



To: Members of the Audit & Governance Committee

***Notice of a Meeting of the Audit & Governance
Committee***

Wednesday, 17 September 2025 at 1.00 pm

Room 2&3 - County Hall, New Road, Oxford OX1 1ND

If you wish to view proceedings, please click on this [Live Stream Link](#)
Please note, that will not allow you to participate in the meeting.

Martin Reeves
Chief Executive

Deadline(pubagenda)

Committee Officers: *Committee Services*
Email: committees.democraticservices@oxfordshire.gov.uk

Membership

Chair – Councillor Roz Smith
Deputy Chair - Councillor John Shiri

Councillors

Ron Batstone
Andrew Crichton
Ted Fenton

James Fry
David Hingley
Gavin McLauchlan

Leigh Rawlins

Co-optee

Kate Cartwright
Paul McGinn

Notes:

- ***Date of next meeting: 26 November 2025***



AGENDA

- 1. Apologies for Absence and Temporary Appointments**
- 2. Declaration of Interests - see guidance note**
- 3. Minutes (Pages 1 - 10)**

To approve the minutes of the meeting held on 16 July 2025 and to receive information arising from them.

4. Petitions and Public Address

Members of the public who wish to speak on an item on the agenda at this meeting, or present a petition, can attend the meeting in person or 'virtually' through an online connection.

Requests to present a petition must be submitted no later than 9am ten working days before the meeting.

Requests to speak must be submitted no later than 9am three working days before the meeting.

Requests should be submitted to committeesdemocraticservices@oxfordshire.gov.uk

If you are speaking 'virtually', you may submit a written statement of your presentation to ensure that if the technology fails, then your views can still be taken into account. A written copy of your statement can be provided no later than 9am on the day of the meeting. Written submissions should be no longer than 1 A4 sheet.

5. Audit Working Group Terms of Reference (Pages 11 - 14)

Report by the Executive Director of Resources & Section 151 Officer

The Audit Working Group (AWG) acts as an informal working group of the Audit & Governance Committee, reviewing in detail matters of governance, risk and control. It supports the Audit & Governance (A&G) Committee in discharging its responsibilities. The terms of reference for the AWG are agreed by the Audit & Governance Committee.

The Committee is RECOMMENDED to review and agree the updated Audit Working Group Terms of Reference.

6. Treasury Management Quarter 1 Performance Report 2025/26 (Pages 15 - 30)

Report by the Executive Director of Resources & Section 151 Officer

Treasury management is defined as: “The management of the organisation’s borrowing, investments and cash flows, including its banking, money market and capital market transactions, the effective control of the risks associated with those activities, and the pursuit of optimum performance consistent with those risks.”

The Chartered Institute of Public Finance and Accountancy’s (CIPFA’s) ‘Code of Practice on Treasury Management 2021’ requires that committee to which some treasury management responsibilities are delegated, will receive regular monitoring reports on treasury management activities and risks. This report is the first for the 2025/26 financial year and sets out the position at 30 June 2025.

Throughout this report, the performance for the first quarter of the year to June 2025 is measured against the budget agreed by Council in February 2025.

As at 30 June 2025, the council’s outstanding debt totalled £270m and the average rate of interest paid on long-term debt during the quarter was 4.41%. No external borrowing was raised during the quarter, whilst £2m of maturing Public Works Loan Board (PWLB), was repaid. The council’s forecast debt financing position for 2025/26 is shown in Annex 1.

The [Treasury Management Strategy for 2025/26](#) agreed in February 2025 assumed an average base rate of 4.00%.

The average daily balance of temporary surplus cash invested in-house was expected to be £303m in 2025/26, with an average in-house return on new and existing deposits of 3.25%.

During the three months to 30 June 2025 the council achieved an average in-house return of 4.74% on average cash balances of £420.335m, producing gross interest receivable of £4.964m. In relation to external funds, the return for the three months was £0.670m, bringing total investment income to £5.634m. This compares to budgeted investment income of £3.191m, giving a net overachievement of £3.443m.

At 30 June 2025, the council’s investment portfolio totalled £518.048m. This comprised £365.500m of fixed term deposits, £52.833m at short term notice in money market funds and £99.715m in pooled funds with a variable net asset value. Annex 4 provides an analysis of the investment portfolio at 30 June 2025.

The Audit & Governance Committee is RECOMMENDED to note the council’s treasury management activity at the end of the first quarter of 2025/26.

7. Internal Audit 2025/26 - Progress Report (Pages 31 - 48)

Report by the Executive Director of Resources & Section 151 Officer

This report provides an update on the Internal Audit Service, including resources, completed and planned audits.

The report includes the Executive Summaries from the individual Internal Audit reports finalised since the last report to the June 2025 Committee. Since the last update, there have been no red reports issued.

The Committee is RECOMMENDED to note the progress with the 2025/26 Internal Audit Plan and the outcome of the completed audits.

8. Ernst & Young External Audit Update

9. Monitoring Officer Annual Report, 2024-25 (Pages 49 - 62)

Report by the Director of Law & Governance & Monitoring Officer

This report provides a comprehensive overview from the Monitoring Officer of democratic and ethical governance activities during the municipal year 2024-25 (from 1 April 2024 to 31 March 2025). The report is aligned with the functions of the Audit and Governance Committee, which is responsible for ensuring high standards of conduct among councillors and co-opted members.

The Committee's key responsibilities include:

- Promoting high standards of conduct by councillors and co-opted members.
- Granting general and individual dispensations to councillors and co-opted members from requirements related to interests as set out in the code of conduct. Individual dispensations under Section 33 of the Localism Act 2011 and the Members' Code of Conduct are delegated to the Monitoring Officer.
- Reviewing the arrangements for dealing with complaints against Members and advising the Council on the adoption or revision of these arrangements, as well as the Members' Code of Conduct.

Throughout the year, the Committee has diligently worked to uphold its responsibilities, ensuring that ethical standards are maintained and that any complaints or allegations of misconduct are addressed promptly and fairly. This report highlights the Committee's activities, achievements, and the progress made in fostering a culture of transparency, accountability, and integrity within the Council.

The Committee is RECOMMENDED to consider and endorse the Monitoring Officer's annual report for 2024-25.

10. RIPA Policy (Pages 63 - 82)

Report by the Director of Law & Governance & Monitoring Officer

The Council may occasionally need to carry out covert surveillance. The Regulation of Investigatory Powers Act 2000 ('the Act') and supporting Codes of Practice provide the legal framework under which public bodies may lawfully undertake covert surveillance. Compliance with the Act and the supporting Codes of Practice provides protection to the Council in the event that an individual challenges the actions of the Council on the basis that those actions were an infringement of the individual's human rights. It also reduces the likelihood that any evidence obtained through covert surveillance and used in legal proceedings is ruled inadmissible.

Codes of Practice under the Act require that elected members review the Authority's use of activities within the scope of the Act periodically and review the Authority's Policy annually. This report provides a summary of the covert activities undertaken by the council between April 2024 and March 2025 for review by the Committee.

The Council's Policy for Compliance with the Investigation of Regulatory Powers Act 2000 ('the policy') is updated annually and received a significant refresh in 2023. This included incorporating feedback from the Investigatory Powers Commissioner's Office (IPCO). This year, officers are not recommending any changes to the policy.

The Committee is RECOMMENDED to:

- a) note the Policy for Compliance with the Investigation of Regulatory Powers Act 2000 included in the annex of this paper and to comment on any changes to the policy that the committee would wish the Director of Law & Governance and Monitoring Officer to consider; and**
- b) consider and note the use of any activities within the scope of the Regulation of Investigatory Powers Act by the Council.**

11. Assessment of the Council's Financial Management, Controls & Governance (Pages 83 - 94)

Report by the Executive Director of Resources & Section 151 Officer

Since 2020/21 the Government has provided [Exceptional Financial Support](#) (EFS) for councils who made a request for financial assistance to handle pressures that they considered unmanageable and to enable them to set balanced budgets. The support is provided on an exceptional basis, and where relevant, on the condition that a local authority may be subject to an external assurance review. Some of the councils in receipt of EFS have also issued a Section 114 notice.

Councils have sought EFS for a variety of reasons but in almost all cases, multiple issues have combined impacting on financial resilience. An assessment of the causes of financial strain indicates that in most cases where councils have upper tier responsibilities persistent pressures in adult and children's social care has been coupled with a low level of reserves. Other causes of financial strain include costs relating to homelessness, Special Educational Needs and Disabilities (SEND) deficits impacting on cash balances, debt costs, transformation delays, legacy issues and accounting corrections.

While Oxfordshire County Council needs to continue to take action to manage demand and costs, the year-end position for both 2023/24 and 2024/25 and the assessment against the Financial Management Code for 2024/25, demonstrates strong financial control and resilience. However, there are significant risks around the growing deficit against High Needs Dedicated Schools Grant funding as well as the potential impact of funding reform from 2026/27.

The level of reserves is fundamental to financial sustainability so while the council is not currently in the same position as the councils that have sought EFS this report sets out an assessment of the current position and the controls in place to help mitigate risks.

The Committee is RECOMMENDED to note the report.

12. Financial Regulations Update (Pages 95 - 110)

Report by the Executive Director of Resources & Section 151 Officer

In April 2025 Council agreed a number of changes to the Constitution. As part of that the threshold for a Key Decision for capital expenditure was increased to £2.0m.

Section 5 of the Financial Regulations which sets out the arrangements for Capital expenditure needs to be updated to align with the threshold for a Key Decision. It is proposed to increase the threshold for Cabinet approval for new inclusions and variations to the programme to £2.0m (from £1.0m). The Strategic Capital and Commercial Board would approve any expenditure above £0.5m up to £2.0m.

The Committee is RECOMMENDED to recommend to Council:

- a) to approve amendments to Section 5 of the Financial Regulations increasing the limit for Cabinet approval for new inclusions and variations to capital schemes from £1.0m to £2.0m to align with the key decision threshold of £2m; and**
- b) to approve that in exceptional circumstances up to £0.500m funding for exploratory feasibility works can be approved by the Executive Director of Resources and Section 151 Officer (following discussion and recommendation at, and with the support of the Strategic Capital and Commercial Board).**

13. Appointments to Outside Bodies

To make appointments of Council representatives to

- Oxfordshire Buildings Trust Ltd (2 positions)
- South East Reserve Forces' and Cadets' Association

14. Audit & Governance Committee Work Programme (Pages 111 - 112)

The Committee is RECOMMENDED to note the updated work programme for 2025-26.

Close of meeting

An explanation of abbreviations and acronyms is available on request from the Chief Internal Auditor.

Councillors declaring interests

General duty

You must declare any disclosable pecuniary interests when the meeting reaches the item on the agenda headed 'Declarations of Interest' or as soon as it becomes apparent to you.

What is a disclosable pecuniary interest?

Disclosable pecuniary interests relate to your employment; sponsorship (i.e. payment for expenses incurred by you in carrying out your duties as a councillor or towards your election expenses); contracts; land in the Council's area; licenses for land in the Council's area; corporate tenancies; and securities. These declarations must be recorded in each councillor's Register of Interests which is publicly available on the Council's website.

Disclosable pecuniary interests that must be declared are not only those of the member her or himself but also those member's spouse, civil partner or person they are living with as husband or wife or as if they were civil partners.

Declaring an interest

Where any matter disclosed in your Register of Interests is being considered at a meeting, you must declare that you have an interest. You should also disclose the nature as well as the existence of the interest. If you have a disclosable pecuniary interest, after having declared it at the meeting you must not participate in discussion or voting on the item and must withdraw from the meeting whilst the matter is discussed.

Members' Code of Conduct and public perception

Even if you do not have a disclosable pecuniary interest in a matter, the Members' Code of Conduct says that a member 'must serve only the public interest and must never improperly confer an advantage or disadvantage on any person including yourself' and that 'you must not place yourself in situations where your honesty and integrity may be questioned'.

Members Code – Other registrable interests

Where a matter arises at a meeting which directly relates to the financial interest or wellbeing of one of your other registerable interests then you must declare an interest. You must not participate in discussion or voting on the item and you must withdraw from the meeting whilst the matter is discussed.

Wellbeing can be described as a condition of contentedness, healthiness and happiness; anything that could be said to affect a person's quality of life, either positively or negatively, is likely to affect their wellbeing.

Other registrable interests include:

- a) Any unpaid directorships

- b) Any body of which you are a member or are in a position of general control or management and to which you are nominated or appointed by your authority.
- c) Any body (i) exercising functions of a public nature (ii) directed to charitable purposes or (iii) one of whose principal purposes includes the influence of public opinion or policy (including any political party or trade union) of which you are a member or in a position of general control or management.

Members Code – Non-registrable interests

Where a matter arises at a meeting which directly relates to your financial interest or wellbeing (and does not fall under disclosable pecuniary interests), or the financial interest or wellbeing of a relative or close associate, you must declare the interest.

Where a matter arises at a meeting which affects your own financial interest or wellbeing, a financial interest or wellbeing of a relative or close associate or a financial interest or wellbeing of a body included under other registrable interests, then you must declare the interest.

In order to determine whether you can remain in the meeting after disclosing your interest the following test should be applied:

Where a matter affects the financial interest or well-being:

- a) to a greater extent than it affects the financial interests of the majority of inhabitants of the ward affected by the decision and;
- b) a reasonable member of the public knowing all the facts would believe that it would affect your view of the wider public interest.

You may speak on the matter only if members of the public are also allowed to speak at the meeting. Otherwise you must not take part in any discussion or vote on the matter and must not remain in the room unless you have been granted a dispensation.

Agenda Item 3

AUDIT & GOVERNANCE COMMITTEE

MINUTES of the meeting held on Wednesday, 16 July 2025 commencing at 1.00 pm and finishing at 3.35 pm

Present:

Voting Members: Councillor Roz Smith – in the Chair

Councillor John Shiri (Deputy Chair)
Councillor Ron Batstone
Councillor James Fry
Councillor David Hingley
Councillor Gavin McLauchlan
Councillor Leigh Rawlins
Kate Cartwright

Nonvoting Members: Paul McGinn
Dr Geoff Jones

Officers Jack Ahier, Democratic Services Officer
Lorna Baxter, Executive Director of Resources & Section 151 Officer
Anita Bradley, Director of Law & Governance & Monitoring Officer
Declan Brolly, Counter Fraud Team Manager
Tim Chapple, Treasury Manager
Sarah Cox, Chief Internal Auditor
Paul Lundy, County Health Manager
Helen Mitchell, Programme Director of Local Government Reorganisation
Ella Stevens, Deputy Chief Accountant
Kathy Wilcox, Head of Corporate Finance

The Committee considered the matters, reports and recommendations contained or referred to in the agenda for the meeting, together with a schedule of addenda tabled at the meeting and decided as set out below. Except as insofar as otherwise specified, the reasons for the decisions are contained in the agenda, reports and scheduled/additional documents, copies of which are attached to the signed Minutes.

50/25 APOLOGIES FOR ABSENCE AND TEMPORARY APPOINTMENTS

(Agenda No. 1)

The Chair Councillor Roz Smith welcomed everyone to the meeting, especially new independent members Kate Cartwright and Paul McGinn.

The Chair also thanked outgoing independent member Dr Geoff Jones for his work over the last twenty years.

Apologies were received from Cllr Fenton, substituted by Cllr Sargent, and from Cllr Crichton, and these apologies were accepted.

Cllr Levy also sent apologies for not attending on matters relevant to his portfolio as Cabinet Member for Finance, Property and Transformation. This apology was also accepted.

51/25 DECLARATION OF INTERESTS

(Agenda No. 2)

Councillor David Hingley declared an interest in Item 5 as Leader of Cherwell District Council, who were responsible for putting forward a different proposal in respect of local government reorganisation. The Monitoring Officer confirmed that this was not a pecuniary interest and that the Councillor would be able to remain in the meeting, given that the Committee were only asked to note the report.

52/25 MINUTES OF THE PREVIOUS MEETING

(Agenda No. 3)

APPROVED the minutes of the meetings of 4 June 2025 as an accurate record of proceedings.

53/25 PETITIONS AND PUBLIC ADDRESS

(Agenda No. 4)

There were none.

54/25 LOCAL GOVERNMENT REORGANISATION PROGRESS UPDATE

(Agenda No. 5)

The Programme Director of Local Government Reorganisation (LGR) introduced the report. Given that Annex A had not been published alongside the report, the letter from His Majesty's Government (5 February 2025) was not discussed.

Firstly, the Committee asked how it had been decided that the County Council's 'preferred option' was for a single unitary council for Oxfordshire. Officers clarified that this was an executive decision taken by the Cabinet of the previous administration on 20 March.

Secondly, the Committee asked about the work that was being done on a strategic authority amid some uncertainty. Officers said that there was more certainty in light of the English Devolution and Community Empowerment Bill, which had been introduced to Parliament on 10 July.

Thirdly, the Committee asked about the disaggregation to key services. Officers clarified that:

- Work was being done to develop principles and approaches that would apply if West Berkshire was included in the unitary authority.
- Shared services would be possible but present challenges in maintaining scale, market management, and fair access to resources.
- Shared services already occur, for instance, in Buckinghamshire, Oxfordshire, and West Berkshire Integrated Care Board.
- If local government reorganisation led to new boundaries, the coroner would be consulted to determine the appropriate area of responsibility.
- Aggregation of services as part of local government reorganisation was also possible.

Fourthly, the Committee asked about neighbourhood government. Officers said that local government had a duty to implement this but was waiting for a further explanation from government about what this would entail. Otherwise, officers said that work was being done:

- to clarify the number of people within a neighbourhood
- in community insight profiles in public health
- in integrated neighbourhood teams across the whole Council

The Chair said that she expected there to be more opportunities for the Committee to discuss LGR in the future. She asked for Annex A to be circulated to the Committee and for questions on it to be put to the Executive Director of Resources and Programme Director.

NOTED:

- a) the Local Government Reorganisation process to date**
- b) the County Council's preferred option of a single unitary council for Oxfordshire**
- c) the benefits, areas of development and current assessment against the statutory invitation of the County Council's preferred option**
- d) the risks and issues created by the disaggregation to key services including those identified by government as 'high risk'**

55/25 TREASURY MANAGEMENT ANNUAL PERFORMANCE REPORT 2024-25

(Agenda No. 6)

The Treasury Manager introduced the report. As requested, he agreed to make the following amendments to future reports:

- The average rate of inflation would be stated for the whole period.
- Debt profiles, as in Annex 1, would be listed by end date.

Firstly, the Committee asked if a 5-year forecast of balances was considered when setting the investment strategy. Officers said that they looked at long term balances and forecast accordingly. They added that the forecast included £75m to £100m of long-term cash.

Secondly, the Chair asked about the green bond that was raised within a month in December 2024; she wanted to know whether more green bonds would be forthcoming. Officers said that they were looking at either current or imminent capital projects that fitted within the green financing framework.

Thirdly, the Committee asked about the £272 million debt. Officers clarified that:

- It was taken out to fund the capital programme, and all debts had fixed maturity dates.
- They were looking at restructuring to see if there were opportunities to repay that debt early and get a discount.
- They wanted to avoid repaying debt early only to have to take it out again, as interest rates or bond yields may increase.
- Lender option borrow option (LOBO) loans were always repaid if called when the prevailing public works loans was lower than the stipulated rate.
- Cost of borrowing was capped at 5 per cent of the net operating budget, which was lower than other councils where it reached 10 to 11 per cent.

Fourthly, the Committee asked about the rising cost of Special Educational Needs and Disabilities (SEND) provision in Oxfordshire. Officers said that:

- The forecast was for a negative reserve of £130 million by the end of this year, and the opportunity loss was about £10 million in interest. If that figure continued to go up, the reserves would be depleted.
- This was a real issue for all local authorities with responsibility for SEND provision, and the statutory override in place, in effect, hid the amount being spent. Some local authorities were in deficit as a result.
- In the autumn, they were expecting government to set out reforms to SEND and its response to the cumulative deficit, £6 billion for all councils by 2026-27.
- The government had not accounted for this in referring to a £22 billion “blackhole”, nor was it considered in the latest spending review, so the expectation was that councils would have to pick up some of the cost.

Finally, the Committee asked about risk to fixed assets, particularly highways, which were increasingly affected by extreme weather events and climate change. Officers said that the depreciation of fixed assets was not yet considered in treasury management.

NOTED the report and RECOMMENDED that Council note the treasury management activity and outcomes in 2024/25.

56/25 REVIEW OF APPOINTMENTS TO OUTSIDE BODIES

(Agenda No. 7)

The Director of Law and Governance and Monitoring Officer introduced the report. She said that this review was around modernising the appointments process and that the Remuneration Committee was happy for the Committee to make Category B appointments.

The Chair said it would be good for vacancies on the list of appointments to Category B Outside Bodies to be filled in the future. She asked for a list of Category C appointments to be circulated to the Committee in due course.

Officers said they would make the following amendments:

- Stefan Gawyrskiak would represent the Council on the Townlands Steering Group; they apologised for the typo in the annex to the report.
- The guidance to members serving on outside bodies (at Annex 1) would say that they should have regard to the interests and the policies of the Council.

The Committee asked about the selection process for appointments. Officers said they were confident that they could determine the relevant cabinet member; the Leader of the Council could be consulted. They said that it was down to officers to propose names to the Committee and justify the selection.

AGREED as follows:

- e) **the amended method of appointment to non-strategic Outside Bodies useful to the Council's work, known as Category B Outside Bodies, and Other Outside Bodies that request Council representation or are of primary value to local councillors/the local community, known as Category C Outside Bodies;**
- f) **that Category B appointments be made by the Audit and Governance Committee; and**
- g) **that Category C appointments be delegated to the Monitoring Officer.**

RESOLVED to RECOMMEND that Council approve the Constitutional Amendments in Annex 1 to reflect these changes;

ADOPTED the Guidance for Members who are appointed to Outside Bodies; &

APPROVED the list of appointments to Category B Outside Bodies for this Council subject to Council approving the Constitutional Amendments.

57/25 2024-25 STATEMENT OF ACCOUNTS

(Agenda No. 8)

The Deputy Chief Accountant introduced the report. She said that the draft statement of accounts was published on the Council's website on 30 June, which meant that the public inspection period ran from 1 July to 12 August, and audits began on 7 July to finish by the end of September.

Firstly, the Committee discussed the difficulty of determining the quality of the accounts without the assurance of the external auditors, Ernst and Young LLP. Officers said that they were disappointed that they disclaimed the accounts in 2024-25 but stressed that a full audit had nonetheless taken place.

Secondly, the Committee raised concerns about a discrepancy in the reported grant income figures in the accounts. Specifically, Note 19 indicated £423.5 million from government grants, whereas Note 5 showed £738.4 million under government grants and contributions. Officers explained that Note 19 reflected only government grants but Note 5 included grants and other contributions—hence the apparent discrepancy. They committed to following up with a detailed breakdown to clarify the figures.

APPROVED the draft Statement of Accounts for 2024-25.

58/25 COUNTER FRAUD PLAN & UPDATE

(Agenda No. 9)

The Chief Internal Auditor introduced the report. She drew particular attention to the control improvements and management actions, or the counter-fraud team's proactive work. The Chair praised this work, especially work on the financial management processes in primary schools over the last quarter.

Firstly, the Committee asked about blue-badge fraud. Officers said that they conducted on-street exercises with parking enforcement Countywide, albeit limited because of resourcing issues. Counter-fraud officers were concerned with blue-badges having been stolen. They said that any savings were calculated based on a Cabinet Office figure.

In relation to blue-badge fraud, the Chair encouraged any councillors with local knowledge to get in touch with the counter-fraud team, who could help.

Secondly, the Committee asked about the 53 per cent increase in reports of suspected fraud or irregularity. Officers said that this rise was not indicative of systemic control issues. Instead, officers attributed the rise to better detection and proactive work, and they said that the figure was not concerning when it was compared to the equivalent in other Councils.

Thirdly, the Committee asked about the six cases that were registered against Council employees. Officers said that that figure had gone up from last year.

The Chair drew the Committee's attention to the Forward Plan, which officers said was fluid; it would be subject to review as and when priorities changed.

The Chair thanked the counter-fraud team for their work.

NOTED the summary of activity against the Counter Fraud Plan for 2024/25 and APPROVED the Counter Fraud Plan for 2025/26.

59/25 OMBUDSMAN ANNUAL REPORT

(Agenda No. 10)

The Monitoring Officer introduced the report. She highlighted the following:

- In 2024-25, the Ombudsman received 89 complaints and dealt with 84.
 - o 29 were not for them.
 - o 33 were assessed and closed.
 - o 22 were investigated (compared to 34 in 2023-24).
- 56 complaints related to children (compared to 75 in 2023-24), and housing and adult social care were the next highest categories of complaint.
- 100% of cases under investigation were upheld, which was 2.9 per cent of decisions per 100,000 residents. (It was 5.9 per cent nationally.)
- On 13 June, the Education and Young People Scrutiny Committee considered an action plan relating to 13 of those cases, as directed.
- The Council was on track to implement the new requirements of the Complaint Handling Code in Spring 2026.
- Overall, there were 725 complaints in 2024-25.

Officers clarified that the plan considered on 13 June related to the Council's Section 19 Duty, which entailed responsibility for arranging suitable, usually full-time, education for children of compulsory school age who, because of exclusion, illness, or other reasons, would not otherwise receive such a provision. They said that all 13 complainants had received apologies.

Officers further clarified that most of the cases relating to children were to do with SEND provision, which was a national problem. They highlighted the following:

- Prior to the 2023 inspection, just 4 per cent of Education, Health and Care Plans (EHCPs) were considered within 20 weeks. (It was now 38.5 per cent.)
- While 94 per cent were considered within 30 weeks, it was the failure to consider plans or offer special school places that led to complaints.
- 8,000 pupils in Oxfordshire had EHCPs, compared to 2,000 in 2014, and special school places were going to rise by 500 over the next five years.

On SEND, the Committee asked if there was an inverse relationship between deprivation and successful appeals for places at special schools. Officers said that pupils on free school-meals were possibly underrepresented in terms of EHCPs, and they were co-producing guidance on complaints to facilitate access for deprived communities.

On the report more generally, firstly, the Committee asked about financial redress. Officers said that the figures in Annex 2 could be added up in future reports.

Secondly, the Committee asked about 'fixmystreet.com'. Officers said that highway cases reported there were not included in the overall figures, if dealt with accordingly, because they were regarded as service requests, not formal complaints. The Chair said Fix My Street should be considered by either the Performance or Place Scrutiny Committee.

Thirdly, the Committee asked why corporate complaints had increased and whether more could be done to prevent them. Officers made the following remarks:

- In relation to SEND, it took 3-4 years to build special schools, and as such nothing could be done to prevent complaints today.
- Lots of complaints were sent back from the Ombudsman because individuals had by-passed the Council's processes for review.
- Some complaints related, for instance, to care homes and came to the Council because of commissioning arrangements.
- All services worked collaboratively with complaints teams every quarter to improve service delivery,

Fourthly, the Committee asked about the processes involved in closing a complaint. Officers said that it was for the Ombudsman to be satisfied that the Council had taken appropriate action. They added that the Ombudsman's involvement was expected to satisfy the complainant; there was no further right of appeal against their decision.

NOTED the Local Government and Social Care Ombudsman's Annual Review of Oxfordshire County Council for 2024/25, and the work undertaken by the Council regarding its handling of complaints.

60/25 HEALTH & SAFETY ANNUAL REPORT
(Agenda No. 11)

The County Health Safety Manager introduced the report. He said that his team took a proactive, interventionist approach and highlighted the following areas:

- Prevention of work-related musculoskeletal disorders
- Protection of the Council's workforce against noise and vibration
- Promotion of physical activity among school-aged children
- Collaboration with Property and Assets on construction work in schools

Additionally, he said that he was involved with Health & Safety Executives in responding to health and safety incidents that occurred in schools.

Firstly, the Committee asked if academy trusts were inspected for health and safety by the Council's officers. Officers said that while their service was available to academy trusts, it was not mandatory, and academy trusts could make their own arrangements.

Secondly, the Committee asked how the Council supported lone, peripatetic workers. Officers said that they had implemented training in managing challenging behaviour and a lone worker app that enabled users across the Council to get support where necessary.

NOTED and accepted the contents of the Health and Safety (H&S) Annual Report and the work of the H&S Team to support services and improve performance keeping employees and customers safe.

[Councillor Fry left the meeting.]

61/25 AUDIT & GOVERNANCE COMMITTEE WORK PROGRAMME
(Agenda No. 12)

The Committee discussed having Local Government Reorganisation on the agenda again in September but noted that the process was not going to change between and 28 November, so this would not be necessary.

NOTED the Updated Work Programme 2025-26.

..... in the Chair

Date of signing

AUDIT & GOVERNANCE COMMITTEE

17 September 2025

AUDIT WORKING GROUP – TERMS OF REFERENCE

Report by the Executive Director of Resources & Section 151 Officer

RECOMMENDATION

1. **The Committee is RECOMMENDED to**

Review and agree the updated Audit Working Group Terms of Reference.

Executive Summary

2. The Audit Working Group (AWG) acts as an informal working group of the Audit & Governance Committee, reviewing in detail matters of governance, risk and control. It supports the Audit & Governance (A&G) Committee in discharging its responsibilities. The terms of reference for the AWG are agreed by the Audit & Governance Committee.

Audit Working Group Terms of Reference

3. The previous terms of reference for the Audit Working Group included that the co-opted independent member of the Audit & Governance Committee act as the chair of the Audit Working Group. This arrangement had been in place since the inception of the Audit Working Group.
4. The previous co-opted independent member of the Audit & Governance Committee has stood down and two new co-opted independent members have been appointed. The role of chairing the Audit Working Group was not included as a responsibility for the new co-opted independent members. It was previously discussed and agreed at both the Audit Working Group and Audit & Governance Committee that the Chair of the Audit & Governance Committee will chair future Audit Working Group meetings.
5. At Annex 1, the terms of reference have been updated to reflect the change of Chair to the Audit Working Group. The change will come into effect from October 2025 when the Audit Working Group is scheduled to next meet.

Financial Implications

6. There are no direct financial implications arising from this report.

Comments checked by: Lorna Baxter, Executive Director of Resources,
lorna.baxter@oxfordshire.gov.uk

Legal Implications

7. There are no direct legal implications arising from this report.

Comments checked by: Jay Akbar, Head of Legal and Governance,
jay.akbar@oxfordshire.gov.uk

Staff Implications

8. There are no direct staff implications arising from this report.

Equality & Inclusion Implications

9. There are no direct equality and inclusion implications arising from this report.

Sustainability Implications

10. There are no direct sustainability implications arising from this report.

Risk Management

11. There are no direct risk management implications arising from this report.

Lorna Baxter
Executive Director of Resources and S151 Officer.

Annex: Annex 1: Audit Working Group Terms of Reference
(version September 2025)

Background papers: None.

Contact Officer: Sarah Cox, Chief Internal Auditor
Sarah.cox@oxfordshire.gov.uk

September 2025.

ANNEX 1

AUDIT WORKING GROUP TERMS OF REFERENCE

Membership

The Audit Working Group (“the Group”) shall consist of:-

The Chair of the Audit and Governance Committee who will chair the Audit Working Group, together with four members of the Audit and Governance Committee.

There will also be up to four named members of the Audit and Governance Committee who will deputise as required. Where the Chair of the Audit and Governance Committee cannot attend and chair the Group, the Deputy Chair of the Audit and Governance Committee will be the named deputy.

The Executive Director of Resources and/or Director of Financial & Commercial Services, Director of Law and Governance (& Monitoring Officer), and the Chief Internal Auditor, or their representatives shall attend the Group meetings.

Members of the Group and their deputies should have suitable background and knowledge to be able to address satisfactorily the complex issues under consideration and should receive adequate training in the principles of audit, risk and control.

All members of the Audit and Governance Committee can attend the Group Meetings as observers.

Role

The Audit Working Group shall:

- act as an informal working group of the Audit and Governance Committee in relation to audit, risk and control to enable the Audit and Governance Committee to fulfil its responsibilities effectively in accordance with its terms of reference.
- undertake a programme of work as defined by the Audit and Governance Committee.
- consider issues arising in detail as requested by the Audit and Governance Committee.
- receive private briefings on any matters of concern.

Reporting

The Executive Director of Resources will report to the Audit and Governance Committee on matters identified by the Group following consultation with the Chair of Group and its members.

Meeting

The Group shall meet when required. The Group may invite any officer or member of the Council to attend its meetings to discuss a particular issue and may invite any representative of an external body or organisation as appropriate.

Confidentiality

The Group will meet in private to allow full and frank consideration of audit, risk and control issues.

All matters discussed and papers submitted for the meetings including minutes of the previous meeting must be treated as confidential. Papers will be circulated in advance to all members of the Audit and Governance Committee for information whether attending the Group or not.

Where any other member wishes to inspect any document considered by the Group and believes that as a County Councillor s/he has a "need to know", then the Protocol on Councillors' Rights and Responsibilities (Part 9.2), paragraph 11: Rights of Councillors to Access to Documents and Other Information, shall apply.

UpdatedSeptember 2025

Review Date.....September 2027

Officer Responsible:

Sarah Cox, Chief Internal Auditor
sarah.cox@oxfordshire.gov.uk

AUDIT & GOVERNANCE COMMITTEE – 17 SEPTEMBER 2025

TREASURY MANAGEMENT QUARTER 1 PERFORMANCE REPORT 2025/26

Report by Executive Director of Resources & Section 151 Officer

RECOMMENDATION

1. **The Audit & Governance Committee is RECOMMENDED to note the council's treasury management activity at the end of the first quarter of 2025/26.**

Executive Summary

1. Treasury management is defined as: "The management of the organisation's borrowing, investments and cash flows, including its banking, money market and capital market transactions, the effective control of the risks associated with those activities, and the pursuit of optimum performance consistent with those risks."
2. The Chartered Institute of Public Finance and Accountancy's (CIPFA's) 'Code of Practice on Treasury Management 2021' requires that committee to which some treasury management responsibilities are delegated, will receive regular monitoring reports on treasury management activities and risks. This report is the first for the 2025/26 financial year and sets out the position at 30 June 2025.
3. Throughout this report, the performance for the first quarter of the year to June 2025 is measured against the budget agreed by Council in February 2025.
4. As at 30 June 2025, the council's outstanding debt totalled £270m and the average rate of interest paid on long-term debt during the quarter was 4.41%. No external borrowing was raised during the quarter, whilst £2m of maturing Public Works Loan Board (PWLB), was repaid. The council's forecast debt financing position for 2025/26 is shown in Annex 1.
5. The [Treasury Management Strategy for 2025/26](#) agreed in February 2025 assumed an average base rate of 4.00%.
6. The average daily balance of temporary surplus cash invested in-house was expected to be £303m in 2025/26, with an average in-house return on new and existing deposits of 3.25%.
7. During the three months to 30 June 2025 the council achieved an average in-house return of 4.74% on average cash balances of £420.335m, producing gross interest receivable of £4.964m. In relation to external funds, the return for the

three months was £0.670m, bringing total investment income to £5.634m. This compares to budgeted investment income of £3.191m, giving a net overachievement of £3.443m.

8. At 30 June 2025, the council's investment portfolio totalled £518.048m. This comprised £365.500m of fixed term deposits, £52.833m at short term notice in money market funds and £99.715m in pooled funds with a variable net asset value. Annex 4 provides an analysis of the investment portfolio at 30 June 2025.

Treasury Management Activity

Debt Financing & Maturing Debt

9. The strategy for long term borrowing agreed in February 2025 included the option to fund new or replacement borrowing up to the value of £300m through internal borrowing. The aim was to reduce the council's exposure to credit risk and reduce the long-term cost of carry (difference between borrowing costs and investment returns).
10. The council is able to borrow from the Public Works Loan Board (PWLB) or through the money markets. Higher than target inflation has led to bond yields, and therefore PWLB rates, remaining high. Average CPI inflation for the first quarter of the year was 3.53%, which was above the forecast of 3.2%. The expectation is that as inflation falls, PWLB rates should reduce over the medium term. Given the forecast for borrowing rates, the strategy for 2025/26 assumes no new external borrowing during the year, with any increase in the capital financing requirement met through internal borrowing. The exception to this being the council actively considering raising further funding through a second community municipal investment.
11. As at 30 June 2025, the authority had 41 PWLB loans totalling £239.383m, five LOBO loans totalling £25m and two money market loans totalling £5.5m. The average rate of interest paid on PWLB debt was 4.50% and the average cost of LOBO debt in 2024/25 was 3.84%. The cost of debt on the money market loan was 3.99%. The combined weighted average for interest paid on long-term debt was 4.41%. The council's debt portfolio as at 30 June 2025 is shown in Annex 1.
12. The council repaid £2m of maturing PWLB loans. The weighted average interest rate payable on the matured loans was 4.25%. No LOBO¹ loans have been called and repaid in 2025/26. The forecast outturn for interest payable in 2025/26 is £11.887.

Investment Strategy

13. The council holds deposits and invested funds representing income received in advance of expenditure plus balances and reserves. The guidance on Local Government Investments in England gives priority to security and liquidity and

¹ LOBO (Lender's Option/Borrower's Option) Loans are long-term loans which include a re-pricing option for the bank at predetermined intervals.

the council's aim is to achieve a yield commensurate with these principles. The council continued to adopt a cautious approach to lending to financial institutions and continuously monitored credit quality information relating to counterparties.

14. During the first quarter of the financial year term fixed deposits have been placed with other Local Authorities as per the approved lending list, whilst Money Market Funds have been utilised for short-term liquidity. Inter local authority lending remains an attractive market to deposit funds with from a security view point.
15. The Treasury Management Strategy Statement and Annual Investment Strategy for 2025/26 included the use of external fund managers and pooled funds to diversify the investment portfolio through the use of different investment instruments, investment in different markets, and exposure to a range of counterparties. It is expected that these funds should outperform the council's in-house investment performance over a rolling three-year period. The strategy permitted up to 50% of the total portfolio to be invested with external fund managers and pooled funds (excluding Money Market Funds). The performance of the pooled funds will continue to be monitored by the Treasury Management Strategy Team (TMST) throughout the year against respective benchmarks and the in-house portfolio.
16. At the start of the year the UK Bank Rate was 4.50% which was in line with the forecast. The Bank of England cut rates by 0.25% on 8 May 2025 to 4.25%. The market is forecasting that the base rate will continue to reduce to between 3.75% and 3.50% by the end of 2025/26.

The Council's Lending List

17. In-house cash balances are deposited with institutions that meet the council's approved credit rating criteria. The approved lending list, which sets out those institutions, is updated to reflect changes in bank and building society credit ratings. Changes are reported to Cabinet as part of the Business Management & Monitoring Report. The approved lending list may also be further restricted by officers, in response to changing conditions and perceived risk. There were no changes to the lending list during the first quarter of 2025/26.

Investment Performance

18. Temporary surplus cash balances include: developer contributions; council reserves and balances; and various other funds to which the council pays interest at each financial year end. The budgeted annual return on these in-house balances for 2025/26 was 3.25% and assumed an average annual in-house cash balance of £303.534m.
19. The actual average daily balance of temporary surplus cash invested in-house for the quarter was £420.335m for the first quarter of 2025/26 and the average in-house return was 4.74%, producing gross interest receivable of £4.964m. Gross distributions from pooled funds totalling £0.670m were also realised in the quarter, bringing total investment income to £5.634m. This compares to

budgeted investment income of £3.191m, giving a net overachievement of £2.443m. This over achievement is a combination of higher than forecast balances, base rate forecasts remaining higher than previous forecasts, and a decoupling of the local to local lending market from the remainder of the money market. The local to local lending market is more aligned to the gilt market, which remains elevated.

20. Cash balances for the year are forecast to be lower than they otherwise would be as a result of negative Dedicated Schools Grant (DSG) balances relating to High Needs. The negative DSG balance by the end of 2025/26 is forecast to be £137.3m. This would have an estimated opportunity cost of £4.46m in unearned interest during 2025/26.
21. The council operates a number of instant access call accounts and money market funds to deposit short-term cash surpluses. During the first quarter of 2025/26 the average balance held on instant access was £88.364m, at an average rate of 4.36%.
22. At 30 June 2025 the total value of pooled fund investments was £99.715m. This has increased from the last reported value of £97.919m at 31 March 2025.
23. At 30 June 2025, the council's investment portfolio totalled £518.048m. This comprised £365.500m of fixed term deposits, £52.833m at short term notice in money market funds and £99.715m in pooled and property funds with a variable net asset value. Annex 4 provides an analysis of the investment portfolio at 30 June 2025.
24. The council's Treasury Management Strategy Team regularly monitors the risk profile of the council's investment portfolio. An analysis of the credit and maturity position of the portfolio at 30 June 2025 is included at Annex 4.

Prudential Indicators for Treasury Management

25. During the first three quarters of the year, the council operated within the treasury limits and Prudential Indicators set out in the council's Treasury Management Strategy for 2025/26. The position for the Prudential Indicators as at 30 June 2025 is shown in Annex 3.

Financial Implications

26. This report is mostly concerned with finance and the implications are set out in the main body of the report. The impact of additional interest on cash balances and income from investments is reflected in the forecast position set out in the Business Management & Monitoring Reports to Cabinet. The use of further funding to support the council's capital programme will be considered through the budget process for 2026/27.

Comments checked by:

Kathy Wilcox, Head of Corporate Finance, kathy.wilcox@oxfordshire.gov.uk

Legal Implications

27. The report meets the requirements of both the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Treasury Management and the CIPFA Prudential Code for Capital Finance in Local Authorities. The Council is required to comply with both Codes through Regulations issued under the Local Government Act 2003. There are no other legal implications.

Comments checked by:

Jay Akbar, Head of Legal and Governance Services,
jay.akbar@oxfordshire.gov.uk

Staff Implications

28. There are no staffing implications arising from the updates set out in this report

Equality & Inclusion Implications

29. There are no equality or inclusion implications arising from the report.

Sustainability Implications

30. This report is not expected to have any negative impact with regards to the Council's zero carbon emissions commitment by 2030.

Risk Management

31. The purpose of treasury management is the management of the council's borrowing, investments and cash flows, including its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks". The Prudential Code
32. Prudential indicators and credit criteria are agreed by Council each year as part of the Treasury Management Strategy.
33. The credit quality of institutions, changes in the interest rate forecast, cash flow, and prudential indicators are monitored throughout the year and reported monthly to the TMST and quarterly to the council's Audit & Governance Committee, Cabinet and Council.

LORNA BAXTER
Executive Director of Resources & Section 151 Officer

Annex: Annex 1 – Oxfordshire County Council Debt Financing 2024/25

Annex 2 – Long Term Debt Maturing 2025/26

Annex 3 – Prudential Indicator Monitoring to 30 June 2025

Annex 4 – Oxfordshire County Council Investment Portfolio at 30 June 2025

Background papers: [Treasury Management Strategy for 2025/26](#)

Contact Officer: Tim Chapple, Treasury Manager, 07917 262935,
tim.chapple@oxfordshire.gov.uk

August 2025

OXFORDSHIRE COUNTY COUNCIL DEBT FINANCING 2025/26

<u>Debt Profile</u>		£m
1. PWLB	49%	241.38
2. Other Long Term Loans	6%	<u>30.50</u>
3. Sub-total External Debt		271.88
4. Internal Balances	45%	<u>218.33</u>
5. Actual Debt at 31 March 2025	100%	490.21
6. Prudential Borrowing		85.17
7. Borrowing in Advance		0.00
8. Minimum Revenue Provision		<u>-16.38</u>
9. Forecast Debt at 31 March 2026		559.00
<u>Maturing Debt</u>		
10. PWLB loans maturing during the year		-2.00
11. PWLB/LOBO Loans repaid prematurely		<u>0.00</u>
12. Total Maturing Debt		-2.00
<u>New External Borrowing</u>		
13. PWLB Normal		0.00
14. PWLB loans raised in the course of debt restructuring		0.00
15. Money Market loans		<u>0.00</u>
16. Total New External Borrowing		0.00
<u>Debt Profile Year End</u>		
17. PWLB	43%	239.38
18. Money Market loans (incl £25m LOBOs)	5%	<u>30.50</u>
19. Forecast Sub-total External Debt		269.88
20. Forecast Internal Balances	52%	<u>289.12</u>
21. Forecast Debt at 31 March 2026	100%	559.00

Line Explanation

- 1 – 5 This is a breakdown of the Council's debt at the beginning of the financial year (1 April 2025). The PWLB is a government agency operating within the Debt Management Office. LOBO (Lender's Option/ Borrower's Option) loans are long-term loans, with a maturity of up to 60 years, which includes a re-pricing option for the bank at predetermined time intervals. Internal balances include provisions, reserves, revenue balances, capital receipts unapplied, and excess of creditors over debtors.
- 6 'Prudential Borrowing' is borrowing taken by the authority whereby the associated borrowing costs are met by savings in the revenue budget.
- 7 'Borrowing in Advance' is the amount the Council borrowed in advance to fund future capital finance costs.
- 8 The amount of debt to be repaid from revenue. The sum to be repaid annually is laid down in the Local Government and Housing Act 1989, which stipulates that the repayments must equate to at least 4% of the debt outstanding at 1 April each year.
- 9 The Council's forecast total debt by the end of the financial year, after taking into account new borrowing, debt repayment and movement in funding by internal balances.
- 10 The Council's normal maturing PWLB debt.
- 11 PWLB/LOBO debt repaid early during the year.
- 12 Total debt repayable during the year.
- 13 The normal PWLB borrowing undertaken by the Council during 2025/26.
- 14 New PWLB loans to replace debt repaid early.
- 15 The Money Market borrowing undertaken by the Council during 2025/26
- 16 The total external borrowing undertaken.
- 18-22 The Council's forecast debt profile at the end of the year.

Long-Term Debt Maturing 2025/26**Public Works Loan Board: Loans maturing during 2025/26**

Date	Amount £m	Rate %
30/04/2025	2.000	4.250%
Total	2.000	

LOBO Loans called & repaid during 2025/26

Date	Amount £m	Rate %
Total		

Prudential Indicators Monitoring at 30 June 2025

The Local Government Act 2003 requires the Authority to have regard to CIPFA's Prudential Code for Capital Finance in Local Authorities (the Prudential Code) when determining how much money it can afford to borrow. To demonstrate that the Authority has fulfilled the requirements of the Prudential Code the following indicators must be set and monitored each year.

Authorised and Operational Limit for External Debt

Actual debt levels are monitored against the Operational Boundary and Authorised Limit for External Debt below. The Operational Boundary is based on the Authority's estimate of most likely, i.e. prudent, but not worst case scenario for external debt. The council confirms that the Operational Boundary has not been breached during the third quarter of 2025/26.

The Authorised Limit is the affordable borrowing limit determined in compliance with the Local Government Act 2003. It is the maximum debt that the Authority can legally owe. The authorised limit provides headroom over and above the operational boundary for unusual cash movements. The Authorised Limit was not breached in the in the third quarter of 2025/26 and is not expected to be breached by year end.

Authorised limit for External Debt	£610,000,000
Operational Limit for External Debt	£595,000,000
Capital Financing Requirement for year	£559,201,000

	Actual 31/03/2025	Forecast 31/03/2026
Borrowing	£271,882,618	£269,882,618
Other Long-Term Liabilities	£ 836,000	£ 836,000
Total	£272,718,618	£270,718,618

Interest Rate Exposures

These indicators are set to control the Authority's exposure to interest rate risk. The upper limits on fixed and variable rate interest exposures. Fixed rate investments are borrowings are those where the rate of interest is fixed for the whole financial year. Instruments that mature during the financial year are classed as variable rate.

Fixed Interest Rate Exposure

Fixed Interest Net Borrowing limit	£350,000,000
Actual at 30 June 2025	-£120,617,382

Variable Interest Rate Exposure

Variable Interest Net Borrowing limit	£0
Actual at 30 June 2025	-£126,711,878

Principal Sums Invested over 365 days

Total sums invested for more than 364 days limit	£150,000,000
Actual sums invested for more than 364 days	£ 30,000,000

Maturity Structure of Borrowing

This indicator is set to control the Authority's exposure to refinancing risk. The upper and lower limits on the maturity structure of fixed rate borrowing and the actual structure at June 2025, are shown below. Time periods start on the first day of each financial year. The maturity date of borrowing is the earliest date on which the lender can demand repayment.

	Limit %	Actual %
Under 12 months	0 - 20	1.48
12 – 24 months	0 - 25	18.93
24 months – 5 years	0 - 35	9.05
5 years to 10 years	5 - 40	26.36
10 years +	25 - 95	44.18

OXFORDSHIRE COUNTY COUNCIL INVESTMENT PORTFOLIO 30/06/2025

Fixed term deposits held at 30/06/2025

Counterparty	Principal Deposited	Maturity Date
Oldham Council	£5,000,000.00	29/07/2025
Plymouth City Council	£5,000,000.00	07/08/2025
West Dunbartonshire Council	£5,000,000.00	12/08/2025
North Lanarkshire Council	£5,000,000.00	12/08/2025
Gloucester City Council	£7,000,000.00	13/08/2025
Kirklees Council	£5,000,000.00	15/08/2025
Cambridgeshire County Council	£5,000,000.00	20/08/2025
South Tyneside Council	£5,000,000.00	20/08/2025
London Borough of Haringey Council	£5,000,000.00	22/08/2025
Derbyshire County Council	£5,000,000.00	26/08/2025
The Highland Council	£5,000,000.00	26/08/2025
The Highland Council	£7,000,000.00	27/08/2025
London Borough of Haringey Council	£5,000,000.00	29/08/2025
The Highland Council	£5,000,000.00	01/09/2025
Babergh District Council	£5,000,000.00	02/09/2025
Wrexham County Borough Council	£5,000,000.00	04/09/2025
Ashford Borough Council	£5,000,000.00	08/09/2025
Police and Crime Commissioner for Lancashire	£5,000,000.00	29/09/2025
Surrey Heath Borough Council	£5,000,000.00	01/10/2025
Surrey Heath Borough Council	£5,000,000.00	02/10/2025
Bradford Metropolitan District Council	£5,000,000.00	06/10/2025
Surrey Heath Borough Council	£5,000,000.00	08/10/2025
West Dunbartonshire Council	£5,000,000.00	14/10/2025
Aberdeen City Council	£5,000,000.00	28/10/2025
Fife Council	£5,000,000.00	30/10/2025
Wakefield Council	£5,000,000.00	30/10/2025
Kingston Upon Hull City Council	£5,000,000.00	04/11/2025
Aberdeen City Council	£5,000,000.00	06/11/2025
North East Lincolnshire Council	£5,000,000.00	21/11/2025
Worthing Borough Council	£5,000,000.00	21/11/2025
Bradford Metropolitan District Council	£5,000,000.00	21/11/2025
Conwy County Borough Council	£5,000,000.00	21/11/2025
Moray Council	£5,000,000.00	24/11/2025
Fife Council	£5,000,000.00	02/12/2025
The Highland Council	£3,000,000.00	10/12/2025
High Peak Borough Council	£2,500,000.00	18/12/2025
Staffordshire Moorlands District Council	£2,500,000.00	18/12/2025
Aberdeen City Council	£5,000,000.00	06/01/2026
Police and Crime Commissioner for Merseyside	£5,000,000.00	07/01/2026

Wrexham County Borough Council	£5,000,000.00	14/01/2026
Aberdeen City Council	£5,000,000.00	29/01/2026
London Borough of Newham Council	£5,000,000.00	11/03/2026
London Borough of Newham Council	£10,000,000.00	30/03/2026
Gravesham Borough Council	£7,500,000.00	01/04/2026
Police and Crime Commissioner for Lancashire	£5,000,000.00	02/04/2026
Great Yarmouth Borough Council	£5,000,000.00	22/04/2026
Eastleigh Borough Council	£6,000,000.00	22/04/2026
Plymouth City Council	£5,000,000.00	24/04/2026
Eastleigh Borough Council	£5,000,000.00	08/05/2026
Surrey County Council	£10,000,000.00	08/05/2026
Darlington Borough Council	£5,000,000.00	11/05/2026
Blackpool Council	£5,000,000.00	12/05/2026
Monmouthshire County Council	£5,000,000.00	12/05/2026
Central Bedfordshire Council	£5,000,000.00	12/05/2026
Isle of Wight Council	£5,000,000.00	18/05/2026
Central Bedfordshire Council	£5,000,000.00	20/05/2026
Sefton Metropolitan Borough Council	£5,000,000.00	27/05/2026
Ashford Borough Council	£5,000,000.00	28/05/2026
Rotherham Metropolitan Borough Council	£5,000,000.00	28/05/2026
Cheshire East Council	£5,000,000.00	29/05/2026
London Borough of Newham Council	£5,000,000.00	01/06/2026
London Borough of Haringey Council	£5,000,000.00	01/06/2026
Manchester City Council	£5,000,000.00	02/06/2026
Cheshire East Council	£5,000,000.00	02/06/2026
Isle of Wight Council	£5,000,000.00	24/06/2026
Short Term Deposit Total	£335,500,000.00	
Counterparty	Principal Deposited	Maturity Date
Derbyshire County Council	£5,000,000.00	25/08/2026
Kirklees Council	£5,000,000.00	22/01/2027
Kirklees Council	£5,000,000.00	17/03/2027
Worcestershire County Council	£5,000,000.00	17/12/2027
Worcestershire County Council	£5,000,000.00	23/12/2027
Falkirk Council	£5,000,000.00	31/01/2028
Long Term Deposit Total	£30,000,000.00	
Total Deposits	£365,500,000.00	

Money Market Funds

Counterparty	Balance at 30/06/2025(£)	Notice period
Aberdeen Liquidity Fund	£2,289,790.70	Same day
Goldman Sachs Sterling Liquid Fund	£0.00	Same day
Deutsche Sterling Liquid Fund	£20,000.00	Same day
Federated Sterling Liquidity Funds	£25,083,098.31	Same day
Legal & General Sterling Liquidity Fund	£25,368,040.40	Same day
CCLA Public Sector Deposit Fund	£10,000.00	Same day
Morgan Stanley Sterling Liquid Fund	£10,000.00	Same day
JP Morgan Sterling Liquidity Fund	£50,000.00	Same day
Total	£52,830,929.41	

Notice / Call Accounts

Counterparty	Balance at 30/06/2025 (£)	Notice period
Handlesbanken	£2,389.13	Same day
Total	£2,389.13	

Strategic Bond Funds

Fund	Balance at 30/06/2025 (£)	Notice period
Threadneedle strategic bond fund (income)	£12,644,127.28	4 days
Threadneedle Global Equity Income Fund	£17,017,098.72	4 days
Kames Diversified Income	£9,543,170.82	4 days
Ninety One Diversified Income	£9,009,960.13	4 days
M&G Strategic Corporate Bond Fund	£11,230,791.92	4 days
Schroder Income Maximiser	£12,256,474.69	4 days
CCLA Better World Cautious Fund	£4,644,279.76	4 days
Total	£76,345,903.33	

Property Funds

Fund	Balance at 30/06/2025 (£)	Notice period
CCLA Local Authorities Property Fund	£23,368,656.50	Monthly
Total	£23,368,656.50	

Summary of Investments as at 30/06/2025

Term Deposits	£365,500,000.00
Money Market Funds	£52,830,929.41
Notice & Call Accounts	£2,389.13
Pooled Funds	£76,345,903.33
Property Funds	£23,368,656.50
Total Investments	£518,047,878.36

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AUDIT and GOVERNANCE COMMITTEE 17 September 2025

INTERNAL AUDIT 2025/26 PROGRESS REPORT

Report by the Executive Director of Resources & Section 151 Officer

RECOMMENDATION

1. **The Committee is RECOMMENDED to**

Note the progress with the 2025/26 Internal Audit Plan and the outcome of the completed audits.

Executive Summary

2. This report provides an update on the Internal Audit Service, including resources, completed and planned audits.
3. The report includes the Executive Summaries from the individual Internal Audit reports finalised since the last report to the June 2025 Committee. Since the last update, there have been no red reports issued.

Progress Report:

Resources:

4. A full update on resources was made to the Audit and Governance Committee in June 2025 as part of the Internal Audit Strategy and Plan for 2025/26. Since then, our new Principal Auditor has started at the end of July 2025.

2025/26 Internal Audit Plan:

5. The 2025/26 Internal Audit Plan, which was agreed at the June 2025 Audit & Governance Committee, is attached as Appendix 1 to this report. This shows current progress with each audit and any amendments made to the plan. The plan and plan progress are reviewed regularly with senior management. For 2025/26 there has been one amendment to the plan, with the addition of an audit of Employee Relations at the request of the Director of HR and Cultural Change
6. There have been five audits concluded since the last update in June 2025, summaries of findings and current status of management actions are detailed in Appendix 2. At the last Audit & Governance committee meeting, members requested that the number of management actions

against each risk area was included in the reporting of the audit summaries, the tables have been updated in Appendix 2 to include this information. The completed audits are as follows:

Final Reports 2025/26:

Directorate	Audit	Opinion
Childrens	Multiply (not included in appendix 2 as this was undertaken as joint Internal Audit / Counter Fraud Team activity and Counter Fraud Team work still in progress).	n/a
IT Operations	GOSS - IT Audit	Amber
Environment & Highways	HIF1 (Didcot Garden Town Housing Infrastructure Fund)	Green
IT Operations	IT Disaster Recovery	Amber
Transformation, Digital & Customer Experience	Freedom of Information Requests	Amber

PERFORMANCE

6. The following performance indicators are monitored on a monthly basis.

Performance Measure	Target	% Performance Achieved for 25/26 audits (as at 27/08/25)	Comments
Elapsed time between start of the audit (opening meeting) and Exit Meeting.	Target date agreed for each assignment by the Audit manager, stated on Terms of Reference, but should be no more than 3 X the total audit assignment days (excepting annual leave etc)	100%	Previously reported year-end figures: 2024/25 61% 2023/24 67% 2022/23 71% 2021/22 59%
Elapsed Time for completion of audit work (exit meeting) to issue of draft report.	15 days	100%	Previously reported year-end figures: 2024/25 82%

			2023/24 96% 2022/23 89% 2021/22 86%
Elapsed Time between receipt of management responses to draft report and issue of final report.	10 days	100%	Previously reported year-end figures: 2024/25 100% 2023/24 100% 2022/23 92% 2021/22 66%

The other performance indicators are:

- % of 2025/26 planned audit activity completed by 30 April 2026 - reported at year end.
- % of management actions implemented (as at 27/08/2025) – 75% of actions have been implemented. Of the remaining 25% there are 2% of actions that are overdue, 15.5% partially implemented and 7.5% of actions not yet due.

(At March 2025 A&G Committee the figures reported were 77% implemented, 2.1% overdue, 16.8% partially implemented and 4.1% not yet due)

- Extended Management Team satisfaction with internal audit work - reported at year end.

Appendix 3

The table in Appendix 3 lists all audits with outstanding open actions, it does not include audits where full implementation has been reported. It shows the split between Priority 1 and Priority 2 actions implemented.

As at 27/08/25, there were 64 actions that are not yet due for implementation (this includes actions where target dates have been moved by the officers responsible), 19 actions not implemented and overdue and 128 actions where partial implementation is reported.

At the last Audit & Governance committee meeting members requested whether they can be updated on the number of management actions which have not yet been implemented but have had their target date moved. This is something that is reported to Directors monthly on an individual management action level, however, is difficult to currently report on from the system at a summary level for the committee. This will continue to be explored and any improvements to Appendix 3 reporting will be brought to future meetings.

Counter-Fraud

7. A separate counter fraud update is being made to Audit & Governance Committee November 2025 meeting.

Financial Implications

8. There are no direct financial implications arising from this report

Comments checked by: Lorna Baxter, Executive Director of Resources,
lorna.baxter@oxfordshire.gov.uk

Legal Implications

9. There are no direct legal implications arising from this report.

Jay Akbar, Head of Legal and Governance,
jay.akbar@oxfordshire.gov.uk

Staff Implications

10. There are no direct staff implications arising from this report.

Equality & Inclusion Implications

11. There are no direct equality and inclusion implications arising from this report.

Sustainability Implications

12. There are no direct sustainability implications arising from this report.

Risk Management

13. There are no direct risk management implications arising from this report.

Lorna Baxter, Executive Director of Resources and S151 Officer

Annex:	Appendix 1: 2025/26 Internal Audit Plan progress report Appendix 2: Executive Summaries of finalised audits since last report. Appendix 3: Summary of open management actions.
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Background papers:	Nil
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Contact Officers:

Sarah Cox, Chief Internal Auditor
sarah.cox@oxfordshire.gov.uk

September 2025

APPENDIX 1 - 2025/26 INTERNAL AUDIT PLAN - PROGRESS REPORT

Directorate / Service Area	Audit	Planned Qtr Start	Status as at 03/09/25	Conclusion
Cross Cutting	Capital Programme Delivery	3 / 4	Not started	
Cross Cutting	Grants (received)	2	Scoping	
Cross Cutting	Local Government Reorganisation.	4	Not started	
Childrens	Transformation Programme – including Financial Management	2	Fieldwork	
Childrens	Missing Children	2	Fieldwork	
Childrens / Property & Assets	Safeguarding Transport	2	Fieldwork	
Childrens	Multiply	1	Complete	n/a – joint IA&CF work – CF team activity still in progress.
Childrens	School Attendance Orders	2	Fieldwork	
Childrens	Repairs & Maintenance in Schools	3	Not started	
Adults	Discharge to Assess	4	Not started	
HR & Cultural Change	Recruitment – Applicant Tracking System	3	Not started	
HR & Cultural Change	Schools HR	3	Not started	
HR & Cultural Change	Absence Recording	2	Exit Meeting / Draft Report	
HR & Cultural Change	Addition to plan – Employee Case Relations	2	Fieldwork	
Financial & Commercial Services	Pensions Administration	3	Not started	
Financial & Commercial Services	Pension Fund Investments	4	Not started	
Financial & Commercial Services	Insurance	3	Not started	

Financial & Commercial Services	Duplicate Payments	3 / 4	Not started	
Property & Assets	Vehicle Management Service	3	Not started	
Environment & Highways	Highways	3	Not started	
Environment & Highways	HIF1 (Didcot Garden Town Housing Infrastructure Fund)	1 / 2	Final Report	Green
Environment & Highways	Bridge Management	3 / 4	Not started	
Environment & Highways / IT Operations	HIAMS (Highways Infrastructure Asset System) – IT audit.	2	Fieldwork	
Economy & Place	S106 Developer Contributions	3	Not started	
Transformation, Digital & Customer Experience	Freedom of Information Requests	1 / 2	Final Report	Amber
IT Operations	Database Security	4	Not started	
IT Operations	ICT Backups	4	Not started	
IT Operations	Bring Your Own Device (BYOD)	2	Not started	
IT Operations	IT Disaster Recovery	2	Final Report	Amber
IT Operations	IT Asset Management	3	Not started	
IT Operations	GOSS – IT Audit	1	Final Report	Amber
IT Operations / Finance	ContrOCC – IT Audit	3	Not started	
Grant Certification completed:				
<ul style="list-style-type: none"> Delivering Best Value in SEND Programme 2023/24 and 2024/25 – 31/6953 Bus Grant (Capital) 2025/26 – 31/7749 				

Amendments to Internal Audit Plan (since last report to A&G June 2025 meeting):

HR – Employee Relations Case Audit	Addition to 2025/26 plan: The audit was requested by the Director of HR and Cultural Change, approved by the Executive Director of Resources. The audit will provide assurance over the systems and processes in place to manage Employee Relations Cases.
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APPENDIX 2 - EXECUTIVE SUMMARIES OF COMPLETED AUDITS

Summary of Completed Audits since last reported to Audit & Governance Committee June 2025

GOSS - IT Audit 2025/26

Overall conclusion on the system of internal control being maintained	A
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RISK AREAS	AREA CONCLUSION	No of Priority 1 Management Actions	No of Priority 2 Management Actions	Current Status:							
				Implemented		Due not yet Actioned		Partially complete		Not yet due	
				P1	P2	P1	P2	P1	P2	P1	P2
System Documentation	G	0	0	-	-	-	-	-	-	-	-
User Authentication	A	0	2	-	-	-	-	-	-	-	2
Access Rights	A	0	1	-	-	-	-	-	-	-	1
System Administration	A	0	3	-	-	-	-	-	-	-	3
Audit Trails	G	0	0	-	-	-	-	-	-	-	-
Cloud Hosting	G	0	1	-	-	-	-	-	-	-	1
PCI-DSS Compliance	G	0	0	-	-	-	-	-	-	-	-
TOTAL		0	7								

GOSS is a cloud-based digital platform that is used to build, deliver and manage online services. It integrates with the corporate website and allows members of the public to request services or apply for things online, such as blue badges, van permits etc. The audit has found that a number of risk areas are being adequately managed, including system documentation, audit trails, security of the cloud hosting environment and PCI-DSS compliance. There are opportunities to improve controls in other areas, including management of user access rights and formalisation of system administration responsibilities and procedures. Further details on these areas are provided below.

System Documentation

System documentation is held and maintained for the GOSS environment and include architecture diagrams, solution level diagrams and details of all forms and workflows that are used.

User Authentication

All users are uniquely identifiable on GOSS ICM and have to enter a valid username and password to access the system. A review of the password policy configured on the system found the minimum length does not meet corporate standards and passwords are expired on a regular basis, which is no longer considered good practice. User accounts are locked after a specified number of unsuccessful logins and all locked accounts require administrator intervention to unlock. GOSS can only be accessed from trusted networks and therefore multi-factor authentication is not used. A review of the current configuration of network access and login methods was performed during the audit by a member of the IT team and it identified security gaps which require further investigation and remediation.

Access Rights

GOSS ICM uses 'groups' to define user access rights within the system. Groups are not documented to show what access they provide and membership of groups is not subject to any formal review and hence there is a risk that users with incorrect levels of access are not identified and addressed. The default administrator account is used by GOSS when providing support and we understand they request access before making any changes. It is recommended that the account is locked when not being used to prevent any unauthorised changes from being made. There are also two other GOSS user accounts with administrator access which have not been used since 2020 and should therefore be disabled.

System Administration

System administration for GOSS ICM is performed within the IT Solutions Delivery team but responsibilities are not formally assigned and procedures for managing user access are not documented. This presents a risk that there is no clear accountability for system administration duties and also that processes for key tasks have not been defined and agreed.

Audit Trails

GOSS ICM has a security log, which captures every action committed to the ICM database. The details logged include date, time and user who performed the activity. The current log goes back 12 months and can be searched for specific activity based on date or user ID.

Cloud Hosting

There is a signed contract for GOSS, which is valid until January 2026. GOSS provide assurances over the security of their solution, which includes annual penetration testing, vulnerability management, disaster recovery, adopting the NCSC Cloud Security Principles and only using UK based data centres. The assurances do not include details on the backup arrangements for data within GOSS and this should be confirmed to ensure all data is adequately safeguarded against loss.

PCI-DSS Compliance

The Banking and Income Systems Manager, who leads on PCI compliance, is in discussions with GOSS to determine their current PCI compliance status.

GOSS were previously deemed to be compliant, but changes introduced by version 4 of the PCI-DSS standard places new obligations on service providers which require additional assurances, such as a Self-Assessment Questionnaire (SAQ) or an Attestation of Compliance. GOSS are engaged in the compliance process and discussions remain ongoing on the level of assurance required and thus we are satisfied that the risk is being adequately managed.

HIF1 (Didcot Garden Town Housing Infrastructure Fund) 2025/26

Overall conclusion on the system of internal control being maintained	G
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RISK AREAS	AREA CONCLUSION	No of Priority 1 Management Actions	No of Priority 2 Management Actions	Current Status:							
				Implemented		Due not yet Actioned		Partially complete		Not yet due	
				P1	P2	P1	P2	P1	P2	P1	P2
A: Governance, Accountability and Reporting	G	0	2	-	-	-	-	-	-	-	2
B: Programme Management	G	0	0	-	-	-	-	-	-	-	-
C: Financial Management	G	0	0	-	-	-	-	-	-	-	-
TOTAL		0	2								

HIF1 is a £332M major infrastructure programme to deliver the following highway projects to the north of Didcot: Didcot Science Bridge and A4130 improvements; Culham River Crossing and Clifton Hampden Bypass. The elements include improvements to existing roads and the construction of new roads, and new walking and cycle routes. The schemes will support new housing and employment sites, improve pedestrian and cycling connectivity, and reduce congestion around Didcot and surrounding villages. The programme is mainly funded by Homes England via the Housing Infrastructure Fund. The Homes England funding has a number of conditions, one of which is that the funding must be spent by March 2028. All of the projects which comprise the HIF1 programme were at the detailed design stage at the time of the audit. Construction is expected to start in early 2026 and be completed by Spring 2028.

Overall, the audit found that there are robust overarching governance, programme management and financial management arrangements in place.

A: Governance, Accountability and Reporting

It was noted that there are appropriate governance structures in place which include a joint project board for the Culham River Crossing and Clifton Hampden Bypass projects, and a project board for the Didcot Science Bridge project. Above this level there is the HIF1 programme board, and above that is the Major Infrastructure Capital Programme Board.

Roles and responsibilities are clearly defined for the formal governance boards, the operational arrangements of the HIF1 project teams and the Major Infrastructure Programme Management Office.

Boards' membership, attendance, frequency of meetings, review of management information, decisions and escalations are operating as stated within the Capital Handbook. Management information is frequently updated and formally reported on a monthly basis, and includes monitoring the progress of the programme in terms of finances, risks, timescales, supplier KPIs, change control and communication and engagement.

Improvements have been identified as being required to the Terms of Reference documentation for both the HIF1 Programme Board and the Major Infrastructure Capital Programme Board.

B: Programme Management

The details of the programme design are specified within the design and construction programme held on the contract management software. There is a formal programme review / change control process which is specified within the contractual relationship between the council and the design contractors. This is a systematic process whereby any proposed change to the detailed programme design is formally submitted by the design contractor, then reviewed by various specialist officers in conjunction with the project managers. It was noted that this process incorporates scrutiny of time / critical path and cost implications, quality & specification issues.

It was noted that the programme is kept under constant review whereby the design contractor for each project produces a monthly submission which is effectively the latest update of the detailed design and construction programme for the remainder of the works. This is subject to a comprehensive review by various specialist officers in conjunction with the project managers to ensure that the logic of the overall project is still feasible, and that the submission accurately reflects progress to date and effect on the remaining work, and effects of implemented compensation events as described above.

There is a comprehensive and robust risk management process in place to identify and evaluate risks. The risk details and potential financial exposure are regularly monitored and updated as the risk landscape continually changes both in response to external factors and also throughout the lifecycle of the programme. The potential cost exposure of risks is quantified using a scientifically valid process.

There are comprehensive plans in place to manage stakeholder communications and engagement. These include identification and review of stakeholders, and forward planning of communication and engagement activity across all phases of the programme.

C: Financial Management

Financial resources to deliver the programme are closely monitored to ensure that the required outcomes are delivered, within the required timescales. There are controls in place to ensure external funding conditions are complied with, and to ensure that the funding is claimed and received at the appropriate time.

Disaster Recovery - IT Audit 2025/26

Overall conclusion on the system of internal control being maintained	A
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RISK AREAS	AREA CONCLUSION	No of Priority 1 Management Actions	No of Priority 2 Management Actions	Current Status:							
				Implemented		Due not yet Actioned		Partially complete		Not yet due	
				P1	P2	P1	P2	P1	P2	P1	P2
Business Continuity (IT Services)	A	0	1	-	-	-	-	-	-	-	1
Corporate Priorities	A	0	2	-	-	-	-	-	-	-	2
IT Disaster Recovery Plan	A	0	3	-	-	-	-	-	-	-	3
Testing	A	0	2	-	-	-	-	-	-	-	2
TOTAL		0	8								

The Council's reliance on technology systems and services places a high level of importance on having plans to ensure they are highly-available and can be quickly restored in the event of a major incident. The IT architecture is designed with resilience and recovery in mind, utilising a configuration that allows IT systems/applications in the primary data centre to be restored quickly at the secondary data centre. The controls around this can be improved by documenting recovery plans to ensure the correct steps are followed and to reduce any key person dependencies. The plans should also be tested on a regular basis to ensure they work as expected.

Business Continuity (IT Services)

The IT Service has assigned responsibility for developing, implementing and maintaining business continuity. As part of corporate business continuity planning, a Business Impact Analysis (BIA) has been performed and documented to identify all critical services and activities. A review of the BIA has identified some gaps and errors that should be resolved to ensure it provides an accurate record of all critical services and priorities.

Corporate Priorities

The IT Service is represented at the corporate Business Continuity Steering Group (BCSG) to ensure IT and service areas are aligned in their planning for business continuity. A priority list of IT systems/applications is maintained by the IT Service and was presented to the BCSG for review in October 2023 and followed up in January 2024. Whilst some comments were received, the list has not been formally approved. The prioritised list includes a Recovery Time Objective (RTO) for each IT system, which is based on a recovery being performed between the primary and secondary data centres without the need for backups. If backups are required, such as in a ransomware attack, the recovery time will be longer and it is important that service areas understand this so that they can plan their business continuity accordingly.

IT Disaster Recovery Plan

There is a documented IT business continuity plan but not an IT disaster recovery plan that deals specifically with the restoration of IT systems and services. The IT business continuity plan has not been ratified by the Head of IT and a review found that details on the maximum acceptable outage of certain critical IT services do not correlate with information documented in the BIA. The plan is also not subject to annual review. There is a separate Major Incident Response document which has roles and responsibilities for managing major incidents. It missed its annual review in July 2024 and has not been reviewed since. The lack of a documented IT disaster recovery plan and maintenance of other documents could hinder and delay the restoration of IT systems/applications following a major incident.

Testing

There is no planned testing of IT disaster recovery, although failover between the primary and secondary data centres has been recently confirmed when changes made to the environment led to unexpected issues. Whilst this provides some assurance over disaster recovery, scheduled testing should be performed using different scenarios. The IT business continuity plan is tested annually as part of corporate testing arranged via the BCSG. There were no actions for the IT Service from the most recent test in May 2025 but the one in May 2024 had a number of actions and there is no confirmation that they have been completed. As such, there is a risk that lessons learnt from the test exercise are not used to improve business continuity plans.

Key Themes and Root Causes – The issues highlighted in this report identify underlying root causes in both **Processes** and **Management / Governance**. Specifically gaps in the definition and consistent application of key processes, as well as weaknesses in establishing key mechanisms that are essential for providing effective oversight and assurance over disaster recovery risk.

Freedom of Information Requests 2025/26

Overall conclusion on the system of internal control being maintained	A
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RISK AREAS	AREA CONCLUSION	No of Priority 1 Management Actions	No of Priority 2 Management Actions	Current Status:							
				Implemented		Due not yet Actioned		Partially complete		Not yet due	
				P1	P2	P1	P2	P1	P2	P1	P2
A: Policies and Procedures	G	0	2	-	-	-	-	-	-	-	2
B: Freedom of Information Requests Process	A	0	2	-	-	-	-	-	-	-	2
C: Quality Assurance, Timeliness and Accuracy of Responses	A	0	1	-	-	-	-	-	-	-	1
D: Management Information and Reporting	G	0	5	-	-	-	-	-	-	-	5
TOTAL		0	10								

The Freedom of Information (FOI) Act 2000 allows the public to request information held by public authorities, with information provided unless specific exemptions apply. Freedom of Information requests are managed centrally by two officers within the Voice of the Customer Team, with individual requests allocated to officers within service areas for response.

Overall, the audit identified that processes in place for the allocation and tracking of requests and the preparation and quality assurance of responses are well established and are working well. However, the systems in use to manage the FOI response process are manual, resource intensive and inefficient, requiring significant effort on the part of the team to ensure that responses are tracked, quality assured and issued within the statutory timescale. Management reporting also requires review to improve the availability of information to senior management and to ensure the accuracy of corporate performance reporting.

Policies and Procedures – It was noted that there is comprehensive guidance in place for staff covering most key parts of the FOI response process. Some improvements are required to ensure roles, responsibilities and process for the quality assurance of responses are documented within the guidance. Guidance in place for the FOI team is limited and requires updating. Whilst it is acknowledged that both FOI officers are well established in post, it is important

to document key parts of the process to promote continuity and ensure that there is a point of reference to refer to when required (for example if there were staffing changes or absences).

Freedom of Information Requests Process – Although there were some inconsistencies noted from sample testing in relation to the process for monitoring and escalating responses at risk of becoming overdue or that have become overdue, these were not material. In general, the response process is being well managed particularly considering the constraints of the current spreadsheet / email based system. Recent discussions held by the Senior FOI Officer in relation to system development has identified the need to develop and publish a “disclosure log” on the Council’s website. This would mean that responses to FOI requests would be published. Once developed and implemented, this should reduce the number of requests received and therefore reduce the impact of responding to requests on staff time within the FOI team and across the Council.

Quality Assurance, Timeliness and Accuracy of Responses – There is a clear process in place for the quality assurance of responses to FOI requests. Some inconsistencies were noted during sample testing in relation to the way in which service area sign off of responses is documented, however these exceptions were not material. The systems currently in use for tracking and documenting the quality assurance process have an impact on effectiveness.

Management Information and Reporting – The systems in place for the recording and monitoring of the FOI request and response process are spreadsheet / email based, require manual data input, and are time consuming to update, maintain and monitor. This type of system has inherent risks of error and omission which could impact on ability of the team to effectively manage the FOI response process as well as affecting the accuracy of management information and reporting. Despite this, the ongoing efforts of the team in the management and oversight of the response process for initial FOI requests has meant that response rates are good with over 97% compliance with the 20 day response timescale for the 12 month period July 2024 to June 2025. Response rates in relation to the completion of internal reviews within the 20 day timeframe across the same time period were noted as being at 77%. There isn’t currently any routine performance reporting on meeting the 20 day timeframe for internal reviews.

A dashboard has been developed to provide senior managers with information on current FOI cases, but information is limited. It is possible to see detailed information on open cases, but not on cases where responses have been issued and it is not possible to access information on previous financial years. The information on internal reviews and cases referred to the ICO is also limited.

There is currently no consistent process for sharing information on trends / themes and lessons learned.

It is noted that there have been changes to the Business Management and Monitoring Report (BMMR) arrangements across the Council from the start of 2025/26 with performance, which includes the timeliness of FOI responses, being reported to the Strategic Leadership Team (SLT) quarterly going forward

via a newly developed dashboard. It is also planned that BMMR information will be made public from the autumn. However, Internal Audit testing noted issues with the accuracy of reporting on FOI response times via the BMMR process due to an error in the way in which the figures have been being calculated. Whilst there is not a material difference in the performance being reported, the methodology and process for calculating the figures requires correction.

Key Themes and Root Causes – The issues highlighted in this report identify an underlying root cause of ***Systems / Technology***. Specifically, the systems in use for the tracking and management of the FOI response process are spreadsheet and email based, requiring manual data entry and intervention and significant effort to achieve the required level of oversight to effectively manage the response process.

APPENDIX 3 – As at 27/08/2025 - all audits with outstanding open actions
(excludes audits where full implementation reported):

	ACTIONS						Not Due for Implementation	Not Implemented	Partially Implemented
	P1 & P2 Actions			IMPLEMENTED					
Report Title	1	2	Total	1	2	Total			
OCC AI 24/25	-	13	13	-	3	3	-	-	10
OCC Childrens DP 24/25	-	35	35	-	22	22	-	-	13
OCC Childrens Finances 22/23	-	12	12	-	11	11	-	-	1
OCC Childrens Placements CM & QA 23/24	-	17	17	-	16	16	-	-	1
OCC Client Charging 24/25	-	11	11	-	8	8	3	-	-
OCC Climate Audit 22/23	5	12	17	5	11	16	-	-	1
OCC Controcc Payments 21/22	-	9	9	-	7	7	-	2	-
OCC Conflicts of Interest/Gifts 24/25	-	12	12	-	9	9	-	-	3
OCC Corporate Website 24/25	-	8	8	-	7	7	-	-	1
OCC Data Mgmt 2425	-	10	10	-	2	2	1	1	6
OCC Disaster Recovery 25/26	-	8	8	-	-	-	8	-	-
OCC Educ IT System – processes 22/23	-	5	5	-	3	3	-	-	2
OCC EHCP Top Ups 24/25	-	12	12	-	-	-	12	-	-
OCC Employee Feedback 2425	1	7	8	-	-	-	8	-	-
OCC Feeder Systems 23/24	-	4	4	-	3	3	-	-	1
OCC Fleet Mgmt Compliance 21/22	-	5	5	-	4	4	-	-	1
OCC FM Follow up 22/23	-	13	13	-	11	11	-	-	2
OCC Health Payments 23/24	1	7	8	1	5	6	-	-	2
OCC HIF1 25/26	-	2	2	-	-	-	2	-	-
OCC Highways Contract 24/25	-	2	2	-	1	1	-	-	1
OCC Identity and Access Mgmt 24/25	-	11	11	-	7	7	-	1	3
OCC IROs 24/25	-	14	14	-	-	-	-	-	14
OCC IT Audit GOSS 25/26	-	7	7	-	-	-	7	-	-
OCC LAS IT Application 22/23	-	9	9	-	8	8	-	-	1
OCC Leases 22/23	-	10	10	-	8	8	-	-	2

OCC Local Transport Plan 23/24	1	8	9	1	6	7	-	-	2
OCC M365 Cloud 22/23	-	11	11	-	10	10	-	-	1
OCC Mandatory Training 24/25	-	5	5	-	-	-	5	-	-
OCC Multiply 24/25	-	3	3	-	-	-	-	3	-
OCC P Cards 23/24	1	20	21	1	18	19	-	-	2
OCC Payments to Providers 23/24	2	7	9	1	7	8	-	-	1
OCC Pensions Admin 24/25	-	6	6	-	4	4	2	-	-
OCC Physical Security Systems 23/24	1	13	14	1	12	13	-	-	1
OCC Planning Application Appeals 24/25	-	8	8	-	1	1	3	3	1
OCC Prop Strategy Implementation 24/25	-	1	1	-	-	-	-	-	1
OCC Property Health and Safety 23/24	2	28	30	1	24	25	-	-	5
OCC Property Strategy Implementation 24/25	-	1	1	-	-	-	-	-	1
OCC Provision Cycle 21/22	-	19	19	-	18	18	-	-	1
OCC Risk Management 20/21	-	14	14	-	13	13	-	-	1
OCC Risk Mgmt 23/24	-	8	8	-	7	7	-	-	1
OCC S106 21/22	-	6	6	-	1	1	-	-	5
OCC S106 IT System 23/24	-	6	6	-	2	2	-	-	4
OCC S151 Schools Assurance 24/25	2	20	22	-	3	3	10	8	1
OCC Strategic Contract Mgmt 24/25	2	10	12	-	2	2	-	-	10
OCC Street Works & Parking Income 24/25	-	11	11	-	2	2	-	-	9
OCC Supported Transport 23/24	6	9	15	6	7	13	-	-	2
OCC Travel Mileage 24/25	-	6	6	-	5	5	-	-	1
OCC Utilities 24/25	-	3	3	-	-	-	2	1	-
OCC Void Management 24/25	-	14	14	-	2	2	1	-	11
OCC YPSA 22/23	1	18	19	1	16	17	-	-	2
TOTAL	25	510	535	18	306	324	64	19	128

AUDIT AND GOVERNANCE COMMITTEE

17 September 2025

Annual Monitoring Officer Report 2024-25

Report by the Director of Law & Governance and Monitoring Officer

RECOMMENDATION

1. **The Committee is RECOMMENDED to consider and endorse the Monitoring Officer's annual report for 2024-25.**

Executive Summary

2. This report provides a comprehensive overview from the Monitoring Officer of democratic and ethical governance activities during the municipal year 2024-25 (from 1 April 2024 to 31 March 2025). The report is aligned with the functions of the Audit and Governance Committee, which is responsible for ensuring high standards of conduct among councillors and co-opted members.

The Committee's key responsibilities include:

- Promoting high standards of conduct by councillors and co-opted members.
 - Granting general and individual dispensations to councillors and co-opted members from requirements related to interests as set out in the code of conduct. Individual dispensations under Section 33 of the Localism Act 2011 and the Members' Code of Conduct are delegated to the Monitoring Officer.
 - Reviewing the arrangements for dealing with complaints against Members and advising the Council on the adoption or revision of these arrangements, as well as the Members' Code of Conduct.
3. Throughout the year, the Committee has diligently worked to uphold its responsibilities, ensuring that ethical standards are maintained and that any complaints or allegations of misconduct are addressed promptly and fairly. This report highlights the Committee's activities, achievements, and the progress made in fostering a culture of transparency, accountability, and integrity within the Council.

The Committee's responsibilities for ethical standards

4. The terms of reference of the Audit and Governance Committee detail the responsibilities as set out above.
5. These responsibilities, stemming from the Localism Act 2011, demonstrate the

Council's expectation that high standards of conduct will continue to be promoted and maintained among elected councillors and co-opted members.

Member Code of Conduct

6. The County, District and City Councils in Oxfordshire maintain harmonised Member codes of conduct. This has the benefit of creating transparency and accountability for the public and clarity of expectation for councillors who may also be members of more than one authority. This harmonisation is itself a key aspect in promoting and maintaining high standards across Oxfordshire. The code is also held out to parish and town councils as a model to follow.
7. Oxfordshire's Members' Code of Conduct can be found at Part 9 of the Constitution. This local Oxfordshire code reflects the Local Government Association's (LGA) published Model Member Code of Conduct, published in January and May 2021.
8. Whilst each authority has adopted slightly different approaches to handling complaints about councillor conduct, there has been a common theme of proportionality in these arrangements, as envisaged by the Localism Act 2011.
9. The revised Member Code of Conduct was adopted by the Council with effect from 1 May 2022.
10. Having operated the previous arrangements since January 2021 the Monitoring Officer carried out a review of the Council's arrangements for dealing with code of complaints against members during 2023-24. This review was undertaken to achieve greater clarity of process and responsibilities for the benefit of both the public and members themselves.
11. The Audit and Governance Committee considered the revised arrangements on 13 March 2024 and recommended that Council approve them. Council subsequently approved the revised arrangements on 16 April 2024.
12. Having served as Independent Persons since 14 July 2020, Mr Martyn Hocking and Mr Nicholas Holt-Kentwell continued in this role until 30 November 2024. This included an extension of term which was approved by Council on 9 July 2024.
13. Following a successful recruitment campaign and compliant process including applications and interviews, Mr Andrew Mills-Hicks and Mr Nicholas Holt-Kentwell were appointed as the new Independent Persons for a period of two years, renewable once. Their appointments were approved by Council on 5 November 2024, with the term commencing on 1 December 2024.
14. The role of Independent Person is to provide support to the Monitoring Officer and, where required individual members, on complaints relating to the code of conduct.
15. A summary of code of conduct complaints received, considered and determined during 2024-25 and their outcome, is reported at paragraph 30 below.

16. The Monitoring Officer's role is wherever possible to provide proactive advice to members before any complaint is received. Upon receipt of code of conduct complaints, the Monitoring Officer continues to work proactively with members. The Monitoring Officer may consider that there is learning which should be shared with the councillor who is subject to a complaint and/or the Audit and Governance Committee.
17. The Council has continued to be fully compliant with the Localism Act 2011 and subsequent government guidance and regulations in terms of maintaining the register of members' interests, which are published against each councillor's name on the Council's website ([Find Councillor | Oxfordshire County Council](#)). For quality assurance purposes, the Monitoring Officer will review all the Council's guidance and processes in respect of the operation of the code of conduct and maintaining the register of members' interests in 2025-26.

Member Code of Conduct complaints – promoting and maintaining high standards of conduct by Councillors and Co-opted Members

18. It is a core duty of the Audit and Governance Committee and every member to promote and maintain high standards of conduct by councillors and co-opted members.
19. Both the Council (as approved by the Audit and Governance Committee) and the Monitoring Officer submitted responses to a Code of Conduct consultation, on [Strengthening the standards and conduct framework for local authorities in England - GOV.UK](#). This consultation ran from 18 December 2024 until 26 February 2025. The Council is still waiting for details of the outcome of this.
20. Advice from the Monitoring Officer was issued during the year as regards:
 - i. Disclosable pecuniary interests
 - ii. Interests in relation to the Council budget setting meeting in February 2025
 - iii. Pre-election guidance to councillors and employees on responsibilities about the use of council publicity and resources during the pre-election period for the 1 May 2025 County Council Elections.

Declaration of interests

21. There are three types of interest relating to members:
 - i) **Disclosable pecuniary interest** – this is an interest of the member, or their partner. This includes employment, office, trade, profession or vocation,

sponsorship, contracts, land and property, licences, corporate tenancies and securities.

- ii) **Other Registrable interest** – this is an interest of the member relating to
 - Any unpaid directorships
 - Anybody of which they are a member or are in a position of general control or management to which they are appointed to by the Council.
 - Anybody exercising functions of a public nature, directed to charitable purposes or one whose principal purposes includes the influence of public opinion or policy (including any political party or trade union)
- iii) **Non-registrable interest** - Where a matter arises at a meeting which directly relates to a member's financial interest or wellbeing (and does not fall under disclosable pecuniary interests), or the financial interest or wellbeing of a relative or close associate, they must declare the interest.

- 22. The usual safeguards are in place including a reminder to members of the need to declare interests at all meetings, and all agendas contain a standard item headed 'Declarations of Interest'. The item refers to detailed guidance attached to the agenda setting out how and when to declare an interest.
- 23. The Monitoring Officer will continue to encourage Councillors to think about whether they have any interests to declare as soon as they receive the published papers for a meeting rather than at the commencement of the meeting. This will allow the Councillor to discuss any concerns with the Monitoring Officer in good time and this point is built into all member Code of Conduct training.

Number and outcome of applications for dispensations

- 24. There were no applications during 2024-2025 for dispensation from the requirement to remove oneself from a meeting where either a disclosable pecuniary interest or another registrable interest or non-registrable interest would otherwise require this on a motion.

The number and nature of complaints of breaches of the code

- 25. There were 12 formal complaints received and determined against members during 2024-25 (19 in 2023-24), seven of which related to communication between elected members and the public.
- 26. In each conduct case, the Monitoring Officer considered whether the behaviour complained about arose when the person was acting or purporting to act as a county councillor. This is known as 'official capacity'. Consideration is given to the following assessment criteria:
 - i. **Adequate information**

Is sufficient information available at the initial test and assessment stage to decide whether the complaint should be referred for investigation or other action?

ii. **Official capacity**

Was the member subject to the complaint acting in an official capacity?

iii. **Timescale**

Complaints will not normally be investigated or pursued if the events occurred more than 6 months prior to the complaint being submitted other than in exceptional circumstances, such as where the conduct relates to a pattern of behaviour which has recently been repeated.

iv. **Seriousness**

The matter will not normally be referred for investigation or other action if it is considered trivial, malicious, vexatious, or politically motivated.

v. **Public interest**

Consideration will be given as to whether the public interest would be served by referring a complaint for investigation or other action.

vi. **Multiple complaints**

It will be noted whether the Monitoring Officer has received more than one complaint about a single event.

27. As part of the assessment, the Monitoring Officer assesses whether the conduct complained of, if proven, could amount to a breach of the code of conduct.

28. On each occasion in 2024-25 the Monitoring Officer undertook the initial assessment of a code of conduct complaint against the criteria set out above and sought the views of an Independent Person before reaching their decision as to what action was required.

29. The Monitoring Officer has personally reviewed every complaint received and, after consultation with the Independent Person, has taken a decision which could be any of the following:

- i. That no further action should be taken
- ii. Refer the complaint for informal resolution (which might involve an apology or training or some other form of mediation)
- iii. Refer the complaint for investigation

30. Of the cases received in 2024-25 that have been determined, details and outcomes are set out as follows:

	Complaint/Allegation	Outcome
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1	Complaint about alleged misuse of position.	No Further Action
2	Complaint about conduct towards public and other councillors about traffic proposals.	No Further Action
3	Complaint about conduct towards public and other councillors about traffic proposals.	No Further Action
4	Complaint about conduct towards public and other councillors about traffic proposals.	No Further Action
5	Complaint about communication.	No Further Action
6	Complaint about comments made in relation to proposals which have attracted a high level of public interest.	No Further Action
7	Complaint about communication.	No Further Action
8	Complaint about communication.	No Further Action
9	Complaint about communication.	No Further Action
10	Complaint about communication.	No Further Action
11	Complaint about communication.	No Further Action
12	Complaint about communication.	No Further Action

31. While Councillors cannot be compelled to respond to every piece of correspondence they receive, this remains a source of complaint from members of the public who expect engagement from Councillors. Additionally, social media and other public forum activity continue to generate complaints.
32. As part of this process, the Monitoring Officer evaluates whether a complaint merits further investigation, applying the public interest as a guiding principle.

Oxfordshire Monitoring Officers' Group

33. Monitoring Officers from Oxfordshire's County and District Councils have continued to meet to discuss issues of common concern, along with a representative of the Oxfordshire Association of Local Councils. This joined up approach between the Monitoring Officers continues to be useful in interpreting the code of conduct and

monitoring the operation of the harmonised codes of conduct and adopting an agreed approach to governance issues generally.

Democratic process

34. Clarity and accountability in the decision making of the Council is an important bedrock for good governance. Members of the public continue to be able to participate at formal meetings in person or virtually in terms of speaking and addressing meetings, as well as viewing them remotely.
35. In total, 132 formal public meetings were held and facilitated by the committee services team of the Council between 1 April 2024 and 31 March 2025 (130 in 2023-24)
36. There remains a high level of democratic engagement at Council, Cabinet and Committee meetings that are open to the public. Members of the public asked 31 public questions (21), presented 23 petitions (6) and addressed members 331 (331) times at formal meetings during 2024-25. Figures in brackets are for 2023-24.

Decision-making governance

37. It is important, though, as in any year, to inform the Audit and Governance Committee of how the decision-making arrangements worked in practice as regards instances of closed sessions, urgent decisions, and call-in.

Closed sessions

38. The press and public can be excluded from the whole or part of a meeting if the meeting is to discuss confidential or exempt information (as set out in Schedule 12A of the Local Government Act 1972, as amended). The Monitoring Officer, in the role of ensuring lawful decision making, has reviewed the number of times that either the public was excluded or that an exempt report was featured on an agenda and was satisfied in each case that Schedule 12A of the Local Government Act 1972, as amended was applied appropriately. This happened at 9 out of 132 meetings during 2024-25 (13 in 2023-24) broken down as follows:

Pension Fund Committee	3
Remuneration Committee	2
Remuneration Committee (Sub-Committee)	1
Cabinet	1
Place Overview & Scrutiny Committee	1
Charlotte Coxe Trust Committee	1

Total	9
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Urgent decisions

39. The Cabinet and any other body or person discharging executive functions may take a decision which is contrary to or not wholly in accordance with the budget or policy framework as approved by the Council if the decision is a matter of urgency. However, the decision may only be taken if it is not practical to convene a quorate meeting of the Council; and if consent has been given to the decision being taken as a matter of urgency by the Chair and Deputy Chair of relevant Overview and Scrutiny Committee (or by the Chair and/or Vice-Chair of the Council in the absence of one or both of them).
40. Under the Scheme of Delegation in the Council's Constitution (Part 7.1, paragraph 6.3 (c)(i)), the Chief Executive is authorised to undertake an executive function on behalf of the Cabinet. Cabinet receives a quarterly report on the use of this delegated power in relation to such executive decisions; that is, decisions that might otherwise have been taken by Cabinet. The decisions taken largely related to approval to exceptions from the Council's Contract Procedure Rules.
41. There were 5 instances where the Chief Executive has taken Executive Decisions relating to urgent matters in 2024-25 (5 in 2023-24). These decisions are recorded by Democratic Services and were reported to the Cabinet on each occasion.

Scrutiny call-in

42. As in 2023-24, no decisions of the Cabinet of taken by a Single Cabinet Member or any key decision decided by an officer were called in during 2024-25.

Transparency and access

43. Modern.Gov is the software package used by the Council for creating, tracking and publishing council meeting agenda, reports and minutes. This is important for transparency as the system publishes clear information on the Council's website as to the calendar of meetings and the accessibility of meeting papers.
44. Modern.Gov is used to manage the Council's Forward Plan and for publicising meetings and agendas, committee appointments, as well as appointments to outside bodies. The system has wider capabilities to support paperless meetings and report preparation, and these aspects continue to be taken forward through improvement projects as part of the Governance Improvement Plan.

The Constitution

45. A local authority is under a duty to prepare and keep up to date its constitution under s.9P Local Government Act 2000 as amended which should be publicly accessible.

46. The council's constitution:
- i. sets out the council's governance arrangements which provide clear leadership to the community in partnership with citizens and other stakeholders;
 - ii. supports the active involvement of citizens in the process of local authority decision-making by setting out their rights in respect of the process of decision-making and access to information;
 - iii. helps Councillors represent their constituents more effectively;
 - iv. enables decisions to be taken efficiently and effectively;
 - v. creates an effective means of holding decision-makers to public account;
 - vi. ensures that no one will review or scrutinise a decision in which they were directly involved;
 - vii. ensures that those responsible for decision making are clearly identifiable to local people and that they explain the reasons for decisions; and
 - viii. sets out the standards of conduct expected of Councillors and those who work for or with the Council

Constitution Review

47. It is the Monitoring Officer's responsibility to monitor and review the operation of the Constitution to ensure that its aims, principles and requirements are given full effect and make recommendations on any necessary amendments to it to the Council.
48. The cross-party Constitution Working Group ("the CWG") held seven meetings between November 2024 and February 2025. The CWG were tasked with considering ways of amending the Constitution and then making recommendations. The report of the CWG was considered by the Audit & Governance Committee at its meeting on 12 March 2025. A number of amendments and additional items were agreed to the CWG proposals, and a final report of Constitutional amendments was presented to Council on [1 April 2025](#) for their approval and agreed unanimously.

Pre-election and induction preparation

49. During 2024/25, the Council prepared for the 1 May 2025 County Council elections and the implementation of an induction programme for the new administration.
50. An induction programme was developed giving prominence to the Member Code of Conduct, as well as to the overview of services, legal requirements such as planning law and practice, and skills such as the effective chairing of meetings. The

programme was intended to give essential introductions to the strategic leadership team and colleagues across all service areas, to assist in maintaining open and effective relationships. It was intended that this would provide a platform on which to create further development, owned by members, throughout their term of office.

51. Induction training commenced following the May 2025 elections for the new administration, with further member development sessions to take place later in the year.
52. All newly elected councillors are required to take part in a thorough induction process. This was particularly pertinent this year, with 39 of the 69 seats occupied by individuals who have not previously served as Oxfordshire County Councillors.

Internal Audit of Officer Declarations of Interest and Gifts & Hospitality

53. Internal Audit completed an assessment of the Council's controls and processes for managing Officer Conflicts of Interest and Gifts & Hospitality in 2024/25. The review evaluated governance, policy communication, staff compliance, and oversight of declarations and registers, aiming to provide assurance on risk management and support the annual control opinion required by the Chief Internal Auditor.
54. This Committee received details of the audit as part of a wider report presented by Internal Audit at the meeting on 12 March 2025.
55. The overall assessment of the system of internal control was recorded as amber, with the report noting twelve priority 2 management actions. All identified actions should be completed by the end of September 2025.

Complaints

56. The number of complaints received by the Council during 2024-25 is summarised as follows under Children Social Care, Adult Social Care and Corporate (with data for 2023-24 included for comparison). All councils are required to process Children Social Care and Adult Social Care complaints in line with statutory frameworks. Complaints made relating to other Council services are categorised as corporate complaints.

	2024-25	2023-24
Children's Social Care complaints	129	141
Adult Social Care complaints	114	127
Corporate (non-Social Care) complaints	482	328
Total complaints	725	596

Information requests –Subject Access Requests, Court Orders, Police disclosures and Freedom of Information

57. The Council receives a number of different types of information requests:
- i) Subject Access Requests – Individuals have the right to ask an organisation if it is using or storing their personal information and can request copies under Section 45 of the Data Protection Act 2018.
 - ii) Court Orders – Requests for information relating to a matter being heard in Court, such as the Court of Protection or private hearings in the Family Court.
 - iii) Police disclosures – Requests received from the Police for information relating to investigations about an alleged criminal offence.
 - iv) Freedom of Information/Environmental Information – Anyone has a right to request recorded information from a public authority under the Freedom of Information Act 2000 and Environmental Information Regulations 2004.
58. The number of requests received during 2024-25 (and 2023-24 for comparison) is summarised as follows:

	2024-25	2023-24
Subject Access Requests	491	498
Court Orders	131	119
Police Disclosure Requests	100	95
Freedom of Information Act 2000 (FOI)	1467	1491
Environmental Information Regulations 2004 (EIR)	536	464

Summary

59. This annual review highlights the progress in maintaining democratic accountability and transparency with members continuing to undertake their role as community leaders during 2024-25.
60. Encouraging and maintaining high standards of conduct will continue to be addressed in 2025-26 with further member training sessions planned. It is imperative that members and officers set the ethical tone within the Council and model the behaviours that they expect of themselves and others.

Corporate policies and priorities

61. The Council has a stated priority to ensure a vibrant participatory democracy.

Financial implications

62. The activities highlighted in this report relate to business as usual and funding is provided as part of the Council budget.

Comments checked by:

Drew Hodgson, Strategic Finance Business Partner
drew.hodgson@oxfordshire.gov.uk

Legal implications

63. Relevant references to legal powers are included in the main body of the report. Under S5 of the Local Government and Housing Act 1989 the Council is required to designate an officer as the Monitoring Officer whose responsibilities set out in the Council's Constitution include ensuring lawfulness and fairness of decision making and to contribute to the promotion and maintenance of high standards of conduct through provision of support and advice to the Audit & Governance Committee.

Comments checked by:

Jay Akbar, Head of Legal & Governance Services (Deputy Monitoring Officer)
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Staff implications

64. None directly arising from this report.

Equality and inclusion implications

65. None directly arising from this report.

Sustainability implications

66. None directly arising from this report.

Risk management

67. None directly arising from this report.

Consultation

68. None directly arising from this report.

Anita Bradley

Director of Law & Governance and Monitoring Officer

Contact officer:

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Senior Governance Lead

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September 2025

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AUDIT AND GOVERNANCE COMMITTEE

17th SEPTEMBER 2025

REPORT ON THE AUTHORITY'S POLICY FOR COMPLIANCE WITH THE REGULATION OF INVESTIGATORY POWERS ACT 2000 AND USE OF ACTIVITIES WITHIN THE SCOPE OF THIS ACT

Report by Director of Law & Governance and Monitoring Officer

RECOMMENDATION

1. **The Committee is RECOMMENDED to**
 - a) Note the Policy for Compliance with the Investigation of Regulatory Powers Act 2000 included in the annex of this paper and to comment on any changes to the policy that the committee would wish the Director of Law & Governance and Monitoring Officer to consider, and
 - b) Consider and note the use of any activities within the scope of the Regulation of Investigatory Powers Act by the Council

Executive Summary

2. The Council may occasionally need to carry out covert surveillance. The Regulation of Investigatory Powers Act 2000 ('the Act') and supporting Codes of Practice provide the legal framework under which public bodies may lawfully undertake covert surveillance. Compliance with the Act and the supporting Codes of Practice provides protection to the Council in the event that an individual challenges the actions of the Council on the basis that those actions were an infringement of the individual's human rights. It also reduces the likelihood that any evidence obtained through covert surveillance and used in legal proceedings is ruled inadmissible.
3. Codes of Practice under the Act require that elected members review the Authority's use of activities within the scope of the Act periodically and review the Authority's Policy annually. This report provides a summary of the covert activities undertaken by the council between April 2024 and March 2025 for review by the Committee.
4. The Council's Policy for Compliance with the Investigation of Regulatory Powers Act 2000 ('the policy') is updated annually and received a significant refresh in 2023. This included incorporating feedback from the Investigatory Powers Commissioner's Office (IPCO). This year, officers are not recommending any changes to the policy.

Exempt Information

5. None

Introduction

6. The Act regulates the use of covert investigatory activities by local authorities. It creates the statutory framework by which covert surveillance activities may be lawfully undertaken. Special authorisation arrangements need to be put in place whenever a local authority considers commencing covert surveillance or seeks to obtain information by the use of informants or officers acting in an undercover capacity.
7. Under the Act, local authorities may only carry out covert surveillance where it is necessary for the prevention or detection of crime. In addition, local authorities can only authorise surveillance activities within the framework created by the Act if it meets one of the following tests – criminal offences which attract a maximum custodial sentence of six months or more or criminal offences relating to the underage sale of alcohol, tobacco or nicotine inhaling products (the ‘seriousness’ threshold). Covert surveillance for other matters, such as for the investigation of minor criminal offences not meeting the ‘seriousness’ threshold cannot be authorised under the Act.
8. Codes of Practice under the Act require that elected members review the Authority’s use of activities within the scope of the Act periodically and review the Authority’s policy annually. This paper provides a summary of the activities undertaken by Oxfordshire County Council that fall within the scope of this Act for the period from April 2024 to March 2025. The Authority’s Policy for Compliance with the Regulation of Investigatory Powers Act 2000 is attached in Annex 1 for consideration.

Investigatory Powers Commissioner’s Office Inspection

9. As part of the legislative regime, the Investigatory Powers Commissioner’s Office (IPCO) carry out three-yearly inspections to examine an authority’s policies, procedures, operations and administration. The Council’s last inspection was in 2023, where the IPC informed the Council that they were satisfied that the Council had demonstrated ongoing compliance with the Act and that the Council will be due its next inspection in 2026.

Use of the Act by Oxfordshire County Council

10. Within the Council, covert surveillance is mainly carried out by the Trading Standards Service as part of investigations into suspected contraventions of consumer protection legislation. Between April 2024 and March 2025, the Council did not authorise any instances of the use of covert surveillance (with no applications submitted by officers).

11. Whilst the Council has not recently used the powers available to it under RIPA, these remain an important investigatory tool, and the Council still needs to have a robust and up to date policy in place which officers can follow should the need arise.

Magistrate's Oversight

12. From October 2012 the Protection of Freedoms Act 2012 required Judicial oversight of authorisations of covert surveillance activities. All authorisations for covert surveillance activities falling within the scope of the Act granted by local authorities now need Magistrate approval before they take effect.

The Council's RIPA Policy

13. The Council's Policy for Compliance with the Investigation of Regulatory Powers Act 2000 ('the Policy') is reviewed annually and was subject to a significant refresh in 2023. This was to take account of feedback to local authorities, from the IPCO, of the need to provide clearer guidance to council staff and better reflect the council's position on monitoring social media, and to outline the importance of clear document management processes for the product of surveillance.
14. The current policy reflects the recommendations following previous IPCO inspections and it provides more clarity on how RIPA applies when looking at social media, ensures there is early reference to the importance of safeguarding young people and strengthens the expectations in relation to records retention and information management. No new amendments are proposed this year, following the comprehensive refresh in 2023.

Corporate Policies and Priorities

15. This RIPA policy is an internal policy setting out governance arrangements for operational activity within the scope of the Act. It has no direct implications on Council priorities. However, compliance with the Act is important to manage risk for the Council and to ensure successful outcomes of operational activity undertaken by a number of council services.

Financial Implications

16. This is a procedural matter and there are no direct financial implications arising from the adoption of the new policy.

Comments checked by:

Drew Hodgson, Strategic Finance Business Partner,
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Legal Implications

17. In using the investigatory powers which are available to it, the Council must comply with the provisions of the Regulation of Investigatory Powers Act 2000 and The Regulation of Investigatory Powers (Directed Surveillance and Covert Human Intelligence Sources) Order 2010. The Act sets out a regulatory framework for the use of covert surveillance techniques by public authorities.
18. The Council should consider the current codes of practice (Covert surveillance code of practice, Code of practice for investigation of protected electronic information and Covert Human Intelligence Sources code of practice 2022) to assist assessing the appropriateness of using covert techniques.

Comments checked by:

Josie Smith, Locum Solicitor, ASC and Litigation Team

Staff Implications

19. None

Equality & Inclusion Implications

20. There are no equality and inclusion implications arising from the policy.

Sustainability Implications

21. There are no sustainability implications arising from the policy.

Risk Management

22. The policy is important in order to ensure there is appropriate governance over activities that fall within the scope of the Act and as such assists in managing risks to the council.

Consultations

23. No consultation is required. This policy replaces the existing policy and does not introduce any new requirements and has no direct impact on Oxfordshire residents and businesses.

Anita Bradley
Director of Law and Governance and Monitoring Officer

Annex: Policy on Compliance with Investigation of Regulatory Powers Act 2000.

Background papers:None

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September 2025

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**OXFORDSHIRE COUNTY COUNCIL
POLICY ON COMPLIANCE WITH THE
REGULATION OF INVESTIGATORY POWERS
ACT 2000 (RIPA)**

1. Introduction

1.1 Where RIPA applies

The Regulation of Investigatory Powers Act 2000 (RIPA) regulates the use of covert surveillance activities by Local Authorities. The need for special authorisation arrangements must be considered whenever the Local Authority considers commencing a covert surveillance operation or obtaining information by the use of informants or officers acting in an undercover capacity. Informants are termed covert human intelligence source or CHIS.

1.2 Social media, confidential information and juveniles

The authorisation requirements under RIPA may also apply to the monitoring of use of social media. Detailed discussion on this appears in paragraph 6 below. Special procedures also apply where juveniles are involved or where confidential information is sought. Guidance appears in sections 8 and 9 respectively.

1.3 Surveillance that falls outside RIPA

Local Authorities operate covert activities in a number of key areas. Activities can include covert surveillance in relation to Internal Audit and Human Resources where fraud, deception or gross misconduct by staff might be suspected.

RIPA only applies where the Local Authority is investigating crime and exercising one of its core activities or one its specific public functions. It does not apply in the exercise of general and civil matters such as monitoring of human resource policies. Article 8 of the Human Rights Act which protects a person's right to privacy is relevant. A guide to covert activities that fall outside RIPA but under Article 8 appears at section 7 below.

1.4 Relevant guidance

The following material is relevant and should guide your actions:

- a) The Regulation of Investigatory Powers Act 2000 (as amended);
- b) Statutory instrument 2010 No. 521 (The Regulation of Investigatory Powers (Directed Surveillance and Covert Human Intelligence Sources) Order 2010) This sets out the rank of officers who can give a RIPA authority;
- c) The Codes of Practice. If in doubt have a look at the collection of RIPA codes. They offer detailed and practical advice. They give a lot of case studies which might match the scenario you are looking at. They are as follows:
 - i. Covert surveillance code of practice – February 2024;
 - ii. Covert Human Intelligent sources code of practice 2022 – December 2022;

- iii. Code of practice for investigation of protected electronic information – September 2018
- iv. Communications data: code of practice – June 2025 (under Investigatory Powers Act: codes of practice).

To find all the codes follow these links –

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

<https://www.gov.uk/government/collections/investigatory-powers-act-codes-of-practice>

1.5 **Authorisation of covert surveillance or a CHIS**

You will need authorisation from a senior officer where RIPA applies. There are only a small number of Authorising Officers who can give this permission as set out in Appendix 1. Before authorisation it will normally be necessary to consult with the relevant Deputy Director/Assistant Director/Head of Service. You should discuss the matter with your Line Manager before seeking authorisation.

1.7 **Application of policy**

This Policy applies to all services in Oxfordshire County Council. The Trading Standards Service has their own specific internal Service procedures for dealing with authorisations. Copies of all authorisations including those for Trading Standards will be forwarded to the Head of Prevention, Protection and Trading Standards for retention in a central register.

1.8 **Safeguarding**

It is imperative that the safety and welfare of young people is prioritised in any covert surveillance involving or relating to juveniles. This is outlined further in section 8.

2. **Definitions**

Surveillance – includes monitoring, observing or listening to persons, their movements, conversations or other activities and communications. It may be conducted with or without the assistance of a surveillance device and includes the recording of any information obtained.

Covert Surveillance – this is carried out to ensure the person who is the subject of the surveillance is unaware that it is or may be taking place.

Local authorities are able to use the following forms of surveillance which require a RIPA authority:

a) **Directed Surveillance** – is covert but not intrusive, is undertaken for the purposes of a specific investigation which is likely to result in the obtaining of private information about a person (targeted or otherwise);

b) **Covert Human Intelligence Source (CHIS)** – this is an undercover operation whereby an informant or undercover officer establishes or maintains some sort of relationship with the person in order to obtain private information;

c) **Intrusive Surveillance** - means covert surveillance carried out in relation to anything taking place on residential premises or in any private vehicle and that involves the presence of an individual on the premises or in the vehicle or is carried

out by means of a surveillance device. Local Authorities are not lawfully able to carry out intrusive surveillance.

3. RIPA Requirements

3.1 General

Directed surveillance or the use of a CHIS can only be authorised under RIPA if it involves a criminal offence punishable by a custodial sentence of six months or more or criminal offences relating to the underage sale of alcohol, tobacco or nicotine inhaling products. Less serious criminal offences cannot be subject to directed surveillance under RIPA.

3.2 In either case surveillance under RIPA is only permitted for the purpose of prevention or detection of crime or preventing disorder.

3.3 The surveillance must also be necessary and proportionate. These terms are discussed in paragraphs 4 and 5 below. It should also be subject to review.

3.4 Prior authorisation

All directed surveillance and activity by a CHIS require prior authorisation by the appropriate Local Authority Officer (as set out in Appendix 1 of this policy) before any surveillance activity takes place. The only exception to this is where covert surveillance is undertaken by way of an immediate response to events that means it was not foreseeable and not practical to obtain prior authorisation.

3.5 Who can grant RIPA authority

Only officers listed in Appendix 1 of this RIPA Policy may authorise surveillance. Special rules apply when authorising the use of a juvenile as a CHIS and this requires a higher level of authorisation as set out in this Policy.

3.6 Necessary and proportionate

The surveillance must also be necessary and proportionate. These terms are discussed in paragraphs 4 and 5 below. It should also be subject to review.

3.7 Judicial approval

Judicial approval is also required before any internal authorisation of surveillance under RIPA takes effect. Once internal authorisation has been granted a specific application to the Magistrates Court will be required.

3.8 Criminal Conduct

Special rules exist where the CHIS activities include criminal conduct under the Covert Human Intelligence Sources (Criminal Conduct) Act 2021. Local Authorities do not have the power to grant criminal conduct authorisations. Be very careful over possible criminal conduct and refer to the Monitoring Officer if in doubt.

3.9 Intrusive Surveillance

Local Authorities are not permitted to carry out Intrusive Surveillance. Local Authorities may not use hidden officers or concealed surveillance devices within a person's home or vehicle in order to directly observe that person.

3.10 A flow chart showing the authorisation procedures for covert surveillance and the relevant considerations at each stage is included in Appendix 2 of this policy.

3.11 Details of procedure to follow in application

Further details of the procedure to follow including the forms to use are set out in paragraph 12 below.

3.12 Duration of authorisation

The duration of authorisation is always three months for directed surveillance and 12 months for a CHIS. However, authorisation should be reviewed periodically and cancelled once the surveillance has achieved its purpose or is no longer required.

3.13 Failure to obtain a RIPA authority and judicial approval

If you carry out directed or CHIS surveillance in the absence of a RIPA authority you could be accused of breaching a person's right to privacy under Article 8 of the European Convention on Human Rights. If you wish to use the evidence from an investigation in court the court may exclude the evidence. The Investigatory Powers Tribunal is able to investigate complaints from anyone who feels aggrieved by a public authority's exercise of its powers under RIPA. They are also able to give directions and make awards of damages. You could also face a claim under the Human Rights Act.

4. Grounds of Necessity and collateral intrusion

4.1 The authorisation by itself does not ensure lawfulness, as it is necessary also to demonstrate that the interference was justified as both necessary and proportionate. The statutory grounds of necessity must apply for the purposes of preventing or detecting crime or of preventing disorder.

5. Proportionality

5.1 Do the ends justify the means?

Once a ground for necessity is demonstrated, the person granting the authorisation must also believe that the directed surveillance or use of CHIS is proportionate to what is aimed to be achieved by the conduct and use of that source or surveillance. This involves balancing the intrusive nature of the investigation or operation and the impact on the target or others who might be affected by it against the need for the information to be used in operational terms. Do the ends justify the means? Other less intrusive options should be considered and evaluated. All RIPA investigations or operations are intrusive and should be carefully managed to meet the objective in question and must not be used in an arbitrary or unfair way.

5.2 The following guidance in the Covert Surveillance and Property Interference Code of Practice 2024 should be noted:

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

4.7 The following elements of proportionality should therefore be considered:

- balancing the size and scope of the proposed activity against the gravity and extent of the perceived crime or harm;*
- explaining how and why the methods to be adopted will cause the least possible intrusion on the subject and others;*
- considering whether the activity is an appropriate use of the legislation and a reasonable way, having considered all reasonable alternatives, of obtaining the information sought;*
- evidencing, as far as reasonably practicable, what other methods had been considered and why they were not implemented or have been implemented unsuccessfully."*

5.3 Collateral intrusion

Before authorising applications for directed surveillance, the Authorising Officer should also take into account the risk of obtaining private information about persons who are not subjects of the surveillance (Collateral Intrusion). Where such collateral intrusion is unavoidable, the activities may still be authorised, provided this intrusion is considered proportionate to what is sought to be achieved. Measures should be taken wherever practicable to avoid unnecessary intrusion into the lives of those not directly connected with the operation. All applications should therefore include an assessment of the risk of collateral intrusion and details of any measures taken to limit this to enable the Authorising Officer fully to consider the proportionality of the proposed actions.

6. Social Media

6.1 Social media is becoming an increasingly important source of information. Reference should be made to the covert surveillance and property interference Code of Practice 2024 (section 3.10).

6.2 Although most social media sites allow public access, the Code of Practice suggests that prolonged and systematic surveillance of a particular individual on a site would amount to directed surveillance and a RIPA authority should be obtained. The code sets out the checklist of questions in 3.16 and where the answer to some or all of them is 'yes' then it's likely that a RIPA authority for directed surveillance is required.

6.2.1 Checklist of questions:

- Whether the investigation or research is directed towards an individual or organisation;
- Whether it is likely to result in obtaining private information about a person or group of people;
- Whether it is likely to involve visiting internet sites to build up an intelligence picture or profile;
- Whether the information obtained will be recorded and retained;
- Whether the information is likely to provide an observer with a pattern of lifestyle;
- Whether the information is being combined with other sources of information or intelligence, which amounts to information relating to a person's private life;
- Whether the investigation or research is part of an ongoing piece of work involving repeated viewing of the subject(s);

- Whether it is likely to involve identifying and recording information about third parties, such as friends and family members of the subject of interest, or information posted by third parties, that may include private information and therefore constitute collateral intrusion into the privacy of these third parties.

6.3 Officers must not create a false identity in order to 'befriend' individuals on social networks other than in accordance with the RIPA Codes and with appropriate authorisation.

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

7 Applications for civil directed surveillance that fall outside RIPA

7.1 RIPA authorities are only available where the Local Authority is involved in preventing or detecting crime or preventing disorder. They are not therefore available where you wish to use covert directed surveillance in the pursuit of civil matters such as employment issues or civil claims. You can however still pursue covert surveillance because the *Investigatory Powers Tribunal case of C v the Police (2006)* states that RIPA authorities are only required where a Local Authority is pursuing their core activities rather than general activities that might affect all bodies. A Local Authority as a public body is however subject to Article 8 of the Human Rights Act, the right to privacy which states:-

'Article 8 – Right to respect for private and family life

'Everyone has the right to respect for his private and family life, his home and his correspondence.

There shall be no interference by a public authority with the exercise of this right except such as is in accordance with the law and is necessary in a democratic society in the interests of national security, public safety or the economic well-being of the country, for the prevention of disorder or crime, for the protection of health or morals, or for the protection of the rights and freedoms of others.'

7.2 Where it is wished to pursue covert directed surveillance that falls outside RIPA an internal authorisation process must still be followed. You should also consider whether the surveillance is necessary and proportionate as set out in paragraphs 4 and 5 above. You should also consider the application of Article 8 and record whether the interference is a justified one as set out in Article 8. The Authorising Officer should record their decision in writing, and it should be retained in accordance with the provisions for document retention in this policy. The Head of Prevention, Protection and Trading Standards should also be informed so that a record can be made in the authority's central register of surveillance authorisations. It should be subject to the same periodic reviews. It is not, however, necessary to obtain judicial approval for authorisations that fall outside RIPA.

8. Juveniles

8.1 Authorisation of a juvenile as a CHIS

Special care should be taken over the authorisation of a juvenile as a CHIS. You should first speak to the Head of Trading Standards. You should read 4.2 and 4.3 of the CHIS Code of Practice 2022 before doing this. They state among other things:

- (a) *On no occasion should the use or conduct of a CHIS under 16 years of age be authorised to give information against their parents or any person who has parental responsibility for them.*
- (b) *In other cases, authorisations should not be granted unless the special provisions, contained within the Regulation of Investigatory Powers (Juveniles) Order 2000 (as amended), are satisfied.*
- (c) *Enhanced authorisation is required. Authorisations for juvenile sources should be granted by the Head of Paid Service, or (in their absence) the person acting as the Head of Paid Service.*
- (d) *The duration of such an authorisation is four months from the time of grant or renewal (instead of twelve months), and the authorisation should be subject to at least monthly review. For the purpose of these rules, the age test is applied at the time of the grant or renewal of the authorisation.*
- (e) *Public authorities must ensure that an appropriate adult is present at any meetings with a CHIS under 16 years of age. The appropriate adult should normally be the parent or guardian of the CHIS, unless they are unavailable or there are specific reasons for excluding them, such as their involvement in the matters being reported upon, or where the CHIS provides a clear reason for their unsuitability. In these circumstances another suitably qualified person should act as appropriate adult, e.g. someone who has personal links to the CHIS or who has professional qualifications that enable them to carry out the role (such as a social worker). Any deployment of a juvenile CHIS should be subject to the enhanced risk assessment process set out in the statutory instrument, and the rationale recorded in writing.*

8.2 Juveniles and directed surveillance

You are referred to the sections on necessity and proportionality that appear in paragraphs 4 and 5 above. If a juvenile is the subject of directed surveillance or there is a risk of collateral intrusion affecting a juvenile, then special care should be taken. The tests of necessity and proportionality that you apply should be more exacting. It is more difficult to justify intrusion into the privacy of juveniles. A risk assessment is required setting out the risks to the juvenile and how those risks will be managed. The application for surveillance authorisation should consider those risks and show why the directed surveillance is necessary and that the ends justify the means. You should record in any application or authorisation that you have taken into account the fact that juveniles are involved. You should record that you have applied an enhanced test.

9. Confidential and Privileged Information including information subject to legal professional privilege.

9.1 Special care should be taken where the subject of the investigation or operation might reasonably assume a high degree of confidentiality. This includes where the material contains information that is legally privileged, confidential journalistic material or where material identifies a journalist's source.

9.2 Reference should be made to the guidance which appears at Chapter 9 of the Covert Surveillance and Property Interference Code of Practice (February 2024). Detailed considerations apply and you require enhanced levels of authorisation

which differ from the usual level of authorisation. Where an investigation may reveal sensitive and confidential material this requires special authorisation by the Chief Executive or his/her delegated Authorising Officer. The provisions are involved and sensitive and you are advised to take advice before proceeding.

10. Information security and retention of RIPA authorisations

- 10.1 It is essential that all information gathered through covert surveillance activities is stored securely, with access strictly restricted to those who require access, and disposed of securely when no longer required for the purpose for which the surveillance was undertaken. The arrangements for storing and disposing of the material gathered through the surveillance should be set out in the application.
- 10.2 The Deputy Director/Assistant Director/Head of Service for the service area undertaking surveillance retains responsibility for secure storage and disposal of material gathered through surveillance activities. Care should be taken to limit the number of copies of the material, including when providing access to the material to other parties who require it (e.g. legal advisors) and to ensure all copies are disposed of in accordance with retention policies.
- 10.3 The originals of all authorisations, reviews, renewals, cancellations, Court approvals and details of the dissemination of the product of surveillance must be promptly submitted by the officer on the case to the Head of Prevention, Protection and Trading Standards who shall be the 'RIPA Coordinator'. The Head of Prevention, Protection and Trading Standards will maintain a central register of all cases of Directed Surveillance and CHIS authorisations. The central register shall be stored securely.
- 10.4 The retention period for the forms which constitute the central register shall be for 5 years. This retention period is considered adequate but not excessive for facilitating independent external inspection.
- 10.5 In all cases, the RIPA coordinator must maintain the following documentation:
- a) the application and the authorisation, together with any supplementary documentation and notification of the approval given by the Authorising Officer;
 - b) the court approval;
 - c) a record of the period over which the surveillance has taken place;
 - d) the frequency of reviews prescribed by the Authorising Officer;
 - e) a copy of any renewal of an authorisation, together with the supporting documentation submitted when the renewal was requested;
 - f) the date and time when any instruction was given by the Authorising Officer;
 - g) details of persons in possession of the product of surveillance, i.e. the dissemination record.

11. Dissemination, copying and retention of material obtained through authorised surveillance

- 11.1 Dissemination, copying and retention of material obtained through the authorised surveillance must be limited to the minimum necessary for authorised purposes. Authorised purposes for the dissemination, copying and retention of material obtained through surveillance are if that processing of the material:
- a) is, or is likely to become, necessary for any of the statutory purposes set out in legislation in relation to covert surveillance including RIPA;

- b) is necessary for facilitating the carrying out of the functions of public authorities in legislation in relation to covert surveillance including RIPA;
- c) is necessary for facilitating the carrying out of any functions of the Commissioner or the Investigatory Powers Tribunal;
- d) is necessary for the purposes of legal proceedings; or
- e) is necessary for the performance of the functions of any person by or under any enactment.

11.2 All data obtained under RIPA should be clearly labelled and stored with a known retention policy.

11.3 Material obtained from surveillance should only be retained so long as it is necessary for the authorised purpose it should be subject to periodic review. All persons to whom the information is disseminated should be made aware of this principle and review should be carried out by the RIPA coordinator to make sure that they have not retained the information longer than is necessary. All emails or other forms of communication disseminated material should contain a statement recording that the information should not be retained longer than is necessary.

11.4 Particular care should be taken in the storage and destruction of confidential or privileged material such as journalistic material, material subject to legal professional privilege or confidential personal information.

11.5 There is nothing in RIPA which prevents material obtained from properly authorised surveillance from being used in other investigations. The Local Authority must ensure that the material is clearly identified and kept securely.

11.6 Where the product of surveillance could be relevant to pending or future criminal or civil proceedings, it should be retained in accordance with established disclosure requirements for a suitable further period, commensurate to any subsequent review.

11.7 Particular attention is drawn to the requirements of the Code of Practice issued under the Criminal Procedure and Investigations Act 1996. This requires that material which is obtained in the course of a criminal investigation and which may be relevant to the investigation must be recorded and retained.

12. Implementation of all procedures

12.1 All directed surveillance and CHIS authorisation should be made by the Authorising Officers listed in Appendix 1.

12.2 All applications for authorisation and authorisations must be made in accordance with the procedure and on the appropriate forms: (download forms from the following link: <http://intranet.oxfordshire.gov.uk/cms/content/ripa-policy-surveillance>)

RIPA Form 1 – Authorisation Directed Surveillance

RIPA Form 2 – Review of a Directed Surveillance Authorisation RIPA Form 3 – Renewal of a Directed Surveillance Authorisation RIPA Form 4 – Cancellation of a Directed Surveillance Authorisation

RIPA Form 5 – Authorisation of the conduct or use of a Covert Human Intelligence Source (CHIS)

RIPA Form 6 – Review of a Covert Human Intelligence Source (CHIS) Authorisation

RIPA Form 7 – Renewal of a Covert Human Intelligence

Source (CHIS) Authorisation

RIPA Form 8 – Cancellation of an Authorisation for the use or conduct of a Covert Human Intelligence Source (CHIS)

RIPA Form 10 –Judicial Approval Application

- 12.3 The Senior Responsible Officer will monitor the central register periodically and produce an annual report to the Audit & Governance Committee. Renewal of authorisation will be for 3 months. Cancellation of authorisation should be requested as soon as possible i.e. as soon as the surveillance is no longer considered necessary.
- 12.4 After internal authorisation of an application, judicial approval is required before the operation can commence. The applicant should liaise with the Local Authority's Legal Service for advice and assistance in making this application for judicial approval (other than Trading Standards applications which are managed within the service). Judicial approval is required for the renewal of authorisation, but it is not required for any internal review or cancellation.
- 12.5 The Authorising Officers may authorise a person to act in their absence. The substitute will be a senior manager and who will have overall management responsibility for the operation/investigation. A list of all current named Authorising Officers and named substitutes will be included in the central register and appended to this Policy (Appendix 1). The Director of Law and Governance will approve all proposed Authorising Officers for inclusion in a central register. The annual report to the Audit & Governance Committee will also include a review of the appropriate designated Authorising Officers.
- 12.6 All managers have responsibility for ensuring that they have sufficient understanding to recognize when an investigation or operation falls within the requirements of RIPA. Authorising Officers will keep up to date with developments in the law and best practice relating to RIPA.
- 12.7 Authorising Officers must ensure full compliance with the RIPA Authorisation Procedure set out in the appropriate forms in paragraph 12.2 above.
- 12.8 Authorising Officers and Deputy Directors/Assistant Directors/Heads of Service will co-operate fully with any inspection arranged by the Investigatory Powers Commissioner's Office.
- 12.9 RIPA Coordinator (Head of Prevention, Protection and Trading Standards)**
The role of the RIPA Coordinator is to have day-to-day oversight of all RIPA authorisations and maintain a central register of all authorisations, review dates, cancellations and renewals.
All forms should be passed through the RIPA Coordinator to ensure that there is a complete record of all authorisations. Contents of the forms will be monitored to ensure they are correctly filled in and the coordinator will supply quarterly statistics to the Senior Responsible Officer (Director of Law and Governance and Monitoring Officer).
The Coordinator will also monitor training requirements and organise training for new staff as appropriate and ensure continued awareness of RIPA throughout the Council via staff information on the Council's Intranet.

Local authorities can obtain a very limited amount of communications data. This falls under the Investigatory Powers Act 2016 and not RIPA. Separate procedures and law apply. It is unlikely that you would ever seek communications data. If you do need to seek access to communications you should contact the Head of Prevention, Protection and Trading Standards for guidance.

14. Briefings

The Director of Law and Governance will provide updates on the RIPA legislation and best practice but Assistant/Deputy Directors/Heads of Service and other managers must be able to recognise potential RIPA situations.

15. Conclusion

The benefit of having a clear and regulated system of authorising all covert activities is self-evident. Surveillance by its very nature is intrusive and therefore should be subject to appropriate scrutiny at the highest level and the authorisation procedure requires that the reasons for the decision are specifically and clearly set out and the basis for the decision is readily accessible and understood. Completion of appropriate authorisations also means that in reaching a decision alternative options will also have been fully explored. Proper compliance with the procedure and properly recorded authorisations is the best defense should any of our investigations be challenged.

16. Review of Authorisations and Policy

16.1 The Council's "Audit and Governance Committee" will review:

- a) a summary of all authorised RIPA applications on a regular basis; and
- b) an annual report from the Director of Law and Governance on the operation of the Policy; and
- c) the policy annually to ensure it remains compliant with current legislation, relevant codes of practice and continue to meet the responsibilities of the Council.

Senior Responsible Officer: Director of Law and Governance and Monitoring Officer

RIPA Coordinator: Head of Prevention, Protection and Trading Standards

Date: September 2025

Next Review Date: September 2026

Appendix 1
Authorising Officers and Named Substitutes

Senior Responsible Officer – Anita Bradley, Director of Law and Governance and Monitoring Officer

(Named substitute - Jay Akbar, Head of Legal and Governance Services)

Authorising Officer – Jody Kerman, Head Prevention, Protection and Trading Standards

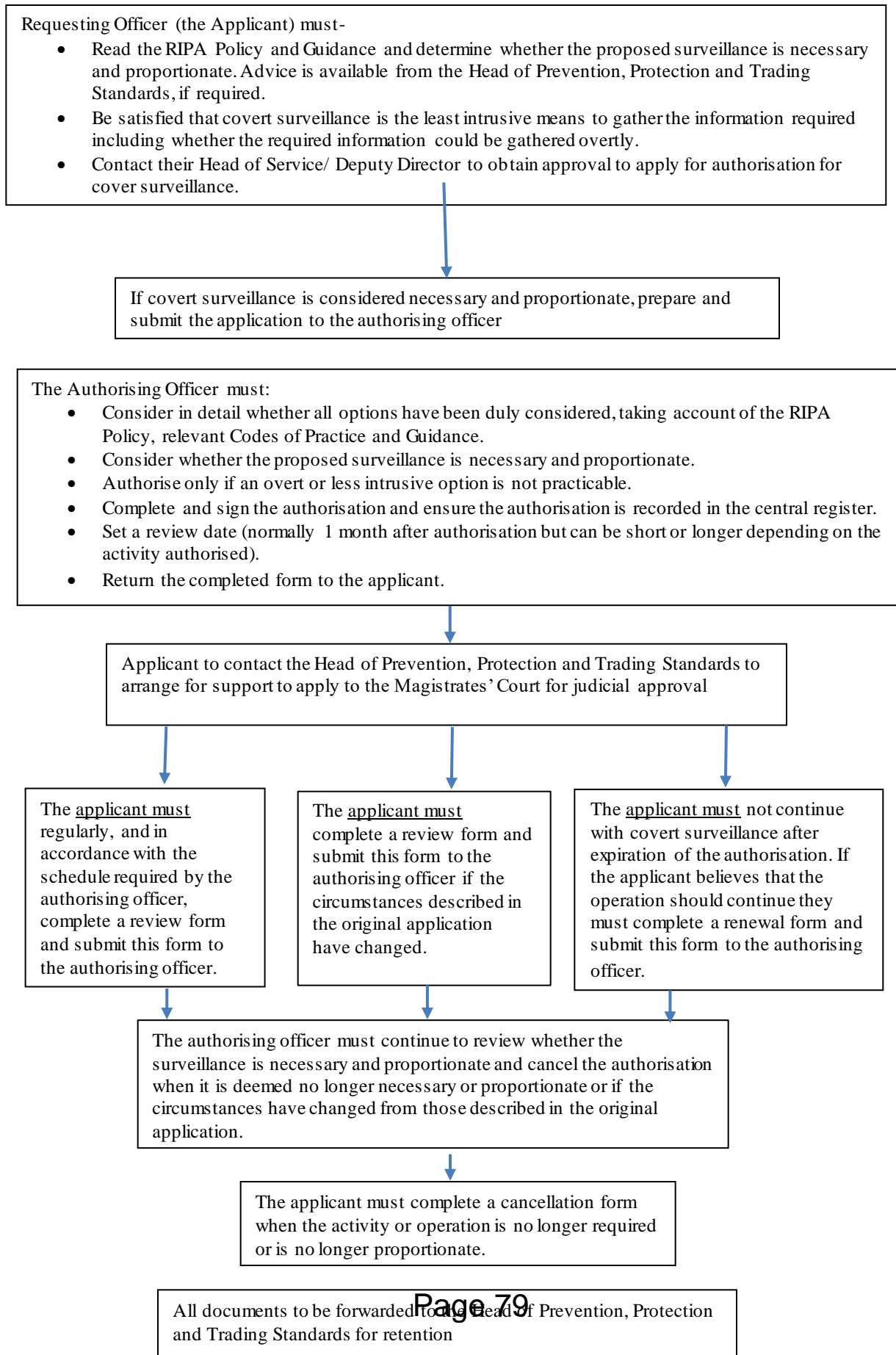
Authorising Officer and Named Substitute – Lorna Baxter, Executive Director of Resources and S151 Officer

Confidential Material Special Authorisation – Martin Reeves, Chief Executive**

**Named Substitute – Lorna Baxter, Executive Director of Resources and S151 Officer

Appendix 2

Flow Chart of Authorisation Procedures and Considerations for Covert Surveillance



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AUDIT & GOVERNANCE COMMITTEE

17 September 2025

ASSESSMENT OF THE COUNCIL'S FINANCIAL MANAGEMENT, CONTROLS & GOVERNANCE

Report by Executive Director of Resources & Section 151 Officer

RECOMMENDATION

1. **Audit & Governance Committee is RECOMMENDED to note the report.**

Executive Summary

2. Since 2020/21 the Government has provided [Exceptional Financial Support](#) (EFS) for councils who made a request for financial assistance to handle pressures that they considered unmanageable and to enable them to set balanced budgets. The support is provided on an exceptional basis, and where relevant, on the condition that a local authority may be subject to an external assurance review. Some of the councils in receipt of EFS have also issued a Section 114 notice.
3. Councils have sought EFS for a variety of reasons but in almost all cases, multiple issues have combined impacting on financial resilience. An assessment of the causes of financial strain indicates that in most cases where councils have upper tier responsibilities persistent pressures in adult and children's social care has been coupled with a low level of reserves. Other causes of financial strain include costs relating to homelessness, Special Educational Needs and Disabilities (SEND) deficits impacting on cash balances, debt costs, transformation delays, legacy issues and accounting corrections.
4. While Oxfordshire County Council needs to continue to take action to manage demand and costs, the year end position for both 2023/24 and 2024/25 and the assessment against the Financial Management Code for 2024/25, demonstrates strong financial control and resilience. However, there are significant risks around the growing deficit against High Needs Dedicated Schools Grant funding as well as the potential impact of funding reform from 2026/27.
5. The level of reserves is fundamental to financial sustainability so while the council is not currently in the same position as the councils that have sought EFS this report sets out an assessment of the current position and the controls in place to help mitigate risks.

Background

6. The following councils in England and Wales have received Exceptional Financial Support (EFS). The growth in the number of councils receiving support, and the number of councils receiving support over multiple years indicates that financial resilience issues are increasing. Councils seeking support over multiple years also shows that once these issues impact on the ability to set a balanced budget it is often difficult to recover with the need to repay borrowing or replenish balances causing further difficulties.
7. Key national drivers noted by the Ministry of Housing, Communities and Local Government (MHCLG) in 2025/26 include:
 - **Historic overspends and budget gaps**, particularly in social care, homelessness, and transport services
 - **Legacy accounting issues**, such as pension fund corrections (e.g., Plymouth)
 - **Equal pay liabilities and restructuring costs**, as seen in Southampton
 - **Rising demand and reduced income**, especially in London boroughs, where nearly a quarter of councils faced potential collapse without EFS.

2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Croydon Eastbourne Lambeth Luton Nottingham Redcar & Cleveland Wirral	Copeland Croydon Eastbourne Wirral	Copeland Croydon Kensington & Chelsea Slough	Croydon Cumberland Kensington & Chelsea Lambeth Slough Thurrock Westmorland and Furness West Northamptonshire	Birmingham Bradford Cheshire East Croydon Cumberland Eastbourne Havering Medway Middlesbrough North Northamptonshire Nottingham Plymouth Slough Somerset Southampton Stoke on Trent Thurrock West Northamptonshire Woking	Barnet Birmingham Bradford Cheshire East Croydon Cumberland Eastbourne Enfield Halton Haringey Havering Medway Newham Nottingham Shropshire Slough Solihull Somerset Southampton Stoke-on-Trent Swindon Thurrock Trafford West Berkshire

2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
					Windsor & Maidenhead Wirral Woking

8. In the majority of cases, external assurance reviews of these councils by the Chartered Institute Public Finance and Accountancy (CIPFA) have shown that multiple issues have compounded to cause financial difficulties. Reasons for EFS for councils with upper tier responsibilities are available are summarised below:

Council	Reasons
City of Bradford Metropolitan District Council	Structural deficit of ~£120m; demand pressures in social care, SEND, and homelessness; low reserves; need for multi-year EFS to support recovery and transformation.
Cheshire East Council	Large DSG deficit; high borrowing costs; rising social care demand; limited reserves; capital programme pressures; risk of unsustainable debt without EFS.
Cumberland Council	Legacy financial issues from predecessor councils; weak financial planning; depleted reserves; capital programme slippage; equal pay claim risk; need to carry forward EFS.
London Borough of Havering	Structural budget gap due to rising costs in Adults and Children's Social Care, homelessness, and home-to-school transport; inadequate reserves; adverse Ofsted report requiring costly improvement plan.
Medway Council	Persistent overspending in Adult Social Care, Children's Services, SEND transport, and homelessness; low tax base; insufficient reserves; projected multi-year budget gaps.
Middlesbrough Council	Critically low reserves; demand-led overspending in social care; underdeveloped transformation programme; reliance on EFS to balance 2024/25 budget.
Plymouth City Council	One-off accounting correction related to a 2019 pension fund transaction; rising demand and complexity in Adult and Children's Social Care; homelessness pressures.
Somerset Council	Post-unitarisation financial strain; under-delivered savings; depleted reserves; large capital programme

Council	Reasons
	and debt; risk of needing further EFS if transformation savings are not realised.
Southampton City Council	Structural deficit; depleted reserves; reliance on EFS to balance 2024/25; under-delivered savings; high social care costs; reliance on statutory DSG override.
Stoke-on-Trent City Council	Persistent pressures in Children's Social Care and home-to-school transport; homelessness and housing maintenance costs; low council tax base; forecasted deficits beyond 2024/25.
Slough Borough Council	The Council has faced significant financial mismanagement issues in the past, leading to a substantial budget deficit; significant amount of debt, for which the interest payments are a considerable financial burden; The cost and demand for social care services have continued to rise, making it difficult for the council to manage its budget.
Swindon Borough Council	The cost and demand for social care services have continued to rise, making up around 80% of the council's budget; The council has a significant amount of debt, and the interest payments are a considerable financial burden.
West Berkshire Council	Social care spending rose from 56% of the council's budget in 2017/18 to 74% in 2023/24. This increase in demand, particularly in adult and children's social care, placed unsustainable pressure on the council's finances.
Windsor and Maidenhead Council	The council's financial situation has been impacted by historical decisions, including unsustainably low council tax rates and accounting inaccuracies; an increase in demand for services, particularly social care and homelessness accommodation; a lack of financial reserves which has made it difficult to manage these pressures; a significant amount of debt, with interest payments exceeding £13 million a year; a backlog of accounting queries and errors, further undermining the council's financial position.
West Northamptonshire Council	Transformation delays post-unitarisation; ambitious savings targets in Children's Services; unresolved disaggregation issues; need for capitalisation to support transformation.

9. The two most common causes of financial strain, which regularly feature together, are adult and children's social care costs combined with low levels of general fund reserves. In many cases, social care overspend exceeds the level of general fund reserves and it then becomes difficult to replenish those to a level where the council is able to set a balanced budget.
10. The average level of general fund reserves in the authorities that have sought EFS (where quantifiable data was available) was £11.5m.
11. Other causes of financial strain, in order of frequency, include homelessness costs, the impact of special educational needs and disabilities (SEND) deficits on cash balances, debt costs, transformation delays, legacy issues and accounting corrections.
12. Where debt was a factor in financial difficulties the councils had very high gearing, with the average general fund capital financing requirement being 2.3 times larger than the net annual revenue budget. Moreover, those councils also had very little borrowing headroom, with the amount of external debt compared to capital financing requirement being between 75% to 95%.

Oxfordshire County Council

Financial Management

13. An assessment against the CIPFA Financial Management Code is undertaken as part of the budget process each year. The most recent [report](#) and [assessment](#) identified that the Council remained well placed to evidence compliance with the Code from 1 April 2025. 17 standards were assessed as green and two as amber with action being taken on the latter through the council's Commercial Strategy and Business Services Transformation.
14. Regular updates to Strategic Leadership Board and Cabinet set out the financial position throughout the year and over the medium term ensuring visibility of the financial position and risks so that action can be taken as relevant.

Financial Resilience & Risks

15. The council's year - end financial position for 2022/23 was an overspend of £13.4m largely driven by an overspend in Children's Social Care partially offset by an underspend on budgets held centrally. In 2023/24 there was a further service overspend of £12.3m within an overall underspend of £12.3m.
16. Expenditure for Adults and Children's Services has increased over the last 5 years. However, it has been possible to manage this within an overall balanced budget and to top up balances where necessary.

	Actual Expenditure 2021/22 £m	Actual Expenditure 2022/23 £m	Actual Expenditure 2023/24 £m	Actual Expenditure 2024/25 £m	Net Budget 2025/26 £m
Adult Services	199.6	218.5	229.7	245.1	253.2
Children's Services	144.6	172.9	180.0	202.3	210.9

17. In 2024/25 services achieved a broadly breakeven position compared to the budget as a result of a combination of action to manage social care demand and costs. The council underspent by £12.8m (2.1%) overall, as a result of increased interest on cash balances and pay inflation being lower than anticipated when the budget was set.
18. The budget for 2024/25 included planned service savings of £30.1m. These was offset by a budgeted risk adjustment of £4.1m added to reflect risks around the achievement of savings for Children's Services. Savings of £6.0m that were not delivered (20% of the £30.1m total or 23% of the risk adjusted total), and were mitigated/managed within the year end variation, included:
 - £1.1m savings related to Children's Services staffing, agency staff, contract savings and placements.
 - £2.2m arising from delays to the introduction of Lane Rental charges in Environment & Highways.
 - £0.7m Environment & Highways waste collections and other income generation targets.
 - £1.1m Delivering the Future Together staffing savings which are expected to be achieved through on-going service redesign.
19. Over time it has become more difficult to identify and achieve further service savings as a larger proportion of the budget is now spent on social care and action has already been taken to manage demand and improve outcomes for social care through the Oxfordshire Way, and keeping people well at home for longer, for example. As a result planned savings in the Medium Term Financial Strategy agreed in February 2025 now largely relate to the impact of service redesign and transformation.
20. The risk assessed level of General Balances for 2025/26 is £30.2m (around 5% of the net operating budget). The actual level of balances at the end of 2024/25 was £45.3m. As part of the 2025/26 budget £10.8m of this total was agreed to be used to support one off expenditure on transformation and redundancy costs demonstrating that the council has funding to support transformation needed to support future resilience. There is also on-going contingency budget of £7.3m built into the budget for 2025/26 to provide additional financial resilience should any service area overspend not be effectively mitigated by corrective actions before the end of the financial year.
21. General fund earmarked reserves are forecast to be around £200m at 31 March 2026. Around half of the total is funding for the capital programme.

Prudential Indicators

22. The ratio of debt financing costs to net revenue stream for the council is forecast be 4.6% over the medium term, which is marginally below the average of 5.3% for English County Councils who have not sought EFS over the same time period. For councils that have sought EFS, or have issued a Section 114 notice, the ratio is 9.9%.
23. External debt as a proportion to the Capital Financing Requirement is forecast to be 50% for Oxfordshire County Council compared to 75% - 95% for councils who have sought EFS. This indicates that the council has an affordable level of debt, without being overly risk averse. Taken together these indicators also show that if required for cashflow purposes, the council could 'externalise' the capital financing requirement if needed (ie. there is headroom to take external debt if needed).

High Needs Dedicated Schools Grant Deficits

24. The statutory reporting requirements for the 2025/26 accounts require the closing deficit balance on Dedicated Schools Grant to be held within an unusable reserve. The existing statutory override was due to end on 31 March 2026 but the Government has now extended this until 31 March 2028. While the council is continuing to take action to manage the deficit through the Deficit Management Plan, it is continuing to grow in line with demand. The forecast deficit for 2025/26 increased to £44.8m in the Business Management & Monitoring Report to Cabinet in July 2025 and expected to increase further in the next update to Cabinet in October 2025.
25. The High Needs Dedicated Schools Grant (DSG) Block cumulative deficit was £92.5m at the end of 2024/ 25 and this is expected to exceed £130m by 31 March 2026.

Summary Assessment

26. The council has managed the impact of increasing demand and costs of service delivery and remains financially resilient. However, there is a duty to ensure expenditure does not exceed the resources available so it is vital that we continue to emphasise and promote the importance of financial management, the delivery of savings and reduce expenditure through the council's transformation programme, to protect service delivery and achieve a balanced budget position.
27. The council is currently in a sound financial position in terms of forecast council funded expenditure and the availability of general balances and earmarked reserves. This is a good baseline given the forthcoming funding reforms due to be implemented from 2026/27 (arising from the Fair Funding Review 2.0) and the transition to a new unitary council or councils in 2028/29.
28. However, despite action taken through the Deficit Management Plan the deficit against High Needs Dedicated Schools Grant continues to grow at an increasing rate. Further information on how High Needs deficits will be managed in future is expected later in the year along with a White Paper on SEND reform. However, the growing deficit, and the scale of the increase in

2025/26, means this is a significant risk to the council's on-going financial resilience.

Financial Implications

29. This report is largely concerned with finance and the implications are set out in the main body of the report.

Kathy Wilcox, Head of Corporate Finance

Legal Implications

30. The Council's constitution at Part 3.2 (Budget and Policy Framework) sets out the obligations and responsibilities of both the Cabinet and the Council in approving, adopting, and implementing the Council's budget and policy framework.

The budget is a non-executive function, however the Cabinet has a duty under the Local Government Act 2000 to monitor the budget and make any recommendations to Council as they think fit.

The statutory framework for the prudential financial system is set out in the Local Government Act 2003 and the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003. These Regulations provide that the Council must have regard to CIPFA codes in managing its budget.

This report sets out the budgetary controls, an update on the monitoring of spending, risks and finance position for the Council against the approved Council budget, and the need to act in good faith in relation to compliance with statutory duties and exercising statutory powers.

Jay Akbar
Head of Legal and Governance Services

Staff Implications

31. There are no staffing implications arising from this report.

Equality & Inclusion Implications

32. There are no equality or inclusion implications arising from the report.

Risk Management

33. It is really important that services continue to accurately budget, manage and forecast all expenditure to ensure that action can be taken to mitigate and manage issues and the impact on wider financial resilience.

Lorna Baxter, Executive Director of Resources and Section 151 Officer

Background papers: None

Contact Officer: Kathy Wilcox, Head of Corporate Finance September 2025

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AUDIT & GOVERNANCE COMMITTEE

17 September 2025

Update to Section 5 of the Financial Regulations (Capital Expenditure)

Report by Executive Director of Resources & Section 151 Officer

RECOMMENDATION

1. **Audit & Governance Committee is RECOMMENDED to recommend to Council:**
 - i) to approve amendments to Section 5 of the Financial Regulations increasing the limit for Cabinet approval for new inclusions and variations to capital schemes from £1.0m to £2.0m to align with the key decision threshold of £2m.
 - ii) to approve that in exceptional circumstances up to £0.500m funding for exploratory feasibility works can be approved by the Executive Director of Resources and Section 151 Officer (following discussion and recommendation at, and with the support of the Strategic Capital and Commercial Board).

Executive Summary

2. In April 2025 Council agreed a number of changes to the Constitution. As part of that the threshold for a Key Decision for capital expenditure was increased to £2.0m.
3. Section 5 of the Financial Regulations which sets out the arrangements for Capital expenditure needs to be updated to align with the threshold for a Key Decision. It is proposed to increase the threshold for Cabinet approval for new inclusions and variations to the programme to £2.0m (from £1.0m). The Strategic Capital and Commercial Board would approve any expenditure above £0.5m up to £2.0m.

Background

4. The Financial Procedure Rules provide the framework for managing the council's financial affairs. They apply to every councillor and officer of the authority and anyone working at the council or acting on its behalf. As part of the Constitution, the Procedure Rules are maintained on the council's public website.
5. The Procedure Rules identify the key financial responsibilities of the Full Council, the Cabinet, Chief Executive, Executive Director of Resources and

Section 151 Officer, Directors and anyone working for or at the council. They are linked to other regulatory documents forming part of the council's Constitution, for example, contract regulation procedures.

6. Financial Regulations set out the council's financial policies and the framework for managing the council's financial affairs. They provide more detailed guidance on how the Financial Procedure Rules should be implemented in practice. They also identify the high-level financial controls within which all councillors and staff must operate. Regulations are maintained on the council's intranet. Note that schools within the county (with very few exceptions) should operate within the Finance Regulations for Schools, which closely reflect the council's Financial Regulations.
7. The Executive Director of Resources and Section 151 Officer is the Council's Responsible Officer under section 151 of the Local Government Act 1972 and is responsible for maintaining continuous review of the Financial Regulations and updating them, where necessary, for Council to approve.
8. The changes to the Constitution agreed by Council in April 2025, increased the threshold for Key Decisions to £1m revenue, and £2m capital, expenditure in line with inflation since the thresholds were first set.
9. Section 5 of the Financial Regulations explains the council's capital governance process and the arrangements for agreeing new inclusions in the capital programme and variations to existing schemes.
10. To enable consistency with the Key Decision threshold it is proposed to increase the Cabinet approval level for new inclusions or variations to £2.0m. This approval would be via the Capital Monitoring Report or the Capital Approvals Report, based on the recommendations by the Strategic Capital and Commercial Board and the Executive Director of Resources and Section 151 Officer.
11. Where the total estimated resource bid or allocation is between £0.500m and £2.000m the Executive Director of Resources and Section 151 Officer (following discussion and recommendation at, and with the support of the Strategic Capital and Commercial Board) can agree its inclusion into the capital programme. This will subsequently be reported to Cabinet.
12. Section 5.1.1 is also proposed to be updated to align with the key decision threshold of £2m and to add the following:

“In exceptional circumstances where there is a need to do exploratory work to determine very initial options for a potential scheme, up to £0.500m funding for exploratory feasibility works may be approved by the Executive Director of Resources and Section 151 Officer (following discussion and recommendation at, and with the support of the Strategic Capital and Commercial Board). This expenditure would be ahead of a firm scheme being included in the capital programme so would need to be funded from revenue in the first instance.”

Financial Implications

13. There are no significant financial implications arising from the proposed amendments to the Constitution.

Kathy Wilcox, Head of Corporate Finance, kathy.wilcox@oxfordshire.gov.uk

Legal Implications

14. The recommendations in this report are consistent with the Council's duty under Section 9P of the Local Government Act 2000 to have a Constitution and keep it up to date. The Constitution must contain (a) a copy of the authority's standing orders for the time being, (b) a copy of the authority's code of conduct (if any) for the time being under section 28 of the Localism Act 2011 and (c) such information as the Secretary of State may direct, and (d) such other information (if any) as the authority considers appropriate. 10.
15. The Council's Constitution complies with The Local Government Act 2000 (Constitutions)(England) Direction 2000 issued on 12 December 2000 by the then Secretary of State for the Environment, Transport and the Regions. Part 1.2 of the Council's Constitution at 2(a) confirms that adopting and changing the Constitution is reserved to approval by the Council

Comments checked by: Anita Bradley, Director of Law & Governance and Monitoring Officer, anita.bradley@oxfordshire.gov.uk

Staff Implications

16. There are no staffing implications arising from this report.

Equality & Inclusion Implications

17. There are no equality or inclusion implications arising from the report.

Risk Management

18. The capital programme will continue to be managed as part of a clear governance process with full transparency through the Strategic Capital & Commercial Board or Cabinet, as relevant.

Lorna Baxter, Executive Director of Resources and Section 151 Officer

Background papers: N/a

Contact Officer: Kathy Wilcox, Head of Corporate Finance September 2025

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5. Capital

5.1 Capital resource allocation

The council sets its capital programme as part of the annual Budget and Business Planning document and determines its capital investment priorities based on an agreed set of principles as set out in the Capital and Investment Strategy.

No capital commitment will be made unless the initial resource allocation is confirmed within the [capital programme](#) approved by the council (either as a specified individual project or as part of a planned annual programme) or through the approval levels under section 5.1.1. This is the case for all capital projects and programmes regardless of the funding source identified, i.e. including those funded partly or fully by external grants, contributions, contingencies, revenue savings or reported capital surpluses.

The Executive Director of Resources and Section 151 Officer jointly with the Strategic Capital and Commercial Board (made up of the Executive Director of Resources and Section 151 Officer with two Strategic Leadership Team (SLT) members; the Executive Director of Resources and Section 151 Officer plus at least one SLT member are required for the meeting to be quorate) will ensure the appropriate arrangements are in place to monitor the capital programme and resources, control expenditure against approved budgets, and address any problems of overspending or resource re-allocation.

The Executive Director of Resources and Section 151 Officer will issue guidance as needed on governance and procedures.

5.1.1 New inclusions

New inclusions (including schemes which are met from new grants/funding bids) to the approved capital programme are subject to capital prioritisation by Cabinet. New inclusions outside of the annual budget and business planning process can be agreed as follows:

- Where the total estimated resource bid or allocation is £50,000 or less, the head of service (in consultation with the Finance Business Partner and Senior Planning and Reporting Accountant) can agree its inclusion in the capital programme.
- Where the total estimated resource bid or allocation is between £50,000 and £500,000, the service director and Executive Director of Resources and Section 151 Officer (following discussion at, and with the support of the appropriate capital programme board) can agree its inclusion into the capital programme, and this will subsequently be reported to Cabinet.
- Where the total estimated resource bid or allocation is between £500,000 and £2,000,000, the Executive Director of Resources and Section 151 Officer (following discussion and recommendation at, and with the support of the [Strategic Capital and Commercial Board](#)) can agree its inclusion into the capital programme, and this will subsequently be reported to Cabinet.

- Where the total estimated resource bid or allocation is above £2,000,000, Cabinet can agree its inclusion into the capital programme via the periodic Capital Monitoring Report or Capital Approvals Report, based on the recommendations by the Strategic Capital and Commercial Board and the Executive Director of Resources and Section 151 Officer.
- The Leader of the Council may, in consultation with the Executive Director of Resources and Section 151 Officer, approve any proposed change to the capital programme in advance of a report to Cabinet, where Cabinet approval is required. In these cases, funding must be agreed by the Executive Director of Resources and Section 151 Officer and reported to Cabinet in due course.
- In all circumstances, the Executive Director of Resources and Section 151 Officer (or nominated representative) must confirm that the revenue implications of the project or the programme are affordable based on the current business case under consideration.
- A project which is included in the capital programme may still require separate and additional approval by the Cabinet/Cabinet member in its own right if it is a key decision. This will be for projects involving a capital spend of over £2,000,000, or alternatively, capital projects where the effect on two or more electoral divisions is considered to be 'significant' (seek advice from key.decisions@oxfordshire.gov.uk for further details).

In exceptional circumstances where there is a need to do exploratory work to determine very initial options for a potential scheme, up to £0.500m funding for exploratory feasibility works may be approved by the Executive Director of Resources and Section 151 Officer (following discussion and recommendation at, and with the support of the Strategic Capital and Commercial Board). This expenditure would be ahead of a firm scheme being included in the capital programme so would need to be funded from revenue in the first instance.

- The capital governance process is currently under review and therefore the above is an interim measure whilst this is being developed.

5.1.2 Capital governance process

Capital projects are managed across a series of defined stages, each one ending in a decision stage gateway (business case) and follow the governance framework as specified in 5.2.

The service managers responsible for the project or a programme delivery must ensure robust strategic and gateway reviews are undertaken and consultations with the relevant Cabinet members and key stakeholders are carried out in advance of business case approval.

The service managers are responsible for ensuring all business cases include evidence to support all expenditure forecasts (supplier quotes etc.), evidence of reconciliation with initial business case for any prior year expenditure in the project

profile and evidence to support funding quoted within the business case (previous business cases, approval emails from the planning obligations team etc.). They should be signed off by the relevant head of service, confirming the business case is complete, prior to obtaining a review and sign off from a member of the Finance Business Partnering team.

Initial business cases for programmes of works should list individual schemes including a budget, timescales, scope and description of the works for each scheme.

Smaller value or simpler projects may request to combine stages and decision points. This requires approval from the appropriate capital programme board.

All project and programme allocations in the capital programme must have an appropriate contingency allowance based on the risks associated with the project (and programme) and the decision stage gateway.

Upon approval of the outline business case, the project's (and programme) overall budget moves from provisional to final. This is confirmation that the project (or programme) can proceed and is the baseline against which all future performance is measured.

5.2 Capital expenditure

Provisional total project (and programme) budgets are allocated, and initial project (and programme) budgets are released (capital expenditure can be incurred) following either:

- The approval of the capital programme by the council where initial business cases are considered as part of the capital budget setting process
- or
- The approval of initial business cases where these are submitted and considered in year (outside of the capital budget setting process) subject to the levels set out in 5.1.2.

Each remaining phase of funding is released following the approval of an updated business case at each subsequent gateway (stage 1 outline business and stage 2 full business case), as follows:

- Where proposed projects have entered the capital programme under points above and remain in line with the original scope and timetable and can be delivered within the approved budget agreed by Council/Cabinet, its release can be agreed by the Service Director and Executive Director of Resources and Section 151 Officer in consultation with the Capital Programme Board.
- Where proposed projects have entered the capital programme under the points above, but require changes to any of the agreed scope, delivery timetable and approved budget, the appropriate capital programme board and/or Strategic Capital and Commercial Board (depending on level) is

responsible for determining the level at which approval must be sought in line with section 5.2.2 below.

- For forward funded schemes, the appropriate programme board is required to give consideration to the cash flow implications and risks associated with the funding source, and for the Executive Director of Resources and Section 151 Officer and Senior Planning and Reporting Accountant to issue guidance on the required governance.

5.2.1 Contractual commitments

Once a project is approved as per 5.1.2 and enters that capital programme, contractual capital commitments for project and programme delivery can be entered into in line with the capital approval levels set out in the [Scheme of Delegation](#), when the following conditions are satisfied:

- All sign offs required by the [Contract Procedure Rules](#) (CPRs) are in place and activities are compliant with CPRs
- Complies with the council's [key decision process](#)
- The relevant decision stage gateway (business case) covering the coming stage that contractual spend will occur has been approved in line with the approval levels set out in 5.1. and 5.2.2.

In all circumstances, the Executive Director of Resources and Section 151 Officer (or nominated representative) must confirm that the revenue implications of the project or the programme are affordable based on the current business case under consideration.

Where the programmes or projects include issuing capital grants or funding to third parties, officers should seek appropriate legal and financial advice, draw up a funding agreement and specify evidence required to demonstrate the capital spend and other related output measures.

Where there are changes to the tender figures or any other variations, this will fall within the provisions of section 5.2.2 below (and see [section 9](#) Income and Expenditure - Contracts for capital works).

5.2.2 Variation in time, cost and scope

Where any decision or other variation will (or may) produce an increase to the total cost of that project or programme (and/or variation to expected delivery period or scope), a change request form must be completed, and additional approvals must be sought in advance, as follows:

- Where the cumulative cost variation is less than £50,000, the Head of Service and Finance Business Partner in consultation with the Senior Planning and Reporting Accountant must approve the change.
- Where the cumulative variation is between £50,000 and £500,000 or the project forecasts a change to an end of gateway date or there is moderate

(see note below) change to the scope then the service Finance Business Partner (following discussion at and the support of the appropriate capital programme board) must approve the change.

- Where the cumulative variation is between £500,000 and £2,000,000, or the project forecasts a delay that will affect final go-live / practical completion, or there is a significant change to scope then the Executive Director of Resources and Section 151 Officer (following discussion at and the support of the Strategic Capital and Commercial Board) must approve the change.
- Where the cumulative variation is over £2,000,000 Cabinet must approve the change.

The Leader of the Council may, in consultation with the Executive Director of Resources and Section 151 Officer, approve any proposed change to the capital programme in advance of a report to Cabinet where Cabinet approval is required. In these cases, funding must be agreed by the Executive Director of Resources and Section 151 Officer and reported to Cabinet in due course.

- If the cost variation is requesting additional corporate funds and if below £500,000 then the Deputy Section 151 Officer must approve the funding.
- If the cost variation is requesting additional corporate funds and is over £500,000 then this must be escalated to Strategic Capital and Commercial Board for in supporting an executive decision by the Executive Director of Resources and Section 151 Officer

A cumulative cost variation is the total amount of cost change that the project has requested since the outline business case was agreed including any current request and comply with the approval levels in 5.2.2.

Where a variation occurs at the very end of a stage, the change request can form part of the next business case document. Where such a change happens (or is foreseen) during a business case gateway, a change request document must be submitted for approval and comply with the approval levels in 5.2.2.

Services should explain (with evidence) the reasons for the reported variation and confirm their support to any scope changes in their change request form and provide proposed funding options to address the increased cost where relevant. Guidance and arbitration on what constitute a moderate or significant change of scope should be sought by the service from the appropriate capital programme board and/or Strategic Capital and Commercial Board (depending on level, in line with decision making).

Approval can be sought at a higher level in the Scheme of Delegation (such as escalating to the Executive Director of Resources and Section 151 Officer and the Strategic Capital and Commercial Board) in all cases and where the viability and value for money of the scheme are threatened.

5.3 External contributions

All external funding applications for capital resources should be in line with the [Strategic Plan](#) objectives and be assessed against the agreed set of prioritisation principles for capital investment as set out in the Capital and Investment Strategy.

Service managers responsible for the application should seek approval from the respective capital programme board and the Strategic Capital and Commercial Board and/or Cabinet (in line with the approval thresholds as set out above at 5.1.1) about the proposed use of these resources and related implications prior to making an application.

In all circumstances, the Executive Director of Resources and Section 151 Officer (or nominated representative) must be notified and agree to all external funding applications and review the proposal on any implications to the council's asset and infrastructure base or the [Medium Term Financial Strategy](#). If external funding applications are successful, these will be reported to Cabinet for inclusion in the council's capital programme.

Where external contributions are restricted for specific purposes, they should be used for the purposes for which they are issued in line with the relevant funding agreements or grant conditions. Where external contributions are partially or fully flexible, their use is subject to capital prioritisation by Cabinet and approved subject to the levels set out at section 5.1.1.

Capital programme entry for externally funded programmes and projects requires, in addition to the requirements at section 5.1.1, a formal notification by or a formal agreement with the relevant funding body or third party. Where there is a need to expend resources in advance of receiving such notification or agreement, approval must be sought from the Executive Director of Resources and Section 151 Officer based on a risk assessment.

Approval and variation thresholds stated in sections 5.2.1 and 5.2.2 above also apply to programmes or projects that are fully or partially externally funded.

5.4 Contract insurance and caps on liabilities on capital design and construction contracts

The level of professional indemnity insurance required for each capital scheme is dependent upon the value of the project, the risk and potential value of any financial loss to the council and the cost for putting right.

The level of public liability insurance required for each capital scheme depends on the value of the project, the risk and potential value of any potential claim of compensation in respect of injury or property damage to a third party.

Indemnity clauses should be included within contracts for the design and construction of capital schemes to protect the council against any claims arising out

of the contractor's failure to use the skill and care normally used by professionals providing the services.

Where possible limits of liability should not generally be capped within the contract. However, where there are any exceptions to this, a risk paper with an embedded financial risk assessment should be completed to determine the correct level of cover. Any cap must be agreed with the [Insurance Manager](#), [Deputy S151 Officer](#) and Finance Business Partner, and signed off by the service director.

As a preference the insurance policy held by the provider of the service should be on an 'each and every' claim basis. However, in an increasingly difficult insurance market contractors are finding it difficult to obtain such cover and therefore if required an alternative acceptable wording is; "in respect of any one claim or claims originating from the same source and in the aggregate in any annual policy period".

Where such wording 'in the aggregate', or wording to that effect is used it risks placing the Council at an increased financial risk and therefore where the supplier insists on such a policy this must be agreed with the Insurance Manager, Deputy S151 Officer and Finance Business Partner, and signed off by the service director based on a completed risk paper and risk assessment. [Risk assessment \(docx format, 22Kb\)](#).

Confirmation that the supplier holds and is maintaining the relevant levels of insurance detailed within the tender document must be confirmed before the contract starts and throughout the life of the contract.

5.5 Disposals of land and property

In respect of disposals of land and property, the processes followed should be robust and transparent and in accordance with current legislation. Section 123 of the Local Government Act 1972 specifies that surplus property should be sold on the open market for the best consideration that can reasonably be achieved.

5.5.1 Approval limits

The Director of Property Services should seek appropriate financial and legal advice before any disposal. The council's protocols concerning member engagement will be followed for all land and property disposals. Then, depending on the value of the disposal, different levels of approval are needed, as follows:

- Where the estimated disposal value is less than £500,000, the Director of Property Services may arrange for the disposal of land or property, in consultation and support with the Property Capital Programme Board, subject to complying with the requirement to record decisions by officers, as set out in the Constitution.
- Where the estimated disposal value is greater than £500,000, a decision by the Strategic Capital and Commercial Board is required to proceed with the disposal.

- Where the estimated disposal value of individual property assets is £1million or more, a decision by Cabinet is required to proceed with the disposal.

5.5.2 Discounted approval limits

Disposals may be at a discounted or 'undervalue' level, below the 'best consideration that can reasonably be obtained'. The General Disposal Consent 2003 gives local authorities the power to dispose of property at less than the full open market value without seeking the consent of the Secretary of State where such a sale contributes to the economic, social or environmental wellbeing of the areas, and where the undervalue does not exceed £2m. Full market value can also include non-monetary consideration if:

- The service or accommodation contributes to one of the council's priorities
- Provided that a case is made that in effect justifies the 'expenditure' of the foregone receipt in accordance with the normal processes for the allocation of capital resources.

In these cases, disposals can be controversial therefore local circumstances and the scale of the discount in price should be considered when deciding who should make the final decision to sell and additional financial and legal advice should be sought.

In general:

- Where the 'undervalue' is less than £50,000, the Director of Property Services may arrange for the disposal of the land or property.
- Where the 'undervalue' is between £50,000 and £500,000, the Director of Property Services must prepare a report to the Property Capital Programme Board requesting approval to proceed with the disposal.
- Where the 'undervalue' is £500,000 or more a report to the Strategic Capital and Commercial Board requesting approval to proceed with the disposal is required.
- Where the 'undervalue' is over £1m Cabinet must approve the disposal. Approval can be sought at a higher level in all cases as agreed by the Director of Property Services and the Strategic Capital and Commercial Board.

All capital receipts generated through the disposal of land or property assets are treated as a corporate resource and used to support the capital programme unless it is specifically agreed otherwise by Cabinet based on recommendations by the Strategic Capital and Commercial Board. Capital: Oxfordshire County Council - Financial Regulations
November 2024

5.6 Transfers of property assets (land and property)

The process followed for the transfer of property and land assets should be robust and transparent and in accordance Section 123 of the Local Government Act 1972 and any related council's policies ([Community Asset Transfer Policy](#)).

The Director of Property Services should seek appropriate financial and legal advice before any transfer. Then, depending on the estimated loss of income due to the transfer of the property assets, different levels of approval are needed. These are through the approval levels under section 5.5.2.

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AUDIT & GOVERNANCE COMMITTEE WORK PROGRAMME – 2025/26

26 November 2025

Session with Internal Auditor – 30 minutes

Session with External Auditor – 30 minutes

1. Audit Working Group Update (Sarah Cox)
2. Progression on Statement of Accounts 2025/2026 Audit (Ella Stevens)
3. Treasury Management Mid Term Review 2025/26 (Tim Chapple)
4. Counter Fraud Update (Sarah Cox)
5. Oxford Fire & Rescue Service Statement of Assurance 2024-25 (Matt Schanck)
6. Annual Governance Statement 2024/25-Update on Actions (Anita Bradley)
7. Annual Report on Whistleblowing (Anita Bradley)
8. Risk Management Update (Lousie Tustian)
9. Audit & Governance Committee Work Programme

14 January 2026

TRAINING: Treasury Management

1. Annual Governance Statement- Update on Actions (Anita Bradley)
2. Internal Audit 2025/26 Progress Report (Sarah Cox)
3. Treasury Management Strategy Statement & Annual Investment Strategy for 2026/27 (Tim Chapple)
4. Financial Management Code (Kathy Wilcox)
5. Risk Management Update (Louise Tustian)
5. Audit Working Group Update (Sarah Cox)
6. Ernst & Young Update (Kalthiemah Abrahams)
7. Audit & Governance Committee Work Programme

11 March 2026

1. Counter Fraud Update (Sarah Cox)
2. Audit and Governance Committee Annual Report to Council (Sarah Cox)
3. Treasury Management Q3 Performance Report 2025/26 (Tim Chapple)
5. Audit Working Group Update (Sarah Cox)
6. Accounting Policies (Ella Stevens)
7. Ernst & Young Update (Kalthiemah Abrahams)
8. Audit & Governance Committee Work Programme

May 2026

To include Risk Management Update (Louise Tustian)

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