

GOVERNANCE AND AUDIT COMMITTEE AGENDA

Wednesday, 14th January 2026 at 7.15pm

**Council Chamber, Braintree District Council, Causeway House,
Bocking End, Braintree, CM7 9HB**

THIS MEETING IS OPEN TO THE PUBLIC

Members of the public will be able to view and listen to this meeting via YouTube.
To access the meeting please use the link below:

<http://www.braintree.gov.uk/youtube>

Members of the Governance and Audit Committee are requested to attend this meeting to transact the business set out in the Agenda.

Councillor J Baugh
Councillor J Hayes (Vice-Chairman)
Councillor P Heath
Councillor A Hooks
Councillor L Jefferis
Councillor A Munday
Councillor G Prime

Councillor R Ramage
Councillor R van Dulken
Councillor T Walsh
Councillor L Walters
Councillor J Wrench (Chairman)
Councillor B Wright

Members unable to attend the meeting are requested to forward their apologies for absence to the Governance and Members Team on 01376 552525 or email governance@braintree.gov.uk by 3pm on the day of the meeting.

D GASCOYNE
Chief Executive

INFORMATION FOR MEMBERS – DECLARATIONS OF MEMBERS' INTERESTS

Declaration of Disclosable Pecuniary Interests (DPI) or Other Registerable Interests (ORI).

Any Member with an Interest must declare the nature of their interest in accordance with the Code of Conduct. Members must not participate in any discussion of the matter in which they have declared a DPI or ORI or participate in any vote, or further vote, taken on the matter at the meeting. In addition, the Member must withdraw from the Chamber where the meeting considering the business is being held unless the Member has received a dispensation from the Monitoring Officer.

Public Question Time – Registration and Speaking

The Agenda allows for a period of up to 30 minutes for Public Question Time. Members of the public may ask questions or make a statement to the Committee on matters listed on the agenda for this meeting.

All questions or statements should be concise and should be able to be heard within the 3 minutes allotted to each speaker.

Anyone wishing to ask a question or make a statement is requested to register their interest by completing the Public Question Time registration [online form](#) by **midday on the second working day** before the day of the meeting.

For example, if the meeting is on a Tuesday, the registration deadline is midday on Friday, (where there is a Bank Holiday Monday you will need to register by midday on the previous Thursday). The Council reserves the right to decline any requests to register to speak if they are received after this time.

Please note that completion of the online form does not guarantee you a place to speak during Public Question Time.

We expect our confirmed Public Question Time speakers to attend the meeting in person, and they will only be permitted to attend remotely in exceptional circumstances. The request to join the meeting remotely would need to be submitted at the time of registering a request to speak.

You will receive email notification from the Governance Service confirming whether your request for Public Question Time is successful.

The Chairman of the Committee has discretion to extend the time allocated to registered speakers and to amend the order in which they may speak.

Further information on Public Question Time is available on the [Council's website](#).

Health and Safety

Anyone attending a meeting of the Council is asked to make themselves aware of the nearest available fire exit. In the event of an alarm sounding, you must evacuate the building immediately and follow all instructions provided by staff. You will be directed to the nearest designated assembly point where you should stay until it is safe to return to the building.

Documents

Agendas, Reports and Minutes may be accessed via www.braintree.gov.uk

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https://www.braintree.gov.uk/info/200136/access_to_information/376/privacy_policy

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Webcast and Audio Recording

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The meeting will also be broadcast via the Council's YouTube Channel.

Comments and Suggestions

We welcome comments to make our services as efficient and effective as possible. If you have any suggestions regarding the meeting you have attended you may send these to governance@braintree.gov.uk

	Page
PUBLIC SESSION	
1 Apologies for Absence	
2 Declaration of Interests - Scrutiny Committee	
1. To declare the existence and nature of any interests relating to items on the agenda having regard to the Code of Conduct for Members and having taken appropriate advice (where necessary) before the meeting.	
2. To declare the existence and nature of any instruction given by or on behalf of a political group to any Councillor who is a member of that group as to how that Councillor shall speak or vote on any matter before the Committee or the application or threat to apply any sanction by the group in respect of that Councillor should he/she speak or vote on any particular matter.	
3 Minutes of the Previous Meeting	
To approve as a correct record the minutes of the meeting of the Governance and Audit Committee held on 8 th October 2025 (copy previously circulated).	
4 Public Question Time	
Only Registered Speakers will be invited by the Chairman to speak during public question time. Please see the agenda notes for guidance.	
5 Verbal Update from KPMG on Progress of the Audit of the 2024/25 Accounts and Reporting	
6 Key Financial Indicators and Second Quarter Financial Review for 2025/26	5 - 12
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Report Title: Key Financial Indicators and Second Quarter Financial Review for 2025/26	
Report to: Governance and Audit Committee	
Date: 14 th January 2026	For: Decision
Key Decision: No	Decision Planner Ref No: N/A
Report Presented by: Phil Myers, Head of Finance	
Enquiries to: Phil Myers, Head of Finance (phil.myers@braintree.gov.uk)	

1. Purpose of the Report

- 1.1 To receive a suite of the Council's Key Financial Indicators on performance to 30th November 2025. To provide detail of the Second Quarter Financial Review and forecast of budget outturn for 2025-26.
- 1.2 To evidence good practice in actively monitoring financial performance.

2. Recommendations

- 2.1 Members are asked to note the report of the Key Financial Indicators for the financial period ending 30th November 2025, and the Second Quarter Financial Review and forecast budget outturn for 2025-26.

3. Summary of Issues

- 3.1 The report includes the Second Quarter Financial Review and forecast budget outturn for 2025-26, as summarised in Appendix A.
- 3.2 The Key Financial Indicators (KFIs) and Treasury Management Monitor as at 30th November 2025 are included as Appendices B and C.

Commentary

3.3 Second Quarter Financial Review

- 3.3.1 The Budget for 2025-26 is £21.2 million, to be financed from business rates, government grants, and council tax.
- 3.3.2 The Budget comprises staffing related costs of £27.0 million; other expenditure of £44.8 million; and income (including use of earmarked reserves) £50.6 million. Other expenditure includes £24.6 million of Housing Benefit payments to claimants with 98% of this being funded by government subsidy shown under income.
- 3.3.3 The forecast budget outturn is an overall positive variance of £1.5 million, which is summarised by Service area in Appendix A.

- 3.3.4 Staffing expenditure after allowing for the vacancy allowance is forecast to be under budget by £478,000 (-1.8%) mainly from current vacancies. A relatively high number of vacancies existed in Sustainable Development (Planning and Landscape Services), Operations, and Governance. There are increased staffing costs in Environment (Building Control) where interim staff continue to be required to meet statutory requirements while permanent appointments are pursued.
- 3.3.5 Other expenditure is forecast to be above budget by £306,000 (+0.7%). This includes additional expenditure in Asset Management (mainly property related); Finance; and Operations. Within Finance, the net cost of Housing Benefit is projected to be higher due to an increase in the use of temporary housing accommodation by the Housing Service as result of demand-led pressures. Operations are forecasting expenditure variances in transport and processing costs for recycling material, impacted by tonnages and contract pricing. ICT & Facilities is projecting an underspend mainly in relation to ICT maintenance and the operating costs of Causeway House.
- 3.3.6 Income is forecast to be overachieved by £1.3 million (+2.6%) including £841,000 from treasury management interest and dividends. Other positive income variances include car parking, garden waste subscriptions, income from recycled materials; and planning related income. Asset Management is projecting an adverse income variance mainly from the Plaza (the Makerspace and casual lettings), and Victoria Square where units remain vacant.
- 3.3.7 A more detailed commentary on the forecasts was provided in the Second Quarter Performance report to Cabinet held on 15th December 2025.
- 3.3.8 The projections have been reviewed as part of the planning for the 2026-27 Budget and updating of the Medium-Term Financial Strategy.
- 3.3.9 The profiled capital programme for 2025-26 is £13.6 million. Actual expenditure for the first half of the year was £2.6 million with the main areas of spend being on a new community centre and 3G artificial grass pitch in Witham; town centre improvement works; housing grants (including for disabled facilities in homes) and property related expenditure. There is currently an underspend forecast of £861,000 largely relating to the Causeway House refresh project where planned works are being scaled back. The current profile of anticipated spend for the remaining quarters of the year is £2.7 million (Q3) and £7.9 million (Q4). The higher anticipated spend in Q4 reflects the expenditure outlay required to prepare for changes in waste collection arrangements from 2026-27. The Capital Programme Board received and noted the details of the half-year progress at its meeting held on 27th November. The capital programme position is summarised in Appendix A.
- 3.3.10 Capital receipts to the end of the second quarter totalled £2 million, which mainly included receipts from right-to-buy, plus VAT recovery and other

property disposal through Eastlight. There are several pipeline receipts from residential sites and Horizon 120 that are still anticipated, the latter completing in the third quarter.

3.4 Key Financial Indicators

- 3.4.1 The Key Financial Indicators are set out in Appendix B.
- 3.4.2 Council Tax in-year collection rate to 30th November was 74.3% which is down on performance for the previous year. Across all councils in Essex, collection rates appear to have dropped off, and Braintree has the highest collection rate at this point in the year. Monthly performance can fluctuate but the position is being kept under review.
- 3.4.3 Business Rate in-year collection rate at 30th November was 73.3%, which is higher than the previous year.
- 3.4.4 The total number of write-offs of Council Tax authorised was 1,088 with a total value of £446,000. Debt Relief Orders and Individual Voluntary Arrangements (IVAs) account for the main reason for write-off. A review of aged debt has also been completed which has led to write-off where all means of recovery have been exhausted. The level of write-offs remains within the overall financial provision made and assumptions used when calculating the taxbase.
- 3.4.5 The total number authorised Business Rate write-offs were 44 with a net value of £130,000.
- 3.4.6 The amount of sundry debts owed to the Council at 30th November was £2.7 million, of which £0.9 million was at invoice stage. The amount of Housing Benefit overpayments outstanding is £1.4 million. Payment plans are subject to Regulations (prescribed maximum amount that can be received from a debtor's benefit award).
- 3.4.7 The number of supplier payments made within 30 days was 7,036 out of 7,186 or 98%. The target for 2025-26 is 98%.
- 3.4.8 The number of lettable units for the commercial property portfolio was 273, including offices and units at I-Construct, the Plaza, Victoria Square, the Braintree Enterprise Centre and Ignite House, and available space within Causeway House. The occupancy rate at 30th November 2025 was 235 units, or 86%.
- 3.4.9 The average amount invested as short-term investments between April, and the end of November was £71.6 million from which £2 million of interest had been earned or secured, equivalent to an annualised return of 4.2%. The amount invested at 30th November was £66.7 million.
- 3.4.10 The amount invested in pooled funds comprising equity, property, and multi-assets remained at £19 million. Dividend income of £605,000 has been received/ declared. Dividends are mainly declared quarterly. The total value of the Council's fund holdings at 30th November was £24.3 million, reflecting a total unrealised gain of £5.3 million.

3.4.11 Detail of the Council's overall investment portfolio totalling £85.7 million, as at 30th November is provided at Appendix C.

4. Options

4.1 The Committee is asked to note the report but may wish to ask questions and/or request further information to be provided at a future meeting as deemed appropriate.

5. Financial Implications

5.1 There are no new financial implications arising from the recommendations set out in this report.

6. Legal Implications

6.1 There are no specific legal implications arising out of this report.

7. Local Government Reorganisation Implications

7.1 There are no immediate implications for Local Government reorganisation; however, financial metrics will be important base data that is gathered across authorities in the intervening period leading up to vesting date of new authorities.

8. Equality and Diversity Implications

8.1 The content of this report will not have a disproportionately adverse impact on any people with a particular protected characteristic.

9. List of Appendices

9.1 Appendix A – Summary of Second Quarter Financial Review 2025-26.

9.2 Appendix B – Key Financial Indicators for financial period to 30th November 2025.

9.3 Appendix C – Treasury Management - Details of the Council's investments for the period 1st April to 30th November 2025.

10. Background Papers

10.1 Second Quarter Performance Report – Cabinet 15th December 2025 can be found [here](#).

Second Quarter Forecast Summary 2025-26

Business Plan Service	Updated Budget £'000	Forecast Spend for the Year £'000	Current Forecast Variance £'000	Previous Quarter Variance £'000	Forecast RAG Status
Asset Management	(2,995)	(2,842)	153	205	R
Community & Leisure	1,117	1,102	(15)	(37)	G
Corporate Management Plan	1,731	1,703	(28)	(2)	G
Economic Development	203	163	(40)	0	G
Environment	1,016	1,283	267	214	R
Finance	488	(216)	(704)	(952)	G
Governance	1,688	1,609	(79)	(22)	G
Housing Services	1,073	1,140	67	0	R
ICT & Facilities	2,210	2,105	(105)	(107)	G
Marketing & Communications	760	695	(65)	(36)	G
People & Performance	1,242	1,227	(15)	17	G
Operations	7,455	6,976	(479)	(288)	G
Strategic Investment	339	392	53	46	R
Sustainable Development	2,175	1,553	(622)	(442)	G
Service Plan Total	18,502	16,890	(1,612)	(1,404)	G
Corporate Financing	3,014	2,875	(139)	(51)	G
Est. Impact of Pay Award	0	0	0	60	
Vacancy Allowance	(300)	0	300	300	
Net Total	21,216	19,765	(1,451)	(1,095)	G

Business Plan Service	Staffing Expenditure			Other Expenditure			Gross Income		
	Updated Budget	F//Cast	Variance	Updated Budget	F/Cast	Variance	Updated Budget	F/Cast	Variance
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Asset Management	553	524	(29)	1,410	1,541	131	(4,958)	(4,907)	51
Community & Leisure	989	946	(43)	879	883	4	(751)	(727)	24
Corporate Management Plan	2,226	2,189	(37)	(116)	(107)	9	(379)	(379)	0
Economic Development	206	166	(40)	65	65	0	(67)	(67)	0
Environment	1,965	2,184	219	166	178	12	(1,115)	(1,079)	36
Finance	2,918	2,831	(87)	26,132	26,242	110	(28,562)	(29,289)	(727)
Governance	1,015	900	(115)	922	926	4	(249)	(217)	32
Housing Services	1,721	1,788	67	423	423	0	(1,071)	(1,071)	0
ICT & Facilities	1,184	1,163	(21)	1,026	943	(83)	0	(1)	(1)
Marketing & Communications	599	546	(53)	315	296	(19)	(154)	(147)	7
People & Performance	1,157	1,139	(18)	85	88	3	0	0	0
Operations	8,575	8,416	(159)	7,262	7,339	77	(8,381)	(8,778)	(397)
Strategic Investment	393	415	22	6	6	0	(61)	(30)	31
Sustainable Development	3,122	2,740	(382)	611	639	28	(1,559)	(1,827)	(268)
Service Plan Total	26,623	25,947	(676)	39,186	39,462	276	(47,307)	(48,519)	(1,212)
Corporate Financing	742	640	(102)	5,574	5,604	30	(3,301)	(3,368)	(67)
Vacancy Allowance	(300)	0	300	0	0	0	0	0	0
Net Total	27,065	26,587	(478)	44,760	45,066	306	(50,608)	(51,887)	(1,279)

Capital Programme Summary for 2025/26

	Budget Profiled 25/26 £000	Actual Spend 25/26 £000	In-year Variance 25/26 £000	Slippage (-or deduction from future budget) £000	Forecast Project Variance 25/26 £000	Expected Remaining Spend 25/26 £000
Horizon 120 Business Park infrastructure	134	11	123	0	0	123
Horizon 120 - The Plaza	87	54	33	0	0	33
Waste Review	3,378	0	3,378	0	0	3,378
Witham Community Centre	2,752	702	2,051	402	0	2,453
Town Centre improvements	663	200	463	-31	0	432
Property planned maintenance (incl. Causeway Hse)	2,117	272	1,845	591	-819	1,617
Information technology systems & equipment	367	95	272	-169	-12	92
Community facilities, play areas, parks & open spaces	788	295	493	22	-4	511
Cemetery improvements	29	3	26	0	0	26
Paths, cycleways, and other infrastructure	68	5	63	0	0	63
Operational equipment	499	12	486	0	0	486
Sports and leisure facilities improvements	1,076	601	475	-173	0	302
Climate change initiatives	135	35	100	0	0	100
Shared / Rural Prosperity Fund	239	15	225	0	0	225
Housing renovation & disabled facilities grants	1,031	209	821	-214	0	608
Capital salaries	278	109	170	0	-26	144
Total	13,641	2,616	11,025	428	-861	10,592

Key Financial Indicators

APPENDIX B

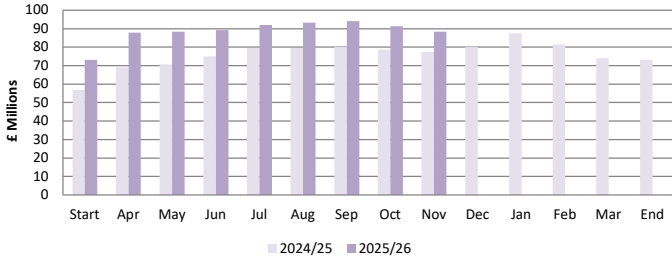
	Full Year Target	Actual 30 Nov 2025	Actual 30 Nov 2024	Variance
Council Tax				
Collection rate	97.6%	74.3%	75.5%	-1.2%
Income collected (£ million)	£127.8	£97.3	£94.0	£3.4
Write-offs in year (£ thousands)		£42	£35	£7
Write-offs in year (Number)		135	127	8
Write-offs all years (£ thousands)		£446	£283	£162
Write-offs all years (Number)		1088	896	192
Business Rates				
Collection rate	98.7%	73.3%	72.2%	1.1%
Income collected (£ million)	£57.1	£42.4	£39.6	£2.8
Write-offs in year (£ thousands)		£25	£98	-£74
Write-offs in year (Number)		17	20	-3
Write-offs all years (£ thousands)		£130	£235	-£105
Write-offs all years (Number)		44	61	-17
Other Income				
Write offs (debits and credits) in year (£ thousands)		£26.8	£15.8	11
Write-offs in year (Number)		180	114	66
Supplier payment of invoices within 30 days of receipt	98%	98%	98%	0%

Debtors - Balance Outstanding	31-Mar-23	31-Mar-24	31-Mar-25	30-Nov-25
	£'000	£'000	£'000	£'000
Charges for services provided by central service e.g. Training, Procurement, Print Room, Marketing, Elections etc.	83	120	82	68
Asset Management	319	444	839	274
Development, Building Control & Environment	109	185	213	289
Finance	56	79	39	73
Community & Leisure	380	527	325	197
Operations*	1,370	1,500	470	378
Housing	35	36	55	29
Sub-Total	2,352	2,891	2,023	1,308
Housing Benefits Overpayment Recoveries	1,441	1,352	1,304	1,394
Total	3,793	4,243	3,327	2,702
Profile by Recovery Stage:				
Invoice**	2,085	2,773	1,677	911
Reminder	788	557	660	785
Pre-legal	136	130	356	241
Enforcement Agent	244	288	189	306
Tracing Agent	23	24	24	79
Charging Order	20	19	19	19
Attachment to Benefits/Earnings	497	452	402	361
Total	3,793	4,243	3,327	2,702

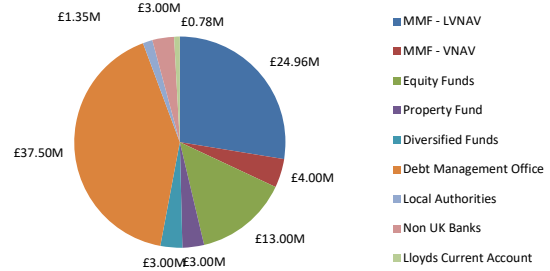
* March 23 and 24 figures include billed commercial waste for following financial year

** includes accounts subject to agreed payment arrangements

Average Cash Balances Managed



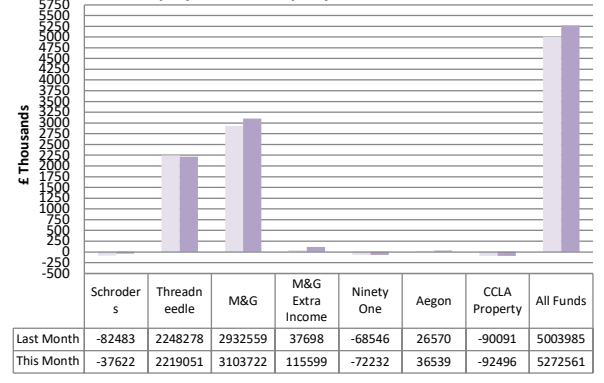
Average Invested to end of Period



Investment Activity

	This Month		Cumulative	
	Made (£m)	Sold (£m)	Made (£m)	Sold (£m)
External Investments				
Property Fund	0.0	0.0	0.0	0.0
Equity Funds	0.0	0.0	0.0	0.0
Multi Funds	0.0	0.0	0.0	0.0
MMF - LVNAV	0.0	0.0	0.0	0.0
MMF - VNAV	0.0	0.0	0.5	-0.5
Sub-Total	0.0	0.0	0.5	-0.5
Deposits - Fixed				
UK Bank & Building Soc.	0.0	0.0	0.0	0.0
Non-UK Banks	0.0	0.0	0.0	0.0
Debt Mgt Office	7.5	-7.5	101.0	-83.5
Local Authorities	0.0	0.0	0.0	-5.0
Sub-Total	7.5	-7.5	101.0	-88.5
Lloyds Bank PLC	0.2	0.0	0.1	0.0
Sub-Total	0.2	0.0	0.1	0.0
Total	7.7	-7.5	101.6	-89.0

Equity, Multi & Property Funds FV Gain/ Loss



Commentary

Average sum invested in the month £88.32m (Last year £77.42m)
 Average sum invested for the year to date £90.58m (Last year £76.28m)
 Actual sum invested at the end of the period £85.72m (Last year £75.56m)
 Interest secured on instant access accounts, fixed deposits, and MMFs at the end of the period £2012209 a return of 4.21% [Annual Updated Budget £1.939m]
 Note: 3mth LIBID 4.12% 1mth LIBID 4.10% Average Base rate 4.17%
 Dividends earned (declared) on equity, property and diversified funds to the end of the period £605k [Annual Budget £855k]
 Unrealised gain/ -loss at end of period for equity, property and diversified funds is a net £5273k a change of £269k from last month

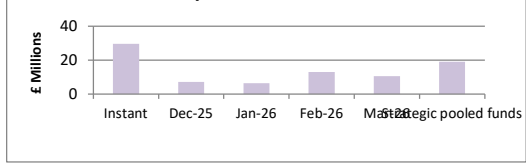
INVESTMENT HOLDINGS AT END OF PERIOD

COUNTERPARTY	Type	Principal	Start	Maturity	Yield
AUSTRALIA & NZ BANKING GROUP	FIXED	3000000	30/09/2025	31/03/2026	4.190%
DEBT MANAGEMENT OFFICE	FIXED	1000000	11/08/2025	17/12/2025	3.960%
DEBT MANAGEMENT OFFICE	FIXED	2000000	15/08/2025	17/12/2025	3.970%
DEBT MANAGEMENT OFFICE	FIXED	1000000	29/08/2025	20/01/2026	3.975%
DEBT MANAGEMENT OFFICE	FIXED	4000000	01/09/2025	22/12/2025	3.970%
DEBT MANAGEMENT OFFICE	FIXED	1000000	02/09/2025	14/01/2026	3.975%
DEBT MANAGEMENT OFFICE	FIXED	1000000	05/09/2025	19/01/2026	3.970%
DEBT MANAGEMENT OFFICE	FIXED	1500000	15/09/2025	19/01/2026	3.970%
DEBT MANAGEMENT OFFICE	FIXED	2000000	25/09/2025	19/01/2026	3.970%
DEBT MANAGEMENT OFFICE	FIXED	4500000	01/10/2025	02/02/2026	3.980%
DEBT MANAGEMENT OFFICE	FIXED	1000000	06/10/2025	02/02/2026	3.970%
DEBT MANAGEMENT OFFICE	FIXED	1500000	15/10/2025	11/02/2026	3.930%
DEBT MANAGEMENT OFFICE	FIXED	1500000	15/10/2025	19/02/2026	3.930%
DEBT MANAGEMENT OFFICE	FIXED	1500000	17/10/2025	19/02/2026	3.920%
DEBT MANAGEMENT OFFICE	FIXED	2000000	30/10/2025	19/02/2026	3.865%
DEBT MANAGEMENT OFFICE	FIXED	1000000	31/10/2025	20/02/2026	3.830%
DEBT MANAGEMENT OFFICE	FIXED	4000000	03/11/2025	02/03/2026	3.830%
DEBT MANAGEMENT OFFICE	FIXED	1500000	13/11/2025	02/03/2026	3.830%
DEBT MANAGEMENT OFFICE	FIXED	1000000	17/11/2025	11/03/2026	3.835%
DEBT MANAGEMENT OFFICE	FIXED	1000000	17/11/2025	20/03/2026	3.830%
LLOYDS BANK	CALL A/C	720000	30/11/2025	01/12/2025	3.900%
DEUTSCHE	MMF	5000000	30/11/2025	01/12/2025	3.970%
GOLDMAN SACHS	MMF	5000000	30/11/2025	01/12/2025	3.950%
CCLA PUBLIC DEPOSIT	MMF	5000000	30/11/2025	01/12/2025	3.970%
FEDERATED PRIME	MMF	5000000	30/11/2025	01/12/2025	4.050%
ABERDEEN STANDARD	MMF	5000000	30/11/2025	01/12/2025	4.040%

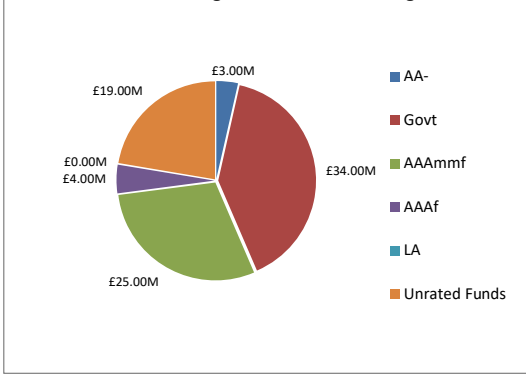
EXTERNAL FUND INVESTMENTS

FUND	Type	Principal	Yield
SHRODERS INCOME MAX.	EQUITY	2500000	Variable
THREADNEEDLE UK EQUITY	EQUITY	5000000	Variable
M&G GLOBAL DIVIDEND	EQUITY	2500000	Variable
M&G EXTRA INCOME	EQUITY	3000000	Variable
AEGON	MULTI	2000000	Variable
NINETY ONE	MULTI	1000000	Variable
CCLA - LAMIT PROPERTY	PROPERTY	3000000	Variable
ROYAL LONDON CASH PLUS	MMF-VNAV	4000000	Variable

Maturity Profile at end of Period



Credit Rating of Investment Holdings



Report Title: Internal Audit Update	
Report to: Governance and Audit Committee	
Date: 14 th January 2026	For: Decision
Key Decision: No	Decision Planner Ref No: N/A
Report Presented by: Angela Mitchell, Audit, Insurance and Fraud Manager	
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1. Purpose of the Report.

- 1.1 This report provides Members with an update on the Internal Audit activity, progress and performance against planned work, and any other matters affecting the provision of the Internal Audit Service. This is in accordance with the oversight and reporting arrangements identified in the Internal Audit Charter.
- 1.2 The report also provides an update on Regulation of Investigatory Powers Act (RIPA) and Investigatory Powers Act (IPA) applications made by the Authority.

2. Recommendations

- 2.1 Members note the progress against the 2025/26 Internal Audit Plan.

3. Summary of Issues

- 3.1 The Global Internal Audit Standards in the UK Public Sector (GIAS) are effective from 1st April 2025. The CIPFA Code of Practice for the Governance of Internal Audit in UK Local Government details the route to satisfying the essential conditions of the GIAS, tailored to the UK Public Sector. This Code of Practice recognises that the effectiveness of internal audit is ensured through oversight by an Audit Committee on behalf of those charged with governance.
- 3.2 The 2025/26 Internal Audit Plan was approved by the Governance and Audit Committee on 9th July 2025. This report provides Members with an update on the Internal Audit activity, progress and performance against planned work, and any other matters affecting the provision of the Internal Audit Service. This is in accordance with the oversight and reporting arrangements identified in the Internal Audit Charter.
- 3.3 **Progress against Internal Audit Plans**
 - 3.3.1 Progress against the 2025/26 Internal Audit Plan is detailed in Appendix 1.
 - 3.3.2 The following audits have been completed since the last progress report to the Committee (8th October 2025). Appendix 2 provides a summary of the

outcomes of these audits:

- **Local Council Tax Support** – Full Assurance
- **Climate Performance** – Significant Assurance
- **Civil Contingencies Act** - Significant Assurance
- **Mandatory Staff Training** - Significant Assurance
- **Plaza Operations** – Limited Assurance

3.3.3 The proportion of planned work completed was affected by the following factors:

- The Audit Manager continues to review requirements arising from the introduction of new Internal Audit Standards.
- The Audit Manager has been supporting corporate work relating to significant contracts
- A significant proportion of the Audit Manager's time is spent on Insurance work, and some time also spent on Fraud work.
- The Audit Manager continues to review Fraud related policies, and changes to legislation and best practice.
- The Audit Manager continues to provide some Risk Management support to the Council
- The Audit Manager is developing Service reviews for Audit and Fraud, and for Insurance and Risk Management, in conjunction with the Corporate Service Review team.
- The trainee Auditor is undertaking an Internal Audit apprenticeship.
- Additional ad hoc advice and consultancy services have been provided in the areas summarised in Appendix 1.

3.3.4 The Internal Audit Plan is prioritised, and Audits are assigned based on their relative priority with consideration to Auditor experience and auditee preferred timescales but is also flexible to respond to changing corporate needs. Some specialised audits are allocated to external providers.

3.4 **Quality Assurance & Improvement Programme (QAIP) and External Quality Assessment (EQA) Action Plan Update**

3.4.1 The Global Internal Audit Standards (GIAS) and the accompanying *Application Note: Global Internal Audit Standards in the UK Public Sector* supersede some action plan items from the 2022/23 External Quality Assessment of the Internal Audit function against the former Public Sector Internal Audit Standards, therefore adjustments will be made to align with the new standards. The Audit Manager continues to assess internal audit arrangements against the Standards, no further improvements contributing to conformance with the GIAS implemented have been implemented since the last report to this Committee.

3.5 Regulation of Investigatory Powers Act (RIPA) and Investigatory Powers Act (IPA) Applications

3.5.1 There were no IPA or RIPA applications in 2025/26 to the date of this report.

3.6 Corporate Objectives

3.6.1 The recommendations set out in this report will help the Council to deliver the following Corporate Objectives:

- The 2025/26 Internal Audit Plan includes work across all Corporate Objectives:
 - Communities – our communities can thrive
 - Prosperity – our people prosper
 - Environment – our environment is cherished
 - Making the authority Fit for the Future

4. Options

4.1 The Governance and Audit Committee are invited to receive and note the progress against the 2025/26 Internal Audit Plan, additional work performed, and any other matters affecting the Internal Audit service.

5. Financial Implications

5.1 There are no new financial implications arising from the recommendations set out in this report.

6. Legal Implications

6.1 There are no new legal implications arising from this report.

7. Local Government Reorganisation (LGR) - Implications

7.1 There are no LGR implications arising from this report. Internal Audit is a key component of an effective corporate governance framework, a new Unitary would need to determine arrangements for maintaining an effective internal audit function in line with the Global Internal Audit Standards in the UK Public Sector.

8. Other Implications

8.1 There are no other implications arising from this report.

9. Equality and Diversity Implications

9.1 Section 149 of the Equality Act 2010 creates the public sector equality duty which requires that when the Council makes decisions it must have regard to the need to:

- (a) Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Act

- (b) Advance equality of opportunity between people who share a protected characteristic and those who do not
- (c) Foster good relations between people who share a protected characteristic and those who do not including tackling prejudice and promoting understanding.

9.2 The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation. The Act states that 'marriage and civil partnership' is not a relevant protected characteristic for (b) or (c) although it is relevant for (a).

9.3 The proposals in this report will not have a disproportionately adverse impact on any people with a particular characteristic.

10. List of Appendices

10.1 Appendix 1 – Progress Against the 2025/26 Internal Audit Plan.

10.2 Appendix 2 - Outcome of Audits Completed Since the Previous Report to Governance and Audit Committee (8th October 2025).

11. Background Papers

11.1 None.

APPENDIX 1 - PROGRESS AGAINST 2025/26 INTERNAL AUDIT PLAN
(as at 15th December 2025)

This Appendix summarises the work completed in respect of the 2025/26 Internal Audit Plan (presented to the Governance and Audit Committee on 9th July 2025).

	Audit	Priority	Current Status	Date Report to Governance & Audit Committee
Prior Year Planned Audits in Progress April 2025 to be Completed in 2024/25				
	Business Continuity – Key Suppliers	1	In progress – pending manager review	
	Equality Diversity & Inclusion	1	Completed	8 th October 2025
	Fraud Risks - Payments	1	Completed	8 th October 2025
	Accuracy of Housing Application Processing	2	Completed	8 th October 2025
	Horizon 120	1	Completed	9 th July 2025
	Procurement Frameworks	1	Completed	8 th October 2025
	Elections	2	Completed – pending manager review	
	Grants Funding Due Diligence	1	Completed	8 th October 2025
2025/26 Internal Audit Plan				
1	Core Financial Systems <ul style="list-style-type: none"> • Debtors • Local Council Tax Support • Investments 	1	<ul style="list-style-type: none"> • Completed • Completed • In Progress 	<ul style="list-style-type: none"> • 8th October 2025 • 14th Jan 2025 •
2	Annual Governance Statement	1		
3	Financial Resilience	1		
4	Service Assurance Statements	2		
5	Post Completion Reviews – Manor Street & IConstruct	1		
6	Operator Licence Compliance	2		
7	Climate Performance	2	Completed	14th Jan 2025
8	Risk Management		In Progress (nearly complete)	
9	Equality Impact Assessments & Data Protection Impact Assessments	1		
10	Health & Safety	2	Ongoing	
11	Civil Contingencies Act 2004	1	Completed	14th Jan 2025
12	Building Safety Act 2022	1		
13	Energy Performance	2	In Progress	
14	Cyber Security	1		
15	Cyber Security Sub Group	1	Ongoing	
16	Mandatory Staff Training	2	Completed	14th Jan 2025
17	ICT Governance	1		
18	Grants Claims – Cost of Living	2	In progress	

19	Data Matching	2	Ongoing	
20	Fraud Risks – Disposal of Assets	1	In progress	
21	Declarations of Interest Compliance	1		
22	ID Document Verification	2	Preparation in progress	
23	Cash Office	1	Completed	9 th July 2025
24	Plaza Operations Audit	1	Completed	14 th Jan 2025
25	Service Charges Management (other)	1	In progress	
26	Landscapes	1	In progress	
27	Salary Sacrifice Car Leasing Scheme	1	Draft report pending management response	
28	Planning Refunds	1	Completed	8 th October 2025
29	Major Contract - Leisure	2	Ongoing – project nearly complete	
30	Follow Up Reviews – Limited Assurance Reports <ul style="list-style-type: none"> • Horizon 120 (2022/23) • Manor Street (2022/23) • Suppliers / Contractor Resilience (2022/23) • CCTV / GDPR Compliance (2022/23) • North Essex Parking Partnership (2023/24) • Use of Council Vehicles (2023/24) 	1	<ul style="list-style-type: none"> • Completed • In progress • Completed • In progress • Completed • In progress 	<ul style="list-style-type: none"> • Update Jan 2024, July 2025 • Update Jan 2024, Jan 2025, July 2025, Jan 2026 • Corporate Director update: Oct 2023, and Feb 2025, July 2025 • Update Apr 2024, July 2025, Jan 2026 • Updates April and July 2024, Feb and July 2025, Jan 2026 • July 2025, Jan 2026
31	Follow Up Reviews - Other	2	Ongoing	

2025/26 ADDITIONAL WORK COMPLETED

During 2025/26 the internal audit function has provided ad hoc advice and guidance in various areas, including the following occurring since the last report to this Committee (October 2025). No assurance levels are assigned to this work:

- **Financial Appraisals** conducted on potential suppliers to support the procurement process and for ongoing assurance over supplier resilience.
- Advice on **Authorised Signatory** permissions and maintaining records of Authorised signatories
- Coordination of the upload of data and general administrative arrangements, and review of data matches arising from the **National Fraud Initiative (NFI) data matching exercise** including review of associated Privacy Notices and working with Services to ensure data is submitted in accordance with NFI requirements. *Work is in progress to review matches from the 2024/25 full data matching exercise, and specifications have been circulated to services in preparation for the next data upload (December 2025).*
- Circulated **fraud alerts** to relevant services (various topics)
- The Audit Insurance & Fraud Manager continues to offer advice in relation to **insurance and the management of risks**, and to respond to associated **Freedom of Information Act (FOI)** requests
- Corporate **Risk Management** support including for update of Strategic Risk Register
- Administer Council staff access to a **credit checking system**
- Contribution to a **contract related Corporate Project Team**
- Collation of information to support **External Auditor** enquiries
- **Fraud related advice** including to colleagues, customers and Parish Council's
- Collating **Gifts Hospitality and Conflicts of Interests** forms received

APPENDIX 2 – OUTCOME OF AUDITS COMPLETED SINCE THE PREVIOUS REPORT TO GOVERNANCE COMMITTEE (8th October 2025) *Recommendations reflect only High and Medium priority matters raised:*

Audit	Overview of Scope	Summary of Findings	High / Medium Priority Recommendation(s)	Priority	Agreed / Responsible Officer / Action Date
<p>Local Council Tax Support</p> <p>Full Assurance</p>	<p>Approval of the scheme, records maintenance, payments in accordance with scheme guidelines, completion of review checks, and assurance that such checks would identify discrepancies</p>	<p>Areas of good practice:</p> <ul style="list-style-type: none"> • Scheme was approved by Full Council following consultation, and scheme details are published on the Council website • Records are maintained of all aspects of the claim and associated documentation, updates to LCTS feed into the Council Tax system • Payments are in accordance with the scheme and supporting documentation as evidence • All working age LCTS claims are checked, these checks would identify any issues with payments. Further checks are conducted if a common error is identified • Claims are cancelled if the claimant fails to complete the review and provide required information within 30 days of the review letter 	<p><i>There were no high or medium priority recommendations arising from this review</i></p>		
<p>Climate Performance</p>	<p>Climate performance is published, performance is</p>	<p>Areas of good practice</p> <ul style="list-style-type: none"> • The Climate Change Action plan and measures to progress actions are published 	<p>At the time of the audit, seven climate related projects were pending update on the corporate management</p>	<p>Medium</p>	<p>Agreed: Sustainability Manager Action Date:</p>

<p>Significant Assurance</p>	<p>regularly reviewed against targets, supporting evidence confirms accurate data which is reported in line with the climate strategy, and actions are recorded where measures are not reported</p>	<ul style="list-style-type: none"> • The Council reports annually to Cabinet on progress of planned actions • Progress is monitored by the Council's performance management system 	<p>system – assigned officers were to be reminded</p>		<p>January 2026</p>
<p>Civil Contingencies Act</p> <p>Significant Assurance</p>	<p>Potential risks are assessed and inform emergency plans, Business Continuity (BC) Plans exist and are reviewed, BC training exercises are conducted and staff are trained to respond to emergencies, and the Council cooperates with other responders</p>	<p>Areas of good practice:</p> <ul style="list-style-type: none"> • The Council complies with the seven statutory duties under the Act, including risk assessment, emergency planning, public information dissemination and inter-agency coordination • Emergency Planning is recognised in the Strategic Risk Register and reviewed bi-annually by corporate management and Members • Existing controls include peer reviewed plans, communication and media plan, Member protocol for emergencies, mutual aid agreements, pandemic flu and severe weather plans, training 	<p>Business Continuity Plans to be updated regularly, particularly for key staff information, and training plans and procedures to be regularly updated to ensure compliance with the Civil Contingencies Act 2004</p>	<p>Medium</p>	<p>Agreed: Head of Environment Action Date: March 2026</p>

	to enhances the response	programmes, emergency response requirement for new staff <ul style="list-style-type: none"> • Further planned actions include review of key plans, annual rest centre exercises and other training, expansion of Gold and Silver command teams and rest centre manager pool 			
Mandatory Staff Training Significant Assurance	To assess the Council's arrangements for ensuring all staff complete mandatory E-Learning training	Areas of good practice: <ul style="list-style-type: none"> • The review included desk based and manual staff, and confirmed that system such as monthly reports were in place 	Implement formal oversight to ensure managers monitor and enforce staff completion of mandatory training, to include the performance management framework	Medium	Agreed: HR Manager Action Date: April 2026
			Operations to implement annual reporting on training completion to the OD&L team	Medium	Agreed: Operations Manager Action Date: April 2026
			Assess effectiveness of email reminder system in achieving completion of mandatory training and consider automated recurring notifications	Medium	Agreed: Learning & Development Business Partner Action Date: April 2026
Plaza Operations	The review considered controls in place to ensure the	Areas of good practice: <ul style="list-style-type: none"> • The Property and Asset Management team has been 	Maintain an overall list of inspections, risk assessments and Planned Preventative	High	Agreed: Head of Property & Asset Management

<p>Limited Assurance</p>	<p>effective facilities management of the Plaza building, including compliance with health and safety guidelines</p>	<p>restructured, and a new Corporate Compliance Officer recruited</p> <ul style="list-style-type: none"> The Council's Property Asset Management Policy and Strategy was adopted by Cabinet in November 2024. This includes an overview of the Council's land and property estate, governance arrangements, and management and development of the estate. This supports the Council's Corporate Strategy 2024-2028 and is in line with legislation 	<p>Maintenance (PPM) records on a shared drive</p> <p>Plaza Compendium (of information on daily checks and general maintenance) to be completed with addition of all required inspections, and authorised</p> <p>Records demonstrating completion of all proposed recommendations and remedial work and repairs to be maintained on a shared drive with independent verification of standard and appropriateness, reports to include monitoring of cost.</p> <p>Regular reporting to the Property Asset Management Strategy Board and Management Board, and oversight of current PPM contract performance, and formal reporting on Key Performance Indicators, once the new contract is in place (January 2026)</p>	<p>Medium</p> <p>Medium</p> <p>Medium</p>	<p>Action Date: January 2026</p> <p>Agreed: Head of Property & Asset Management Action Date: November 2025</p> <p>Agreed: Head of Property & Asset Management Action Date: November 2025</p> <p>Agreed: Head of Property & Asset Management Action Date: January 2026</p>
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			<p><i>The report also made two low priority recommendations relating to recording an operational risk relating to monitoring of the Plaza building pending formal contract (agreed, implementation November 2025), and to plan to ensure resilience of the team when the Head of Service leaves (agreed, implementation March 2026)</i></p>		
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Update for Items Previously Reported to Governance and Audit Committee

Fraud Risks – Payments (Significant Assurance) to Committee October 2025. One medium priority recommendation: Update the procedure note including to reflect fraud risks, officer roles and responsibilities, arrangements for referral of suspected fraud to the line manager, and document control

Update December 2025: Actions agreed for implementation by end August 2026

Accuracy of Housing Application Processing (Significant Assurance) to Committee October 2025. Three medium priority recommendations to:

1. Develop internal procedures to supplement Allocations Policy which reflect arrangements for decision making and review
2. Formalise the review process to include existing checks and ongoing oversight
3. Develop structured arrangements for staff training

Update December 2025: Actions agreed, (1) and (3) for implementation by end March 2026, and (2) for implementation by end April 2026.

Follow Up Reviews (Limited Assurance Reviews):

Manor Street (2022/23) - Ongoing:

Previous update January 2024 - All original recommendations had been implemented, but one further recommendation was made relating to conducting analysis of the project benefits to support delivery of outputs and outcomes and inform the project closure report, and to complete Project Closure reports in a timely manner to enable lessons to be learned

Update July 2025: The Project Management Office have developed a new project closure (Post implementation Review) template which will be applied as an alternative to the planned to this and other historic projects for IConstruct and The Plaza). The outcomes will be reported to the Officer Programmer Board and the Capital Programme Board. The Service aims to conclude reporting for the Manor Street project November 2025

Update January 2026 – The Officer Programme Board decided to defer reviews for all projects (Manor Street, IConstruct and The Plaza) until summer 2026 – revised action date is therefore September 2026

Suppliers / Contractors Resilience (2022/23) – Completed:

Assurance was sought that for key suppliers there is an ongoing review of supplier risk to enable prompt identification and management of supplier resilience issues.

Update January 2026: prompt identification and resolution of potential supplier issues has been demonstrated in the Council's response to a key contract, and as part of the Council's Fit For the Future programme, a project to review Corporate processes, which will include Contract Management, is being progressed.

CCTV GDPR Compliance (2022/23) – Ongoing:

A revised policy relating to Body Worn Video had been prepared but is awaiting internal approval

Update January 2026: the policy is currently with Legal Services for review

North Essex Parking Partnership (2023/24) – Completed

The review noted the financial position of NEPP and made recommendations relating to provision of audited NEPP accounts.

Update January 2026: The arrangements with NEPP have improved, including with an updated Terms of Reference and arrangements for engagement, and NEPP accounts were in surplus in 2024/25. In addition, a detailed Scrutiny Review of NEPP has been concluded (and considered by Council in December 2025, this review included transparency of communications and arrangements for future engagement

Use of Council Vehicles (2023/24) – Ongoing

Recommendations related to the need for officers who take vehicles home to make a declaration of understanding that only very limited private use of the vehicle is permitted, and that mileage readings journey purpose are to be recorded and reviewed.

Update January 2026: The Head of Service circulated (in November 2025) a policy to clarify arrangements for and restrictions in the personal use of company vehicles, this includes explanation of tax requirements and declarations, and employee responsibilities for record keeping. This policy is currently in draft pending formal approval.

Key:

For the scope of objectives subject to review during the audit:

<i>Full</i>	<i>Internal controls meet acceptable standards and are consistently applied.</i>
<i>Assurance</i>	<i>Reasonable, but not absolute, assurance that adequate risk management and controls are in place.</i>
<i>Significant</i>	<i>Significant assurance that the internal control framework meets minimum acceptable standards.</i>
<i>Assurance</i>	<i>Some weaknesses or inconsistent application in control means some risks are not adequately mitigated.</i>
<i>Limited</i>	<i>Internal control framework does not meet minimum acceptable standard.</i>
<i>Assurance</i>	<i>Weaknesses or inconsistent application of controls means some risks are not mitigated and require significant improvement</i>
<i>No Assurance</i>	<i>The internal control framework does not meet the minimum acceptable standards and no assurance can be given</i>

Report Title: Fraud Update	
Report to: Governance and Audit Committee	
Date: 14 th January 2026	For: Decision
Key Decision: No	Decision Planner Ref No: N/A
Report Presented by: Angela Mitchell, Audit, Insurance and Fraud Manager	
Enquiries to: Angela Mitchell, Audit, Insurance and Fraud Manager (angmi@braintree.gov.uk) 01376 557821	

1. Purpose of the Report

- 1.1. The Governance and Audit Committee functions include monitoring the Council's counter fraud and corruption arrangements.
- 1.2. The *Audit Committees: practical guidance for local authorities and police* (CIPFA, 2022) advises that the audit committee should have oversight of the arrangements for managing the risks of fraud and corruption, providing assurance that they are fit for purpose. This report provides Members with an overview of the fraud risks affecting Local Authorities, and the work undertaken by staff, including the Audit Insurance and Fraud, and Revenues and Benefits teams, in this respect.
- 1.3. There is no up to date, reliable estimate available of the total scale of economic crime, however assessments of UK Public Sector losses range from £39.8 billion and £58.5 billion (Public Sector Fraud Authority estimate 2024), or between £55 billion and £81 billion (National Audit Office 2023/24). The National Crime Agency National Strategic Assessment 2025 reported that fraud now represented 41% of all criminal activity.
- 1.4. The scale of the economic crime threat in both public and private sectors continues to grow, Fraudsters are constantly evolving their techniques, and further challenges arise from changes in the public sector landscape, including budget reductions, service remodelling and integration, and Government policy changes.
- 1.5. The report includes details of legislation pertinent to the management of fraud risks.

2. Recommendations

2.1 Members are asked to note the report.

3. Summary of Issues

3.1 Introduction – National Picture

3.1.1 **CIFAS:**

CIFAS is a UK, not-for-profit fraud service representing organisations across the public, private and voluntary sectors who use CIFAS to share data, intelligence and learning to detect and prevent fraud and financial crime. CIFAS works with the **Public Sector Fraud Authority** and supports the **National Fraud Intelligence Bureau** and the **National Crime Agency** in investigations and operations, including in relation to serious and organised crime. CIFAS hold the National Fraud Database (the UK's largest database of high grade fraud risk data) and the Insider Threat Database (recording instances of applicant and employee related dishonest conduct against organisations).

3.1.2. **CIFAS Fraudscape 2025**

In their 2025 Fraudscape document, CIFAS reported a 1% increase in cases filed to their National Fraud Database for the first six months of 2025, with a continued prevalence of identity fraud. The report also noted the complexity and sophistication of the fraud landscape is increasingly shaped by the use of AI tools and growing sophistication of the tactics used by fraudsters to steal money and data. High fraud areas were identified:

- **Identity fraud** (59% of cases): some reduction in cases was attributed to a tactical shift with fraudsters pivoting to account takeover fraud targeting mobile phone products (false identity to obtain mobile devices rose substantially), otherwise most cases related to bank account and plastic card sectors. There was an increase in personal credit card fraud for victims aged 21-30, which may be linked to oversharing of personal data online.
- **Misuse of facility** (35% of cases): This relates to an account or product is opened, accessed or used for fraudulent activity by a genuine account holder or using a stolen identify. Most cases related to Bank accounts, including money muling which is often targeted at younger victims (aged 21-30) where a person is persuaded to move and hide illegally gained money on behalf of criminals. Misuse of plastic cards also increased
- **Account Takeover** (18% of cases): Online channels were exploited heavily for online retail and plastic card fraud, criminals leverage compromised and stolen data to hijack existing online customer accounts (particularly telecoms and online retail accounts where high value devices are targeted for resale)
- **False applications:** involve false documents such as bank statements, utility bills or wage slips being used to support false applications for

products and services, with an increase in particular for false tenant reference applications (with false or altered documents). Most incidents involved the age group 21-40.

- **Insider threats:** there has been an increase in dishonest actions by employees, including employees working in multiple roles without their employers' knowledge or consent, using fraudulent reference houses and digital recruitment or placement of insiders where individuals aim to access sensitive data.

3.1.3. **CIFAS 'Fighting Fraud and Corruption Locally - Strategy for the 2020's'** recognises the fraud challenges faced by Local Authorities and the associated potential scale of losses, and seeks to create a self-sustaining counter fraud response for the sector built on the following four pillars, and accompanied by six themes to assist in ensuring the counter fraud response is effective:

Pillars:

- **Govern:** Robust arrangements and executive support to ensure anti-fraud, bribery and corruption measures are embedded throughout the organisation
- **Acknowledge:** and understand fraud risks, and commit support and resource to tackling fraud
- **Prevent:** and detect more fraud through use of information and technology, enhancing fraud controls and processes and developing a more effective anti-fraud culture
- **Pursue:** Punish fraudsters and recover losses through use of civil sanctions, developing investigation capability and capacity and a collaborative and supportive local enforcement response.

Themes:

- **Culture:** create a culture where fraud and corruption are unacceptable
- **Capability:** assessing the full range of fraud risks and ensuring the range of counter fraud measures deployed is appropriate
- **Capacity:** deploying the right level of resources to deal with the level of fraud risk, monitored by those charged with governance
- **Competence:** having the right skills and standards commensurate with the range of counter fraud and corruption activity
- **Communication:** raising awareness internally and externally, deterring fraudsters, sharing information, celebrating success
- **Collaboration:** work together across internal and external boundaries: with colleagues, other local authorities, other agencies; sharing resources, skills and learning, good practice and innovation, and information

3.1.4 The *Fighting Fraud and Corruption Locally - Strategy for the 2020's* (FFCL) makes a series of recommendations for Local Authorities to develop and enhance their counter fraud response. These recommendations and the Council's position is identified in Appendix 1.

3.1.5. **National Fraud Initiative (NFI):**

The NFI, run by the Cabinet Office, is an exercise which matches electronic data within and between public and private sector bodies to prevent and detect fraud. The Council continues to participate in this exercise – data has recently been submitted for the 2025/26 Single Person Discount matching exercise, and consideration is being given to optional additional matching for this data set. *See also para 3.5 below - Data Matching and Analysis.*

3.1.6. **Economic Crime and Corporate Transparency Act 2023 (ECCTA) – Offence of Failure to Prevent Fraud**

The ECCTA introduced reforms to tackle economic crime and improve transparency over corporate entities. The Act also introduced a Failure to Prevent Fraud Offence, effective from 1st September 2025. The related guidance set out key considerations for the development of fraud prevention principles which are reasonably aligned to those identified in guidance for the Bribery Act 2010 (which also requires organisations to take steps to prevent bribery), Management Board have been briefed on requirements relating to the Failure to Prevent Fraud offence. The principles are:

- **Top Level commitment** – foster a culture in which fraud is never acceptable
- **Risk assessment** – assess the nature and extent of exposure to fraud (assessment is of inherent risks)
- **Proportionate risk-based procedures** – proportionate to the fraud risks and the nature, scale and complexity of activities
- **Due diligence** – of people who perform services for or on behalf of the Council
- **Communication (including training)** – communication of prevention policies and procedures, and training
- **Monitoring and review** – including learning from investigations and whistleblowing incidents

3.1.7. **Public Authorities (Fraud, Error and Recovery) Act 2025**

This Act received Royal Assent on 2nd December 2025. It makes provisions to safeguard public money by reducing public sector fraud, error and debt by including powers to identify, prevent and deter public sector fraud and error and enable better recovery of money. The Act provides additional powers to the Public Sector Fraud Authority (PSFA) which is currently consulting on a new Code of Practice for the administration of Civil Penalty Powers, and the Department for Work and Pensions which is currently consulting on Codes of Practice for Eligibility Verification and for Information Gathering.

3.2 Public Sector Fraud Risks

3.2.1 The following identifies some fraud risks affecting the public sector. This list is not exhaustive:

- **Insider Threat - Internal fraud / recruitment fraud / employment fraud** – misrepresentation on job applications or false documentation submitted at recruitment, placement to gain access to confidential / sensitive data, modern slavery, polygamous working / working elsewhere whilst claiming sick leave, abuse of position, diverting monies to a personal account, conflict of interest, failure to declare convictions, false declarations, failure to follow process, false timesheets and expense claims, abuse of flexitime or annual leave, misuse of equipment, theft of Council cash stocks or assets, bribery and corruption, theft of information
- **Procurement** – tendering issues, split contracts, ghost contractors, double invoicing, bid rigging and cartels, bribery, collusion between officers and contractors, violation of procedures, failure to supply, inflation of performance information
- **Contracts & Supply Chains, Payments & creditors** – misuse of credit/procurement cards, false invoices and claims, duplicate payments, product substitution, kickbacks & bribery, data manipulation, collusion, mandate fraud (attempts to divert payments by impersonating suppliers) and whaling (impersonating senior Council staff), Modern Slavery, false VAT claims, impersonation of legitimate businesses, sanction violations
- **Cyber dependent crime and cyber enabled fraud** – range of fraud such as ransomware, malware, phishing (use of scam emails text messages or phones calls to try to obtain personal information or visit a website), whaling (phishing targeting high ranking officials, also known as CEO fraud), hacking, and denial of service attacks, diversion of funds (including mandate fraud), or creation of false applications for services and payments
- **Social care fraud (personal budgets and direct payments)** – overstatement of needs through false declaration, multiple claims across authorities, third party abuse by carer, family or organisation, and posthumous continuation of claims
- **Benefits / Council Tax Support** – false applications, documents or ID, failure to notify changes.
- **Right to Buy** – fraudulent applications under the right to buy / acquire.
- **Money Laundering** – exposure to suspect transactions (using the Council to hide improper transactions) link to organised crime.
- **Commissioning of services** – (including joint commissioning, joint ventures, commercial services, third sector partnerships) – conflicts of interest, collusion.
- **Tenancy** – fraudulent applications for housing or successions of tenancy and right to buy, or sub-letting of the property.
- **Payroll** – false (ghost) employees, overtime claims, expenses.
- **Identity Fraud** – false identity / fictitious persons applying for services / payments.
- **Council Tax** – fraudulent applications for Council Tax Support, discounts & exemptions, new properties not on list (e.g. built without planning permission).
- **Business Rates** – fraudulent applications for exemptions, reliefs and grants, failure to declare occupation or register business where rates are applicable, payment using false bank details.

- **Credit income and refunds** – (Council Tax / NDR/Rents) suppression of notification of debt, improper write off, failure to instigate recovery protocols, transferring arrears, manipulating credit balances, payment using false instrument then claiming refund.
- **Blue Badge** – use of counterfeit / altered badges, use when disabled person is not in the vehicle, use of a deceased person's Blue Badge, badges issued to institutions being misused by employees.
- **Grants** – fake application, collusion, misuse of funds, work not carried out, funds diverted, ineligibility not declared.
- **Insurance fraud** – false or exaggerated claims including slips and trips.
- **Disabled Facilities Grants** – fraudulent applications for adaptations to homes aimed at the disabled.
- **Concessionary Travel schemes** – use of concession by ineligible person.
- **No recourse to public funds** – (S115 of the Immigration & Asylum Act 1999 states a person has no recourse to public funds if they are subject to immigration control) - fraudulent claims of eligibility.
- **Partnerships between Local Authorities and businesses** – Procurement fraud, grant fraud. Consider governance and procedures for allocating / prioritising grants
- **Immigration** – sham marriages, false entitlement to services and payments
- **Assets** – land and property (sell for less than market value, collusion e.g. planning, leases and covenants), theft such as IT equipment, vehicles and tools, disposal of assets no longer required
- **Investment** – misappropriation, loss through procedure breach, false instruments
- **Electoral fraud** – fraudulent voting, acts by presiding officers / clerks / postal vote staff / verification and count staff. Fraudulent application for individual registration, absent voter, and staff employed as canvassers
- **Development management** – inducements, conflict of interest, areas where checking compliance, planning process to increase land value
- **Housing** – fraudulent or false application, fraudulent succession or assignment, unlawful sub-letting, not using property as main home, Right to Buy (fraudulent application, valuation etc.)
- **Payment by Results / Activity Related Payment** – over inflated statements of activity such as for contracts or key performance indicator monitoring
- **Pension fund** – continued payments to deceased pension fund members

3.3 Corporate Counter Fraud Arrangements

- 3.3.1 The Council has a Counter Fraud Strategy which states the Council is determined that the culture and tone of the organisation is one of openness, honesty and opposition for theft, fraud, corruption and bribery, and that there is an expectation and requirement that Council Members, Chief Officers and staff at all levels will lead by example in these matters and that all individuals and organisations associated with the Council will recognise this strategy and

associated policies. This strategy is due for review, although these principles remain appropriate.

3.3.2 The Council has adopted a corporate anti-fraud framework including Codes and Policies which underpin this strategy and exist to protect the Council against loss and reputational damage arising from theft, fraud, corruption or bribery. The approach includes:

- An established Governance and Audit Committee whose remit includes monitoring the effectiveness of counter fraud and corruption arrangements
- Adopted Codes of Conduct for Members and Officers
- The Constitution, including Financial Procedure Rules and procedures relating to Contracts and Procurement
- Dedicated and qualified Audit and Fraud staff whose roles include detection, prevention and sanctioning of fraud
- Participation in data matching exercises to increase opportunity for detection of fraud. These include the National Fraud Initiative (NFI), the Pan Essex Compliance and Counter Fraud Scheme, and LoCTA (Locating Council Tax Absconders), all of which provide access to data and matches across a range of data sets
- Reviews of fraud risks and approaches

3.4 Council Fraud Investigation

3.4.1 The Council's Fraud Investigator, employed within the Audit Insurance and Fraud Team, conducts investigations into alleged or suspected fraud, liaising with other services or organisations as appropriate. He is experienced and professionally qualified to conduct investigations, and ensures appropriate cases are sanctioned in accordance with the Council's Prosecution Policy. In addition to the investigation activity, he has developed Fraud related policies and arranged training for relevant staff within the organisation.

3.4.2 The main emphasis of the Fraud Investigator's work has been on Council Tax Support and Single Person Discount, although investigations have also been conducted in other areas such as Housing applications.

3.4.3 Housing Benefit fraud is the responsibility of the Department for Work and Pensions (DWP) Single Fraud Investigation Service. The Council has a formal protocol with the DWP for the exchange of information relating to Benefit Fraud investigations and will invite joint working on relevant investigations where the opportunity arises. The DWP has increased engagement for joint working cases (one recent joint working case resulted in a prison term for the offender). The Fraud Investigator continues to work with other Council Services and external organisations as required to address other fraud risk areas.

3.4.4 The Council's Fraud Investigator has identified the following:

<i>Cases closed includes cases raised in prior years</i>	Cases closed in 2021/22	Cases closed in 2022/23	Cases closed in 2023/24	Cases closed in 2024/25	Cases closed in 2025/26 (to 30/11/2025)
New Cases - Files opened (HB, LCTS, SPD)	287 (includes 140 NFI cases)	292 (includes 171 NFI cases)	322 (includes 198 NFI cases)	118 (includes 10 NFI cases from new match results)	61
Housing Benefit Overpayments	£84,387	£171,206	£92,987	£134,288	£99,426
Council tax Support Overpayments	£27,050	£35,029	£48,901	£67,347	£28,374
Single Person Discount Overpayments	£10,568	£6,880	£1,163	£1,1871	£3,952
Single Person Discount Overpayments identified through NFI* Data Matching	£10,398	£23,223	£16,820	£3,403	£1,788
Social Housing Fraud (by year case opened)	-	1 case - fraud proven	- 2 fraud proven (includes 1 caution) - 3 no further action	-	- 1 case no further action - 2 are in progress

**NFI - National Fraud Initiative. The main NFI National data matching exercises are conducted every two years but with periodic releases of additional matches, and additional SPD matching is conducted in the intervening years. Data has recently been uploaded for the 2025/26 SPD data matching exercise.*

3.5 Data Matching and Analysis

3.5.1 The National Fraud Initiative (NFI) is a data matching exercise conducted by the Cabinet Office under Data Matching Powers set out in the Local Accountability and Audit Act 2014. Certain bodies, including Local Authorities, are required to participate through the provision of data for matching purposes, NFI matches electronic data within and between public and private sector bodies to help prevent and detect fraud. The Council participates in all mandatory elements of the NFI data matching and results are reviewed by Audit and Fraud staff.

3.5.2. Along with other Essex Authorities, the Council participates in the Pan Essex Compliance and Counter Fraud Scheme which performs monthly data matching of a number of data sets from Local Authorities, the results are

reviewed by Revenues and Benefits staff. Pan Essex for Revenues and Benefits has saved £15,959.02 (to the end of November 2025).

3.5.3. The Council engages a company to undertake reviews of Small Business Rate Relief. To the end of November 2025, savings of £7,916 have been identified for Small Business Rate Relief.

3.5.4. The Council also subscribes to LoCTA, a Local Authority based data sharing system for tracing debtors and minimising fraud with integrated access to other data sets (such as Companies House and Land Registry).

3.6 Corporate Enforcement Group

3.6.1. A corporate Enforcement Group has been formed to coordinate the overall approach to enforcement including through a review of procedures, standardised forms, case investigation, court preparation and file handling.

3.7 Grant Applications

3.7.1 The Council administers a range of Grants, typically for each grant scheme, staff conduct a range of checks on applications to ensure eligibility criteria are met prior to payments being made.

3.8 Corporate Policies and Procedures

3.8.1 The Council currently has the following Fraud related strategies, policies and procedures. Some of these require updating, the Audit Insurance & Fraud Manager will coordinate the review of these documents:

- **Counter Fraud Strategy** – summarises the Council’s approach to delivering counter fraud measures throughout the Council, and **Fraud, Corruption and Dishonesty Policy** – defines fraud, corruption, and dishonesty, and includes the Code of Conduct for Employees, the Code of Practice for Councillors and Officers Engaged in the Determination of Planning Applications and summarises expectations.
 - *Consultation is currently in progress in respect of a revised policy combining key elements of the above, and separately for a Gifts Hospitality and Conflicts of Interest policy. The revised policies will be presented to a future meeting of the Governance and Audit Committee*
- **Anti-Money Laundering Policy & Guidance** (updated April 2022) – identifies Council and staff responsibilities under Money Laundering Regulations, and protocols for record keeping and reporting.
- **Prosecution Policy** – defines considerations for the prosecution of Local Council Tax Support and other fraud. *This policy is being reviewed.*
- **The Regulation of Investigatory Powers Act 2000 (RIPA) & the Investigatory Powers Act 2016 (IPA) Policy** (last updated September 2024) – defines key staff contacts and outlines requirements for compliance with RIPA and IPA.

- **Use of Social Networking Sites for Investigations** (approved by the Corporate Governance Group in January 2021) – clarifies the legitimate uses of social media to prevent misuse and the circumstances in which such activity becomes targeted or covert surveillance.

3.8.2 In addition, the Council has a range of Policies and Procedures which support development of controls and approaches contributing to the prevention and detection of fraud, including the following:

- Whistleblowing Policy – defines whistleblowing, encourages reporting of wrongdoing, defines protocols for reporting and lists key officer contacts (updated January 2024)
- Risk Management Policy and Strategy (updated August 2023) – defines responsibility and protocols for corporate risk management.
- The Constitution (last updated July 2025) – defines how the Council operates, how decisions are made, and the procedures followed to ensure these are efficient, transparent and accountable to local people.
- Local Code of Corporate Governance (last updated July 2025 in conjunction with the Annual Governance Statement) – defines the systems and processes, culture and values by which the Council is controlled.
- Code of Conduct for Members, including Gifts and Hospitality (within the Constitution) – defines obligations and protocols which if followed ensure that Member actions are consistent with the “Nolan Principles” and interests are disclosed.
- Standards of Conduct for Staff, including Gifts and Hospitality (currently within the Fraud Corruption & Dishonesty Policy) – promotes high standards of behaviour and conduct including avoidance of conflicts of interest and separation of roles during tendering.
- Disciplinary Procedures (January 2022) – provides guidance on how managers will treat cases of unsatisfactory conduct.
- Staff Declarations of Conflicts of Interest – form for enabling staff to report conflicts.
- IT Security Policy and ICT Codes of Practice – specifies how the Council will apply information security.
- Recruitment Policies – includes requirements for ensuring a fair recruitment and selection process, and the pre-employment checks conducted by HR and recruiting managers.

3.9. Gifts, Hospitality and Interests

3.9.1 The Council has protocols for both Members and staff concerning the declaration of gifts, hospitality, and interests. Member information is published on the Council website. Officers are required to submit declarations for review by their line manager, the information submitted is also available to Internal Audit.

3.10. Corporate Fraud Training

3.10.1 The Council provided the following training for staff to support them to prevent and detect fraud

- **Regulation of Investigatory Powers Act (RIPA) Applications and Authorisation** – March 2022. 11 staff attended training which included legislative requirements for surveillance, including tests for necessity and proportionality, and the application process. Further training is expected to be arranged in 2025.
- **Verification of Identity Documents** – April 2022. The training introduced the offence of failure to prevent fraud and provided guidance on how to verify ID documents digitally and was attended by a wide range of staff. It was arranged as a follow up to the **Document Awareness** training provided in October 2019 (which covered the features to examine to verify the legitimacy of identity documents (such as driving licences and passports. In addition, Housing staff are engaging with other Local Authorities and Housing Associations in respect of Digital verification of ID.
- **Authorised Officer** – Under Regulation 3 of the Council Tax Reduction Schemes (Detection of Fraud and Enforcement (England) Regulations (S1 501) 2013, the Secretary of State may authorise an officer of a Local Authority to exercise powers obtain information from certain people. The Fraud Officer is an Authorised Officer and attended a training session in November 2022 to receive an update on the scope and application of Authorised Officer powers, ensuring actions in investigations are justified and the Council continues to act lawfully
- **General – Fraud Alerts** – Audit staff receive and distribute as appropriate, fraud alerts from organisations such as the National Anti-Fraud Network (NAFN), which share relevant information on fraud experienced by member organisations, and identify key factors to look out for, for example relating to payment or salary mandate fraud, and grants fraud. These alerts are shared with relevant colleagues and services.
- **General – Audit and Fraud staff** – the service receives updates on fraud related matters through membership of professional groups (including the Eastern Counter Fraud Group, and Essex Audit Group) and publications. Alerts and guidance are also received from the National Anti-Fraud Network (NAFN) and shared with relevant services.
- **General - Learning Hive** – The Council's E-Learning system now includes an expanded range of modules including Information Security, Cyber Crime, Cyber Security, Anti Bribery and Corruption, Anti Money Laundering, Competition Law, Fraud Awareness, Fraud Prevention,

Bribery Act 2010, Whistleblowing With Confidence, County Lines, and the Regulation of Investigatory Powers Act 2000.

4. Corporate Objectives

- 4.1 The recommendations set out in this report will help the Council to deliver the following Corporate Objectives:
- The approach to preventing, detecting and dealing with fraud generally supports the Council across all Corporate Objectives, but is more directly relevant to the following objective:
 - Fit for the Future – ensuring our Council is fit for the future through our transformation programme

5. Options

- 5.1 To receive and ask questions as appropriate on the Council's arrangements for dealing with fraud risks.

6. Financial Implications

- 6.1 There are no financial implications arising from the recommendations set out in this report

7. Legal Implications

- 7.1 There are no additional legal implications arising from this report.

8. Local Government Reorganisation (LGR) – Implications

- 8.1 There are no LGR implications arising from this report. A new Unitary Authority would need to determine a structure and mechanisms for fraud resilience as part of the overall governance framework.

9. Other Implications

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

10. Equality and Diversity Implications

- 10.1 Section 149 of the Equality Act 2010 creates the public sector equality duty which requires that when the Council makes decisions it must have regard to the need to:
- (a) Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Act;
 - (b) Advance equality of opportunity between people who share a protected characteristic and those who do not; and
 - (c) Foster good relations between people who share a protected characteristic and those who do not including tackling prejudice and promoting understanding.

- 10.2 The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation. The Act states that 'marriage and civil partnership' is not a relevant protected characteristic for (b) or (c) although it is relevant for (a).
- 10.3 The proposals in this report will not have a disproportionately adverse impact on any people with a particular characteristic.

11. List of Appendices

- 11.1 Appendix 1 – Fighting Fraud and Corruption Locally Strategy for the 2020's – Recommendations.

12. Background Papers

- 12.1 None.

The *Fighting Fraud and Corruption Locally - Strategy for the 2020's* (FFCL) makes the following recommendations for local response:

FFCL Strategy Recommendation	Braintree District Council Position
<i>What should senior stakeholders do:</i>	
<p>Chief Executive:</p> <ol style="list-style-type: none"> 1. Ensure your authority is measuring itself against the FFCL checklist. 2. Is there a trained counter fraud resource in your organisation, or do you have access to one? 3. Is the audit committee receiving regular reports on the work of those leading on fraud and is the external auditor aware of this? 	<p>Checklist response reported to Governance and Audit committee (GAC) Fraud Officer and Fraud Manager are qualified and experienced.</p> <p>Annual Fraud Update report to Governance and Audit committee</p>
<p>S151 Officer</p> <ol style="list-style-type: none"> 1. Is there a portfolio holder who has fraud within their remit. 2. Is the head of audit or counter fraud assessing resources and capability. 3. Do they have sufficient internal unfettered access. 4. Do they produce a report on activity, success and future plans and are they measured on this 	<p>Cllr Bowers is the Cabinet Member for Finance, Resources and Performance. Fraud is not specifically listed but would fall within his remit.</p> <p>Fraud update report to GAC considers general fraud risks and Council's corporate actions to mitigate them. The Constitution places general responsibility on Members and Officers to prevent and detect fraud and corruption and report any instances. The Fraud Manager and Officer respond to suspected fraud.</p> <p>The Audit & Fraud Manager's unfettered access is recognised in the Constitution and Internal Audit Charter.</p> <p>Fraud activity and developments are provided in the annual Fraud update report to GAC</p>
<p>Monitoring Officer</p> <ol style="list-style-type: none"> 1. Are Members, audit committees and portfolio leads aware of counter fraud activity and is training available to them 2. Is the fraud team independent of process and does it produce reports to relevant committees that are scrutinised by Members 	<p>Fraud update report to GAC advises of fraud activity. Formal audit committee training has not included fraud; however, the Audit Committee Chair and Vice have been provided with CIPFA guidance detailing the Member role in fraud and corruption. Formal training options to be considered.</p> <p>The Fraud Officer's focus is on investigation and sanction, neither he nor the Fraud Manager are involved in day-to-day processing</p>

<p>Audit Committee</p> <ol style="list-style-type: none"> 1. Should receive a report at least once a year on the counter fraud activity, including proactive and reactive work. 2. Receive a report from the fraud lead on how resource is being allocated, whether it covers all areas of fraud and where those fraud risks are measured. 3. Should be aware that the portfolio holder is up to date and understands the activity being undertaken to counter fraud. 4. Should support proactive counter fraud activity. 5. Should challenge activity, be aware of what counter fraud activity can comprise and link with the various national reviews of public audit and accountability 	<p>Annual report to GAC includes update on preventative and detective controls (such as data matching) and sanction activity. Annual GAC report identifies the Council has one Fraud Officer however other teams contribute to the detection of fraud.</p> <p>GAC informed via Fraud update report that portfolio holder is briefed.</p> <p>GAC receives reports on and reviews the Council’s counter fraud activity. Through review and challenge of fraud update reports to GAC which identify activity and national perspectives on fraud.</p>
<p>Portfolio Lead</p> <ol style="list-style-type: none"> 1. Receives a regular report that includes information, progress and barriers on – the assessment against the FFCL checklist Fraud risk assessment and horizon scanning. 	<p>The Head of Finance receives a monthly update from the Audit Insurance & Fraud Manager which is referenced in his monthly Service Report and briefing to the portfolio holder.</p>
FFCL 2020 Checklist:	
<ol style="list-style-type: none"> 1. The LA has made a proper assessment of its fraud and corruption risks, has an action plan to deal with them and regularly reports to its senior Board and its Members 	<p>General fraud risks are identified in the report to GAC, and managers are being notified of the requirement to assess fraud risks. The Fraud Manager considers fraud risks when preparing the Internal Audit Plan, the plan, and outcomes of audits performed are reported to senior management</p>
<ol style="list-style-type: none"> 2. The LA has undertaken a fraud risk assessment against the risks and horizon scanning of future potential fraud and corruption risks, the assessment includes an understanding of the harm that fraud may do in the community. 	<p>As above. Potential fraud risks and trends are reviewed in the course of preparing the annual Fraud Update report for GAC, and in developing the Internal Audit Plan. These do not directly refer to the harm to the community arising from fraud.</p>
<ol style="list-style-type: none"> 3. An annual report to the audit committee provides an assessment against FFCL 2020 and this checklist 	<p>Fraud Update report to GAC February 2025 and January 2026</p>
<ol style="list-style-type: none"> 4. Portfolio holder briefed on fraud risks and mitigation 	<p>Monthly briefing by Head of Finance to portfolio holder includes fraud related matters</p>
<ol style="list-style-type: none"> 5. Audit committee supports counter fraud work and challenges the level of activity 	<p>GAC considers annual report on risks and arrangements relating to fraud</p>

to ensure it is appropriate in terms of fraud risks and resources	
6. There is a counter fraud and corruption strategy applying to all aspects of Council business, which has been communicated across the authority and acknowledged by those charged with governance	Counter Fraud Strategy exists and is in the process of being reviewed
7. The LA has arrangements to promote and ensure probity in the conduct of its business	The Council has a range of internal controls, governance and oversight arrangements (including Statutory Officers), and policies and procedures including: financial and procurement procedure rules, codes of conduct, whistleblowing arrangements, Anti-Money Laundering policy, counter fraud strategy, fraud corruption and dishonesty policy, and Information Security policies.
8. The risks of fraud and corruption are specifically considered in the authority's overall risk management process	Fraud risks are referenced in the Risk Management policy (in connection with the identification of risks) but are not otherwise specifically considered. Briefing provided to Management Board on the requirements of the Failure to prevent offences and the need for assessment of fraud risks
9. Counter fraud staff are consulted to fraud proof new policies, strategies and initiatives across departments, and this is reported to the committee	The Fraud Manager and Fraud Officer are consulted on an ad hoc basis about policy content but do not have capacity to review all new Council policies strategies and initiatives. Management involved in the same should consider fraud risks.
10. Successful cases of proven fraud / corruption are routinely publicised to raise awareness	Successful benefit fraud prosecutions are publicised on the Council's website
11. The LA has arrangements to prevent and detect fraud and corruption, and a mechanism for ensuring this is effective and reported to committee	Prevention includes a range of internal controls, governance and policies and procedures (as in Q7 above), data sharing, circulation of fraud alerts to relevant services and publication of prosecutions to discourage fraud. Detection includes encouraging public reporting of concerns, and data matching
12. The LA has in place arrangements for monitoring compliance with standards of conduct across the authority covering: <ul style="list-style-type: none"> - Codes of conduct including behaviour for counter fraud, anti-bribery and corruption 	Monitoring compliance includes through oversight by management and other functions (such as Finance, HR, ICT), disciplinary procedures, and whistleblowing arrangements. The Council has Codes of Conduct (for staff and Members), policies, and

<ul style="list-style-type: none"> - Register of interests - Register of gifts and hospitality 	arrangements for reporting conflicts of interests and gifts and hospitality
13. The LA undertakes recruitment vetting of staff prior to employment by risk assessing posts and undertaking checks recommended in FFCL 2020 to prevent potentially dishonest employees from being appointed. <i>(FFCL 2020 refers to use of technology to establish identity, check documents and cross check records)</i>	Council pre-employment checks are conducted, including for references, eligibility to work in the UK (using the Government online checker and physical check of original documents), qualifications and professional membership
14. Members and staff are aware of the need to make appropriate disclosures of gifts, hospitality and business, this is checked by auditors and reported to committee	Procedures and declaration processes for gifts and hospitality and interests, for both Members and officers. The Monitoring Officer reviews and advises on Member declarations. The officer Code of Conduct requires Directors to maintain registers of gifts and hospitality, and declarations made via online reporting are available to the audit team to view.
15. There is a programme of work to ensure a strong counter fraud culture across all departments and delivery agents led by counter fraud experts	Fraud advice including National Anti-Fraud Network alerts are ad hoc. Services are expected to maintain awareness of fraud risks relevant to their areas and to promote a counter fraud culture within their teams
16. There is an independent and up to date whistleblowing policy which is monitored for take-up and can show suspicions have been acted upon	The Council has a Whistleblowing policy which is also referenced in other fraud policies.
17. Contractors and third parties sign up to the whistleblowing policy and there is evidence of this. There should be no discrimination against whistleblowers	Standard contract terms and conditions require contractors to be familiar with and comply with contract standing orders, procurement procedure rules, counter fraud strategy, fraud corruption and dishonesty policy, and whistleblowing policy. The Whistleblowing policy states the Council will not tolerate any attempt to apply any sanction or detriment to any person reporting concerns in good faith
18. Fraud resources are assessed proportionately to the risk the LA faces and are adequately resourced.	The Council has one dedicated Fraud Officer, supported by the Audit Insurance and Fraud Manager and team. This level of dedicated resource relies on services' own awareness of fraud risks and mitigation. Information on fraud alerts is circulated to relevant teams

<p>19. There is an annual fraud plan which is agreed by committee and reflects resources mapped to risks and arrangements for reporting outcomes. This plan covers all areas of the Council's business including activities undertaken by third parties or voluntary sector activities</p>	<p>The Fraud Officer work is overall reactive to concerns reported to him by colleagues, other Council services or members of the public, or identified through data matching.</p>
<p>20. Statistics are kept and reported by the fraud team which cover all areas of activity and outcomes</p>	<p>Fraud statistics are included in monthly performance reports, of which a summary is provided to the portfolio holder</p>
<p>21. Fraud officers have unfettered access to premises and documents for the purpose of counter fraud investigation</p>	<p>The Fraud Officer responds mainly to external fraud and is able to access information needed. Internal Audit respond to internal matters, the right of access is identified in the Constitution and the Internal Audit Charter.</p>
<p>22. There is a programme to publicise fraud and corruption cases internally and externally which is positive and endorsed by the Council's communications team</p>	<p>Details of fraud prosecutions are published on the Council's website, and outcomes of fraud investigations are shared with the staff / team which referred them</p>
<p>23. All allegations of fraud and corruption are risk assessed</p>	<p>Allegations are subject to initial high-level review to establish if investigation is warranted, before proceeding to more detailed work</p>
<p>24. The fraud and corruption response plan covers all areas of counter fraud work: prevention, detection, investigation, sanctions, redress</p>	<p>The Council's Counter Fraud Strategy covers these areas (this strategy is currently being reviewed and combined with the counter fraud corruption and dishonesty policy)</p>
<p>25. The fraud response plan is linked to the audit plan and is communicated to senior management and members</p>	<p>The Counter Fraud Strategy references the role of Internal Audit. The Audit Manager considers fraud risks in developing the Internal Audit Plan, senior management are consulted during the development of the Internal Audit Plan, and the Plan is presented to GAC.</p>
<p>26. Asset recovery and civil recovery are considered in all cases</p>	<p>Where relevant, debts are raised and pursued through normal recovery routes. Significant cases generally also involve Housing Benefit, for which the DWP is invited to participate in joint working (the DWP employs Financial Investigators).</p>
<p>27. There is a zero tolerance approach to fraud and corruption that is defined and monitored, and which is always reported to committee</p>	<p>The Council's Counter Fraud Strategy states "We will investigate and seek the strongest possible sanctions against those who seek to defraud or steal from the Council. This includes our own Members, officers, contracting partners</p>

	and external individuals and organisations the Council does business with”.
28. There is a programme of proactive counter fraud work which covers risks identified in assessment	<p>The Council participates in the National Fraud Initiative data matching exercise which has expanded to cover a wide range of fraud risks.</p> <p>Fraud risks areas are included in the Internal Audit Plan:</p> <ul style="list-style-type: none"> - 2023/24 Internal Audit Plan included a review of fraud risks associated with strategic projects / asset management, and payments - 2024/25 Internal Audit Plan included reviews of fraud risks associated with Payments and Procurement, grant funding due diligence, checks on Council Tax Support, and compliance with declarations of interest requirements) - 2025/26 Internal Audit Plan included reviews of fraud risks associated with disposal of assets, a spot check of the Cash Office, and a review of protocols for ID document verification. Work is also being conducted to review arrangements for declarations of interest <p>Otherwise fraud work is reactive.</p>
29. The counter fraud team works jointly with other enforcement agencies and encourages a corporate approach and co-location of enforcement activity	The Fraud Officer works with other Local Authorities and other agencies such as the DWP where appropriate.
30. The LA shares data across its own departments and between other enforcement agencies	Council departments work together to share relevant information, matters relevant to DWP benefits are notified to the DWP, and the Council participates in data matching such as through the National Fraud Initiative (NFI) data matching exercise.
31. Prevention measures and projects are undertaken using data analytics where possible	The Council participates in the NFI and other data matching exercises and checks.
32. The counter fraud team has registered with the Knowledge Hub so it has access to directories and other tools	The Fraud Manager has registered with the Knowledge Hub
33. The counter fraud team has access to the FFCL regional network	Council staff engage with the Eastern Counter Fraud Group, and a Cabinet Office based Fraud Group.

<p>34. There are professionally trained and accredited staff for counter fraud work. If auditors undertake counter fraud work they too must be trained in this area</p>	<p>The Fraud Officer and Fraud Manager are qualified and experienced. Auditors are not required to have the same level of fraud knowledge as a Fraud Investigator but are appropriately trained and encouraged in continuous development of their understanding of fraud risks</p>
<p>35. The counter fraud team has adequate knowledge in all areas of the LA or is trained in these areas</p>	<p>The Fraud Officer and Fraud Manager have long service in Local Government, they are sufficiently familiar with Council functions and have good working relationships with service experts</p>
<p>36. The counter fraud team has access (through partnership/other LA's/or funds to buy in) to specialist staff for surveillance, computer forensics, asset recovery, financial investigations</p>	<p>The Fraud Officer and Fraud Manager have contact with other Local Authorities and organisations through which specialist services may be arranged</p>
<p>37. Weaknesses revealed by instances of proven fraud and corruption are scrutinised carefully and fed back to departments to fraud proof systems</p>	<p>External fraud is often identified through existing controls and checks. Internal matters are subject to investigation, and where appropriate the Internal Audit team will collaborate with services to identify improvements to controls and governance arrangements.</p>

Report Title: Strategic Risk Register	
Report to: Governance and Audit Committee	
Date: 14 th January 2026	For: Decision
Key Decision: No	Decision Planner Ref No: N/A
Report Presented by: Phil Myers, Head of Finance	
Enquiries to: Phil Myers, Head of Finance phil.myers@braintree.gov.uk	

1. Purpose of the Report

- 1.1 The report provides detail of the review and update of the Council's Strategic Risk Register as agreed by Cabinet at its meeting on 27th November 2025.

2. Recommendations

- 2.1 Members are asked to note and endorse the Strategic Risk Register as set out in Appendix 1.

3. Summary of Issues

- 3.1 The Strategic Risk Register details the significant risks which have the potential to impact on delivery of the Corporate Strategy over the medium term.

- 3.2 The Strategic Risk Register forms a key part of the Council's overall approach to risk management, which also includes:

- Operational (service) risk registers
- Risk registers for major projects
- Business continuity planning; and
- Emergency planning

- 3.3 Strategic Risks were reviewed in accordance with the current Risk Management Policy and Strategy and are detailed in Appendix 1.

- 3.4 Each risk is assessed initially at the Inherent (uncontrolled) state and reassessed taking into account the controls that have been put in place, giving a residual risk score. Ten of the twelve risks remain above the Risk Tolerance Line and therefore require active risk management. The supporting narrative has been updated to reflect the most recent risk mitigation activity. The Register identifies current controls and additional actions to mitigate risks.

3.5 The Medium Term Financial Strategy and Financial Resilience risk (Risk 1) has an increase in residual score due to the Government's commitment to progress a review of the funding system and full reset of business rate retention ahead of the Local Government Finance Settlement for 2026-27.

3.6 The recommendations set out in this report support the Council to maintain robust risk management arrangements across the delivery of its Corporate Strategy and to ensure the organisation remains fit for the future.

4. Consultation

4.1 The Register was reviewed and updated by Senior Managers and Management Board prior to a Member Development Evening held on 8th September 2025, which provided an opportunity for all Members to participate in a review and discussion of the strategic risks. The updated Strategic Risk Register was approved by Cabinet on 27th November 2025.

5. Options

5.1 The report invites Members of the Governance and Audit Committee to review the updated Strategic Risk Register as approved by the Cabinet. The Committee may suggest amendments or seek further clarification on specific risks.

6. Financial Implications

6.1 There are no new financial implications arising from this report.

7. Legal Implications

7.1 There are no new legal implications arising from this report.

8. Local Government Reorganisation Implications

8.1 Member and Senior Management risk owners continue to review and plan for Local Government Reorganisation (LGR). The Strategic Risk Register references identified implications of LGR on achievement of the Council's existing Corporate Priorities and Strategic Risks, and this will be further developed as matters progress, and more information becomes available.

9. Equality and Diversity Implications

9.1 The Council's processes and approach to equalities and diversity are well developed and are not regarded as a risk. Where appropriate, each project arising out of the management of a risk will consider an Equality Impact Assessment.

10. List of Appendices

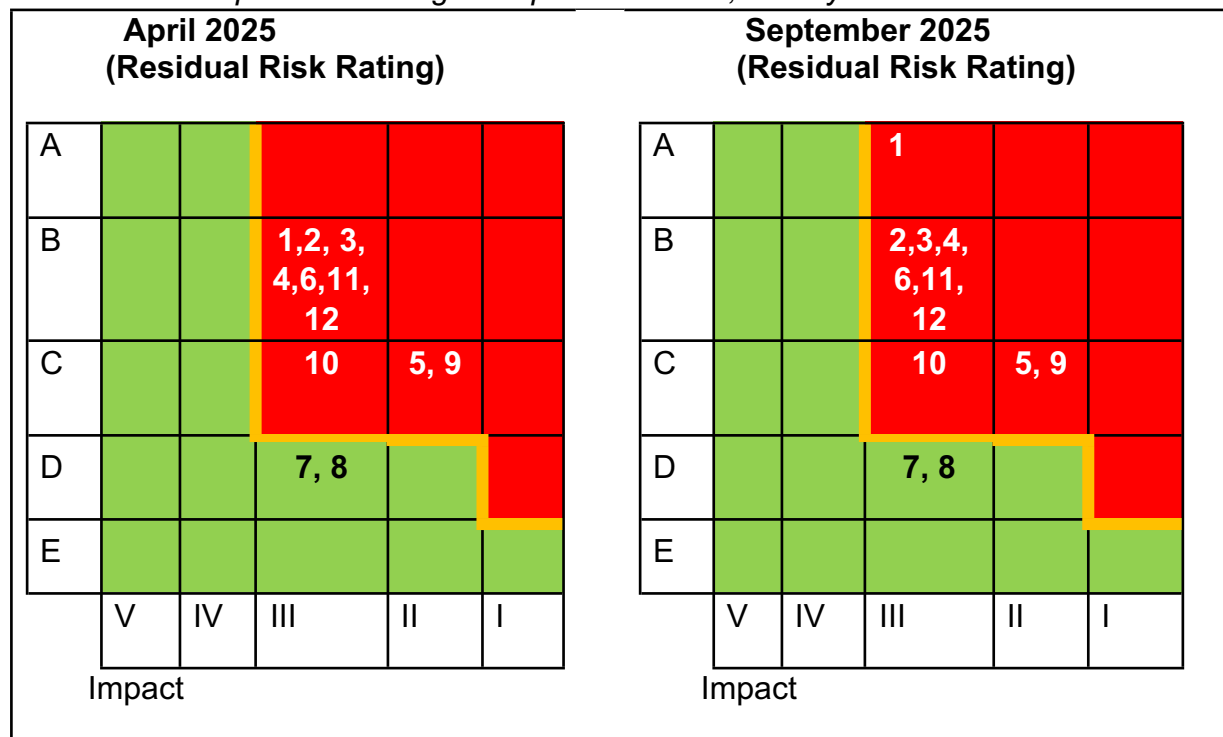
10.1 Appendix 1 – Strategic Risk Register.

11. Background Papers

11.1 None.

STRATEGIC RISK PROFILE

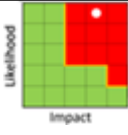
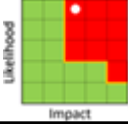

Last Reviewed by Members via Governance & Audit Committee July 2025, at the Member Development Evening in September 2025, and by Cabinet November 2025



Likelihood:	Impact:
A – Very High	I – Catastrophic
B – High	II – Critical
C – Significant	III - Significant
D – Low	IV – Marginal
E – Almost impossible	V – Negligible

- Risk 1: Medium Term Financial Strategy
- Risk 2: Economic Development
- Risk 3: Planning
- Risk 4: Community Resilience
- Risk 5: Service and project Delivery
- Risk 6: Affordable Housing & Homelessness
- Risk 7: Return on Investments
- Risk 8: Emergency Planning
- Risk 9: Information Management & Cyber Security
- Risk 10: Major Capital Programme
- Risk 11: Climate Change
- Risk 12: Landscape Services

RISK APPETITE	DESCRIPTION
Averse	Avoiding risk is key objective – activities undertaken will be only those considered to carry virtually no inherent risk
Cautious	Safe options with low residual risk – accept some risk where potential benefit is significant. Activity may carry higher inherent risk, but this is deemed controllable to a large extent
Innovative	Innovative, options with greater uncertainty. Potential benefit may be higher, but activity carries high residual risk

<p>Risk 1. Medium term Financial Strategy & Financial Resilience</p> <p>The Council is unable to set a balanced budget without impacting significantly on service delivery and performance and have a deliverable financial strategy over the medium term.</p> <p>Risk Owner: Corporate Director (SB) Cabinet Member Owner: Cllr Kevin Bowers</p> <p>Corporate Priorities: A balanced budget is essential to enable delivery of all priorities</p>				
RISK SCORE	Likelihood	Impact	Risk Score	Risk Appetite
Inherent Risk Rating	Very High	Critical		Cautious
Residual Risk Rating	Very High	Significant		
Direction of Travel				
Risk Cause(s)			Risk Consequence(s)	
<p>The Government has begun to release details of the changes they intend to make to the Local Government Funding regime. Whilst at time of writing we cannot state the specific impact on the finances of the Council it is increasingly likely that the approach will impact significantly on district councils that have had large amounts of business rate and housing growth over recent years, both of which apply to BDC.</p> <p>However, actions that we have taken to mitigate this risk which has been anticipated would appear to be working to cushion us from the change in funding allocations. Whilst we expect to lose considerable funding that was previously paid under the New Homes Bonus scheme we have treated this as one-off funding and have not used it to fund base budget expenditure, therefore there will be no requirement to reduce base budgets accordingly. Similarly we have taken a prudent approach to building business rate growth in base budgeting and at time of writing we do not foresee a significant pressure being created by the rebasing of the business rate system.</p> <p>Currently it is unclear how the costs of LGR will be funded and there is a risk that some or all of the costs that are incurred will have to be</p>			<ul style="list-style-type: none"> - Income falls across multiple streams leading to shortfall in budget and ability to fund ongoing services. - Collection rates for Council Tax and Business Rates impacted. Income from business rate affected by rating appeals. - Demand for property and/ or ability of tenants to meet lease obligations for the commercial and other property portfolio - Increased credit loss risk due to non-collection of debt - Assumptions made in the Medium-Term Financial Strategy (MTFS) are found to be incorrect. Pay and other expenditure increases above levels provided in budgets leading to overspends and/ or 	

<p>self-funded, which will require withdrawal from our general fund balances.</p> <p>The timeline of LGR and Local Government Finance Reform means that the Transformation Programme will need to be adapted as plans for change over the medium term will need to either align or not conflict with the requirements of any successor organisation. Financial planning will shift to focus on the period remaining within the legacy organisation with information being fed into the consolidated financial planning for the successor organisation. If the most ambitious timeline of vesting day on 1st April 2028 is in place it is highly unlikely that the structural deficit will be entirely eliminated by that time.</p> <p>Global and/ or UK economic conditions deteriorate as result of geopolitical issues, including trade tariffs, pressure on public sector spending.</p> <p>Funding arrangements with third parties & partners who are experiencing their own financial pressures with the risk to either changes or withdrawal of their level of contributions or an inability to meet contractual obligations.</p> <p>The impact on businesses from the changes in the Autumn Budget 2024, are passported onto customers meaning that cost of service delivery increases.</p> <p>Future capital receipts are subject to demand or decisions on planning or other triggers exercised by third parties.</p> <p>Legislative changes e.g., Waste reforms, planning reforms, Renters Rights Bill</p>	<p>unplanned cuts in services or use of balances</p> <ul style="list-style-type: none"> - Restricted ability to invest for the long-term through capital to either maintain asset base or meet the Councils priorities and aspirations - Unplanned increase in borrowing impacting adversely on the revenue account through higher financing charges - Need to instigate recovery plans at short notice leading to unplanned savings and impact on services - Unplanned use of reserves & balances impacting on resilience & ability to invest reserves as intended - Unable to set balanced budget – Section 151 Officer must issue S114 Notice. Potential trigger for exceptional financial support or other government intervention.
<p>Current Controls:</p>	
<ul style="list-style-type: none"> - Annual rolling review of MTFs updating the current and 3-year horizon. Assumptions are kept under review and sensitivity analysis of key variables. Information on years beyond vesting day of the successor organisation will be fed into the consolidated financial planning work. Current forecast of budget gap has been reduced given work undertaken over the past few years, but this could increase again as a result of LG Finance Reform however mitigations put into place in earlier years have protected us from at least part of the impact - Deep dive review of reserves is well underway and will identify one off sources of funding that will be able to assist the transition to new working practices. In-year budget monitoring and forecasting at regular intervals 	

reported to Management Board and the Cabinet. Review includes progress against achieving savings reflected in budget.

- Previous experience of Corporate Management & Members willing to implement corrective recovery action when necessary to ensure spending is brought into line with Budget.
- Minimum General Fund unallocated balances level set at £3m. Current balances exceed this level and are likely to increase as a result of the review of reserves.
- Earmarked reserves set aside in addition to general balances to help mitigate against specific risks or uncertainties.
- Continued work on the Fit for the Future Transformation programme to focus on deliverable changes ahead of LGR
- Working in partnership with partners across Essex to ensure robust financial planning for successor organisation and working in partnership more widely across the sector to ensure shared learning and best value for residents through the LGR process
- Monitoring financial viability of key contract partners and commercial property tenants.
- Monitoring of the disposal of assets and other capital receipts against planned timescale for receipt of sale proceeds.
- New Homes Bonus and gain share from Business Rate Pooling are currently not being used to support base budget, but instead for one-off investment.
- Development of capital plans in accordance with the Capital Strategy with full financial appraisal and revenue implications. Oversight through a Capital Programme Board.
- Horizon scanning of government announcements concerning Local Government Finance and participate in any consultations

EFFECTIVENESS OF CONTROLS: Completely effective

Additional Actions Required

Corporate Director & Section 151 Officer

- Work with other Essex authorities and Local Government representative bodies to lobby Central Government for an equitable approach to Local Government Finance Reform with appropriate transitional relief for those impacted
- Develop & embed transformation agenda across the Authority linked to achievable targets for savings/ additional income
- Deep dive review of reserves and agree new Reserves Policy

Risk 2. Economic Growth

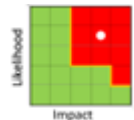
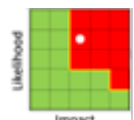

International socio/political and economic disruption continues to impact on the UK national economy, caused by particular situations of inter and intra-national conflict and crisis, including potential international trade disputes, which are impacting on world financial markets and supply chains. The national UK economic landscape itself remains unpredictable with a relatively weak economy suffering from low growth as the economy continues to adjust to the impacts of the UK's exit from the EU and the implications of the new US Presidents approach to international trade tariffs. All of the above factors will continue to impact on the Braintree District economy, potentially impacting on

the competitiveness and viability of some businesses, with downstream impacts on the employment of residents and their quality of life. The role that the council plays in supporting business and residents in relation to the economy could change significantly in the coming year, as the role, responsibility and function of the new Greater Essex County Combined Authority and Mayor become clearer. The Council will therefore need to establish new ways of working alongside these new entities over the coming years.

Risk Owner: Corporate Director (DC)

Cabinet Member Owner: Cllr Frankie Ricci

Link to Corporate Priorities: Prosperity

RISK SCORE	Likelihood	Impact	Risk Score	Risk Appetite
Inherent Risk Rating	High	Critical		Cautious
Residual Risk Rating	High	Significant		
Direction of Travel				
Risk Cause(s)			Risk Consequence(s)	
<p>Slow growth in the national economy and the risk of recession Inflation impacting on the cost of materials and staffing. Energy costs continue to be unstable impacting on businesses operating costs and impacted on profitability. Lack of workforce available with the right skills. Reduced funding from government for the delivery of local economic growth activities.</p>			<ul style="list-style-type: none"> - If the growth of the District economy is reduced then this could lead to job losses, company closures and a reduction in the standard of living for residents of the District as well as loss of livelihoods for business owners. - Business rates collection less than anticipated. 	
Current Controls:				
<p>The most recent Economic Growth Strategy was agreed in March 2023 with an action plan of projects which are being delivered. The Council is the host of the North Essex Economic Board (NEEB), a partnership of 8 local authorities working together to deliver economic growth support to businesses and residents. The NEEB Economic Strategy was approved in 2023 and an action plan agreed, in support of which the partnership funds and delivers a series of practical interventions. BDC have delivered a business support programme funded by the Shared Prosperity Fund (SPF) within the District between 2022 and 2025, delivering support for sole traders, green skills and digital skills. A programme of business support projects will continue to be delivered in 2025/26, supplemented by additional activity to support rural businesses via the 2025/26 allocation of Rural</p>				

England Prosperity Fund. It has however been confirmed by government that the 25/26 year will be the final year of SPF and REPF.

BDC are also working with partners through NEEB to deliver a coordinated business support programme across North Essex also funded via the SPF in 2025/26, as we have in previous years.

Braintree is also playing a lead role in the development of a North Essex Growth Plan, alongside North Essex Councils partners, which will explore the relationship between housing demand and supply, transport and digital infrastructure, jobs, the economy and inclusive growth. This Plan will play an important role in informing local, sub regional, regional and national decision making in support of the economy of North Essex. Primarily, this work will state what the North Essex authorities wish to see delivered by the new Greater Essex County Combined Authority, and the incoming Mayor, given the need for the Mayor to deliver a new economic strategy to deliver against responsibilities that the CCA and the Mayor will have regarding housing and regeneration, local growth, adult skills and local transport infrastructure.

Braintree business newsletter with over 3000 subscribers and closed Facebook page for businesses to network and share opportunities and best practice.

Economic Growth team are delivering business networking events every quarter to broker and signpost support and advice.

Strong working relationships exist with skills providers, Department for Works and Pensions (DWP), Federation of Small Businesses (FSB) and other stakeholders working to support business and skills development.

EFFECTIVENESS OF CONTROLS: Completely effective (as far as BDC influence can go)

Additional Actions Required

Corporate Director (DC)

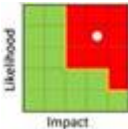
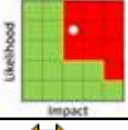

- Continue to develop the Locate Braintree District brand and website and promote inward investment marketing campaigns to attract businesses to locate and grow in Braintree District (alongside relevant partners).
- Deliver the actions as set out in the BDC Economic Strategy Action Plan.
- Deliver the actions as set out in the NEEB strategy action plan.
- Work with North Essex partners to find new opportunities to coordinate economic growth support activity.
- Engage in all available opportunities to inform and support the development of the new County Combined Authority and inform the incoming Mayor of the Councils priorities on economic growth.
- Consider the overarching budget available to BDC for economic growth activity, in the context of the loss of SPF and REPF from April 2026 onwards.

Risk 3. Planning

The government continues to suggest and legislate changes to the planning system, in support of delivering a national increase in housing supply. All changes have the potential to impact on the expectations, delivery methods and budgets of the Councils planning service.

Risk Owner: Corporate Director (DC)

Cabinet Member Owner: Cllr Spray

Link to Corporate Priorities: Communities and Prosperity				
RISK SCORE	Likelihood	Impact	Risk Score	Risk Appetite
Inherent Risk Rating	High	Critical		Cautious
Residual Risk Rating	High	Significant		
Direction of Travel				
Risk Cause(s)			Risk Consequence(s)	
<p>The government has made and continues to make changes to the planning system. Before changes are made this leads to uncertainty in the system and difficulty in making decisions. When changes are made, they are often made immediately with no time to plan for implementation.</p> <p>The government published a new National Planning Policy Framework (NPPF) in December 2024 which has increased the Council's housing target to 1,115 homes per year. This has been described as an immediate change to increase the supply of land for housing however further changes to the system are expected in 2025 which may include:</p> <ul style="list-style-type: none"> • Further changes to the NPPF • Introduction of National DM Policies. • Introduction of National Scheme of Delegation and new Planning Committee requirements. • Ongoing references to considering removing the ability for LPAs to use of Extensions of Time (EoT's) for minor developments and make them exceptional for major developments. If the proposals are confirmed this will severely impact on how the planning team deal with applications and the ability for consultations and negotiations. • Natural England is requiring a full review of the Essex RAMs (<u>Essex Coast Recreational Disturbance Avoidance and Mitigation</u>) Strategy which could significantly increase the amount charged per home or could prevent development altogether. 			<p>That Local Plan making or decision making is delayed or unsettled by potential future changes to the Planning system.</p> <p>Loss of control (actual or perceived) from introduction of National DM Policies, National Scheme of Delegation and new requirements for Planning Committees.</p> <p>More applications may be refused if EoT's are no longer allowed, with the consequence of more planning appeals being made against council determinations, which may require the Council to spend more money defending its decisions at appeals. Alternatively, risk of designation due to poor performance if we do not move away from this change quickly enough.</p> <p>Some planning applications are likely to be of a poorer quality if negotiation time (i.e. EoT's) is removed.</p> <p>Charges for RAMs could make development unviable thus impacting on housing delivery numbers.</p> <p>Natural England could put a block on new development if it believes the impact on protected sites is too great.</p>	

Current Controls:

Braintree Local Plan Review process underway aiming to submit new plan for examination by December 2026 to limit impact of higher housing number arising from speculative developments gaining planning approval.

Customer Charter to be introduced in Autumn of 2025 in order to establish a new negotiation protocol which empowers the team to move away from using extension of time agreements.

Staffing levels are delivering the performance needed on targets of efficiency and effectiveness set by government. New KPIS (monitored through Power BI) in place to better monitor service demand against staffing output and help identify potential barriers to decision making.

Planning Performance Agreements (PPAs) negotiated on most of the larger applications including NSIPs.

Strong communication plan including press releases on important issues, regular bulletins and quick responses to social media and press queries.

Involvement and ability to influence regional planning matters through Essex Planning Officers Association, Recreational Avoidance and Mitigation Strategy working group and being part of a range of other regional groups.

Members forum introduced and changes to the Planning Committee and Local Plan Sub Committee constitutions to make them appropriate and fit for purpose.

The Council is involved in a project with Suffolk CC to enhance local authority capacity and skills on NSIP projects.

Links with Planning Advisory Service to gain opportunity to shape planning reforms.

EFFECTIVENESS OF CONTROLS: Completely effective (as far as BDC influence can go)

Additional Actions Required

Corporate Director (DC)

Continue to lobby government on making sure changes to the planning system deliver what is required.

Liaise with groups including PAS (Planning Advisory Service), EPOA (Essex Planning Officers Association), EELGA to lobby for appropriate changes to the system and more resources.

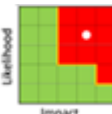
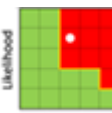

Officers reviewing national changes and implementing required changes to processes and service as appropriate quickly and effectively, including anticipating potential impacts and acting proactively.

RAMs working group working with EPOA and Natural England to revise the RAMs evidence base and strategy.

Strong monitoring and management of planning applications to ensure decisions are made and the planning guarantee refund period is not met. New suite of KPIs is planned to monitor service from April 2025 including monitoring of performance and refunds.

Risk 4 Community Resilience

Food and child poverty, health inequalities, lack of skills and lower paid employment exacerbated by cost-of-living crisis and welfare changes mean the Community may not have resilience, leading to increased demand for Council and other Public Sector services.

Risk Owner: Corporate Director (CR) Cabinet Member Owner: Cllr Mary Cunningham				
Corporate Priorities: Communities				
RISK SCORE	Likelihood	Impact	Risk Score	Risk Appetite
Inherent Risk Rating	High	Critical		Cautious
Residual Risk Rating	High	Significant		
Direction of Travel				
Risk Cause(s)			Risk Consequence(s)	
<p>Cost of living increases affect residents' ability to live financially and sustainably without support. The number of residents has increased and the impact on those residents has also increased.</p> <p>Employment levels are high, but average pay for those who live and work in the district is lower than other areas of Essex. In work poverty is a concern in the district.</p> <p>There is a significant difference in life expectancy and health outcomes for the most and least deprived wards in the district.</p> <p>People may not take opportunities to live an active lifestyle and will be more susceptible to physical and mental health issues as a result.</p> <p>There is a predicted 80% increase in over 80 year olds in the district who may require increased support.</p> <p>The community and voluntary sector continue to have fewer volunteers and funding to enable them to continue in the role that they have been in supporting communities previously. The lack of volunteers is also impacting on the availability of community transport. Lack of community infrastructure support and CVS offer in the district impacts community capacity building and VCS support.</p> <p>The rural nature of the district makes it more difficult for some of our residents to access services.</p>			<ul style="list-style-type: none"> • Demand for services from the Council and other public sector organisations increases which exceed capacity. • Increased health inequalities. • Increase in number of households in fuel and food poverty and increase in number of children in poverty. • People feel more socially isolated and lonely. • People have an increased risk of suffering from physical or mental health issues. • Charities are less able to support communities and there are fewer volunteers. • Requests for Discretionary Housing Payments and/or Exceptional Hardship Fund payments exceed resources allocated. 	

Some residents have concerns about community safety and crime rates in their area. Community Safety remains a key priority for residents.

Current Controls:

- Health Improvement Officer post until Dec 2026
- Cost of Living Officer post until 31/08/2026
- Community Support and Employment officer post until Feb 2026
- Public Health Apprentice Dec 2027
- Safer Streets Project Officer Aug 2026
- Community Engagement Officer post until March 2026
- UKSPF Officer until April 2026

Live Well Strategy 2024 – 2028 is in place which sets out the strategic aim to support residents to be healthy and live well working with a range of partners through the Livewell Boards and the Health and Wellbeing Panel.

The Poverty Report has been refreshed, and the action plan will be delivered through the Cost-of-Living Partnership group. Braintree District Council continue to use the Cost of Living Fund to support residents until March 2026

Work with Citizens Advice Braintree and South Essex; Eastlight Community Housing; and DWP to assist those affected by income and welfare changes. We have a Community Employment Support Officer who is working to support those with barriers to employment. Funded by DWP but embedded in BDC to ensure support can be given to those who most need it.

Key partnerships exist across public sector and the community and voluntary sector to support community and population issues, including:

- Community Safety Partnership
- Health and Wellbeing Board
- Local Cultural Education Partnership

BDC's Councillors' Community Grant Fund Programme continues in 25/26. BDC Grant Funding continues to be provided to Citizens Advice to provide advice.

The Braintree District and Eastlight Community Fund provides grants totalling approx. £100,000 annually to projects that help improve health and well-being, increase aspirations and opportunities, or develop skills through training.

Our Health and Wellbeing Board continues to deliver a range of projects to support people to LiveWell across the district, tackling priority areas of health.

Our Community Safety Partnership delivers an annual plan to respond to current and emerging priorities in order to reduce crime and disorder.

The Council is currently in year 4 of our levelling up programme, part funded by the Shared Prosperity Fund and Rural England Prosperity Fund (the programme was initially 3 years with an additional one year), and funding has been granted until the end of March 2026.

EFFECTIVENESS OF CONTROLS: partially effective

Additional Actions Required

Ensure continued work with the ICB, ECC Health & Wellbeing Board, Braintree Health and Wellbeing Panel and other partners to identify and respond to community needs.

Continue to provide stakeholders regular updates on activity to support residents through cost-of-living issues.

Regular reviews of the impact the welfare changes are having on those affected by reforms and work with key partners.

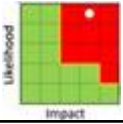
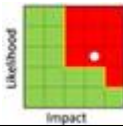

The Council is working with key partners to deliver UKSPF Investment plan and deliver against key missions. This will seek to tackle a number of highlighted vulnerabilities and triggers identified in the community resilience risk.

Risk 5: Service and Project Delivery

The organisation is unable to deliver services or projects either due to unavailability of staff or inability to fill key roles or lack of access to digital/traditional infrastructure

Risk Owner: Corporate Director (SB)
Cabinet Member Owner: Cllr Kevin Bowers

Corporate Priorities: Fit for the Future

RISK SCORE	Likelihood	Impact	Risk Score	Risk Appetite
Inherent Risk Rating	<i>Very High</i>	<i>Critical</i>		Cautious
Residual Risk Rating	<i>Significant</i>	<i>Critical</i>		
Direction of Travel				
Risk Cause(s)			Risk Consequence(s)	
<ul style="list-style-type: none"> - Access to key technological systems is either limited or removed through systems failures, cyber-attacks, provider failures, failure of digital infrastructure or similar - Increased levels of geo-political instability and state sponsored activity is creating a greater likelihood of an attack - Staff are unable to access key delivery locations or to provide services due to restricted or denied access to traditional infrastructure such as buildings, roads, public transport or electrical, energy and fuel supplies - Key operational assets are unavailable either through failures in procurement, crime or other events that restricts or 			<ul style="list-style-type: none"> - Services delivery is reduced or halted for a period of time that begins to have a significant impact on safety or wellbeing of citizens or employees - Service delivery is reduced or halted for a period of time that begins to have a significant impact on the quality of life in the district - Service delivery is reduced or halted for a period of time that begins to have a significant impact on the reputation of the organisation 	

<p>denies organisation the ability to deliver services</p> <ul style="list-style-type: none"> - Significant numbers of staff or key individuals are unable to work due to widespread sickness as a result of a pandemic - Inability to recruit to roles due to highly competitive labour market and decreased offer and desirability of the sector - Increased difficulties in recruitment due impending LGR or significant shift of staff to employers in areas of the country not impacted by LGR such as Greater London - Failure of third parties such as providers, suppliers or partners, to deliver current services/products or at current service levels or at budgeted prices - Failure to meet regulatory or legislative requirements resulting in an incident requiring response - Major incident occurs requiring a significant amount of BDC resource to make a response - Corporate and additional projects resourcing requirements conflict with the delivery of BAU - Industrial action restricts availability of significant numbers, key individuals impacting on service delivery 	<ul style="list-style-type: none"> - Projects are unable to be delivered or suffer from material or significant delay, therefore delaying delivery of outputs and outcomes and potentially increasing costs - Supply chain issues increase costs of projects making them unviable or reducing the cost/benefit ratio - Statutory or regulatory requirements are not delivered resulting in punitive action by regulators - Organisational priorities are not delivered - Sickness levels increase and morale decreases
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Current Controls:

- People strategy and workforce development plans
- Workforce planning and succession planning included in business plans
- Flexible approach to recruitment, including the provision of market supplements when and where appropriate
- Increased communications and engagement approach, including additional internal communication role to ensure that all staff are kept informed on LGR and to able to inform Management Board and any decisions being made
- Change leadership training for managers to support staff through change
- Performance Management Framework
- Support arrangements including mental health first aiders, employee assistance programme and wellness at work programme in place
- Sickness management process in place and managers supported by HR
- Employee benefit scheme in place including childcare vouchers, health care scheme, reward scheme and other benefits
- Cyber security measures in place including training of users
- Regular server and workstation upgrades and ensuring latest version of software is used
- Disaster recovery plan, including emergency generator, independent resilient network, alternative accommodation identification
- Business continuity plans in place, tested through planned exercise

- Mandatory training in place to ensure all staff understand regulatory and statutory requirements
- Transformation Reserve in place to support resources required to delivery transformation
- Planning for potential different service delivery models for key contracts
- Effective learning and development opportunities to support and train existing staff into technical roles
- Skills and development being considered as part of Fit for the Future programme

EFFECTIVENESS OF CONTROLS: Completely effective

Additional Actions Required

Corporate Director (SB/CR)

- Continued delivery of a refocused Transformation Programme including a focus on People and Processes to ensure correct skills are developed and continuation delivery of the digital strategy.
- Consideration of the resource implications of LGR to ensure that BAU continues to be delivered through and beyond the transition period. This will include an assessment of additional resource required and potential funding and alignment with central transitional teams
- Continued delivery of Transformation Programme to include a comprehensive resource plan including requirements for backfill and third-party support
- Further consideration of potential short-term impacts of climate change on service and project delivery and what adaptations are needed to address
- Ensuring structured approach to training aligned with succession planning, building on good practice already in place across some technical and professional roles

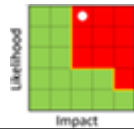
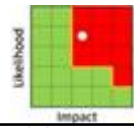

Risk 6: Affordable Housing & Homelessness

The Council is unable to balance the demand for accommodation with the supply, so that increasing numbers of households require housing assistance through accessing the housing register, homelessness assistance and the private rented sector.

Risk Owner: Corporate Director (CR)

Cabinet Member Owner: Cllr Lynette Bowers-Flint

Corporate Priorities: Communities

RISK SCORE	Likelihood	Impact	Risk Score	Risk Appetite
Inherent Risk Rating	Very High	Significant		Cautious
Residual Risk Rating	High	Significant		
Direction of Travel				
Risk Cause(s)			Risk Consequence(s)	

Local / UK Domestic Factors:

- Mortgage rate rises: increase in number of repossessions and buy-to-let landlords raising rents to mitigate their increased costs.
- Impact of the increase in cost of living: households, particularly in the Private Rented Sector (PRS) experiencing affordability issues and presenting as homeless
- Reduced PRS availability and resulting increased market competition: reduced opportunity to relieve homelessness through offer of accommodation in PRS market. PRS rent is starting to increase resulting in affordability issues for those reliant on benefits or on low incomes
- More landlords are selling properties
- Temporary Accommodation (TA) subsidy frozen at 2011 levels, adding financial strain on finances / budgets in regard to TA costs
- Withdrawal of Public Health funding from the Accommodation Based Housing Related Support (ABHRS) contract. This impacts 65 bedspaces in the district and includes the primary resource for homeless households towards whom the Council has an accommodation duty
- Renters' Rights Bill: is due in the summer 2025, this could result in further PRS Landlords exiting the market and enforcement burden placed on LAs
- Supporting Housing Act is due between 2025 – 2027, lack of certainty from Govt re the date, this will bring additional burdens to the council
- Increase in households presenting as homeless in fear of violence (from outside of area)
- Increased competition for hotels: households placed further afield.
- Chelmsford acquiring Coverdale & Freebourne's Court in Witham for single homeless with mental health needs.
- Hope House transfer to CHESS – potential for rough sleepers from out-of-district to be placed and/or risk of cost of vacant rooms.
- Continued impact of the pandemic: increase in number of people presenting as homeless with mental health needs and complex needs
- High levels of empty homes in the district (highest in Essex)
- Supported Housing Strategy due to be delivered in Q1 of 25/26. Waiting on data from Housing LIN.

Increased demand for services and accommodation:

- Increase in number of households, including priority households, threatened with homelessness, or awaiting social housing.
- Increased time spent in temporary accommodation and, therefore, more units required
- More types of Temporary Accommodation required e.g. supported, adapted
- Potential for more Temporary Accommodation placements out of district
- Potential increase in rough sleepers
- More households presenting as homeless from PRS due to landlords selling properties
- There is increased competition for available properties in the PRS
- There will be resources required with the implementation of the Renters' Rights Bill/Act and Supported Housing Strategy
- To tackle empty homes, there is a need to take enforcement action, this will require resources and funding

Impact on service costs and service provision:

- Increase in agency / temporary staffing, and recruitment costs.
- Increased demand for, and reduced ability to provide services and resulting increased pressure on staff.

<ul style="list-style-type: none"> - Increase of verified rough sleepers in the district - The impacts of the Renters Rights Bill due to be enacted in Sept 2025 are as yet unclear. Landlords may leave the PRS which could increase the homeless applications to BDC. - Eastlight are making their welfare officer redundant, and as a majority of people presenting as homeless present in debt and with rent arrears, this could lead to more people becoming homeless due to affordability issues. <p><u>Assistance to Persons from Overseas:</u></p> <ul style="list-style-type: none"> - Breakdown in arrangements for households in the District providing accommodation to Ukraine nationals - Potential pressure from resettlement of Afghan households . - Potential for such households to be larger in size and/or have more complex needs, therefore more challenging to rehouse. - Potential additional pressure from the asylum dispersal programme - Potential additional pressure from the use of Wethersfield air base as an asylum centre: if asylum decisions issued whilst applicants are at Wethersfield, there is potential for BDC to receive applications for Housing Assistance. Where applications are from healthy single people with no priority need, it may lead to an increase in rough sleepers. - Results from public consultation indicates that the public's perception is that refugee / asylum are impacting housing waiting lists in BDC <p><u>Changes to BDC Staffing and Responsibilities:</u></p> <ul style="list-style-type: none"> - Increased homelessness duties arising from the Domestic Abuse Act: increasing the number of priority need households to be placed in temporary accommodation and alternative longer-term accommodation sourced - Staff retention: additional pressures in the sector causing staff to elect to change their career leading to increase in use of agency staff and associated costs, increased cost of recruitment, and more officer time spent liaising with agencies/interviewing/training. Gaps in service provision - Advertising short-term contracts is impacting recruitment and retention 	<ul style="list-style-type: none"> - Increase in numbers of customer enquiries and complaints. - Increased cost pressure on the Housing Benefits budget.
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- Staff recruitment: increased competition for staff within the sector leading to recruitment challenges
- Capacity issues and lack of resilience during absences adds to pressure on remaining staff and increases likelihood that staff will leave/report sick
- High percentage of inexperienced and short-term contract/agency staff

Partner Changes Impacting BDC Ability to

Deliver:

- Staff turnover within Eastlight Community Homes: impacts on established working relationships and procedures

Current Controls:

- The Council has recruited to the following posts:
 - 2 year post to investigate empty homes and access to the Private Rented Sector has been extended for a further 24 months until March 2027
 - 18 month Private Rented Sector tenancy sustainment officer had been extended for a further 24 months until March 2027
 - 2 year Housing Strategy Officer April 2026
 - 2 year Ukraine Resettlement Officer March 2026
 - 12 month Ukraine Support Officer March 2026
 - X1data Apprentice
 - 2 Housing Options Officers focussing on Early Intervention Officers for 12 months until May 2025 and then until completion of service review
 - 12 month Housing Options Officer to backfill for the focus on EI work until 09/25,
 - X2 temporary contracts (x1 Triage & x1 Housing Options Officer) extended until March 2027
 - 12 month Housing Assessment Support Officer until January 2026 – additional support while new staff are assimilated and to address backlog
- Healthy Housing Strategy was adopted in 2023 – the focus on maximising the number of affordable homes brought on-stream. The first year of the strategy was dedicated to developing a private rented sector incentive scheme. The second year of the strategy will be focused on addressing specialist housing to meet the needs of our current and future residents.
- Rough Sleeping Partnership will be a subgroup under the CSP. The aim is to support verified rough sleepers in the district through our partnerships
- Re-establishing the Housing Sub-Group to identify people at risk of homelessness at an early stage and offer support through the EI service
- Empty Homes Policy developed to support BDC to address the number of empty homes will all ensure that housing opportunities for residents are optimised.
- Improvement achieved in the balance between inward and outward migration through Gateway to Homechoice.
- Homelessness and Rough Sleeping Strategy 2024 – 2029 adopted in May 2024 which prioritises through the action plan how BDC and partners work to prevent homelessness and break the cycle of rough sleeping

- Temporary Accommodation Review completed which established what is required for the needs of households presenting as homeless and in priority need.

EFFECTIVENESS OF CONTROLS: Partially effective

Additional Actions Required

Corporate Director (CR)

- Additional resources available via the Homelessness Prevention Grant (grant conditions apply) – research is currently being undertaken to determine how best to utilise these additional resources.
- Maximise use of available funding through Homes for Ukraine and Asylum Dispersal schemes
- Review of service to be undertaken – Fit for the Future
- ECC are committed to continuing conversations with BDC to explore how homeless individuals can best access a range of support services, recognising the planned end of the Peabody Housing Related Support Accommodation Based Support Contract, funded via the Public Health Grant, from April 2025.

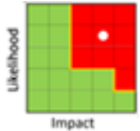
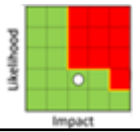

Risk 7. Return on Investments

The Council is not able to optimise its return on its financial or property investments or suffers financial loss.

Risk Owner: Corporate Director (SB)

Cabinet Member Owner: Cllr Kevin Bowers

Corporate Priority: Fit for the Future

RISK SCORE	Likelihood	Impact	Risk Score	Risk Appetite
Inherent Risk Rating	High	Critical		Cautious
Residual Risk Rating	Low	Significant		
Direction of Travel				
Risk Cause(s)			Risk Consequence(s)	
<ul style="list-style-type: none"> - Economic & financial market conditions impacting on investment returns and market values. - Autumn Budget 2024 changes and impact on businesses and potential impact on commercial property tenants, with the removal of upwards-only rent reviews suggested for new commercial leases in the English Devolution and Community Empowerment Bill. - Liquidity requirements of the Council are subject to forecast future incoming 			<ul style="list-style-type: none"> - Reduction or loss of income impacting on the General Fund revenue account resulting in unplanned savings or changes to services. - Impairment loss from failure of a counterparty to a financial investment which needs be met from the General Fund. - Requirement to take back management of property assets and look for alternative tenant. 	

<p>/ outcoming revenue and capital cashflows.</p> <ul style="list-style-type: none"> - Increased exposure to property and reliance on rental income for the base budget through expansion of portfolio by the strategic investment programme. - Change in property trends reducing demand for certain property types from prospective tenants. - Regulatory framework - Significant lease arrangement for a key asset due to expire Jan 2028 	<ul style="list-style-type: none"> - Forced renewal of lease terms from tenants entering Creditor Voluntary Arrangement. - Property cannot be re-let without significant expenditure or maybe not at all. - Divestment of funds resulting in loss of principal invested. - Suspension of trading in funds due to market conditions preventing the Council to access funds. - Adverse impact on the Council's reputation. - Alternative investments do not provide comparative returns leading to income shortfall against budget/ MTFS.
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Current Controls:

- Capital and Investment Strategy and Treasury Management Strategy are in place in accordance with CIPFA Codes of Practice and Government Statutory Guidance
- Treasury Management Practices (TMPs) that set out how the Council manages the inherent risks within its treasury management activities on day-to-day basis.
- Expert advice procured through contract with Arlingclose to provide advice on treasury management including credit worthiness advice and monitoring of the Council's pooled fund investments.
- Treasury Management reserve
- Maintenance of short-term (daily) and medium/ long-term cashflow forecasts to manage daily liquidity and projection of future investment balances available or requirements for borrowing (including conversion of internal borrowing to external debt).
- Portfolio diversification and limits on investment types of investment, duration, and counterparties.
- New Asset Management Policy, Strategy, and Action Plan approved by Cabinet
- Pro-active asset management of the commercial property portfolio & lease/ tenant arrangements.

EFFECTIVENESS OF CONTROLS: Completely effective

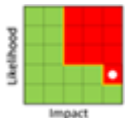


Additional Actions Required

Corporate Director (SB) and S151 Officer

- Continue to develop the Capital and Treasury Management Strategy in line with evolving regulatory and professional code requirements.

Corporate Director (DC)

- To continue to consider and develop options for key assets across the property portfolio.
- Continue to review major leases within the portfolio and consider future options/ scenarios.

<p>Risk 8. Emergency Planning The Council is unable to respond to an emergency as required under the Civil Contingencies Act 2004</p> <p>Risk Owner: Corporate Director (CR) Cabinet Member Owner: Cllr Graham Butland</p>				
<p>Corporate Priorities: Communities and Fit for the Future</p>				
RISK SCORE	Likelihood	Impact	Risk Score	Risk Appetite
Inherent Risk Rating	Low likelihood	Catastrophic Impact		Averse
Residual Risk Rating	Low likelihood	Significant impact		
Direction of Travel				
Risk Cause(s)			Risk Consequence(s)	
<ul style="list-style-type: none"> - Emergency event both response and recovery - New roles and legislative powers that require enactment and management - Braintree District Council has responsibilities under the Civil Contingencies Act (CCA) 2004 as a Category 1 responder: to plan for and respond to major emergencies working alongside the blue light services. Part 1 of CCA 2004 places legal obligations on emergency services and local authorities to assess the risk of, and plan and exercise for emergencies as well as undertake business continuity management. - BDC does not have the resources to respond effectively to the Emergency and continue to deliver services. - The COVID pandemic has added an extra dimension as it cannot be responded to in the same way as previous emergency planning issues. This is due to the long-term nature and progression of the pandemic. - The Grenfell Tower and Manchester Bombing Public Inquires have both made recommendations in relation to Emergency Response that are being considered by the ERF. 			<p>District Wide</p> <ul style="list-style-type: none"> - Possible loss of life or serious harm or injury to residents and/or staff. - Loss of physical assets e.g., premises. - Ineffective response to an incident causes extended disruption. - Vulnerable residents at risk through lack of core service delivery. - Delays/perceived shortfall in Council's response in recovery phase. <p>Council</p> <ul style="list-style-type: none"> - Lack of preparedness results in the inability to identify and deliver key/critical services e.g., benefits, refuse collection, homelessness applications, food inspections. - Increased short term demand for services e.g., housing - alternative accommodation, repairs, waste team clean-up operation. - Major impact on reputation if the Council is perceived to not provide an adequate response. 	

<ul style="list-style-type: none"> - The national terrorism and national emergency threat level is Substantial – risk of attack likely - National Cyber Security Centre status of heightened cyber threat 	<ul style="list-style-type: none"> - Council facing Public Inquiry – risk of cost, reputation and public trust. - Priorities and projects are not delivered. - Being found wanting at public inquiry.
Current Controls:	
<ul style="list-style-type: none"> - A robust, peer reviewed Emergency Plan and Recovery Plan have been developed. - The new Recovery Plan improves the Council’s ability to support the community following an incident. - Emergency Planning in-house resource in the Authority - Communications & Media plan. - A Members’ Protocol has been produced setting out guidance for Members during an emergency. - Mutual Aid agreements are in place between authorities and BDC is strengthening its procedures to receive Mutual Aid with a revised Memorandum of Understanding. - Each service has to planned and tested procedures for resilience to unexpected and potentially long-term challenges. - Pandemic Flu Plan agreed. - Regular review of our response and adaptation of response if required. - Training delivered: senior/tactical training, recovery training, loggist training, rest centre training; and communications training. - Peer reviewed training programme for staff involved at all levels, volunteers-tactical-strategic. - New starters have a requirement to assist in emergencies detailed in their role profiles. - Active responses were progressed using command structures for COVID Ukraine, storms, Sudanese evacuation, fire and public disorder events. - Senior Staff underwent Multi Agency Gold Incident Command (MAGIC) training in 22/23. Newly recruitment Senior Staff underwent Multi Agency Silver Incident Command training in 2024/2025 - Severe Weather Plan completed 2024 - Corporate Recovery Plan approved and adopted in 2022 - Flood Plan revised 2025 - Expanded Gold and Silver Teams in place 2025 	
EFFECTIVENESS OF CONTROLS: partially effective	
Additional Actions Required	
<ul style="list-style-type: none"> - Bi-yearly review of Emergency Plan. - Bi-yearly review of Communications and Media Plan. - Rest Centres plan – run an annual exercise - Continue to deliver training programme - Dialogue with partner organisations – including with Essex Resilience Forum on a collective approach to community resilience - Services need to demonstrate the capability and capacity to manage excessive additional demand due the Council’s responsibility for response and 	

recovery under the CCA 2004, Housing Act. Local Government Act and other relevant legislation.

- Bi-yearly review of Recovery Plan.
- Pool of rest centre managers

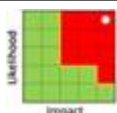
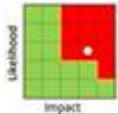

Risk 9: Information Management and Cyber Security

Increased use of technology and larger volumes of information stored increases the impact of cyber security threats including ability to deliver key services, enforcement, unable to collect money / pay money, unable to share data with partners, vulnerable to cyber-attack or data breach incident

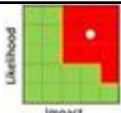
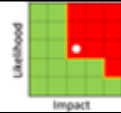

Risk Owner: Corporate Directors (CR and SB)

Cabinet Member Owner: Cllr Kevin Bowers

Corporate Priorities: Effective management of information and cyber risks is essential to enable delivery of **all priorities**

RISK SCORE	Likelihood	Impact	Risk Score	Risk Appetite
Inherent Risk Rating	A – Very High Likelihood	I – Catastrophic		Cautious
Residual Risk Rating	C – Significant	II – Critical		
Direction of Travel				
Risk Cause(s)			Risk Consequence(s)	
<p>Cyber-attack, Distributed Denial of Service, Phishing, Ransomware, Security / Data Breaches are all triggers that need mitigation to prevent potential loss of information and ability to deliver services.</p> <p>The Council has been responsive to technology and has used it to shape the way services are delivered, to drive efficiency and improve productivity.</p> <p>With the increased use of technology and larger amounts of information stored comes an increase of the impact created through cyber security threats.</p> <p>Increased use of technology and increased amounts of information stored also increases the likelihood of data being incorrectly handled by employees.</p> <p>Increased reliance on technology, including remote working tools since more staff have been working from home.</p>			<p>Loss of ability to deliver service/degradation in service.</p> <p>Loss of reputation.</p> <p>Enforcement from Information Commissioner’s Office with potentially significant fines and reputational damage.</p> <p>Inability to collect/payout money to customers.</p> <p>Inability to share customer data with partners.</p> <p>The Council cannot meet its requirements under the Data Protection legislation.</p> <p>The Council is not able to adequately manage its information, which would then prevent it from</p>	

<p>Increased geo-political instability is creating a greater risk of attack</p>	<p>being able to carry out services effectively.</p> <p>Unplanned financial cost to the Council.</p> <p>Potential losses/damage to residents/service users/employees whose data is incorrectly handled</p>
<p>Current Controls:</p>	
<ul style="list-style-type: none"> - Information security policies – regularly reviewed and updated. - External auditing and challenge on a regular basis against policies and systems as well as regular external penetration testing with action plans created. - Regular review of technical infrastructure, including firewalls, hardware and software. - Public Services Network (PSN) compliance. - Training/education in cyber security and information security for employees including Learning Management System mandatory courses. - Regular meetings of local, regional and national cyber-security groups to review all aspects of cyber-security. - Regular engagement with the National Cyber Security Centre and use of cyber protection tools and services. - Regular meta-compliance checks for all employees and members. - Controls in place around the use of technology to work virtually and collaboratively. - Latest versions and security patches to be maintained for all software / operating systems. - Cyber Essentials certification - Security information and event management (SIEM) solution in place to automatically detect risks and threats - Server Infrastructure upgrade was completed in 2024/25 - Updated Cyber Security training for Members and Officers being delivered throughout 25/26 - AI & Data group set up to provide corporate assurance to support cyber security implications of new technology and data projects. Jointly sponsored by two corporate directors. - Continued delivery of meta phishing exercises and subsequent focussed training 	
<p>EFFECTIVENESS OF CONTROLS: partially effective</p>	
<p>Additional Actions Required</p>	
<p>Corporate Director (SB and CR)</p> <p>Continued review of cyber security arrangements.</p> <ul style="list-style-type: none"> - Continue to raise awareness of information management and cyber security issues for all staff and members. - Targeted training following phishing campaigns. - End of life hardware (Server / Network) replaced as and when necessary. - Continue to keep abreast of cyber security issues and ensure that these are factored into BDC response. - Obtain certification Cyber Essentials+ 	

Risk 10: Major Capital Programme				
Delays in delivering major Capital Programme projects risk missing strategic milestones (Time), increasing costs (Cost), and compromising design or service standards (Quality), all of which could undermine corporate priorities and the success of key initiatives.				
Risk Owner: Corporate Director (DC)				
Cabinet Member Owner: Cllr Kevin Bowers				
Corporate Priorities: Communities and Prosperity				
RISK SCORE	Likelihood	Impact	Risk Score	Risk Appetite
Inherent Risk Rating	<i>High</i>	<i>Critical</i>		Cautious
Residual Risk Rating	<i>Significant</i>	<i>Significant</i>		
Direction of Travel				
Risk Cause(s)			Risk Consequence(s)	
<u>Economic / Political:</u> <ul style="list-style-type: none"> - Macro-economic conditions, changing political emphasis, availability of skilled resource and national and international market conditions (e.g. construction supply chains) - Inability to secure prudential borrowing at preferential interest rates and the impact of the government's changes to PWLB accessibility removes potential capital funding route. - Capital investments are subject to variations in market conditions occurring during development of projects / business cases and between business case sign off and project delivery/completion, impacting cost, time taken and viability of projects - Prolonged period (>six months) of house price deflation. - Prolonged period (>12 months) of commercial rent deflation. - Inflation in construction costs. - Regulatory changes on Minimum Revenue Provision increasing revenue financing costs 			<u>Economic Growth</u> <ul style="list-style-type: none"> - Inhibited delivery of Local Plan housing requirements and associated healthcare, community, and town centre facilities - Businesses/jobs may relocate outside of District and lead to fewer new businesses/jobs being created and falling Gross Value Added (GVA) in the district. - Depressed land values <u>Project Delivery</u> <ul style="list-style-type: none"> - Dilution of support for programme / funding from other partners or government may not be available to support the action plan priorities. - Project failure or delay due to lack of stakeholder engagement. - Projects undeliverable due to refusal of planning consent <u>Return on Investments / Income</u> <ul style="list-style-type: none"> - Impact on the business case stated financial viability and sustainability of projects (including impacts on commercial rents and operational costs) 	

<ul style="list-style-type: none"> - Rising yield expectations by institutional investors & rising construction costs - Movement in market conditions. <p>Project Management</p> <ul style="list-style-type: none"> - Failure and delays in securing planning consent on development projects. - Lack of robust project and/or contract management could lead to inconsistent decision making, failure to agree and deliver priorities, under-utilisation of finite resources, weak cost control, over-reliance on external advice without proper challenge or consideration of the brief/scope/purpose - Failure to clarify and agree core project and/or programme objectives, Critical Success Factors (CSFs) or Key performance Indicators (KPIs). <p>Infrastructure</p> <ul style="list-style-type: none"> - Lack of investment in infrastructure acts as a barrier to required housing growth and reduces opportunities for businesses to grow. <p>Partners:</p> <ul style="list-style-type: none"> - Many investment opportunities require work with partners and suppliers who may or may not have the same level of commitment to a project as BDC. <p>Competition</p> <ul style="list-style-type: none"> - Competition from large commercial development plans in neighbouring districts. 	<ul style="list-style-type: none"> - Unplanned and/or abortive expenditure. - Approved schemes already in development may not achieve required financial return. - Interest charges have to be charged to revenue rather than capitalized against projects. - Revenue costs of projects developed but aborted not charged to capital and fall upon Council's revenue budget. <p><u>Other:</u></p> <ul style="list-style-type: none"> - Loss of revenue growth in Council Tax and Business Rates. - Public perception of Council spending and lack of effective control. - Failure to sell/lease newly developed properties.
<p>Current Controls:</p> <ul style="list-style-type: none"> - Feasibility reserve: A dedicated reserve has been approved and ring fenced to ensure that feasibility studies are conducted thoroughly and with adequate resources, allowing for informed decision-making at each stage of project development - Cost/value advice from third party specialists: All investment opportunities undergo rigorous evaluation with the support of expert third-party specialists. Their insights and assessments contribute to the development of comprehensive business cases, ensuring that investment decisions are based on robust cost/value considerations. - Investment appraisal tools and HMT Green Book: Every major capital project is subjected to a business case and appraisal using sophisticated 	

investment tools and adheres to the principles outlined in the HMT Green Book. This rigorous approach ensures that major capital projects are assessed systematically, considering both financial and wider societal impacts.

- **Collaborative partnerships with key stakeholders:** Strong working relationships with Essex County Council, NHS and Homes England are cultivated to align major projects with strategic priorities. These partnerships facilitate project delivery and provide potential avenues for funding and support.
- **Comprehensive project engagement across relevant teams:** Engagement across various BDC teams, including Asset Management, Finance, Legal, Operations, Planning and Procurement, ensures early involvement in scheme development. This collaborative approach guarantees that projects are aligned with objectives and are fit-for-purpose from inception.
- **Corporate Landlord - as part of the Asset Strategy and Corporate Landlord model** new major capital projects are led by asset management utilising in house Senior Building Surveyor as project manager lead.
- **Procurement of specialist consultants:** Appropriate architects, cost and planning consultants are meticulously selected for each scheme to ensure that projects benefit from specialist expertise, fostering optimal design and delivery outcomes.
- **Business case development with external advice:** Business cases are developed with specialist external advice, incorporating robust financial, strategic, and risk assessments to support informed decision making.
- **Robust programme assurance processes:** Extensive programme assurance processes are in place to monitor project progress, mitigate risks, and ensure compliance with established standards. These include the officer Projects and Programme Assurance Team (PPAT) and Officer Programme Board, alongside the and Cabinet Member led Capital Programme Board. Management information and reporting outputs provide stakeholders with transparent insights into project performance. Processes are continuing to be developed and augmented through the Project Management Office.
- **Emphasis on project documentation and techniques:** A strong emphasis is placed on comprehensive project documentation, supported by the implementation of industry-leading tools and techniques to enhance project management effectiveness and efficiency
- **Budget monitoring in partnership with Finance:** Highly developed budget monitoring processes are implemented in close partnership with the Finance department to ensure financial accountability, transparency, and effective resource allocation throughout the project lifecycle.
- **Effective contract management:** Rigorous contract management processes are established to oversee the execution of contracts, safeguarding project objectives, and ensuring adherence to contractual obligations and performance standards

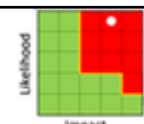
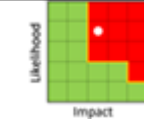

EFFECTIVENESS OF CONTROLS: Effective

Additional Actions Required

Corporate Director (DC)

- Monitoring of costs and spend is in place	- Use of expert third parties to provide comprehensive cost estimates and advice of market trends is in place.
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- Consistent modelling to agreed financial parameters is in place	- Increased networking and promotion of BDC's investment aspirations with key external stakeholders and potential funders. Continue to source local and national funding resources which could provide grants for key projects is in place
- Implementation of timely, high-quality marketing strategies for all development projects is in place	- Early engagement with Planning Team and judicious use of the pre-application process is in place
- Increase organisational "maturity" and embed rigorous and consistently applied project and programme processes and reporting is in place	- Regular review of approved parameters and hurdle rates is in place
- Weighted NPV measure to reflect non-financial priorities is in place	- Independent evaluation of business case is in place

<p>Risk 11. Climate Change</p> <p>The Council has declared a climate emergency with an aim to make the Council's activities, as far as practical, carbon neutral by 2030 – risk of failure to deliver targets.</p> <p>Risk Owner: Cherie Root Cabinet Member Owner: Cllr Tom Cunningham</p> <p>Corporate Priorities: Environment</p>				
RISK SCORE	Likelihood	Impact	Risk Score	Risk Appetite
Inherent Risk Rating	Very High	Critical		Cautious
Residual Risk Rating	High	Significant		
Direction of Travel				
Risk Cause(s)			Risk Consequence(s)	
<p>'Climate change' refers to changes in the earth's climate that are caused by increasing levels of greenhouse gases such as carbon dioxide (CO₂) in the atmosphere.</p> <p>Climate change adaptation describes measures that can be put into place to help us adapt to the</p>			<p>Failure to maintain/deliver services and an increased cost of delivering services</p> <p>Increased financial costs for Council (due to insurance</p>	

<p>changes in our climate that are now inevitable. These changes range from increased temperatures and drought conditions to extreme weather events such as intense periods of rainfall and subsequent flash flooding.</p> <p>The Council has declared a “Climate Emergency” with an aim to make Braintree District Council activities, as far as practical, carbon neutral by 2030.</p> <p>Climate change will impact council services, from the buildings that we manage through to open spaces and our role in emergency planning, as well as impacting on Braintree district residents, particularly those who are most vulnerable.</p> <p>The services provided by the Council are reliant on access to all parts of the district by our vehicles and the ability of staff to travel to their place of work. This is combined with the potential increasing and changing demand for services including parks and landscapes, environmental health, community support, health and wellbeing, building control.</p> <p>The scale and degree of change required to meet net zero will require significant resources which the District Council will not be able to provide on its own. It will require a coordinated response from partners including Government to meet the challenge.</p> <p>Key Identified Triggers: -</p> <ul style="list-style-type: none"> • Increase in mean temperature • Decrease in air quality • Depletion of key resources including water • Severe weather event(s) including drought, floods and gales. • Failure to deliver 2030 carbon neutral target 	<p>excesses/ pressures on service delivery)</p> <p>Future Capital investment needed in alternative fuel infrastructure and vehicles</p> <p>Reduction in resilience of the organisation</p> <p>Reputation of Council damaged through failure to deliver services.</p> <p>Failure to give local community leadership in preparing for climate change.</p> <p>Fulfilling the Government’s Simpler Recycling requirements is likely to increase Fleet emissions which will increase organisational carbon</p>
<p>Current Controls:</p>	
<ul style="list-style-type: none"> - Climate Local Strategy 2021 - 2030 in place and a number of actions being undertaken to reduce negative impact on climate from council services and assets as well as encouraging residents and businesses to reduce their impact on the climate. - . An action plan has been developed to ensure all Council functions and decision making is in line with the shift to carbon neutral by 2030. - Emergency Plan considers climate related risks and our response to this type of emergency. 	

- The Climate Local Strategy has a number of actions in place to support the community to adapt to climate change.
- Climate Change Delivery Board in place to monitor progress of Climate Actions
- Annual Climate Action Plans developed annual to support the delivery of the Climate Change Strategy
- Business Continuity plans are essential for the Council to be able to respond to the effect of climate change on our estate and our staff which impacts our services.

Progress to Date

- Business Continuity plan for the organisation to respond to risks
- Joint working with ECC who are also tackling Climate Change.
- Completed actions from the Climate Local Action Plan 2014 – 2018 (Feb 2021). Further details on achievement available
- Declared Climate Emergency July 2019
- 2-year Emergency Planning desktop exercise, concerning severe weather / emergency events, for BDC
- Officer Climate Group established to encourage engagement.
- Oct 22 Full Council approval of monitoring plan and key targets
- Internal Climate Delivery Board established bringing all Senior Project Leads together to the strategy and deliver actions on the Climate Action Plan
- Full Council Update in May 23
- Annual Reporting template developed pending release of BEIS Carbon figures in Autumn 23
- Performance report on the Climate Action Plan 2024/2025 being taken to Cabinet in September 2025. The Authority is in the process of finalising the fourth Climate Action Plan 2025/2026
- Reduction of over 1000 tonnes of organisational carbon since the Climate Strategy was adopted.

EFFECTIVENESS OF CONTROLS: partially effective

Additional Actions Required

Climate Strategy has now been adopted.

- Continue to review Emergency Plan to consider emerging climate related issues and risks.
- Implement the outcomes from the Environment Act
 - o Simpler Recycling – evaluation of impact of changes in collections regime to Fleet emissions
 - o Adoption of the Essex Air Quality Strategy
- Climate Actions Performance reporting will be via the Pentana system. Management Board to monitor outcomes and targets
- Annual performance report to be submitted
- Monitoring of Success Factors and KPIs – Annual Review
- Delivery of objectives of Climate Change Strategy and agree associated overarching KPIs
- Carbon reporting (Dept. for Energy Security and Net Zero for district) and internal report for Council emission

Risk 12. Landscape Services

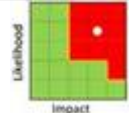
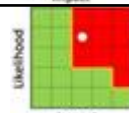

Tree related risks are rising as a result of more building, a growing population, and increasing impacts of weather events, including increased periods of dry and hot weather. The Council, as a tree owner, has a legal duty of care to take reasonable management measures to avoid reasonably foreseeable injury or harm to life and property. Staff capacity to manage the risk is limited and recruiting to new roles within the Landscapes team is difficult given issues across the sector of a lack of suitably skilled and available staff willing to take permanent employment (as opposed to interim/contract work).

This risk is linked to Risk 11 (Climate Change) as trees make a significant contribution to climate change resilience.

Risk Owner: Corporate Director (DC)

Cabinet Member Owner: Cllr Spray

Link to Corporate Priorities: Environment and Fit for the Future

RISK SCORE	Likelihood	Impact	Risk Score	Risk Appetite
Inherent Risk Rating	High	Critical		Averse
Residual Risk Rating	High	Significant		
Direction of Travel				
Risk Cause(s)			Risk Consequence(s)	
<p>The Council's tree stock is considerable (approx. 11,838). Due to climate change, wetter winter months and longer periods of drought during summer months, there is greater potential for tree failure across the year.</p> <p>There have been several storm events over the last several years. The risk of further storm events increases the risk of tree failure (physical breakage).</p> <p>Following the approval of a business case proposing a new structure to the Landscape Services team, permanent recruitment is currently underway (Summer 2025) for new Arboricultural Officers and a new Landscape Services Manager. However, until permanent roles are filled, interim resource (1x Arboricultural Officer) remains in place to ensure progress on surveying trees in priority areas can continue.</p> <p>Focus is required on ensuring that the Council's tree management data and</p>			<p><u>Risks to persons or property:</u> The HSE reports that UK deaths from falling trees or branches is relatively low, (approximately 6 per year), however substantial fines may be imposed where deaths and injury are foreseeable. Recent storms have resulted in tree damage to property in the Braintree District. Proactive inspection protocols (zoned according to assessed risk) are necessary to comply with legislative duties and to mitigate risk and impact on persons and property and resultant fines. Consultation as part of the response to planning applications will reduce the likelihood of future impacts on residents.</p> <p><u>Insurance Liability and Premium:</u> The Council is experiencing an increase in insurance claims associated with trees and vegetation, impacting affected residents and the Council. Reduction of claim likelihood and</p>	

<p>systems are up to date in order to track surveys undertaken, the felling of trees and planting of new trees.</p>	<p>ability to defend claims relies on tree risk management activity.</p> <p>The Council's Liability insurer has imposed an increase in premium as a direct result of the increase in claims and a requirement to evidence that adequate surveying and management regimes are in place.</p> <p><u>Other:</u> Further financial, legal, and reputational impacts arise from tree related incidents.</p>
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Current Controls:

- Interim qualified, experienced and knowledgeable Arboricultural Officers appointed which have improved the response to customers and insurance claims.
- Interim resource used to undertake as much surveying of Council tree stock as possible, and to promptly action required works identified.

EFFECTIVENESS OF CONTROLS: Partially Effective (given current interim resource)

Additional Actions Required

- Corporate Director (DC)**
- Complete the Landscape Services restructure and recruit to vacant posts through additional resources confirmed in the 2024/25 and 2025/26 budgets. Structure to reflect resource required for appropriate system of ongoing proactive inspection and response, and contribution to Planning consultation.
 - A formal tree management protocol encompassing risk profiling and zoning to guide proactive inspection protocols and assess the impact and likelihood of failure has been adopted and survey work is being carried out in accordance with this protocol.
 - Finalise a new procurement framework to support the speedy and efficient procurement of specialist tree related contractors, to undertake tree surveying work, and to undertake works to trees.
 - Identify system requirements for maintenance of tree records and undertake a review of the Council's tree management software (ARBORtrack) to assess whether it is fit for purpose / review other available systems. Ensure data capture is accurate, so database can be used as evidence for the Council's Insurance team.
 - Develop network of and engagement with volunteer District Tree Wardens to enhance local knowledge of arising issues.
 - Continue work as part of the Council's Climate Change activity to ensure a coordinated response to tree planting and management, and in the assessment of tree value.

Report Title: Treasury Management Strategy for 2026/27	
Report to: Governance and Audit Committee	
Date: 14 th January 2026	For: Decision
Key Decision: No	Decision Planner Ref No: N/A
Report Presented by: Mark Jarvis, Financial Services Manager	
Enquiries to: Mark Jarvis, Financial Services Manager Mark.jarvis@braintree.gov.uk	

1. Purpose of the Report

- 1.1 The Council has adopted the Code of Practice for Treasury Management in Public Services published by the Chartered Institute of Public Finance and Accountancy (CIPFA), which requires the Council to approve a Treasury Management Strategy before the start of each financial year. A draft strategy is attached to this report for the 2026/27 financial year. The Strategy will be included as part of the Budget report to be considered by Full Council on 16th February 2026.
- 1.2 The Council's Constitution requires that prior to consideration by Full Council, the draft Treasury Management Strategy is reviewed and scrutinised by the Governance and Audit Committee.

2. Recommendations

- 2.1 To consider if the Committee wishes to propose any amendments to the strategy or provide any comments or observations which the Cabinet Member for Finance, Resources and Performance can take into account when presenting the final Treasury Management Strategy to Full Council.
- 2.2 To approve the draft Treasury Management Strategy for 2026/27 (subject to any amendments from recommendation 2.1) and recommend its approval by Full Council.

3. Summary of Issues

- 3.1 The draft Treasury Management Strategy for 2026/27 is attached to this report as an Appendix.

4. Options

- 4.1 To consider the draft Treasury Management Strategy for 2026/27, and if considered appropriate, suggest any changes; or provide comments and observations for the Cabinet Member for Finance, Resources and Performance to consider when presenting the report to Full Council.

5. Financial Implications

- 5.1 The estimated financial implications of the treasury management activities are set out in the tables and indicators contained in the draft Strategy.
- 5.2 The Council's proposed budget for investment income in 2026/27 is £3.1 million.
- 5.3 Interest payable on current borrowing is £113,000 per annum and £70,000 in relation to the premium repayment in respect of refinanced debt. Although it is currently not anticipated to increase borrowing in 2026/27, any new schemes devised in-year would be fully appraised which, if approved, may increase the borrowing costs in year.

6. Legal Implications

- 6.1 The Treasury Management Strategy fulfils the Council's legal obligation under the Local Government Act 2003 to have regard to the guidance issued by CIPFA and any other statutory guidance issued by government.

7. Other Implications

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

8. Equality and Diversity Implications

- 8.1 Section 149 of the Equality Act 2010 creates the public sector equality duty which requires that when the Council makes decisions it must have regard to the need to:
 - (a) Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Act;
 - (b) Advance equality of opportunity between people who share a protected characteristic and those who do not; and
 - (c) Foster good relations between people who share a protected characteristic and those who do not including tackling prejudice and promoting understanding.
- 8.2 The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation. The Act states that 'marriage and civil partnership' is not a relevant protected characteristic for (b) or (c) although it is relevant for (a).
- 8.3 This report will not have a disproportionately adverse impact on any people with a particular characteristic.

9. List of Appendices

- 9.1 Draft Treasury Management Strategy 2026/27

10. Background Papers

- 10.1 None.

1. INTRODUCTION

- 1.1 Treasury management is the management of the Council's cash flows, borrowing and investments, and the associated risks. The Council has substantial investments and borrowing, meaning it is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of financial risk are therefore central to the Council's prudent financial management.
- 1.2 Treasury risk management is conducted within the framework of the Chartered Institute of Public Finance and Accountancy's *Treasury Management in the Public Services: Code of Practice 2021 Edition* (the CIPFA Code).

2. TREASURY MANAGEMENT POLICY & PRACTICES

- 2.1 The Council has adopted the following treasury management policy:
- 2.2 Treasury management activities are defined as the management of investments and cash flows, banking, money market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.
- 2.3 The successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the Council, and any financial instruments entered into to manage these risks.
- 2.4 Effective treasury management will provide support towards the achievement of the Council's business and service objectives. The Council is therefore committed to the principles of achieving value for money in treasury management, and to employing suitable comprehensive performance measurement techniques, within the context of effective risk management.
- 2.5 The manner in which the Council will seek to achieve its policies and objectives for treasury management are set out in a number of Treasury Management Practices (TMPs), along with supporting schedules – see **Appendix A** for a list of TMPs that are currently maintained.

3. EXTERNAL CONTEXT

- 3.1 Treasury management activities take place within an economic and market backdrop, including changes in credit outlook. **Appendix B** provides an

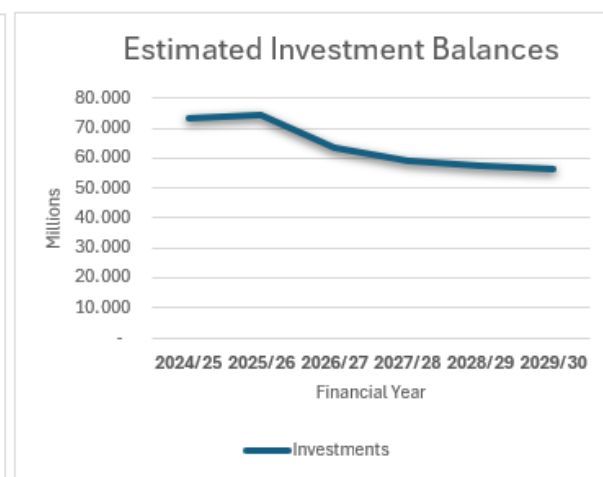
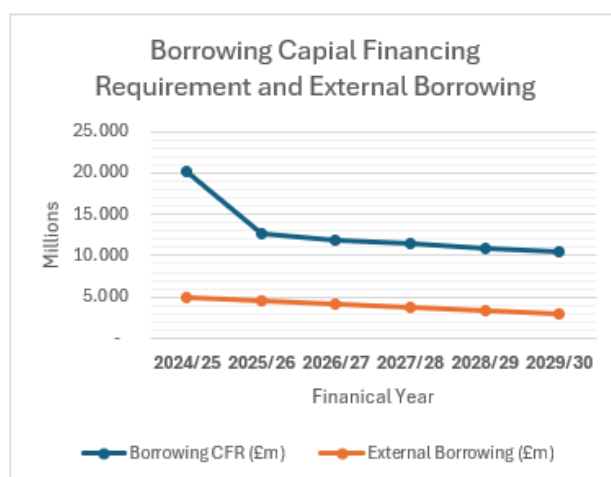
Economic and Interest Rate Forecast by Arlingclose as of December 2025, which has been used for the purposes of formulating this strategy. Inevitably, events and circumstances will change and as such the Council's treasury management activities will respond accordingly.

4. LOCAL CONTEXT

4.1 The following table shows the actual and forecast amounts of borrowing and investments for the Council over the medium-term.

Table 1 Balance Sheet Analysis

	31.3.25 Actual £m	31.3.26 Forecast £m	31.3.27 Forecast £m	31.3.28 Forecast £m	31.3.29 Forecast £m	31.3.30 Forecast £m
Capital Financing Requirement (CFR)	25.57	17.31	15.89	14.87	13.98	13.18
Less: Leasing liabilities	-5.32	-4.63	-4.05	-3.47	-3.02	-2.65
Loan CFR	20.25	12.67	11.84	11.40	10.96	10.53
Less: External borrowing	-5.00	-4.60	-4.20	-3.80	-3.40	-3.00
Internal Borrowing	15.25	8.07	7.64	7.60	7.56	7.53
Less: Usable reserves	-56.18	-48.36	-42.21	-40.21	-39.39	-38.69
Less: Working capital	-32.52	-34.10	-28.60	-26.40	-25.80	-25.20
Investments	-73.45	-74.39	-63.17	-59.01	-57.62	-56.36



4.2 The Capital Financing Requirement (CFR) measures the underlying need to borrow for capital purposes – actual borrowing may differ. Usable reserves (capital and revenue) and working capital represent underlying resources available for investment. The current strategy is to maintain borrowing and investments below their underlying levels, referred to as internal borrowing.

4.3 In recent years, the Capital Financing Requirement (CFR) has risen due to borrowing undertaken to fund several strategic capital projects. This additional

borrowing need is currently being met through internal borrowing, which in turn reduces the council's investment balances. From 2025/26 onwards, the CFR is forecast to reduce as the council applies planned capital receipts to reduce the balance of unfinanced capital expenditure and continues to make statutory annual revenue charges (Minimum Revenue Provision, or MRP), which gradually reduces indebtedness in line with the useful life of each asset.

- 4.4 **The Liability Benchmark** is a measure of borrowing need based on an alternative strategy which aims to show the lowest risk level of borrowing. This assumes the same forecasts as in Table 1 above, but that all cash and investment balances are kept to a minimum level of £10 million, at each year-end to maintain sufficient liquidity and minimise credit risk. This would also maintain investments at a level that ensures the Council retains its 'professional status' for investment activities.

Table 2 Liability Benchmark

	31.3.26 Forecast £m	31.3.27 Forecast £m	31.3.28 Forecast £m	31.3.29 Forecast £m	31.3.30 Forecast £m
Loan CFR	12.67	11.84	11.40	10.96	10.53
Less: Usable reserves	-48.36	-42.21	-40.21	-39.39	-38.69
Less: Working capital	-34.10	-28.60	-26.40	-25.80	-25.20
Plus: minimum investments	10.00	10.00	10.00	10.00	10.00
Liability Benchmark	-59.79	-48.97	-45.21	-44.22	-43.36

- 4.5 Under this alternative strategy the borrowing requirement is minimised such that no new external borrowing would be required over the medium-term.

5. BORROWING STRATEGY

- 5.1 The Council currently holds £4.6 million of loans, which were refinanced in 2022. The balance sheet forecast in Table 1 shows that new borrowing is not expected to be required over the short-term based on current plans.
- 5.2 **Objectives:** The main objective when borrowing money is to strike an appropriately low risk balance between securing low interest costs and achieving certainty of those costs over the period for which funds are required. The flexibility to renegotiate loans should long-term plans change is a secondary objective.
- 5.3 **Strategy:** The Authority's borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio. Short-term interest rates have fallen over the past year, and are expected to fall further, and it is therefore likely to be more cost effective over the medium-term to continue to use internal resources, referred to as internal borrowing. The risks of this approach will be managed by keeping the Authority's interest rate exposure within the limit set in the treasury management prudential indicators.

- 5.4 In the event the Council did need to borrow, it will consider short and long-term loans from a variety of potential sources, including Public Works Loan Board (PWLB), the capital markets, and local authorities. The Council acknowledges that PWLB loans are no longer available to local authorities planning to buy investment assets primarily for yield, which will be a key consideration on future capital investment projects.
- 5.5 Short-term loans may be used to cover unplanned cash flow shortages.
- 5.6 **Sources of borrowing:** The approved sources of long-term and short-term borrowing are:
- HM Treasury’s PWLB lending facility
 - any institution approved for investments (see below)
 - any other bank or building society authorised to operate in the UK
 - any other UK public sector body
- 5.7 As a condition of accessing the PWLB, the Council will be required to confirm there is no intention to buy investment assets primarily for yield in its medium-term capital plans.
- 5.8 **Other sources of debt finance:** In addition, capital finance may be raised by leasing or other similar arrangements that are not borrowing but may be classed as other debt liabilities.
- 5.9 **Short-term and variable rate loans:** These loans result in exposure to the risk of short-term interest rate rises and are therefore subject to an appropriate level of interest rate exposure in any future portfolio determination. Financial derivatives may be used to manage this interest rate risk (see section below).

6. TREASURY INVESTMENT STRATEGY

- 6.1 Significant investments are maintained representing income received in advance of expenditure plus balances and reserves held. Table 3 shows the average investment balances projected over the medium-term:

Table 3 Average Investment Balances

	2024/25 Actual £m	2025/26 Forecast £m	2026/27 Forecast £m	2027/28 Forecast £m	2028/29 Forecast £m	2029/30 Forecast £m
Pooled Funds (long-term)	19.0	19.0	19.0	19.0	19.0	19.0
Short-term investments	58.8	69.9	64.8	57.1	54.3	53.0
Total Average Investment balance	77.8	88.9	83.8	76.1	73.3	72.0

- 6.2 **Objectives:** The CIPFA Code requires treasury funds to be invested prudently, having regard to security and liquidity before seeking the highest rate of return,

or yield. The objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income. Where balances are expected to be invested for more than one year, the aim will be to achieve a total return that is equal or higher than the prevailing rate of inflation, in order to maintain the spending power of the sum invested.

- 6.3 **Strategy:** As demonstrated by the liability benchmark above, the Authority expects to be a long-term investor and treasury investments will therefore include both short-term low risk instruments to manage day-to-day cash flows and longer-term instruments where additional risk is accepted in return for higher investment income to support local public services.
- 6.4 **ESG policy:** Environmental, social and governance (ESG) considerations are increasingly a factor in investors' decision making, but the framework for evaluating investment opportunities is still developing and therefore the Council's ESG approach does not currently include ESG scoring or other real-time ESG criteria at an individual investment level.
- 6.5 **Approved counterparties:** Surplus funds may be invested with any of the counterparty types in Table 4 below, subject to the limits shown.

Table 4 Approved Investment Counterparties

Sector	Time limit	Counterparty limit	Sector limit
UK Government	50 years	Unlimited	n/a
Local authorities (UK)	3 years	£4m	Unlimited
Secured investments – government collateral	3 years	£4m	(a) Unlimited (UK)
Secured investments – other collateral*	3 years	£3m	(a) Unlimited (UK)
Banks (unsecured)*	13 months	£3m	(a) Unlimited (UK) (b) Foreign £3m per country – max all £6m
Building societies (unsecured)	13 months	£3m	£5m
Registered providers (unsecured)*	3 years	£3m	£5m
Money market funds*	n/a	£5m	Unlimited
Strategic pooled funds	n/a	£5m	£25m
Real estate investment trusts	n/a	£3m	£6m

- 6.6 **Minimum credit rating*:** Treasury investments in these sectors will only be made with entities whose lowest published long-term credit rating is no lower than A-. Where available, the credit rating relevant to the specific investment or class of investment is used, otherwise the counterparty credit rating is used. However,

investment decisions are never made solely based on credit ratings, and all other relevant factors including external advice will be considered.

- 6.7 For entities without published credit ratings, investments may be made where external advice indicates the entity to be of similar credit quality.
- 6.8 **Secured investments:** Investments secured on the borrower's assets, which limits the potential losses in the event of insolvency. The amount and quality of the security will be a key factor in the investment decision. Where there is no investment specific credit rating, but the collateral upon which the investment is secured has a credit rating, the higher of the collateral credit rating and the counterparty credit rating will be used. The combined secured and unsecured investments with any one counterparty will not exceed the cash limit for secured investments.
- 6.9 **Banks and building societies (unsecured):** Accounts, deposits, certificates of deposit and senior unsecured bonds with banks and building societies, other than multilateral development banks. These investments are subject to the risk of credit loss via a bail-in should the regulator determine that the bank is failing or likely to fail. See below for arrangements relating to operational bank accounts.
- 6.10 **Registered providers (unsecured):** Loans to, and bonds issued or guaranteed by, registered providers of social housing or registered social landlords, formerly known as housing associations. These bodies are regulated and as providers of public services, they retain the likelihood of receiving government support if needed.
- 6.11 **Money market funds:** Pooled funds that offer same-day or short notice liquidity and very low or no price volatility by investing in short-term money markets. They have the advantage over bank accounts of providing wide diversification of investment risks, coupled with the services of a professional fund manager in return for a small fee. Although no sector limit applies to money market funds, care is taken to diversify investments over a variety of providers.
- 6.12 **Strategic pooled funds:** Bond, equity and property funds that offer enhanced returns over the longer term but are more volatile in the short term. These allow diversification into asset classes other than cash without the need to own and manage the underlying investments. Because these funds have no defined maturity date, but are available for withdrawal after a notice period, their performance and continued suitability in meeting the investment objectives will be monitored regularly.
- 6.13 **Real estate investment trusts (REITs):** Shares in companies that invest mainly in real estate and pay the majority of their rental income to investors in a similar manner to pooled property funds. As with property funds, REITs offer enhanced returns over the longer term but are more volatile especially as the share price

reflects changing demand for the shares as well as changes in the value of the underlying properties.

- 6.14 **Operational bank accounts:** The Council has financial exposure, for example through current accounts, collection accounts and merchant acquiring services. These are not classed as investments but are still subject to the risk of a bank bail-in, and therefore balances are maintained at a minimum level commensurate with operational requirements.
- 6.15 **Risk assessment and credit ratings:** Credit ratings are obtained and monitored by Arlingclose, who will notify changes in ratings as they occur. Where an entity has its credit rating downgraded so that it fails to meet the approved investment criteria then:
- no new investments will be made,
 - any existing investments that can be recalled or sold at no cost will be, and
 - full consideration will be given to the recall or sale of all other existing investments with the affected counterparty.
- 6.16 Where a credit rating agency announces that a credit rating is on review for possible downgrade (also known as “negative watch”) so that it may fall below the approved rating criteria, then only investments that can be withdrawn at short notice will be made with that organisation until the outcome of the review is announced.
- 6.17 **Other information on the security of investments:** Full regard is given to other available information on the credit quality of organisations, including credit default swap prices, financial statements, information on potential government support, reports in the quality financial press and analysis and advice from Arlingclose. No investments will be made with an organisation if there are substantive doubts about its credit quality, even though it may otherwise meet the above criteria.
- 6.18 When deteriorating financial market conditions affect the creditworthiness of all organisations, investments will be restricted to those of higher credit quality along with reductions in the maximum duration. The extent of these restrictions will be in line with prevailing financial market conditions. If these restrictions mean that insufficient commercial organisations of high credit quality are available to invest in, then increased amounts will be held with UK Government or other local authorities. This will likely cause investment returns to fall but will protect the principal sum invested.
- 6.19 **Investment limits:** Revenue reserves would be required to cover investment losses and therefore in order that reserves are not put at risk in the case of a single default, the maximum that will be lent to any one organisation (other than

the UK Government) will be £5m (also subject to the exposure limit set out in Table 4).

- 6.20 **Liquidity management:** A medium-term cash flow forecast is maintained to determine the maximum period for which funds may prudently be committed. The forecast is compiled on a prudent basis to minimise the risk of being forced to borrow on unfavourable terms to meet financial commitments. Limits on long-term investments are set by reference to a medium-term financial plan and cash flow forecast. A daily cash flow for the financial year is maintained to manage short-term liquidity requirements.
- 6.21 Liquid cash is spread over several accounts and funds to ensure that access to cash is maintained in the event of operational difficulties at any one provider.

7. TREASURY MANAGEMENT INDICATORS

- 7.1 The Council measures and manages its exposures to treasury management risks using the following indicators.
- 7.2 **Security:** A voluntary measure of exposure to credit risk has been adopted by monitoring the value-weighted average credit rating of the investment portfolio. The target is to maintain the portfolio at an overall equivalent credit rating of at least A.
- 7.3 **Refinancing risk:** Any new borrowing undertaken in line with this strategy will be arranged to control future refinancing risk by ensuring a spread of maturities.
- 7.4 **Principal sums invested for periods longer than a year:** The purpose of this indicator is to control exposure to the risk of incurring losses by seeking early repayment of investments. The limits on the long-term principal sum invested to final maturities beyond the period end will be:

Table 5 Investment beyond One Year Limit

Price risk indicator	2026/27	2027/28	2028/29
Limit on principal invested beyond year end.	£15m	£10m	£10m

8. OTHER RELATED MATTERS

- 8.1 **Financial derivatives:** Standalone financial derivatives (such as swaps, forwards, futures, and options) will only be used where they can be clearly demonstrated to reduce the overall level of financial risk exposure and having taken appropriate advice. Embedded derivatives, including those present in pooled funds and forward starting transactions, will not be subject to this policy, although the risks they present will be managed in line with the overall treasury risk management strategy.

8.2 **Markets in Financial Instruments Directive (MiFID):** The Council has opted up to professional client status with its providers of financial services, including advisers, banks, brokers, and fund managers, allowing access to a greater range of services but without the greater regulatory protections afforded to individuals and small companies. Given the size and range of treasury management activities, the Section 151 Officer believes this to be the most appropriate status.

9. FINANCIAL IMPLICATIONS

9.1 For the 2026/27 financial year, the Council has budgeted investment income of £3.1 million, based on an average investment portfolio of £84 million. This projection reflects an anticipated return of 3.3% on short-term investments and 5% on the Council’s pooled fund holdings

9.2 Interest payable on current borrowing is £113,000 per annum and £70,000 in relation to the premium repayment in respect of refinanced LOBOs. Minimum Revenue Provision (MRP) set aside is budgeted at £437,000.

9.3 If actual levels of investments and borrowing, or actual interest rates, differ from that forecast, performance against budget will be correspondingly different.

9.4 A treasury management reserve is maintained to cover future financial risks associated with varying investment returns or borrowing costs; and potential reductions in the fair value of investments where these might be realised. The level of reserve required is kept under review.

9.5 Interest and annual MRP charges arising from lease arrangements are covered by the relevant service revenue budgets.

10. Other Options Considered

10.1 The CIPFA Code does not prescribe any particular treasury management strategy for local authorities to adopt. The Section 151 Officer believes that the above strategy represents an appropriate balance between risk management and cost effectiveness. Some alternative strategies, with their financial and risk management implications, are listed below.

Alternative	Impact on income and expenditure	Impact on risk management
Invest in a narrower range of counterparties and/or for shorter times	Interest income will be lower	Lower chance of losses from credit related defaults, but any such losses may be greater
Invest in a wider range of counterparties and/or for longer times	Interest income will be higher	Increased risk of losses from credit related defaults, but any such losses may be smaller

Borrow additional sums at long-term fixed interest rates	Debt interest costs will rise	Long-term interest costs may be more certain
Borrow short-term or variable loans instead of long-term fixed rates	Debt interest costs will initially be lower	Increases in debt interest costs will be broadly offset by rising investment income in the medium term, but long-term costs may be less certain

Appendix A – Treasury Management Practices (TMPs)

- TMP1 Risk management
- TMP2 Performance measurement
- TMP3 Decision making and analysis
- TMP4 Approved instruments, methods and techniques
- TMP5 Organisation, clarity and segregation of responsibilities, and dealing arrangements
- TMP6 Reporting requirements and management information arrangements
- TMP7 Budgeting, accounting and audit arrangements
- TMP8 Cash and cash flow management
- TMP9 Money laundering
- TMP10 Training and qualifications
- TMP11 Use of external service providers
- TMP12 Corporate governance

Appendix B - Arlingclose Economic & Interest Rate Forecast – December 2025

Underlying assumptions:

- The Budget signaled further fiscal (tax/spend) tightening across this parliament. Most tax changes take effect from 2028, while welfare and spending start from April 2026. Taken together, the timing of these announcements means the fiscal stance is likely to be slightly looser than expected for the next two years (with increased government spending), before tightening sharply from 2028 (with large tax rises).
- Despite the near-term looser fiscal stance, the new policies add little support for activity in 2026. Even before the Budget, economic data pointed to a slower growth outlook. Meanwhile, disinflation has been evident and planned government actions on train fares and energy bills will also dampen inflation next year.
- The close vote in November to keep Bank Rate at 4% reflected pre-Budget uncertainty. With no significant measures to boost growth or inflation in the Budget, the Bank announced a 0.25% cut on 18th December, bringing the rate down to 3.75%.
- Inflation fell to 3.6% in October. Business surveys point to weaker pricing power and household inflation expectations are easing, although they remain high. Wage growth is moderating amid rising unemployment, and overall activity is flat. Confidence has been hit by the run-up to the Budget, and a strong rebound seems improbable in the near term.
- Weak growth and softer inflation strengthen the case for dovish MPC members to push for further Bank Rate cuts, while undermining arguments of more hawkish members. There will still be questions over whether Government can deliver the fiscal tightening it set out, given a history of U-turns, and timing ahead of the next General Election. The December meeting will offer a clearer view of how divided the MPC really is.
- Risks to the growth and inflation outlook lie to the downside, which if crystallised may ultimately deliver lower Bank Rate than our central case.
- Lower inflation expectations and a tighter fiscal stance have helped bring down gilt yields, especially at the long end. Even so, sustained heavy borrowing across advanced economies, the DMO's move towards issuing more short-dated gilts and lingering doubts about the government's fiscal plans will keep short to medium yields above the levels implied by interest rate expectations alone.

Forecast:

- Continuing disinflation, rising unemployment, softening wage growth and low confidence suggests that monetary policy will be eased to stimulate activity ahead of incoming fiscal tightening post-2028.

- Arlingclose now expects Bank Rate to be cut to 3.25% by Q2 2026, with risks weighted to the downside.
- Medium and long-term gilt yields continue to incorporate premia for UK government credibility and global uncertainty. These issues may not be resolved quickly, and we expect yields to remain higher than would normally be consistent with Bank Rate expectations.
- However, the lower path for Bank Rate maintains the downside risks to Arlingclose's gilt yield forecasts.

	Current	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27	Jun-27	Sep-27	Dec-27	Mar-28	Jun-28	Sep-28
Official Bank Rate													
Upside risk	0.00	0.25	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Central Case	4.00	3.75	3.50	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25
Downside risk	0.00	0.00	-0.25	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50
3-month money market rate													
Upside risk	0.00	0.25	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Central Case	3.90	3.65	3.50	3.40	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35
Downside risk	0.00	0.00	-0.25	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50
5yr gilt yield													
Upside risk	0.00	0.40	0.45	0.50	0.55	0.60	0.65	0.70	0.70	0.70	0.70	0.70	0.70
Central Case	3.92	3.90	3.85	3.80	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.80	3.80
Downside risk	0.00	-0.50	-0.60	-0.70	-0.80	-0.85	-0.85	-0.85	-0.85	-0.85	-0.85	-0.85	-0.85
10yr gilt yield													
Upside risk	0.00	0.40	0.45	0.50	0.55	0.60	0.65	0.70	0.70	0.70	0.70	0.70	0.70
Central Case	4.48	4.40	4.35	4.30	4.25	4.25	4.25	4.25	4.25	4.25	4.25	4.30	4.30
Downside risk	0.00	-0.50	-0.60	-0.70	-0.80	-0.85	-0.85	-0.85	-0.85	-0.85	-0.85	-0.85	-0.85
20yr gilt yield													
Upside risk	0.00	0.40	0.45	0.50	0.55	0.60	0.65	0.70	0.70	0.70	0.70	0.70	0.70
Central Case	5.13	4.90	4.85	4.80	4.75	4.75	4.75	4.75	4.75	4.75	4.75	4.80	4.80
Downside risk	0.00	-0.50	-0.60	-0.70	-0.80	-0.85	-0.85	-0.85	-0.85	-0.85	-0.85	-0.85	-0.85
50yr gilt yield													
Upside risk	0.00	0.40	0.45	0.50	0.55	0.60	0.65	0.70	0.70	0.70	0.70	0.70	0.70
Central Case	4.73	4.50	4.50	4.45	4.45	4.45	4.45	4.45	4.45	4.45	4.45	4.50	4.50
Downside risk	0.00	-0.50	-0.60	-0.70	-0.80	-0.85	-0.85	-0.85	-0.85	-0.85	-0.85	-0.85	-0.85

PWLB Standard Rate = Gilt yield + 1.00%

PWLB Certainty Rate = Gilt yield + 0.80%

PWLB HRA Rate = Gilt yield + 0.40%

National Wealth Fund (NWF) Rate = Gilt yield + 0.40%

Report Title: Governance and Audit Committee Draft Programme of Work 2025/2026	
Report to: Governance and Audit Committee	
Date: 14 th January 2026	For: Decision
Key Decision: No	Decision Planner Ref No: N/A
Report Presented by: Angela Mitchell, Audit, Insurance and Fraud Manager	
Enquiries to: Angela Mitchell, Audit, Insurance and Fraud Manager angmi@braintree.gov.uk	

1. Purpose of the Report

- 1.1 This report provides the Governance and Audit Committee with a draft programme of planned work for the coming year.

2. Recommendations

- 2.1 Members to agree the Governance and Audit Committee programme of work for 2025/26 and to identify any training needs to enable them to effectively discharge their duties.

3. Summary of Issues

- 3.1 The Code of Practice for the Governance of Internal Audit in UK Local Government includes the following relating to Oversight of Internal Audit:

3.1 Audit Committee Interaction

To ensure there is good interaction between the audit committee and internal audit, audit committees must agree its work plan with the Chief Audit Executive to ensure there is appropriate coverage of internal audit matters within audit committee agendas. The audit committee workplan should provide for the internal audit mandate and charter, strategy, plans, engagement reporting and the annual conclusion, and quality reports.

- 3.2 This report presents the draft programme of work for the Governance and Audit Committee. Ad hoc reports may be added during the year, such as when requested by Members, the External Auditor, or officers, and the timing of reports may be revised. Members are requested to consider the programme of work and to recommend any additions, and to identify any training needs to enable them to effectively discharge their duties.

3.3 The recommendations set out in this report will help the Council to deliver the following Corporate Priorities:

- The work of the Governance and Audit Committee generally supports the Council across all Corporate Objectives:
 - Communities – our communities can thrive
 - Prosperity – our people prosper
 - Environment – our environment is cherished
 - Fit for the Future – ensuring our Council is fit for the future through our transformation programme

4. Options

4.1 The Governance and Audit Committee are invited to consider and agree the draft Committee programme of work, and to consider any additional information, reports or training required to assist the Committee in achieving its terms of reference.

5. Financial Implications

5.1 There are no new financial implications arising from the recommendations set out in this report.

6. Legal Implications

6.1 There are no new legal implications arising from this report.

7. Local Government Reorganisation (LGR) - Implications

7.1 There are no LGR implications arising from this report. An Audit Committee is a key component of an effective corporate governance framework, a new Unitary Authority would need to determine governance and reporting arrangements in line with the English Devolution and Community Empowerment Bill.

8. Other Implications

8.1 There are no other implications arising from this report.

9. Equality and Diversity Implications

9.1 Section 149 of the Equality Act 2010 creates the public sector equality duty which requires that when the Council makes decisions it must have regard to the need to:

- (a) Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Act;
- (b) Advance equality of opportunity between people who share a protected characteristic and those who do not; and

(c) Foster good relations between people who share a protected characteristic and those who do not including tackling prejudice and promoting understanding.

9.2 The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation. The Act states that 'marriage and civil partnership' is not a relevant protected characteristic for (b) or (c) although it is relevant for (a).

9.3 The proposals in this report will not have a disproportionately adverse impact on any people with a particular characteristic.

10. List of Appendices

10.1 Appendix 1 - Governance and Audit Committee Draft Programme of Work 2026/27.

11. Background Papers

11.1 None.

APPENDIX 1 – GOVERNANCE AND AUDIT COMMITTEE DRAFT PROGRAMME OF WORK 2026/27

Timing of reports is provisional, some items may need to be deferred.

The timing of the following reports is to be determined:

- *HB Subsidy report:*
 - o 2021/22 - BDO
 - o 2022/23 - KPMG
 - o 2023/24 – KPMG
 - o 2024/25 – KPMG
- 2025/26 External Audit Plan – KPMG
- 2025/26 External Audit Report on VFM Risks and Arrangements - KPMG
- *Policy reviews*

GAC - 14th JANUARY 2026 (Agenda Published 06/01/2026)	
AGENDA ITEMS - Audit Committee Matters:	REPORT OWNER
Key Financial Indicators	Head of Finance & S151 Officer
Internal Audit Update Including Progress Against 2025/26 Internal Audit Plan	Audit Insurance & Fraud Manager
Draft Treasury Management Strategy Statement 2026/27	Financial Services Manager & Deputy S151 Officer
Fraud Update	Audit Insurance & Fraud Manager
Governance & Audit Committee Programme of Work 2026/27	Audit Insurance & Fraud Manager
Strategic Risk Register	Head of Finance & S151 Officer / Audit Insurance & Fraud Manager
Progress of 2024/25 Accounts <i>Verbal update</i>	KPMG

GAC – 10th FEBRUARY 2026 (Agenda Published 02/02/2026)	
AGENDA ITEM - Governance & Standards Matters:	REPORT OWNER
Monitoring Officer’s Annual Report 2024/25 and 2025/26	Head of Governance / Monitoring Officer
AGENDA ITEMS - Audit Committee Matters:	REPORT OWNER
Statement of Accounts 2024/25 and External Auditor’s Final ISA 260 (Audit Completion Report) 2024/25 Including External Auditor Draft Audit Opinion 2024/25 and External Auditor Letter of Representation 2024/25	Head of Finance & S151 Officer and KPMG
Final Annual Auditor Report (including VFM Commentary)	Head of Finance & S151 Officer and KPMG

GAC – 22nd APRIL 2026 (Agenda Published 14/04/2026)	
AGENDA ITEMS - Audit Committee Matters:	REPORT OWNER
Key Financial Indicators	Head of Finance & S151 Officer
Internal Audit Update Including Performance Against 2025/26 Internal Audit Plan, including Global Internal Audit Standards update	Audit Insurance & Fraud Manager
Internal Audit Strategy & Plan 2026/27	Audit Insurance & Fraud Manager
Internal Audit Charter & Mandate	Audit Insurance & Fraud Manager
Review of the Council’s Strategic Risk Management Policy and Strategy	Head of Finance & S151 Officer / Audit Insurance & Fraud Manager
External Audit Plan and Strategy 2025/26	Head of Finance & S151 Officer / KPMG

GAC – 1st JULY 2026 (Agenda Published 23/06/2026)	
AGENDA ITEMS - Audit Committee Matters:	REPORT OWNER
Key Financial Indicators	Head of Finance & S151 Officer
Internal Audit Update Including Progress Against 2026/27 Internal Audit Plan	Audit Insurance & Fraud Manager
Internal Audit Annual Report 2024/25	Audit Insurance & Fraud Manager
Treasury Management Annual Report 2025/26	Financial Services Manager & Deputy S151 Officer
Annual Governance Statement for 2025/26	Head of Finance & S151 Officer
Draft Statement of Accounts 2024/25	Head of Finance & S151 Officer
Governance and Audit Committee Annual Report 2025/26	Chairman (supported by Audit Insurance & Fraud Manager)
Strategic Risk Register	Head of Finance & S151 Officer / Audit Insurance & Fraud Manager

GAC – 7th OCTOBER 2026 (Agenda Published 29/09/2026)	
AGENDA ITEMS - Audit Committee Matters:	REPORT OWNER
Key Financial Indicators	Head of Finance & S151 Officer
Interim External Auditor’s Annual Report 2025/26	Head of Finance & S151 Officer / KPMG
Internal Audit Update Including Progress Against 2026/27 Internal Audit Plan	Audit Insurance & Fraud Manager
Treasury Management Mid-Year Report 2026/27	Financial Services Manager & Deputy S151 Officer

GAC – 13th JANUARY 2027 (Agenda Published 05/01/2027)	
AGENDA ITEMS - Audit Committee Matters:	REPORT OWNER
Key Financial Indicators	Head of Finance & S151 Officer
Internal Audit Update Including Progress Against 2026/27 Internal Audit Plan	Audit Insurance & Fraud Manager
Draft Treasury Management Strategy Statement 2027/28	Financial Services Manager & Deputy S151 Officer
Fraud Update	Audit Insurance & Fraud Manager
Governance & Audit Committee Programme of Work 2027/28	Audit Insurance & Fraud Manager
Statement of Accounts 2025/26 / Audit Committee Report 2025/26 <i>(backstop for 2025/26 is 31st Jan 2027)</i>	Head of Finance & S151 Officer and KPMG
Annual Audit Letter / External Audit Report on VFM Risks	Head of Finance & S151 Officer and KPMG
Strategic Risk Register	Head of Finance & S151 Officer / Audit Insurance & Fraud Manager

GAC – 7th APRIL 2027 (Agenda Published 30/03/2027)	
AGENDA ITEM - Governance & Standards Matters:	REPORT OWNER
Monitoring Officer’s Annual Report 2026/27	Head of Governance / Monitoring Officer
AGENDA ITEMS - Audit Committee Matters:	REPORT OWNER
Key Financial Indicators	Head of Finance & S151 Officer
Internal Audit Update Including Performance Against 2026/27 Internal Audit Plan, update on External Quality Assessment (EQA) of Internal Audit, and Progress Against EQA Action Plan, and GIAS update	Audit Insurance & Fraud Manager
Internal Audit Strategy & Plan 2027/28	Audit Insurance & Fraud Manager
Internal Audit Charter & Mandate	Audit Insurance & Fraud Manager
External Audit Plan and Strategy 2026/27 <i>(backstop for 2026/27 is 30/11/2027)</i>	Head of Finance & S151 Officer / KPMG