ward Relevance: All

Public or Private: Public

Subject: Review of Treasury Management Strategy Statement (TMSS) 2026/27

Forward Plan: Not Applicable

Subject to Call-in: Not Applicable

1. Purpose of Report

- 1.1. The Local Government Act 2003 and the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice for Treasury Management in the Public Services (the Code) require Council's to "have regard to" the Prudential Code and to set Prudential Indicators for the forthcoming 3 years to ensure that the Council's capital investment plans are affordable, prudent and sustainable.

1.2. Regulations also require an Annual Investment Strategy, Treasury Management Strategy and Minimum Revenue Provision (MRP) Policy to be approved.

2. Recommendations

2.1. That the Committee recommend to Council the approval of the Treasury Management Strategy Statement including all Prudential Indicators, the MRP Policy and Annual Investment Strategy.

3. The Prudential System for Capital Finance

3.1. The Council is required to manage its treasury and capital expenditure activities under a National Code. The main aims of the system are to ensure that:

3.1.1. Capital investment plans of local authorities are affordable and sustainable;

3.1.2. Treasury management decisions are taken in accordance with best professional practice; and

3.1.3. Financial planning and asset management are integrated into the Council's overall corporate planning arrangements.

Treasury Management Strategy

3.2. Part of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in low-risk counterparties commensurate with the Council's risk appetite, providing adequate liquidity initially before considering investment return.

3.3. The CIPFA Code requires the Council to invest its treasury funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield.

3.4. Treasury operations are measured within a set of prudential indicators (Appendix A). The main purpose of these indicators is to provide the limits and benchmarks to control the level of capital expenditure, borrowing and investment. The Council is expected to operate comfortably within these limits.

3.5. The Prudential System allows councils the freedom to borrow on a prudential basis. Any new borrowing must be accommodated within any maximum debt limits or caps set by Central Government and the Council must demonstrate that it can afford to service and repay the debt within its financial plans.

- 3.6. The Strategy aims to provide transparency for treasury decisions including the use of counterparties, together with assessing how risk is managed on a day- to-day basis.
- 3.7. The Council has more capital investment in 2026/27 General Fund capital programme which will be funded by internal borrowing and paid off over the asset's useful life on an annuity.
- 3.8. A review of the Capital Financing Requirement (CFR) was undertaken by the Council's Treasury and Technical Business Partner. A reconciliation exercise was successfully undertaken which has subsequently been used to calculate Minimum Revenue Provision (MRP) over the medium term.
- 3.9. The Treasury Management Strategy Statement is set out in Appendix A

Prudential Indicators

- 3.10. As above, the prudential indicators consider the affordability and impact of capital expenditure plans and set out the Council's overall capital framework.
- 3.11. The CIPFA codes require a prescribed set of prudential indicators to be produced annually and monitored throughout the year. The indicators required under the regulations are set out along with explanations in Appendix A.

Minimum Revenue Provision Policy (MRP)

- 3.12. The MRP statement provides details on the amount charged to revenue for the repayment of internal debt over the capital programme. The MRP Policy is included in Appendix A.

Annual Investment Strategy

- 3.13. CIPFA has extended the meaning of investments to include both financial and non-financial investments. Appendix A deals solely with treasury (financial) investments, (as managed by the Financial Planning team). Non-financial investments, essentially the purchase of income yielding assets and service investments, will be covered in the Capital Strategy which was approved by Council in December 2025..

- 4. Consultation with the public, members, officers and associated stakeholders
 - 4.1. None directly related to this report.
- 5. Financial Implications

5.1. Contained within the report.

6. Legal Implications

6.1. None directly related to this report.

7. Equalities implications

7.1. Not applicable to this report.

8. Health implications

8.1. Not applicable to this report.

9. Climate and environmental implications

9.1. No direct climate and/or environmental implications have been identified.

10. Section 17 Crime and Disorder Implications

10.1. Not applicable to this report.

11. Risk management implications

11.1. Treasury Management provides potential risk due to the volatile nature of interest rates and risks over the security of investments and borrowing. The Treasury Management Strategy Statement is part of the Council's policies to mitigate that risk.

12. Human resources implications

12.1. No direct human resource implications have been identified.

13. Conclusion

13.1. This report demonstrates the Council's commitment to providing transparency on its investments and borrowing. The Audit & Standards Committee is invited to accept the Treasury Management Strategy Statement 2026/27 and recommend it to Council for approval.

14. Appendices

14.1. Please note the following appendix:
Appendix A – Treasury Management Strategy Statement
2026/27

15. Background papers

15.1. Please note there are no background papers attached to this report.

16. Report Writer Details:

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Appendix A

Treasury Management Strategy Statement

Minimum Revenue Provision Policy Statement and Annual Investment Strategy

Nuneaton and Bedworth Borough Council
2026/27

Contents

Key Considerations	9
1.1 Background.....	12
1.2 Reporting Requirements	12
1.3 Treasury Management Strategy for 2026/27	13
1.4 Training	14
1.5 Treasury Management Consultants.....	15
2. THE CAPITAL PRUDENTIAL INDICATORS 2026/27 – 2028/29	16
2.1 Capital Expenditure and Financing.....	16
2.2 The Council's Borrowing Need (the Capital Financing Requirement)	16
2.3 Liability Benchmark.....	18
2.4 Minimum Revenue Provision (MRP) Policy Statement	18
3. BORROWING.....	20
3.1 Current Portfolio Position	20
3.2 Treasury Indicators: Limits to Borrowing Activity	21
3.3 Prospects for Interest Rates	23
3.4 Borrowing Strategy	25
3.5 Policy on Borrowing in Advance of Need.....	25
3.6 Rescheduling.....	25
3.7 New Financial Institutions as a Source of Borrowing and / or Types of Borrowing	25
3.8 Approved Sources of Long and Short-term Borrowing.....	26
4. ANNUAL INVESTMENT STRATEGY	27
4.1 Investment Policy – Management of Risk	27
4.2 Creditworthiness Policy.....	29
4.3 Investment Strategy	31
4.4 Investment Performance / Risk Benchmarking.....	33
4.5 End of Year Investment Report.....	33
5. APPENDICES	34
5.1 THE CAPITAL PRUDENTIAL AND TREASURY INDICATORS 2026/27 – 2028/29	35
5.2 INTEREST RATE FORECASTS 2026-2029.....	36
5.3 TREASURY MANAGEMENT PRACTICE (TMP1) – CREDIT AND COUNTERPARTY RISK MANAGEMENT.....	37
5.4 APPROVED COUNTRIES FOR INVESTMENTS	40
5.5 THE TREASURY MANAGEMENT ROLE OF THE SECTION 151 OFFICER ..	41

Key Considerations

2021 revised CIPFA Treasury Management Code and Prudential Code – changes which will impact on future TMSS/AIS reports and the risk management framework

CIPFA published the revised Codes on 20th December 2021 and stated that revisions need to be included in the reporting framework from the 2023/24 financial year. This Council, therefore, has to have regard to these Codes of Practice when it prepares the Treasury Management Strategy Statement and Annual Investment Strategy, and also related reports during the financial year, which are taken to Full Council for approval.

The revised Treasury Management Code required all investments and investment income to be attributed to one of the following three purposes: -

Treasury management

Arising from the organisation's cash flows or treasury risk management activity, this type of investment represents balances which are only held until the cash is required for use. Treasury investments may also arise from other treasury risk management activity which seeks to prudently manage the risks, costs or income relating to existing or forecast debt or treasury investments.

Service delivery

Investments held primarily and directly for the delivery of public services including housing, regeneration and local infrastructure. Returns on this category of investment which are funded by borrowing are permitted only in cases where the income is “either related to the financial viability of the project in question or otherwise incidental to the primary purpose”.

Commercial return

Investments held primarily for financial return with no treasury management or direct service provision purpose. Risks on such investments should be proportionate to a council's financial capacity – i.e., that ‘plausible losses’ could be absorbed in budgets or reserves without unmanageable detriment to local services. A Local Authority must not borrow to invest primarily for financial return.

The revised Treasury Management Code requires an authority to implement the following: -

1. **Adopt a liability benchmark treasury indicator** to support the financing risk management of the capital financing requirement; this is to be shown in chart form for a minimum of 10 years, with material differences between the liability benchmark and actual loans to be explained;
2. **Long-term treasury investments**, (including pooled funds), are to be classed as commercial investments unless justified by a cash flow business case;
3. **Pooled funds** are to be included in the indicator for principal sums maturing in years beyond the initial budget year;
4. Amendment to the **knowledge and skills register** for officers and members involved in the treasury management function - to be

proportionate to the size and complexity of the treasury management conducted by each authority;

5. **Reporting to members is to be done quarterly.** Specifically, the Chief Finance Officer (CFO) is required to establish procedures to monitor and report performance against all forward-looking prudential indicators at least quarterly. The CFO is expected to establish a measurement and reporting process that highlights significant actual or forecast deviations from the approved indicators. However, monitoring of prudential indicators, including forecast debt and investments, is not required to be taken to Full Council and should be reported as part of the authority's integrated revenue, capital and balance sheet monitoring;
6. **Environmental, social and governance (ESG) issues** to be addressed within an authority's treasury management policies and practices (TMP1).

The main requirements of the Prudential Code relating to service and commercial investments are: -

1. The risks associated with service and commercial investments should be proportionate to their financial capacity – i.e. that plausible losses could be absorbed in budgets or reserves without unmanageable detriment to local services;
2. An authority must not borrow to invest for the primary purpose of commercial return;
3. It is not prudent for local authorities to make any investment or spending decision that will increase the CFR, and so may lead to new borrowing, unless directly and primarily related to the functions of the authority, and where any commercial returns are either related to the financial viability of the project in question or otherwise incidental to the primary purpose;
4. An annual review should be conducted to evaluate whether commercial investments should be sold to release funds to finance new capital expenditure or refinance maturing debt;
5. A prudential indicator is required for the net income from commercial and service investments as a proportion of the net revenue stream;
6. Create new Investment Management Practices to manage risks associated with non-treasury investments, (similar to the current Treasury Management Practices).

An authority's Capital Strategy or Annual Investment Strategy should include: -

1. The authority's approach to investments for service or commercial purposes (together referred to as non-treasury investments), including defining the authority's objectives, risk appetite and risk management in respect of these investments, and processes ensuring effective due diligence;

2. An assessment of affordability, prudence and proportionality in respect of the authority's overall financial capacity (i.e., whether plausible losses could be absorbed in budgets or reserves without unmanageable detriment to local services);
3. Details of financial and other risks of undertaking investments for service or commercial purposes and how these are managed;
4. Limits on total investments for service purposes and for commercial purposes respectively (consistent with any limits required by other statutory guidance on investments);
5. Requirements for independent and expert advice and scrutiny arrangements (while business cases may provide some of this material, the information contained in them will need to be periodically re-evaluated to inform the authority's overall strategy);
6. State compliance with paragraph 51 of the Prudential Code in relation to investments for commercial purposes, in particular the requirement that an authority must not borrow to invest primarily for financial return.

As this Treasury Management Strategy Statement (TMSS) and Annual Investment Strategy (AIS) deals solely with treasury management investments, the categories of service delivery and commercial investments should be addressed as part of the Capital Strategy report.

However, as investments in commercial property have implications for cash balances managed by the Financial Planning team, it will be for each authority to determine whether to add a high level summary of the impact that commercial investments have, or may have, if it is planned to liquidate such investments within the three year time horizon of this report, (or a longer time horizon if that is felt appropriate).

1.1 Background

Nuneaton and Bedworth borough Council is required to operate a balanced revenue budget, which broadly means that cash raised during the year will meet cash expenditure. Part of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in low-risk counterparties or instruments commensurate with the Council's low risk appetite, providing adequate liquidity initially before considering investment return.

The second main function of the treasury management service is the funding of the Council's capital plans. These capital plans provide a guide to the borrowing need of the Council, essentially the longer-term cash flow planning, to ensure that it can meet its capital spending obligations. This management of longer-term cash may involve arranging long or short-term loans or using longer-term cash flow surpluses. On occasion, when it is prudent and economic, any debt previously drawn may be restructured to meet risk or cost objectives.

The contribution the treasury management function makes to the Council is critical, as the balance of debt and investment operations ensure liquidity or the ability to meet spending commitments as they fall due, either on day-to-day revenue or for larger capital projects. The treasury operations will see a balance of the interest costs of debt and the investment income arising from cash deposits affecting the available budget. Since cash balances generally result from reserves and balances, it is paramount to ensure adequate security of the sums invested, as a loss of principal will in effect result in a loss to the General Fund Balance.

CIPFA defines treasury management as:

“The management of the local authority’s borrowing, investments and cash flows, including its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.”

Whilst any commercial initiatives or loans to third parties will impact on the treasury function, these activities are generally classed as non-treasury activities, (arising usually from capital expenditure), and are separate from the day-to-day treasury management activities.

1.2 Reporting Requirements

1.2.1 Capital Strategy

The CIPFA 2021 Prudential and Treasury Management Codes require all local authorities to prepare a Capital Strategy report which will provide the following: -

- a high-level long-term overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services
- an overview of how the associated risk is managed
- the implications for future financial sustainability

The aim of the strategy is to ensure that all the Council's elected members fully understand the overall long-term policy objectives and resulting Capital Strategy requirements, governance procedures and risk appetite.

1.2.2 Treasury Management Reporting

The Council is currently required to receive and approve, as a minimum, three main treasury reports each year, which incorporate a variety of policies, estimates and actuals.

- a. **Prudential and treasury indicators and treasury strategy** (this report)
 - The first, and most important report is forward looking and covers: -
 - the capital plans, (including prudential indicators)
 - a minimum revenue provision (MRP) policy, (how residual capital expenditure is charged to revenue over time)
 - the Treasury Management Strategy, (how the investments and borrowings are to be organised), including treasury indicators; and
 - an Annual Investment Strategy, (the parameters on how investments are to be managed)
- b. **A mid-year treasury management report** – This is primarily a progress report and will update members on the capital position, amending prudential indicators as necessary, and whether any policies require revision. In addition, this Council will receive quarterly update reports.
- c. **An annual treasury report** – This is a backward-looking review document and provides details of a selection of actual prudential and treasury indicators and actual treasury operations compared to the estimates within the strategy.

Scrutiny

The above reports are required to be adequately scrutinised before being recommended to the Full Council. This role is undertaken by the Audit and Standards Committee.

Quarterly reports – In addition to the three major reports detailed above, quarterly reporting (end of June/end of December) has also been required. However, these additional reports do not have to be reported to Full Council but do require to be adequately scrutinised. This role is undertaken by Audit and Standards Committee. (The reports, specifically, should comprise updated Treasury/Prudential Indicators.)

1.3 Treasury Management Strategy for 2026/27

The strategy for 2026/27 covers two main areas:

Capital issues

- the capital expenditure plans and the associated prudential indicators
- the minimum revenue provision (MRP) policy

Treasury management issues

- the current treasury position
- treasury indicators which limit the treasury risk and activities of the Council
- prospects for interest rates

- the borrowing strategy
- policy on borrowing in advance of need
- debt rescheduling
- the investment strategy
- creditworthiness policy; and
- the policy on use of external service providers

These elements cover the requirements of the Local Government Act 2003, DLUHC (now MHCLG) Investment Guidance, DLUHC (now MHCLG) MRP Guidance, the CIPFA Prudential Code and the CIPFA Treasury Management Code.

1.4 Training

The CIPFA Treasury Management Code requires the responsible officer to ensure that members with responsibility for treasury management receive adequate training in treasury management. This especially applies to members responsible for scrutiny.

Furthermore, pages 47 and 48 of the Code state that they expect “all organisations to have a formal and comprehensive knowledge and skills or training policy for the effective acquisition and retention of treasury management knowledge and skills for those responsible for management, delivery, governance and decision making.

The scale and nature of this will depend on the size and complexity of the organisation’s treasury management needs. Organisations should consider how to assess whether treasury management staff and board/ council members have the required knowledge and skills to undertake their roles and whether they have been able to maintain those skills and keep them up to date.

As a minimum, authorities should carry out the following to monitor and review knowledge and skills:

- Record attendance at training and ensure action is taken where poor attendance is identified.
- Prepare tailored learning plans for treasury management officers and board/council members.
- Require treasury management officers and board/council members to undertake self-assessment against the required competencies (as set out in the schedule that may be adopted by the organisation).
- Have regular communication with officers and board/council members, encouraging them to highlight training needs on an ongoing basis.”

In further support of the revised training requirements, CIPFA’s Better Governance Forum and Treasury Management Network have produced a ‘self-assessment by members responsible for the scrutiny of treasury management’, which is available from the CIPFA website to download.

Treasury management Training was provided by the Council’s Treasury Advisors in January 2025, and further training will be arranged as required.

The training needs of treasury management officers are periodically reviewed, and staff are provided training as required.

A formal record of the training received by officers central to the Treasury function will be maintained by Treasury and Technical Business Partner. Similarly, a formal record of the treasury management/capital finance training received by members will also be maintained by Treasury and Technical Business Partner.

1.5 Treasury Management Consultants

The Council uses MUFG Corporate Markets as its external treasury management advisors.

The Council recognises that responsibility for treasury management decisions remains with the organisation at all times and will ensure that undue reliance is not placed upon the services of our external service providers. All decisions will be undertaken with regards to all available information, including, but not solely, our treasury advisers.

It also recognises that there is value in employing external providers of treasury management services to acquire access to specialist skills and resources. The Council will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented and subjected to regular review.

2. THE CAPITAL PRUDENTIAL INDICATORS

2026/27 – 2028/29

The Council's capital expenditure plans are the key driver of treasury management activity. The output of the capital expenditure plans is reflected in the prudential indicators, which are designed to assist members' overview and confirm capital expenditure plans are prudent, affordable and sustainable.

2.1 Capital Expenditure and Financing

This prudential indicator is a summary of the Council's capital expenditure plans, both those agreed previously, and those forming part of this budget cycle. The Capital expenditure and HRA business plan are still being finalised, and the figures below are based on the current information. An update will be sent to Council if required.

Members are asked to approve the capital expenditure forecasts: -

Capital expenditure £m	2024/25 Actual	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate	2028/29 Estimate
Non-HRA	36.15	48.77	16.85	8.80	7.25
HRA	16.58	18.14	18.80	10.84	10.84
Total	52.73	66.90	35.65	19.64	18.09

Other long-term liabilities - the above financing need excludes other long-term liabilities, such as leasing arrangements that already include borrowing instruments.

The table below combines the above capital expenditure plans and shows how these plans are being financed by capital or revenue resources. Any shortfall of resources results in a funding borrowing need.

Financing of capital expenditure £m	2024/25 Actual	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate	2028/29 Estimate
Capital receipts	0.40	0.30	0.00	0.10	0.00
Capital grants	29.68	27.48	10.89	7.71	6.36
Capital reserves	1.33	2.67	0.64	0.64	0.40
Revenue	11.81	11.97	14.64	11.19	11.33
Net financing need for the year	9.51	24.48	9.48	0.00	0.00

2.2 The Council's Borrowing Need (the Capital Financing Requirement)

The second prudential indicator is the Council's Capital Financing Requirement (CFR). The CFR is simply the total historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the Council's indebtedness and so its underlying borrowing need. Any capital expenditure above, which has not immediately been paid for through a revenue or capital resource, will increase the CFR.

The CFR does not increase indefinitely, as the minimum revenue provision (MRP) is a statutory annual revenue charge which broadly reduces the indebtedness in line with each asset's life, and so charges the economic consumption of capital assets as they are used.

The CFR includes any other long-term liabilities (e.g., PFI schemes, finance leases). Whilst these increase the CFR, and therefore the Council's borrowing requirement,

these types of schemes include a borrowing facility by the PFI, PPP lease provider and so the Council is not required to separately borrow for these schemes. The Council currently has property leases included in the CFR.

The Council's CFR Projections include the split of the HRA and General Fund CFR requirements and the changes between the years. They also include details of the categorisation of Capital Works that require borrowing to fund the projects, and the amount of new External Borrowing expected per year. Note that new external borrowing includes refinancing of short-term external borrowing currently in place, and the externalisation of internally borrowed projects.

The Council is asked to approve the CFR projections below:

Table 2.2.1 Capital Financing Requirement

£m	2024/25 Actual	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate	2028/29 Estimate
Capital Financing Requirement					
Non-HRA	30.54	50.23	53.40	51.98	50.53
Housing	88.14	92.45	97.92	97.92	97.92
Total CFR	118.68	142.68	151.33	149.91	148.46
Movement in CFR	9.70	24.00	8.65	(1.42)	(1.46)
Movement in CFR represented by					
Net financing need for the year (above)	9.51	24.48	9.48	0.00	0.00
Adjustment for IFRS16 (Leases)	0.65				
Less MRP/VRP and other financing movements	(0.48)	(0.48)	(0.83)	(1.42)	(1.46)
Movement in CFR	9.70	24.00	8.65	(1.42)	(1.46)

Table 2.2.2 Borrowing by Capital Project type

Borrowing £m	2024/25 Actual	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate	2028/29 Estimate
Service spend	0.00	0.00	0.00	0.00	0.00
Housing	10.00	13.61	9.8	0.00	0.00
Regeneration	8.90	12.00	0.00	0.00	0.00
Preventative action	0.00	0.00	0.00	0.00	0.00
Projects for yield	0.00	0.00	0.00	0.00	0.00
TOTAL	18.90	25.61	9.48	0.00	0.00

Table 2.2.3 External Borrowing

External borrowing £m	2024/25 Actual	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate	2028/29 Estimate
Treasury	0.00	30.00	25.00	10.00	10.00

Management				
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2.3 Liability Benchmark

The Council is required to estimate and measure the Liability Benchmark (LB) for the forthcoming financial year and the following two financial years, as a minimum.

There are four components to the LB: -

1. **Existing loan debt outstanding:** the Council's existing loans that are still outstanding in future years.
2. **Loans CFR:** this is calculated in accordance with the loans CFR definition in the Prudential Code and projected into the future based on approved prudential borrowing and planned MRP.
3. **Net loans requirement:** this will show the Council's gross loan debt less treasury management investments at the last financial year-end, projected into the future and based on its approved prudential borrowing, planned MRP and any other major cash flows forecast.
4. **Liability benchmark** (or gross loans requirement): this equals net loans requirement plus short-term liquidity allowance.

2.4 Minimum Revenue Provision (MRP) Policy Statement

The Council is recommended to approve the following MRP Statement:

For expenditure incurred before 1 April 2008 which forms part of supported capital expenditure, the MRP policy will be:

- 4% reducing balance (regulatory method) - MRP will follow the historical practice outlined in former regulations as 4% of the opening GF CFR balance less adjustment A; or

From 1 April 2008 for all unsupported borrowing the MRP policy will be:

- Asset life method (annuity)

Regulation 27(3) allows a local authority to charge MRP in the financial year following the one in which capital expenditure finance by debt was incurred.

Capital expenditure financed by borrowing in 2025/26 will not be subject to an MRP charge until 2026/27, or in the financial year following the one which the asset first becomes available for use.

The Council will apply the asset life method for any expenditure capitalised under a Capitalisation Direction.

The Council has determined that MRP is not required for borrowing or credit arrangements used to finance capital expenditure on housing assets and accounted for within the Housing Revenue Account (HRA) as it has determined, through its duty to charge depreciation and hold a Major Repairs Reserve, that prudent provision has been made. This determination was made using external Treasury Advisors advice based on current CIPFA guidance.

Capital loans

The Council has not issued capital loans that are categorised as commercial/non-commercial and has therefore chosen to not apply MRP. If this changes, a MRP policy will be submitted to Cabinet and Council for review.

Capital receipts

For capital expenditure on loans to third parties where the principal element of the loan has been repaid in annual instalments, the capital receipts arising from the principal loan repayments will be used to reduce the CFR instead of MRP.

Where no principal repayment is made in a given year, MRP will be charged as follows:

The annual capital amount is charged to MRP excluding any interest accrued.

Share Capital

Where the Council incurs expenditure that is capitalised on or after April 2008, which is financed by borrowing for the acquisition of share capital, Regulation 25(1)(d) Acquisition of share capital sets out the maximum period for an authority to provide MRP of 20 years.

MRP on Borrowing for Shares is calculated over 20 years unless there are valid reasons to reduce this length. If Shares are brought to ensure Council maintains partial control over an asset, then the maximum length of the MRP is linked to the remaining asset lifespan or 20 years (whichever is shorter).

MRP Overpayments

Under the MRP guidance, charges made in excess of the statutory MRP can be made and are known as voluntary revenue provision (VRP).

Any overpayments must be allocated to an asset, rather than the CFR as a whole. Any VRP payments will be used to recalculate the CFR of the asset being paid against, and will change the future MRP of that asset.

3. BORROWING

The capital expenditure plans set out in Section 2 provide details of the funding of the Capital activity of the Council. The treasury management function ensures that the Council's cash is organised in accordance with the relevant professional codes, so that sufficient cash is available to meet this service activity and the Council's Capital Strategy. This will involve both the organisation of the cash flow and, where capital plans require, the organisation of appropriate borrowing facilities. The strategy covers the relevant treasury / prudential indicators, the current and projected debt positions, and the Annual Investment Strategy.

3.1 Current Portfolio Position

The overall treasury management portfolio as at 31 March 2025 and for the position as at 31 December 2025 are shown below for both borrowing and investments.

TREASURY PORTFOLIO				
	Actual 31.3.25	Actual 31.3.25	Current 31.12.25	Current 31.12.25
Treasury Investments	£'000	%	£'000	%
Banks	7,166	35.54%	4,376	28.46%
Building Societies - unrated	0	0.00%	0	0.00%
Building Societies - rated	0	0.00%	0	0.00%
Local Authorities	5,000	24.79%	0	0.00%
DMADF (H.M.Treasury)	0	0.00%	0	0.00%
Money Market Funds (MMFs)	6,000	29.75%	9,000	58.53%
Certificates of Deposit (CDs)	0	0.00%	0	0.00%
Total managed in house	18,166	90.08%	13,376	86.99%
Bond Funds	0	0.00%	0	0.00%
Property Funds	2,000	9.92%	2,000	13.01%
Total managed externally	2,000	9.92%	2,000	13.01%
Total Treasury investments	20,166	100.00%	15,376	100.00%
Treasury external borrowing				
Local Authorities	0	0.00%	5,000	7.97%
PWLB	60,705	96.81%	55,705	88.84%
LOBOs	2,000	3.19%	2,000	3.19%
Total external borrowing	62,705	100.00%	62,705	100.00%
Net Treasury investments/ (borrowing)	-42,539		-47,329	

The Council's forward projections for borrowing are summarised below. The table shows the actual external debt, against the underlying capital borrowing need, (the Capital Financing Requirement - CFR), highlighting any over or under borrowing.

Table 3.1 Combined External Debt

£m	2024/25 Actual	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate	2028/29 Estimate
External Debt					
Debt at 1 April	72.71	62.71	80.71	90.71	87.96
Expected new external borrowing	0.00	30.00	25.00	10.00	10.00
Expected repayment of external borrowing	(10.00)	(12.00)	(15.00)	(12.75)	4.00
Other long-term liabilities (OLTL)	0	0	0	0	0
Expected change in OLTL	0	0	0	0	0
Actual gross debt at 31 March	62.71	80.71	90.71	87.96	93.96
The Capital Financing Requirement	118.68	140.97	142.68	144.43	142.97
Under / (over) borrowing	36.28	60.26	51.97	56.47	49.01

Within the range of prudential indicators there are several key indicators to ensure that the Council operates its activities within well-defined limits. One of these is that the Council needs to ensure that its gross debt does not, except in the short-term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for 2026/27 and the following two financial years. This allows some flexibility for limited early borrowing for future years but ensures that borrowing is not undertaken for revenue or speculative purposes.

The Strategic Director of Corporate Resources reports that the Council complied with this prudential indicator in the current year and does not envisage difficulties for the future. This view takes account of current commitments, existing plans and the proposals in this budget report.

3.2 Treasury Indicators: Limits to Borrowing Activity

The Operational Boundary. This is the limit beyond which external debt is not normally expected to exceed. In most cases, this would be a similar figure to the CFR, but may be lower or higher depending on the levels of actual debt and the ability to fund under-borrowing by other cash resources.

Operational Boundary £m	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate	2028/29 Estimate
Debt	141.0	143.0	145.0	143.0
Other long-term liabilities	2.0	2.0	2.0	2.0
Total	143.0	145.0	147.0	145.0

The Authorised Limit for external debt. This is a key prudential indicator and represents a control on the maximum level of borrowing. This represents a legal limit beyond which external debt is prohibited, and this limit needs to be set or revised by

the Full Council. It reflects the level of external debt which, while not desired, could be afforded in the short-term, but is not sustainable in the longer-term.

- This is the statutory limit determined under section 3 (1) of the Local Government Act 2003. The Government retains an option to control either the total of all local authority plans, or those of a specific authority, although this power has not yet been exercised.
- The Council is asked to approve the following Authorised Limit:

Authorised Limit £m	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate	2028/29 Estimate
Debt	151.0	153.0	155.0	153.0
Other long-term liabilities	4.0	4.0	4.0	4.0
Total	155.0	157.0	159.0	157.0

3.3 Prospects for Interest Rates

The Council has appointed MUFG Corporate Markets as its treasury advisor and part of their service is to assist the Council to formulate a view on interest rates. Link provided the following forecasts on 22 December 2025. These are forecasts for Bank Rate, average earnings and PWLB certainty rates, gilt yields plus 80 bps.

MUFG Corporate Markets Interest Rate View 22.12.25													
	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27	Jun-27	Sep-27	Dec-27	Mar-28	Jun-28	Sep-28	Dec-28	Mar-29
BANK RATE	3.75	3.50	3.50	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25
3 month ave earnings	3.80	3.50	3.50	3.30	3.30	3.30	3.30	3.30	3.30	3.30	3.30	3.30	3.30
6 month ave earnings	3.80	3.50	3.50	3.40	3.30	3.30	3.30	3.40	3.40	3.40	3.40	3.40	3.40
12 month ave earnings	3.90	3.60	3.60	3.50	3.40	3.50	3.50	3.50	3.50	3.50	3.60	3.60	3.60
5 yr PWLB	4.60	4.50	4.30	4.20	4.10	4.10	4.10	4.10	4.10	4.10	4.10	4.10	4.10
10 yr PWLB	5.20	5.00	4.90	4.80	4.80	4.70	4.70	4.70	4.70	4.60	4.60	4.60	4.70
25 yr PWLB	5.80	5.70	5.60	5.50	5.50	5.40	5.30	5.30	5.30	5.20	5.20	5.20	5.20
50 yr PWLB	5.60	5.50	5.40	5.30	5.20	5.10	5.10	5.10	5.00	5.10	5.00	5.00	5.00

Additional notes with information from MUFG Corporate Markets on this forecast table: -

- MUFG's last interest rate forecast update was undertaken on 11 August. Since then, a combination of low growth (0.2% q/q GDP for Q2 and 0.1% q/q GDP for Q3), and falling inflation (currently CPI is 3.2%), has provided an opportunity for the Bank of England's Monetary Policy Committee to further reduce Bank Rate from 4% to 3.75% on 18 December in a vote of 5-4 (with the remaining 4 voting to keep the rate at 4%).
- Given the close vote for a rate cut in December MPC members want to assess incoming evidence on labour market activity and wage growth before deciding to cut the bank rate any further, however markets believe that further rate cuts are expected in 2026.
- Therefore, the MUFG Corporate Markets forecast has been revised to price in a rate cut in Q2 2026 to 3.5%, likely to take place in the wake of a significant fall in the CPI inflation reading from 3% in March to 2% in April (as forecast by Capital Economics), followed by a short period of no bank rate changes through the summer, and then a further rate cut to 3.25% in Q4.
- MUFG updated central forecast is made with several caveats. They are confident that their forecast for Bank Rate and the 5-year PWLB Certainty Rate is robust, but they have marginally brought forward the timing of the next rate cut(s). There are some concerns over 10-, 25- and 50-years Certainty Rate, and the level of gilt issuance and the timing of their placement, will be integral to achieving a stable trading environment. A reminder that these are forecasts, and changes to these forecasts will be affected by external factors, including changes to forecasted inflation rates, and national and international political decisions.
- MUFG's revised PWLB rate forecasts are based on the Certainty Rate (the standard rate minus 20 bps) which has been accessible to most authorities since 1 November 2012. Please note, the lower Housing Revenue Account (HRA) PWLB rate started on 15 June 2023 for those authorities with an HRA (standard rate minus 60 bps) and is set to prevail until at least the end of March 2026. Hopefully, there a further extension to this discounted rate will be announced, but this has not been confirmed.
- Money market yield forecasts are based on expected average earnings by local authorities for 3 to 12 months.

Gilt yields and PWLB rates

The overall longer-run trend is for gilt yields and PWLB rates to fall back over the timeline of our forecasts, but the risks to our forecasts are to the upsides. Our target borrowing rates are set **two years forward** (as we expect rates to fall back) and the current PWLB (certainty) borrowing rates are set out below: -

PWLB debt	Current borrowing rate as at 22.12.25 p.m.	Target borrowing rate now (end of Q4 2027)	Target borrowing rate previous (end of Q4 2027)
5 years	4.81%	4.10%	4.20%
10 years	5.39%	4.70%	4.70%
25 years	6.01%	5.30%	5.30%
50 years	5.78%	5.10%	5.10%

Borrowing advice: Our long-term (beyond 10 years) forecast for the neutral level of Bank Rate remains at 3.5%. As all PWLB certainty rates are still above this level, borrowing strategies will need to be reviewed in that context. Overall, better value can be obtained at the shorter end of the curve (<5 years PWLB maturity/ <10 years PWLB EIP) and short-dated fixed LA to LA monies should also be considered. Temporary borrowing rates will, generally, fall in line with Bank Rate cuts.

Our suggested budgeted earnings rates for investments up to about three months' duration in each financial year are set out below.

Average earnings in each year	Now	Previously
2025/26 (residual)	3.80%	3.90%
2026/27	3.40%	3.60%
2027/28	3.30%	3.30%
2028/29	3.30%	3.50%
2029/30	3.50%	3.50%
Years 6 to 10	3.50%	3.50%
Years 10+	3.50%	3.50%

MUFG will continue to monitor economic and market developments as they unfold. Typically, MUFG formally review their forecasts following the quarterly release of the Bank of England's Monetary Policy Report but will consider our position on an ad hoc basis as required.

The above interest rate forecast for Bank Rate is in steps of 25 bps, whereas PWLB forecasts have been rounded to the nearest 10 bps and are central forecasts within bands of + / - 25 bps. Naturally, we continue to monitor events and will update our forecasts as and when appropriate.

3.4 Borrowing Strategy

The Council is currently maintaining an under-borrowed position. This means that the capital borrowing need, (the Capital Financing Requirement), has not been fully funded with loan debt as cash supporting the Council's reserves, balances and cash flow has been used as a temporary measure. This strategy is prudent as medium and longer dated borrowing rates are expected to fall from their current levels, albeit only once prevailing inflation concerns are addressed by restrictive near-term monetary policy. That is, Bank Rate remains relatively elevated in 2026 even if some rate cuts arise.

Against this background and the risks within the economic forecast, caution will be adopted with the 2026/27 treasury operations. The Strategic Director of Corporate Resources will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances:

- *if it was felt that there was a significant risk of a sharp FALL in borrowing rates, then borrowing will be postponed.*
- *if it was felt that there was a significant risk of a much sharper RISE in borrowing rates than that currently forecast, fixed rate funding will be drawn whilst interest rates are lower than they are projected to be in the next few years.*

Any decisions will be reported to the Audit and Standards Committee at the next available opportunity.

The Council plans to manage externalising its internal debt whilst monitoring the interest rates to ensure sufficient cashflows are available. Decisions over whether short-term debt should be taken whilst the Council waits for the interest rate to drop or to fix the interest rate will be taken on a case by case basis.

3.5 Policy on Borrowing in Advance of Need

The Council will not borrow more than or in advance of its needs purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be within forward approved Capital Financing Requirement estimates and will be considered carefully to ensure that value for money can be demonstrated and that the Council can ensure the security of such funds.

Risks associated with any borrowing in advance activity will be subject to prior appraisal and subsequent reporting through the mid-year or annual reporting mechanism.

3.6 Rescheduling

Rescheduling of current borrowing in our debt portfolio may be considered whilst premature redemption rates remain elevated but only if there is surplus cash available to facilitate any repayment, or rebalancing of the portfolio to provide more certainty is considered appropriate.

If rescheduling is to be undertaken, it will be reported to Audit and Standards Committee and Council at the earliest meeting following its action.

3.7 New Financial Institutions as a Source of Borrowing and / or Types of Borrowing

Currently the PWLB Certainty Rate is set at gilts + 80 basis points. However, consideration may still need to be given to sourcing funding from the following sources for the following reasons:

- Local authorities (primarily shorter dated maturities out to 3 years or so – generally still cheaper than the Certainty Rate).
- Financial institutions (primarily insurance companies and pension funds but also some banks, out of forward dates where the objective is to avoid a “cost of carry” or to achieve refinancing certainty over the next few years).

Our advisors will keep us informed as to the relative merits of each of these alternative funding sources.

3.8 Approved Sources of Long and Short-term Borrowing

On Balance Sheet	Fixed	Variable
PWLB	✓	✓
UK Municipal Bond Agency	✓	✓
Local Authorities	✓	✓
Banks	✓	✓
Pension Funds	✓	✓
Insurance Companies	✓	✓
UK National Wealth Fund	✓	✓
Market (long-term)	✓	✗
Market (temporary)	✓	✗
Market (LOBOs)	✓	✗
Stock Issues	✓	✓
Local Temporary	✓	✗
Local Bonds	✓	
Local Authority Bills	✓	✗
Overdraft		✓
Negotiable Bonds	✓	✗
Internal (capital receipts & revenue balances)	✓	✓
Commercial Paper	✗	
Medium Term Notes	✗	
Finance Leases	✓	✓

4 ANNUAL INVESTMENT STRATEGY

4.1 Investment Policy – Management of Risk

The Ministry of Housing, Communities and Local Government (MHCLG) and CIPFA have extended the meaning of ‘investments’ to include both financial and non-financial investments. This report deals solely with treasury (financial) investments, (as managed by the treasury management team). Non-financial investments, essentially the purchase of income yielding assets and service investments, are covered in the Capital Strategy, (a separate report).

The Council’s investment policy has regard to the following: -

- MHCLG’s Guidance on Local Government Investments (“the Guidance”)
- CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes 2021 (“the Code”)
- CIPFA Treasury Management Guidance Notes 2021

The Council’s investment priorities will be security first, portfolio liquidity second and then yield (return). The Council will aim to achieve the optimum return (yield) on its investments commensurate with proper levels of security and liquidity and with regard to the Council’s risk appetite.

In the current economic climate, it is considered appropriate to maintain a degree of liquidity to cover cash flow needs but to also consider “laddering” investments for periods up to 12 months with high credit rated financial institutions, whilst investment rates remain elevated, as well as wider range fund options.

The above guidance from MHCLG and CIPFA places a high priority on the management of risk. This Authority has adopted a prudent approach to managing risk and defines its risk appetite by the following means: -

1. Minimum acceptable **credit criteria** are applied in order to generate a list of highly creditworthy counterparties. This also enables diversification and thus avoidance of concentration risk. The key ratings used to monitor counterparties are the short-term and long-term ratings.
2. **Other information:** ratings will not be the sole determinant of the quality of an institution; it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To achieve this consideration the Council will engage with its advisors to maintain a monitor on market pricing such as “**credit default swaps**” and overlay that information on top of the credit ratings.
3. **Other information sources** used will include the financial press, share price and other such information pertaining to the financial sector in

order to establish the most robust scrutiny process on the suitability of potential investment counterparties.

4. This Council has defined the list of **types of investment instruments** that the treasury management team are authorised to use. There are two lists in Appendix 5.4 under the categories of 'specified' and 'non-specified' investments.

Specified investments are those with a high level of credit quality and subject to a maturity limit of one year or have less than a year left to run to maturity, if originally they were classified as being non-specified investments solely due to the maturity period exceeding one year.

Non-specified investments are those with less high credit quality, may be for periods in excess of one year, and/or are more complex instruments which require greater consideration by members and officers before being authorised for use.

5. **Non-specified and loan investment limits.** The Council has determined that it will set a limit to the maximum exposure of the total treasury management investment portfolio to non-specified treasury management investments of 50%.
6. **Lending limits**, (amounts and maturity), for each counterparty will be set through applying the matrix table in paragraph 4.2.
7. **Transaction limits** are set for each type of investment in 4.2.
8. This Council will set a limit for its investments which are invested for **longer than 365 days**, (see paragraph 4.4).
9. Investments will only be placed with counterparties from countries with a specified minimum **sovereign rating**, (see paragraph 4.3).
10. This Council has engaged **external consultants**, (see paragraph 1.5), to provide expert advice on how to optimise an appropriate balance of security, liquidity and yield, given the risk appetite of this Council in the context of the expected level of cash balances and need for liquidity throughout the year.
11. All investments will be denominated in **sterling**.
12. As a result of the change in accounting standards for 2023/24 under IFRS 9, this Council will consider the implications of investment instruments which could result in an adverse movement in the value of the amount invested and resultant charges at the end of the year to the General Fund. (In November 2018, the MHCLG, concluded a consultation for a temporary override to allow English local authorities time to adjust their portfolio of pooled investments by announcing a statutory override to delay implementation of IFRS 9 for five years

ending 31 March 2023. Subsequently, a further extension to the override to **31 March 2029** was agreed by Government but only for those pooled investments made before 1 April 2024.

However, this Council will also pursue **value for money** in treasury management and will monitor the yield from investment income against appropriate benchmarks for investment performance, (see paragraph 4.5). Regular monitoring of investment performance will be carried out during the year.

Changes in risk management policy from last year.

The above criteria are unchanged from last year.

4.2 Creditworthiness Policy

This Council applies the creditworthiness service provided by the Link Group. This service employs a sophisticated modelling approach utilising credit ratings from the three main credit rating agencies - Fitch, Moody's and Standard & Poor's. The credit ratings of counterparties are supplemented with the following overlays: -

1. “watches” and “outlooks” from credit rating agencies;
2. CDS spreads that may give early warning of changes in credit ratings;
3. sovereign ratings to select counterparties from only the most creditworthy countries.

This modelling approach combines credit ratings, and any assigned Watches and Outlooks, in a weighted scoring system which is then combined with an overlay of CDS spreads. The end-product of this is a series of colour coded bands which indicate the relative creditworthiness of counterparties. These colour codes are used by the Council to determine the suggested duration for investments. The Council will, therefore, use counterparties within the following durational bands:

- Yellow 5 years *
- Dark pink 5 years for Ultra-Short Dated Bond Funds with a credit score of 1.25
- Light pink 5 years for Ultra-Short Dated Bond Funds with a credit score of 1.5
- Purple 2 years
- Blue 1 year (only applies to nationalised or semi nationalised UK Banks)
- Orange 1 year
- Red 6 months
- Green 100 days
- No colour not to be used

The Link creditworthiness service uses a wider array of information other than just primary ratings. Furthermore, by using a risk weighted scoring system, it does not give undue preponderance to just one agency's ratings.

Typically, the minimum credit ratings criteria the Council uses will be a short-term rating (Fitch or equivalents) of F1 and a long-term rating of A-. There may be occasions when the counterparty ratings from one rating agency are marginally lower than these ratings but may still be used. In these instances, consideration will be given to the whole range of ratings available, or other topical market information, to support their use.

All credit ratings will be monitored weekly. The Council is alerted to changes to ratings of all three agencies through its use of the Link creditworthiness service.

- if a downgrade results in the counterparty / investment scheme no longer meeting the Council's minimum criteria, its further use as a new investment will be withdrawn immediately.
- in addition to the use of credit ratings the Council will be advised of information in movements in Credit Default Swap spreads against the iTraxx European Senior Financials benchmark and other market data on a daily basis via its Passport website, provided exclusively to it by Link. Extreme market movements may result in the downgrade of an institution or removal from the Council's lending list.

Sole reliance will not be placed on the use of this external service. In addition, this Council will also use market data and market information, as well as information on any external support for banks to help its decision-making process.

Y	Pi1	Pi2	P	B	0	R	G	N/C
1	1.25	1.5	2	3	4	5	6	7
Up to 5yrs	Up to 5yrs	Up to 5yrs	Up to 2yrs	Up to 1yr	Up to 1yr	Up to 6mths	Up to 100days	No Colour

	Colour (and long-term rating where applicable)	Money and/or % limit	Transaction limit	Time limit
Banks *	Yellow	£10m	£10m	5yrs
Banks	Purple	£10m	£10m	2 yrs
Banks	Orange	£10m	£10m	1 yr
Banks – part nationalised	Blue	£10m	£10m	1 yr
Banks	Red	£2m	£2m	6 mths
Banks	Green	£2m	£2m	100 days
Banks	No Colour	Not to be used	N/A	
Limit 3 category – Council's banker (where "No Colour")	No Colour	£2m	£2m	1 day
Other institutions limit	-	As per above	As per above	As per above
DMADF	UK sovereign rating	unlimited	unlimited	6 months
Local authorities	n/a	£10m	£10m	1yrs
Housing associations	Colour bands	£10m	£10m	As per colour band
	Fund rating**	Money		Time

		and/or % Limit		Limit
Money Market Funds CNAV	AAA	£10m	£10m	Liquid
Money Market Funds LVNAV	AAA	£10m	£10m	Liquid
Money Market Funds VNAV	AAA	£10m	£10m	Liquid
Ultra-Short Dated Bond Funds with a credit score of 1.25	Dark Pink / AAA	£8m	£8m	liquid
Ultra-Short Dated Bond Funds with a credit score of 1.50	Light Pink / AAA	£8m	£8m	liquid

Creditworthiness.

Significant levels of downgrades to Short and Long-Term credit ratings have not materialised since the crisis in March 2020. In the main, where they did change, any alterations were limited to Outlooks. Nonetheless, when setting minimum sovereign debt ratings, this Council will not set a minimum rating for the UK.

CDS prices

Although bank CDS prices, (these are market indicators of credit risk), spiked upwards during the autumn of 2022, they have returned to more average levels since then. However, sentiment can easily shift, so it will remain important to undertake continual monitoring of all aspects of risk and return in the current circumstances. Link monitor CDS prices as part of their creditworthiness service to local authorities and the Council has access to this information via its Link-provided Passport portal.

Limits

Due care will be taken to consider the exposure of the Council's total investment portfolio to non-specified investments, countries, groups and sectors.

- a. **Non-specified treasury management investment limit.** The Council has determined that it will limit the maximum total exposure of treasury management investments to non-specified treasury management investments as being 50% of the total treasury management investment portfolio.
- b. **Country limit.** The Council has determined that it will only use approved counterparties from the UK and from countries with a **minimum sovereign credit rating of AA-** from Fitch or equivalent. The list of countries that qualify using this credit criteria as at the date of this report are shown in Appendix 5.6. This list will be added to, or deducted from, by officers should ratings change in accordance with this policy.

Other limits. In addition: -

- no more than 10% will be placed with any non-UK country at any time;
- limits in place above will apply to a group of companies/institutions;
- sector limits will be monitored regularly for appropriateness.

4.3 Investment Strategy

In-house funds. Investments will be made with reference to the core balance and cashflow requirements and the outlook for short-term interest rates (i.e., rates for investments up to 12

months). Greater returns are usually obtainable by investing for longer periods. The current shape of the yield curve suggests that rates can be expected to fall throughout 2026, but only if the CPI measure of inflation maintains a downwards trend towards the Bank of England's 2% target. Rates may be cut quicker than expected if the economy stagnates.

Accordingly, while most cash balances are required in order to manage the ups and downs of cashflow, where cash sums can be identified that could be invested for longer periods, the value to be obtained from longer-term investments will be carefully assessed.

Investment returns expectations.

The current forecast shown in paragraph 3.3, includes a forecast for Bank Rate to fall to a low of 3.25% in 2026.

The suggested budgeted investment earnings rates for returns on investments placed for periods up to about three months during each financial year are as follows: -

Average earnings in each year	Now	Previously
2025/26 (residual)	3.80%	3.90%
2026/27	3.40%	3.60%
2027/28	3.30%	3.30%
2028/29	3.30%	3.50%
2029/30	3.50%	3.50%
Years 6 to 10	3.50%	3.50%
Years 10+	3.50%	3.50%

Caution must be exercised in respect of all interest rate forecasts.

For its cash flow generated balances, the Council will seek to utilise its business reserve instant access and notice accounts, Money Market Funds and short-dated deposits, (overnight to 100 days), in order to benefit from the compounding of interest.

Investment treasury indicator and limit - total principal funds invested for greater than 365 days. These limits are set with regard to the Council's liquidity requirements and to reduce the need for early sale of an investment and are based on the availability of funds after each year-end.

The Council is asked to approve the following treasury indicator and limit: -

Upper limit for principal sums invested for longer than 365 days			
£m	2026/27	2027/28	2028/29
Principal sums invested for longer than 365 days	£10m	£5m	£2m
Current investments as at 31.12.25 in excess of 1 year maturing in each year	£0m	£0m	£0m

4.4 Investment Performance / Risk Benchmarking

This Council will use an investment benchmark to assess the investment performance of its investment portfolio against the 7 day SONIA rates.

4.5 End of Year Investment Report

At the end of the financial year, the Council will report on its investment activity as part of its Annual Treasury Report.

5 APPENDICES

1. Prudential and treasury indicators
2. Interest rate forecasts
3. Treasury management practice 1 – credit and counterparty risk management
4. Approved countries for investments
5. The treasury management role of the section 151 officer

5.1 THE CAPITAL PRUDENTIAL AND TREASURY INDICATORS 2026/27 – 2028/29

The Council's capital expenditure plans are the key driver of treasury management activity. The output of the capital expenditure plans is reflected in the prudential indicators, which are designed to assist members' overview and confirm capital expenditure plans.

5.1.1 Capital Expenditure

Capital expenditure £m	2024/25 Actual	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate	2028/29 Estimate
Business and Regeneration	16.75	17.89	2.06	0.00	0.00
Resources and Customer Services	0.35	0.36	0.10	0.10	0.10
Housing	8.28	7.15	7.90	7.85	6.65
Leisure, Community and Health	10.77	23.32	6.75	0.80	0.50
Miscellaneous Projects	0.00	0.05	0.05	0.05	0.00
Non-HRA	36.15	48.77	16.85	8.80	7.25
HRA	16.58	18.14	18.80	10.84	10.84
Total	52.73	66.90	35.65	19.64	18.09

5.1.2 Maturity Structure of Borrowing

Maturity structure of borrowing. These gross limits are set to reduce the Council's exposure to large, fixed rate sums falling due for refinancing, and are required for upper and lower limits.

The Council is asked to approve the following treasury indicators and limits: -

Maturity structure of fixed interest rate borrowing 2026/27		
	Lower	Upper
Under 12 months	0%	50%
Up to 2 years	0%	60%
Up to 5 years	0%	70%
Up to 10 years	0%	80%
Up to 20 years	0%	85%
Up to 30 years	0%	90%
Up to 40 years	0%	95%
Up to 50 years	0%	100%
Maturity structure of variable interest rate borrowing 2026/27		
	Lower	Upper
Under 12 months	0%	50%
Up to 2 years	0%	60%
Up to 5 years	0%	70%
Up to 10 years	0%	80%
Up to 20 years	0%	85%
Up to 30 years	0%	90%
Up to 40 years	0%	95%
Up to 50 years	0%	100%

5.1.3. Control of Interest Rate Exposure

Please see paragraphs 3.3, 3.4 and 4.4.

5.2 INTEREST RATE FORECASTS 2026-2029

MUFG Corporate Markets Interest Rate View 22.12.25													
	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27	Jun-27	Sep-27	Dec-27	Mar-28	Jun-28	Sep-28	Dec-28	Mar-29
BANK RATE	3.75	3.50	3.50	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25
3 month ave earnings	3.80	3.50	3.50	3.30	3.30	3.30	3.30	3.30	3.30	3.30	3.30	3.30	3.30
6 month ave earnings	3.80	3.50	3.50	3.40	3.30	3.30	3.30	3.40	3.40	3.40	3.40	3.40	3.40
12 month ave earnings	3.90	3.60	3.60	3.50	3.40	3.50	3.50	3.50	3.50	3.50	3.60	3.60	3.60
5 yr PWLB	4.60	4.50	4.30	4.20	4.10	4.10	4.10	4.10	4.10	4.10	4.10	4.10	4.10
10 yr PWLB	5.20	5.00	4.90	4.80	4.80	4.70	4.70	4.70	4.70	4.60	4.60	4.60	4.70
25 yr PWLB	5.80	5.70	5.60	5.50	5.50	5.40	5.30	5.30	5.20	5.20	5.20	5.20	5.20
50 yr PWLB	5.60	5.50	5.40	5.30	5.30	5.20	5.10	5.10	5.10	5.00	5.10	5.00	5.00

PWLB forecasts are based on PWLB certainty rates.

5.3 TREASURY MANAGEMENT PRACTICE (TMP1) – CREDIT AND COUNTERPARTY RISK MANAGEMENT

The DLUHC issued Investment Guidance in 2018, and this forms the structure of the Council's policy below. These guidelines do not apply to either trust funds or pension funds which operate under a different regulatory regime.

The key intention of the Guidance is to maintain the current requirement for local authorities to invest prudently, and that priority is given to security and liquidity before yield. In order to facilitate this objective, the Guidance requires this Council to have regard to the CIPFA publication Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes. This Council adopted the Code and will apply its principles to all investment activity. In accordance with the Code, the Director of Corporate Resources has produced its treasury management practices (TMPs). This part, TMP 1, covering investment counterparty policy requires approval each year.

Annual Investment Strategy - The key requirements of both the Code and the investment guidance are for the Council to set an Annual Investment Strategy, as part of its annual treasury strategy for the following year, covering the identification and approval of the following:

- The strategy guidelines for choosing and placing investments, particularly non-specified investments.
- The principles to be used to determine the maximum periods for which funds can be committed.
- Specified investments that the Council will use. These are high security and high liquidity investments in sterling and with a maturity of no more than a year.
- Non-specified investments, clarifying the greater risk implications, identifying the general types of investment that may be used and a limit to the overall amount of various categories that can be held at any time.

The investment policy proposed for the Council is:

Strategy guidelines – The main strategy guidelines are contained in the body of the Treasury Management Strategy Statement.

Specified investments – These investments are sterling investments of not more than one-year maturity, or those which could be for a longer period but where the Council has the right to be repaid within 12 months if it wishes. They also include investments which were originally classed as being non-specified investments, but which would have been classified as specified investments apart from originally being for a period longer than 12 months once the remaining period to maturity falls to under 12 months.

These are considered low risk assets where the possibility of loss of principal or investment income is small. These would include sterling investments which would not be defined as capital expenditure with: -

- The UK Government (such as the Debt Management Account deposit facility, UK Treasury Bills or a Gilt with less than one year to maturity).
- Supranational Bonds of less than one year's duration.
- A Local Authority, Housing Association, Parish Council or Community Council.

- Pooled investment vehicles (such as Money Market Funds) that have been awarded a high credit rating by a credit rating agency e.g., Standard and Poor's, Moody's and/or Fitch rating agencies.
- A body that is considered of a high credit quality (such as a bank or building society) This category covers bodies with a minimum Short-Term rating of AA- (or the equivalent) as rated by Standard and Poor's, Moody's and / or Fitch rating agencies.

In accordance with the Code, the Council has set out additional criteria to limit the time and the amount of monies which will be invested in these bodies. These criteria are a maximum of £10m per organisation and with organisations that meet the Treasury Management Staff's

Non-specified investments – are any other type of investment (i.e., not defined as specified above). The identification and rationale supporting the selection of these other investments and the maximum limits to be applied are set out below. Non-specified investments would include any sterling investments with: -

	Non-Specified Investment Category	Limit (£ or %)
a.	<p>Supranational Bonds greater than 1 year to maturity</p> <p>(a) Multilateral Development Bank bonds - These are bonds defined as an international financial institution having as one of its objectives economic development, either generally or in any region of the world (e.g., European Reconstruction and Development Bank etc).</p> <p>(b) A financial institution that is guaranteed by the United Kingdom Government (e.g., National Rail)</p> <p>The security of interest and principal on maturity is on a par with the Government and so very secure. These bonds usually provide returns above equivalent gilt-edged securities. However, the value of the bond may rise or fall before maturity and losses may accrue if the bond is sold before maturity.</p>	AAA long term ratings £10m
b.	Gilt edged securities with a maturity of greater than one year. These are Government bonds and so provide the highest security of interest and the repayment of principal on maturity. Similar to category (a) above, the value of the bond may rise or fall before maturity and losses may accrue if the bond is sold before maturity.	£10m
c.	The Council's own banker if it fails to meet the basic credit criteria. In this instance balances will be minimised as far as is possible.	£2m
d.	Building Societies not meeting the basic security requirements under the specified investments. The operation of some building societies does not require a credit rating, although in every other respect the security of the society would match similarly sized societies with ratings. The Council may use such building societies which have a minimum asset size of £100m, but will restrict these types of investments to under 1 year.	£2m
e.	Any Bank or Building Society that has a minimum long-term credit rating of AA-, for deposits with a maturity of greater than one year (including forward deals in excess of one year from inception to repayment).	£10m
f.	Any Non-Rated Subsidiary of a credit rated institution included in	£2m

	the specified investment category. These institutions will be included as an investment category subject to a guarantee from a parent company, the investment must be under 1 year, and the subsidiary must be UK based.	
g.	Share Capital in a body corporate – The use of these instruments will be deemed to be capital expenditure, and as such will be an application (spending) of capital resources. Revenue resources will not be invested in corporate bodies. See note 1 below.	£2m
h.	Other fund: The use of these instruments can be deemed to be capital expenditure, and as such will be an application (spending) of capital resources. This Council will seek guidance on the status of any fund it may consider using and will update Cabinet before any use of a new style of fund.	

NOTE 1. This Council will seek further advice on the appropriateness and associated risks with investments in these categories.

The monitoring of investment counterparties - The credit rating of counterparties will be monitored regularly. The Council receives credit rating information (changes, rating watches and rating outlooks) from Link as and when ratings change, and counterparties are checked promptly. On occasion ratings may be downgraded when an investment has already been made. The criteria used are such that a minor downgrading should not affect the full receipt of the principal and interest. Any counterparty failing to meet the criteria will be removed from the list immediately by the Director of Corporate Resources, and if required new counterparties which meet the criteria will be added to the list.

5.4 APPROVED COUNTRIES FOR INVESTMENTS

This list is based on those countries which have sovereign ratings of AA- or higher, (we show the lowest rating from Fitch, Moody's and S&P) and also, (except - at the time of writing - for Hong Kong and Luxembourg), have banks operating in sterling markets which have credit ratings of green or above in the Link creditworthiness service.

Based on lowest available rating (as at 25.11.24)

AAA

- Australia
- Denmark
- Germany
- Netherlands
- Norway
- Singapore
- Sweden
- Switzerland

AA+

- Canada
- Finland
- U.S.A.

AA

- Abu Dhabi (UAE)
- Qatar

AA-

- Belgium
- France
- **U.K.**

5.5 THE TREASURY MANAGEMENT ROLE OF THE SECTION 151 OFFICER

The S151 (responsible) officer

- recommending clauses, treasury management policy/practices for approval, reviewing the same regularly, and monitoring compliance;
- submitting regular treasury management policy reports;
- submitting budgets and budget variations;
- receiving and reviewing management information reports;
- reviewing the performance of the treasury management function;
- ensuring the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function;
- ensuring the adequacy of internal audit, and liaising with external audit;
- recommending the appointment of external service providers.
- preparation of a Capital Strategy to include capital expenditure, capital financing, non-financial investments and treasury management, with a long-term timeframe
- ensuring that the Capital Strategy is prudent, sustainable, affordable and prudent in the long term and provides value for money
- ensuring that due diligence has been carried out on all treasury and non-financial investments and is in accordance with the risk appetite of the authority
- ensure that the Council has appropriate legal powers to undertake expenditure on non-financial assets and their financing
- ensuring the proportionality of all investments so that the Council does not undertake a level of investing which exposes the Authority to an excessive level of risk compared to its financial resources
- ensuring that an adequate governance process is in place for the approval, monitoring and ongoing risk management of all non-financial investments and long-term liabilities
- provision to members of a schedule of all non-treasury investments including material investments in subsidiaries, joint ventures, loans and financial guarantees
- ensuring that members are adequately informed and understand the risk exposures taken on by the Authority
- ensuring that the Council has adequate expertise, either in house or externally provided, to carry out the above
- creation of Treasury Management Practices which specifically deal with how non treasury investments will be carried out and managed, to include the following :-
 - *Risk management (TMP1 and schedules), including investment and risk management criteria for any material non-treasury investment portfolios;*
 - *Performance measurement and management (TMP2 and schedules), including methodology and criteria for assessing the performance and success of non-treasury investments;*
 - *Decision making, governance and organisation (TMP5 and schedules), including a statement of the governance*

requirements for decision making in relation to non-treasury investments; and arrangements to ensure that appropriate professional due diligence is carried out to support decision making;

- *Reporting and management information (TMP6 and schedules), including where and how often monitoring reports are taken;*
- *Training and qualifications (TMP10 and schedules), including how the relevant knowledge and skills in relation to non-treasury investments will be arranged.*

AGENDA ITEM NO. 9

NUNEATON AND BEDWORTH BOROUGH COUNCIL

Report to: Audit and Standards Committee

Date of Meeting: 3rd February 2026

Subject: Constitution Updates – Report from Constitution Review Working Party

Portfolio: Not Applicable

Responsible Officer: Monitoring Officer

Corporate Plan – Theme: Your Council

Corporate Plan – Aim: Strive for transparency and accountability, in all that we do. Increase public scrutiny.

Ward Relevance: Not Applicable

Public or Private: Public

Forward Plan: Not Applicable (not a Cabinet Decision)

Subject to Call-in: Not Applicable (not a Cabinet Decision)

1. Purpose of report

1.1. To consider and approve the recommendations from the Constitution Review Working Party and recommend changes to the Constitution.

2. Recommendations

2.1. it be recommended to Full Council that the Constitution be amended:

- 2.1.1. To change the number of signatories required for Motions on Notice be amended to one (1) Councillor and a Seconder.
- 2.1.2. To amend the Civic Honours Sub-Committee membership list by removing 'The Cabinet Member - Finance and Corporate Services' and replace with 'One other Cabinet Member' as per Table 2 under 4.3.1 of the report.

- 2.1.3. To include the Terms of Reference for the Shareholder Committee as per 4.4.2 of the report.
- 2.1.4. To ensure all public meetings have a Vice Chair appointed with effect from the 2026/2027 Municipal Year, as proposed in 4.5.1 of the report.
- 2.1.5. To amend the wording under 4E.15 of the Constitution as per Table 3 under 4.6.1. of the report.

3. Background

- 3.1. On the 2nd December 2025 the Constitution Review Working Party (CRWP) met and considered a range of items and those agreed by CRWP to be considered at Audit and Standards are contained in this report.

4. Body of report and reason for recommendations

- 4.1. The items which CRWP endorsed and are subject to this report include those outlined below and subject to debate and discussion, the Committee may agree with the recommendations set out in 2.1 of the report or, seek to make amendments and/or reject one or more recommendations under 2.1.

4.2. **The number of signatories required to move a motion**

- 4.2.1. Upon request of CRWP, a benchmarking exercise was undertaken to benchmark the Council's Constitution against neighbouring local authorities, the outcome of which is below.

Table 1

Local Authority Name	No. of signatories required – Motions on Notice	Extract from the Council's Constitution
Nuneaton and Bedworth BC	3	Except for motions, which can be moved without notice under Rule 12, written notice of every motion, signed by at least three Councillors, must be delivered to the Head of Paid Service not later than noon at least eight working days before the date of the meeting. These will be entered in a book open to public inspection.
Rugby Borough Council	At least 1	11.1 Notice Every motion (except for motions which can be moved without notice under Standing Order 12), must be: (a) in writing; (b) signed by

		at least one councillor; (c) delivered to the Chief Executive not later than midday on the twelfth day before the meeting (excluding the day of the meeting) or, if the twelfth day before the meeting is not a working day, on the last working day before that; and (d) entered in a book open to public inspection or published on the council's website.
Warwick District Council	1	<p>Notices of Motion</p> <p>(1) Any Member of the Council may give notice of a motion to a meeting of the Council, the Cabinet or a committee.</p> <p>(2) Notice of every motion must be by e-mail or in writing, signed by the member, or by 10 members in the case of motions submitted under Procedure Rule 16, and delivered by 10.00am on the seventh clear working day before the next meeting of the Council, the Cabinet or committee they wish it to be considered at, to the office of the Chief Executive.</p> <p>(3) Every motion must be relevant to some matter in relation to which the Council have powers or duties or which affects the District"</p>
Warwickshire County Council	At least 1 plus a seconder (2)	<p>MOTIONS ON NOTICE</p> <p>5.1 Motions on Notice At meetings of the Council, except for motions which can be moved without notice under Standing Order 32, written notice of each full motion, signed by at least one elected member and seconded by another elected member, must be delivered to the Head of Paid Service not later than 10 clear working days before the date of the meeting</p>
Coventry City Council	1 plus a seconder (2)	<p>Motions on Notice</p> <p>9.1. Every notice of motion to be inserted in the summons for the next meeting of the City Council will be in writing and signed by the Councillor intending to move it and by the</p>

		Councillor intending to second it. The notice must be delivered to the Monitoring Officer at a designated location* or sent electronically to Governance Services, not later than 9.00 a.m. at least 5 clear working days before the date scheduled for the meeting of the City Council.
Harborough District Council	1 plus a seconder (2)	<p>Motions On notice</p> <p>4.1.55 Except for motions which can be moved without notice under paragraph 4.1.60 notice of every motion must be given in writing. The notice must be signed by the Councillors moving and seconding the motion and sent to Democratic Services not later than 4.30pm on the seventh working day before the Council 53 this includes email 146 meeting at which it is to be considered. The notice of motion must either set out the wording of the motion in full or explicitly endorse the wording of the motion as stated in another named Councillor's written notice.“</p>
Blaby District Council	1 plus a seconder (2)	<p>MOTIONS ON NOTICE</p> <p>12.1 Notice Motions to be considered under this rule must be delivered to the Proper Officer, in writing, no later than 7 clear working days before the date of the relevant meeting and supported by at least one other member of Council, who will act as the seconder for the motion.</p>

4.2.2. CRWP concluded that it be recommended to the Audit and Standards Committee that the Constitution be amended to one (1) Councillor and a Seconder to be in line with other local authorities as per Table 1 and to ensure groups of smaller sizes, had an ability to submit Motions on Notice for consideration, subject to the number of signatories.

4.3. Civic honours sub-committee membership;

4.3.1. Table 2 shows the current wording and proposed new wording:

Table 2

Current Wording	Proposed new Wording
<p>A7.10 Civic Awards Sub-committee</p> <p>a) The Civic Awards Sub-committee comprises:</p> <ul style="list-style-type: none"> • The Leader of the Council • The Deputy Leader of the Council • The Cabinet Member - Finance and Corporate Services • The Mayor • The Leader of the Main Opposition Party and be chaired by the Leader of the Council. 	<p>A7.10 Civic Awards Sub-committee</p> <p>a) The Civic Awards Sub-committee comprises:</p> <ul style="list-style-type: none"> • The Leader of the Council • The Deputy Leader of the Council • One other Cabinet Member • The Mayor • The Leader of the Main Opposition Party and be chaired by the Leader of the Council.

4.3.2. Given the Cabinet Member - Finance and Corporate Services no longer exists following Annual Council in May 2024 and May 2025, the Committee since has been restricted to 4 members. It is therefore proposed to amend the wording to allow 'one other Cabinet Member' to allow the Committee to maximise its membership under the terms of the committee. By wording it this way, it future proofs the membership regardless of the Cabinet/Executive structure.

4.4. Terms of Reference for the Shareholder committee

4.4.1. The Constitution currently includes under Article 8: Regulatory, other Committees & sub-Committees the following committee:

Council Shareholder Committee.

The Committee shall be politically balanced and will comprise of six Members and have a quorum of three. The Council will appoint the Chair.

4.4.2. Since the Committee has expanded to cover the remit of all Council wholly owned and/or partially owned entities, it has become clear that there are no clear terms of reference for the Council Shareholder Committee. It is therefore proposed by CRWP that the Terms of Reference set out below are recommended for consideration and approval.

PURPOSE OF THE SHAREHOLDER COMMITTEE

The purpose of the Shareholder Committee is to approve and oversee the council's strategic objectives for the council's company and to support the development of the company in line with the council's regulations and ambitions and the constitutional instruments of the company.

ROLE OF THE SHAREHOLDER COMMITTEE

- 1.1 The Shareholder Committee will have a role in ensuring proper governance of the Council's Subsidiaries, such role to include:*
 - 1.1.1. receiving reports from the Managing Director (or equivalent), on the progress and conduct of business in accordance with the approved business plan;*
 - 1.1.1 monitoring information from each company, in particular on financial and other risks (such as a risk register) and escalating such risks within the Council as appropriate;*
 - 1.1.2 receiving reports from the Managing Director (or equivalent), on company performance to enable the committee to monitor performance, business affairs, finances, and accounts in accordance with adopted business plans and budgets;*
 - 1.1.3 consider future service developments and opportunities for the company;*
 - 1.1.4 reporting to the Cabinet on the performance of the companies;*
 - 1.1.5 reviewing these Terms of Reference annually and make any necessary recommendations to the Monitoring Officer for update via Audit and Standards Committee.*

The Committee will need to be cautious where a company is jointly owned by the Council and any other local authority, specifically in relation to commercially sensitive information and decision making. Where the Council is one of several owners, the Council will either have an equal share or a proportionate share in the company.

The Shareholder Committee will not have operational control over Companies. All decisions regarding the day-to-day operation of each Company, its business developments and commercial opportunities, staff terms and conditions and the development and implementation of its internal procedures, rest with the Managing Director (or equivalent), the senior management team employed by the Company and Board of each Company.

4.5. That all public meetings have a Vice Chair appointed with effect from the 2026/2027 Municipal Year

- 4.5.1. On 2nd December 2025 when CRWP discussed the item covered by 4.4 above, it was also agreed and recommended that with effect from the 2026/2027 Municipal Year, all public meetings will have a nominated Vice Chair. The Monitoring Officer has proposed the Vice Chair arrangement for the*

Committee to consider, in readiness for 2026/2027. For the avoidance of doubt, this will include:

Cabinet: Vice Chair: Deputy Leader
Borough Plan Committee: A member of the Cabinet
Shareholder Committee: A member of the Main Opposition Party
Civic Honours Sub-Committee: Deputy Leader
Officer Remuneration Panel: A member of the Cabinet
Local Government Reform Sub-Committee: Deputy Leader

4.6. Call-in timescales

4.6.1. Table 3 shows the current wording and proposed new wording:

Table 3

Current Wording	Proposed new Wording
<p>4E.15 CALL-IN</p> <p><i>(c)ii. The OSP shall meet within ten working days of the end of the five day period mentioned in (c) above. The decision maker (or Chair of the decision making body) shall be entitled to address the OSP at its meeting. The called in decision may be implemented on expiry of this ten day period.</i></p>	<p><i>c) For decisions that do not appear to accord with Article 12:</i></p> <p class="list-item-l1"><i>i. The published decision will bear the date of publication and will specify that the decision will come into force, and may then be implemented, on the expiry of five working days after the publication of the decision, unless called in;</i></p> <p class="list-item-l1"><i>ii. During that period, the proper officer shall call in a decision for scrutiny by an OSP if he/she receives a valid request in writing signed by any one Member of the relevant OSP together with any other two Members of the Council. Once satisfied that the request is valid, having regard to the principles in Article 12 (Decision Making), either Chief Executive shall forthwith notify the decision-taker of the call-in. The OSP shall meet within ten working days of the end of the five day period mentioned in (c) above. Where this is not viable, the ten working day period shall be extended and no decision shall be implemented until the</i></p>

	<p>OSP has met and considered the matter. The decision maker (or Chair of the decision making body) shall be entitled to address the OSP at its meeting. The called in decision may be implemented on expiry of this ten day period unless the OSP has not met, or it has been referred to Full Council;</p>
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- 4.6.2. It is not clear and creates risk that if a meeting is not scheduled, the decision could be implemented, especially during holiday periods like August and potentially over the Christmas and New Year shut down depending on the committee timetable.
- 4.6.3. The proposed wording provides absolute clarity in the event an OSP cannot meet in the 10-working day timescale and/or the matter is referred to Full Council following OSP.
- 4.6.4. Following two call-in procedures during August 2025, concern was raised regarding this clarification hence it being raised as an item at CRWP, which has led to the item being contained in this report.

5. Consultation with the public, members, officers and associated stakeholders

- 5.1. Consultation with the public has not been undertaken.
- 5.2. Consultation has taken place with Constitution Review Working Party on 2nd December 2025.
- 5.3. Consultation with officers includes the Democratic and Election Services Manager (also the Deputy Monitoring Officer), the Head of Paid Service (otherwise known as a Chief Executive), the Section 151 Officer (otherwise known as the Strategic Director – Corporate Resources) and the Democratic Services Team.

6. Financial Implications

- 6.1. No direct financial implications have been identified.

7. Legal Implications

- 7.1. No direct legal implications have been identified.

8. Equalities implications

8.1. A review has been undertaken and it has been identified that no assessment is required following consultation and liaison with the appropriate officer.

9. Health implications

9.1. No specific health implications have been identified.

10. Climate and environmental implications

10.1. No direct climate and/or environmental implications have been identified.

11. Section 17 Crime and Disorder Implications

11.1. No direct Section 17 crime and disorder implications have been identified.

12. Risk management implications

12.1. No direct risk management implications have been identified.

13. Human resources implications

13.1. No direct human resource implications have been identified.

14. Options considered and reason for their rejection

14.1. In formulating this report and recommendations, the following other options were identified. Reasons for their rejection or why the option and recommendation proposed in section 2 of the report has been selected are outlined below.

Option Ref	Option Title	Reason for rejection or why the option and recommendation proposed in section 2 of the report has been selected
A	Do nothing	Not possible as Constitution Review Working Party have considered and recommended the recommendations set out at 2.1 of the report be considered by the Audit and Standards Committee.

15. Conclusion

15.1. The report includes the proposed amendments to the Constitution following a meeting of the Constitution Review Working Party held 2nd December 2025. Subject to debate and discussion, the Committee may agree with the recommendations set out in 2.1

of the report or, seek to make amendments and/or reject one of more recommendations under 2.1.

16. Appendices

16.1. Please note there are no appendices to this report.

17. Background papers

17.1. Please note there are no background papers attached to this report.

18. Report Writer Details:

Officer Job Title: Assistant Director – Democracy and Governance

Officer Name: Matthew Wallbank

AGENDA ITEM NO. 10

NUNEATON AND BEDWORTH BOROUGH COUNCIL

Report to:	Audit and Standards Committee
Date of Meeting:	3 February 2026
Subject:	Pre-Election Period Publicity Protocol
Portfolio:	Not Applicable
Responsible Officer:	Monitoring Officer
Corporate Plan – Theme:	Your Council
Corporate Plan – Aim:	Strive for transparency and accountability, in all that we do. Increase public scrutiny
Ward Relevance:	NA
Public or Private:	Public
Forward Plan:	Not applicable (not for Cabinet)
<u>Subject to Call-in:</u>	Not applicable (not for Cabinet)

1. Purpose of report

- 1.1. The purpose of this report is to provide the Audit and Standards Committee (the Committee) details of the Publicity Protocol Guidance in the period leading to an Election/By-Election/Referendum/Petition as set out in Section 5G of the Council's Constitution.

2. Recommendations

- 2.1. That the Committee notes the Publicity Protocol Guidance as extracted from the Constitution and set out at Appendix A to this report.
- 2.2. That the Monitoring Officer issues guidance on the Publicity Protocol to Members and Officers ahead of the Pre-Election period where requested by Officers and Members.

3. Background

- 3.1. During the specified period, approximately six weeks prior to an election (commonly known as the 'pre-election period' or as 'purdah') certain restrictions on Local Authority publicity apply (in addition to the restrictions that apply to Local Authority publicity generally). In this pre-election period: Local Authorities are required to take particular care in respect of publicity to ensure that communications are balanced and without bias, and that there is no appearance of support for any particular party or individual seeking election. The Council's Pre Election Publicity Protocol is set out at Section 5G of the Constitution.
- 3.2. In addition, the Council must comply at all times with restrictions outlined in Section 2 of the Local Government Act 1986 which states that Councils shall "not publish any material which, in whole, or in part, appears to be designed to affect public support for a political party". Publicity is defined as "any communication, in whatever form, addressed to the public at large or to a section of the public." The restrictions are a combination of legislative requirements, a statutory publicity code and good practice.

4. Body of report and reason for recommendations

- 4.1. At local elections the Notice of the Election must be published by no later than 25 working days before the day of the poll. The pre-election period is scheduled to commence upon the publication of the Notice for the Local Election (7 May 2026). The Notice is scheduled to be published late Friday 20 March 2026 and this is when the Pre-Election Period will commence.
- 4.2. The Pre-Election Period Publicity Protocol seeks to ensure that the Council acts lawfully in relation to the use of Council resources in the lead up to an election, to provide guidance

to Councillors and Officers and to limit Council and Committee meetings and other decision making which takes place during the Pre-Election Period to those which are strictly necessary and business as usual.

- 4.3. Part 2 of the Local Government Act 1986 and the Code of Recommended Practice on Local Authority Publicity made under it ('the Publicity Code') applies to all Local Authority publicity at any time. However, during a pre-election or period the heightened political sensitivities will mean that there is potential for Council publicity that would not be problematic at other times to become so in an election or referendum context and amount to restricted publicity under the 1986 Act.
- 4.4. Section 2(1) of the Local Government Act 1986 states that: "A local authority shall not publish, or arrange for the publication of, any material which, in whole or in part, appears to be designed to affect public support for a political party."
- 4.5. When considering whether or not a particular piece of Council publicity would contravene this prohibition various factors need to be taken into account, including:
 - the content and style of the material;
 - the timing and other circumstances of the publication;
 - the likely effect of the material on those to whom it is directed;
 - whether the material refers to a political party or to persons identified with a political party;
 - whether the material promotes or opposes a point of view on a question of political controversy which is identifiable as the view of one political party and not of another; and
 - where the material is part of a campaign, the effect which the campaign appears to be designed to achieve
- 4.6. The general principle set out in the Code is that a Local Authority must not at any time publish any material that in whole or in part appears to be designed to affect support for a Political Party. Publicity not only includes press releases issued to print, broadcast and social media, but also:
 - a) most printed materials, which are sent to a wide audience

- b) newsletters
- c) information added to websites during the period
- d) posters and leaflets
- e) badges, t-shirts and other 'giveaways'
- f) advertising
- g) exhibitions
- h) conferences
- i) consultation.

4.7 Contained at 5G.8 of the Constitution is Advice for Members during the pre-election period and this is detailed below:

5G.8 ADVICE FOR MEMBERS

- a) This Guidance applies to Publicity about all Members - involved directly in the Election whether as candidates or in some other capacity.
- b) The Word "Publicity" has the Widest possible Meaning - and the restrictions apply to events organised by the Council that attract significant numbers of the public, or media interest. Members who are standing as candidates, or acting as agents, should not be involved in such events at all. Other Members who are involved in the Election should not use such events to publicise themselves, their parties, or the policies or candidates they support.
- c) Members can attend Events - organised by the Authority or other organisations but they won't be quoted or featured in any Council publicity.
- d) With the Exception of the Mayor/Deputy Mayor - when acting in a Civic capacity, Members must not take part in any Council arranged events that will have publicity attached to them, e.g. photo calls/launches during purdah. This is because many initiatives will have involved Elected Members at some point in their development and they are likely to want to be quoted or help to publicise such projects: doing so during the pre-Election period could be construed as using your launch to obtain a political advantage. If the launch needs to proceed for operational reasons and cannot be brought forward or delayed until after, then Members who are directly involved in the Election should not be involved in any activity. Other Members should not use such events

to publicise themselves, their parties, or the policies or candidates they support.

e) It may be Necessary to Suspend - the hosting of material produced by third parties or to close public forums during this period to avoid breaching any legal restrictions.

f) Speaking with the Press - Members can talk to the press and media during this period and generate their own publicity. The restrictions only apply to official Council-organised publicity, including press releases or events. The rules in the Member and Officer Protocols about use of Council facilities must be observed. Members should also be aware that purdah guidelines do not apply to the media so they are under no obligation to adapt their coverage or avoid asking for comment from candidates, agents or others directly involved in the Election.

g) If you Want to Visit a Council Service during the Purdah Period requests will be judged on a case by case basis, looking at the potential disruption that may be caused by any visit and any security or confidentiality concerns that may exist. If it is feasible for a candidate to visit the Service, they should be asked not to use the event for political purposes. For example, it would be appropriate to ask visitors to ensure that no photographs are taken of Council Officers or Service users, that no quotes are sought from staff and that nobody is encouraged to do anything which could be construed as 'political' or in support of a particular candidate's campaign.

h) No Political Posters or Leaflets - must be displayed on Council premises (including street furniture and the like) or vehicles.

5G.9 REACTIVE PUBLICITY

a) Under the Code it is acceptable for Members holding key political or civic positions to comment in an emergency or in response to a major news event outside the Council's control. In such an instance it would be acceptable for a relevant Member to be quoted reacting to this event, unless they were personally up for election in which case another Senior Member would be quoted.

- b) Members involved in the Election may not be quoted in a proactive news release issue.
- c) It is better to avoid proactively scheduling PR events and photo opportunities during this period if possible

4.8 Section 5G.7 of the Constitution details advice to Officers during the Pre-Election period, which includes maintaining business as usual but exercising caution when planning any publicity or events.

4.9 Subject to comments and any amendments proposed by the Committee, The Monitoring Officer will, ahead of the Notice of Election, publish guidance to Officers on the Council's intranet and also issue an email to all Members and Officers on the advice provided.

Reasons for the Recommendations

4.10 To protect the interests of the Council, and to provide guidance to Councillors and Officers on publicity and the use of Council resources during the Pre-Election Period.

5. Consultation with the public, members, officers and associated stakeholders

5.1. Not applicable as this report only asks the Committee to note the Pre-Election Period Protocol and the measures that are in place to inform elected Members and Officers of the Guidance.

6. Financial Implications

6.1. There are no resource or financial implications arising from the recommendations.

7. Legal Implications

7.1. The Legal Implications are set out in the report.

8. Equalities implications

8.1 There are no direct equality implications arising from this report.

9. Health implications

9.1 There are no immediate health implications arising from this report.

10. Climate and environmental implications

10.1. No direct climate and environmental implications have been identified.

11. Section 17 Crime and Disorder Implications

11.1. No direct Section 17 crime and disorder implications have been identified.

12. Risk management implications

12.1 The risks are set out in the report and the Pre-Election Protocol..

13. Human resources implications

13.1. No direct human resource implications have been identified.

14. Options considered and reason for their rejection

14.1. In formulating this report and recommendations, the following other options were identified. Reasons for their rejection or why the option and recommendation proposed in section 2 of the report has been selected are outlined below.

Option Ref	Option Title	Reason for rejection or why the option and recommendation proposed in section 2 of the report has been selected
A	Do nothing	The Audit and Standards Committee has an obligation to promote and maintain high standards of conduct by Members, Independent Members and any other representatives. Therefore, this report provides details of the Pre-Election Period Publicity Protocol and the methods in which Guidance will be disseminated to both elected Members and Officers ahead of the publication of the Notice of the Election on 20 March 2026.

15. Conclusion

15.1. The Committee is asked to note details of the Pre-Election Period Publicity Protocol and the methods in which Guidance will be disseminated to both elected Members and Officers ahead of the publication of the Notice of the Election on 20 March 2026 which will ensure that Councillors and Officers are aware of the Protocol.

16. Appendices

16.1. Please note the following appendices:

- i. Appendix A – Extract from the Council's Constitution 5G Publicity Protocol Guidance in the period leading to an Election/By-Election/Referendum/Petition

17. Background papers

17.1 Have Background papers been considered Y/~~N~~

17.2 Please note the following background papers:

The Local Government Act 1986 (Section 2)
Code of Recommended Practice on Local Authority
Publicity (the Publicity Code)

18. Report Writer Details:

Officer Job Title: Elections and Democratic Services Manager & Deputy Monitoring Officer

Officer Name: Tracy Tiff

Officer Email Address: tracy.tiff@nuneatonandbedworth.gov.uk

Extract of the Council's Constitution

5G PUBLICITY PROTOCOL GUIDANCE

In the Period Leading up to an Election/By-Election/ Referendum/ Petitions

5G.1 The Law

Publicity material produced by the Council is governed by the provisions of the Local Government Act 1986, and the revised Code of Recommended Practice on Local Government Publicity, which came into effect in April 2011. The Act defines publicity as "any communication in whatever form, addressed to the public at large or a section of the public".

The Publicity Code provides guidance on the content, style, distribution and cost of Local Authority publicity. Local Authorities are required by S4(1) of the Act to have regard to the contents of this Code in coming to any decision on publicity.

5G.2 Principles

Publicity by local authorities should:

- a) be lawful;
- b) be cost effective;
- c) be objective;
- d) be even-handed;
- e) be appropriate;
- f) have regard to equality and diversity; and
- g) be issued with care during periods of heightened sensitivity.

5G.3 What is 'Purdah'?

The Pre-Election period (often known as "purdah") runs from the date of publication of the Notice of Election through to and including the date of Election. There are extra restrictions placed on the nature of publicity local councils may issue under the Publicity Code during this time, and all serving Members and Council Officers must be fully aware of the statutory requirements relating to publicity at this time.

5G.4 The Code ('the Code')

The general principle set out in the Code is that a Local Authority must not at any time publish any material that in whole or in part appears to be designed to affect support for a Political Party. Publicity not only includes press releases issued to print, broadcast and social media, but also;

- a) most printed materials, which are sent to a wide audience
- b) newsletters
- c) information added to websites during the period
- d) posters and leaflets
- e) badges, t-shirts and other 'giveaways'
- f) advertising
- g) exhibitions
- h) conferences
- i) consultation.

5G.5 Elections, Referendums and Petitions

The relevant sections in the Code state:

- a) Section 125 of the Political Parties, Elections and Referendums Act 2000 places a specific restriction on the publication by a Local Authority of material relating to a referendum under Part 7 of that Act, during the period of 28 days immediately before the Referendum is held.
- b) Reg 5 of the Local Authorities (Conduct of Referendums) (England) Regs 2007 (S.I. 2007/2089) prohibits local authorities from publishing material in the 28 days immediately before a Referendum which expresses support for, or opposition to a particular answer to a Referendum question relating to the constitutional arrangements of the Authority.
- c) Reg 15 of the Local Authorities (Referendums, Petitions, Directions) (England) Regulations 2000 (S.I. 2000/2852) prohibits local authorities from incurring expenditure to publish material which appears designed to influence people in deciding whether or not to sign a petition relating to the constitutional arrangements of the Authority, or to assist others to publish such material.

d) The Code goes on to outline some key principles which local authorities should adhere to during the period of heightened sensitivity before elections and referendums.

- i. It may be necessary to suspend the hosting of material produced by third parties, or to close public forums during this period to avoid breaching any legal restrictions;
- ii. During the period between the Notice of Election and the Election itself, the Council should not publish any publicity on controversial issues, or report views or proposals in such a way that identifies them with any individual Members or Groups of Members;
- iii. Publicity relating to individuals involved directly in the Election should not be published by local authorities during this period unless expressly authorised by or under statute;
- iv. It is permissible for local authorities to publish factual information which identifies the names, Wards and parties of candidates at Elections.
- v. In general, the local authorities should not issue any publicity which seeks to influence voters. However, this general principle is subject to any statutory provision which authorises expenditure being incurred on the publication of material designed to influence the public as to whether to support, or oppose a question put at a Referendum.
- vi. It is acceptable to publish material relating to the subject matter of a Referendum, for example, to correct any factual inaccuracies which have appeared in publicity produced by third parties, so long as this is even-handed and objective and does not support or oppose any of the options which are the subject to the vote.

5G.6 PUBLICITY PROTOCOL

- a) This Protocol takes effect from the announcement date through to the day after the Polling Day.
- b) After the announcement date, restrictions on proactive publicity will apply in line with the Code and will remain until 0001 on the day after the Polling Day.

5G.7 ADVICE FOR OFFICERS

- a) Maintain Business as Usual - but remember to exercise extra caution when planning any publicity or events that may usually involve Members or elected officials.

- b) Supporting Political Parties - Council staff must always be careful not to give the impression of supporting a Political Party, set of policies or a candidate.
- c) Publicity - Officers involved in publicising Council services need to take extra care not to influence the outcome of the Election in any way. Care needs to be taken to ensure that publicity could not be perceived as seeking to influence public opinion or to promote the public image of a particular candidate or group of candidates.
- d) Activities where Political Candidates are Present - Staff should exercise caution if involved in activities at which political candidates or agents are present: for example, appearing in photographs with candidates should be avoided.
- e) Staff must not engage in political activity during working hours or by using Council facilities. Some staff hold "politically restricted posts" which limit the political activity they can be involved in outside work.
- f) This Protocol applies to Publicity about all Members' who are "involved directly in the election" whether as candidates or in some other capacity. Publicity relating to individuals involved directly in the election will not be published during this period unless expressly authorised.
- g) Controversial Matters/Views on Policies - Publicity should not be issued which deals with controversial matters or which reports views on policies, in a way that identifies them with individual Members or groups of Members.
- h) If an Issue is a Matter that is Politically Sensitive - the Communications Team will recommend that this should be held until after the Election protocol period, unless the activity is particularly time-sensitive.
- i) Events Attracting Public/Media Interests - Do not invite Members who are standing for Election to events or invite them to be involved in any publicity/scheduled events, attracting significant public and media interest at which Members may be present, where it could be construed that the event was being used for political purposes.
- j) Press Releases - issued to the media cannot include any quotations from Members' involved in the Election, if quotes are necessary they can be attributed to an officer. It is common practice to avoid quoting any

Members unless in an emergency/crisis situation when the relevant Portfolio Holder or Leader will be quoted (unless they are up for Election). To be on the safe side, avoid references to, and quotes from, all other Members.

k) Re-Election - The Communications Team must avoid mentioning any Member who is seeking re-election. If this cannot be avoided the advice is to balance this with reference to Members from opposing Parties.

l) If a Council Event cannot be Postponed until after the Election - it is vital it is organised in such a way to minimise the likelihood of criticism arising that the real purpose of the event is to publicise one particular Party. For example, if a candidate or representative from one Party is to attend, then representatives of other Parties should also be invited, and all should be asked not to use the event for political purposes.

m) It is Permissible to Publicise Factual Information - identifying names, Wards and Parties of candidates at Elections.

5G.8 ADVICE FOR MEMBERS

a) This Guidance applies to Publicity about all Members - involved directly in the Election whether as candidates or in some other capacity.

b) The Word "Publicity" has the Widest possible Meaning - and the restrictions apply to events organised by the Council that attract significant numbers of the public, or media interest. Members who are standing as candidates, or acting as agents, should not be involved in such events at all. Other Members who are involved in the Election should not use such events to publicise themselves, their parties, or the policies or candidates they support.

c) Members can attend Events - organised by the Authority or other organisations but they won't be quoted or featured in any Council publicity.

d) With the Exception of the Mayor/Deputy Mayor - when acting in a Civic capacity, Members must not take part in any Council arranged events that will have publicity attached to them, e.g. photo calls/launches during purdah. This is because many initiatives will have involved Elected Members at some point in their development and they are likely to want to be quoted or help to publicise such projects: doing so during the pre-Election period could be construed as using your launch to obtain a political advantage. If the launch needs to proceed for operational reasons

and cannot be brought forward or delayed until after, then Members who are directly involved in the Election should not be involved in any activity. Other Members should not use such events to publicise themselves, their parties, or the policies or candidates they support

- e) It may be Necessary to Suspend - the hosting of material produced by third parties or to close public forums during this period to avoid breaching any legal restrictions.
- f) Speaking with the Press - Members can talk to the press and media during this period and generate their own publicity. The restrictions only apply to official Council-organised publicity, including press releases or events. The rules in the Member and Officer Protocols about use of Council facilities must be observed. Members should also be aware that purdah guidelines do not apply to the media so they are under no obligation to adapt their coverage or avoid asking for comment from candidates, agents or others directly involved in the Election.
- g) If you Want to Visit a Council Service during the Purdah Period requests will be judged on a case by case basis, looking at the potential disruption that may be caused by any visit and any security or confidentiality concerns that may exist. If it is feasible for a candidate to visit the Service, they should be asked not to use the event for political purposes. For example, it would be appropriate to ask visitors to ensure that no photographs are taken of Council Officers or Service users, that no quotes are sought from staff and that nobody is encouraged to do anything which could be construed as 'political' or in support of a particular candidate's campaign.
- h) No Political Posters or Leaflets - must be displayed on Council premises (including street furniture and the like) or vehicles.

5G.9 REACTIVE PUBLICITY

- a) Under the Code it is acceptable for Members holding key political or civic positions to comment in an emergency or in response to a major news event outside the Council's control. In such an instance it would be acceptable for a relevant Member to be quoted reacting to this event, unless they were personally up for election in which case another Senior Member would be quoted.
- b) Members involved in the Election may not be quoted in a proactive news release issue.

- c) It is better to avoid proactively scheduling PR events and photo opportunities during this period if possible.

5G.10 PRESS RELEASES/MEDIA ENQUIRIES

- a) The Communications Team will be responsible for agreeing and issuing ALL press releases – no matter how seemingly insignificant, with the relevant Director before they are issued including press releases requested by individuals or other organisations, e.g. schools and Members.
- b) All media enquiries must be referred to the Communications Team who will respond to the enquiries in line with the Council's Media Protocol, taking special care to avoid controversial issues or promoting individual Members.
- c) The normal practice of commissioning photographs of Members at major events and activities where they would be expected to play a lead role for PR/media purposes must also be avoided during this period. Where possible it should be arranged outside the Election protocol period. Where this is not possible, advice should be sought from the Senior Communications & Events Officer/or equivalent or the Monitoring Officer.
- d) Staff and Members must contact the Chief Executive for more information about what Council premises are permitted for use by candidates during the purdah period

AGENDA ITEM NO. 11

NUNEATON AND BEDWORTH BOROUGH COUNCIL

Report to: Audit and Standards Committee

Date of Meeting: 3rd February 2026

Subject: Review of the Council's Strategic Risk Register

Portfolio: Resources and Central Services

Responsible Officer: Assistant Director – Democracy and Governance

Corporate Plan – Theme: Your Council

Corporate Plan – Aim: Strive for transparency and accountability, in all that we do. Increase public scrutiny

Ward Relevance: Not applicable

Public or Private: Public

Forward Plan: Not applicable

Subject to Call-in: Not applicable

1. Purpose of report

- 1.1. To present the Council's Strategic Risk Register for review and comment by the Audit and Standards Committee, ensuring that identified risks remain relevant, sufficiently captured, and appropriately managed.
- 1.2. That the Audit and Standards Committee Review the Strategic Risk Register (Third Quarter 2025/26) and provides comments on:
 - 1.2.1. The relevance of the risks identified;
 - 1.2.2. Whether the risks are sufficiently captured and described; and
 - 1.2.3. Whether any additional risks or emerging issues that should be considered.
- 1.3. That any feedback from the Committee is incorporated into the next update of the Strategic Risk Register (Fourth Quarter 2025/26).

2. Recommendations

2.1. That the Strategic Risk Register (Third Quarter 2025/26) presented be noted.

3. Background

3.1. The Strategic Risk Register is a key component of the Council's risk management framework. It identifies high-level risks that could impact the achievement of the Council's corporate objectives. Review by the Audit and Standards Committee ensures transparency, accountability, and continuous improvement in risk management practices.

3.2. For the avoidance of doubt, the Strategic Risk Register covers the corporate strategic risks and thus does not include Operational risks which are subject to Operational Risk Registers.

4. Body of report and reason for recommendations

4.1. The Strategic Risk Register contained at Appendix A has been updated by officers in consultation primarily with Corporate Executive Team and respective Assistant Directors where applicable.

4.2. Risks are assessed based on likelihood and impact, with mitigating actions identified, and the register is reviewed at least quarterly.

4.3. The Committee's role is to provide assurance that risks are appropriately identified and managed, and to challenge whether any significant risks have been overlooked.

4.4. The risk register is also issued to each Overview and Scrutiny Panel (OSP) for consideration where specific risks fall into the remit of the OSP.

5. Consultation with the public, members, officers and associated stakeholders

5.1. Internal consultation has taken place with senior officers and the Corporate Executive Team. No public consultation is required for this report but as per 4.4 above, the register has been subject to OSP overview.

6. Financial Implications

6.1. None directly related to this report however, the it is noted that effective risk management reduces the likelihood of financial loss and ensures resources are allocated efficiently.

7. Legal Implications

7.1. None directly related to this report however, the Council has a statutory duty to maintain adequate governance arrangements, including risk management.

8. Equalities implications

8.1. A review has been undertaken and it has been identified that no assessment is required following consultation and liaison with the appropriate officer. However, it be noted that where applicable, any equality issues are addressed within individual risks

9. Health implications

9.1. No specific health implications have been identified following the completion of an impact assessment but it be noted that consideration is given to health implications when undertaking quarterly reviews of the Strategic Risk Register.

10. Climate and environmental implications

10.1. No direct climate and/or environmental implications have been identified.

11. Section 17 Crime and Disorder Implications

11.1. No direct Section 17 crime and disorder implications have been identified.

12. Risk management implications

12.1. This report directly supports the Council's risk management framework by ensuring strategic risks are reviewed and challenged.

13. Human resources implications

13.1. No direct human resource implications have been identified.

14. Options considered and reason for their rejection

14.1. In formulating this report and recommendations, the following other options were identified. Reasons for their rejection or why the option and recommendation proposed in section 2 of the report has been selected are outlined below.

Option Ref	Option Title	Reason for rejection or why the option and recommendation proposed in section 2 of the report has been selected
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A	Do nothing	Rejected as regular review of strategic risks is essential for good governance.
B	Review by Officers only	Rejected as member oversight provides additional assurance and accountability.

14.2. The Audit and Standards Committee may agree that the risks and associated mitigations included in the quarter three (3) Strategic Risk Register (up to end of December 2025) are adequate in that the risks are sufficiently captured and described and no additional risks or emerging issues need to be considered and/or captured for the quarter four (4) register update.

15. Conclusion

15.1. The Audit and Standards Committee's review of the Strategic Risk Register is a critical element of the Council's governance arrangements. Feedback will inform future updates and strengthen risk management practices.

16. Appendices

16.1. Please note the following appendices:

- i. Appendix A – Strategic Risk Register (Third Quarter 2025/26)

17. Background papers

17.1. Please note there are no background papers attached to this report.

18. Report Writer Details:

Officer Job Title: Assistant Director – Democracy and Governance

Officer Name: Matthew Wallbank



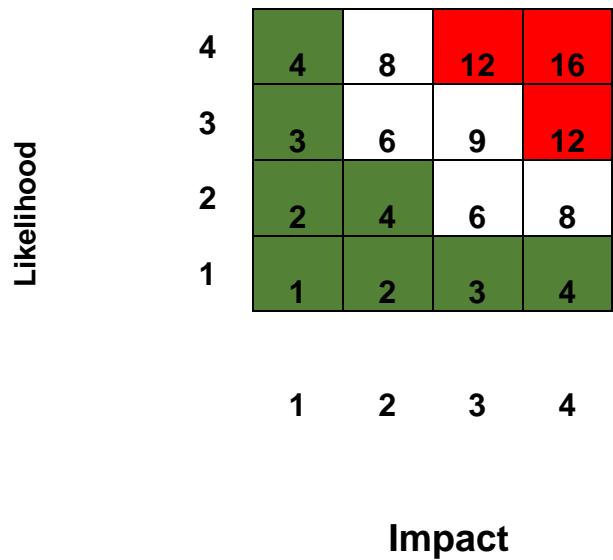
NBBC Strategic Risk Register

Current Version: 9th January 2026

Risk Level Indicator Matrix and Descriptors

Key

	Green (acceptable)
	Amber (tolerable)
	Red (unacceptable)



Likelihood

- 4: **Very High** – occurrence is most likely or has already happened and will do so again if control measures are not introduced
- 3: **High** – occurrence is anticipated within the next 12 months
- 2: **Significant** – occurrence is probable in the next 3 years
- 1: **Low** – foreseeable, but not probable in the next 3 years

Level of Impact	Service Delivery	Financial / Legal	Reputation / Community	
4	Major	<ul style="list-style-type: none"> A service delivery failure causes significant hardship to people for a period of 3 to 4 weeks or more or 1 week for anyone that is vulnerable, or failure to meet a nationally mandated deadline Loss of major stakeholder/partner. Adverse outcome of a serious regulatory enquiry 	<ul style="list-style-type: none"> Financial loss over £400,000 Serious risk of legal challenge 	<ul style="list-style-type: none"> Sustained adverse TV/radio coverage Borough wide loss of public confidence Major damage to local environment, health and economy Multiple loss of life
3	Serious	<ul style="list-style-type: none"> A service delivery failure causes significant hardship for a period of 2 to 3 weeks or 3 to 7 calendar days for vulnerable people Formal regulatory inquiry Loss of a key partner or other partners 	<ul style="list-style-type: none"> Financial loss between £200K and £399K High risk of successful legal challenge 	<ul style="list-style-type: none"> Significant adverse coverage in national press or equivalent low national TV coverage Serious damage to local environment, health and economy Extensive or multiple injuries &/or a fatality
2	Moderate	<ul style="list-style-type: none"> A service delivery failure causes significant hardship for 1 to 2 weeks or 1 - 2 calendar days for vulnerable people Loss of a significant non-key partner Legal concerns raised Loss of employees has moderate effect on service provision 	<ul style="list-style-type: none"> Financial loss between £50K and £199K Informal regulatory enquiry 	<ul style="list-style-type: none"> Significant adverse coverage in local press or regional TV Large number of customer complaints Moderate damage to local environment, health and economy Moderate injuries to an individual
1	Low	<ul style="list-style-type: none"> Disruption to services for up to 1 week Minor legal implications Loss of employees not significantly affecting service provision 	<ul style="list-style-type: none"> Financial loss up to £49K 	<ul style="list-style-type: none"> Minor adverse media coverage Minor environmental, health and economy damage Minor increase in number of customer complaints One or more minor injuries to an individual

NET RED RISKS

Risk Ref	Risk Description	Gross Risk	Mitigation Control Existing / Ongoing	Mitigation Owner	Net Risk / Status	Sources of Assurance	Risk Owner / Portfolio (PH) / OSP
R1	Potential failure to provide adequate accommodation to meet the needs of the borough with consequent impact on the lives of residents	Very High / Major (RED)	1. Housing / Homelessness Strategy.	1: Assistant Director (Strategic Housing)	Very High / Serious (RED)	1. Strategy in place. Housing Needs Survey, Strategic Housing Market Assessment, Housing and Economic Development Needs Assessment (HEDNA), Sustainable 30 Year HRA Business Plan.	Strategic Director (H&CS) / PH – H / H & COM OSP
			2. Warwickshire Heads of Housing Group (WHOH).	2: Assistant Director (Strategic Housing)		2. Minutes of WHOH meetings.	

Risk Ref	Risk Description	Gross Risk	Mitigation Control Existing / Ongoing	Mitigation Owner	Net Risk / Status	Sources of Assurance	Risk Owner / Portfolio (PH) / OSP
			3. Affordable Housing Supplementary Planning Document (Borough Plan).	3: Assistant Director (Planning)		3. Document in place.	
			4. Housing Revenue Account (HRA) Development and Acquisition Strategy.	4: Strategic Director (H&CS)		4. Documents / minutes of meetings.	
			5. Investment Partner status with Homes England.	5: Strategic Director (H&CS)		5. Documents / minutes of meetings.	
			6. Development Team for HRA new builds.	6: Strategic Director (H&CS)		6. Management Team minutes	
			7. Nominations agreements with registered providers.	7: Assistant Director (Strategic Housing)		7. Agreement records.	
			8. Annual review of HRA Business Plan	8: Strategic Director (H&CS)		8. Approved plan in place.	

Risk Ref	Risk Description	Gross Risk	Mitigation Control Existing / Ongoing	Mitigation Owner	Net Risk / Status	Sources of Assurance	Risk Owner / Portfolio (PH) / OSP
			9. Landlord Liaison Officers to support sustainable tenancies in private sector housing.	9: Assistant Director (Strategic Housing)		9. Landlord Forum minutes and casework.	
			10. Tenancy Support Officer for HRA stock.	10: Assistant Director (Social Housing and Community Safety)		10. Officer in place / casework notes.	
			11. Creation of Homelessness Prevention Team (January 2024).	11: Assistant Director (Strategic Housing) 12		11. Team in place / casework notes.	
			12. HRA stock "Right-sizing" Policy and Tenant Liaison Officer established	12: Assistant Director (Social Housing and Community Safety)		12. Policy in place / casework records.	

Risk Ref	Risk Description	Gross Risk	Mitigation Control Existing / Ongoing	Mitigation Owner	Net Risk / Status	Sources of Assurance	Risk Owner / Portfolio (PH) / OSP
			13.Revised Homelessness Strategy.	13: Assistant Director (Strategic Housing)		13.Strategy in place.	
			14.Reviewed Housing Strategy (December 2024).	14: Assistant Director (Strategic Housing)		14. Revised strategy in place	
			<u>Planned:</u>				
			1. HRA / GF development programme.	1: Capital Investment Service Manager / Strategic Director (H&CS)		1. Programmes in place	
			2. Consultation and formulation of a Town Centre Strategy (2025/26).	2: Assistant Director (Economy)		2. Strategy in place	

Risk Ref	Risk Description	Gross Risk	Mitigation Control Existing / Ongoing	Mitigation Owner	Net Risk / Status	Sources of Assurance	Risk Owner / Portfolio (PH) / OSP
			3. Review of Borough Plan (Borough Plan adopted by Full Council in December 2025 subject to legal challenge to the end of January 2026).	3: Assistant Director (Planning)		3. Publication of revised plan	
			4. Review of Housing Revenue Account Development and Acquisition Strategy.	4: Assistant Director (Social Housing and Community Safety)		4. Elected Member – approved document in place.	
			5. Up-to-date Strategic Housing Marketing Assessment (SHMA) evidence (in Autumn 2026).	5: Assistant Director (Planning)		5. Local Plan.	

Risk Ref	Risk Description	Gross Risk	Mitigation Control Existing / Ongoing	Mitigation Owner	Net Risk / Status	Sources of Assurance	Risk Owner / Portfolio (PH) / OSP
R4	Failure to maintain the economic vibrancy of the borough / town centres	Very High / Major (RED)	1. Non-constituent member of West Midlands Combined Authority (WMCA)	1: Strategic Director (H&CS)	Very High / Major (RED)	1. Minutes of WMCA meetings.	Management Team / PH – B&R / BRP OSP
			2. Cross Border Delivery Partnership	2: Strategic Director (H&CS)		2. Minutes of meetings of the partnership	
			3. Economic Development Strategy and on-going review.	3: Strategic Director (H&CS)		3. Cabinet report	
			4. Partnership working with Chamber of Commerce and Federation of Small Businesses (FSB) and others.	4: Strategic Director (H&CS)		4. Minutes of partner meetings, FSB awards	
			5. Maintain “Invest Warwickshire” – website for available commercial property.	5: Strategic Director (H&CS)		5. Website in place / Minutes of WMCA meetings.	

Risk Ref	Risk Description	Gross Risk	Mitigation Control Existing / Ongoing	Mitigation Owner	Net Risk / Status	Sources of Assurance	Risk Owner / Portfolio (PH) / OSP
			6. Business Rates Local Discount scheme.	6: Strategic Director (H&CS)		6. Policy in place	
			7. Think Local First supporting local businesses.	7: Strategic Director (CR)		7. Annual Procurement and Accounts Payable Report	
			8. Transforming Nuneaton master plan.	8: Strategic Director (H&CS)		8. Plan in place	
			9. Employment land allocations in borough Plan.	9: Assistant Director (Planning)		9. Borough Plan in place.	
			10. Government's Local Regeneration funding.	10: Strategic Director (H&CS)		10. Programme Board minutes and Government returns.	
			11. Letting and further development of former Co-Op building.	11: Strategic Director (H&CS)		11. Site development. Regular update reports to Cabinet.	

Risk Ref	Risk Description	Gross Risk	Mitigation Control Existing / Ongoing	Mitigation Owner	Net Risk / Status	Sources of Assurance	Risk Owner / Portfolio (PH) / OSP
			12. Delivery of Transforming Nuneaton master plan including “One Public Estate” grants.	12: Strategic Director (H&CS)		12. Programme Board minutes.	
			13. Bedworth Government funding obtained.	13: Strategic Director (H&CS)		13. Board minutes and Government returns. Regular update reports to Cabinet.	
			14. Bedworth visioning document completed, and Transforming Bedworth Group established.	14: Assistant Director (Economy)		14. Records in place.	
			15. Procured strategic development partner for Abbey Street, Nuneaton	15: Strategic Director (H&CS)		15. Procurement and other programme management documentation	
			16. Appointed additional staff capacity for Nuneaton.	16: Strategic Director (H&CS)		16. Staff in post / induction records.	

Risk Ref	Risk Description	Gross Risk	Mitigation Control Existing / Ongoing	Mitigation Owner	Net Risk / Status	Sources of Assurance	Risk Owner / Portfolio (PH) / OSP
			17. Abbey Street development Phase 1 (completed)	17: Strategic Director (H&CS)		17. Cabinet / Planning Committee minutes. Branding and Management Agreement (BAMA) for hotel development.	
			18. Local Economic Assessment completed.	18: Assistant Director (Economy)		18. Assessment in place.	
			19. Local Regeneration funding application for Bedworth Physical Activity Hub approved and letter received confirming funding.	19: Chief Executive / Strategic Director (PS)		19. Fund-related documentation / formal agreement in place. Regular update reports to Cabinet. Contract signed. Project underway.	

Risk Ref	Risk Description	Gross Risk	Mitigation Control Existing / Ongoing	Mitigation Owner	Net Risk / Status	Sources of Assurance	Risk Owner / Portfolio (PH) / OSP
			20. Sport England funding (£2.5 million secured).	20: Strategic Director (PS)		20. All payments received excluding retention fee.	
			21. UK Shared Prosperity Fund development programme.	21: Assistant Director (Economy)		21. Investment Plan, Cabinet reports and monitoring data.	
			22. Leisure Strategy and Parks Concept Plans.	22: Strategic Director (PS)		22. Adopted Strategy and plans in place / Cabinet progress reports.	
			23. Investment plan agreed under the Local Regeneration funding. programme.	23: Strategic Director (H&CS)		23. Agreement in place.	
			24. Vicarage Street regeneration scheme in progress.	24: Strategic Director (H&CS)		24. Update progress reports.	

Risk Ref	Risk Description	Gross Risk	Mitigation Control Existing / Ongoing	Mitigation Owner	Net Risk / Status	Sources of Assurance	Risk Owner / Portfolio (PH) / OSP
			25. Business Improvement District (BID) funding in place and operational.	25: Strategic Director (H&CS)		25. Cabinet reports.	
			26. Parks and Green Space Strategy (August 2025).	26: Assistant Director (Recreation and Culture)		26. Cabinet report / strategy adopted.	
			27. Housing and Economic Needs Assessment (HEDNA) in place.	27: Assistant Director (Planning)		27. HEDNA in place.	
			28. New Borough Plan examined by the Inspectorate and adopted by Cabinet and Full Council (10/12/25) - <i>subject to legal challenge to the end of January 2026.</i>	28: Assistant Director (Planning)		28. New plan in place / Full Council minutes.	

Risk Ref	Risk Description	Gross Risk	Mitigation Control Existing / Ongoing	Mitigation Owner	Net Risk / Status	Sources of Assurance	Risk Owner / Portfolio (PH) / OSP
			<u>Planned:</u>				
			1. Formulate town centres action plan (April 2026).	1: Assistant Director (Economy)		1. Strategy in place.	
			2. Abbey Street development Phase 2 (October 2026).	2: Strategic Director (H&CS)		2. Cabinet / Planning Committee minutes.	
			3. Plan for Neighbourhoods Bedworth - Regeneration Plan to be submitted to Government (by 28 th November 2025).	3: Strategic Director (H&CS)		3. Cabinet / Board minutes.	
			4. Economic Development Strategy refresh (February 2026).	4: Assistant Director (Economy)		4. Cabinet report.	
			5. Review and refresh Local Economic Assessment.	5: Assistant Director (Economy)		5. Updated assessment in place.	

NET AMBER RISKS

Risk Ref	Risk Description	Gross Risk	Mitigation Control Existing / Ongoing	Mitigation Owner	Net Risk / Status	Sources of Assurance	Risk Owner / Portfolio (PH) / OSP
R8	Failure to deliver / refresh the key elements of the Corporate Plan	Very High / Moderate (AMBER)	1. Member training programme.	1: Chief Executive	High / Moderate (AMBER)	1. Records of all formal Employee & Member meetings and training.	Management Team / PH - Leader and R&CS / H&CR OSP
			2. Annual Development Reviews.	2: Strategic Directors		2. Records of all formal Employee & Member meetings and training.	
			3. Management Development training.	3. Strategic Director (CR)		3. Records of all formal Employee & Member meetings and training.	
			4. Performance management framework.	4: Assistant Director (Democracy and Governance)		4 & 5. Strategic Performance Report (monthly to Management Team / quarterly to Overview and Scrutiny Panels).	

Risk Ref	Risk Description	Gross Risk	Mitigation Control Existing / Ongoing	Mitigation Owner	Net Risk / Status	Sources of Assurance	Risk Owner / Portfolio (PH) / OSP
			5. Corporate Plan Delivery Plan.	5: Chief Executive		5. Delivery plan in place.	
			6. Monitor and utilise external funding opportunities.	6: Management Team		6. Capital Programme and Revenue Budgets.	
			7. Partnership working arrangements.	7: Management Team		7. Partnership board meeting minutes.	
			8. On-going annual review of delivery plan.	8: Assistant Director (Democracy and Governance)		8. Current plan in place.	
			9. Medium Term Financial Plan (reviewed annually).	9: Strategic Director (CR)		9. Current plan in place / Cabinet reports.	
			10. HRA Business Plan (reviewed annually).	10: Strategic Directors (CR) / (H&CS)		10. Current plan in place / Cabinet reports	

Risk Ref	Risk Description	Gross Risk	Mitigation Control Existing / Ongoing	Mitigation Owner	Net Risk / Status	Sources of Assurance	Risk Owner / Portfolio (PH) / OSP
			11. Revised Corporate Plan 2025/29 in place following new political leadership.	11: Assistant Directors (Democracy and Governance)		11. Approved plan in place.	
			<u>Planned:</u>				
			1. Annual (31 st March) review of Delivery Plan against external factors.	1: SLT/ Cabinet.			
			2. Review of Annual Development Review (ADR) process (June 2026)	2: Strategic Directors (CR)			

Risk Ref	Risk Description	Gross Risk	Mitigation Control Existing / Ongoing	Mitigation Owner	Net Risk / Status	Sources of Assurance	Risk Owner / Portfolio (PH) / OSP
R9	Failure to effectively manage Health, Safety & welfare arrangements to limit the potential for accidents and financial penalties	High / Major (RED)	1. Health and Safety Co-ordinators Group (HASCOG).	1: Assistant Director (Environment and Enforcement) / Health and Safety Manager	Significant / Major (AMBER)	1. HASCOG minutes.	Strategic Director (PS) / PH – P&E / BRP OSP
			2. Health & Safety policies & procedures.	2. Health and Safety Manager		2. HASCOG minutes.	
			3. Risk assessments and safe systems of work.	3: Strategic /Assistant Directors		3. HASCOG minutes and review / audit of NSHARE.	
			4. Mandatory Health & Safety training.	4: Health and Safety Manager		4. Training Records	
			5. Designated Corporate Health and Safety Officer.	5: Health and Safety Manager		5. Officer in place.	

Risk Ref	Risk Description	Gross Risk	Mitigation Control Existing / Ongoing	Mitigation Owner	Net Risk / Status	Sources of Assurance	Risk Owner / Portfolio (PH) / OSP
			6. Compliance software system (NSHARE).	6: Health and Safety Manager		6. System in place.	
			7. Assurance reporting to Management Team.	7: Assistant Director (Environment and Enforcement) / Health and Safety Manager		7. Management Team reports and minutes.	
			8. Annual statement for Health and Safety assurance.	8: Assistant Director (Environment and Enforcement) / Health and Safety Manager		8. Audit and Standards Committee minutes.	
			9. Internal review of Health and Safety arrangements (August 2025).	9: Assistant Director (E&E) / Health and Safety Manager		9. CET / SLT report / minutes.	
			10. Revised Health and Safety policies to be presented to Management Team / HASCOG (On-going).	10: Health and Safety Manager		10. Individual Cabinet Member decision by portfolio holder.	

Risk Ref	Risk Description	Gross Risk	Mitigation Control Existing / Ongoing	Mitigation Owner	Net Risk / Status	Sources of Assurance	Risk Owner / Portfolio (PH) / OSP
			11. Fully implement new compliance software system in 2024/25 (NSHARE).	11: Health and Safety Manager		11. I.T. system fully implemented.	
			<u>Planned:</u>				
			1. Review of Health and Safety software and establishing a corporate approach.	1: Health and Safety Manager		1. Management Team report / minutes.	
			2. Review of HASCOG terms of reference and attendance by operational team members (February 2026).	2: Assistant Director (Environment and Enforcement)		2. HASCOG minutes.	
			3. Assistant Directors quarterly Health and Safety strategic meeting (February 2026).	3: Strategic Director (PS)		3. Meeting minutes.	

Risk Ref	Risk Description	Gross Risk	Mitigation Control Existing / Ongoing	Mitigation Owner	Net Risk / Status	Sources of Assurance	Risk Owner / Portfolio (PH) / OSP
			4.Implement the internal review action plan including establishing new Corporate Health and Safety Team (April 2026).	4.Strategic Directors (PS & H&CS)		4. Management Team minutes / New team in place.	

Risk Ref	Risk Description	Gross Risk	Mitigation Control Existing / Ongoing	Mitigation Owner	Net Risk / Status	Sources of Assurance	Risk Owner / Portfolio (PH) / OSP
R11	Nuneaton and Bedworth Community Enterprises Ltd. (NABCEL) gives rise to unplanned liabilities	Significant / Serious (AMBER)	1. NABCEL Board.	1: NBBC Strategic Director (H&CS) / Shareholder Committee	Significant / Serious (AMBER)	1. Board meeting papers & minutes.	Management Team / PH – B&R / BRP OSP
			2. Articles of Association adopted.	2: NBBC Strategic Director (H&CS) / Shareholder Committee		2. Articles of association	
			3. Each new business activity for NABCEL is supported by a robust business case that must be approved by the NABCEL Board.	3: NBBC Strategic Director (H&CS) / Shareholder Committee		3. Business cases / Cabinet minutes.	
			4. Appropriate and effective policies and procedures are in place and budgets are monitored regularly.	4: NBBC Strategic Director (H&CS) / Shareholder Committee		4. Policies located in records management system and budget monitoring.	

Risk Ref	Risk Description	Gross Risk	Mitigation Control Existing / Ongoing	Mitigation Owner	Net Risk / Status	Sources of Assurance	Risk Owner / Portfolio (PH) / OSP
			5. Appropriate insurance cover in place.	5: NBBC Strategic Director (H&CS) / Shareholder Committee		5. Insurance certification.	
			6. External business support.	6: NBBC Strategic Director (H&CS) / Shareholder Committee		6. Business Plan to stakeholder committee.	
			7. NABCEL Internal Audit.	7: NBBC Strategic Director (H&CS) / Shareholder Committee		7. NABCEL Internal Audit reports.	
			8. Shareholder agreement / committee.	8: NBBC Strategic Director (H&CS) / Shareholder Committee		8. Shareholder agreement record / minutes of Shareholder Committee meetings.	
			9. Shareholder board member training.	9: NBBC Strategic Director (H&CS) / Shareholder Committee		9. Training records.	

Risk Ref	Risk Description	Gross Risk	Mitigation Control Existing / Ongoing	Mitigation Owner	Net Risk / Status	Sources of Assurance	Risk Owner / Portfolio (PH) / OSP
			10. Effective senior management arrangements in place.	10: NBBC Strategic Director (H&CS) Shareholder Committee		10. New structure implemented.	
			11. Five-year Business Plan.	11: NBBC Strategic Director (H&CS) / Shareholder Committee		11. Business Plan in place. Annual review completed.	
			12. Regular performance review.	12: Board Chair		12. Board minutes.	
			13. External audits of NABCEL (on-going).	13: NABCEL Board Chair		13. Audit reports & Board reports / minutes.	
			14. Elected Members removed from their Directorship roles.	14: Assistant Director (D&G)		14. Council / Cabinet minutes.	

Risk Ref	Risk Description	Gross Risk	Mitigation Control Existing / Ongoing	Mitigation Owner	Net Risk / Status	Sources of Assurance	Risk Owner / Portfolio (PH) / OSP
			15. External Non-Executive Director appointed.	15: Strategic Director (H&CS)		15. Director in place.	
			16. External consultancy in place to support senior management.	16: Strategic Director (H&CS)		16. Contract in place.	
			17. Review of Senior Management Performance and Implementation of external support & mentoring for senior management.	17:Strategic Director (H&CS)		17. Payments to external support contractor / board correspondence.	
			<u>Planned:</u>				
			1. Review growth model and establish a financial strategy (Quarter 4, 2025/26).	1: NABCEL board.		1. Plan in place.	
			2. Fundamental review of Business Strategy and Business plan.	2: NABCEL board.		2. Approved Business Case in place.	

Risk Ref	Risk Description	Gross Risk	Mitigation Control Existing / Ongoing	Mitigation Owner	Net Risk / Status	Sources of Assurance	Risk Owner / Portfolio (PH) / OSP
			3. Review approach to viability assessment for new business streams/extension to existing activities.	3: Strategic Director (H&CS)		3. Review documentation.	
			4. Recruitment of a suitably qualified Managing Director (April 2026).	4: Strategic Director (H&CS)		4. Managing Director in post	
			5. Review of the risk status for this risk at the end of the fourth quarter 2025/26.	5: Strategic Director (H&CS)		5. Strategic Risk Register audit trail / register updated, if required.	

Risk Ref	Risk Description	Gross Risk	Mitigation Control Existing / Ongoing	Mitigation Owner	Net Risk / Status	Sources of Assurance	Risk Owner / Portfolio (PH) / OSP
R16	“Cyber” crime or attack	High/ Major (RED)	1. Anti-virus, managed firewall, security patches and robust back-up procedure updated weekly.	1: ICT and Comms. Manager	Significant / Major (AMBER)	1. PSN certification in place	Strategic Director (CR) / PH – R&CS / H&CR OSP
			2. Awareness training sessions held throughout the year.	2: ICT and Comms. Manager		2. Training programme and attendance records.	
			3. Monthly e-communication from Cyber Crime Officer (WCC).	3: Strategic Director (CR)		3. Monthly e-communication.	
			4. Public Services Network (PSN) annual compliance certification.	4: ICT and Comms. Manager		4. PSN certification in place	
			5. Post “Azure” migration, LGA cyber security peer review undertaken (December 2023).	5: ICT and Comms. Manager		5. Peer review report.	

Risk Ref	Risk Description	Gross Risk	Mitigation Control Existing / Ongoing	Mitigation Owner	Net Risk / Status	Sources of Assurance	Risk Owner / Portfolio (PH) / OSP
			6. Phising e-mail testing of staff to identify and action training requirements (On-going).	6: ICT and Comms. Manager		6. Tests undertaken and training identified.	
			<u>Planned:</u>				
			1. "Cyber Essentials" certification application to be resubmitted pending Cyber security and risk review (2025/26, subject to upgrade of Electoral Registration software).	1: ICT and Comms. Manager		1. Certificate in place.	
			2. Test internal e-mail security (on-going).	2: ICT and Comms. Manager		2. Report to Management Team.	
			3. Access to Electoral Registration database to be addressed (linked to Central Government elections "cyber" security threat briefing).	3: Democratic and Electoral Services Manager		3. Review completed with access arrangements in place and monitored at least annually.	

Risk Ref	Risk Description	Gross Risk	Mitigation Control Existing / Ongoing	Mitigation Owner	Net Risk / Status	Sources of Assurance	Risk Owner / Portfolio (PH) / OSP
			4. Review of maintenance, access, storage and disposal of shared files containing electoral data.	4: Democratic and Electoral Services Manager		4: Review completed / records.	
			5. Review and update ICT Security Policy (March 2026).	5: Assistant Director (Digital and Business Change)			

Risk Ref	Risk Description	Gross Risk	Mitigation Control Existing / Ongoing	Mitigation Owner	Net Risk / Status	Sources of Assurance	Risk Owner / Portfolio (PH) / OSP
R20	Pandemic – service, social and economic implications	Very High/ Major (RED)	1. Corporate Business Continuity Plan.	1: Chief Executive	Significant / Major (AMBER)	1. Plan in place.	Management Team / PH - Cabinet / H&CR OSP
			2. Business Continuity Plans (BCPs).	2: Assistant Directors		2: Plans in place.	
			3. Emergency Plan including regular training.	3: Strategic Director (CR)		3. Plan in place / training records.	
			4. Risk assessment in place to address and co-ordinate the safe delivery of (revised) services / working arrangements.	4: Head of Health and Safety and Environmental Health		4. Risk assessment in place.	
			5. Pandemic response and recovery: <ul style="list-style-type: none"> • Incident Management Team • Implement responsibilities linked to Civil Contingencies Act 	5: Chief Executive		5. Terms of reference / meeting minutes:	

Risk Ref	Risk Description	Gross Risk	Mitigation Control Existing / Ongoing	Mitigation Owner	Net Risk / Status	Sources of Assurance	Risk Owner / Portfolio (PH) / OSP
			6. Implement directives from Central Government, as required.	6: Chief Executive		6. Regular completion of pro forma returns to Government.	
			7. Effective and timely communication systems (employees, Elected Members, public and media).	7: Chief Executive		7. E-mail and public / media communications / bulletins.	
			8. Encourage employees to take up vaccination offers.	8: Chief Executive		8. Employee newsletters and bulletins.	
			<u>Planned:</u>				
			1. Update Emergency / Business Continuity Plans (March 2026).	1: Management Team		1. Plans in place.	

Risk Ref	Risk Description	Gross Risk	Mitigation Control Existing / Ongoing	Mitigation Owner	Net Risk / Status	Sources of Assurance	Risk Owner / Portfolio (PH) / OSP
R22	Operation of sub-regional recycling facility in partnership with other authorities and operational costs / realisation of income	High / Major (RED)	1. "Arm's length" company (Sherbourne Resources Ltd.) in place with Strategic Director (PS) on the board.	1: Strategic Director (PS)	Significant / Major (AMBER)	1. Memoranda and articles (Company House).	Strategic Director (PS) / PH – E&PS / E&L OSP
			2. Three-year Business Plan in place and subject to regular review.	2: Strategic Director (PS) / Strategic Director (CR)		2. Business Plan in place / Council reports.	
			3. Elected Member Shareholder panel established to oversee project plan.	3: Cabinet member for Public Services		3. Panel reports and minutes.	
			4. Finance and Operational bi-monthly meetings with partners and project team.	4: Strategic Directors (PS) and (CR) / Assistant Director (Environment and Enforcement)		4. Regular meetings and reports to specific working groups with Sherbourne Resources Ltd.	

Risk Ref	Risk Description	Gross Risk	Mitigation Control Existing / Ongoing	Mitigation Owner	Net Risk / Status	Sources of Assurance	Risk Owner / Portfolio (PH) / OSP
			5. Sherbourne Resources Ltd. running the facility.	5: Strategic Director (PS)		5. Regular reports to Sherbourne Resources Ltd. Board.	
			6. Bi-monthly meeting of Sherbourne Resources Ltd. Board.	6: Strategic Director (PS)		6. Minutes of meetings and regularly updated project risk register.	
			7. Annual audit of accounts independently arranged by partners.	7: Strategic Directors (PS) and (CR)		7. Audit report.	
			8. Monitoring of supply and market issues.	8: Strategic Directors (PS) and (CR)		8. Accounts records / Finance meeting minutes. Updates to OSP.	
			9. On-going site visits by officers to monitor operation.	9: Assistant Director (Environment and Enforcement)		9. OSP reports.	

Risk Ref	Risk Description	Gross Risk	Mitigation Control Existing / Ongoing	Mitigation Owner	Net Risk / Status	Sources of Assurance	Risk Owner / Portfolio (PH) / OSP
			10. Finance / loan repayment in place and approved by Cabinet.	10: Strategic Directors (PS) and (CR)		10: Cabinet meeting minutes.	
			11. Assessment of recycling material from NBBC residents monitoring by Sherbourne Resources Ltd. (ongoing)	11. Assistant Director (Environment and Enforcement) and Neighbourhood Services Manager		11. Monthly reports from Sherbourne Resources Ltd).	
			12. Review of Business Plan and financial modelling by external auditor and board members.	12: Strategic Directors (PS) and (CR)		12. Minutes of meetings and Business plan signed off by shareholder panel.	
			13. Revised Business Plan 2025/28 signed off by shareholder panel.	13: Strategic Director (PS)		13. Shareholder panel meeting minutes.	

Risk Ref	Risk Description	Gross Risk	Mitigation Control Existing / Ongoing	Mitigation Owner	Net Risk / Status	Sources of Assurance	Risk Owner / Portfolio (PH) / OSP
			14. Quarterly reports to NBBC Shareholder Panel.	13: Strategic Director (PS / Managing Director (Sherbourne Resources Ltd.)		14. NBBC Shareholder Panel meeting minutes.	
			15. Education Officer appointed to meet recycling targets.	15: Neighbourhood Services Manager		15. Officer in place / monitoring of recycling rates.	
			<u>Planned:</u>				
			1. Sherbourne Resources Ltd. to commence loan repayments to NBBC (to be agreed).	1: Strategic Directors (PS) and (CR)		1. Loan repayment budget monitoring.	
			2. Annual reviews of the recycling facility to OSP.	2: Assistant Director (Environment and Enforcement)		2. OSP / Cabinet report / minutes.	

Risk Ref	Risk Description	Gross Risk	Mitigation Control Existing / Ongoing	Mitigation Owner	Net Risk / Status	Sources of Assurance	Risk Owner / Portfolio (PH) / OSP
			3. Bi-monthly meeting with Finance Manager and Strategic Directors (PS) and (CR).	3: Strategic Directors (PS) and (CR)		3. Meeting notes and actions.	
			4. Review of board membership and designated roles / non-executive Directors.	4: Strategic Director (PS)		4. Signed off by board and shareholder panel.	
			5. Financial review of NBBC partnership to be presented as part of the budget-setting process for 2025/26.	5: Strategic Director (PS) / Strategic Director (CR)		5. Cabinet / Council minutes.	
			6. Reporting to NBBC Shareholder panel.	6: Strategic Director (PS)		6. Panel meeting minutes.	
			7. Governance review of Sherbourne board to be undertaken by external consultants.	7: Strategic Director (PS) / NBBC shareholder representative.		7. NBBC Shareholder Panel meeting minutes.	

Risk Ref	Risk Description	Gross Risk	Mitigation Control Existing / Ongoing	Mitigation Owner	Net Risk / Status	Sources of Assurance	Risk Owner / Portfolio (PH) / OSP
R25	<p>Noncompliance with regulations relating to:</p> <ul style="list-style-type: none"> • Freedom of Information • Environmental Information • General Data Protection <p>resulting in penalties applied by the Information Commissioner's Office</p>	Very high / major (RED)	<u>Freedom of Information / Environmental Information</u>		Significant / major (AMBER)		Management Team / PH – Cabinet / H&CR, H&COM, E&L & BRP OSPs
			1. Monthly FOI reports to designated service areas.	1: Corporate Support and Data Compliance Manager		1. Reports.	
			2. Dash Customer Service Workflow application used to manage outstanding cases.	2: Strategic Director (CR)		2. Dash application.	
			3. Email alerts on receipt of new requests.	3: Strategic Director (CR)		3. Emails.	

Risk Ref	Risk Description	Gross Risk	Mitigation Control Existing / Ongoing	Mitigation Owner	Net Risk / Status	Sources of Assurance	Risk Owner / Portfolio (PH) / OSP
			4. Nominated officers in some service areas to monitor outstanding requests.	4: Chief Executive / Strategic Directors		4. Nominated Officers.	
			5. Workflow process regularly reviewed and updated if necessary	5: Information Management Group (IMG)		5. Request reports.	
			6. Regular targeted training on meeting FOI request deadlines.	6: Information Management Group (IMG)		6. Training records.	
			7. Nominated employees to monitor and manage FOI / EIR requests.	7: Strategic Director (CR)		7. Officer in place.	
			8. Qualified DPO co-ordinating information in line with the Freedom of Information Act 2000	8: Strategic Director (CR)		8. Officer in place.	

Risk Ref	Risk Description	Gross Risk	Mitigation Control Existing / Ongoing	Mitigation Owner	Net Risk / Status	Sources of Assurance	Risk Owner / Portfolio (PH) / OSP
			<u>Planned:</u>				
			1. Refresher training for Senior Managers (September 2025).	1: Corporate Support and Data Compliance Manager		1. Senior Management Team minutes / training records.	
			<u>General Data Protection Regulations (GDPR)</u>				
			1. Corporate Information Governance Group (CIGG) / Information Management Group.	1: Assistant Director (Democracy and Governance)		1. Meeting minutes.	
			2. Use of an accredited contractor to dispose of electrical equipment (including IT equipment). The contractor guarantees data destruction & provides certification accordingly.	2: Strategic Director (CR)		2. Contractor agreement and meetings minutes	

Risk Ref	Risk Description	Gross Risk	Mitigation Control Existing / Ongoing	Mitigation Owner	Net Risk / Status	Sources of Assurance	Risk Owner / Portfolio (PH) / OSP
			3. Compliance with Public Services Network Code of Connection (PSN Co-Co).	3: Strategic Director (CR)		3. Annual PSN Compliance Certification / "Cyber Essentials Scheme" certification.	
			4. Senior Information Risk Owner (SIRO) and Deputy appointed.	4: Strategic Director (CR)		4. SIRO's Job Description	
			5. Information Governance Framework/ ICT Code of Conduct for Employees/Member Protocol for the Use of IT Resources.	5: Assistant Director (Digital & Business Change)		5. Individual Cabinet Member Decision	
			6. Data Protection Officer (DPO) in line with Data Protection regulations.	6: Corporate Support and Data Compliance Manager		6. DPO in place.	

Risk Ref	Risk Description	Gross Risk	Mitigation Control Existing / Ongoing	Mitigation Owner	Net Risk / Status	Sources of Assurance	Risk Owner / Portfolio (PH) / OSP
			7. Data audit and publication of privacy notices.	7: Assistant Director (Democracy and Governance).		7. Audit records (records of processing activity)/notices on council website.	
			8. Internal Audit undertaken (Option via Central Midlands Audit Partnership).	8: Assistant Director (Democracy and Governance)		8. Report in place.	
			9. Data Protection training available on Delta.	9: DPO and Training Officer		9. Delta training records	
			10. Refresh of Corporate Governance Group (CGG) / Information Management Group (October 2023) – including monitoring of data breach reports.	10: Assistant Director (Democracy and Governance) / DPO		10. Meetings minutes	

Risk Ref	Risk Description	Gross Risk	Mitigation Control Existing / Ongoing	Mitigation Owner	Net Risk / Status	Sources of Assurance	Risk Owner / Portfolio (PH) / OSP
			<u>Planned:</u>				
			1. Data Protection policy to be updated (April 2025).	1: DPO		1. Policy approved.	
			2. Data Protection information to be made available to employees via the new Intranet when available (April 2025).	2: DPO		2. Intranet.	
			3. Information Asset Register to be established (timescale to be agreed with Information Management Group).	3: DPO / Information asset owners		3. Register in place.	
			4. Data protection and Freedom of Information Act training for Senior Managers (on-going).	4: DPO		4. Senior Management meeting records.	

Risk Ref	Risk Description	Gross Risk	Mitigation Control Existing / Ongoing	Mitigation Owner	Net Risk / Status	Sources of Assurance	Risk Owner / Portfolio (PH) / OSP
			5. Data Protection training to be reviewed to ensure that it is up to date and appropriate (ongoing).	5: DPO and Training Officer		5. Delta training records.	

Risk Ref	Risk Description	Gross Risk	Mitigation Control Existing / Ongoing	Mitigation Owner	Net Risk / Status	Sources of Assurance	Risk Owner / Portfolio (PH) / OSP
R33	Grayson Place Ltd. gives rise to unplanned liabilities	Significant / Serious (AMBER)	1. Grayson Place Board.	1: NBBC Strategic Director (H&CS) / Shareholder Committee	Significant / Serious (AMBER)	1. Board meeting papers & minutes.	Strategic Director (H&CS) / PH – B&R / BRP OSP
			2. Articles of Association adopted.	2: NBBC Strategic Director (H&CS) / Shareholder Committee		2. Articles of association.	
			3. Appropriate insurance cover in place.	3: NBBC Strategic Director (H&CS) / Shareholder Committee		3. Insurance certification.	
			4. External Asset Management support.	4: NBBC Strategic Director (H&CS) / Shareholder Committee		4. Monthly owner reports / minutes.	

Risk Ref	Risk Description	Gross Risk	Mitigation Control Existing / Ongoing	Mitigation Owner	Net Risk / Status	Sources of Assurance	Risk Owner / Portfolio (PH) / OSP
			5. Grayson Place Ltd. External Audit.	5: NBBC Strategic Director (H&CS) / Shareholder Committee		5. Audit reports.	
			6. Shareholder agreement / committee.	6: NBBC Strategic Directors / Shareholder Committee		6. Shareholder agreement record / minutes of Shareholder Committee meetings.	
			7. Shareholder committee member training.	7: NBBC Strategic Director (H&CS) / Shareholder Committee		7. Training attendance records.	
			8. Effective senior management arrangements in place.	8: NBBC Strategic Director (H&CS) / Shareholder Committee		8. New structure implemented.	

Risk Ref	Risk Description	Gross Risk	Mitigation Control Existing / Ongoing	Mitigation Owner	Net Risk / Status	Sources of Assurance	Risk Owner / Portfolio (PH) / OSP
			9. Regular performance review.	9: Board Chair		9. Monthly owner's meeting minutes.	
			<u>Planned:</u>				
			1. Three-year Business Strategy.	1: NBBC Strategic Director (H&CS) / Shareholder Committee		1. Strategy in place. Annual review completed.	
			2. Five-year Business Plan.	2: NBBC Strategic Director (H&CS) / Shareholder Committee		2. Business Plan in place. Annual review completed.	
			3. Annual review of Business Strategy and Business plan.	3: NBBC Strategic Director (H&CS) / Shareholder Committee		3. Updated Strategy and Plan in place.	

Risk Ref	Risk Description	Gross Risk	Mitigation Control Existing / Ongoing	Mitigation Owner	Net Risk / Status	Sources of Assurance	Risk Owner / Portfolio (PH) / OSP
			4. Appropriate, relevant and effective policies and procedures are in place and budgets are monitored regularly.	4: NBBC Strategic Director (H&CS) / Shareholder Committee		4. Policies located in records management system and budget monitoring.	

Risk Ref	Risk Description	Gross Risk	Mitigation Control Existing / Ongoing	Mitigation Owner	Net Risk / Status	Sources of Assurance	Risk Owner / Portfolio (PH) / OSP
R34	Corporate Fraud: <ul style="list-style-type: none"> • Procurement • Payments and Finance • Elections • Employment application / recruitment • Internal Fraud • Housing benefit fraud, tenancy fraud, Right to Buy fraud, subletting and Council tax fraud • External grants (3rd sector, private sector and activity-based funding/grants) • Insurance claims • Insider and employee fraud 	Very High/ Major (RED)	1. Employment of a Corporate Fraud Officer.	1: Assistant Director (Finance)	High / Serious (AMBER)	1. Officer in place.	Management Team / R&CS / H&CR OSP
			2. National Fraud Initiative.	2: Assistant Directors (Democracy and Governance / Finance / Social Housing and Community Safety)		2. Records and exercise undertaken every 2 years (data upload, checked and updated)	
			3. Approved officers for different levels of approval for credit cards, purchase orders, invoices and payments.	3: Assistant Director (Finance)		3. Records and authorised list. Systems updated.	
			4. Officer declarations of interest process and duty.	4: Assistant Director (Democracy and Governance)		4. Records maintained.	

Risk Ref	Risk Description	Gross Risk	Mitigation Control Existing / Ongoing	Mitigation Owner	Net Risk / Status	Sources of Assurance	Risk Owner / Portfolio (PH) / OSP
			5. Member declarations of interest process and duty.	5: Assistant Director (Democracy and Governance)		5. Records Maintained.	
			6. Annual accounts – third party related transactions (chief officers).	6: Assistant Director (Finance)		6. Records maintained.	
			7. Procurement conflicts of interest assessment forms and declarations.	7: Assistant Director (Democracy and Governance)		7. Records maintained.	
			8. Procurement Contract Procedure Rules and Strategy.	8: Assistant Director (Democracy and Governance)		8. Strategy and Procedure Rules in place.	
			9. Access to Internal Audit provision (CMAP).	9: Strategic Director (CR)		9. CMAP in place.	
			10. Employee Code of Conduct.	10: People Services Manager.		10. Code in place.	

Risk Ref	Risk Description	Gross Risk	Mitigation Control Existing / Ongoing	Mitigation Owner	Net Risk / Status	Sources of Assurance	Risk Owner / Portfolio (PH) / OSP
			11. Elected Member Code of Conduct.	11: Assistant Director (Democracy and Governance)		11. Code in place.	
			12. Corporate Governance Training.	12: Assistant Director (Democracy and Governance)		12. Training records.	
			13. No Purchase Order No Pay Policy, Financial Procedure Rules and segregation of duties.	13: Assistant Director (Finance)		13. Strategy and Procedure Rules in place.	
			14. Evidence-based insurance claims to mitigate fraudulent insurance claims.	14: Assistant Director (Finance)		14. Records maintained, and checks undertaken.	

Risk Ref	Risk Description	Gross Risk	Mitigation Control Existing / Ongoing	Mitigation Owner	Net Risk / Status	Sources of Assurance	Risk Owner / Portfolio (PH) / OSP
			15. Council policies and procedures (Employee Code of Conduct, Gifts & Hospitality Policy, Anti-Fraud, Corruption and Bribery Strategy, Anti-Money Laundering Policy, Whistleblowing Procedures).	15: Assistant Director (Democracy and Governance) / Assistant Director (Finance) / People Services Manager		15. Policies and Procedure Rules in place.	
			16. Directors are responsible for ensuring that there is a strong internal control environment within their service areas, for example, by making sure that proper authorisation and approval controls are in place, e.g. payroll documentation, or that certain duties are divided amongst the team to prevent the risk of fraud or accidental error.	16: Strategic Directors and Assistant Directors		16. Procedures updated and tested following National Fraud Initiative and Audits.	

Risk Ref	Risk Description	Gross Risk	Mitigation Control Existing / Ongoing	Mitigation Owner	Net Risk / Status	Sources of Assurance	Risk Owner / Portfolio (PH) / OSP
			17. Recruitment employee related checks (No right to work in the UK, false identity, false qualifications, false references, concealment of key information for example reasons for breaks in employment history).	17: People Services Manager		17. Checks in place and files recorded and maintained.	
			18. Evidence based checks and challenge for over inflation of activity data by providers to obtain increased funding / payments from the Council for all grant applications.	18: Strategic Directors and Assistant Directors		18. Checks in place and files recorded and maintained.	

Risk Ref	Risk Description	Gross Risk	Mitigation Control Existing / Ongoing	Mitigation Owner	Net Risk / Status	Sources of Assurance	Risk Owner / Portfolio (PH) / OSP
			19. Electoral based fraud: identify fraud, applications for registration, absent voters and voter ID.	19: Democratic and Electoral Services Manager		19. Records maintained per elections risk register.	
			20. Undertake visits to properties across the housing stock to ensure that the tenants assigned are residing there as their main and principal home.	20: Assistant Director (Social Housing and Community Safety)		20. Correspondence / records of checks.	

NET GREEN RISKS

Risk Ref	Risk Description	Gross Risk	Mitigation Control Existing / Ongoing	Mitigation Owner	Net Risk / Status	Sources of Assurance	Risk Owner / Portfolio (PH) / OSP
R3	A major NBBC contractor or supplier cannot deliver a service as planned or ceases trading / failure to comply with requirements for procuring goods and services	Significant / Major (AMBER)	1. Managed under the Democracy and Governance Operational Risk Register.	1: Assistant Director (Democracy and Governance)	Low / Major (GREEN)	1. Democracy and Governance Operational Risk Register.	Management Team / PH – R&CS / H&CR OSP
			2. Procurement Team notify service areas of declining economic financial stability of a supplier for appropriate action.	2: Procurement Team / Assistant Directors		2. Correspondence and Credit Agency records.	

Risk Ref	Risk Description	Gross Risk	Mitigation Control Existing / Ongoing	Mitigation Owner	Net Risk / Status	Sources of Assurance	Risk Owner / Portfolio (PH) / OSP
R5	Failure to reduce the fear of crime and disorder.	High /- Serious (RED)	1. Nuneaton and Bedworth Safer Communities Partnership (NABSCOP). Meets monthly. Action points identified & regularly reviewed. Has own Risk Register.	1: Communities and Community Safety Manager	Sig / Moderate (GREEN)	1. Minutes of NABSCOP meetings, including crime performance statistics. External OSP reports.	Strategic Director (H&CS) / PH – LC&H / H&COM OSP
			2. Police & Crime Commissioner (PCC) grants.	2: Communities and Community Safety Manager		2. Financial accounts (PCC grant receipt and usage). External OSP reports.	
			3. Annual strategic assessment of crime, the level of crime & its impact on the community.	3: Communities and Community Safety Manager		3. Confidential strategic document in place / Minutes of NABSCOP meetings.	
			4. Anti-Social Behaviour & Harassment Policy / Anti-Social Behaviour Strategy	4: Communities and Community Safety Manager		4. Relevant case management records in Flare system / ASB Case Management Group minutes.	

Risk Ref	Risk Description	Gross Risk	Mitigation Control Existing / Ongoing	Mitigation Owner	Net Risk / Status	Sources of Assurance	Risk Owner / Portfolio (PH) / OSP
			5. Communities Officer (anti-social behaviour).	5: Communities and Community Safety Manager		5. Officer in place.	
			6. CCTV coverage.	6: Assistant Director (Economy)		6.CCTV records / British Standard BS7958 Certification / Police Tasking Group minutes.	
			7. Public Space Protection Orders (PSPOs) relating to begging control and anti-social cycling in town centres.	7: Communities and Community Safety Manager		7. Cabinet meeting minutes.	
			8. Dedicated ASB team for Landlord Services.	8: Assistant Director (Social Housing and Community Safety)		8. Performance reports to Strategic Director and portfolio holder.	
			9. Additional full time Community Safety Officer role within the Council's establishment.	9: Communities and Community Safety Manager		9.Officer in place.	

Risk Ref	Risk Description	Gross Risk	Mitigation Control Existing / Ongoing	Mitigation Owner	Net Risk / Status	Sources of Assurance	Risk Owner / Portfolio (PH) / OSP
			10. Establish initiative via the UK Shared Prosperity Fund (SPF) – year 4 ends March 2026.	10: Communities and Community Safety Manager		10. Cabinet approval / initiatives in place. Grant paperwork / criteria.	
			11. Serious Violence Duty delivery plan.	11: Communities and Community Safety Manager		11. Cabinet report / minutes.	
			12. Certification for landlord ASB service	12: Landlord Services Manager		12. Certification in place.	
			<u>Planned:</u>				
			1. Devise and implement a Community Cohesion Strategy (April 2026)	1: Communities and Community Safety Manager		1. Cabinet / OSP reports / minutes.	
			2. Devise and implement Neighbourhood Improvement and Cohesion Plans (September 2026)	2: Communities and Community Safety Manager		1. Cabinet / OSP reports / minutes.	

Risk Ref	Risk Description	Gross Risk	Mitigation Control Existing / Ongoing	Mitigation Owner	Net Risk / Status	Sources of Assurance	Risk Owner / Portfolio (PH) / OSP
			3. Establish Corporate Community Safety Group.	3: Communities and Community Safety Manager		3. Minutes of Corporate Community safety Group.	

Risk Ref	Risk Description	Gross Risk	Mitigation Control Existing / Ongoing	Mitigation Owner	Net Risk / Status	Sources of Assurance	Risk Owner / Portfolio (PH) / OSP
R7	Breakdown of Council services due to an emergency or significant incident.	Low/Major (AMBER)	1. Corporate Business Continuity Plan.	1: Management Team	Low/Serious (GREEN)	1. Plan in place.	Chief Executive and Strategic Director (CR) / PH - Cabinet / H&CR OSP
			2. Emergency Plan including regular training.	2: People Services Manager		2: Plan in place.	
			3. Shared service Emergency Planning Officer in place.	3: Strategic Director (CR)		3. Joint Emergency Planning Officer (JEPO) two-year work streams plan.	
			4. Flexibility of working at Town Hall or Gresham Road Depot.	4: Strategic Director (CR)		4. Availability of locations.	

Risk Ref	Risk Description	Gross Risk	Mitigation Control Existing / Ongoing	Mitigation Owner	Net Risk / Status	Sources of Assurance	Risk Owner / Portfolio (PH) / OSP
			5. People Services Manager appointed as strategic lead officer for emergency planning.	5: Strategic Director (CR)		5. Officer in post.	
			6. Business Continuity Planning policy.	6: Strategic Director (CR)		6. Policy in place.	
			7. Updated Emergency Plan.	7: Strategic Director (CR) and Joint Emergency Planning Officer (shared service)		7. Plan in place.	
			8. "Cloud"-based service has replaced server rooms in council buildings.	8: Strategic Director (CR) and Joint Emergency Planning Officer (shared service)		8. Service in place.	

Risk Ref	Risk Description	Gross Risk	Mitigation Control Existing / Ongoing	Mitigation Owner	Net Risk / Status	Sources of Assurance	Risk Owner / Portfolio (PH) / OSP
			9. On-going Strategic and Assistant Directors attending Warwickshire Local resilience Forum (WLRF) training on Civil Contingencies Act responsibilities.	9: Chief Executive		9. Training records held by WLRF.	
			10. Engagement with WLRF and Coventry, Solihull and Warwickshire partnership (CSW), as appropriate, to explore options to mitigate national power outages.	10: Strategic Director (CR)		10. Meeting minutes	
			<u>Planned:</u>				
			1. Update Business Continuity Plans (March 2026).	1: Strategic Directors			
			2. Training sessions on new Emergency Plan by end of March 2026.	2 Strategic Director (CR)			

Risk Ref	Risk Description	Gross Risk	Mitigation Control Existing / Ongoing	Mitigation Owner	Net Risk / Status	Sources of Assurance	Risk Owner / Portfolio (PH) / OSP
R10	Failure to effectively manage the Council's finances	V. High / Serious (RED)	1. Adequate level of reserves held to manage fluctuations. Section 151 assurance statement on budget proposals	1: Strategic Director (CR)	Low / Moderate (GREEN)	1. Reserves maintained and kept under review / S151 Officer's annual Assurance Statement on reserves.	Chief Executive & Strategic Director (CR) – Section 151 Officer / PH – R&CS / H&CR OSP
			2. Housing Revenue Account Business Plan (regularly updated).	2: Strategic Director (H&CS)		2. Internal audit / annual Cabinet report.	
			3. Updated Medium-Term Financial Plan.	3: Strategic Director (CR)		3. Cabinet / Full Council minutes.	
			4. Strategic Risk Register maintenance and review.	4: Risk Management and Performance Officer		4. Document controlled Strategic Risk Register.	
			5. Financial and contract procedure rules and associated regular training.	5: Assistant Director (D&G)		5. Internal / External audit reports / training records.	

Risk Ref	Risk Description	Gross Risk	Mitigation Control Existing / Ongoing	Mitigation Owner	Net Risk / Status	Sources of Assurance	Risk Owner / Portfolio (PH) / OSP
			6. Level of reserves reviewed as part of annual budget setting process.	6: Strategic Director (CR)		6. Cabinet report.	
			7. Section 151 Officer in post.	7: Chief Executive		7. Member-led appointment process.	
			8. Multi-year capital budget and funding monitoring (in February).	8: Strategic Director (CR)		8. Cabinet / Council reports.	
			<u>Planned:</u>				
			1. Medium-Term Financial 3-year Strategy (February 2026).	1: Strategic Director (CR)			

Risk Ref	Risk Description	Gross Risk	Mitigation Control Existing / Ongoing	Mitigation Owner	Net Risk / Status	Sources of Assurance	Risk Owner / Portfolio (PH) / OSP
R12	Safeguarding children and adults with care and support needs from abuse, neglect and harm	Significant / Serious (AMBER)	1. Safeguarding Policy and Guidance (and subject to regular review)	1: Assistant Director (Democracy and Governance)	Low / Serious (GREEN)	1. Policy in place and training records.	Strategic Director (CR) / PH – R&CS / H&CR OSP
			2. Corporate safeguarding lead officer and single point of contact for Warwickshire Family Connect.	2: Assistant Director (Democracy and Governance)		2. Job description and person specification.	
			3. NBBC Recruitment & selection procedure.	3: Strategic Director (CR)		3. Recruitment records.	
			4. Disclosure & Barring Service policy and checks (DBS).	4: People Services Manager		4. DBS check records.	
			5. Warwickshire Family Connect and Adult Social Care (ASC).	5: Assistant Director (Democracy and Governance)		5. NBBC and WCC Website	

Risk Ref	Risk Description	Gross Risk	Mitigation Control Existing / Ongoing	Mitigation Owner	Net Risk / Status	Sources of Assurance	Risk Owner / Portfolio (PH) / OSP
			6. Safeguarding refresher training (every 3 years).	6: Assistant Director (Democracy and Governance)		6. Training records ("DELTA").	
			7. Warwickshire Safeguarding partnership best practice guidelines.	7: Assistant Director (Democracy and Governance)		7. Warwickshire Safeguarding website	
			8. Warwickshire Housing safeguarding lead officer.	8: Assistant Director (Social Housing and Community Safety)		8. Correspondence / meeting minutes.	
			9. Multi Agency Public Protection Authority (MAPPA).	9: Assistant Director (Social Housing and Community Safety)		9. Minutes of meetings.	
			10. Referrals and requests for information (separate ones for Children and Adults).	10: Assistant Director (Democracy and Governance)		10. Referrals and requests records.	

Risk Ref	Risk Description	Gross Risk	Mitigation Control Existing / Ongoing	Mitigation Owner	Net Risk / Status	Sources of Assurance	Risk Owner / Portfolio (PH) / OSP
			<u>Planned:</u>				
			1. Update sharing agreement with Warwickshire Family Connect / Warwickshire Safeguarding Children's Board (in 2025/26).	1: Assistant Director (Democracy and Governance) / Equalities and Safeguarding Officer		1. Revised agreement in place.	

Risk Ref	Risk Description	Gross Risk	Mitigation Control Existing / Ongoing	Mitigation Owner	Net Risk / Status	Sources of Assurance	Risk Owner / Portfolio (PH) / OSP
R15	Insufficient planning or resourcing of capital investment priorities	Significant / Serious (AMBER)	1. Corporate / Strategic programme management arrangements.	1: Chief Executive	Low / Moderate (GREEN)	1. Minutes of meetings (including Strategic / HRA / ITC / Regeneration / Corporate Asset Management programme boards).	Management Team / PH - Cabinet / H&CR OSP
			2. Housing Revenue account (HRA) Business Plan regularly reviewed.	2: Strategic Directors (H&CS) and (CR)		2. Plan and dedicated Finance Business Partner in place.	
			3. Medium Term Financial Plan including regular review.	3: Strategic Director (CR)		3. Plan in place.	
			4. Internal audit programme.	4: Strategic Director (CR)		4. Audit reports.	
			5. Treasury Management Strategy and Prudential Indicators.	5: Strategic Director (CR)		5. Strategy in place / Council minutes.	

Risk Ref	Risk Description	Gross Risk	Mitigation Control Existing / Ongoing	Mitigation Owner	Net Risk / Status	Sources of Assurance	Risk Owner / Portfolio (PH) / OSP
			6. Regular reporting on the multi-year Capital programme.	6: Strategic Director (CR)		6. Reports.	
			7. WMCA funding for land remediation.	7: Strategic Director (H&CS)		7. Funding received.	
			8. Local Regeneration funding agreed.	8: Strategic Director (H&CS)		8. Monitoring and evaluation return and programme board minutes	
			9. Bedworth funding agreed.	9: Strategic Director (H&CS)		9. Funding agreement in place. Corporate programme strategic board minutes.	
			10. Monthly WMCA engagement meetings.	10: Strategic Director (H&CS)		10. Meeting minutes / funding applications.	

Risk Ref	Risk Description	Gross Risk	Mitigation Control Existing / Ongoing	Mitigation Owner	Net Risk / Status	Sources of Assurance	Risk Owner / Portfolio (PH) / OSP
			11. HRA Corporate Programme Strategic Board to oversee major capital work spend / budget management.	11 Strategic Director (H&CS)		11. Meeting minutes.	
			12. Annual General Fund / HRA budget setting (3-year budget process).	12: Strategic Director (CR)		12. Cabinet meeting minutes.	
			13. Budget monitoring.	13: Management Team (Senior Leadership Team)		13. MT reports / minutes.	
			14. Programme management arrangements.	14: Management Team (Senior Leadership Team)		14. MT reports / minutes.	
			15. Investment plan agreed under the Local Regeneration funding programme.	15: Strategic Director (H&CS)		15. Agreement in place.	

Risk Ref	Risk Description	Gross Risk	Mitigation Control Existing / Ongoing	Mitigation Owner	Net Risk / Status	Sources of Assurance	Risk Owner / Portfolio (PH) / OSP
			16. Up-to-date Capital Strategy in place (December 2025).	16: Assistant Directors (Finance) and (Economy) / Strategic Director (CR / Strategic Director (H&CS)		16. Strategy in place.	
			<u>Planned:</u>				
			1. Revised HRA Asset Management Plan (March 2026).	1: Assistant Director (Social Housing and Community Safety)		1. Plan in place.	
			2. Establish up-to-date Asset Management Plan & including Acquisition and Disposal programme (in first quarter 2026/27).	2: Assistant Directors (Finance) and (Economy) / Strategic Director (CR / Strategic Director (H&CS)		2. Cabinet / Full Council reports / Corporate Governance Group minutes	
			3. Review of HRA governance arrangements (March 2026).	3: Strategic Director (H&CS)		3. Housing and Communities OSP report.	

Risk Ref	Risk Description	Gross Risk	Mitigation Control Existing / Ongoing	Mitigation Owner	Net Risk / Status	Sources of Assurance	Risk Owner / Portfolio (PH) / OSP
R23	Communications - disruptive adverse comment or media coverage reflecting extremely badly on the Council, impacting on the reputation of the Council and/or the Borough, resulting from failure to take appropriate communications action	Low / Moderate (GREEN)	1. Communications and marketing strategy associated protocols and plans (and on-going review).	1: Strategic Director (CR)	Low / Moderate (GREEN)	1. Press releases, training, communications and marketing action plan; media statements; Media monitoring.	Strategic Director (CR) / PH - Cabinet / H&CR OSP
			2. Media training for Strategic / Assistant Directors.	2: Communications and Marketing Manager		2. Training records.	
			3. LGA social media training for Elected Members (and on-going internal training, as required).	3: Chief Executive		3. Training delivered / records.	

Risk Ref	Risk Description	Gross Risk	Mitigation Control Existing / Ongoing	Mitigation Owner	Net Risk / Status	Sources of Assurance	Risk Owner / Portfolio (PH) / OSP
			<u>Planned:</u>				
			1. Review and update of Communications and marketing strategy (October 2026).	1: Strategic Director (CR)			
			2. Refresh of media training for Strategic / Assistant Directors (March 2027).	2: Communications and Marketing Manager			

Risk Ref	Risk Description	Gross Risk	Mitigation Control Existing / Ongoing	Mitigation Owner	Net Risk / Status	Sources of Assurance	Risk Owner / Portfolio (PH) / OSP
R26	Non-compliance with Department of Work and Pensions (DWP) data use guidelines.	High / Serious (AMBER)	1. On-going system testing linked to DWP plan.	1: Strategic Director (CR)	Low / Low (GREEN)	1. DWP plan.	Strategic Director (CR) / PH – R&CS / H&CR OSP
			Planned:				
			1. On-going audit of DWP Plan.	1: Assistant Director (Finance)		1. Audit logging records.	

Risk Ref	Risk Description	Gross Risk	Mitigation Control Existing / Ongoing	Mitigation Owner	Net Risk / Status	Sources of Assurance	Risk Owner / Portfolio (PH) / OSP
R27	Arson or accidental fire in NBBC corporate buildings	Significant / Major (AMBER)	1. Fire Management Group (FMG).	1: Strategic Directors (PS) / (H&CS)	Low / Major (GREEN)	1. FMG meeting minutes. HASCOG reports.	Management Team / PH – B&R, R&CS & LC&H, / BRP, E&L & H&CR OSP
			2. Regularly serviced fire detection & alarm systems / fire extinguishers and appropriate Fire Risk Assessments (FRA) regularly reviewed.	2: Strategic Director (H&CS) / Assistant Director (SH&CS)		2. Service records, Fire extinguisher service records & records of FRA outcomes. External report (review of arrangements).	
			3. Quarterly Health & Safety inspections give attention to fire risks.	3: Respective Strategic / Assistant Directors.		3. Quarterly Health & Safety inspection records.	
			4. Annual Capital Fire Safety Work Programme.	4: Strategic Director (H&CS) / Assistant Director (Social Housing and Community Safety)		4. Cabinet reports and Capital Projects Meeting Minutes.	

Risk Ref	Risk Description	Gross Risk	Mitigation Control Existing / Ongoing	Mitigation Owner	Net Risk / Status	Sources of Assurance	Risk Owner / Portfolio (PH) / OSP
			5. Existing insurance policy documents.	5: Assistant Director (Finance)		5. Policy documents in place.	
			6. Internal audit of fire risk arrangements (completed February 2022).	6: Audit and Governance Manager (CMAP)		6. Internal Audit report.	
			7. Certified fire doors.	7: Strategic Director (H&CS) / Assistant Director (Social Housing and Community Safety)		7. Doors / Certification in place.	
			8. Corporate review of Health and Safety arrangements (September 2025).	8: Strategic Director (P&S)		8. SLT Report / minutes.	

Risk Ref	Risk Description	Gross Risk	Mitigation Control Existing / Ongoing	Mitigation Owner	Net Risk / Status	Sources of Assurance	Risk Owner / Portfolio (PH) / OSP
			9. Town Hall fire prevention arrangements (including upgrade of door entry system).	9: Strategic Director (H&CS) / Assistant Director (Social Housing and Community Safety) / Health and Safety Manager		9. Monitored action plan in place / Updates to Fire Services	
			10. Implement periodic Audit report (CMAP) recommendations.	10: Health and Safety Manager		10. Audit action plan.	
			11. Act on appropriate recommendations arising from public enquiries / legislation changes (on-going).	11: Strategic Director (H&CS) / Assistant Director (Social Housing and Community Safety) / Health and Safety Manager		11. Reports / action plans.	

Risk Ref	Risk Description	Gross Risk	Mitigation Control Existing / Ongoing	Mitigation Owner	Net Risk / Status	Sources of Assurance	Risk Owner / Portfolio (PH) / OSP
			<u>Planned:</u>				
			1. Review and refresh Business Continuity Plans (March 2026).	1: Strategic / Assistant Directors			
			2. Leasehold commercial properties – review and establish landlord checks for structure / electrical / gas / fire safety and security of empty purchased properties pending redevelopment (2025/26).	2: Strategic Director (H&CS) / Assistant Director (Social Housing and Community Safety)			
			3. Review of corporate assets and associated operations (2025/26).	3: Strategic Director (H&CS) / Assistant Director (Social Housing and Community Safety)		3. Review findings / updated register / CET report.	

Risk Ref	Risk Description	Gross Risk	Mitigation Control Existing / Ongoing	Mitigation Owner	Net Risk / Status	Sources of Assurance	Risk Owner / Portfolio (PH) / OSP
R28	Arson or accidental fire in General Purpose flats and Independent Living Complexes / bungalows / HRA-owned hostels	Significant / Major (AMBER)	1. Fire Management Groups (Operational / Strategic / Governance).	1: Strategic Director (H&CS)	Low / Major (GREEN)	1. FMG meeting minutes. HASCOG reports.	Strategic Director (H&CS)/ PH – H / H&COM OSP
			2. Regularly serviced fire detection & alarm systems / fire extinguishers and appropriate Fire Risk Assessments (FRA) regularly reviewed.	2: Assistant Director (Social Housing and Community Safety) /Capital Projects Investment Manager		2. Service records, Fire extinguisher service records & records of FRA outcomes. External report (review of arrangements).	
			3. Regular Health & Safety inspections give attention to fire risks.	3: Assistant Director (Social Housing and Community Safety) /Capital Projects Investment Manager		3. Quarterly Health & Safety inspection records.	

Risk Ref	Risk Description	Gross Risk	Mitigation Control Existing / Ongoing	Mitigation Owner	Net Risk / Status	Sources of Assurance	Risk Owner / Portfolio (PH) / OSP
			4. Annual Capital Fire Safety Work Programme in Housing Revenue Account stock.	4: Assistant Director (Social Housing and Community Safety) /Capital Projects Investment Manager		4. Cabinet reports and Capital Projects Meeting Minutes.	
			5. External Wall Insulation specification reviewed.	5: Assistant Director (Social Housing and Community Safety) /Capital Projects Investment Manager		5. Property records.	
			6. Maglock doors fitted to communal areas of Independent Living Complexes.	6: Assistant Director (Social Housing and Community Safety) /Capital Projects Investment Manager		6. Doors in place.	

Risk Ref	Risk Description	Gross Risk	Mitigation Control Existing / Ongoing	Mitigation Owner	Net Risk / Status	Sources of Assurance	Risk Owner / Portfolio (PH) / OSP
			7. Certified fire doors.	7: Assistant Director (Social Housing and Community Safety) /Capital Projects Investment Manager		7. Doors / Certification in place.	
			8: Review of evacuation policy in complexes (signed off January 2023).	8: Assistant Director (Social Housing and Community Safety)		8. Report in place.	
			9. Implementation of Social Housing (Regulation) Act 2023 regulations and other legislation related to fire detection and carbon monoxide detection systems.	9: Capital Projects Investment Manager / Senior Health and Safety Officer (Housing)		9. Effective detection systems in place.	

Risk Ref	Risk Description	Gross Risk	Mitigation Control Existing / Ongoing	Mitigation Owner	Net Risk / Status	Sources of Assurance	Risk Owner / Portfolio (PH) / OSP
			10. External risk audit report by insurers (Gallagher Bassett) February 2023.	10: Capital Projects Investment Manager / Senior Health and Safety Officer (Housing)		10. Action plan and MT minutes.	
			11. Existing property insurance policy documents.	11: Assistant Director (Finance)		11. Policy documents in place.	
			12. Liaison with Warwickshire Fire and Rescue Service Fire Prevention Team.	12: Capital Projects Investment Manager / Senior Health and Safety Officer (Housing)		12. E-mail records and meeting minutes / outcomes.	
			13. On-going fire safety training (internal and external).	13: Capital Projects Investment Manager / Senior Health and Safety Officer (Housing)		13. Training records.	

Risk Ref	Risk Description	Gross Risk	Mitigation Control Existing / Ongoing	Mitigation Owner	Net Risk / Status	Sources of Assurance	Risk Owner / Portfolio (PH) / OSP
			14. Fire safety information to be produced and published for all tenants and leaseholders (including Tenancy Packs).	14: Assistant Director (Social Housing and Community Safety)		14: Documents in place / on-line.	
			<u>Planned:</u>				
			1. Implement periodic Internal Audit report recommendations.	1: Head of Safety and Environmental Health / Capital Projects Investment Manager / Senior Safety & Compliance Officer (Housing)			

Risk Ref	Risk Description	Gross Risk	Mitigation Control Existing / Ongoing	Mitigation Owner	Net Risk / Status	Sources of Assurance	Risk Owner / Portfolio (PH) / OSP
			2. Act on appropriate recommendations arising from public enquiries / legislation changes (on-going).	2: Strategic Director (H&CS) / Assistant Director (Social Housing and Community Safety) / Head of Safety and Environmental Health)			
			3. Review and refresh Business Continuity Plans (March 2026).	3: Strategic / Assistant Directors			

Risk Ref	Risk Description	Gross Risk	Mitigation Control Existing / Ongoing	Mitigation Owner	Net Risk / Status	Sources of Assurance	Risk Owner / Portfolio (PH) / OSP
R29	Human Resources (HR) – failure to effectively manage workforce planning / comply with legislation and policies	Low / Serious (GREEN)	1.Advisory Conciliation and Arbitration Service (ACAS) code of practice and legislation.	1: People Services Manager	Low / Serious (GREEN)	1.Approved policies in place.	Chief Executive (Head of Paid Services) / PH R&CS / H&CR OSP
			2.Up-to-date HR policies and procedures subject to regular review and developed in consultation with trade unions.	2: People Services Manager		2.Regular alerts from designated bodies / Policies in place.	
			3.Appropriate training on HR policies and procedures.	3: People Services Manager		3.Training records.	
			4.Change Management Policy	4: People Services Manager / Service managers.		4.Management Team minutes.	

Risk Ref	Risk Description	Gross Risk	Mitigation Control Existing / Ongoing	Mitigation Owner	Net Risk / Status	Sources of Assurance	Risk Owner / Portfolio (PH) / OSP
			5. Periodic review of employee remuneration levels.	5: People Services Manager		5. Report to Remuneration Panel and Employee Committee.	
			6. Strategic Workforce Planning training undertaken.	6: People Services Manager / Assistant Directors.		6. Training records	
			<u>Planned:</u>				
			1. Introduction of Human Resources and People Strategy (March 2026).	1: People Services Manager		1. Strategy in place.	

Risk Ref	Risk Description	Gross Risk	Mitigation Control Existing / Ongoing	Mitigation Owner	Net Risk / Status	Sources of Assurance	Risk Owner / Portfolio (PH) / OSP
R30	Ombudsman Complaints (Local Government Ombudsman / Housing Ombudsman) – failure to meet customer expectation after completion of our complaints process	High / Low (GREEN)	1.Formal complaints policy and process.	1: Corporate Support and Data Compliance Manager	High / Low (GREEN)	1.Policy and procedure in place.	Strategic Director (CR) / PH Cabinet / H&CR, H&COM, E&L & BRP OSPs
			2.Designated support and compliance team in place.	2: Corporate Support and Data Compliance Manager		2. Designated manager / team in place.	
			3.Review / Final check of service area escalated responses.	3: Corporate Support and Data Compliance Manager		3.Review records retained.	
			4.Ombudsman monitoring by SLT (Strategic Performance Report).	4: SLT		4.Strategic Performance Report.	

Risk Ref	Risk Description	Gross Risk	Mitigation Control Existing / Ongoing	Mitigation Owner	Net Risk / Status	Sources of Assurance	Risk Owner / Portfolio (PH) / OSP
			5. Annual Ombudsman report to Scrutiny panel.	5: Corporate Support and Data Compliance Manager		5.FPS meeting minutes.	
			<u>Planned:</u>				
			1. Update complaints policy following regulatory changes (March 2026).	1: Chief Executive / Strategic Director (CR)		1. Updated policy in place.	
			2. Quarterly data compliance update report to SLT.	2: Corporate Support and Data Compliance Manager		2. SLT meeting minutes.	

Risk Ref	Risk Description	Gross Risk	Mitigation Control Existing / Ongoing	Mitigation Owner	Net Risk / Status	Sources of Assurance	Risk Owner / Portfolio (PH) / OSP
R 31	Modern Slavery and Human Trafficking – failure to effectively monitor and comply with legislation	Low /Major (GREEN)	1. Annual modern slavery statement (including policies and training).	1: Assistant Director (G&D) / People Services Manager	Low /Major (GREEN)	1. Cabinet minutes / Modern Slavery Statement Register.	Management Team / PH – R&CS / H&CR OSP
			2. Qualified officers in post (Human Resources & Procurement).	2: Assistant Director (Governance & Democracy) / People Services Manager		2. Officers in post.	
			3. Raising awareness with Elected Members.	3: Strategic Director (CR) / Assistant Director (Governance & Democracy)		3. Cabinet minutes / Corporate Governance Training.	
			4. Procurement procedures including Modern Slavery questions as part of the tender process – including contract terms and conditions.	4: Assistant Director (Governance & Democracy)		4. Contract procedure rules and monitoring and review of tender templates	

Risk Ref	Risk Description	Gross Risk	Mitigation Control Existing / Ongoing	Mitigation Owner	Net Risk / Status	Sources of Assurance	Risk Owner / Portfolio (PH) / OSP
			5. Specific Modern Slavery e-learning training module for senior officers.	5: People Services Manager		5. Training records.	

Risk Ref	Risk Description	Gross Risk	Mitigation Control Existing / Ongoing	Mitigation Owner	Net Risk / Status	Sources of Assurance	Risk Owner / Portfolio (PH) / OSP
R32	Financial implications to NBBC following appeals / hearings processes for planning applications	High/Major (RED)	1. Planning Team working on each hearing and appeal process for appellant / applicant.	1: Strategic Director(PS) / Assistant Director (Planning)	Significant / Moderate (GREEN)	1. Adopted Local Plan.	Strategic Director (PS) / PH – P&E / BRP OSP
			2. Experienced King's Counsel (KC) to assist NBBC in any public enquiry appeals process.	2: Strategic Director(PS) / Assistant Director (Planning)		2. KC in place.	
			3. Designated budget in place to support associated costs.	3: Assistant Directors (Planning) / (Finance)		3. Annual budget in place.	
			<u>Planned:</u>				
			1. Monitoring and management of process for collection and spend of received Section 106 funds (January 2026).	1: Assistant Directors (Planning) / (Finance)		1. Report to SLT / Appointment of monitoring officer and associated processes & software in place.	

AGENDA ITEM NO. 12

NUNEATON AND BEDWORTH BOROUGH COUNCIL

Report to:	Audit and Standards Committee
Date of Meeting:	3 February 2026
Subject:	Government Consultation: Strengthening the Standards and Conduct Framework for Local Authorities in England
Portfolio:	Not Applicable
Responsible Officer:	Monitoring Officer
Corporate Plan – Theme:	Your Council
Corporate Plan – Aim:	Strive for transparency and accountability, in all that we do. Increase public scrutiny
Ward Relevance:	NA
Public or Private:	Public
Forward Plan:	Not applicable (not for Cabinet)
Subject to Call-in:	Not applicable (not for Cabinet)

1. Purpose of report

- 1.1. The purpose of this report is to provide the Audit and Standards Committee (the Committee) with the outcome of the Government Consultation: Strengthening the Standards and Conduct Framework for Local Authorities in England that ended on 25 February 2025.

2. Recommendations

- 2.1. That the outcome of the Government Consultation: Strengthening the Standards and Conduct Framework for Local Authorities in England is noted; and
- 2.2. That further reports are received by the Audit and Standards Committee when updates are available and Legislation is passed.

3. Background

- 3.1. The Ministry of Housing, Communities, and Local Government, on 11 November 2025, published its response to the 'Strengthening of the Standards and Conduct Framework' Consultation which commenced on 19 December 2024 and closed on 26 February 2025.
- 3.2. The purpose of the Government's Consultation was reported as "to address weaknesses in the current standards and conduct framework for Local Authorities in England". It received 2,092 responses from elected Members, Officers, representative bodies, and the public.

4. Body of report and reason for recommendations

- 4.1. The Government sought views on proposals to introduce measures with the intention to strengthen the standards and conduct regime for Local Authorities in England, it also sought to ensure consistency of approach that Councils use when investigating serious breaches of the Member Code of Conduct. The measures pursue the introduction of the power of suspension.
- 4.2. The proposals that were consulted upon included:
 - The introduction of a mandatory minimum code of conduct for local authorities in England
 - A requirement that all principal authorities convene formal standards committees to make decisions on code of conduct breaches, and publish the outcomes of all formal investigations
 - The introduction of the power for all Local Authorities (including Combined Authorities) to suspend Councillors or Mayors found in serious breach of their code of conduct and, as appropriate, interim

- suspension for the most serious and complex cases that may involve police investigations
- A new category of disqualification for gross misconduct and those subject to a sanction of suspension more than once in a 5-year period, and
- A role for a national body to deal with appeals

4.3. The Government reports that the Consultation highlighted concerns about insufficient sanctions, bullying and harassment, and inconsistency across Councils. Therefore, the Government proposes reforms to create a clear, consistent, and enforceable standards regime.

4.4. The Consultation received 2,092 responses, and the Government response states that "*frustration with the lack of meaningful sanctions, and safeguards, even when elected members are under police investigation or carry out repeated breaches, was also clearly apparent amongst respondents. For a standards regime to be fit for purpose it must provide both appropriate safeguards and sanctions*". The consultation was divided into two themes: '*Strengthening the Standards and Conduct Framework*', and '*introducing the power of suspension with related safeguards*'. Following the Consultation that ended on 25 February 2025, the Government has proposed the following key measures:

- The introduction of a mandatory code of conduct, to include a behavioural code, for all Local Authorities.
- A requirement that all principal Authorities convene formal Standards Committees, to include provisions on the constitution of Standards Committees to ensure objectivity, accountability and transparency.
- The requirement to offer individual support during code of conduct investigations to both the complainant and the councillor subject to the allegation.
- Publication of allegations and investigation outcomes.
- Requiring completion of investigations if an elected Member stands down.
- The introduction at the Authority level of a 'right for review' for both complainant and the subject elected member to have the case reassessed on grounds that will be set out in legislation.
- Powers for Authorities to suspend elected members for a maximum of six months for serious code of conduct breaches, with the option to withhold allowances during suspension for the most serious breaches.

- Introduce premises and facilities bans either in addition or as standalone sanctions.
- In response to the most serious allegations involving Police investigation, or where sentencing is pending, the introduction of powers to suspend elected members on an interim basis for an initial period of 3 months which, if extended, will require regular review.
- A new disqualification criterion for any elected Member subject to the maximum period of suspension more than once within 5 years.

Reasons for Recommendations

4.5 The recommendations are intended to enable the Committee to be appraised of the outcome of the Government Consultation: Strengthening the Standards and Conduct Framework for Local Authorities in England to ensure that it is informed of proposals that, if implemented, will affect the way the Council operates.

5. Consultation with the public, members, officers and associated stakeholders

5.1. Not applicable as this report only asks the Committee to note the outcome of the Government's Consultation.

6. Financial Implications

6.1. There are no resource or financial implications arising from the recommendations. However, training for elected Members and Officers will be essential to implement the new standards effectively when changes to the law are made.

7. Legal Implications

7.1. There are no legal implications arising from this report. When changes to the law are made, the Committee will be updated as required.

8. Equalities implications

8.1 There are no direct equality implications arising from this report.

9. Health implications

9.1 There are no immediate health implications arising from this report.

10. Climate and environmental implications

10.1. There are no direct climate and environmental implications arising from this report.

11. Section 17 Crime and Disorder Implications

11.1 No direct Section 17 crime and disorder implications have been identified.

12. Risk management implications

12.1. No direct risk management implications have been identified.

13. Human resources implications

13.1. No direct human resource implications have been identified.

14. Options considered and reason for their rejection

14.1. In formulating this report and recommendations, the following other options were identified. Reasons for their rejection or why the option and recommendation proposed in section 2 of the report has been selected are outlined below.

Option Ref	Option Title	Reason for rejection or why the option and recommendation proposed in section 2 of the report has been selected
A	Do nothing	The Audit and Standards Committee has an obligation to promote and maintain high standards of conduct by Members, Independent Members and any other representatives. Therefore, this report provides the outcome of the Government Consultation: Strengthening the Standards and Conduct Framework for Local Authorities in England that ended on 25 February 2025.

15. Conclusion

15.1. The Committee is asked to note that the changes proposed within the Government's response to its consultation will require legislative change, and timescales for these changes have not yet been announced. Within its response, the Government indicates that it intends to consult further on various proposals prior to the formal legislative procedure commencing. Officers will continue to monitor the progress of the proposed changes and will report any updates to the Committee.

16. Appendices

16.1. Please note there are no appendices attached to this report.

17. Background papers

17.1 Have Background papers been considered Y/~~N~~

17.2 Please note the following background papers:

- i. Strengthening the standards and conduct framework for local authorities in England – consultation results and government response - GOV.UK

18. Report Writer Details:

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