



Meeting: **Corporate Governance Committee**

Date/Time: **Friday, 17 November 2023 at 10.00 am**

Location: **Sparkenhoe Committee Room, County Hall, Glenfield**

Contact: **Mrs J. Twomey (tel: 0116 305 2583)**

Email: **joanne.twomey@leics.gov.uk**

Membership

Mr. T. Barkley CC (Chairman)

Mr. N. D. Bannister CC	Mr G. Grimes (Independent Member)
Mr. D. C. Bill MBE CC	Mr A. Maxfield (Independent Member)
Mr. G. A. Boulter CC	Mr. J. T. Orson CC
Mr. B. Champion CC	Mr. T. J. Richardson CC

AGENDA

<u>Item</u>	<u>Report by</u>
1. Minutes of the meeting held on 22 September 2023	(Pages 3 - 8)
2. Question Time.	
3. Questions asked by members under Standing Order 7(3) and 7(5).	
4. To advise of any other items which the Chairman has decided to take as urgent elsewhere on the agenda.	
5. Declarations of interest in respect of items on the agenda.	
6. Presentation of Petitions under Standing Order 35.	
7. Clinical Governance Annual Report	Director of Public (Pages 9 - 28)



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| | | Health | |
| 8. | Local Government and Social Care Ombudsman Annual Review 2022/23 and Update on Corporate Complaints and Freedom of Information Requests | Chief Executive and Director of Corporate Resources | (Pages 29 - 64) |
| 9. | Local Government and Social Care Ombudsman Consultation on Joint Code of Practice for Complaints | Chief Executive and Director of Corporate Resources | (Pages 65 - 110) |
| 10. | Revised Protocol on Member/Officer Relations | Director of Law and Governance | (Pages 111 - 122) |
| 11. | Risk Management Update | Director of Corporate Resources | (Pages 123 - 138) |
| 12. | Treasury Management Update | Director of Corporate Resources | (Pages 139 - 154) |
| 13. | Date of next meeting. | | |

The next meeting of the Corporate Governance Committee is scheduled to be held on Friday, 26th January 2024 at 2.00pm.

14. Any other items which the Chairman has decided to take as urgent.



Minutes of a meeting of the Corporate Governance Committee held at County Hall, Glenfield on Friday, 22 September 2023.

PRESENT

Mr. T. Barkley CC (in the Chair)

Mr. N. D. Bannister CC
Mr. G. A. Boulter CC
Mr. B. Champion CC
Mr. G. Grimes (Independent Member)

Mr. A. Maxwell (Independent Member)
Mr. J. T. Orson CC
Mr. T. J. Richardson CC

18. Minutes of the previous meeting.

The minutes of the meeting held on 26th May 2023 were taken as read, confirmed and signed.

19. Question Time.

The Chief Executive reported that no questions had been received under Standing Order 34.

20. Questions asked by members.

The Chief Executive reported that no questions had been received under Standing Order 7(3) and 7(5).

21. Urgent Items

There were no urgent items for consideration.

22. Declarations of interest in respect of items on the agenda.

The Chairman invited members who wished to do so to declare any interest in respect of items on the agenda for the meeting. The following declarations were made:

Mr T. J. Richardson CC declared a non-registerable interest in agenda item 12 (Quarterly Treasury Management Report) as he was in receipt of a pension from Lloyds Bank Plc.

Mr G. Grimes declared a registerable interest in agenda item 8 (Annual Report on the Operation of the Members' Code of Conduct 2022/23) as he was an independent member for the County Council supporting the Member Conducts Complaints process.

23. Presentation of Petitions.

The Chief Executive reported that no petitions had been received under Standing Order 35.

24. Insurance Service - Annual Report 2022-23

The Committee considered a report of the Director of Corporate Resources which set out work conducted by the Insurance Service during 2022-2023. A copy of the report marked Agenda Item 7 is filed with these minutes.

In presenting the report and in response to a question raised, the Director confirmed that the following terms included in the appendix had the following meaning:

- EL – Employer liability
- PL – Public liability
- OI – Officials Indemnity

Arising from discussion the following points arose:

- (i) The amount paid to meet claims had not been included in the report as this was commercially sensitivity and, in any event, did not provide a clear picture, as some cases concluded during the period had been ongoing for some years. To provide some extra clarity, the Director undertook to present details of the actuarial review at the next meeting of the Committee.
- (ii) Repudiation of highways claims at 93% was positive but a member questioned if the Council was being fair to residents in such cases. It was confirmed that such claims mostly related to damage caused by potholes. It was noted that each claim followed a rigorous process set out in law and the Insurance Service worked closely with departments to ensure claims were being assessed and determined correctly and fairly.
- (iii) The statute of limitations applies in respect of many types of insurance claim cases such as debt recovery, personal injury and negligence. However, this did not always apply, or the timelines were more generous where claims related to, for example, a child abused while in the Council's care.

RESOLVED:

- (a) That the Insurance Service annual report for 2022-23 be noted;
- (b) That the Director be requested to provide a further update regarding the outcome of the actuarial review conducted by Arthur J Gallaghers Insurance Brokers Ltd at a future meeting of the Committee.

25. Annual Report on the Operation of the Members' Code of Conduct 2022/23

The Committee considered a report of the Director of Law and Governance regarding the operation of the Members' Code of Conduct in accordance with the decision of the Committee in September 2012. A copy of the report marked 'Agenda Item 8' is filed with these minutes.

Arising from discussion the following points were made:

- (i) Mr Grimes, who was also an independent person appointed by the Council to support the Council's Member Conduct Process said that the addition of the Independent Persons Protocol would be welcome and would provide added clarity to the Council's current complaints handling process.
- (ii) A Member questioned if there were any proposals to reintroduce sanctions for members found to have breached the Code. The Director advised that whilst there had been a review by the Committee on Standards in Public Life in 2019 making such a recommendation, there did not at present appear to be any plans by the Government to implement these.
- (iii) It was suggested that as the terms of office for the current appointed independent persons would all expire at the same time (September 2024), consideration be given to staggering the appointments in future to ensure some degree of continuity.
- (iv) Maintaining Member confidentiality was necessary in line with the Council's process. Details of complaints made were not made public until a matter was referred to the Member Conduct Panel for a hearing. It was noted that some complaints received could be unsubstantiated or malicious or personal in nature. To provide assurance that complaints were being properly handled, the Director confirmed that, as previously agreed by the Committee such details were shared with the Chairman, Vice Chairman and Spokesperson of this Committee annually and on a confidential basis.

RESOLVED:

- (a) That the report on the operation of the Members Code of Conduct during 2022/23 be noted;
- (b) That the proposed addition of the Independent Persons Protocol to the Council's Member Conduct Complaint Handling Process be supported;
- (c) That the Director of Law and Governance be requested to consider whether there is any merit in staggering the appointments of the Independent Persons to ensure some degree of continuity.

26. Risk Management Update

The Committee considered a report of the Director of Corporate Resources which presented the Corporate Risk Register for approval including the emerging risk relating to reinforced autoclaved aerated concrete (RAAC) and provided an update on HM Government National Risk Register 2023 edition and Counter Fraud. A copy of the report marked 'Agenda Item 9' is filed with these minutes.

Arising from discussion, the following points arose:

- (i) A member questioned how the duplicate payment of £900 to a barrister had occurred noting the usually robust payment system in place. The Director undertook to clarify the circumstances which had led to the error after the meeting.
- (ii) Members noted that the Council's charging policy had been reviewed in light of the legal decision made against Norfolk County Council which related to the way it had calculated the charges to be paid by persons with a disability for their social care

and support. Its charging policy was found to be discriminatory. Members were reassured that the review of the County Council's charging policy had identified no such issues, but that the position would be kept under review.

- (iii) An Independent Member questioned what progress was being made to deliver the Transforming Special Educational Needs and Disability (SEND) in Leicestershire Programme to address the risk of rising demand and the increasing high needs block deficit. It was noted that the Council's Children and Families Overview and Scrutiny Committee monitored the Departments progress in delivering this programme and the Director undertook to provide details of recent reports it had considered on this issue for information. It was suggested that this might also be a useful topic for a future risk presentation.
- (iv) Whilst the Council was operating in line with Government policy in providing SEN services, this posed significant risk to the Council's overall financial position. The high needs block allocated by Government did not meet the level of demand faced and the budget deficit continued to rise. It was suggested that to better quantify the risks faced, the risks to the Council's overall budget should be separated from service delivery risks. The Director undertook to review the register in light of the comment now made.
- (v) In response to questions raised, it was noted that the risks relating to unaccompanied asylum seeking children (risk 1.9 on the register) and the number of challenges to the Council's Brief Assessments was on an upward trend. As children arrived in groups, this placed significant pressure on the service to react quickly.

RESOLVED:

- (a) That the current status of the strategic risks facing the County Council be approved;
- (b) That the Director be requested to:
 - (i) clarify the circumstances which led to the duplicate payment of £900 to a barrister;
 - (ii) provide a copy of the recent report considered by the Children and Families Overview and Scrutiny Committee on progress against delivery of the Council's Transforming SEND in Leicestershire Programme;
 - (iii) review the Risk Register and consider separating the service delivery and budget related risks arising from increasing SEND demand pressures;
 - (iv) consider providing a presentation focused on the risks arising from SEND service and budget pressures at a future meeting.
- (c) That a presentation be provided at the next meeting on risks related to Property and Occupants Risk Management in light of the emerging risk relating to Reinforced Autoclaved Aerated Concrete (RAAC).
- (d) That the updates now provided on emerging risks (RAAC), HM Government National Risk Register 2023 edition and Counter Fraud be noted.

27. Update on Audit Delays and Public Sector Auditor Appointments Consultation on 2023/24 Audit Fees

The Committee considered a report of the Director of Corporate Resources which provided an update on the action the Government and other key partners are taking to address national issues with the backlog of local government audit opinions, and the Public Sector Auditor Appointments (PSAA) consultation on audit fees for 2023/24. A copy of the report marked 'Agenda Item 10' is filed with these minutes.

Arising from discussion, the following points were made:

- (i) Members raised concerns about the 115% increase in the external auditor's fees and commented that strong representations should be made to Government in response to its PSAA consultation about this and the need for additional funding to cover such increased costs. Members noted that the rise was in part due to the extra work now required to be undertaken to address more stringent and complex requirements applied by Government.
- (ii) A Member commented that external auditor reports had now become so complex given the reporting standards applied which were not always appropriate for county councils. The reports were now difficult for the public to follow and so did not aid transparency as regards the Council's processes. It was suggested that whilst the Council was a complex organisation, a simpler form of reporting would be more beneficial for the public and members needing to oversee these.
- (iii) Members commented that the system of external audit was currently broken and radical change was needed to address this. A Member further commented that those authorities that had issued a section 114 notice had been audited and no issues raised. This affected public confidence in the system.

RESOLVED:

- (a) That the update now provided be noted.
- (b) That the Council's posed response to the PSAA consultation on the audit fee scale for 2023/24 be supported subject to the Director being requested to take account of the comments now made.

28. Internal Audit Service - Progress and Plans

The Committee considered a report of the Director of Corporate Resources which provided a summary of work undertaken during the period 8 May to 8 September 2023 and set out progress with implementing high importance recommendations as of 8 September 2023. A copy of the report marked 'Agenda Item 11' is filed with these minutes.

When presenting the report and in response to questions raised, the Director explained that work to aid the unplanned investigation into the misuse of Council systems and potential fraud concerning a Council employee within the Corporate Resources Department, reference to 'advice complete' meant that disciplinary proceedings had been

completed and that lessons learnt from the incident had been shared and new controls introduced which had now been tested.

In response to a question raised, the Director confirmed that the Service had now recruited to all vacancies and had been stable for the last 12 months. Whilst there were pressures, all audit work requirements were being managed at the current time.

RESOLVED:

That the contents of the routine update on the work of the Internal Audit Service between 8 May to 8 September, and progress with implementing high importance recommendations as of 8 September 2023 be noted.

29. Quarterly Treasury Management Report

The Committee considered a report of the Director of Corporate Resources which provided an update on the actions taken in respect of treasury management for the quarter ending 30th June 2023 (quarter 1). A copy of the report marked 'Agenda Item 12' is filed with these minutes.

The Members commended officers for responding to current market conditions and taking the opportunity to reprofile some of the Council's long-term debt now that the circumstances meant this was worthwhile.

RESOLVED:

That the action taken in respect of treasury management for the quarter ending 30th June 2023 (quarter 1) be noted.

30. Date of next meeting.

RESOLVED:

That the next meeting of the Committee be held on Friday, 17th November 2023 at 10.00am.

10.00 am – 11.13 am
22 September 2023

CHAIRMAN

CORPORATE GOVERNANCE COMMITTEE – 17 NOVEMBER 2023

CLINICAL GOVERNANCE ANNUAL REPORT

REPORT OF THE DIRECTOR OF PUBLIC HEALTH

Purpose of the Report

1. The purpose of this report is to provide assurance to the Committee around the Council's Clinical Governance (CG) processes since the last report presented in November 2022 and to set out some of the key issues dealt with as part of the County Council's clinical governance monitoring arrangements, role and responsibilities since October 2022.

Background

2. The Public Health function of the Council includes responsibility for a number of clinical services previously commissioned by the NHS. It is a condition attached to the allocation of the public health grant that local authorities must have appropriate clinical governance arrangements to cover clinical services commissioned with grant funds.
3. This paper provides information and assurance on the clinical governance arrangements that have been established by the County Council to ensure its commissioned clinical services are of a high standard, continuously improving, cost-effective, safe and provide a good patient experience.
4. Clinical governance assurance necessitates regular and ad hoc contract monitoring with a specific focus on clinical aspects of service provision. The range of service providers includes NHS, voluntary and private sector.
5. 'Clinical governance' is a systematic approach to maintaining and improving the quality of patient care within a health system. Its most widely cited formal definition is: *'A framework through which [NHS] organisations are accountable for continually improving the quality of their services and safeguarding high standards of care by creating an environment in which excellence in clinical care will flourish'* (Department of Health).
6. Clinical governance refers directly to 'clinical services' i.e., services delivered by clinical staff / healthcare professionals, e.g. doctors, nurses, allied health professionals and others.
7. The main clinical services commissioned (based upon contract value and criticality of service provision) by the County Council's Public Health Department are:

a. Integrated Substance Misuse Treatment Service (ISMTS)

The Integrated Substance Misuse Services (ISMS) comprises of a community treatment service for adults and young people, inpatient detoxification, and residential rehabilitation services. The provider of the ISMS is Turning Point.

b. 0-11 years Health Together Service

The 0-19 Healthy Child Programme (HCP) offer was changed in 2022. Following consultation with children, young people, families and professionals, the 0-19 service has been split into two cohorts: 0-11 and 11-19 due to differing needs of the older population group. The 0-11 elements of the HCP are still delivered, by Leicestershire Partnership Trust (LPT) and will remain known locally as the Healthy Together service.

c. 11-19 years' Teen Health service

The 11-19 years' service is no longer commissioned externally and is now integrated with the Early Help Service of the Children and Families Department as of September 2022. Although the Teen Health service is not clinically delivered, quality assurance is provided and under development. Escalation will follow as appropriate via the teen health Partnership Board. The quality performance measures of the 11-19 Teen Health service also include Departmental Management Team (DMT) reporting and feedback on a quarterly basis. Monitoring also takes place via the PH Clinical Governance Group to ensure review occurs, via a standing agenda item on the CG group.

d. Sexual Health Services (SHS)

This includes an integrated sexual health service and contraceptive services. The integrated sexual health service is provided by Midlands Partnership NHS Foundation Trust whilst contraceptive services are provided through Primary Care Services and a list of clinical audits carried out by MPFT are included at Appendix C. Community SHS providers include CG assurance in their reports.

e. NHS Health Checks

These NHS health checks for people aged 40 – 74 with no pre-existing conditions are provided via local federations and practices. Clinical governance is via the practice/federation clinical governance process for all services and in accordance with contract terms.

N.B. Further details in relation to Clinical Audits conducted can be found in Table 1 and at Appendix C. A glossary of terms is included at Appendix B.

8. Performance indicators specific to clinical governance include:
- a. Measures of cost effectiveness of services
 - b. Reports of serious incidents and complaints
 - c. Safeguarding reports
 - d. General patient feedback - for example service user feedback on safety and experience.
 - e. Reports of compliments
 - f. Results of quality visits and clinical audits
 - g. Staff training and capacity
 - h. Care Quality Commission (CQC)
 - i. National Institute for Health and Care Excellence guidance
 - j. Service changes/reviews
 - k. Business Continuity arrangements during COVID-19

Leicestershire County Council's Clinical Governance Approach

General oversight arrangements

- 9. A Clinical Governance Standard Operating Guidance (SOG) framework has been developed and implemented across the County Council's Public Health Department to ensure a robust, systematic approach to clinical governance.
- 10. Ownership of clinical governance assurance for specific services continues to sit with Strategic Leads and Consultant Leads for those services within the Public Health Department. Further oversight is provided by the Director of Public Health and the overall Clinical Governance Consultant Lead.
- 11. The Council has an established Public Health Clinical Governance (CG) Group which oversees its clinical governance arrangements. It meets on a quarterly basis and comprises of the CG Consultant Lead and Strategic Leads of the relevant contracts.
- 12. An update on the key clinical services commissioned by the County Council is provided by Strategic Leads to the Public Health Departmental Management Team (DMT) on a monthly basis, at which any significant matters are highlighted. This enables Public Health Strategic Leads to incorporate lessons learned from DMT within their area of work.

Serious Incidents

- 13. Serious Incident (SI) is an act or omission in care that results in unexpected or avoidable death, unexpected or avoidable injury.
- 14. Details of serious incidents are recorded in the Council's Serious Incident (SI) log and reviewed monthly. Communication of lessons learned with action closures are also considered at the quarterly CG Group meetings by Strategic Leads for the commissioned service.
- 15. SI trends or issues are also discussed at monthly quality and contract meetings held by the Commissioned Service Leads and a verbal report provided to the CG Group.

16. Since the last report to the Committee, the NHS England (NHS E) [Patient Safety Incident Response Framework](#) (PSIRF) has replaced the Serious Incident Framework 2015, which will have implications for the way the Department manages serious incidents within the Council. These changes are still being determined through negotiation between Leicestershire Partnership Trust (LPT) and council colleagues and when determined will be incorporated into the Clinical Governance Standard Operating Guidance (SOG).

Quality Assessments and Audits

17. Quality assessments/audits are undertaken using the Public Health Quality Assessment Toolkit (as detailed in the CG SOG) for:
 - a. Departmental quality measures
 - b. Conducting scheduled contractual quality visits
 - c. Root cause analysis following a SI
 - d. Patient Safety Incident Response Framework thematic trend review
 - e. Morbidity and Mortality reviews (as appropriate)

Risk Monitoring

18. The Council's Corporate and Public Health Departmental risk register is reviewed monthly and discussed as a standing agenda item at the Public Health CG Group. Matters escalated to the Corporate Risk Register are also reported to the Council's Corporate Management Team and this Committee as part of the quarterly Risk Management Updates.

Partnership working

19. The County Council's Public Health Department collaborates with Leicester City Council's Public Health clinical governance colleagues in relation to those services that are commissioned jointly by the two authorities. There is also collaboration with Rutland Council colleagues where services commissioned serve the Rutland population.
20. The lead Commissioning Organisation takes responsibility for overall governance for jointly commissioned services as outlined in the CG SOG.
21. The overview arrangements for clinical governance reporting into Health Oversight and Scrutiny Committee (HOSC) have been reflected in Appendix A attached to this report.

Significant Clinical Governance Issues Considered and Managed during 2022/23

22. **Table 1** below provides a summary of significant issues considered and managed by the County Council's Public Health DMT (October 2022 - September 2023) across the main clinical services commissioned.

Table 1

Clinical Governance Summary October 2022 – September 2023		
Heading	Area	Assurance (October 2022 - September 2023)
Quality Visits	0-11 & 11-19 Healthy Child Programme (Leicestershire Partnership NHS Trust) &	0-11 Planned for January 2024 11-19 2 quality visits undertaken by Head of Integration to review quality assurance processes. Outcome: service delivery in line with specification.
Clinical Audits	0-11 & 11-19 Healthy Child Programme (Leicestershire Partnership NHS Trust) 0-11 The Healthy Child Programme	2.5-year check audited completed in early 2022. Planned for January 2024.
Quality Visits	Integrated Substance Misuse Treatment Service (Turning Point)	A formal quality visit took place in May 2023; with relevant actions taken place.
Clinical Audits	Integrated Substance Misuse Treatment Service (Turning Point)	Relevant and regular clinical audits take place and updates are provided via the quarterly contract management updates / reports.

Heading	Area	Assurance (October 2022 - September 2023)
Quality Visits	Sexual Health Services delivered by Midlands Partnership NHS Foundation Trust (MPFT) Audits	A quality visit was conducted in September 2021. All required actions were completed, and the reassessment showed the service rated as 'green'.
	Sexual Health - Community Based Services	There have been no further visits due to the re-procurement exercise taking place in 2023.
Clinical Audits	Sexual Health Services delivered by Midlands Partnership NHS Foundation Trust (MPFT) Audits	There is a full clinical audit programme that takes place across the trust. Audits undertake during this period are listed in Appendix C.
Patient Group Directions (PGDs)	Sexual Health Services	The EHC Patient Group Directions (PGDs) documents, which allow for the dispensation of specific medications without a doctor present, were reviewed and issued in August 2023. The new PGDs expire February 2026 and are due for review August 2024.
Safeguarding	0-19 The Healthy Child Programme	<p>0-11 HCP The clinical governance is managed by LPT, as the contracted provider.</p> <p>11-19 Teen Health Safeguarding governance managed by Children & Families service.</p> <p>Each quarter the provider issues a clinical governance report which details staff safeguarding training and adult and child safeguarding incidents.</p>
	Integrated Sexual Health Services delivered by Midlands Partnership NHS Foundation Trust (MPFT)	<p>Every month the PH team review the safeguarding incidents via the incident log provided as part of monitoring, and where required these will be raised at subsequent contract meetings with the provider.</p>

Heading	Area	Assurance (October 2022 - September 2023)
Serious Incidents (SIs)	Substance Misuse Treatment Services	A quarterly quality report is produced and managed at the contract management meetings where serious incidents are included. This includes updates from the service led mortality and morbidity group, where each SI is scrutinised, and relevant action taken.
	Sexual Health Service	An SI was reported in February 2023, incident report was completed; an action plan was produced and has been reviewed by both commissioners and the internal MPFT medicines safety group who found all actions to be appropriate. There remains one outstanding action which pertains to one member of staff who has been off sick it is anticipated that this will be completed this month, and the SI can be formally closed.
	0-11 The Health Child Programme	<p>Minor communication concerns between LPT departments, Healthy Together and their internal services and with Social Care services have arisen in every quality report. The main concerns are miscommunication between staff (failure outside of the team) for example, notification of a strategy meeting not being sent or sent to incorrect email addresses, or meetings cancelled without notification. However, this is being managed through the contract management process and via the patient safety protocols.</p> <p>Unsafe sleep is a concern following recent Child Death Overview Panel report. However, a practitioner's guide has been developed to ensure risk assessment is completed. The refresh of the Healthy, Pregnancy, Births and Babies Strategy includes Safe Sleep as a key priority.</p>
Re-procurement	Sexual Health Services	An invitation to tender for Sexual Health services (SHS) was issued in July 2023, the SHS service formed part of this tender process as Lot 1. Unfortunately, there were no bids received for this Lot and PH are now in negotiations with the current provider to secure the service for another year with the plan to retender again next year.

Heading	Area	Assurance (October 2022 - September 2023)
	0-11 & 11-19 Healthy Child Programme	<p>Reprocured service in September 2022 for 3 years plus 3.</p> <p>Teen Health is embedded with Children's services and will be reviewed in line with above dates.</p>
Partnerships	Sexual Health Services 0-11 & 11-19 Healthy Child Programme Integrated Substance Misuse Treatment Services	<p>As the current contract is jointly commissioned by Leicester Leicestershire and Rutland, all reporting and audits are reviewed by the three commissioners.</p> <p>Clinical Governance is a standing agenda item at all contract meetings and review of cases and lessons learnt are embedded in practice.</p> <p>As the service is clinical, there are numerous processes in place to ensure compliance, as well as regular audits. Clinical governance is a standing agenda items as part of the contract management monthly meetings where updates are provided and relevant action taken.</p>
Patient Feedback	Sexual Health Services 0-11 & 11-19 Healthy Child Programme Integrated Substance Misuse Treatment Services	<p>Patient feedback is obtained by MPFT monthly which is reported to the commissioner/contract officer and discussed during the contract meetings.</p> <p>QI (Quality Improvement) project has been set up in LPT to help improve patient experience. There is now also a Maternity Voices Partnership on patient involvement. 0-11 parent network has been set up to help with improvement.</p> <p>11-19 service user feedback is embedded within C&FS internal processes. Development of feedback forms to capture feedback around direct support.</p> <p>Service user feedback is part of the process within the service; they currently use a third party to collate responses as well as an automated digital process.</p>

Heading	Area	Assurance (October 2022 - September 2023)
Complaints and Compliments	Sexual Health Services	Patient feedback is obtained by Midlands Partnerships University NHS Foundation Trust (MPFT) monthly which is reported to the commissioner/contract officer and discussed during the contract meetings
	0-11 & 11-19 Healthy Child Programme	This is monitored via quality reports at the monthly contract meetings. All Teen health complaints and compliments are embedded within Children & Family Services (CFS) internal processes.
Business Continuity (BC) arrangements	Sexual Health Services (SHS) provided by MPFT	The service has a full BC Plan in place and provides immediate updates to the commissioners where there are any interruptions to service provision.
	0-11 & 11-19 Healthy Child Programme	0-11 provide a BC plan at the start of the contract, 11-19 is in place as part of C&FS BCP.
	Integrated Substance Misuse Treatment Services	The service has a comprehensive business continuity plan in place.
Care Quality Commission (CQC)	0-11 & 11-19 Healthy Child Programme	0-11 CQC inspection taken place within LPT – No actions related to Healthy Together. 11-19 currently not required to register.

Serious Incidents

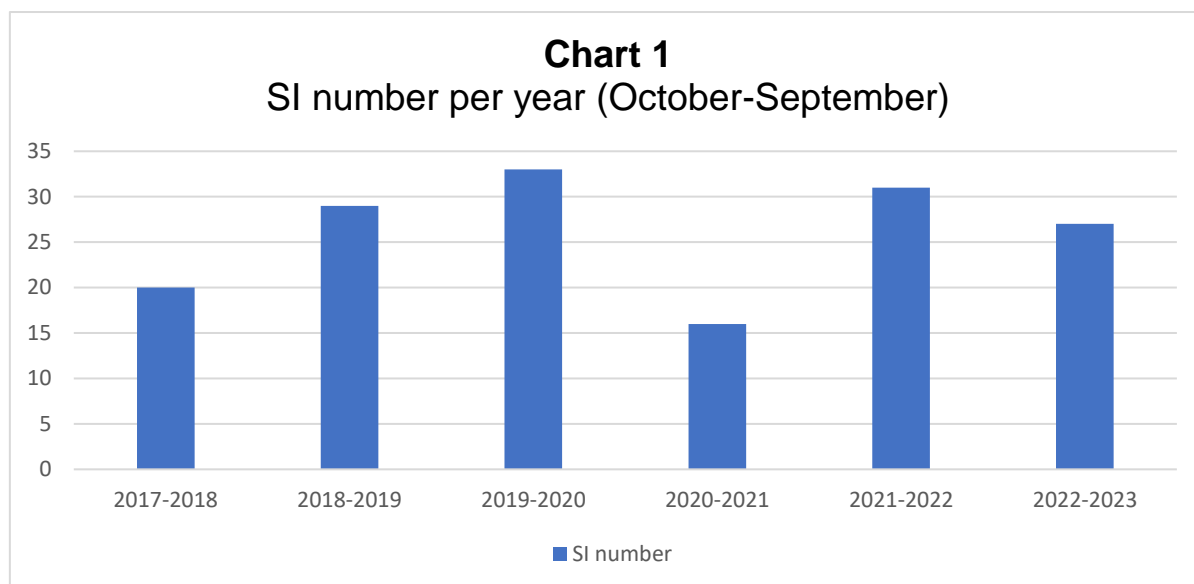
23. There has been a decrease in SIs reported in the period from October 2022 to September 2023 (27 incidents) compared to the same period in November 2021 to October 2022 (31 incidents).
24. The majority of SIs reported continue to be from the Integrated Substance Misuse Treatment Service and are related to deaths of service users who are or were previously receiving treatment (within three months of leaving). The number of deaths reported by the Integrated Substance Misuse Treatment Service has remained lower than other substance misuse services across the country.

25. Service providers continue to conduct an annual review of all serious incidents to identify key themes. This is followed by a detailed action plan which is reviewed as part of contract management activity.
26. The multi-agency LLR Drug and Alcohol Related Deaths Review Panel (DARDRP) commenced in November 2022. The review of deaths (for adults/over 18's) occurring as a result of substance misuse is routinely carried out at the panels quarterly meetings, with emphasis on a whole system approach, rather than reviewing cases from one organisations perspective. Benefits of this includes the review of deaths of residents potentially not known to treatment services and identifying broader lessons learned across wider health, social care, and criminal justice services.
27. **Table 2** below sets out the serious incidents that have taken place and been responded to during the period under review.

Table 2

Serious Incidents reported to the County Council's Public Health (PH) Team 1/10/2022 – 30/09/2023			
Month	Number of Serious Incidents Reported into dedicated PH SI inbox	Month	Number of Serious Incidents Reported into dedicated PH SI inbox
October 2021	1	October 2022	1
November 2021	1	November 2022	4
December 2021	4	December 2023	3
January 2022	2	January 2023	3
February 2022	6	February 2023	2
March 2022	2	March 2023	2
April 2022	1	April 2023	2
May 2022	1	May 2023	3
June 2022	3	June 2023	2
July 2022	3	July 2023	2
August 2022	2	August 2023	3
September 2022	5	September 2023	0
Total	31	Total	27

28. **Chart 1** below illustrates the number of SIs October-September per year.



Resource Implications

29. Proportion of the public health grant is needed to support the Council's obligations in relation to clinical governance e.g. in terms of staffing (strategic leads and contract managers).

Equality Implications

30. None arising directly from this report.

Human Rights Implications

31. None arising from this report.

Recommendation

32. The Committee is asked to note this report.

Officer to Contact

Mr. Mike Sandys, Director of Public Health
Tel: 0116 305 4239 E-mail: Mike.Sandys@leics.gov.uk

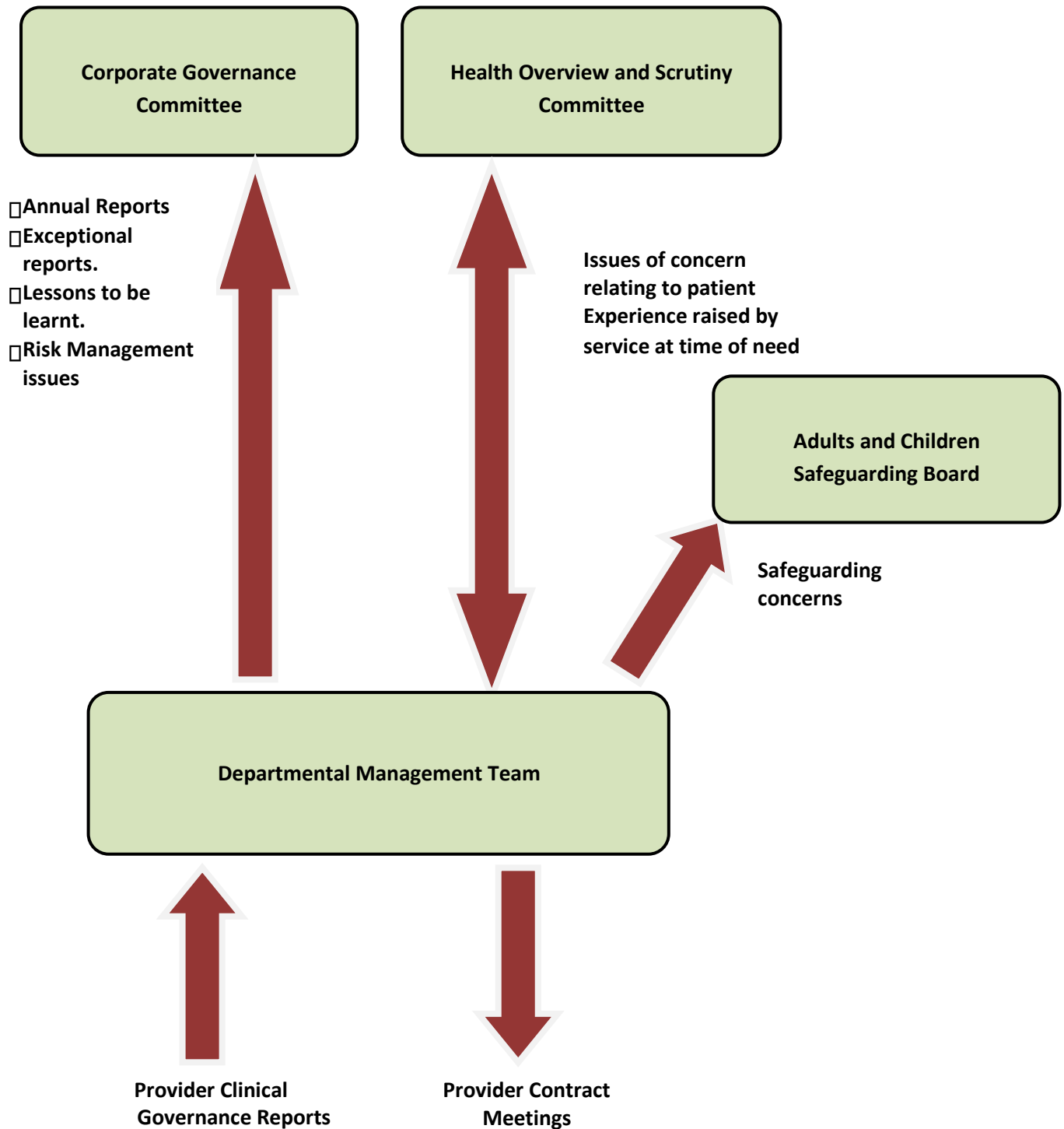
Fiona Grant, Consultant in Public Health
Tel: 0116 305 7929 E-mail: Fiona.Grant@leics.gov.uk

Appendices

- Appendix A - Overview of arrangements
- Appendix B - Glossary of Terms
- Appendix C - Clinical Audits

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Appendix A

Overview of arrangements

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Appendix B

Glossary of terms

- **Alcohol dependence** is a cluster of behavioural, cognitive and physiological factors that typically include a strong desire to drink alcohol, tolerance to its effects, and difficulties controlling its use. Someone who is alcohol-dependent may persist in drinking, despite harmful consequences, such as physical or mental health problems.
- **Alcohol dependence management.** Patients with mild alcohol dependence usually do not need assisted alcohol withdrawal. Patients with moderate dependence can generally be treated in a community setting unless they are at high risk of developing alcohol withdrawal seizures or delirium tremens; individuals with severe dependence should undergo withdrawal in an inpatient setting. Patients with decompensated liver disease should be treated under specialist supervision.
- **Blood-Borne Virus (BBV) screening.** This will include Human Immunodeficiency Virus (HIV), Hepatitis B (hep B) and Hepatitis C (Hep C) routinely.
- **Care Quality Commission (CQC)** is an independent regulator of clinical health and social care systems in England. CQC conduct monitoring of services to ensure services are safe, effective, compassionate and provide high-quality care.
- **Child Overview Panel (CDOP) undertakes** a review of all deaths of children who are resident within Leicester, Leicestershire and Rutland (LLR). More details regarding the core purpose and key functions and can be found in the CDOP Procedures.
- **Clinical Governance Standard Operating Guidance (CG SOG)** is a suite of documents and guidance which relate to clinical governance processes and procedures within the public health department.
- **EHC** stands for Emergency Hormone Contraception.
- **Epididymo-orchitis.**
The testicles are affected when the tube at the back of the testicles becomes swollen and painful following an infection or trauma and include the following:
 - a lump in the testicles
 - swollen testicles
 - a change in the shape of the testicles
 - a change in the way the testicles feel
 - 1 testicle that's become bigger than the other
 - aching or discomfort in the testicles that does not go away.

- **Faculty of Sexual and Reproductive Healthcare (FSRH).**

FSRH is a faculty of the Royal College of the Obstetricians and Gynaecologists. It was established on the 26th of March 1993 as the Faculty of Family Planning and Reproductive Health Care. <http://www.fsrh.org/standards-and-guidance>.

- **Healthy Together Service 0-19** (Pre-September 2022) and **0-11 health together Service** (Post September 2022) provided by Leicestershire Partnership Trust (LPT) across Leicestershire and Rutland. This covers the Health Visiting and School Nursing Service.

- **Intra- Uterine Device (IUD).**

A copper medical device that is a small T-shaped plastic and copper device that's put into your womb (uterus) by a healthcare professional. When inserted correctly, IUDs are more than 99% effective. It releases copper into the womb, copper alters the cervical mucus, which makes it more difficult for sperm to reach an egg and survive. It can also stop a fertilised egg from being able to implant itself.

- **Intra-Uterine System (IUS),** same as above IUD they are used interchangeably.

- **International Child Protection Certificate (ICPC).**

The National Crime Agency (NCA) and Association of Criminal Records Office (ACRO) developed the International Child Protection Certificate (ICPC) to help protect children from offenders who travel overseas to abuse vulnerable children through employment, volunteering and charity work.

- **Integrated Substance Misuse Treatment Services (ISMTS)**

This comprises of a community treatment service for adults and young people, inpatient detoxification, and residential rehabilitation services. The provider of the ISMTS is Turning Point.

- **Levonorgestrel** is an oral emergency hormonal contraceptive (EHC) for use in community pharmacies. It is to be taken as soon as possible after coitus, preferably within 12 hours and no later than after 72 hours.

- **Methadone and Buprenorphine** are opioids. Buprenorphine is a semi-synthetic compound, being made from both natural and synthetic compounds, while methadone is a fully synthetic compound. Both prevent withdrawal symptoms by interacting with opioid receptors in the brain.

- **Drug and Alcohol Deaths Review Panel.**

The multi-agency panel has been re-established to ensure that substance misuse related deaths can be reviewed, and best practice is put in place.

- **Naloxone hydrochloride** is an emergency medication that can reverse the effects of an overdose of opioids like heroin or methadone.

- **Naltrexone** is a supplementary medication to prevent relapse in formerly opioid-dependent patients (who have remained opioid-free for at least 7–10 days) (initiated under specialist supervision).

- **NHS Health Checks.**

Commissioned from local GPs, for the patient it is a free NHS Health Check to spot early signs and reduce the risk of a preventable illnesses or disease, to increase longevity.

- **Patient Group Direction (PGD).**

A PGD is a specific written instruction for the supply and/or administration of named medicines in an identified clinical situation. It is drawn up locally by the appropriate healthcare professionals, and approved by the employer, advised by the relevant professional advisory committees. It applies to groups of patients or service users who may not be individually identified before presentation for treatment.

- **Partnerships**

Clinical governance arrangements, expertise and knowledge are enhanced by sharing good practice across the wider health and care systems.

- **Perinatal mental health.**

Perinatal mental health (PMH) problems are those which occur during pregnancy or in the first year following the birth of a child. Perinatal mental illness affects up to 27% of new and expectant mums and covers a wide range of conditions. Specialist PMH services provide care and treatment for women with complex mental health needs and support the developing relationship between parent and baby. They also offer women with mental health needs advice for planning a pregnancy.

- **Psychosocial Interventions**, such as cognitive behavioural therapy and acceptance and commitment therapy, are often delivered by psychologists, social workers, mental health counsellors, and community health workers. These evidenced-based interventions occur in both individual and group formats.

- **Re-Procurement**, creates opportunities to update and improve the clinical quality and safety of new services.

- **Sexual Health Services (SHS).**

This includes: an integrated sexual health service and contraceptive services. The integrated sexual health service is provided by Midlands Partnership NHS Foundation Trust whilst contraceptive services are provided through Primary Care Services.

- **Serious Incident (SI)** is an act or omission in care that results in unexpected or avoidable death, unexpected or avoidable injury.

- **StEIS** stands for Strategic Executive Information System from 2018 is an NHS Improvement reporting system for Serious Incidents. Previous to 2018 StEIS was NHS England governed.

- **Turning Point Leicestershire & Rutland** is the integrated substance misuse service for Leicestershire and Rutland.
- **Quality Assessment Visit** is a service visit carried out by the Quality and Contracts team. A copy of the template is hyperlinked [here](#) (if needed).
- **Ulipristal acetate** is an oral emergency hormonal contraceptive (EHC) for use in community pharmacies. It is to be taken as soon as possible after coitus, but no later than after 120 hours.

Appendix C

Clinical audits

Detail from Table 1 reports:

Sexual Health

Services delivered by Midlands Partnership NHS Foundation Trust (MPFT)

22/23 Q3

- Child Sexual Exploitation (CSE) Audit following The Report of the Independent Inquiry Telford Child Sexual Exploitation
- BASHH HIV post-exposure prophylaxis (PEP) pathways
- BASHH Management of Mycoplasma genitalium
- History taking in MSM – Re-audit
- Re-audit of Anogenital warts in LLR

23/24 Q1

- Nexplanon Insertion
- Management of Vulvovaginal Candidiasis re-audit

23/24 Q2

- Chlamydia Management

Sexual Health

Patient Group Direction

- Levonorgestrel for use in community pharmacies (Emergency Hormone Contraception - EHC)
- Ulipristal for use in community pharmacies (EHC)

0-19 The Healthy Child Programme

Safeguarding

- Safeguarding is core part of the healthy child programme. The clinical governance is managed by LPT, as the contracted provider. They have adopted the Leicestershire and Rutland Safeguarding policies and practices and have implemented the Signs of Safety training to all their staff. There are designated safeguarding leads to ensure good practice. The service contributes to reducing the number of children who enter the safeguarding system through preventative and early help work. Any concerns or serious incidents follow national and local assurance protocols and completion of section 11 audit as appropriate. This is also managed and monitored through contractual levers available to Public Health.

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CORPORATE GOVERNANCE COMMITTEE – 17 NOVEMBER 2023

JOINT REPORT OF THE CHIEF EXECUTIVE AND THE DIRECTOR OF CORPORATE RESOURCES

LOCAL GOVERNMENT AND SOCIAL CARE OMBUDSMAN ANNUAL REVIEW 2022/23 AND UPDATE ON CORPORATE COMPLAINTS AND FREEDOM OF INFORMATION REQUESTS

Purpose of Report

1. The purpose of this report is threefold:
 - To inform Members of the Local Government and Social Care Ombudsman (LGSCO) annual review letter for the Authority for 2022/23.
 - Provide Members with an update on improvements to the Local Authority's Complaints procedures and effective complaints handling.
 - Provide Members with an update on handling of Freedom of Information Act (FOI) and Environmental Information Regulations (EIR).

Background

2. The role of the Corporate Governance Committee includes the promotion and maintenance of high standards within the Authority in relation to the operation of the Council's Code of Governance. It also has within its terms of reference the making of payments or providing other benefits in cases of maladministration under Section 92 of the Local Government Act 2000.
3. At its meeting on 29 November 2009 this Committee, in line with its role and responsibilities, and those of the then existing Standards Committee, agreed that reports on complaints handling should be submitted on an annual basis for members consideration following receipt of the LGSCO's annual review letter. This report also discharges the Monitoring Officer's statutory duty under s.5(2) of the Local Government and Housing Act 1989 to report where maladministration has been identified.
4. The LGSCO produces an annual review letter for each Authority. This typically contains complaint statistics as well as more general updates from the LGSCO as to any emerging themes. This letter is included as Appendix A.

5. In recent years, the LGSCO has also issued an annual review of local government complaints each year. A copy of the 2022-23 report is included as Appendix B.
6. In 2019 it was agreed that an annual update is to be provided to the Corporate Governance Committee outlining how the Council is discharging its obligations under the FOI and EIR legislation.

Part 1: LGO's Annual Review Letter for Leicestershire County Council

7. Between April 2022 to March 2023 a total of 117 Complaints and Enquiries were received by the LGSCO with regard to Leicestershire County Council services. This is a significant increase up 31% on last year (89).
8. To add further context to the number of complaints received by the LGSCO, population data has been obtained which shows that Leicestershire receives 16.4 referrals to the LGSCO per 100,000 residents. This is an increase on last year where the Council received 12.5 referrals per 100,000. Appendix C shows that Leicestershire performance is ranked fourteenth out of the 16 authorities classed as statistical neighbours.
9. The number of complaints escalated to the LGSCO has risen from 77 in 2021/22 to 117 in 2022/23, an increase of 64%. In 33 of these cases the Ombudsman decision was that that the escalation of the complaint was premature.
10. Whilst referrals to the Ombudsman should not always be seen as a negative (as it provides assurance that signposting information is always provided) there are a number of complaints this year that have escalated solely due to delay in responding to complaints.
11. 56 cases were dealt with at the assessment stage, which is a lighter touch review of the Council's actions. This includes complaints that were considered to be outside of the Ombudsman's jurisdiction as well as those where it was clear the Council had acted appropriately.
12. The Ombudsman carried out 38 detailed investigations during the year. This equates to 30% of the complaints determined. The numbers investigated in detail by the LGSCO increased this year by twelve.
13. Of the 38 complaints subject to detailed investigation, 27 (71%) had a finding of some fault and were consequently upheld. This is a decrease from last year upheld rate (81%).
14. Overall for the cases investigated by LGSCO the upheld rate for Leicestershire's was 71%. This ranks the Council as having the 2nd lowest upheld rate out of 16 for statistical neighbours and places the Council in the upper quartile against an average of 80% of cases upheld.

15. Where a finding of fault with injustice is made, the LGSCO may suggest a course of action to the Council which, if implemented, would lead the LGSCO to discontinue their investigation. The Council is not obligated to carry out this recommendation but failure to do so may lead to a Public Report being issued.
16. Such settlements may involve an element of compensation for a complainant where there has been a failure to provide a service, together with a payment to recognise the complainant's time and trouble in having to pursue the complaint.
17. On some occasions, the Council may have already taken remedial action which the LGSCO considers appropriate to resolve the issue. In such cases, the LGSCO will still record the case as maladministration but with an additional tag to reflect that the situation had been adequately remedied before LGSCO involvement.
18. There was 1 such case in 2022-23. (This represented 4% of the overall upheld number compared to the average upheld rate for all English county councils of 6%).
19. Two of the LGSCO decisions were issued as Public Reports during the 2022-23 reporting year. (Further information can be found in the Annual Review letter)
20. Themes emerging from the 27 upheld complaints appear below. For ease these have been grouped by Council Department.

Children and Family Services – Education

21. This was both the most frequently escalated area and where most upheld cases were found (10).
22. Common areas of fault included:
 - Delays in meeting statutory timescales for Education and Health Care Plans (EHCP)
 - Gaps in putting in place alternative education when a child was unable to attend a school setting for whatever reason
 - Delay in carrying out and completing Annual Reviews of EHCPs
 - Failure to ensure that provision as specified within an EHCP was being fulfilled.
23. Financial redress payments ranging from £300 to £13,975 were made
24. In one case the Ombudsman exercised his powers to ask the Council to undertake further work to ascertain whether other families had suffered any similar injustice. This resulted in the identification of 7 cases and further payments of £25,100

Total compensation paid £54,275

Children and Family Services – Social Care

25. There were 6 complaints upheld by the Ombudsman in this area.
26. Identified fault included:
 - Inadequate communication with families.
 - Inaccurate record keeping.
 - Failure to properly explain procedures
27. Financial redress payments ranging from £100 to £2,400 were made.

Total compensation paid £2,700

Adult Social Care

28. There were 9 complaints upheld by the Ombudsman in this area. This included 1 issued as a Public Report.
29. Identified fault included:
 - Care Providers failing to keep accurate records or deliver care in line with agree care plans.
 - Failure to properly explain charging policies.
 - Insufficient oversight to ensure services were re-instated following a pause during the pandemic and failure to re-assess.
 - Lack of continuity of home care following a provider serving notice.
30. Financial redress payments ranging from £150 to £10,020 were made

Total compensation paid £11,770

Others

31. There were 2 other complaints upheld by the Ombudsman. These were in Trading Standards and School Transport. The Transport decision was issued as a Public Report.

Total compensation paid £200

SUMMARY

32. The LGSCO produced two public reports against the Council during 2022/23.
33. Financial remedies determined by the LGSCO amounted to £68,945. This is a significant increase from last year (£11,950).

34. All the above financial settlements were approved by the Director of Law and Governance, in accordance with powers delegated by this Committee at its meeting on 26 November 2012.
35. The Chair of the Corporate Governance Committee was consulted regarding three payments that exceeded £5,000 limit in line with the Director's delegation.
36. The LGSCO continues to promote an interactive map of the Council's performance. This is available through a link within Appendix A and allows for easy access and comparison of the data presented in this report with other authorities.

Part 2: Update on Complaints Handling

37. The Council has a statutory duty to produce an annual report on both children and adult social care complaints.
38. The Council also produces a Corporate Complaints Annual report which considers all other non-statutory complaints.
39. Collectively these reports highlighted the following key themes and performance:

Corporate Complaints

Complaints received and outcomes (2021-22 comparative data is in brackets)

- During 2022-23 781 Corporate complaints were received (610) – a 28% increase
- 398 Corporate complaints were upheld - which is 51% of the total received (39%)

Response times

40. During 2022-23, complaint response times show ongoing pressures on services, particularly those requiring senior manager review.

Stage 1

- 46% of all complaints received a response within 10 working days (41% in 2021-22)
- 70% received a response within 20 working days (68% in 2021-22)
- 85% received a response within the maximum 40 days recommended by LGSCO (87% in 2021-22)

Stage 2

- 37% of all complaints requesting a Stage 2 review received a response within 20 working days. There is no comparative reporting available.

Issues most frequently complained about

- The top five issues complained about were as follows

School Admissions	237
SEN Assessment	193
SEN and School Transport	79
Highway Maintenance	26
Public Transport	24

Adult Social Care Statutory Complaints

- There were 204 adult social care complaints recorded in 2022-23, a very slight decrease of 3% on 2021-22 (210).
- Response times for social care complaints improved this year with 76% responded to within 20 working days. This is a good improvement on last year. There were however 19 complaints exceeding the statutory maximum 65 working days which needs improvement.
- Fault was found in 38% of complaints. A slight reduction from last year (43%).

Children's Social Care Complaints

- The Council continues to assess complaints against the statutory guidance and practitioner guidance issued by the Local Government and Social Care Ombudsman in determining eligibility to the statutory procedure. This is important to control costs incurred through independent investigation.
- A total of 86 Stage 1 complaints were accepted, a significant increase from 65 in 2021-22 (+32%).
- Of the 86 complaints considered at Stage 1, 10 requested escalations to Stage 2 (Independent Investigation) equating to 12%. Of these, 5 requested further escalation to Stage 3 of the process (Panel Review) and 3 of these went on to approach the Ombudsman
- Response times for Stage 1 complaints showed some challenges with adhering to the stricter statutory timescale of 20 working days with 37% achieving this. There were also 12 complaints (14%) which exceeded 40

working days. This requires improvement to adhere to the statutory procedures.

- An additional 82 Children's Social Care complaints were handled under the Corporate Complaints procedure.

Improving Complaint Handling

41. During the year, quarterly training sessions have continued promoting softer skills of complaint investigation and response. This continues to be well attended.
42. The complaints team continues to work closely with departments to discuss responses to complaints and act as a critical friend.
43. There have been minor policy amendments made this year to our corporate complaints procedure. This was to more clearly define timescales for the Stage 2 "Review" stage.
44. In house Complaints Investigators continue to support SEN and Children's Social Care and this is working well.

Part 3: Update on Freedom of Information Act (FOIA) and Environmental Information Regulations (EIR) handling

Summary of the legislation and principal functions of the Corporate FOI service

45. The FOIA gives anyone the right to ask a public authority for information; for the information to be released to them, and / or to be told why the information cannot be provided. The Act places a duty on Local Authorities to respond within 20 working days (in most circumstances).
46. The principal functions of the FOI team are to:
 - Acknowledge receipt of the request and ensure the progress of the request is tracked to completion.
 - Undertake any redactions necessary and distribute responses to requests. This includes publication through our disclosure log unless there are clear reasons not to do so.
 - Consider the application of any exemptions or exceptions and give a clear explanation for any information withheld and the reasons why the balance of public interest is against disclosure.
 - Provide advice and assistance to members of the public and others wishing to use the legislation.
 - Provide support and advice to staff responding to requests.
 - Manage the FOI / EIR appeals or complaints procedures including liaison with the Information Commissioner.

Annual Performance April 2022 – March 2023

Analysis of requests received

47. Between 1 April 2022 and 31 March 2023, 880 requests were received compared to 832 in the previous year. This represents a 6% increase.
48. Requests were received across a wide range of subject matters with the top three areas being:
- Education Services 134
 - Children in Care 85
 - Adult Social Care 73
49. Where identifiable, data is now available on applicants seeking information and the following table sets out the top three requestors during this period:

Applicant Type	Number of requests
Member of the public	300
Business	126
Media	108

50. All requests by the Media are automatically flagged and approval is sought by the Council's Media Team prior to any publication.

Analysis of requests responded to between 1 April 2022 – 31 March 2023

51. During the reporting year, 883 requests were responded to. The figures are different to the volume received as some requests were received before the start of the reporting year. This can be further segmented into:
- 783 FOIA requests
100 EIR requests
52. Information was provided in full for 699 requests (79%) with a further 71 instances (8%) where partial information was provided with part of the request refused as either “not held” or using a valid exemption.
53. 65 requests were refused in full. The majority (39) because the cost of responding would exceed the reasonable limits set out in legislation.

Compliance with statutory timescales

54. 772 (87%) of the requests were responded to within 20 working days. This was a 3% reduction on 2021-22.

55. Information Commissioner Office (ICO) guidance suggests a target of 90% should be set by Local Authorities in this area. Whilst not meeting this for 2022-23, it is unlikely that the current performance would attract any criticism.

The table below charts the respective performance by Department:

Response times in working days

Department	<5	6-10	11-15	16-20	>20
A&C	18 (24%)	13 (17%)	20 (26%)	9 (12%)	16 (21%)
CEX	17 (29%)	9 (16%)	13 (22%)	8 (14%)	11 (19%)
CFS	47 (21%)	74 (33%)	57 (26%)	35 (16%)	10 (4%)
CR	56 (24%)	40 (17%)	48 (20%)	46 (20%)	45 (19%)
E&T	25 (16%)	35 (22%)	37 (23%)	50 (31%)	12 (8%)
PH	2 (10%)	6 (29%)	8 (38%)	3 (14%)	2 (10%)
MULTI	19 (17%)	24 (22%)	22 (20%)	31 (28%)	15 (14%)
ALL	184 (21%)	201 (23%)	205 (23%)	182(21%)	111 (13%)

56. The above data suggests no significant outliers departmentally with CFS and E&T continuing to perform very strongly.

Internal reviews and Information Commissioner enquiries

57. There have been 11 internal reviews requested during 2022-23. This equates to 1% of the overall requests responded to.
58. Five of the internal reviews were upheld and resulted in additional information being disclosed. The remaining 6 cases were referred to the ICO.
59. There have been three ICO enquiries made during the year, with 1 decision made. This found no significant fault with the Council's handling but did result in some additional disclosure of records.

Recommendations

60. The Committee is recommended to:
- (a) note the contents of this report.
 - (b) provide comment and feedback on the LGSCO's annual review letter and the complaints and FOI handling arrangements and improvements as outlined.

Equality Implications

61. An Equality and Human Rights Impact Assessment was completed in 2014. There have been no significant changes to the complaints handling

process since this time. Neither have any been identified regarding handing of FOI requests.

Human Rights Implications

62. There are no Human Rights implications arising from this report.

Background Papers

Report to the Scrutiny Commission dated 12 June 2022 'Corporate Complaints and Compliments Annual Report 2022/23'

<https://politics.leics.gov.uk/documents/s176677/Complaints%20and%20Compliments%202022-23.pdf>

Report to Adults and Communities Scrutiny and Overview Committee dated 4 September 2023 'Annual Adult Social Care Complaints and Compliments Report'

<https://politics.leics.gov.uk/documents/s178162/Annual%20ASC%20Complaints%202022-23.pdf>

Report to Children and Families Scrutiny and Overview Committee dated 5 September 2023 'Childrens Social Care Statutory Complaints and Compliments Annual Report 2022-23'

<https://politics.leics.gov.uk/documents/s178148/Childrens%20Social%20Care%20Statutory%20Complains%20and%20Compliments%20Annual%20Report%202022-23%20-%20CFS%20OSC%20050923.pdf>

Circulation under the Local Issues Alert Procedures

None.

Officers to contact

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Director of Law and Governance
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List of Appendices

Appendix A: The Local Government and Social Care Ombudsman's Annual Review Letter dated 19 July 2023 – Leicestershire County Council – for the year ended 31 March 2023.

- Appendix B: The Local Government and Social Care Ombudsman Review of Local Government Complaints 2022-23.
- Appendix C: Benchmarking data for statistically comparable neighbours as defined by CIPFA.

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Local Government & Social Care OMBUDSMAN

19 July 2023

By email

Mr Sinnott
Chief Executive
Leicestershire County Council

Dear Mr Sinnott

Annual Review letter 2022-23

I write to you with your annual summary of complaint statistics from the Local Government and Social Care Ombudsman for the year ending 31 March 2023. The information offers valuable insight about your organisation's approach to complaints. As always, I would encourage you to consider it as part of your corporate governance processes. As such, I have sought to share this letter with the Leader of your Council and Chair of the appropriate Scrutiny Committee, to encourage effective ownership and oversight of complaint outcomes, which offer such valuable opportunities to learn and improve.

The end of the reporting year, saw the retirement of Michael King, drawing his tenure as Local Government Ombudsman to a close. I was delighted to be appointed to the role of Interim Ombudsman in April and look forward to working with you and colleagues across the local government sector in the coming months. I will be building on the strong foundations already in place and will continue to focus on promoting improvement through our work.

Complaint statistics

Our statistics focus on three key areas that help to assess your organisation's commitment to putting things right when they go wrong:

Complaints upheld - We uphold complaints when we find fault in an organisation's actions, including where the organisation accepted fault before we investigated. We include the total number of investigations completed to provide important context for the statistic.

Over the past two years, we have reviewed our processes to ensure we do the most we can with the resources we have. One outcome is that we are more selective about the complaints we look at in detail, prioritising where it is in the public interest to investigate. While providing a more sustainable way for us to work, it has meant that changes in uphold rates this year are not solely down to the nature of the cases coming to us. We are less likely to carry out investigations on 'borderline' issues, so we are naturally finding a higher proportion of fault overall.

Our average uphold rate for all investigations has increased this year and you may find that your organisation's uphold rate is higher than previous years. This means that comparing uphold rates with previous years carries a note of caution. Therefore, I recommend comparing this statistic with

that of similar organisations, rather than previous years, to better understand your organisation's performance.

Compliance with recommendations - We recommend ways for organisations to put things right when faults have caused injustice and monitor their compliance with our recommendations. Failure to comply is rare and a compliance rate below 100% is a cause for concern.

Satisfactory remedy provided by the authority - In these cases, the organisation upheld the complaint and we were satisfied with how it offered to put things right. We encourage the early resolution of complaints and credit organisations that accept fault and find appropriate ways to put things right.

Finally, we compare the three key annual statistics for your organisation with similar authorities to provide an average marker of performance. We do this for County Councils, District Councils, Metropolitan Boroughs, Unitary Councils, and London Boroughs.

Your annual data, and a copy of this letter, will be uploaded to our interactive map, [Your council's performance](#), on 26 July 2023. This useful tool places all our data and information about councils in one place. You can find the detail of the decisions we have made about your Council, read the public reports we have issued, and view the service improvements your Council has agreed to make as a result of our investigations, as well as previous annual review letters.

Your organisation's performance

During the year, we issued two public reports about your Council. In [the first report](#), your Council left a sight-impaired woman without social care support for 21 months, despite her having eligible care needs. The Council failed to comply with timescales for carrying out a care assessment and preparing a care and support plan. Our investigation also found fault with the way the Council handled the financial assessment and personal budget.

As a result of the Council's failings the woman was left at risk of burning herself when cooking, and of falling. She also suffered from increased levels of isolation during the COVID-19 pandemic as she was not provided with support to access the community.

The Council fully engaged with providing the remedies we recommended. It apologised to the woman and paid her £2,500 for the distress and risk of harm to which she was exposed. It also paid her £7,220 for the services she missed out on and a further payment to recognise her distress and frustration with the delay in arranging social care support. It reviewed its processes to ensure preparing care and support plans for residents with eligible care needs was an integral part of the assessment process and reminded frontline staff of the required timescales. The Council carried out staff training on some aspects of financial assessments and conducted an audit to identify residents who might have missed out on support following their care assessments, both before and during the COVID-19 pandemic. The positive way the Council engaged with our recommendations shows its commitment to achieving long-term improvements within its adult social care services.

In the [second report](#) issued, your Council agreed to refund a mother's school transport costs after our investigation found flaws in the way it handled her application. We found the Council took too long to reach its initial decision on the family's school transport application, and the information provided to parents about timescales was misleading.

The information provided by the Council on its website about the appeals process was also criticised, we found a link to the appeals process did not work, and so parents had to find the forms on the website themselves. We also found problems with the length of time the Council took to consider the appeal, which meant the hearing took place after the school year started.

Additionally, the family incurred a significant financial cost as the Council took three months to arrange provision following their appeal.

The Council agreed to apologise to the family and reimburse the costs they incurred minus the personal transport budget payments received. It also agreed to pay them £500 to recognise the avoidable distress caused by the Council's poor handling of their application and appeal.

The Council also agreed to review the information it provides to applicants to ensure it is accurate and to consider reviewing its systems to ensure issues identified can be dealt with promptly.

Supporting complaint and service improvement

I know that complaints offer organisations a rich source of intelligence and insight that has the potential to be transformational. These insights can indicate a problem with a specific area of service delivery or, more broadly, provide a perspective on an organisation's culture and ability to learn. To realise the potential complaints have to support service improvements, organisations need to have the fundamentals of complaint handling in place. To support you to do so, we have continued our work with the Housing Ombudsman Service to develop a joint complaint handling code that will provide a standard for organisations to work to. We will consult on the code and its implications prior to launch and will be in touch with further details.

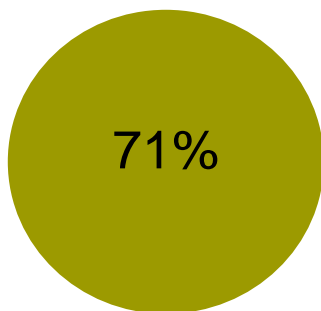
In addition, our successful training programme includes practical interactive workshops that help participants develop their complaint handling skills. We can also offer tailored support and bespoke training to target specific issues your organisation might have identified. We delivered 105 online workshops during the year, reaching more than 1350 people. To find out more visit www.lgo.org.uk/training or get in touch at training@lgo.org.uk.

Yours sincerely,



Paul Najsarek
Interim Local Government and Social Care Ombudsman
Interim Chair, Commission for Local Administration in England

Complaints upheld



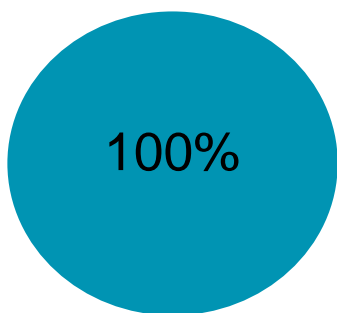
71% of complaints we investigated were upheld.

This compares to an average of **80%** in similar organisations.

27
upheld decisions

Statistics are based on a total of **38** investigations for the period between 1 April 2022 to 31 March 2023

Compliance with Ombudsman recommendations



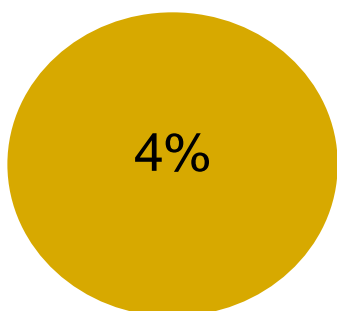
In **100%** of cases we were satisfied the organisation had successfully implemented our recommendations.

This compares to an average of **100%** in similar organisations.

Statistics are based on a total of **25** compliance outcomes for the period between 1 April 2022 to 31 March 2023

- Failure to comply with our recommendations is rare. An organisation with a compliance rate below 100% should scrutinise those complaints where it failed to comply and identify any learning.

Satisfactory remedy provided by the organisation



In **4%** of upheld cases we found the organisation had provided a satisfactory remedy before the complaint reached the Ombudsman.

This compares to an average of **6%** in similar organisations.

1
satisfactory remedy decision

Statistics are based on a total of **27** upheld decisions for the period between 1 April 2022 to 31 March 2023

Review of Local Government Complaints 2022-23

July 2023

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Ombudsman's foreword



I was delighted to be appointed to the role of interim Ombudsman in April 2023 and am pleased to be able to look back on the year and present our Review of Local Government Complaints for 2022-23.

This report reflects on the complaints we have investigated about the sector during the year and, importantly, highlights the value to be gained from complaints as a tool for learning and service improvement. Complaint oversight is core to good corporate governance and it is the responsibility of Elected Members, Chief Executives, Monitoring Officers, and Statutory Officers to identify patterns of complaint and drive improvement.

Together, with the data we publish alongside the report, I hope you are able to gain insight into your own organisation's strengths and challenges around complaint handling and to learn from the approach of others.

Our complaint statistics for 2022-23 tell us:

- > We received and upheld more complaints about Education and Children's services than any other service area
- > We recommended more service improvements than ever before, with 2,412 recommendations focused on delivering policy change, procedure review or staff training
- > We published 38 public interest reports, with Education and Children's Services, Adult Care Services and Housing the subject matter in most cases
- > Compliance with our recommendations was 99.3%

We continue to find the highest proportion of fault in complaints about Education and Children's Services, and they remain some of our most high-profile cases, featuring in more than half of our public interest reports. The themes of these reports are all too familiar – failure to properly provide for Special Educational Needs and Education, Health and Care plans are common features. While we are aware of the challenges authorities face, at the heart of many of these complaints are children and young people going without the support they are entitled to, and we will continue to hold authorities to account for what they are required to provide.

Like many organisations we have, in recent years, been focused on doing the most we can with the resources we have, prioritising cases where it is in the public interest to investigate. As a result, we are less likely to carry out investigations into 'borderline' issues and are finding a higher proportion of fault as a result. While allowing a more sustainable way for us to work, the change means that our uphold rate has increased seven percentage points from last year to 74%. We have reported a steadily increasing uphold rate for several years, but this year's increase is not wholly attributable to the nature of the cases that came to us and so comparison with previous years carries a note of caution.

The recommendations we make to remedy complaints remains a key focus for us – we made more service improvement recommendations during the year than ever before. Where we find fault, we will always ask authorities to put things right for the person that has brought the complaint and will also consider others that may have been similarly affected or will make recommendations to improve services for future users.

Evidence points to the importance of attending to the experience of residents and the need to invest in and support their complaint functions – it is a false economy not to.

These recommendations can be hugely impactful, resulting in significant changes to how services are delivered; we detail some cases later in this report. We track the impact of these recommendations with interest – a single resident’s recent complaint about a council’s use of fixed penalty notices for fly-tipping resulted in 191 fines being cancelled or refunded to residents. I commend authorities that accept and carry out these recommendations to their fullest, despite challenging circumstances.

Our system of redress relies on compliance with our recommendations, which are non-binding. It is therefore pleasing to note a 99.3% compliance rate. However, we continue to see around a fifth of our recommendations implemented outside of agreed timescales. Delay in carrying out agreed actions further frustrates complainants and is an ineffective use of resources. I urge authorities to review their mechanisms for considering and implementing our recommendations to ensure they are efficient and effective.

During our investigations, it is not uncommon for us to uncover poor complaint handling practices by authorities. We see evidence of authorities

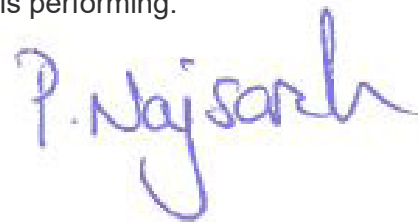
failing to correctly signpost to our service or to use the statutory children’s complaints process appropriately. Issues with timeliness and communication are often evident in both local complaint handling and authorities’ liaison with us.

While I am aware of the demanding context within which authorities are working, this evidence points to the importance of attending to the experience of residents and the need to invest in and support complaint functions – it is a false economy not to. Putting people who use services at the centre of the complaints system is important for achieving good outcomes and we want to support authorities to do this.

As such, we have continued to work with colleagues at the Housing Ombudsman Service to support authorities to focus on the fundamentals of complaint handling. A joint complaint handling code will provide a standard for authorities to work to. We will consult on the code and its implications later in the year.

Working with our partners both nationally and locally to share the wealth of data and intelligence we gather from our casework to help improve services is a key focus for us. Equally, we are committed to our own continuous improvement and have commissioned a peer review of our work focusing both on our efficiency and effectiveness, which will be published later in the year.

Alongside this report, we publish our complaints data at local authority level, and upload annual data to the [your council’s performance](#) map. Now with five years’ worth of data on councils’ complaint outcomes and commitments to improve, I encourage you to take a look at how your organisation is performing.



Paul Najsarek
Interim Local Government and
Social Care Ombudsman
July 2023

Putting things right



2,548

cases with
recommendations to
put things right



15,488

complaints and
enquiries received



2,412

recommendations
to improve services
for everyone*



12%

upheld cases where
we agreed with the
authority's remedy



4,907

recommendations
to remedy
personal injustice*

** In many cases, we will recommend more than one type of remedy. For example, we may recommend an authority makes an apology, pays a sum of money, and reviews a policy or procedure.*

Compliance with recommendations

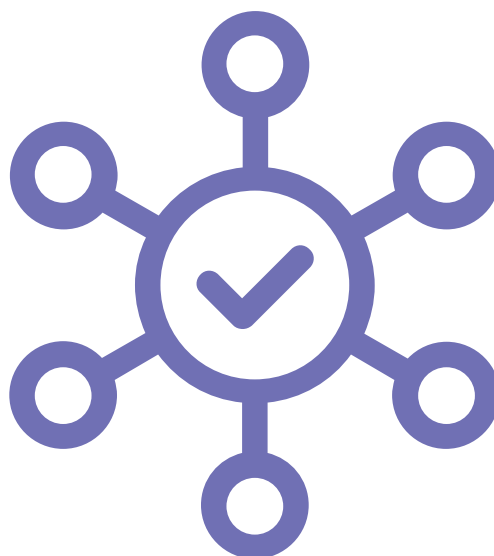


Our recommendations to put things right are non-binding and in most cases authorities agree to comply with our remedies.

We were satisfied with authorities' compliance with our recommendations in 99.3% of cases. But, in 19% of cases, compliance was not within the agreed timescales and was late. To ensure remedies are implemented on time, authorities should consider:

- > The timescales proposed at the draft decision stage for implementing recommendations to ensure they are achievable
- > Keeping track of agreed recommendations and keeping in touch, informing us of any delays
- > Letting us know promptly when a remedy is completed, including providing the requested evidence
- > Establishing clear processes that allow for swift action of apologies and payments to complainants; these should be simple actions to complete on time

There were 17 cases where we were not satisfied that the authority had complied with our recommendations. When an authority fails to implement our recommendations, we can consider a range of actions, including issuing a public interest report and opening a new investigation into the authority's failure to provide the agreed remedy. Non-compliance is also reported publicly on our website.



Learning from complaints

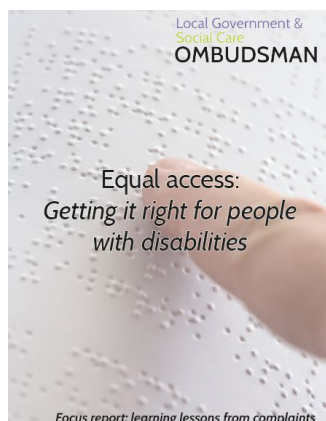
Focus reports

Our casework provides a unique insight into the concerns of people who use local services. Where we identify recurrent problems across authorities, we will publish a focus report to feed back the learning from the complaints we investigate to the sector. These reports shine a spotlight on issues and help authorities learn from others' mistakes and improve services. The reports also act as a useful tool for elected members; we include suggested questions councillors can use as part of their role to scrutinise services.

In addition, our good practice guides set out what we expect from local complaint handling and how we will approach investigations about common areas of complaint.

These were the topics we commented on during the year:

Equal Access: Getting it right for people with disabilities



The Equality Act 2010 requires organisations to ensure people with disabilities can access their service easily; often this will involve making 'reasonable adjustments'. Our report shares the learning from cases where councils got things wrong in dealing with reasonable adjustments and offers opportunities for others

to learn. It is vital that local authorities anticipate people's needs, as the law requires, and proactively seek to find out about any help people may need.

Out of School, Out of Sight?



Our report finds that, all too often, children are being robbed of the chance to fulfil their potential, because some councils are not putting in place alternative education when they need it. We find fault in nearly 9 out of 10 investigations about alternative education and commonly find

that councils can be unclear of their duty and seek to pass responsibility to schools. We are clear of councils' obligation to properly consider alternative education options and plan for children who cannot receive education because of illness, exclusion or otherwise

Equal justice: learning lessons from complaints about people's human rights



Our report highlights the expectation that we should all expect to be treated with fairness, respect and dignity when receiving public services. We urge councils to take a rights-based approach when developing services and making day-to-day decisions on how they are delivered.

The report highlights cases where people's rights basic rights were infringed when receiving public services

More Home Truths: learning lessons from complaints about the Homelessness Reduction Act



Five years after the Homelessness Reduction Act came into force, our report highlights where things are still going wrong. The Act gave local housing authorities additional duties to help people at risk of homelessness, but, too often, our investigations uncover problems with

councils not getting the basics right, like not considering the individual circumstances of the applicant, or turning people away if they haven't yet been issued with a warrant for their eviction.

Good practice guides

We issued two good practice guides aimed at helping authorities to get things right before cases get escalated to us.



Local Government & Social Care OMBUDSMAN



Section 117
Aftercare

Guidance for
practitioners

Section 117 Aftercare

This guide, produced with the Parliamentary and Health Service Ombudsman (PHSO), sets out the common mistakes we find in complaints about the aftercare of patients receiving support under

the Mental Health Act. The guide is aimed at both councils and Clinical Commissioning Groups (and their successor Integrated Care Boards) who have joint responsibilities to provide Section 117 aftercare services.

Local Government & Social Care OMBUDSMAN

Deprivation
of Capital



Guidance for
practitioners

Deprivation of Capital

This guide focuses on the often-complex issue of deprivation of capital decisions. Particularly helpful to financial assessment practitioners, it sets out our approach to investigating complaints from people where their

local authority has decided they have intentionally deprived themselves of capital when assessing how much they should contribute to their care fees.

Decisions and reports

We are one of the only Ombudsman schemes to publish the decisions we make. We do this to share learning and be transparent.

Our decisions are published at www.lgo.org.uk/decisions and can be searched by theme, key word, category, decision outcome, date and organisation.

Cases that raise serious issues or highlight matters of public interest are given extra prominence and issued as public interest reports. We published 38 public interest reports during the year.

Our press releases highlight our public interest reports and can be found at www.lgo.org.uk/information-centre/news



Education & Children's Services

1,263 detailed investigations
84% upheld

21 published reports

[Birmingham CC: Children's Disabled Facilities Grants](#)

[Birmingham CC: SEND provision and EHC plans](#)

[Cambridgeshire CC: SEND provision and EHC plans](#)

[Dorset Council: SEND provision and EHC plans](#)

[Hampshire CC: School Transport](#)

[Hertfordshire CC: SEND provision and EHC plans](#)

[Liverpool City Council: Children's Services - Disabled Child](#)

[LB Croydon: Children's Services - Disabled Child](#)

[LB Croydon: Children's Services - Looked After Children](#)

[LB Ealing: Children's Services - Statutory Complaints Procedure](#)

[Milton Keynes Council: Family and Friends Carers](#)

[Northumberland CC: School Transport](#)

[North Yorkshire CC: SEND provision and EHC plans](#)

[Nottinghamshire CC: Education - Nursery Fees](#)

[Oxfordshire CC: SEND provision and EHC plans](#)

[Redcar and Cleveland Council: Children's Services - Disabled Child](#)

[Sheffield CC: Children's Services - Disabled Child](#)

[Suffolk CC: SEND provision and EHC plans](#)

[Suffolk CC: Education - Alternative Provision](#)

[Surrey CC: SEND provision and EHC Plans](#)

[West Northamptonshire Council: SEND provision and EHC plans](#)



Adult Care Services

898 detailed investigations
73% upheld

8 published reports

[Birmingham CC: Charging](#)

[Bradford MBC: Assessment and Care Planning](#)

[LB Croydon: Assessment and Care Planning](#)

[Leeds CC: Residential Care](#)

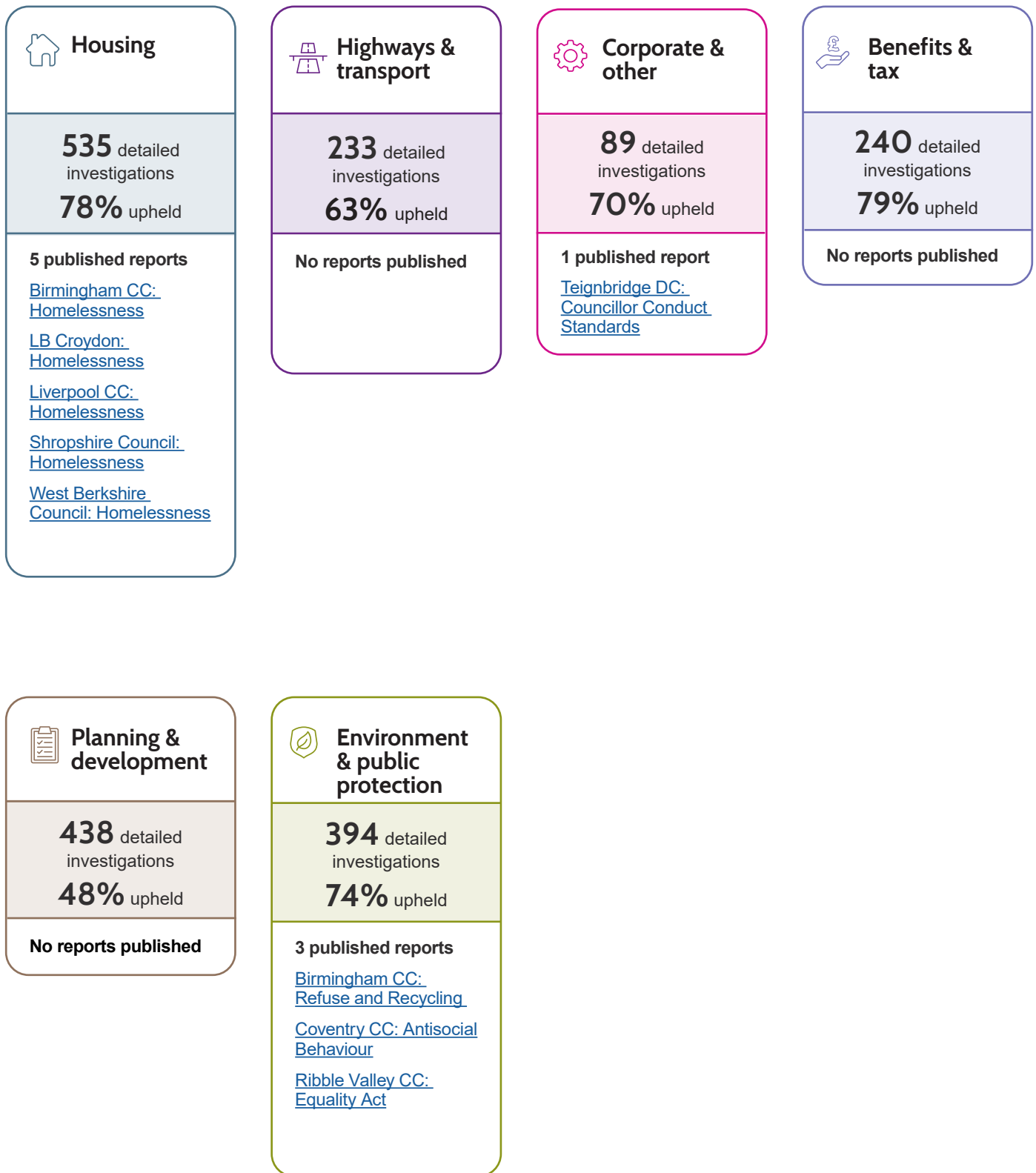
[Leicestershire CC: Assessment and Care Planning](#)

[Slough BC: Disabled Facilities Grants](#)

[Warrington Council: Charging](#)

[Worcestershire CC: Direct Payments](#)

Decisions and reports



The impact of a single complaint



A single complaint can make a difference to many people. During our investigations, we will assess if others could be affected by the same issue and recommend ways for services to improve. The most positive outcomes are achieved when authorities commit to our service improvements and the case summaries below are great examples of this. By sharing them here, we are giving all authorities the opportunity to learn and check their own practice in these areas.

Full details of these cases can be found by clicking on the links, or you can search the case reference numbers at www.lgo.org.uk/decisions



Council's 'dual contract' arrangements with care homes ended after investigation
Case reference: [20 013 485](#)

Our investigation found that Leeds City Council allowed a private care provider to put a second contract in place with a family whose relative was placed in a care home. The dual contract meant the family were required to pay the difference between the council's rate for a placement and the provider's private rate.

We found the arrangements confusing and contrary to Government guidance; service users whose care is arranged by a council should not pay more than the council's contracted rate for care.

We recommended, and the council agreed, to apologise to the complainant and arrange for repayment of the fees paid. It also agreed to revisit its contract arrangements and end this practice with all care providers in its area.



**82% of residential
care complaints
upheld**

Service improvements

***The council agreed to revisit its
contract arrangements and end this
practice with all care providers in its
area***



Remedies for families affected by delays to Education, Health and Care plans

Case reference: [21 005 558](#)

Our investigation found delays in the Education, Health and Care (EHC) plan process at North Yorkshire County Council was caused by difficulty recruiting educational psychologists - a key requirement of the EHC plan statutory process. We know this is a national issue and have seen similar difficulties across large areas of England.

However, as the timescales are set in law, we found the council took between three and four months too long to issue the child's EHC plan, delaying the family's right to appeal to the Special Educational Needs (SEN) and Disabilities Tribunal. It meant the child also missed out on the specialist provision they should have received at mainstream primary school.

As a result of our investigation, the council agreed to apologise and pay £700 for the injustice caused to the parent and child.

We also asked the council to review where others' may have been similarly affected. It reviewed 26 other complaints that it upheld in 2020 about similar issues to see if those families were due a remedy in line with our recommendations. The council agreed to make payments in 20 of those cases for lost special educational provision.



**92% of SEN provision
and EHC plan
complaints upheld**

Remedies for others affected

***Payments were made to 20 other
families where they had lost SEN
provision***

The impact of a single complaint



Process review prompted by failure to support homeless woman
Case reference: [21 014 573](#)

An investigation into West Berkshire Council's handling of a homelessness application from an applicant fleeing violence in another council area found it did not offer interim accommodation and failed to properly consider whether it owed a relief duty.

The council agreed to our recommendations that it apologise and pay the complainant £500 for the frustration and uncertainty caused.

It also agreed to review its processes, and train relevant staff, to ensure it accepts homelessness applications and provides interim accommodation in line with the law and guidance.



87% of homelessness complaints upheld

Service improvements

The council agreed to review its processes, train relevant staff, and provide interim accommodation in line with the law and guidance

The impact of a single complaint



Education for out of school pupils reviewed

Case reference: [19 018 501](#)

Our investigation found Central Bedfordshire Council failed to provide alternative education to a young boy who was unable to attend regular school, meaning he missed out on a year of education.

We recommended payments to the boy's family and a review of its policy for pupils out of school to ensure that decisions and actions about non-attendance are taken quickly, named officers are assigned to cases and alternative education provision is made available.

In light of the complaint, the council also agreed to review the cases of other pupils out of school who may have been similarly impacted.



**90% of alternative
education provision
complaints upheld**

Remedies for others affected

The council also agreed to review the cases of other pupils who may have been similarly impacted

Raising the profile of complaints

Listening to public concerns is an essential component of a well-run, accountable authority that is committed to public engagement, learning and improvement. We encourage officers and elected officials to use the information we publish to determine the health of their local complaints system.

Complaints officers can use the range of information we publish to support their own complaint handling, learning from cases we have published and the remedies we have recommended. They can raise the profile of complaints in their authority by feeding relevant information into service areas, management teams and to elected members.

Elected members have important roles in scrutinising local performance and retain the final decision on whether to accept our non-binding remedies and service improvements. They can champion the voice of complainants and use local democratic processes to hold officers to account where appropriate.

Resources to use

- > Our [council performance map](#) places all our council complaint statistics in a single, interactive hub. It is a mine of searchable information and allows comparisons to be made between similar councils.
- > Each council page also includes our annual review letters, links to decisions we have made, public interest reports published, and every service improvement the council has agreed to make. Annual review letters of other authorities can be found here.
- > We also publish [data tables](#) providing complaints information at local authority level, which can be freely analysed and segmented.

What to look for

- > **Uphold rates** show the proportion of investigations in which we find some fault and can indicate problems with services. How does your authority compare against the national averages or other similar authorities?
- > **Offering a suitable remedy** for a complaint before it comes to us is a good sign your authority can accept fault and offer appropriate ways to put things right. How often does your authority do this, and how does it compare with others?
- > **Compliance rates** show the proportion of cases in which we are satisfied our recommendations have been implemented (based on the evidence authorities give us). Compliance below 100% is rare. Does your authority have a 100% compliance rate – if not, what is it doing to scrutinise complaints where it failed to comply?
- > **Service improvement recommendations** show what your authority agrees to do to make things better for everyone. Do you track the service improvements your authority agrees to make? How are they being implemented, and their impact monitored?

We want authorities to operate, and benefit from, excellent complaint systems. Where support is needed to achieve this, we offer online complaint handling training.

To find out more visit www.lgo.org.uk/training.

Local Government and Social Care Ombudsman

PO Box 4771

Coventry

CV4 0EH

Phone: 0300 061 0614

Web: www.lgo.org.uk

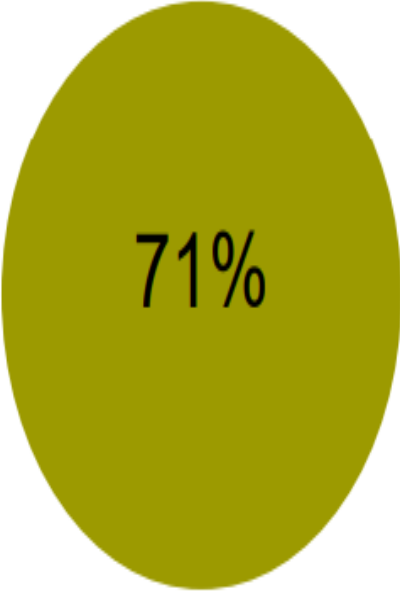
Twitter: [@LGOmbudsman](https://twitter.com/LGOmbudsman)

Benchmarking data for LCC Statistical neighbours – Local Government and Social Care Ombudsman complaints and investigations during 2022-23

Local Authority ▼	New Complaints ▼	Uphold Rat ▼	Complaints per 100,000 resident ▼
Gloucestershire	88	61	14
Leicestershire	117	71	16
Warwickshire	59	73	10
Devon	161	74	20
North Yorkshire (forme	79	78	13
Cambridgeshire	76	78	11
Essex	141	79	9
West Sussex	103	80	12
Nottinghamshire	76	81	9
Derbyshire	97	81	12
Suffolk	143	83	19
Hampshire	143	83	10
Staffordshire	123	84	14
Somerset (former auth	90	86	16
Oxfordshire	102	91	14
Worcestershire	70	92	12

Leicestershire County Council Performance 2022-23

Complaints upheld



71%

71% of complaints we investigated were upheld.

This compares to an average of **80%** in similar organisations.

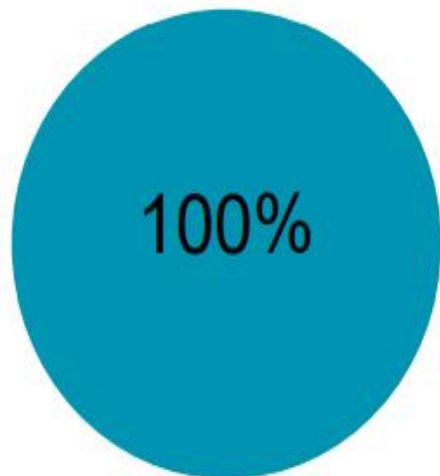
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Leicestershire County Council Performance 2022-23

Compliance with Ombudsman recommendations



In **100%** of cases we were satisfied the organisation had successfully implemented our recommendations.

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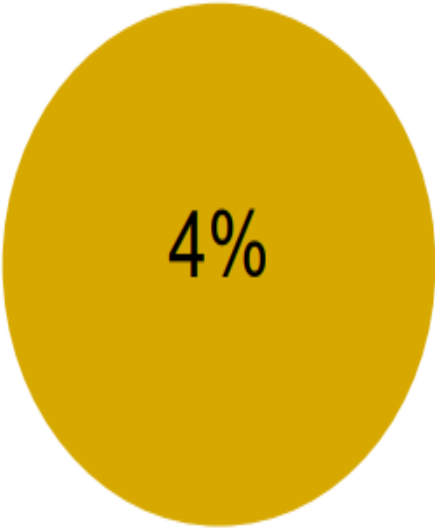
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23

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Leicestershire County Council Performance 2022-23

Satisfactory remedy provided by the organisation



4%

In **4%** of upheld cases we found the organisation had provided a satisfactory remedy before the complaint reached the Ombudsman.

This compares to an average of **6%** in similar organisations.

1

satisfactory remedy decision

Statistics are based on a total of **27** upheld decisions for the period between 1 April 2022 to 31 March 2023



CORPORATE GOVERNANCE COMMITTEE – 17 NOVEMBER 2023

**JOINT REPORT OF THE CHIEF EXECUTIVE AND THE DIRECTOR OF
CORPORATE RESOURCES**

**LOCAL GOVERNMENT AND SOCIAL CARE OMBUDSMAN
CONSULTATION ON JOINT CODE OF PRACTICE FOR
COMPLAINTS**

Purpose of report

1. The purpose of this report is two-fold
 - a) to approve the Council's response to the current consultation being undertaken by the Local Government and Social Care Ombudsman (LGSCO) on a proposed joint handling code for complaints.
 - b) To update the Committee on the likely implications and developments required to ensure compliance with the Code when launched in April 2024.

Background context

2. The LGSCO is currently consulting on a joint complaint handling code with the Housing Ombudsman. The Code will apply to all Local Councils in England. A copy of the proposed Code is attached as **Appendix A**
3. The deadline for responses is 23 November 2023. Councils are asked to submit one single response through the Link Officer. A copy of the consultation questions and the proposed response to these is attached as **Appendix B**
4. The Code proposes a single model of complaint handling intended to apply to all complaints except those handled under the respective children's and adults social care statutory procedures¹. It sets out what an organisation must do, procedurally, to handle complaints.

¹ The Children Act 1989 Representations Procedure (England) Regulations 2006
& Local Authority Social Services and National Health Service Complaints (England) Regulations 2009

5. The Code is being issued under the LGSCO's powers to issue "advice and guidance about good administrative practice" to the organisations it has jurisdiction over². The Code will be Statutory guidance for Councils.
6. The LGSCO has confirmed that whilst Councils are expected to be working to the Code from 01 April 2024, it will not seek to implement this into casework until 01 April 2025 thereby giving a 12-month implementation period.
7. Once implemented non-compliance with the Code could result in the Ombudsman taking further action through Public Reports.

Key implications arising from the Code

8. The code sets out a common definition of what constitutes a complaint and requires organisations to clearly set out the difference between "service requests" and "complaints".
9. The code introduces the concept of "comply or explain". This enables some departure from compliance with the Code but only where there is an exceptional circumstance arising. Councils must clearly explain the situation and identify a clear timeframe for returning to compliance.
10. The above principle applies only to individual complaints. An organisation's complaints policy and associated procedures **must** comply with the code.
11. The code will mandate a 2 Stage procedure for all complaints that are not covered by separate statutory procedures. Any 3rd parties handling complaints on the Council's behalf are expected to adopt the Code.
12. The code will define Stage 1 as an investigation stage and Stage 2 as a review stage.
13. The code will introduce expected timescales for responding at both Stages. Councils will be expected to signpost to the Ombudsman should they not be able to meet these timescales.
14. The timescales proposed are the following:

Stage 1	10 working days, with an option to extend by no more than 10 working days (a maximum of 20 working days)
Stage 2	20 working days with an option to extend by no more than 20 working days (a maximum of 40 working days)
15. The code requires the appointment of a Senior Executive, intended to be at Assistant Director or Director level, to oversee its complaint handling

² Section 23 (12A) Local Government Act 1974

performance and assess any themes or trends to identify potential systemic issues, serious risks, or policies and procedures that require revision.

16. It is expected that complaints teams are seen as a “core” service and not given other duties that impact on their ability to handle complaints effectively.
17. In addition, the Code requires a member of the ‘governing body (or equivalent) must be appointed to have lead responsibility for complaints to support a positive complaint handling culture. This person is referred to as the Member Responsible for Complaints.’. The ‘governing body’ is not defined in the draft code and it could be interpreted as the Cabinet which would suggest the Lead Member for Resources undertaking this role. Alternatively, the ‘governing body’ could be interpreted as the Council, in which case the Chair of the Corporate Governance Committee could undertake this role. It may be that this definition will be clarified through the process of the consultation exercise.
18. The member will be responsible for ensuring the ‘governing body’ receives regular information on complaints handling performance and key themes.
19. Each organisation will be asked to self-assess against the Code annually on a “comply or explain basis” and to publish this on their website.

Analysis of current gaps and challenges

20. An initial base-line self-assessment has been completed to assess areas of compliance and improvements required.
21. It should first be noted that currently only 53% of Stage 1 complaints were responded to within 10 working days and 76% within the maximum 20 working days that the Code will require. There will be some significant organisational challenges to meet the stricter timescales.
22. The Code sets out strict criteria around defining a complaint. This is likely to significantly increase the volume of complaints as any expression of dissatisfaction would be classed as a complaint. This would include delayed responses.
23. The self-assessment identifies a number of areas that will require development of training materials and it is clear that there will be a need to undertake wholesale organisational development work to ensure departmental managers understand their duties and are equipped to operate in line with the Code. There is currently insufficient capacity to deliver this with existing resource levels.
24. In particular there are inconsistencies in departmental managers ability to compose quality and considered responses to complaints.

25. The code places an obligation on complaints teams to continue to track and monitor follow up actions agreed within responses to complaints. This will require significant resource levels, and which cannot be delivered within the current complaints structure.

Recommendations

26. The Committee is recommended to:
- (a) note the contents of this report.
 - (b) Agree the Council's proposed response to the consultation.

Equality Implications

27. The Code of Practice will require substantial work to ensure compliance. This will include an updated Equality Impact Assessment.

Human Rights Implications

28. There are no Human Rights Implications arising from this report.

Background Papers

None

Circulation under the Local Issues Alert Procedures

None.

Officers to contact

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 Email: simon.parsons@leics.gov.uk

List of Appendices

- Appendix A: Draft Joint Complaint Handling Code of Practice.
- Appendix B: Proposed LCC response to the Consultation

Joint Complaint Handling Code

Date published: TBC

Date applicable: TBC

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Introduction

Good complaint handling requires effective procedures and well-trained staff alongside a positive complaints culture that enables those procedures to achieve maximum impact. This code sets out what an organisation must do procedurally to handle complaints. Compliance with the code is most effective within an organisation that is fair, puts things right, and learns from outcomes.

Organisations must embrace complaints through increased transparency, accessibility, and complaint handling governance. Demonstrating that individuals are at the heart of its service delivery and good complaint handling is central to that.

Some organisations see complaints as a form of negative feedback. However, there are many benefits to be gained from having an effective and efficient complaints process:

- Good complaint handling promotes a positive relationship between an organisation and service users.
- Complaints allow an issue to be resolved before it becomes worse. Those issues not resolved quickly can take significant resource and time to remedy.
- Involvement in complaint resolution develops staff ownership, decision-making and engagement.
- Complaints provide senior staff with essential insight into day-to-day operations, allowing them to assess effectiveness and drive a positive complaint handling culture.
- Data collected about complaints can be analysed and used to inform key business decisions to drive improvement in service provision.

The Joint Complaint Handling Code ('the Code'), from the Housing Ombudsman and Local Government and Social Care Ombudsman, sets out requirements for organisations that will allow them to respond to complaints effectively and fairly. The purpose of the Code is to enable organisations to resolve complaints raised by individuals quickly, and to use the data and learning from complaints to drive service improvements. It will also help to create a positive complaint handling culture amongst staff and individuals.

Non-compliance with the Code could result in the relevant Ombudsman taking further action. The Housing Ombudsman has a duty to monitor compliance with the Code and the power to issue Complaint Handling Failure Orders. The Local Government and Social Care Ombudsman has the power to issue public reports about the actions of individual organisations.

Organisations will be asked to self-assess against the Code annually on a 'comply or explain' basis, and publish this on their website or appropriate public forum if an organisation does not host a website. The self-assessment provides a snapshot of not just compliance with the Code, but the culture of an organisation.

The Code will act as a guide for individuals setting out what they can and should expect from an organisation when they make a complaint. The requirements in the

Code also provide individuals with information about how to make a complaint and how to progress it through an organisation's internal complaints procedure.

Organisations should seek feedback from individuals in relation to their complaint handling as part of the drive to encourage a positive complaint and learning culture.

The Code supports the regulatory approach to complaints by ensuring that an organisation's approach to complaints is clear, simple, and accessible, and that complaints are resolved promptly, politely and fairly.

Organisations must have a single policy for dealing with complaints covered by the Code. Individuals must not be treated differently based on the service they are complaining about.

Powers

The Housing Ombudsman

The Code is statutory under the Housing Ombudsman's powers in the Housing Act 1996, as amended by the Social Housing (Regulation) Act 2023.

By issuing a statutory Code, landlords have a duty to comply with it and the Housing Ombudsman has a duty to monitor compliance against it. This will be delivered through individual investigation findings, submissions of the Code self-assessment and monitoring relevant data, including complaint handling performance.

Under paragraphs 13-15 of the Housing Ombudsman Scheme, the Housing Ombudsman has the power to issue, and publish, Complaint Handling Failure Orders (CHFOs) for failing to comply with the Code.

The Code applies to all member landlords of the Housing Ombudsman Scheme.

The Local Government and Social Care Ombudsman

The Code is issued under the Local Government and Social Care Ombudsman's powers to provide "guidance about good administrative practice" to organisations under section 23(12A) of the Local Government Act 1974.

The Local Government and Social Care Ombudsman may consider failure to comply with the Code as maladministration or service failure.

The Local Government and Social Care Ombudsman considers that the Code applies to all local authorities in England, as well as other specified bodies. The Code does not replace any statutory complaint processes such as The Children Act 1989 Representations Procedure (England) Regulations 2006 or Local Authority Social Services and National Health Service Complaints (England) Regulations 2009.

Compliance with the Code

Organisations must comply with the Code.

Where an organisation's policy does not comply with the Code the organisation must provide a satisfactory explanation for non-compliance in their self-assessment and, where appropriate, the date by which the organisation intends to comply.

Where an organisation is unable to comply with the Code when dealing with an individual complaint, the individual must be provided with a suitable explanation and signposted to the relevant Ombudsman. We describe this as 'comply or explain' throughout the Code, and this relates only to individual cases. An organisation's complaints policy and any associated procedures must comply with the Code.

Where an organisation is unable to comply with the Code due to exceptional circumstances, such as a cyber incident they must inform the relevant Ombudsman and provide information to individuals who may be affected, and publish this on their website if they have one. Organisations must provide a timescale for returning to compliance with the Code.

Where the relevant Ombudsman finds an organisation has deviated from the Code without good reason, it may use its powers to put matters right and ensure compliance with the Code. The Code must be considered along with accompanying guidance setting out how each Ombudsman will use its powers in relation to this Code.

The Complaint Handling Code

The complaints process

1. Definition of a complaint

- 1.1 Effective complaint handling enables individuals to be heard and understood. The starting point for this is a shared understanding of what constitutes a complaint.
- 1.2 A complaint must be defined as:
‘an expression of dissatisfaction, however made, about the standard of service, actions or lack of action by the organisation, its own staff, or those acting on its behalf, affecting an individual or group of individuals.’
- 1.3 An individual does not have to use the word ‘complaint’ for it to be treated as such. A complaint that is submitted via a third party or representative must still be handled in line with the organisation’s complaints policy.
- 1.4 Organisations must recognise the difference between a **service request** and a **complaint**. This must be set out in their complaints policy. A service request is a request from an individual to the organisation requiring action to be taken to put something right. Service requests are not complaints, but must be recorded, monitored and reviewed regularly. A complaint must be raised when the individual expresses dissatisfaction with the response to their service request, even if the handling of the service request remains ongoing. An organisation must not stop its efforts to address the service request if the individual complains.
- 1.5 Where an organisation asks for feedback about its services through a survey, it must provide details of how individuals can complain so they can pursue any dissatisfaction if they so wish.

2. Exclusions

- 2.1 An organisation must accept a complaint unless there is a valid reason not to do so. If the organisation decides not to accept a complaint it must be able to evidence its reasoning. Each complaint must be considered on its own merits.
- 2.2 Organisations must accept complaints referred to them within 12 months of the issue occurring, or the individual becoming aware of the issue. Organisations must consider whether to apply discretion to accept complaints made outside this time limit where there are good reasons to do so.
- 2.3 Organisations must not exclude complaints about safeguarding or health and safety issues.
- 2.4 A complaints policy must set out the circumstances in which a matter might not be considered or escalated. Organisations must ensure that these are reasonable, and in line with guidance issued by the relevant Ombudsman.

Members of the Housing Ombudsman can refer to the Scheme for explanations about exclusions.

- 2.5 If an organisation decides not to accept a complaint, a detailed explanation must be provided to the individual setting out the reasons why the matter is not suitable for the complaints process and the right to take that decision to the relevant Ombudsman. If the relevant Ombudsman does not agree that the exclusion has been fairly applied, the Ombudsman may tell the organisation to take on the complaint.
- 2.6 Organisations must not take a blanket approach to excluding complaints; they must consider the individual circumstances of each complaint.

3. Accessibility and awareness

- 3.1 Organisations must make it easy for individuals to complain by providing different channels through which they can make a complaint. Organisations must consider their duties under the Equality Act 2010 and anticipate the needs and reasonable adjustments of individuals who may need to access the complaints process.
- 3.2 Individuals must be able to raise their complaints in any way and with any member of staff. This includes complaints made directly to the organisation via social media. All staff must be aware of the complaints process and be able to pass details of the complaint to the appropriate person within the organisation.
- 3.3 High volumes of complaints must not be seen as a negative, as they can be indicative of a well-publicised and accessible complaints process. Low complaint volumes are potentially a sign that individuals are unable to complain.
- 3.4 Organisations must make their complaint policy available in a clear and accessible format for all individuals. This will detail the number of stages involved, what will happen at each stage, and the timeframes for responding. The policy must also be published on the organisation's website.
- 3.5 The policy must explain how the organisation will publicise details of the complaints policy, including information about relevant Ombudsman schemes and this Code.
- 3.6 Organisations must give individuals the opportunity to have a suitable representative deal with their complaint on their behalf, and to be represented or accompanied at any meeting with the organisation.
- 3.7 Organisations must provide individuals with information on their right to access the relevant Ombudsman service and how the individual can engage with the relevant Ombudsman about their complaint.

4. **Complaint handling staff**

- 4.1 Organisations must have a person or team assigned to take responsibility for complaint handling, including liaison with the relevant Ombudsman and ensuring complaints are reported to the governing body (or equivalent). This Code will refer to that person or team as the “*complaints officer*”. This role may be in addition to other duties.
- 4.2 The complaints officer must have access to staff at all levels to facilitate the quick resolution of complaints and report on complaint handling performance. They must also have the authority and autonomy to act to resolve disputes quickly and fairly.
- 4.3 Organisations are expected to prioritise complaint handling and a culture of learning from complaints. All relevant staff must be suitably trained in the importance of complaint handling. It is important that complaints teams are seen as a core service, and not given any additional roles that impact their ability to handle complaints effectively.

5. **The complaint handling process**

- 5.1 Organisations must have a single policy for dealing with complaints covered by the Code. Individuals must not be treated differently based on the service they are complaining about.
- 5.2 The early and local resolution of issues between organisations and individuals is key to effective complaint handling. Organisations must ensure that there is one policy in place for complaints covered by this Code. It is not appropriate to have extra named stages (such as ‘stage 0’ or ‘informal complaint’) as this causes unnecessary confusion.
- 5.3 When an individual expresses dissatisfaction, organisations must register the issue as a complaint. Organisations must then set out their understanding of the complaint and the outcomes the individual is seeking. This Code will refer to this as “the complaint definition”. If any aspect of the complaint is unclear, the individual must be asked for clarification.
- 5.4 The complaint handler must:
 - a) clarify with the individual any aspects of the complaint they are unclear about;
 - b) deal with complaints on their merits, act independently, and have an open mind;
 - c) give the individual a fair chance to set out their position;
 - d) take measures to address any actual or perceived conflict of interest; and
 - e) consider all relevant information and evidence carefully.

- 5.5 When defining a complaint, organisations must be clear which aspects of the complaint they are, and are not, responsible for and clarify any areas where this is not clear.
- 5.6 Communication with the individual must not identify individual members of staff or contractors, except in exceptional circumstances, as their actions are undertaken on behalf of the organisation.
- 5.7 Where a response to a complaint will fall outside the timescales set out in this Code the organisation must agree with the individual suitable intervals for keeping them informed about their complaint.
- 5.8 Organisations must make reasonable adjustments for individuals where appropriate under the Equality Act 2010. Organisations must keep a record of any reasonable adjustments agreed, as well as a record of any disabilities an individual has disclosed. Any agreed reasonable adjustments must be kept under active review.
- 5.9 Organisations must not refuse to escalate a complaint through all stages of the complaints procedure unless it has valid reasons to do so. Organisations must clearly set out these reasons, and they must align with the exclusions permitted under section 2 above.
- 5.10 A full record must be kept of the complaint, and the outcomes at each stage. This must include the original complaint and the date received, all correspondence with the individual, correspondence with other parties, and any relevant supporting documentation such as reports or surveys.
- 5.11 Organisations must have systems in place to ensure that a complaint can be remedied at any stage of its complaints process. Organisations must ensure that appropriate remedies can be provided at any stage of the complaints process without the need for escalation.
- 5.12 Organisations must have policies and procedures in place for managing unacceptable behaviour from individuals and/or their representatives. Organisations must be able to evidence reasons for putting any restrictions in place and must keep an individual's restrictions under regular review.
- 5.13 Any restrictions placed on an individual's contact due to unacceptable behaviour must be proportionate and demonstrate regard for the provisions of the Equality Act 2010.

6. Complaints stages

Stage 1

- 6.1 Organisations must have processes in place to consider which complaints can be responded to as early as possible, and which require further investigation. Organisations must consider factors such as the complexity of the complaint and whether the individual is vulnerable or at risk. Most stage 1 complaints can

be resolved quickly and an explanation, apology or resolution provided to the individual.

- 6.2 Complaints must be acknowledged and logged at stage 1 of the complaints procedure **within five working days of the complaint being received**.
- 6.3 Organisations must issue a full response to stage 1 complaints **within 10 working days** of the complaint being received.
- 6.4 Organisations must decide whether an extension to this timescale is needed when considering the complexity of the complaint and then inform individuals of the expected timescale for response. Any extension must be no more than 10 working days without good reason, and the reason(s) must be clearly explained to the individual.
- 6.5 When an organisation informs an individual about an extension to these timescales, they must be provided with the contact details of the relevant Ombudsman.
- 6.6 A complaint response must be sent to the individual when the answer to the complaint is known, not when the outstanding actions required to address the issue are completed. Outstanding actions must still be tracked and actioned promptly with appropriate updates provided to the individual.
- 6.7 Organisations must address all points raised in the complaint definition and provide clear reasons for any decisions, referencing the relevant policy, law and good practice where appropriate.
- 6.8 If an organisation has got something wrong it must record the complaint as being upheld, even if there are elements of the complaint it has not upheld. It is not appropriate to record a complaint as being partially upheld.
- 6.9 Where individuals raise additional complaints during the investigation, these must be incorporated into the stage 1 response if they are related and the stage 1 response has not been issued. Where the stage 1 response has been issued, the new issues are unrelated to the issues already being investigated, or it would unreasonably delay the response, the new issues must be logged as a new complaint.
- 6.10 Organisations must confirm the following in writing to the individual at the completion of stage 1 in clear, plain language:
 - a) the complaint stage;
 - b) the complaint definition;
 - c) the decision on the complaint;
 - d) the reasons for any decisions made;
 - e) the details of any remedy offered to put things right;
 - f) details of any outstanding actions; and

- g) details of how to escalate the matter to stage 2 if the individual is not satisfied with the response.

6.11 Organisations must have systems in place to ensure that a complaint can be remedied at any stage of its complaints process. Individuals must not be required to escalate a complaint in order to get an appropriate remedy.

Stage 2 Review

6.12 If all or part of the complaint is not resolved to the individual's satisfaction at stage 1, it must be progressed to stage 2 of the organisation's procedure. Stage 2 is the organisation's final response and must be sent by a staff-member authorised to speak on its behalf.

6.13 Requests for stage 2 must be acknowledged and logged at stage 2 of the complaints procedure within five working days of the escalation request being received.

6.14 Individuals must not be required to explain their reasons for requesting a stage 2 consideration. Organisations are expected to make reasonable efforts to understand why an individual remains unhappy as part of its stage 2 response.

6.15 Stage 2 consideration must be a review of the adequacy of the stage 1 response, as well as any new and relevant information not previously considered. Stage 2 must not be a more thorough, detailed investigation of the complaint. It is expected that this will have happened at stage 1.

6.16 On receipt of the escalation request, organisations must set out their understanding of any outstanding issues and the outcomes the individual is seeking. If any aspect of the complaint is unclear, the individual must be asked for clarification.

6.17 The person considering the complaint at stage 2 must not be the same person that considered the complaint at stage 1.

6.18 Organisations must issue a final response to the stage 2 review **within 20 working days** of the complaint being escalated by the individual.

6.19 Organisations must decide whether an extension to this timescale is needed when considering the complexity of the complaint and then inform individuals of the expected timescale for response. Any extension must be no more than 20 working days without good reason, and the reason(s) must be clearly explained to the individual.

6.20 When an organisation informs an individual about an extension to these timescales they must be provided with the contact details of the relevant Ombudsman.

6.21 Organisations must confirm the following in writing to the individual at the completion of stage 2 in clear, plain language:

- a) the complaint stage;
- b) the complaint definition;

- c) the decision on the complaint;
- d) the reasons for any decisions made;
- e) the details of any remedy offered to put things right;
- f) details of any outstanding actions; and
- g) details of how to escalate the matter to the relevant Ombudsman Service if the individual remains dissatisfied.

6.22 If a complaint is upheld at stage 1, and the stage 2 response agrees with those findings, the complaint must be recorded as upheld. This is the case even if the stage 2 response finds no fault in the way the stage 1 complaint was handled.

Further stage

6.23 Stage 2 is the organisation's final response and must involve all suitable staff members needed to issue such a response.

6.24 A process with more than two stages is not acceptable under any circumstances as this will make the complaint process unduly long and delay access to the relevant Ombudsman.

6.25 Where an organisation's complaint response is handled by a third party (e.g. a contractor) or independent adjudicator at any stage, it must form part of the two stage complaints process set out in this Code. Individuals must not be expected to go through two complaints processes.

6.26 Organisations are responsible for ensuring that any third parties handle complaints in line with the Code.

7. Putting things right

7.1 Where something has gone wrong an organisation must acknowledge this and set out the actions it has already taken, or intends to take, to put things right. These can include:

- Apologising;
- Acknowledging where things have gone wrong;
- Providing an explanation, assistance or reasons;
- Taking action if there has been delay;
- Reconsidering or changing a decision;
- Amending a record or adding a correction or addendum;
- Providing a financial remedy;
- Changing policies, procedures or practices.

7.2 Any remedy offered must reflect the impact on the individual as a result of any fault identified.

7.3 The remedy offer must clearly set out what will happen and by when, in agreement with the individual where appropriate. Any remedy proposed must be followed through to completion.

7.4 Organisations must take account of the guidance issued by the relevant Ombudsman when deciding on appropriate remedies.

8. Self-assessment, reporting and compliance

8.1 Organisations must produce an annual complaints performance and service improvement report for scrutiny and challenge, which must include:

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

8.2 The annual complaints performance and service improvement report must be reported to its governing body (or equivalent) and published on the on the section of its website relating to complaints. The governing body's response to the report must be published alongside this.

8.3 Organisations must also carry out a self-assessment following a significant restructure, merger and/or change in procedures.

8.4 Organisations may be asked to review and update the self-assessment following an Ombudsman investigation.

8.5 If an organisation is unable to comply with the Code due to exceptional circumstances, such as a cyber incident they must inform the relevant Ombudsman, provide information to individuals who may be affected, and publish this on their website if they have one. Organisations must provide a timescale for returning to compliance with the Code.

9. Scrutiny & oversight: continuous learning and improvement

9.1 Organisations must look beyond the circumstances of the individual complaint and consider whether service improvements can be made as a result of any learning from the complaint.

- 9.2 A positive complaint handling culture is integral to the effectiveness with which organisations resolve disputes. Organisations must use complaints as a source of intelligence to identify issues and introduce positive changes in service delivery.
- 9.3 Accountability and transparency are also integral to a positive organisational culture. Organisations must report back on wider learning and improvements from complaints to stakeholders, such as citizens' or residents' panels, staff and relevant committees.
- 9.4 The organisation must appoint a suitably senior executive to oversee its complaint handling performance. This person must assess any themes or trends to identify potential systemic issues, serious risks, or policies and procedures that require revision.
- 9.5 In addition to this a member of the governing body (or equivalent) must be appointed to have lead responsibility for complaints to support a positive complaint handling culture. This person is referred to as the Member Responsible for Complaints (The Member).
- 9.6 The Member will be responsible for ensuring the governing body receives regular information on complaints that provides insight on the organisation's complaint handling performance. This person must have access to suitable information and staff to perform this role and report on their findings.
- 9.7 As a minimum, the Member and the governing body (or equivalent) must receive:
- a) regular updates on the volume, categories, and outcomes of complaints, alongside complaint handling performance.
 - b) regular reviews of issues and trends arising from complaint handling; and
 - c) the annual complaints performance and service improvement report.
- 9.8 Organisations must have a standard objective in relation to complaint handling for all relevant employees or third parties that reflects the need to:
- have a collaborative and co-operative approach towards resolving complaints, working with colleagues across teams and departments;
 - take collective responsibility for any shortfalls identified through complaints, rather than blaming others; and
 - act within the professional standards for engaging with complaints as set by any relevant professional body.

Appendix A – Self-Assessment

This self-assessment must be completed and must be shared with the organisation's governing body (or equivalent) annually as part of the complaints performance and service improvement report.

Evidence must be included to demonstrate compliance in practice as part of the other elements of the annual complaints performance and service improvement report with additional commentary as necessary. For example, this could include records of quality assurance checks on complaint responses, exclusions and feedback from relevant staff. If the failure to meet a requirement only relates to one service area or department this must be made clear in the commentary section.

When completing the self-assessment, organisations should not focus on the number of complaints received. Recording a high number of complaints may be an indication that the organisation welcomes complaints and that individuals are able to access the complaints process easily. Organisations should focus on timescales for responding to complaints and complaint outcomes.

Members of the Housing Ombudsman must submit a copy of their self-assessment as part of their annual complaints performance and service improvement report, following the guidance for submissions. The submissions will be used to assess the organisation's compliance with the Code in line with the Housing Ombudsman's duty to monitor against this.

The Local Government and Social Care Ombudsman may consider the complaints performance and service improvement report as part of an investigation or its own annual review of complaints.

Self assessment

Section 1 - Definition of a complaint

Code section	Code requirement	Comply: Yes/No	Explanations and Commentary	Evidence
1.2/ 1.4	Complaints are defined in line with the Code and we recognise the difference between a service request and a complaint.			
1.3	Complaints submitted via a third party or representative are handled in line with our complaints policy.			
1.5	Individuals completing surveys are made aware of how to complain.			

Section 2 – Exclusions

Code section	Code requirement	Comply: Yes/No	Explanations and Commentary	Evidence
2.1	Our policy clearly states that complaints will be accepted unless there is a valid reason not to do so.			
2.2	Complaints are accepted when referred to us within 12 months of the issue occurring, or the individual becoming aware of the issue.			
2.3	We do not exclude complaints about safeguarding, or health and safety issues.			
2.4	Our policy sets out the circumstances in which a matter might not be considered or escalated.			
2.5	Where we decline to consider a complaint we explain our reasons to the individual and signpost them to the relevant Ombudsman.			

Section 3 - Accessibility and awareness

Code section	Code requirement	Comply: Yes/No	Explanations and Commentary	Evidence
3.1	We provide different channels through which individuals can make a complaint. We have considered our duties under the Equality Act 2010 and anticipated the needs of individuals who may need to access the complaints process.			
3.2	Individuals can raise their complaints in any way and with any member of staff. This includes complaints made directly to the organisation via social media. All staff are aware of the complaint process and able to pass details of the complaint to the appropriate person.			
3.3	We do not view high volumes of complaints as a negative. We analyse areas where there are low volumes of complaints to ensure individuals are able to complain.			

Code section	Code requirement	Comply: Yes/No	Explanations and Commentary	Evidence
3.4	Our complaints policy is available in a clear and accessible format for all individuals. The policy is published on our website.			
3.5	Our complaints policy explains how we will publicise details of the complaints policy and information about the relevant Ombudsman schemes.			
3.6	We give individuals the opportunity to have a suitable representative deal with their complaint on their behalf, and to be represented or accompanied at any meeting with us.			
3.7	We provide individuals with information on their right to access the relevant Ombudsman service and how the individual can engage with the relevant Ombudsman about their complaint.			

Section 4 - Complaint handling staff

Code section	Code requirement	Comply: Yes/No	Explanations and Commentary	Evidence
4.1	We have a person or team assigned to take responsibility for the complaint handling process, including liaison with the relevant Ombudsman and ensuring that complaints are reported to our governing body (or equivalent).			
4.2	The complaints officer has access to staff at all levels to facilitate the quick resolution of complaints and report on complaint handling performance. They have the authority and autonomy to act to resolve disputes quickly and fairly.			
4.3	We prioritise complaint handling and a culture of learning from complaints. All staff are suitably trained in the importance of complaint handling. Complaints teams are seen as a core service and not given additional roles that impact their ability to handle complaints effectively.			

Section 5 - Complaint handling process

Code section	Code requirement	Comply: Yes/No	Explanations and Commentary	Evidence
5.1	We have a single policy for dealing with complaints covered by the Code.			
5.2	We do not have extra named stages (such as 'stage 0' or 'informal complaint').			
5.3	We register complaints when an individual expresses dissatisfaction. We then set out our understanding of the complaint and the outcomes the individual is seeking. We seek clarification from individuals if the complaint is unclear.			

Code section	Code requirement	Comply: Yes/No	Explanations and Commentary	Evidence
5.4	<p>Our complaint handlers:</p> <ul style="list-style-type: none"> a) clarify with the individual any aspects of the complaint they are unclear about; b) deal with complaints on their merits, act independently, and have an open mind; c) give individuals a fair chance to set out their position; d) take measures to address any actual or perceived conflict of interest; and e) consider all relevant information and evidence carefully. 			
5.5	We are clear with individuals about which aspects of the complaint we are not responsible for.			
5.6	Our communication with individuals does not generally identify individual members of staff or contractors.			

Code section	Code requirement	Comply: Yes/No	Explanations and Commentary	Evidence
5.7	Where a response to a complaint will fall outside the timescales set out in the Code we agree with individual suitable intervals for keeping them informed about their complaint.			
5.8	We make reasonable adjustments for individuals where appropriate under the Equality Act 2010. We keep a record of agreed reasonable adjustments and keep these under review.			
5.9	We do not refuse to escalate complaints unless there are valid reasons for doing so.			
5.10	We keep a full record of the complaint, and the outcomes at each stage. This includes the original complaint and the date received, all correspondence with the individual, correspondence with other parties and any relevant supporting documentation such as reports or surveys.			
5.11	We have systems in place to ensure that a complaint can be remedied at any stage of our complaints process.			

Code section	Code requirement	Comply: Yes/No	Explanations and Commentary	Evidence
5.12	We have a policy and procedure in place for managing unacceptable behaviour from individuals and/or their representatives. We are able to evidence reasons for putting any restrictions in place and keep these restrictions under review. Restrictions are subject to an annual review as a minimum.			
5.13	Any restrictions placed on an individual's contact due to unacceptable behaviour are proportionate and have regard to the provisions of the Equality Act 2010.			

Section 6 - Complaint stages

Code section	Code requirement	Comply: Yes/No	Explanations and Commentary	Evidence
Stage 1				
6.1	We have processes in place that allow us to identify whether complaints can be responded to quickly or whether they require further consideration.			
6.1	We take account of the complexity of the complaint and whether individuals are vulnerable or at risk when deciding how quickly we should respond to a complaint.			
6.2	Complaints are acknowledged and logged within five working days of receipt.			
6.3	We issue a final response to stage 1 complaints <u>within 10 working days</u> of the complaint being received.			

Code section	Code requirement	Comply: Yes/No	Explanations and Commentary	Evidence
6.4	Any extension to this timescale is taken in line with the “comply or explain” principles set out in the Code and clearly communicated to the complainant. Extensions to timescales for responding do not exceed 10 days.			
6.5	When we inform an individual about an extension to these timescales we provide them with the contact details of the relevant Ombudsman.			
6.6	A complaint response is sent to individuals when the answer to the complaint is known, not when the outstanding actions required to address the issue are completed. Outstanding actions are tracked and actioned promptly with appropriate updates provided to the individual.			

Code section	Code requirement	Comply: Yes/No	Explanations and Commentary	Evidence
6.7	We address all points raised in the complaint definition and provide clear reasons for any decisions, referencing the relevant policy, law and good practice where appropriate.			
6.8	Where we have got something wrong we record the complaint as “upheld” even if there are elements of the complaint which are not “upheld”. We do not record complaints as being “partially upheld”.			
6.9	We deal with additional complaints raised during the investigation or after a stage 1 response has been issued in line with the requirements of the Code.			

Code section	Code requirement	Comply: Yes/No	Explanations and Commentary	Evidence
6.10	<p>We confirm the following in writing to individuals at the completion of stage 1 in clear, plain language:</p> <ul style="list-style-type: none"> a. the complaint stage; b. the complaint definition c. the decision on the complaint; d. the reasons for any decisions made; e. the details of any remedy offered to put things right; f. details of any outstanding actions; and g. details of how to escalate the matter to stage 2 if the individual is not satisfied with the response. 			
6.11	<p>We have systems in place to ensure that a complaint can be remedied at any stage of our complaints process.</p>			

Stage 2 Review				
6.12	We progress complaints to stage 2 where all or part of the complaint has not been resolved to the individual's satisfaction. This is sent by a staff-member authorised to speak on behalf of the organisation.			
6.13	Requests for stage 2 are acknowledged and logged at stage 2 of the complaints procedure within five working days of receipt.			
6.14	Individuals do not have to explain their reasons for wanting a stage 2, simply that they remain unhappy.			
6.15	Stage 2 consideration is a review of the adequacy of the stage 1 response as well as any new and relevant information not previously considered. Stage 2 is not a more thorough, detailed investigation of the complaint.			

6.16	<p>If any aspect of the complaint is unclear, we ask the individual for clarification.</p> <p>On receipt of the escalation request, we set out our understanding of any outstanding issues and the outcomes the individual is seeking.</p>			
6.17	The person considering the complaint at stage 2 is never the same person that considered the complaint at stage 1.			
6.18	We respond to the stage 2 reviews <u>within 20 working days</u> of the complaint being escalated by the individual.			
6.19	Extensions to the stage 2 timescale are taken in line with the “comply or explain” principles set out in the Code and clearly communicated to the complainant.			
6.19	Extensions to the timescale for a response do not exceed 20 working days.			

6.20	When we inform an individual about an extension to stage 2 timescales they are provided with the contact details of the relevant Ombudsman.			
6.21	<p>We confirm the following in writing to the individual at the completion of stage 2 in clear, plain language:</p> <ul style="list-style-type: none"> a. the complaint stage; b. the complaint definition; c. the decision on the complaint; d. the reasons for any decisions made; e. the details of any remedy offered to put things right; f. details of any outstanding actions; and g. details of how to escalate the matter to the relevant Ombudsman Service if the individual remains dissatisfied. 			

6.22	If a complaint is upheld at stage 1, and the stage 2 response agrees with those findings, we record the complaint as upheld. This is the case even if the stage 2 response finds no fault in the way the stage 1 complaint was handled.			
Further stages				
6.24	Our complaint process has no more than two stages.			
6.25	Complaints handled by third parties on our behalf (e.g contractors) follow the two stage process set out in the code. Individuals are not expected to go through two complaints processes.			
6.26	We ensure that any third parties handle complaints in line with the Code			

Section 7 - Putting things right

Code section	Code requirement	Comply: Yes/No	Explanations and Commentary	Evidence
7.1	Where something has gone wrong we acknowledge this and set out the actions we have already taken, or intend to take, to put things right.			
7.2	Remedies offered reflect the impact on the individual as a result of any fault identified.			
7.3	Remedies offered clearly set out what will happen and by when, in agreement with the individual where appropriate. Any remedy proposed is followed through to completion.			
7.4	Remedies take account of the guidance on remedies issued by the relevant Ombudsman when deciding on appropriate remedies.			

Code section	Code requirement	Comply: Yes/No	Explanations and Commentary	Evidence
8.1	<p>We produce an annual complaints performance and service improvement report for scrutiny and challenge, which include:</p> <ul style="list-style-type: none"> a) the annual self-assessment against this Code to ensure their complaint handling policy remains in line with its requirements. b) a qualitative and quantitative analysis of the organisation's complaint handling performance. This must also include a summary of the types of complaints the organisation has refused to accept; c) any findings of non-compliance with this Code; d) the service improvements made as a result of the learning from complaints; e) any annual report about the organisation's performance 			

Code section	Code requirement	Comply: Yes/No	Explanations and Commentary	Evidence
	<p>from the relevant Ombudsman; and</p> <p>f) any other relevant reports or publications produced by the relevant Ombudsman in relation to the work of the organisation.</p>			
8.2	<p>Our annual complaints performance and service improvement report is reported to our governing body (or equivalent) and published to residents.</p> <p>The governing body's response to the report is published alongside this</p>			

Section 8 - Self-assessment, reporting and compliance

Section 9 – Scrutiny & oversight: Continuous learning and improvement

Code section	Code requirement	Comply: Yes/No	Explanations and Commentary	Evidence
9.1	We look beyond the circumstances of the individual complaint and consider whether any service improvements should be made as a result of any learning.			
9.2	We use complaints as a source of intelligence to identify issues and introduce positive changes in service delivery.			
9.3	We report back on wider learning and improvements from complaints in an annual report and more frequently to other stakeholders, such as individuals, staff and relevant committees or panels.			
9.4	A suitably senior executive oversees our complaint handling performance. They assess any themes or trends to identify potential systemic issues, serious risks or policies and procedures that require revision.			

Code section	Code requirement	Comply: Yes/No	Explanations and Commentary	Evidence
9.5	A member of the governing body (or equivalent) has been appointed to have lead responsibility for complaints to support a positive complaint handling culture.			
9.6	The appointed person ensures the governing body (or equivalent) receives regular information on complaints that provides insight on the organisation's complaint handling performance. This person has access to suitable information and staff to perform this role and report on their findings.			
9.7	Our governing body (or equivalent) receives the information required under this section of the Code.			

Code section	Code requirement	Comply: Yes/No	Explanations and Commentary	Evidence
9.8	<p>We have a standard objective in relation to complaint handling for all employees that reflects the need to:</p> <ul style="list-style-type: none"> • have a collaborative and co-operative approach towards resolving complaints, working with colleagues across teams and departments; • take collective responsibility for any shortfalls identified through complaints rather than blaming others; and • act within the professional standards for engaging with complaints as set by any relevant professional body. 			

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Consultation Questions For Local Councils Please provide your response through the link we have sent direct to all local councils. This will allow us to analyse responses more effectively. Each council should only provide a single corporate response. We have provided a list of questions below to help local councils to prepare their responses.

Questions: 1. The joint Code aims to provide a national standard for councils to work to, helping to clarify requirements, simplifying internal processes, and giving assurances to the public and local Members about how complaints must be handled. Does it achieve this? Yes/No (opportunity for comments)

Yes

The Code provides a clear basis upon which Local Authorities should design their corporate complaints procedure. The draft Code does not however represent a simplification of the council's current internal complaint management system as it builds in significant extra steps.

2. The joint Code sets out clear expectations for the level of staffing, oversight and governance for councils to have a good complaint handling service. Do you agree? Yes/No (opportunity for comments)

Yes

There are clear expectations set out as to the role of the Complaints team and the extent to which they should respond and monitor cases. In the context of a Council, it is not clear what is intended by 'Governing Body'. This should be clarified to make it clear whether this is intended to apply to the Executive of the council .

3. The joint Code encourages councils to have a learning culture and improve their complaint handling service. Will it support your council to achieve this? Yes/No (opportunity for comments)

No

It is expected that the Code will significantly increase the volume of complaints on the basis that any expression of dissatisfaction would be classed as a complaint. It is arguable whether treating all expressions of dissatisfaction (bearing in mind some will be trivial and /or vexatious) will improve complaint handling overall. It may even be counterproductive diverting resources from complaints where improvements can be made.

4. We believe the joint Code provides a clear definition of what constitutes a complaint and what should be classed as an upheld complaint. Do you agree? Yes/No (opportunity for comments)

Partly

Whilst it is positive that the Code sets out the requirement to differentiate between Service Requests and Complaints, Leicestershire County Council has concerns around the practical implication of this.

The Code suggests that if a complainant indicates a level of dis-satisfaction with something that would currently be considered as a Service Request then the Council is obliged to escalate this to a

complaint. This will likely result in significantly higher complaint volumes particularly regarding non-statutory services and where often timescales for resolution can be long.

The Council believes the definitions of what constitutes an Upheld Complaint is clear

5. The Code encourages organisations to resolve complaints satisfactorily at an early stage and before they come to an Ombudsman. Do you agree? Yes/No (opportunity for comments)

Partly

It is a concern that the tight timescales at Stage 1 may impact on the quality and robustness of responses. It may be an unintended consequence that the need to comply with timescales becomes the key driver rather than allowing Councils sufficient time to respond in detail and avoid escalation to the Ombudsman.

6. We will provide further guidance on how the Code should be used by councils. What guidance would you find useful when implementing the Code within your council? (free text option)

A list of agreed exclusions.

Definition of regular reporting to the new member for complaints. It is suggested that quarterly would be appropriate.

Templates for investigation reports and outcome letters.

7. Do you have any other comments you would like to make about the LGSCO's intention to introduce this statutory Code, including the decision do this jointly with the Housing Ombudsman? (free text option)

The Code in principle is welcomed but it would be remiss not to note concerns around placing increased duties on faster responses to complaints against the backdrop of significant financial pressures affecting Local Authorities. There will be significant additional costs incurred in ensuring adherence to the Code of Practice and no additional funding for this.



CORPORATE GOVERNANCE COMMITTEE – 17 NOVEMBER 2023

REPORT OF THE DIRECTOR OF LAW AND GOVERNANCE

REVISED PROTOCOL ON MEMBER/OFFICER RELATIONS

Purpose of Report

1. The purpose of this report is to present changes to the Protocol on Member/Officer Relations to members for consideration prior to it being submitted to full Council on 6th December 2023 for approval.

Background

2. The Protocol on Member/Officer Relations forms Part 5C of the Constitution. Article 15 of the County Council's Constitution gives the Chief Executive a duty to monitor and review the operation of the Constitution to ensure that the aims and principles of the Constitution are given full effect. It requires that changes to the document should only be approved by the full County Council after consideration of the proposal by the Chief Executive and the Constitution Committee or, the Corporate Governance Committee. Given the Protocol's close relationship with the Code of Conduct, it is considered appropriate that the Corporate Governance Committee considers the proposed changes to it.
3. The revised Protocol is attached as an Appendix to this report. The key changes that have been made are to the section on keeping members of local issues. This section has been expanded to include:
 - (i) Ensuring that members are fully informed as early as possible about matters affecting their electoral division;
 - (ii) Inviting the local member to any event being held in their division;
 - (iii) The need to invite the local member where a public meeting is being organised by the County Council in their division;
 - (iv) Notifying members of consultations affecting their division.
4. A further minor amendment has been made to the Protocol to clarify how a member should deal with an officer who is also one of their constituents and

has approached them on a constituency matter. This reflects good practice elsewhere.

Conclusion and Next Steps

5. If the Committee resolves to accept the proposed revisions to the Protocol on Member/Officer relations, it will be presented to the full Council meeting on 6 December for approval with a view to the Constitution being amended thereafter.

Recommendation

6. The Committee is asked to recommend that the County Council approve the adoption of the revised Protocol on Member/Officer Relations as set out in the Appendix to this report.

Equality and Human Rights Implications

7. None arising from this report.

Background Papers

[Report to the Corporate Governance Committee on 5 November 2021 – Revised Members' Code of Conduct and Protocol on Member/Officer Relations](#)

[Constitution of Leicestershire County Council](#)

Circulation under the Local Issues Alert Procedure

None.

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Appendices

Appendix - Part 5C, Protocol on Member/Officer Relations.

APPENDIX

Part 5 C

Protocol on
Member / Officer
Relations

Part 5C - Protocol on Member/Officer Relations

Purpose

1. The purpose of this protocol is to define the respective roles of members and officers and to provide guidance on what the relationship between those roles should be.
2. The protocol also reflects the principles underlying the respective Codes of Conduct which apply to members and officers. The shared object of these Codes is to promote high standards of behaviour.

Principles

3. The fundamental principles underpinning this protocol are:
 - (a) The County Council is a democratically elected local authority delivering a range of services to the people of Leicestershire.
 - (b) The County Council is a single entity, a statutory corporate body. This relates to both the officer structure and the different areas of activity (Cabinet, Regulatory and Overview and Scrutiny) that members can be involved in.
 - (c) In everything they do, elected members and officers of the County Council are obliged to act within the law and in compliance with relevant standards and codes of conduct.
 - (d) All elected members of the County Council are ultimately accountable to the people of Leicestershire through the ballot box for their actions as County Councillors.
 - (e) The Political Administration of the day, whether single or joint, is ultimately politically accountable for the effectiveness and delivery of its policies and plans which have been approved by the County Council and will, therefore, have an interest in ensuring that services are delivered by the officers in accordance with those approved policies and plans.
 - (f) The officers serve the whole County Council as a single statutory corporate body.
 - (g) The Head of Paid Service (Chief Executive), Monitoring Officer, Chief Finance Officer (Section 151 Officer) and Scrutiny Officer are all statutory roles with responsibilities as set out in the Articles of this Constitution.

- (h) The officers will provide adequate support to all elected members in their local or representational role.
- (i) Dealings between elected members and officers should be based on mutual trust and respect.

Role of Members and Officers

- 4. Members and officers are both servants of the public and indispensable to one another, although their responsibilities are distinct. Members are responsible to the electorate and serve only so long as their term of office lasts. Officers are responsible to the Council as a whole, and they are accountable to the Chief Executive. Their role is to give advice to members (individually and collectively) and to carry out the Council's work as determined by the Cabinet and full Council under the direction of the Chief Executive and the Council's Corporate Management Team.
- 5. Members should not get involved in the day to day operational management of services, although this does not preclude Members from raising constituency related operational issues. Equally, officers should not get involved in politics.
- 6. Members will take decisions in their role as members of the Cabinet and other decision-making bodies detailed in the Constitution, including the full Council. They will do this in the light of appropriate professional advice from officers, which will ensure that all decisions comply with the law and relevant standards or codes of conduct. Officers have the right to have their advice recorded, so that elected members are fully aware of the implications of their decisions.
- 7. The advice given by officers will aim to serve the interests of the County Council as a whole. It should be fearless, factual, honest, objective and politically neutral. Officers must be alert to issues which are, or are likely to be, contentious or politically sensitive. Officers must be aware of the implications for the council and its members, and for the community as a whole.

Relationships between Members and Officers

- 8. The relationship between members and officers should be one of mutual trust and respect. Members and officers should behave courteously to each other and neither party should seek to take advantage of their position. Close personal familiarity between individual members and officers can harm professional relationships and prove embarrassing to other members and officers. Situations should be avoided that could give rise to the suspicion or appearance of any improper conduct, or the perception that a member and an officer treat one another differently from others due to the nature of a personal relationship between them. Officers are required to declare

any close personal relationships with members in the same way as they would declare a relationship with another employee.

9. Members should not raise matters relating to the conduct or capability of officers either individually or collectively at meetings held in public or in the press. Officers have no means of responding to such criticism in public. If Members feel that they have not been treated with proper respect, and courtesy or have any concern about the conduct or capability of an officer and are unable to resolve it through direct discussion with the officer they should raise the matter with the relevant Director concerned or with the Council's Monitoring Officer.
10. Members will not publish any material which is derogatory of officers generally, or specific individuals, whether directly or indirectly through their agents or political groups.
11. Members should respect the confidence of officers and, when information is shared with them, should not share it more widely, especially with the press, parish councils or members of the public, without seeking the consent of the relevant Head of Service or Assistant Director beforehand. More details of how to engage with the media are set out in the Media Relations Protocol.

Information and the political perspective

12. For the proper functioning of the County Council as a whole, officers will normally be permitted to share information freely between themselves, irrespective of whether the officer's role is connected with the Cabinet, Overview and Scrutiny or the Regulatory aspects of the County Council. Where the information has been supplied/received subject to a request for party political confidentiality an officer will be permitted to share that information with other officers if they believe that to be necessary - for example for the purpose of verifying the legality, financial probity or procedural regularity of any proposed course of action disclosed by that information. The request for party political confidentiality will be confirmed to, and honoured by, any officers with whom the information is shared.
13. Appropriate and regular liaison between elected members and officers connected with the Executive and Overview and Scrutiny aspects of the County Council should avoid the relationship between Scrutiny and the Executive becoming adversarial and polarised. This liaison, combined with the politically balanced nature of Overview and Scrutiny, should reduce the number of occasions on which it is necessary for information to be supplied by elected members to officers on a party political confidential basis at the Executive/Overview and Scrutiny level.
14. On request and where appropriate, officers will provide a briefing on a policy matter or individual topic to a particular political group, provided

that the same offer is made to the other political groups. There will be times when officers consider it more appropriate to brief all members at the same; this will be discussed with the political group making the request.

15. Where information is supplied to officers on a party political confidential basis, the officers will respect that confidentiality unless the officers believe that the proposed course of action appears to be in conflict with the law, or any relevant standards or codes of conduct, or would amount to an abuse of the processes of the County Council.
16. Where party political confidentiality would be maintained in accordance with the preceding paragraph, the officers may, nonetheless, seek to persuade the elected members requesting the confidentiality to agree to that information being shared with the other political groups on the grounds that it would assist the more effective functioning of the County Council; however, in the absence of any such agreement to waive the confidentiality, the officers would continue to respect it.
17. Where there is a change in Political Administration, the officers will act in relation to the new Administration and Opposition party or parties in the same way as they did for the old; and will continue to respect any continuing party political confidentiality.

Relationship between the Cabinet and Overview and Scrutiny

18. Given the nature and purpose of the County Council and the respective roles of elected members and officers, it is accepted that the officers, while remaining politically neutral, will inevitably give advice on a wider range of issues and on a more regular basis to the Cabinet. For their part, Cabinet members will continue to respect the political neutrality of the officers and accept that officers are obliged to respond positively to any requests from Overview and Scrutiny for appropriate information and advice relevant to the issue being considered by Overview and Scrutiny. When a committee requests it, the Executive will provide an appropriate Lead Member to attend an overview and scrutiny meeting to explain an Executive's decision and the reasons for it.

Decisions under delegated powers

19. No executive powers will, as a matter of policy, be delegated to individual members, either as the Leader or as a member of the Cabinet. Although neither the Leader nor individual members of the Cabinet will have any personal delegated executive powers, they may, nevertheless, develop, a personal special interest in specific areas of County Council activity. The term "Lead Member", rather than "Portfolio Holder", is used to describe members with any such special interest, to avoid creating any misleading impression that the member

concerned does have personal delegated powers. The Leader may decide that there should be more than one Lead Member for any particular area of special interest.

20. The role of a Lead Member will include:

- (a) Providing a leadership role in their particular area, demonstrating familiarity and understanding of their brief.
- (b) providing a point of reference for a chief officer who wishes to sound out the elected member perspective before taking an executive decision under powers delegated to that chief officer.
- (c) Providing a better-informed elected member perspective and opinion on any relevant proposals before (or likely to come before) the Cabinet.
- (d) Appearing, as appropriate, before any relevant overview and scrutiny committee on behalf of the Executive.
- (e) Making position statements or responding to questions on the relevant area of activity, on behalf of the Executive, at any meeting of the County Council.
- (f) Speaking to the media to publicise and explain relevant decisions made at and policy proposals emerging from meetings of the Cabinet.

The role of the Lead Member for Children's Services is a statutory role and as such holds political accountability for all local authority children's services, including education and social care.

21. Where a chief officer decides (rather than volunteers) to consult a Lead Member before exercising his or her delegated powers, both will understand, and accept, that the final decision (and the responsibility which goes with it) remains with the chief officer; and that the process of reference to a Lead Member is not intended to operate as a delegation of power to the Lead Member.
22. The same principles apply where authority to take a decision has been specifically delegated to a chief officer "after consultation with" one or more elected members, whether Lead Member or local member or both. Although the process of consultation is required by the specific delegation of authority, this does not change the fact that the process is still one of consultation with, not specific approval by, the member(s) concerned. If the consultation process was handled as if it was one of specific approval, then that could reasonably be regarded as tantamount to *de facto* personal delegation to the member concerned.
23. Since consultation alone is involved, a chief officer can, theoretically, decide to proceed with his or her proposed course of action even in the face of some degree of objection from the member(s) consulted. However, a wiser course of action may be for the chief officer to decline to exercise the delegated authority and refer the decision back to the body which conferred the authority on the chief officer.

24. In implementing any process of consultation, if the view of the Lead Member is not in conformity with the professional view of the chief officer and the difference of view is material and cannot be reconciled, then the chief officer should consider:

- (a) seeking advice from the Chief Executive, Monitoring Officer or Chief Finance Officer as appropriate; and
- (b) referring the issue to a meeting of the Cabinet or the body which conferred the delegated power -

to protect the interests of the Lead Member, the chief officer and, ultimately, the County Council.

25. Chief officers should be careful about the methods they use to record, for internal purposes, that the process of consultation has taken place and its result. There should be mutual trust and understanding between chief officers and Lead Members - a degree of trust which should be sufficient to render inappropriate a formalised process whereby a chief officer expects Lead Members to sign written confirmation that they have read and understood the relevant material supplied to them and that they agree its content.

Keeping Members informed of matters affecting their electoral division

26. To enable members to carry out their representative and divisional role effectively, they should be fully informed as early as possible about matters affecting their division, especially where it can be anticipated that members will become involved, for example in the case of the likelihood of complaints. Residents expect their County Council representative(s) to be aware of all the activities which they may believe are in some way the responsibility of the County Council. This arrangement does not extend to individual service-related complaints.

27. Members have an important role to play in representing the County Council in their electoral division by responding to the concerns of their constituents.

28. Members must be invited to any event that has been organised in their electoral division, for example the opening of a new facility from which County Council services are being delivered. If the facility or the service provides services to adjoining electoral divisions the additional members should also be invited.

29. Whenever a public meeting is organised by the Council to consider an issue, all the members representing the electoral division(s) affected should be invited to attend the meeting as a matter of course.

30. If a member intends to arrange a public meeting on a matter concerning some aspect of the Council's work, they should inform the relevant officer(s).
31. Similarly, whenever the Council undertakes any form of consultative exercise, the relevant member(s) should be notified immediately prior to the outset of the exercise.
32. Where a report to the Cabinet, Scrutiny or Regulatory Body includes a sensitive issue affecting one or more electoral divisions, report authors must draw this to the attention of the relevant member(s) concerned, whether or not they are a member of that body. This does not apply to reports considered by informal panels or working parties.
33. Members may attend as observers at meetings of the Cabinet, Overview and Scrutiny Committee and Regulatory Bodies (Standing Order 34), including those parts of the meetings from which the public has been excluded. Subject to the consent of the Chairman a member so attending may speak (but not vote) on any matter. Representations may also be made by members in writing, particularly if they are not able to attend the meeting.
34. Where Members have notified that they have a particular interest in a matter to be considered by the Cabinet or some other body, but they are not the local member, officers are still expected to provide them with the relevant information. Care must be taken on matters on which a member has an interest as defined in the Member Code of Conduct. Members have a common law right to inspect documents and attend meetings if they can demonstrate a "need to know" for the purposes of their duties as a Councillor. (if in doubt seek advice from the Monitoring Officer).
35. Further circumstances where it would be appropriate to notify individual members include, for example:
 - An issue arising from the exercise of a Chief Officer delegated power relating to their division;
 - An approach being made to a Chief Officer by the press for comments on a particular matter relating to their division;
 - A partnership body, which includes the County Council; proposing to take action on a matter relating to their division
 - A Freedom of Information request covering a controversial issue relating to their division;
 - Where officers have received significant complaints from residents in their division, likely to lead to adverse media coverage (excluding individual service-related complaints);
 - A potentially controversial operational matter that will have a significant impact on the community in their division such as major road works, changes in opening hours, closure of a facility etc.;

- Where a major incident has taken place.

In most cases notification via a short e-mail or simple phone call is all that is required.

36. There may be times when, in addition to the local member(s), it would be appropriate for the officer concerned to notify other members, for example the Leader, Deputy Leader or Cabinet Lead Member.

Guidance to Elected Members on providing advice and support to Officers

Constituent Issues

37. A member may be asked for advice and support by an officer who is one of their constituents. Officers are entitled to seek such assistance in the same way as any other member of the public. However, members should be aware of the Officer Employment Procedure Rules in Part 4 of this constitution and be careful not to prejudice the County Council's position in relation to disciplinary procedures or employment matters in respect of an officer. A member approached for help in such circumstances should first seek advice from the Monitoring Officer.

Employment Issues

38. A member should generally treat officers as they would a member of the public in relation to the personal receipt of council services and deal with the issue accordingly.
39. Although employees are not encouraged to do so, elected members may occasionally find themselves being approached by employees on matters relating to their personal circumstances as a member of the Council's staff.
40. This puts the elected member in some difficulty because they will potentially have a conflict of interest. On the one hand the member may well want to offer assistance to the employee, particularly if they reside in their electoral division. On the other hand, as a member of the County Council, all elected members have responsibilities as "the employer".
41. It is advised in such circumstances that the member concerned should limit their role to the following:-
- listening to the nature of the issue;
 - offering advice about where the employee can get assistance and support e.g. trade union, HR staff, manager, website;
 - pointing to the various mechanisms which the Authority has in place for resolving issues and disputes with groups of employees and individuals. (These are explained below);

- satisfying themselves that the Council's procedures (including the Whistleblowing Procedure where appropriate) are being followed correctly in that case and receiving details of the outcome. If there is concern that this may not be the case the member should seek advice from a relevant officer (i.e. Monitoring Officer, Head of Democratic Services, Head of Law and Deputy Monitoring Officer, Head of Member Service or Head of People Services).
42. Beyond the above, it would not be wise for an elected member to pursue any particular case on behalf of the employee. To do so could prejudice any procedures which are already underway and would not be in the Council's or public's interests.
43. There are a number of policies and procedures available for employees to raise individual issues in relation to their employment, in line with the Employee Code of Conduct which forms Part 5B of this Constitution.
44. The Whistleblowing Procedure is available to raise issues of bad practice, possible fraud or corruption or other matters which seem to be against the interests of the public, the Council or its staff.

[end of Part 5C]

**CORPORATE GOVERNANCE COMMITTEE – 17 NOVEMBER 2023****REPORT OF THE DIRECTOR OF CORPORATE RESOURCES****RISK MANAGEMENT UPDATE****Purpose of the Report**

1. One of the roles of the Corporate Governance Committee is to ensure that the Council has effective risk management arrangements in place. This report assists the Committee in fulfilling that role by providing a regular overview of key risk areas and the measures being taken to address them. This is to enable the Committee to review or challenge progress, as necessary, as well as highlight risks that may need to be given further consideration. This report covers:
 - The Corporate Risk Register (CRR)
 - Emerging risk – Equal Pay
 - Counter fraud update

Corporate Risk Register (CRR)

2. Within the County Council's Constitution, Article 9.03 'Role and Function of the Corporate Governance Committee' states that the Committee shall have responsibility for the promotion and maintenance within the Authority of high standards in relation to the operation of the Council's Code of Corporate Governance with an emphasis on ensuring that an adequate risk management framework and associated control environment is in place.
3. The Council maintains Departmental Risk Registers and a Corporate Risk Register (CRR). These registers contain the most significant risks which the Council is managing, and which are 'owned' by Directors and Assistant Directors.
4. The CRR is designed to capture strategic risk that applies either corporately or to specific departments, which by its nature usually has a longer time span. The CRR is a working document and therefore assurance can be provided that, through timetabled review, high/red risks will be added to the CRR as necessary. Equally, as further mitigation actions come to fruition and current controls are embedded, the risk scores will be reassessed, and this will result in some risks being removed from the CRR and managed within the relevant departmental risk register.
5. Updates to the current risks on the CRR (last presented to the Committee on 22 September 2023), are shown in Appendix A. Risks which have been

removed in the last two years, and a brief reminder of the risk scoring process are at the end of the appendix.

6. Movements since the CRR was last presented are detailed below: -

Risk(s) added

None.

Risk(s) Removed

None.

Risk(s) Amended

1.1 All

Change from: If we fail to achieve the agreed financial MTFS targets for income generation then additional savings will need to be made.

Change to: If we fail to deliver the MTFS savings, have an unexpected loss in income and/or fail to control demand and cost pressures then this will put the Council's financial sustainability at risk with major implications for service delivery.

Rationale – The Assistant Director Finance, Strategic Property & Commissioning (AD (FSP&C)) considered that the description had become too narrow, the new description broadens the risk.

1.5 C&FS (Children's Social Care)

Change from: IF the number of high-cost social care placements (e.g. external fostering, residential and 16+ supported accommodation) increases (especially in relation to behavioural and CSE issues) THEN there may be significant pressures on the Children's Social Care placement budget, which funds the care of vulnerable children.

Change to: IF the number and type of high-cost social care placements (e.g. external fostering, residential and 16+ supported accommodation) increases (especially in relation to behavioural and CSE issues) THEN there may be significant pressures on the Children's Social Care placement budget, which funds the care of vulnerable children.

Rationale – The AD (FSP&C) risk is not only around the number but also the type of placements.

1.6 C&FS (Special Educational Needs)

Change from: If demand for Education Health and Care Plans (EHCP) continues to rise, and corrective action is not taken, there is a risk that the high needs deficit will continue to increase.

Change to: IF demand for and the complexity of Education Health and Care Plans (EHCP) continues to rise, and corrective action is not taken, there is a risk that the high needs block budget deficit will continue to increase and create a significant burden on the Council.

Rationale – The slight change is to ensure the financial deficit is encapsulated in the risk update, as well as the effect of the complexity of the plans on the financial burden.

1.9 ALL

Change from: If the immigration status of refugees and asylum seekers (including unaccompanied asylum-seeking children (UASC)) who arrive in the County is not resolved, then the Council will have to meet additional long-term funding in relation to its housing and care duties.

Change to: If the immigration status of refugees and asylum seekers (including unaccompanied asylum-seeking children (UASC) and Homes for Ukraine Scheme (H4US)) who arrive in the County is not resolved, then the Council will have to meet additional long-term funding in relation to its housing and care duties, with the biggest cost and staffing impacts on C&FS.

Rationale – The description has changed to include a specific reference to the Homes for Ukraine Scheme.

1.12 Chief Executives

Change from: If the Council fails to maximise developer contributions by shaping local plan policies, negotiating S106 agreements and pro-active site monitoring, then there could be a failure to secure funding for County Council infrastructure projects (such as transport and schools).

To: If developer contributions are not secured, are not sufficient to cover costs or are not spent efficiently then there could be a failure to pay for roads, schools and other essential infrastructure.

Rationale – The risk has evolved to include securing, sufficiency and efficient spending of the developer contributions.

Presentation

7. At its meeting on 22 September 2023, the Committee was advised that a presentation would be provided as part of this item on risks overseen by the Property and Occupants Risk Management Group in light of the emerging risk relating to Reinforced Autoclaved Aerated Concrete (RAAC).
8. However, there is a webinar scheduled just before the Committee on requirements for implementing the 'Protect Duty' (Martyn's Law) and this may impact the work of the Group. Additionally, there is a Group meeting scheduled in early December to review work done, revise the Terms of Reference, set a workplan for the next year and prepare an annual report initially for the Director

of Corporate Resources and then Chief Officers. The annual report will be presented to the Committee at its meeting in January 2024.

9. Following consultation with the Chair, this presentation has been deferred to allow the points above to take their course.

Emerging risk

Leicestershire County Council's Equal Pay position

10. Birmingham City Council's Section 114 declaration centred largely around the level and nature of its equal pay liability has made headlines over the last few weeks and will continue to do so. Whilst Birmingham is by far the highest profile Council with declared equal pay challenges, there have been a number of other Councils recently, with trade unions (GMB in particular) pursuing a number of cases.
11. The purpose of this update is to assure the Committee in relation to the approach adopted in Leicestershire County Council, the rigour and the checks and balances. It's crucial that the Council is transparent about its processes, and findings and concerns, and that action is taken to address them.
12. The Council has an equality proofed job evaluation scheme (Hay) which has been in operation for over 20 years in Leicestershire. This covers all County Council posts (including ESPO) with the exception of a small number which are on Soulbury conditions of service. Officers undertaking job evaluation are formally trained and accredited by Korn Ferry (who own Hay). Appeals and moderation processes are in place. Equal pay audits using consistent methodology are carried out every 3 years, with data currently being gathered in preparation for the next audit. Results are due to be reported in spring 2024. Given the backdrop, extra checks will be carried out e.g. re-evaluating a sample of jobs e.g. where there are predominately either females or males, typically at the lower end of the pay scales.
13. During the past few weeks, we have engaged with a number of front line services to ensure that we have not inadvertently adopted practice identified by Birmingham City Council as one of their key challenges i.e. 'task and finish' i.e. being on a rota for a fixed number of hours, but finishing early if work has been carried out, effectively resulting in a higher hourly rate of pay compared to others who work a full shift. In addition, Chief Officers gave assurances that they were not aware of any unusual arrangements in their departments.
14. In summary, the Council has a level of confidence that it does not have any significant equal pay risks, but we will continue to operate our systems and processes in a fair and equitable way and to closely monitor any potential risks.

Counter fraud update

International Fraud Awareness Week (12-18 November 2023)

15. To coincide with International Fraud Awareness Week (IFAW), the Internal Audit Service will issue targeted comms to staff during the week via the Corporate Intranet and other means on a range of fraud risk areas.
16. A strong and continuous process of raising awareness of fraud risk with staff remains a key defence against fraud and IFAW 2023 provides an ideal opportunity to convey important messages.
17. In the run up to IFAW 2023 a fraud awareness training session was facilitated specifically for HR Advisers to strengthen further the good working relationship that exists between Internal Audit, Human Resources and Legal Services with regard to the investigation of internal (employee) fraud. Topics included "What is zero tolerance?" and a discussion on recovery of losses.

Recommendations

It is recommended that the Committee:

- a) Approves the current status of the strategic risks facing the County Council;
- b) Makes recommendations on any areas which might benefit from further examination;
- c) Notes the updates on the emerging risk;
- d) Notes the updates on mitigating the risks of fraud.

Resources Implications

None.

Equality Implications

None.

Human Rights Implications

None

Circulation under the Local Issues Alert Procedure

None.

Background Papers

Report of the Director of Corporate Resources – ‘Risk Management Update’ – Corporate Governance Committee, 13 May 2022, 30 September 2022, 21 November 2022, 26 January 2023, 16 March 2023, 26 May 2023 and 22 September 2023.

<http://politics.leics.gov.uk/ieListMeetings.aspx?Committeeld=434>

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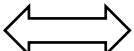
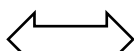
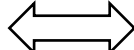
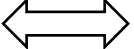
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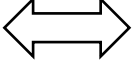
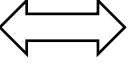

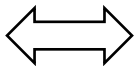
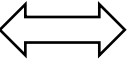
Appendices

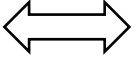
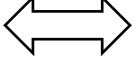
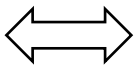
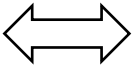
Appendix A – Corporate Risk Register Update (November 2023)

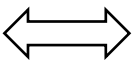
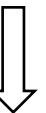
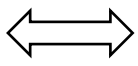
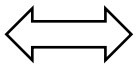

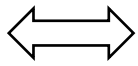
CRR Risk No.	Dept./ Function	Risk Description	Current Risk Score			*Target Risk Score			Update October 2023	** Direction of Travel (Residual Risk Score over the next 12 months)	
			Impact	Like lihood	Risk Score	Impact	Like lihood	Risk Score			
Cost of Living Crisis											
C	ALL	If the current cost of living crisis continues and even intensifies without any UK Government interventions, then the people and businesses of Leicestershire as a whole will be significantly impacted, and the County Council will have to take some difficult decisions.	5	5	25	5	2	10	Although the level of support given to residents for the cost of living crisis continues which includes the household support fund, there is still a risk that residents will be reliant on the support and therefore when the funding stops the impact on the council may be significant which will result in the County Council having to take some difficult decisions.	 Expected to remain high/red	
1. Medium Term Financial Strategy											
1.1	ALL	If we fail to deliver the MTFS savings, have an unexpected loss in income and /or fail to control demand and cost pressures then this will put the Council's financial sustainability at risk with major implications for service delivery.	5	5	25	5	3	15	<ul style="list-style-type: none">• Funding reform delayed until after spending review period (2024-25). Meeting with Chancellor took place 25th April to discuss position. A follow up meeting with Lee Rowley, Minister for Local Government took place on 14th September.• Series of efficiency reviews being scoped.• Targets allocated to departments.• Approach for the year agreed with CMT.• Informal meetings between Members and Chief Officers are planned for November 2023 to focus on savings targets and demand management.• Spending Control options being reviewed.	 Expected to remain high/red	
1.5	C&FS	Children's Social Care IF the number and type of high-cost social care placements (e.g. external fostering, residential and 16+ supported accommodation) increases (especially in relation to behavioural and CSE issues) THEN there may be significant pressures on the Children's Social Care placement budget, which funds the care of vulnerable children.	5	5	25	4	4	16	<p>The number of children requiring residential care and 16+ supported accommodation remains relatively stable (excluding UASC). However, the cost of placements are heavily market led with few providers on framework showing an 'interest' in children with the most complex needs (particularly related to violence and mental health needs).</p> <p>The numbers of children in residential care, whilst relatively stable, is also impacted on by the number awaiting move on placements into foster homes, from residential care. Again, due to the level of need, many foster carers do not feel able to meet these children's needs.</p> <p>Activity in the service to address issues includes review of the CFS commissioning service and whether we are able to do our business differently (e.g. increased use of mini-tenders) along with a review of specialist carers job descriptions to stimulate more interest during recruitment.</p> <p>Other areas of activity include Defining Children and Family Services for the Future workstream focus on reducing Care Leaver (CL) need for LA accommodation over the age of 18. We currently fund the accommodation of 38 CLs. 14 of whom are deemed to require this support. The remaining are due to District Council sufficiency issues. The average duration of this funding by LCC is 44 weeks, and as such the insufficiency incurring a significant cost.</p>	 Expected to remain high/red	
1.6	C&FS	Special Educational Needs IF demand for and the complexity of Education Health and Care Plans (EHCP) continues to rise, and corrective action is not taken, there is a risk that the high needs block budget deficit will continue to increase and create a significant burden on the Council.	5	5	25	4	4	16	<p>Finance workstream is underway building close working relationships between operational finance and corporate colleagues around our data, invoicing and payments.</p> <p>TSIL programme well underway - there are 12 workstreams, with 2 through design and 2 more to in next phase</p> <p>Aim of programme remains to reduce deficit on High Needs Block.</p>	 Expected to remain high/red	

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			Impact	Like lihood	Risk Score	Impact	Like lihood	Risk Score		
1.7	CR	If the Council is not compliant with the HMRC IR35 regulations regarding the employment status for tax of self-employed personnel, then there is a risk of backdated underpaid tax and NI, interest and large financial penalties.	5	4	20	4	3	12	<div>• E&T looking to change arrangements to ensure drivers go through payroll update.</div> <div>• Work in progress with Procurement/Legal Services about how we might be able to identify these and finding a process and potentially a value where a contract is needed or not.</div> <div>• Going to future DMT's to inform them of this - reminding Managers when going through the CEST (Check employment status for tax), that a new CEST may need to be done if short term work is renewed and leads to a longer-term piece of work. This is also in our Engagement of Independent Contractors</div> <div>• Have been to CFS SMT and informed them of the risks when dealing with off-contract agencies, will go to future DMTs and let them know of risks of going off-contract.</div>	<div>↔</div> <div>Expected to remain high/red</div>
1.9	ALL	If the immigration status of refugees and asylum seekers (including unaccompanied asylum-seeking children (UASC) and Homes for Ukraine Scheme (H4US)) who arrive in the County is not resolved, then the Council will have to meet additional long-term funding in relation to its housing and care duties, with the biggest cost and staffing impacts on C&FS.	5	5	25	4	3	12	<div>The Council continues to experience challenges in supporting asylum seekers and refugees who are arriving into the county under a number of separate schemes. These include asylum seekers placed in local hotels, those moving into dispersed accommodation, and unaccompanied asylum-seeking children, and resettlement programmes such as Homes for Ukraine , Afghan nationals, and Hong Kong British Nationals. The initiatives do not operate in a coordinated or system wide manner, and are run by different government departments. The cumulative impact of the number of arrivals (irrespective of initiative) has created additional demand for council and partner services particularly finding school places, funding home school transport, safeguarding, housing, cohesion, health and policing. Officers continue to take part in multi-agency meetings with government departments to press for additional funding for public services, and a commitment to looking at this issue from total place perspective.</div> <div>We now have 107 UASC Children in Care and 127 Care leavers.</div> <div>To manage the increased number of assessments and demand on the service, the UASC Service will increase to include a dedicated assessment team. This added capacity and scrutiny from a dedicated manager, will ensure that the quality of the age determination remains good and reduces the change of legal challenge.</div> <div>In relation to providing accommodation and timeliness of this, the processes to authorise placements for UASC have been reviewed and amended which makes it much more likely that a placement will be identified within the 5 day timescale. However, this has changed the resource focus of the Commissioning Team which creates risks elsewhere. This is being evaluated to determine mitigating action</div>	<div>↔</div> <div>Expected to remain high/red</div>
1.11	CE	If transition to the operational stage were not enabled, taking account of financial, governance, HR and other considerations, then the County Council would not be fulfilling its role as lead authority and accountable body for the East Midlands Freeport.	5	3	15	5	2	10	<div>The Freeport's incorporation as a company, scheduled for late 2023, is awaiting clarification from DLUHC and the business rate collection authorities on some technical issues which affect all Freeports.</div>	<div>↓</div> <div>Expected to move to medium/amber</div>
1.12	CE	If developer contributions are not secured, are not sufficient to cover costs or are not spent efficiently then there could be a failure to pay for roads, schools and other essential infrastructure.	5	3	15	4	3	12	<div>This continues to be a risk particularly with historic S106 agreements not covering current costs. We are looking at ways to incorporate more flexibility into new S106 agreements.</div>	<div>↔</div> <div>Expected to remain high/red</div>

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			Impact	Like lihood	Risk Score	Impact	Like lihood	Risk Score		
2. Health & Social Care Integration										
2.4	A&C C&FS PH	If health and care partners fail to work together to address the impact of system pressures effectively, there is a risk of an unsustainable demand for care services and a risk to the quality of those services to meet need	4	4	16	5	2	10	A&C Health Partners are reporting pressures on the system are emerging and this is being actively monitored. Work continues to ensure that the Better Care Fund funded intake model will support discharge in the medium term as planned. C&FS Health funding into Department still doesn't equate to spend. A report has been commissioned that outlines sginificant concerns in both health contributions and processes. Meetings are organised between DC's and Senior Health colleagues to progress. PH Increasing pressure on system impacts such as GP's is noticeable in terms of being more reactive and not being able to prioritise rather than be proactive around services such as long-acting reversible contraception and Health Checks. Ultimately this will impact the needs from residents for the services Public Health provide or commission further.	<div>↓</div> <div>Expected to move to medium/amber</div>
3. ICT, Information Security										
3.6	CR	If the updates to the ORACLE Fusion system do not meet the County Council's requirements, then there is a risk of work arounds continuing and efficiencies not being delivered.	4	4	16	3	4	12	<ul style="list-style-type: none">• Continue engagement with Oracle and Mastek to reduce outstanding incidents and work towards further improvements to the system.• Identify the key areas that are not operating as intended post go-live• Review the project benefits to plan delivery of those that are outstanding• Operational finance review completion• Development of People Hub – scoped out	<div>↓</div> <div>Expected to move to medium/amber</div>
3.7	CR	If the council does not manage its exposure to cyber risk THEN decisions and controls cannot be taken to mitigate the threat of a successful cyber attack.	4	4	16	3	4	12	<ul style="list-style-type: none">• Disaster Recovery testing ongoing. A 12 month schedule in place to test Priority 1 business applications. Programme of testing managed by DR Steering Group.	<div>↔</div> <div>Expected to remain high/red</div>
3.8	CE	If there is a failure to provide appropriate strategic and operational business intelligence then the council's policy and strategy will not be evidence-led and day-to-day service delivery, costs and reputation may be negatively impacted, including meeting statutory requirements.	4	4	16	4	2	8	<p>Progress on Data Strategy - the work programme has recommenced with kick off sessions scheduled for October to take forward development of the strategy and build on recommendations from Gartner.</p> <p>Gartner are finalising their specific recommendations around infrastructure, approach, roles and responsibilities, and wider structural/ways of working.</p> <p>Data server business case - costings and risks are being worked up between Information Technology (IT) and Business Intelligence (BI) with support from Transformation Unit (TU).</p> <p>Interim measures update. A risk remains around not being able to take on more work without de-prioritisation of lower priority BI work. From an IT perspective cloud options are being explored as a possible route to alleviate server demand. In the short-term BI aren't taking on more datasets and are seeking to rationalise the automation of datasets.</p>	<div>↔</div> <div>Expected to remain high/red</div>
4. Commissioning & Procurement										
4.2	E&T	If Arriva is successful in its concessionary travel appeal or the City in its challenge on the methodology of reimbursing operators then reimbursement costs for the scheme could increase.	5	3	15	3	3	9	Information received from City Colleagues however this has given rise to further queries which are now being addressed in discussion	<div>↓</div> <div>Expected to move to medium/amber</div>

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			Impact	Like lihood	Risk Score	Impact	Like lihood	Risk Score		
4.3	E&T	If bus operators significantly change services due to wider external or economic pressures then there could be substantial impacts on communities accessing essential services and lead to required intervention under our PT Policy & Strategy.	4	4	16	4	4	16	The Government recently announced £150 million of redirected HS2 funding to improve bus services, this is part of the Network North Plan. In addition, the 'Get Around for £2' cost-of-living support scheme will be extended from 1 November until 31 December 2024. The department is currently in the process of assessing the ramifications of this announcement and working up a plan forward.	 Expected to remain high/red
4.4	CR	If there is an actual or perceived breach of procurement guidelines then there may be a challenge which results in a financial penalty.	4	4	16	3	4	12	<ul style="list-style-type: none">• Protocol has been written and added to the toolkit.• New legislation has been delayed again until 2024. Quarterly meetings with ESPO and Legal are being held to consider new procurement bill implications and changes to practise that will be required.• Delivery of training sessions now complete. Training materials have been added to toolkit for future reference and use.• Draft roles and responsibilities and target operating model currently being worked on. Proactively updating procurement pipelines for each department to try to reduce exceptions.• Amendments are being made to the constitution to reduce risks. Further ongoing changes will be made to match the new legislation when it is released.• The main audit will now be conducted once the new legislation is in place.	 Expected to remain high/red
4.5	E&T C&FS	If Special Educational Needs Assessments are delayed and Education, Health and Care Plans are not issued on time with appropriate placements for children identified, Transport Operations could be failing to provide a timely statutory service.	4	4	16	3	3	9	New applications for transport assistance continue to be received, although these have reduced to an average of 21 per week during October, which is still a considerable number in terms of setting up transport arrangements at this time of year. Impact therefore remains significant.	 Expected to move to medium/amber
5. Safeguarding – category retired										
6. Category retired										
7. People										
7.1	CR (ALL)	If sickness absence is not effectively managed then staff costs, service delivery and staff wellbeing will be impacted	4	4	16	3	4	12	The major issue currently is the high level of absence that is being managed across the organisation (9.8 days FTE for Q2).	 Expected to remain high/red
7.2	ALL	If departments are unable to promptly recruit and retain staff with the right skills and values and in the numbers required to fill the roles needed, then the required/expected level and standard of service may not be delivered, and some services will be over reliant on the use of agency staff resulting in budget overspends and lower service delivery.	5	5	25	3	5	15	Risks currently scoring 15 and above <u>C&FS</u> The Department is close to implementing a strategic plan to recruit international social workers, this aims to significantly increase the numbers of permanent staff, however, the process of induction and supporting these social workers from abroad both professionally and socially into the local community and into the workforce creates some challenge for us - we hope that this in the longer term will create better stability and reduce our dependency on agency staff. Early indications of this project have identified 20 social workers from abroad. <u>CR</u> • Apprentice scheme on track to be fully developed by April 2025 as part of the People Strategy refresh. • CMT have agreed that a policy should be drafted setting out recruitment incentives for weekend and overtime working rates . CMT will be further consulted on the detail. • Plans for more sustainable approach to “developing our own” to include graduate and young people recruitment.	 Expected to remain high/red
			5	4	20	3	3	9		

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			Impact	Like lihood	Risk Score	Impact	Like lihood	Risk Score		
			4	5	20	3	3	9	E&T Adverts closing as part of recruitment campaign and interviews starting to take place. Continuing to work with Reed re additional suppliers. A&C Take up of training now available at team member / team level to help managers monitor uptake of mandatory and A&C training. Mandatory training has increased from 61% to 79% since January. Work continues on delivering the Workforce Strategy Action Plan. Risks currently scoring below 15 CE Increased demand on service with difficulties in recruitment. Reorganised staffing and actively recruited for vacant positions. Currently in middle of recruitment exercises using options within the Recruitment and Retention Incentives Policy for Hard-to-Fill Posts.	
7.3	A&C	If the Department fails to develop and maintain a stable, sustainable, and quality social care market to work with, then it may be unable to meet its statutory responsibilities.	5 Decreased from 20	3	15	5	2	10	Workforce fund has also been allocated, with the deadline of submission to Department of Health and Social Care of September 2023 was met. The new rates were communicated to providers in late September 2023 ahead of implementation in early October 2023, including conditions (such as reduction of Local Authority Assisted Funding and Third Party Top Ups).	 Expected to remain high/red
7.4	A&C	If LCC's Charging Policy is challenged on the principles of the Norfolk Ruling then there could be judicial review leading to significant financial impact and reputational damage.	5	3	15	3	4	12	Internal consultation on policy undertaken via Policy Operational Group and work continues to prepare Cabinet Report.	 Expected to remain high/red
7.5	A&C	If there is continuing increase in demand for assessments (care needs and financial) then it may not be met by existing capacity.	4 Decreased from 20	4	16	3	2	6	The size of the backlog of financial assessments is now an issue. We have bought in an improvement manager and will simplify process to streamline the assessment process and avoid future unmanageable backlog positions. Part time Lead Practitioner role in post from 4th September 2023. Bosworth, Oadby and Wigston (BOW)/Harborough relaunch to restart on 23rd October 2023 which will include Customer Service Centre BOW, Home First Community BOW, Operational Commissioning Teams Cognitive & Physical Disabilities BOW and Harborough, Learning Disabilities & Autism BOW, Mental Health (MH) BOW and Harborough and MH reablement BOW and Harborough. MH Innovation site and assistive outreach to continue in pilot. There is evidence being gathered that the 3 conversations model is beginning to positively impact on waiting times.	 Expected to remain high/red
7.6	A&C	If A&C fail to provide robust evidence of good practice for the CQC inspectors, then this will result in a poor inspection outcome and incur reputational risk alongside extra resources and possible external governance to undertake any actions required to make the improvements necessary to fulfil statutory requirements.	5	3	15	5	1	5	Improvement Plan presented to staff at all A&C staff briefing in September and progress will be reported into DMT quarterly. The Social Care Reform Programme will formally close by 31 October and actions regarding Assurance and Market shaping will move into BAU. Support material for CQC inspections were approved by the Social Care Reform Board in September. The latest quarterly data has been incorporated into the next draft of the self-assessment which will go to DMT for approval in November. The Financial Pathway Improvement activity will be managed as a separate programme from November.	 Expected to remain high/red

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			Impact	Like lihood	Risk Score	Impact	Like lihood	Risk Score		
7.7	C&FS	If current demand for EHC Needs Assessment and updating of EHCPs after annual review exceeds available capacity of staff within SEND Services (particularly educational psychology and SEN Officer) then this leaves the Council vulnerable to complaints of mal-administration with regards to statutory timescales. The situation is worsened by a lack of specialist placements which means that children with complex needs may not be placed in a timely way and hence may not receive the support to which they are entitled through their EHC Plan.	5	5	25	4	4	16	CFS have been selected to be part of the Change Programme Partnership alongside Leicester and Rutland to pilot the SEND and AP Plan. Transforming SEND and Inclusion in Leicestershire (TSIL) programme is now in implementation stage and work continues to take place to manage demand and effects change. Challenges remain in placement capacity for children as well as the demand for an education and health care plan. There is a focused TSIL workstream on placements and the SENA redesign is looking at ensuring we have adequate capacity to meet the demand of EHCPs.	 Expected to remain high/red
7.8	All	If we fail to develop, implement and maintain robust health & safety systems then there is a risk of breach and potential dangerous occurrences	5	4	20	4	2	8	Each department has a general H&S action plan which we are monitoring progress which should impact on the numbers of RIDDOR's. The increase in the number of RIDDORS is primarily related to lost time as a result of the injury rather than the severity of the injury. It should be noted that the total number of accidents is declining. Note: An accident is reported under RIDDOR if the person is off work or removed from normal duties for 7 consecutive days.	 Expected to move to medium/amber
8. Business Continuity										
8.1	ALL	If suppliers of critical services do not have robust business continuity plans in place, then the Council may not be able to deliver services.	5	3	15	5	3	15	The team are conducting a gap analysis of the Councils Business Continuity Management Systems against the ISO22301 standard.	 Expected to remain high/red
9. Environment										
9.1	E&T	If the Ash Dieback disease causes shedding branches or falling trees then there is a possible risk to life and disruption to the transport network	5	4	20	5	2	10	2023 survey results have shown that an estimated 60% of ash trees have got Ash Dieback but that there are possible signs of a slowdown in the spread of the disease. Specialist contractor has been appointed to undertake complex tree works and any surplus works not able to be carried out by the in-house operations team - only lower priority work is outstanding. Management of Ash Dieback Board being transferred from the Environment team in E&T to the Forestry team in CR to be closer to where the bulk of the work on the ground on Ash Dieback is managed and carried out.	 Expected to remain high/red
9.2	E&T	If there was a major issue which results in unplanned site closure (e.g. fire) then the Council may be unable to hold or dispose of waste	5	4	20	4	2	8	•Tonnage of kerbside collected residual waste into the Newhurst facility is progressing well and inputs are being optimised to maximise diversion from landfill (we had our highest monthly input in August). •New issues at two bulking facilities, alongside remedial works commencing at Loughborough WTS in October, have reduced resilience levels, with a particular reduction in the capacity to transfer wood waste.	 Expected to move to medium/amber
9.4	E&T	If services do not take into account current and future climate change in their planning, they may be unable to respond adequately to the predicted impacts, leading to significantly higher financial implications and service disruption, as well as making future adaptation more costly.	4	5	20	4	3	12	Seeking additional staff resources to enable progress to be made, but uncertain if these resources will be available due to the scale of the financial challenge facing the council. If resources are not provided this will impact existing staff resource capacity in this area and may require re-prioritisation of workload. Have been successful in getting access to a small amount of research support to undertake some tasks that would progress elements of developing a local climate adaptation strategy with one of the local universities. LCC participating on Defra task and finish group developing a pilot template for local authority reporting on climate adaptation. This is providing useful insight into what will be expected for future reporting, starting in 2024. The council likely to struggle to meet the proposed reporting requirements and more specifically the prework that is required for the reporting. The reporting will initially be voluntary but is likely to become mandatory.	 Expected to remain high/red

CRR Risk No.	Dept./ Function	Risk Description	Current Risk Score			*Target Risk Score			Update October 2023	** Direction of Travel (Residual Risk Score over the next 12 months)
			Impact	Like lihood	Risk Score	Impact	Like lihood	Risk Score		
9.5	E&T	If there are significant changes / clarifications to legislation, policy or guidance then performance could be impacted and cost increases within waste disposal.	4	4	16				We are reviewing and refining our operating model and examining our treatment options to minimise the additional cost impact.	<div>↔</div> Expected to remain high/red
10. Category Retired										

Department

A&C = Adults & Communities

CE = Chief Executives

CR = Corporate Resources

C&FS = Children and Family Services

E&T = Environment and Transport

PH = Public Health

All = Consolidated risk

*Target risk score - This is the desired score to be achieved after additional mitigation procedures/controls have taken place.

**The arrows explain the direction of travel for the risk, i.e. where it is expected to be within the next twelve months after further mitigating actions, so that:

o A horizontal arrow shows that not much movement is expected in the risk.

o A downward pointing arrow shows that there is an expectation that the risk will be mitigated towards ‘medium’ and would likely be removed from the register.

o An upwards pointing arrow would be less likely, but possible, since it would show an already high scoring risk is likely to be greater

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RISKS REMOVED SINCE NOVEMBER 2021

CRR Risk No	Dept.	Risk Description	Current Risk Score	Reason	Date of Removal
2.3	All	Challenges caused by the Welfare Reform Act 2012 and the Welfare Reform and Work Act 2016.	16	This will be managed at department level.	05-Nov-21
			I4/L4		
1.3	CE	If the Council fails to maximise developer contributions, then there could be a failure to fund corporate infrastructure projects.	16	Merge two similar individual risks into one owned by the Head of Planning, Historic and Natural Environment.	05-Nov-21
			I4/L4		
1.1	CE	The Council is unable to meet the financial investment required to deliver infrastructure in support of housing development committed in districts Local Plans and that where this contribution can be recouped through s106 agreements secured by District Councils, the funding doesn't meet the full cost and is secured long after the commitment is made.	16	Merge two similar individual risks into one owned by the Head of Planning, Historic and Natural Environment.	05-Nov-21
			I4/L4		
3.6	CR	If the ERP system cannot accommodate all of the Council's requirements, then it may delay implementation and extra resources will be required to develop work arounds	15	The system is live and although some teething problems remain these are being worked though and the risk will remain in the Department's register.	05-Nov-21
			I5/L3		
5.1	C&FS	Historical: If as a result of a concerted effort to explore abuse by the Independent Inquiry into Child Sexual Abuse (IICSA) and Police Operations, then evidence of previously unknown serious historical issues of child sexual exploitation (CSE) or abuse is identified.	25	The inquiry has not identified any new issues or concerns for the council; The historic areas of concern referred to in the report are all known to LCC.	05-Nov-21
			I5/L5		
7.4	A&C	Social Care Reform, implementation of charging reform and assurance process	25	The considerable financial risk we faced with Charging reform aspect of Social Care Reform is now delayed to 2025. The most significant of the risks which remain is around the CQC Assurance process which is covered in risk 7.6.	06-Jan-23
			I5/L5		
A	ALL	If the Council does not on an ongoing basis plan for, prepare and respond to current and future consequences of the COVID 19 pandemic, then the Council and its communities could suffer long lasting economic, environmental, societal, technological challenges and missed opportunities.	12	The World Health Organisation has downscaled its COVID risk and any impacts on the County Council will be managed by departments.	26-May-23
			I4/L3		
B	ALL	If because of the ongoing war in Ukraine, the Homes for Ukraine Scheme continues beyond its original planned duration, increasing numbers of hosts are likely to end their sponsorships and refugees (or guests) are expected to encounter challenges in securing new sponsors or privately-rented accommodation, then the cost and service pressures on the Council and partners are likely to increase, safeguarding issues might increase and there will be a reputation risk if the scheme fails to provide the support guests require. Cost of living pressures are exacerbating this issue through both in relation to hosts and guests.	9	The impact and likelihood score have been reduced and the risk will be managed within the project team in CFS.	22-Sep-23
			I4/L3		

Risk Impact Measurement Criteria

Scale	Description	Departmental Service Plan	Internal Operations	People	Reputation	Financial per annum / per loss *
1	Negligible	Little impact to objectives in service plan	Limited disruption to operations and service quality satisfactory	Minor injuries	Public concern restricted to local complaints	<£50k
2	Minor	Minor impact to service as objectives in service plan are not met	Short term disruption to operations resulting in a minor adverse impact on partnerships and minimal reduction in service quality.	Minor Injury to those in the Council's care	Minor adverse local / public / media attention and complaints	£50k-£250k Minimal effect on budget/cost
3	Moderate	Considerable fall in service as objectives in service plan are not met	Sustained moderate level disruption to operations / Relevant partnership relationships strained / Service quality not satisfactory	Potential for minor physical injuries / Stressful experience	Adverse local media public attention	£250k - £500k Small increase on budget/cost. Handled within the team/service
4	Major	Major impact to services as objectives in service plan are not met.	Serious disruption to operations with relationships in major partnerships affected / Service quality not acceptable with adverse impact on front line services. Significant disruption of core activities. Key targets missed.	Exposure to dangerous conditions creating potential for serious physical or mental harm	Serious negative regional criticism, with some national coverage	£500-£750k. Significant increase in budget/cost. Service budgets exceeded
5	Very High/Critical	Significant fall/failure in service as objectives in service plan are not met	Long term serious interruption to operations / Major partnerships under threat / Service quality not acceptable with impact on front line services	Exposure to dangerous conditions leading to potential loss of life or permanent physical/mental damage. Life threatening or multiple serious injuries	Prolonged regional and national condemnation, with serious damage to the reputation of the organisation <u>i.e.</u> front-page headlines, TV. Possible criminal, or high profile, civil action against the Council, <u>members</u> or officers	>£750k Large increase on budget/cost. Impact on whole council

* Note that a different financial rating is used for the pension fund investments

Risk Likelihood Measurement Criteria

Rating Scale	Likelihood	Example of Loss/Event Frequency	Probability %
1	Very rare/unlikely	EXCEPTIONAL event. This will probably never happen/recur.	<20%
2	Unlikely	Event NOT EXPECTED. Do not expect it to happen/recur, but it is possible it may do so.	20-40%
3	Possible	LITTLE LIKELIHOOD of event occurring. It might happen or recur occasionally.	40-60%
4	Probable /Likely	Event is MORE THAN LIKELY to occur. Will probably happen/recur, but it is not a persisting issue.	60-80%
5	Almost Certain	Reasonable to expect that the event WILL undoubtedly happen/recur, possibly frequently.	>80%

Risk Scoring Matrix

Impact

5
Very High/Critical

4 Major

3 Moderate

2 Minor

1 Negligible

5	10	15	20	25
4	8	12	16	20
3	6	9	12	15
2	4	6	8	10
1	2	3	4	5
1	2	3	4	5

Very Rare/Unlikely

Unlikely

Possible/Likely

Probable/
Likely

Almost certain

Likelihood*

*(Likelihood of risk occurring over lifetime of objective (ie 12 months)



CORPORATE GOVERNANCE COMMITTEE – 17th NOVEMBER 2023

QUARTERLY TREASURY MANAGEMENT REPORT

REPORT OF THE DIRECTOR OF CORPORATE RESOURCES

Purpose of report

1. The purpose of this report is to update the Committee on the actions taken in respect of treasury management for the quarter ending 30th September 2023 (Quarter 2).

Policy Framework and Previous Decisions

2. Within the County Council's Constitution, Part 3 – responsibility for functions, the functions delegated to the Corporate Governance Committee include 'that the Council's Treasury Management arrangements are appropriate and regularly monitored'.
3. The Annual Treasury Management Strategy and Annual Investment Strategy (AIS) for 2023-27 form part of the Council's Medium Term Financial Strategy (MTFS). These were considered and supported by the Corporate Governance Committee in January 2023 and approved by full Council in February 2023.
4. The Treasury Management Strategy requires quarterly reports to be presented to the Corporate Governance Committee, to provide an update on any significant events in treasury management. The aim of these reporting arrangements is to ensure that those with responsibility for the treasury management function appreciate the implications of treasury management policies and activities, and that those implementing policies and executing transactions have properly fulfilled their responsibilities with regard to delegation and reporting. This is in line with the CIPFA Treasury Management Code.
5. An update in respect of Quarter 1 2023/2024 was provided to the Committee on 22nd September

Background

6. Treasury Management is defined as "The management of the organisation's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks".
7. 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 the Council 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. Treasury risk management at the Council is conducted within the framework of CIPFA's Treasury Management Code of Practice.

8. Capital investments in services, including those within the Corporate Asset Investment Fund, are part of the Capital Strategy (and are part of the capital programme), rather than the Treasury Management Strategy. The capital programme is monitored and reported regularly to the Scrutiny Commission and the Cabinet.

Economic Background

9. The Council's treasury management adviser, Link Asset Management (Link), provides a periodic update outlining the global economic outlook and monetary policy positions. An extract from that report is attached as Appendix A to this report. The key points are summarised in the following paragraphs.
10. Inflation as measured by the consumer price index (CPI) fell from 8.7% in April to 6.7% in August. This is the lowest rate seen in the UK since February 2022, but still remains the highest in the G7. Core CPI (CPI excluding energy and food prices) declined to 6.2% in August, down from 7.1% in April and May, which was at that point a 31 year high.
11. July saw a 0.5% month on month fall in GDP, suggesting that underlying growth has lost momentum since earlier in the year. The decline in July is believed to have been driven by an increase in strike action, with almost twice as many working days lost to strikes in July (281,000) than in June (160,000). Output also fell in 10 out of the 17 sectors, indicating that there is also an air of underlying weakness
12. Commentators feel that as the growing drag from higher interest rates intensifies over the next six months, the economy will continue to lose momentum and soon fall into a mild recession.

Action Taken During Quarter 2 to September 2023

Private Debt and Bank Risk Sharing Funds

13. The table overleaf provides an overview of the Council's investments in private debt and bank risk sharing funds. As well as showing the current capital levels within each fund the table also shows the Net Asset Value (NAV), and Internal Rate of Return (IRR) for each fund.

**Summary Private Debt
and CRC:**

	Total Commitment (£m)	Capital remaining (£m)	NAV (£m)	IRR (Since Incep'n)	Total Income Rec'd	During Qtr	
						Capital Movement (£m)	Income (£m)
2017							
Mac IV	20.0	6.1	6.3	4.68%	3.8	- 0.8	-
MAC VI	20.0	18.5	20.3	7.10%	0.5	-	-
CRC CFR							
5	15.0	15.0	16.4	-	-	-	-

14. The Council received its 27th distribution from the Partners Mac IV (2017) fund during the quarter in the form of invested capital (shown as a negative figure in the table above).
15. The Council received no further distributions from the MAC VI fund during the quarter.
16. There were no further commitments to or distributions from Christofferson Robb and Company's (CRC) Capital Relief Fund 5 (CRF 5). As this investment is still in the investment period the IRR cannot yet be calculated reliably. The NAV for this fund is also as at 31st August – the last reported position prior to this committee meeting.

Short Term Investments

17. A summary of movements and key performance indicators (KPIs) in the Council's investment loan portfolio can be viewed in the table below. The table details the portfolio Annual Percentage Rate (APR) of the portfolio, the average APR of loans matured, and new loans placed. The table also shows the weighted average maturity (WAM) of the portfolio.

KPIs Loans only:

	Total Loans	APR (Loans Only)	WAM (Days)	Maturities (£m)	APR Maturities	New Loans (£m)	APR New Loans
Current Qtr	383.0	5.29%	168	141.9	5.01%	133.0	5.76%
Prior Qtr	391.9	4.70%	179	185.5	3.61%	151.9	5.58%
Change	↓ 8.9	↑ 0.59%	↓ 11.0	↓ 43.6	↑ 1.40%	↓ 18.9	↑ 0.18%

*WAM excludes MMFs as these are O/N maturity

18. The total balance available for short term investment decreased by £8.9m during the quarter. This was anticipated due to early PWLB debt repayments totalling £29.8m.
19. Official figures show a better-than-expected decrease in CPI from June to August, with the MPC voting against increasing the base rate beyond 5.25% in September. With market sentiment thus shifting towards the base rate having peaked, the

replacement margin on new loans (vs maturities) decreased to 0.75% from 1.97% in the last quarter.

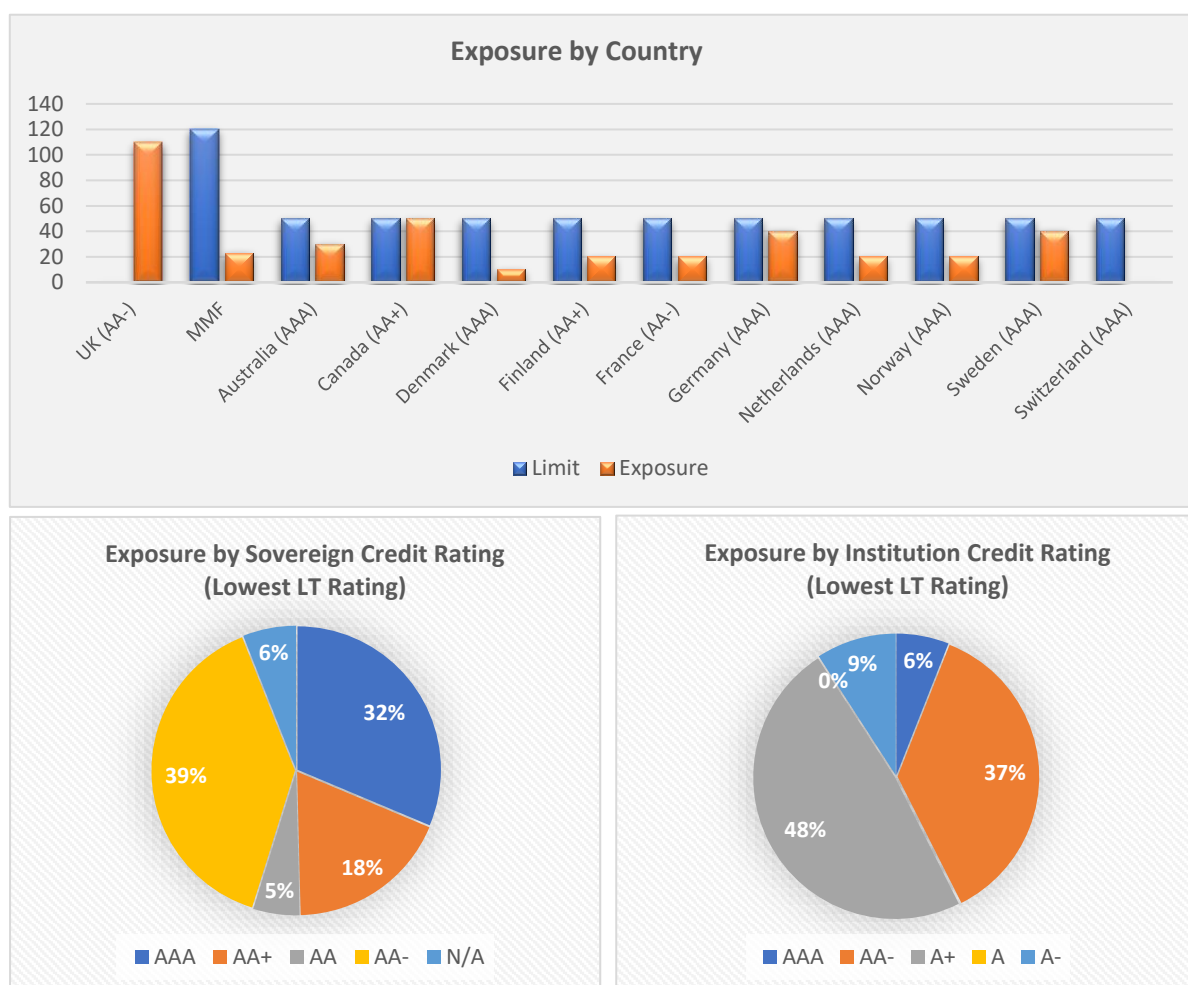
20. Nonetheless, the average rate on the loans portfolio rose 0.59% in the quarter.
21. The Loans weighted average maturity (WAM) decreased by 11 days and indicates that the portfolio will be slightly more sensitive to movements in interest rates (whether these are up or down). This was primarily driven by less cash being available to lend longer due to the early repayment of elements of the Council's debt portfolio.
22. The loan portfolio at the end of September was invested with the counterparties shown in the table below, listed by original investment date:

	<u>£m</u>	<u>Maturity Date</u>
Instant Access		
Money Market Funds	23.0	October 2023
6 Months		
National Bank of Canada	10.0	October 2023
Lloyds (CD)	15.0	October 2023
Close Brothers	5.0	November 2023
Lloyds (CD)	20.0	December 2023
Close Brothers	10.0	March 2023
Close Brothers	20.0	March 2024
12 Months		
Landesbank Hessen Thuringen	10.0	October 2023
DNB Bank (CD)	10.0	November 2023
DNB Bank (CD)	10.0	January 2024
National Westminster Bank Plc	10.0	January 2024
DZ Bank (CD)	10.0	February 2024
DZ Bank (CD)	10.0	February 2024
National Westminster Bank Plc	20.0	March 2024
Seb (CD)	20.0	March 2024
Rabobank (CD)	10.0	March 2024
Commonwealth Bank of Australia (CD)	10.0	April 2024
Toronto Dominion Bank	20.0	May 2024
Credit Industriel Et Commercial (CD)	10.0	May 2024
Swed Bank (CD)	20.0	May 2024
Bank of Montreal	20.0	May 2024
Australia & New Zealand Bank	20.0	May 2024
Rabobank (CD)	10.0	June 2024
National Westminster Bank Plc	10.0	July 2024
Nordea Bank (CD)	20.0	August 2024
Credit Industriel Et Commercial	10.0	September 2024
Landesbank Hessen Thuringen	10.0	September 2024

Beyond 12 Months but included in short term investments		
Danske Bank [#]	10.0	September 2027
Short term investments total	383.0	
Beyond 12 Months		
Partners Group (Private Debt) 2017	6.1	Estimated 2024
Partners Group (Private Debt) 2021	18.5	Estimated 2026
CRC CRF 5 (Bank Risk Sharing)	15.0	Estimated 2026
TOTAL PORTFOLIO BALACE: 30 September 2023	422.6	

[#]Danske Bank loan is included in short term investments for reporting in the tables above as the interest fixing is every six months.

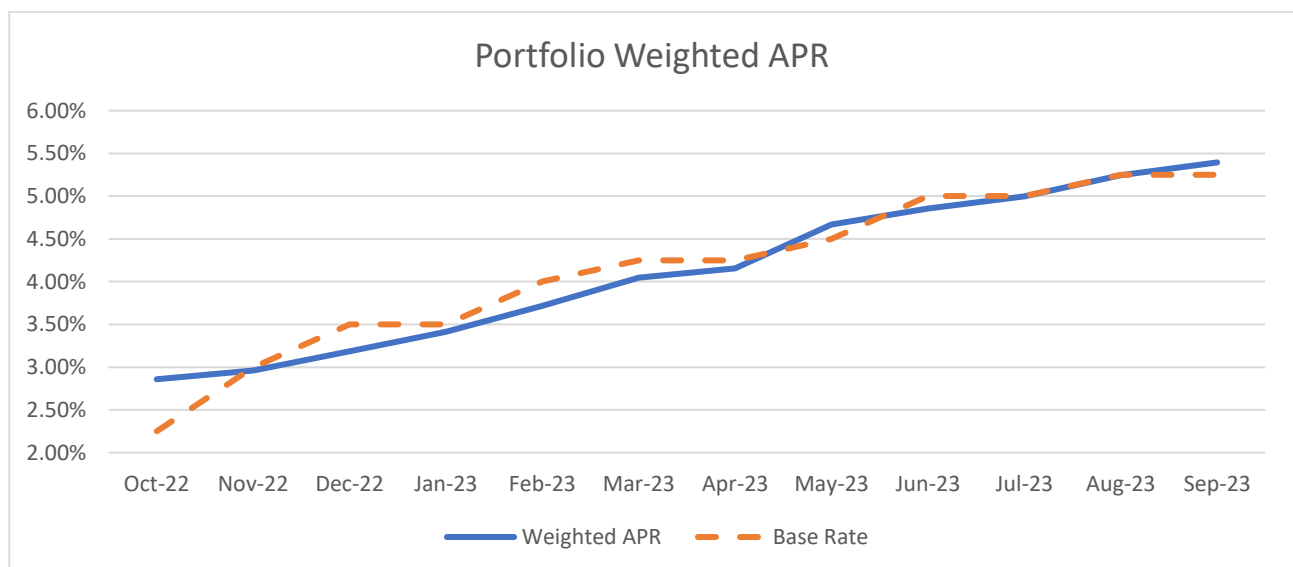
23. The graphs below show the exposure of the short-term investments by country, sovereign rating and institution rating:



24. These graphs provide an indication of the Council's exposure to credit risk but it should be noted long term credit rating is just one of the components used to determine the list of acceptable counterparties; short-term ratings, ratings outlook, rating watches, credit default swap movements (the cost of insuring against a default) and general economic conditions are also factored in before the counterparty list is drawn up.

Total Portfolio

25. The total portfolio weighted APR increased from 4.86% in Q1 23-24 to 5.39% in Q2 23-24. The chart below shows the weighted APR achieved by the treasury portfolio compared to the BoE base rate. The graph shows that the portfolio APR dropped below base rate during December 2022 and, with the exception of May and September 2023, has stayed slightly below since. Most investments within the portfolio are on a fixed interest basis so changes in base rate do not immediately have a material impact on the APR achieved. One indicator for how big this lag is the WAM. This shows the average length of time remaining until the Council's short-term investments mature and can be viewed in the table below paragraph 16. As investments mature and are reinvested the current expectation is that these will be at a higher rate, and as base rate peaks the APR is likely to move up in line or above base rate. Members should note that it is the future expectation for base rate that drives the price achieved.



Loans to Counterparties that breached authorised lending list

26. There were no loans active during the period that breached the authorised counterparty list at the time that the loan was made.

Debt Rescheduling

27. During Q2 2023/2024, gilt yields, which underpin PWLB rates, remained at levels sufficient to consider further longer-term debt rescheduling opportunities.

28. After consultation with Link, our treasury management advisors, a decision was taken to reschedule the following loans:

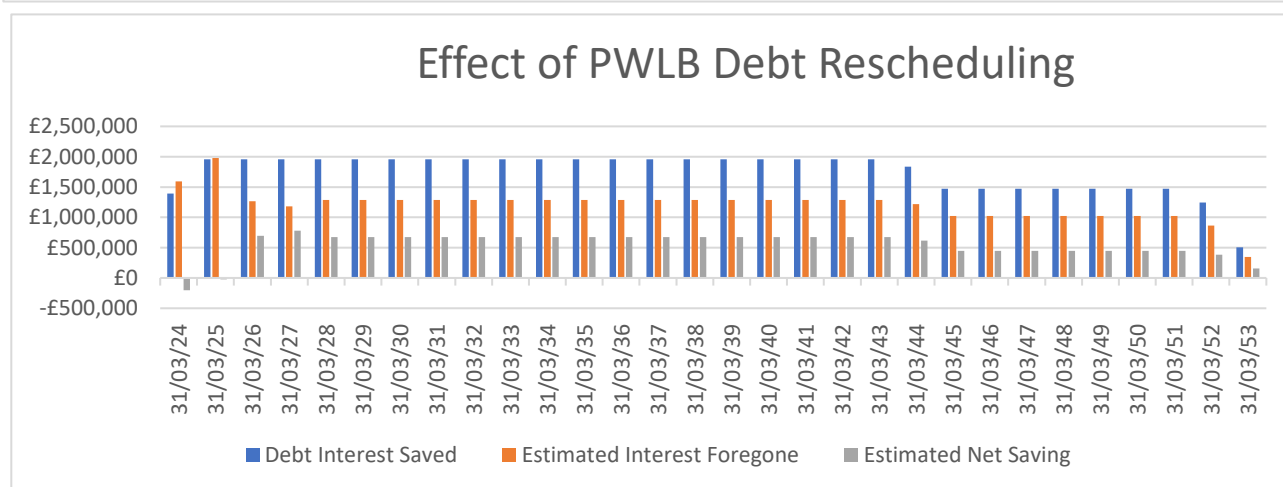
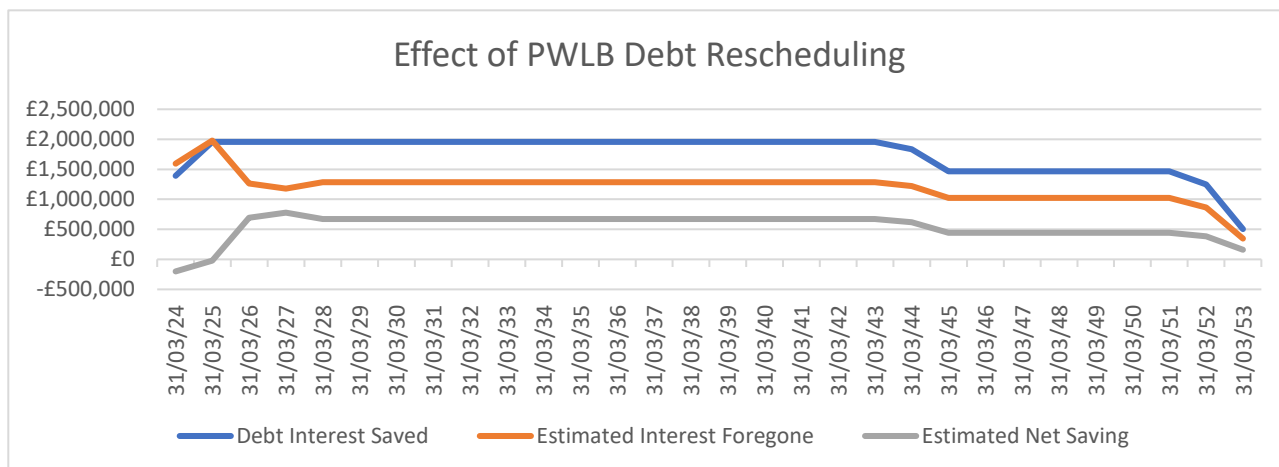
		Start Date	Maturity	Principle	Interest Rate	Interest PA	Premium/(discount)	Premature repayment rate	Remaining Principal
492248	PWLB	28/09/2006	25/09/2052	12,035,000	4.05%	487,418	-966,918	4.54%	0
492424	PWLB	06/11/2006	25/09/2052	13,500,000	4.05%	546,750	-1,284,786	4.65%	0
461697	PWLB	27/03/1987	31/12/2043	1,945,275	9.00%	189,000	1,105,802	4.65%	865,434
				2,345,000	9.00%	211,050	1,304,173	4.72%	
				29,825,275	4.76%	1,434,218	158,271		

29. Rescheduling the above loans resulted in a net premium of £158,271 for the Council. Note that the above premium is offset by the discount (-£160,782) on the repayment undertaken in the previous quarter as reported in the Q1 Treasury Management report.
30. The overall impact of the debt rescheduling undertaken across Q1 and Q2 is shown in the table below.

		Start Date	Maturity	Principle	Interest Rate	Interest PA	Premium/(discount)	Premature repayment rate	Remaining Principal
490987	PWLB	11/01/2006	25/09/2051	11,142,000	3.90%	434,538	-862,705	4.38%	0
492248	PWLB	28/09/2006	25/09/2052	12,035,000	4.05%	487,418	-966,918	4.54%	0
492424	PWLB	06/11/2006	25/09/2052	13,500,000	4.05%	546,750	-1,284,786	4.65%	0
461697	PWLB	27/03/1987	31/12/2043	1,131,741	9.00%	101,857	701,922	4.39%	865,434
				1,945,275	9.00%	175,075	1,105,802	4.65%	
				2,345,000	9.00%	211,050	1,304,173	4.72%	
				42,099,016	4.65%	1,956,688	-2,512		

31. By rescheduling debts across Q1 and Q2, the Council will save nearly £2.0m pa in fixed interest payments. However, with lower cash balances there will be a reduction on the interest that can be earned. The graphs show the estimated net benefit, based on Link's assessment of what will happen to average investment earnings over the period as shown in the table below.

Average earnings in each year	Now
2023/24	5.30%
2024/25	4.70%
2025/26	3.00%
2026/27	2.80%
2027/28	3.05%
Years 6 to 10	3.05%
Years 10+	3.05%



Compliance with Prudential and Treasury Indicators

32. The prudential and treasury indicators are shown in Appendix B. It is a statutory duty for the Council to determine and keep under review the affordable borrowing limits. During the quarter ending 30th September 2023, the Council has operated within the treasury and prudential indicators set out in the Council's Treasury Management Strategy Statement for 2023/24. The Director of Corporate Resources reports that no difficulties are envisaged in complying with these indicators.

Resource Implications

33. The interest earned on revenue balances and the interest paid on external debt will impact directly onto the resources available to the Council. The budgeted income for interest generated by treasury management activities (excluding private debt and pooled property investments) for 2023/2024 was £13.6m. Current forecasts indicate that actual interest earned in 2023/2024 may reach as high as £20.0m. This forecasted overperformance is being driven by ongoing high levels of interest rates.

Recommendations

34. The Committee is asked to note this report.

Background papers

35. None.

Circulation under the Local Issues Alert Procedure

36. None.

Equality Implications

37. There are no discernible equality implications arising from this report.

Human Rights Implications

38. There are no human rights implications arising from this report.

Officers to Contact

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Appendices

Appendix A - Economic Overview (For the current financial year to September 2023)
Appendix B – Prudential and Treasury Indicators for 2023/24 as at 30 September 2023

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Economic Overview (September 2023) – Provided by Link Asset Services

- The first half of 2023/24 saw:
 - Interest rates rise by a further 100bps, taking Bank Rate from 4.25% to 5.25% and, possibly, the peak in the tightening cycle.
 - Short, medium and long-dated gilts remain elevated as inflation continually surprised to the upside.
 - A 0.5% m/m decline in real GDP in July, mainly due to more strikes.
 - CPI inflation falling from 8.7% in April to 6.7% in August, its lowest rate since February 2022, but still the highest in the G7.
 - Core CPI inflation declining to 6.2% in August from 7.1% in April and May, a then 31 years high.
 - A cooling in labour market conditions, but no evidence yet that it has led to an easing in wage growth (as the 3myy growth of average earnings rose to 7.8% in August, excluding bonuses).
- The 0.5% m/m fall in GDP in July suggests that underlying growth has lost momentum since earlier in the year. Some of the weakness in July was due to there being almost twice as many working days lost to strikes in July (281,000) than in June (160,000). But with output falling in 10 out of the 17 sectors, there is an air of underlying weakness.
- The fall in the composite Purchasing Managers Index from 48.6 in August to 46.8 in September left it at its lowest level since COVID-19 lockdowns reduced activity in January 2021. At face value, it is consistent with the 0.2% q/q rise in real GDP in the period April to June, being followed by a contraction of up to 1% in the second half of 2023.
- The 0.4% m/m rebound in retail sales volumes in August is not as good as it looks as it partly reflected a pickup in sales after the unusually wet weather in July. Sales volumes in August were 0.2% below their level in May, suggesting much of the resilience in retail activity in the first half of the year has faded.
- As the growing drag from higher interest rates intensifies over the next six months, we think the economy will continue to lose momentum and soon fall into a mild recession. Strong labour demand, fast wage growth and government handouts have all supported household incomes over the past year. And with CPI inflation past its peak and expected to decline further, the economy has got through the cost-of-living crisis without recession. But even though the worst of the falls in real household disposable incomes are behind us, the phasing out of financial support packages provided by the government during the energy crisis means real incomes are unlikely to grow strongly. Higher interest rates will soon bite harder too. We expect the Bank of England to keep interest rates at the probable peak of 5.25% until the second half of 2024. Mortgage rates are likely to stay above 5.0% for around a year.
- The tightness of the labour market continued to ease, with employment in the three months to July falling by 207,000. The further decline in the number of job vacancies from 1.017m in July to 0.989m in August suggests that the labour market has loosened a bit further since July. That is the first time it has fallen below 1m since July 2021. At 3.0% in July, and likely to have fallen to 2.9% in August, the job vacancy rate is getting closer to 2.5%, which would be consistent with slower wage growth. Meanwhile, the 48,000 decline in the supply of workers in the three months to July offset some of the loosening in the tightness of the labour market. That was due to a 63,000 increase in inactivity in the three months to July as more people left the labour market due to long term sickness or to enter education. The supply of labour is still 0.3% below its pre-pandemic February 2020 level.
- But the cooling in labour market conditions still has not fed through to an easing in wage growth. While the monthly rate of earnings growth eased sharply from an upwardly revised +2.2% in June to -0.9% in July, a lot of that was due to the one-off bonus payments for NHS staff in June not being repeated in July. The headline 3myy rate rose from 8.4% (revised up from 8.2%) to 8.5%, which meant UK wage growth remains much faster than in the US and in the Euro-zone. Moreover, while the Bank of England's closely watched measure of regular private sector wage growth eased a touch in July, from 8.2% 3myy in June to 8.1% 3myy, it is still well above the Bank of England's prediction for it to fall to 6.9% in September.
- CPI inflation declined from 6.8% in July to 6.7% in August, the lowest rate since February 2022. The biggest positive surprise was the drop in core CPI inflation, which declined from 6.9% to 6.2%. That reverses all the rise since March and means the gap between the UK and elsewhere has shrunk (US core inflation is 4.4% and in the Euro-zone it is 5.3%). Core goods inflation fell from 5.9% to 5.2% and

the further easing in core goods producer price inflation, from 2.2% in July to a 29-month low of 1.5% in August, suggests it will eventually fall close to zero. But the really positive development was the fall in services inflation from 7.4% to 6.8%. That also reverses most of the rise since March and takes it below the forecast of 7.2% the Bank of England published in early August.

- In its latest monetary policy meeting on 20 September, the Bank of England left interest rates unchanged at 5.25%. The weak August CPI inflation release, the recent loosening in the labour market and the downbeat activity surveys appear to have convinced the Bank of England that it has already raised rates far enough. The minutes show the decision was “finely balanced”. Five MPC members (Bailey, Broadbent, Dhingra, Pill and Ramsden) voted for no change and the other four (Cunliffe, Greene, Haskel and Mann) voted for a 25bps hike.
- Like the US Fed, the Bank of England wants the markets to believe in the higher for longer narrative. The statement did not say that rates have peaked and once again said if there was evidence of more persistent inflation pressures “further tightening in policy would be required”. Governor Bailey stated, “we’ll be watching closely to see if further increases are needed”. The Bank also retained the hawkish guidance that rates will stay “sufficiently restrictive for sufficiently long”.
- This narrative makes sense as the Bank of England does not want the markets to decide that a peak in rates will be soon followed by rate cuts, which would loosen financial conditions and undermine its attempts to quash inflation. The language also gives the Bank of England the flexibility to respond to new developments. A rebound in services inflation, another surge in wage growth and/or a further leap in oil prices could conceivably force it to raise rates at the next meeting on 2nd November, or even pause in November and raise rates in December.
- The yield on 10-year Gilts fell from a peak of 4.74% on 17th August to 4.44% on 29th September, mainly on the back of investors revising down their interest rate expectations. But even after their recent pullback, the rise in Gilt yields has exceeded the rise in most other Developed Market government yields since the start of the year. Looking forward, once inflation falls back, Gilt yields are set to reduce further. A (mild) recession over the next couple of quarters will support this outlook if it helps to loosen the labour market (higher unemployment/lower wage increases).
- The pound weakened from its cycle high of \$1.30 in the middle of July to \$1.21 in late September. In the first half of the year, the pound bounced back strongly from the Truss debacle last autumn. That rebound was in large part driven by the substantial shift up in UK interest rate expectations. However, over the past couple of months, interest rate expectations have dropped sharply as inflation started to come down, growth faltered, and the Bank of England called an end to its hiking cycle.
- The FTSE 100 has gained more than 2% since the end of August, from around 7,440 on 31st August to 7,608 on 29th September. The rebound has been primarily driven by higher energy prices which boosted the valuations of energy companies. The FTSE 100’s relatively high concentration of energy companies helps to explain why UK equities outperformed both US and Euro-zone equities in September. Nonetheless, as recently as 21st April the FTSE 100 stood at 7,914.

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APPENDIX B**PRUDENTIAL INDICATORS 2023/24**

	Original Indicator	Forecast as at Quarter 2
Capital Expenditure (excluding Schools devolved formula capital)	£171m	£137.1m
Capital Financing Requirement	£202m	£202m
Actual Capital Financing Costs as a % of Net Revenue Stream	4.0%	3.8%
Net income from commercial and service activities as a % of net revenue stream	1.3%	1.1%
Operational Limit for External Debt	£263m	£263m
Authorised Limit for External Debt	£273m	£273m
Interest Rate Exposure – Fixed	50-100%	50-100%
Interest Rate Exposure – Variable	0-50%	0-50%
Actual debt as at 31/3/2023	£262m	£220m

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