

MEETING:	Cabinet
DATE:	Wednesday, 8 January 2020
TIME:	10.00 am
VENUE:	Reception Room, Barnsley Town Hall

AGENDA

1. Declaration of pecuniary and non-pecuniary interests
2. Leader - Call-in of Cabinet decisions

Minutes

3. Minutes of the previous meeting held on 11th December, 2019 (Cab.8.1.2020/3)
(Pages 3 - 8)

Items for Noting

4. Decisions of Cabinet Spokespersons (Cab.8.1.2020/4) (Pages 9 - 10)

Petitions

5. Petitions received under Standing Order 44 (Cab.8.1.2020/5)

Items for Decision/Recommendation to Council

Core Services Spokesperson

6. Calculation of Council Tax Base 2020/21 (Cab.8.1.2020/6) (Pages 11 - 20)
7. 2020/21 Business Rates - Calculation of the Authority's Local Share
(Cab.8.1.2020/7) (Pages 21 - 28)
8. Corporate Anti-Fraud and Corruption Policies (Cab.8.1.2020/8) (Pages 29 - 122)
RECOMMENDATION TO FULL COUNCIL ON 6TH FEBRUARY 2020

Regeneration and Culture Spokesperson

9. Billingley View - 'Barnsley Low Carbon Standard' Housing Development
(Cab.8.1.2020/9) (Pages 123 - 134)
10. Berneslai Homes - Purchase, Conversion and Refurbishment of Former Council
Offices, Berneslai Close by Berneslai Homes Ltd (Cab.8.1.2020/10)
(Pages 135 - 144)
11. South Yorkshire Digital Connectivity Strategy (Cab.8.1.2020/11)
(Pages 145 - 174)
12. St Michael's Avenue Housing Development (Cab.8.1.2020/12) (Pages 175 - 186)

To: Chair and Members of Cabinet:-

Councillors Houghton CBE (Chair), Andrews BEM, Bruff, Cheetham, Gardiner, Howard, Lamb and Platts

Cabinet Support Members:

Councillors Charlesworth, Franklin, Frost, Saunders, Sumner and Tattersall

Chair of Overview and Scrutiny Committee
Chair of Audit Committee

Sarah Norman, Chief Executive
Rachel Dickinson, Executive Director People
Matt Gladstone, Executive Director Place
Wendy Lowder, Executive Director Communities
Julia Burrows, Director Public Health
Andrew Frosdick, Executive Director Core Services
Michael Potter, Service Director Business Improvement and Communications
Neil Copley, Service Director Finance (Section 151 Officer)
Katie Rogers, Head of Communications and Marketing
Anna Marshall, Scrutiny Officer
Martin McCarthy, Service Director Governance, Members and Business Support

Corporate Communications and Marketing

Please contact Martin McCarthy on email governance@barnsley.gov.uk

Monday, 30 December 2019



MEETING:	Cabinet
DATE:	Wednesday, 11 December 2019
TIME:	10.00 am
VENUE:	Reception Room, Barnsley Town Hall

MINUTES

Present Councillors Houghton CBE (Chair), Andrews BEM, Bruff, Gardiner, Howard, Lamb and Platts

Members in Attendance: Councillors Franklin, Frost, Saunders and Tattersall

130. Declaration of pecuniary and non-pecuniary interests

Councillor Tattersall declared a non-pecuniary interest as a Board member of Berneslai Homes in respect of agenda item 6.

Councillor Howard declared a non-pecuniary interest as an employee of the Department of Work and Pensions in respect of agenda item 12.

131. Leader - Call-in of Cabinet decisions

The Leader reported that no decisions from the previous meeting held on 27th November 2019 had been called in.

132. Minutes of the previous meeting held on 27th November 2019 (Cab.11.12.2019/3)

The minutes of the meeting held on 27th November 2019 were taken as read and signed by the Chair as a correct record.

133. Decisions of Cabinet Spokespersons (Cab.11.12.2019/4)

The Record of Decisions taken by Cabinet Spokespersons under delegated powers during the week ending 29th November 2019 were noted.

134. Petitions received under Standing Order 44 (Cab.11.12.2019/5)

It was reported that no petitions had been received under Standing Order 44.

Core Services Spokesperson

135. Housing Revenue Account - Draft 2020/21 Budget and Investment Proposals 2020-24 (Cab.11.12.2019/6)

RECOMMENDED TO FULL COUNCIL ON 6TH FEBRUARY 2020:-

- (i) that the Housing Revenue Account (HRA) Medium Term Financial Strategy (MTFS), as set out in Section 3 of the report now submitted, be noted;

- (ii) that approval be given to the proposed variations to the existing Housing Growth Investment schemes, as outlined in paragraph 3.8 and Table 2 of the report;
- (iii) that approval be given to the Housing Revenue Account Draft Budget for 2020/21, as outlined in Section 6, including the proposed revenue investments and savings, as outlined in Section 5, with any final amendments/additions being delegated to the Cabinet Spokesperson for Place (Regeneration and Culture) and the Executive Director Place in consultation with the Cabinet Spokesperson for Core Services and the Service Director – Finance (Section 151);
- (iv) that a rent increase in line with the Government’s rent policy be approved;
- (v) that it be noted that there is no proposed change to non-dwelling rents, service charges and heating charges for 2020/21;
- (vi) that approval be given to the 2020/21 Berneslai Homes Management Fee at paragraph 6.7, with any final amendments/additions delegated to the Cabinet Spokesperson for Place (Regeneration and Culture) and the Service Director Regeneration and Culture in consultation with the Cabinet Spokesperson for Core Services and the Service Director – Finance (Section 151);
- (vii) that the 2020/21 Berneslai Homes Management Fee for Gypsy and Traveller Sites, charged to the Authority’s General Fund, detailed in paragraph 6.8 of the report, be approved;
- (viii) that approval be given, in principle, to the proposed emerging capital priority schemes as detailed in Section 7, subject to individual reports, as appropriate, in line with the Council’s governance arrangements;
- (ix) that the Council Housing Capital Investment programme for 2020/21 be approved and that the indicative programme for 2021/22 through 2024-25, as outlined in Section 8 be noted; and
- (x) that the Council be approved to set aside resources for both remedial works at the 26 properties affected by the floods in November 2019 and to undertake a further wider flood risk assessment of all Council dwellings in the Borough (as referred to in paragraph 7.2).

136. Quarterly Analysis of Selective Voluntary Early Retirement and Voluntary Severance - April 2019 to September 2019 (Cab.11.12.2019/7)

RESOLVED that the Selective Voluntary Early Retirement and Voluntary Severances which have taken place in the period April to September 2019, as detailed in the report now submitted, be noted.

137. Increase in Pay for Apprenticeships (Cab.11.12.2019/8)

RESOLVED that the proposed increase in pay for Apprenticeships, as detailed in the report now submitted, and promotion of the positive change be approved.

Children's Spokesperson

138. Provisional Education Outcomes in Barnsley (2019) (Cab.11.12.2019/9)

RESOLVED that the provisional education outcomes in the Borough for 2019, and the actions to be taken to improve the progress of all categories of pupils at each stage of the National Curriculum, as detailed in the report submitted be noted.

Regeneration and Culture Spokesperson

139. Barnsley West (MU1) Masterplan Framework (Round 2) (Cab.11.12.2019/10)

Cabinet praised the conduct and professionalism of the staff engaged with the consultation and engagement exercises undertaken in development of the frameworks.

RECOMMENDED TO FULL COUNCIL ON 19TH DECEMBER 2019:-

- (i) that the progress made in the development of the Masterplan Framework for Barnsley West (MU1) as detailed in the report now submitted be noted; and
- (ii) that the final version of the Masterplan Framework be recommended to Full Council for adoption on 19th December 2019.

140. Hoyland North Masterplan Framework (Round 2) (Cab.11.12.2019/11)

RECOMMENDED TO FULL COUNCIL ON 19TH DECEMBER 2019:-

- (i) that the progress made in the development of the Masterplan Framework for Hoyland North as detailed in the report now submitted be noted; and
- (ii) that the final version of the Masterplan Framework be recommended to Full Council for adoption on 19th December 2019.

141. European Social Fund Project - Business Education Alliance (Cab.11.12.2019/12)

RESOLVED:-

- (i) that agreement be given to accept the European Social Fund (ESF) grant of £1,599,693 for the ESF Business Education Alliance project and contribute £149,506 in match funding which will be sourced from existing staff roles;
- (ii) that a contract be entered into with the Department of Work and Pensions for BMBC and partners to draw down the grant funding to deliver the BEA project; and
- (iii) that to undertake the responsibilities of lead partner managing a city region project this will be executed through contracts with :
 - Rotherham Metropolitan Borough Council
 - Doncaster Chamber of Commerce

- Sheffield City Council
- Derbyshire County Council.

142. Principal Towns Investment Programme - Hoyland (Cab.11.12.2019/13)

RESOLVED that the proposed Principal Towns allocation for Hoyland as detailed in Appendix B and Section 4 of the report now submitted, be approved.

143. Exclusion of Public and Press

RESOLVED that the public and press be excluded from the meeting during consideration of the following items, because of the likely disclosure of exempt information as described by the specific paragraphs of Part I of Schedule 12A of the Local Government Act 1972 as amended, as follows:-

<u>Item Number</u>	<u>Type of Information Likely to be Disclosed</u>
144	Paragraph 3
145	Paragraph 3
146	Paragraph 3

Core Services Spokesperson

144. Report to Consider a Potential Investment Opportunity Proposed by a Related Party (Cab.11.12.2019/15)

AGREED OPTION 1

RESOLVED:-

- (i) agreed that the Council's founder member status be retained and support for the proposed transaction (as outlined in Appendix A of the report) be reported to inform a vote at the Management Committee to be held on 13th December 2019; and
- (ii) agreed that financial backing be given for the transaction by agreeing to underwrite the loan (on a shared basis between the other 12 Founder Member Authorities) required to fund the purchase through entering into a Supplemental Agreement and delegates authority to the Executive Director Core Services to approve the Supplemental Agreement set out at Appendix B subject to:
 - at least 10 of the 13 Founder Members remaining as Founder members and agreeing to enter into the Supplemental Agreement;
 - the satisfactory completion of legal and financial due diligence on the proposal giving confidence to proceed; and
 - resolution of the Management Committee to enter into the transaction proposed.

Joint Children's Services and Regeneration and Culture Spokespersons

145. Secondary School Place Planning - 2019/2020 Outcomes and Forward Planning for 2020-2021 in the Central Planning Area (Cab.11.12.2019/16)

RESOLVED:-

- (i) that the final outcome for the provision of secondary school places for 2019-20 and the latest update on the approved schemes as detailed in the report be noted; and
- (ii) that the forward plan for the provision of secondary school places for 2020-21 be approved.

Regeneration and Culture Spokesperson

146. Strategic Growth Clusters Revision to M1 Junction 36 A6195 Dearne Valley Economic Growth Corridor Goldthorpe (Phase 2) (Cab.11.12.2019/17)

RESOLVED:-

- (i) that the progress made delivering the M1 Junction 36 – A6195 Dearne Valley Economic Growth Corridor Scheme (Phase 2 Goldthorpe), outlined in Section 3 of the report and authorised the continued development of Work Packages A, B and C and progression of the scheme to ensure all external grant funding be secured, whilst ensuring that the overall aims and objectives of the scheme be achieved, be noted;
- (ii) that the revisions to the original M1 Junction 36 A6195 Dearne Valley Economic Growth Corridor Goldthorpe (Phase 2) as detailed in Section 3 of the report be noted;
- (iii) that approval be given to award the A6195 Highway Improvements Contract (improvements to Cathill roundabout, Broomhill roundabout and Wath Road roundabout) through the YORCivils Framework Agreement under an NEC3 Engineering and Construction Contract (April 2013);
- (iv) that the need for, and approval to the additional resources to enable the delivery of the A6195 Highway Improvements (referred to as Work Package A), to be delivered as detailed in Section 3.8 and within the Financial Implications Section 7, be recognised;
- (v) that the Service Director Regeneration and Culture be authorised to continue to make use of the Council's Land Solve Framework to assist with delivering Work Package B and note the release of resources to fund this package of works as highlighted in Section 7;
- (vi) that the appointment of the same contractor to deliver Work Package C (new access/roundabout to ES10) be noted, noting this would require a contract waiver and would expedite procurement and delivery timescales for the works subsequently impacting on the timelines for attracting an end commercial developer;

- (vii) that approval be given to the financial resources (as detailed in Section 7 and Appendix A) required to fund the delivery of Work Package C (potential new access into ES10 allocated employment site references ES10 by means of a new roundabout); and
- (viii) that the Executive Director Core Services, in consultation with the Executive Director Place, be authorised to negotiate the terms and conditions of, and final approval of the Combined Authority SCRIF Revised Grant Funding Agreement, for the delivery of this scheme.

.....
Chair

BARNSELY METROPOLITAN BOROUGH COUNCIL

CABINET SPOKESPERSONS' DECISIONS

Schedule of Decisions taken for week ending 6th December, 2019

<u>Cabinet Spokesperson</u>	<u>Item</u>	<u>Decisions</u>
1. Adults and Communities	Lone Worker Solution	that a procurement process be undertaken to seek a supplier to provide the technical solution and provide access to a 24/7 Alarm Response Centre over a three year term up to the value of £500,000.

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BARNSELY METROPOLITAN BOROUGH COUNCIL

This matter is a Key Decision within the Council's definition and has been included in the relevant Forward Plan

Cabinet: 8th January 2020

Report of the Executive Director of Core Services

CALCULATION OF COUNCIL TAX BASE 2020/21

1. Purpose of Report

1.1 This report sets out the criteria to be taken into account in setting the 2020/21 Council Tax Base.

2. Recommendations

2.1 It is recommended that:

- The calculation of the Council's Tax Base for the year 2020/21 be approved including the necessary adjustments to reflect the revised Local Council Tax Support Scheme;
- The Council Tax Base for the year 2020/21 shall be 65,405.74. This figure has been calculated in accordance with the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012;
- Calculated in accordance with the above regulations the Council Tax Base for the year 2020/21 in respect of each Parish being listed in the table below:

Parish Area	Band D Equivalent Chargeable Properties	95% of Band D Equivalent Chargeable Properties
Penistone	4,431.00	4,209.45
Billingley	97.10	92.25
Great Houghton	674.80	641.06
Little Houghton	191.90	182.31
Shafton	969.80	921.31
High Hoyland	68.70	65.27
Hunshelf	161.60	153.52
Langsett	111.60	106.02
Cawthorne	609.20	578.74
Dunford	248.20	235.79
Gunthwaite and Ingbirchworth	298.10	283.20
Thurgoland	757.50	719.63
Tankersley	666.90	633.56
Wortley	304.20	288.99
Oxspring	470.20	446.69
Silkstone	1,214.30	1,153.59
Stainborough	163.90	155.71
Barnsley and other Non-Parish areas	57,409.10	54,538.65
Total	68,848.10	65,405.74

- The empty property premium is increased to 200% for properties left empty for 5 years or more as outlined at paragraph 5.5 of the report;
- The one month 100% discretionary council tax discount be amended to become a one month landlord discount and amend the criteria so only a landlord / letting agent would be eligible for the discount.

3. Introduction/Background

- 3.1 The Local Government Finance Act 1992 requires the Authority to calculate its Council Tax Base, before 31 January each year, in accordance with the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012.
- 3.2 The Valuation List dated 1 April 1993 shows domestic properties within the Borough subject to council tax and places each of them into a valuation band between A to H, dependent on a valuation as at an antecedent date of 1 April 1991.
- 3.3 The Council Tax Base is expressed in terms of band D equivalent properties and represents the estimated, full year number of chargeable dwellings in the area after allowing for disabled persons relief, discounts and other statutory adjustments.

4. Consideration of Alternative Approaches

- 4.1 The calculation of the Council Tax Base is a statutory requirement and therefore there are no alternative approaches to consider.

5. Proposal and Justification

- 5.1 It is proposed that the Council Tax Base for the year 2020/21 shall be **65,405.74**
- 5.2 The relevant calculations for each Parish or District are calculated by applying the following formula: -

$$(H + J) \times \frac{F}{G}$$

where:

H is the estimated number of chargeable dwellings in the area and band after taking into account the effect of exemptions and discounts.

J is the amount of any adjustments in respect of changes in the number of chargeable dwellings or discounts calculated by the authority for 2020/21 (see notes at 5.3 below).

F is the number appropriate to each band as set out in Section 5(1) of the Act.

G is the number appropriate to band D as set out in Section 5(1) of the Act. In all cases for 2020/21 this is 9.

- 5.3 In determining the figure used at point J of the calculation the following aspects have been taken into account:

- i) A full survey of the properties within the Authority's tax base was carried out at the commencement of Council Tax in 1993 to identify those properties entitled to discounts and/or exemptions. Each year further checks are made to ensure that the Council Tax database remains accurate;
- ii) Each tax payer's eligibility for discounts/exemptions is thoroughly investigated prior to being awarded, and an ongoing programme to survey current recipients is undertaken;
- iii) An assessment of the housing growth needs of the borough in accordance with the recently adopted Local Plan.
- iv) Local knowledge has been used to identify which Parish will see an increase/decrease in the number of properties. This information is then used to obtain the revised number of band D equivalent properties that are in that particular area.

Technical Changes to Council Tax

Long Term Empty Properties (More Than 2 Years)

- 5.4 Local authorities can currently charge owners a premium of 100% (or a 200% Council Tax charge) on unfurnished properties left empty for 2 years or more. The Council adopted this policy from 1st April 2019. There are currently 288 empty properties being charged this premium.
- 5.5 The Chancellor of the Exchequer announced in his 2018 autumn budget speech the flexibility to increase this premium to 200% (equivalent to a 300% council tax charge) with effect from 1st April 2020, for any property left empty and substantially unfurnished for a period of five years or more. There are currently 125 empty properties that have been empty in excess of five years and will be charged this premium.
- 5.6 The new legislation will also allow local authorities to further increase the Council Tax empty tax premiums as follows:
 - With effect from 1st April 2021 to increase the premium up to 300% (400% Council Tax charge) for any properties left empty and substantially unfurnished for a period of ten years or more.

Future reports will recommend a proposal for the above in due course.

Second Homes / Short Term Empty Properties (less than 2 years)

- 5.7 Local authorities currently have further discretion to charge Council Tax on second homes and empty properties.
- 5.8 In April 2014 the Council introduced a discretionary one month discount of 100% council tax to vacant and unfurnished properties. The aim of the discount was to afford landlords a reasonable amount of time to get new tenants into a property.

- 5.9 Since 2014, the number of empty properties within the Borough (based on MCLG data) has continually fallen. Nationally the numbers of empties are increasing while regionally the numbers have fallen this is due to the large reduction within Barnsley. The Council's empty homes officer will continue the focus on empties beyond the current programme which runs to 2021.
- 5.10 Currently approximately 50% of the discount's awarded have been made to the tenant when they have vacated the property more than one month before the end of their tenancy. As the maximum length of the discount is one month in any 12 month period, no further reduction in liability can be awarded to the landlord.
- 5.11 The main purpose of the introduction of the discretionary 1 month empty property council tax discount is to encourage landlords/property owners to ensure empty properties are re-occupied as swiftly as possible. It is proposed to amend the criteria for claiming the one month discount so that it is only paid to the landlord/letting agent. This will give landlords the guarantee of having no council tax to pay for up to one month to enable them to prepare the property for a new incoming tenant.
- 5.12 In a limited number of circumstances this change in policy may adversely impact tenants though where appropriate it is envisaged that this can be mitigated via other mechanisms as described below.
- 5.13 Where a tenant leaves a property because their tenancy has ended or the tenancy is terminated prematurely (whether by the mutual consent of the landlord / tenant or in circumstances involving eviction of the tenant), the council tax liability would revert to the landlord / owner at this point i.e. no impact from this policy change.
- 5.14 There may be circumstances where the tenant has effectively left the property but without the agreement of the landlord / owner. In these cases, the tenant would remain liable for council tax in the same way that they would remain liable for other property related costs (e.g rent, utilities, insurance etc).
- 5.15 In these circumstances the tenant would no longer receive a 1 month discount from the date they vacated the property but where it is evident that the tenant has left voluntarily through hardship, the Council would seek to work with the individual[s] and offer assistance via the Council's hardship policy where it is appropriate to do so.

Example of Calculation – Penistone Town Council

- 5.16 By way of example using the formula in paragraph 5.2 above, the table below shows the calculated tax base for the Penistone Town Council area.

PENISTONE

BAND	A-	A	B	C	D	E	F	G	H	TOTAL
H =	1.40	1226.00	892.80	947.50	795.30	511.10	272.60	147.30	2.00	4,796.00
J =					13.00					13.00
F =	5.00	6.00	7.00	8.00	9.00	11.00	13.00	15.00	18.00	
G =	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	
(H+ J) x F/G	0.80	817.30	694.40	842.20	808.30	624.70	393.80	245.50	4.00	4,431.00

COUNCIL TAX CALCULATED IN ACCORDANCE
WITH PARAGRAPHS 5.2 & 5.3 OF THE REPORT

4,431.00

x 95% =

4,209.45

Council Tax base for 2020/21

- 5.17 Appendix A shows the relevant amount for each area. The total of the relevant amounts for 2020/21 for each of the valuation bands is summarised below:

<u>Property Value</u>	<u>Band</u>	<u>Ratio</u>	<u>Band D Equivalent Chargeable Properties</u>
Up to £40,000 with Disabled Reduction	A-	5/9	108.90
Up to £40,000	A	6/9	29,782.20
£40,001 to £52,000	B	7/9	12,116.50
£52,001 to £68,000	C	8/9	10,799.60
£68,001 to £88,000	D	9/9	8,435.00
£88,001 to £120,000	E	11/9	4,408.70
£120,001 to £160,000	F	13/9	2,081.00
£160,001 to £320,000	G	15/9	1,060.00
More than £320,000	H	18/9	56.20
			68,848.10

- 5.18 The regulations require the authority to adjust the total relevant amount by a proportion which reflects the following: -

- i) Total amounts expected to be paid to the authority under the Local Government Finance Act 1992 less the total of any Council Tax Reductions for the year.
- ii) Total of amounts in respect of Council Tax Reductions pursuant to directions under Section 98(5) and 98(4) of the 1998 Act.

- 5.19 It is estimated that the appropriate proportion in this respect is 95% and that the Estimated Council Tax Base for the 2020/21 financial year is therefore:-

$$68,848.10 \times 95\% = \underline{\underline{65,405.74}}$$

- 5.20 The reduction rate is relatively prudent taking into account the impact that the LCTS scheme has on overall collection rates as well as an estimate of the local empty property discount to be awarded. Moreover, any surplus over and above the target rate, falls into the Council's Collection Fund and is used to support front line Council services.

6. Delivering Sustainable Community Strategy Ambitions and Local Area Agreement Outcomes

- 6.1 None directly

7. Long Term Sustainability of the Proposal

- 7.1 None

8. Impact on Local People

8.1 None.

9. Compatibility with European Convention on Human Rights

9.1 None.

10. Promoting Equality and Diversity and Social Inclusion

10.1 None

11. Reduction of Crime and Disorder

11.1 None.

12. Conservation of Biodiversity

12.1 None.

13. Risk Management Issues

13.1 The Council Tax Base is a key variable in determining the resources estimated to be available to fund Council Services. Consequently, the risk of variations to the Council Tax Base have been factored into the 2020/21 Service & Financial Planning process as far as is possible. In addition, the Tax Base will be subject to robust monitoring throughout the 2020/21 financial year to identify at an early stage any differences likely to make a material difference to the Council's spending plans.

14. Financial Implications

14.1 The estimated Council Tax Base of 65,405.74 is used to determine the total Council Tax yield available to support the 2020/21 budget.

15. Employee Implications

15.1 None.

16. Glossary

16.1 None.

17. List of Appendices

- Appendix A – Summary of Relevant Tax Bases by Parish

18. Background Papers

- The Local Government Finance Act 1992
- The Local Authorities (Calculation of Council Tax Base) Regulations 1992
- The Local Authorities (Calculation of Council Tax Base) SI 3012 (2003)

Office Contact: Neil Copley Service Director and Section 151 Officer - Finance
Telephone No: 773237 **Date: 3rd December 2019**

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Appendix a

SUMMARY OF RELEVANT AMOUNTS BY PARISH (BAND D EQUIVALENTS)

	A-	A	B	C	D	E	F	G	H	TOTAL	95%
PENISTONE	0.80	817.30	694.40	842.20	808.30	624.70	393.80	245.50	4.00	4,431.00	4,209.45
BILLINGLEY	0.00	0.70	4.70	5.30	7.50	17.10	29.30	32.50	0.00	97.10	92.25
GREAT HOUGHTON	2.70	346.30	119.20	112.20	74.30	10.60	8.70	0.80	0.00	674.80	641.06
LITTLE HOUGHTON	1.10	126.90	17.70	11.10	20.70	9.70	1.40	3.30	0.00	191.90	182.31
SHAFTON	0.20	358.10	219.30	178.80	178.60	28.70	3.60	2.50	0.00	969.80	921.31
HIGH HOYLAND	0.00	0.00	3.00	10.30	4.50	9.90	10.50	30.50	0.00	68.70	65.27
HUNSHELF	0.00	0.80	10.90	9.60	27.80	41.60	54.60	16.30	0.00	161.60	153.52
LANGSETT	0.00	3.70	5.20	18.70	9.80	32.80	26.40	13.00	2.00	111.60	106.02
CAWTHORNE	0.00	5.10	38.30	67.70	66.60	153.80	97.80	156.30	23.60	609.20	578.74
DUNFORD	0.00	34.80	35.10	38.80	26.20	46.20	36.80	28.30	2.00	248.20	235.79
GUNTHWAITH& INGBIRCHORTH	0.00	6.40	19.40	59.80	46.90	92.80	49.50	23.30	0.00	298.10	283.20
THURGOLAND	0.00	104.80	89.10	72.70	104.90	194.80	126.40	64.80	0.00	757.50	719.63
TANKERSLEY	0.60	174.00	44.40	63.60	84.60	180.80	105.90	13.00	0.00	666.90	633.56
WORTLEY	0.00	10.60	28.60	30.20	58.70	60.00	68.60	47.50	0.00	304.20	288.99
OXSPRING	2.40	36.90	76.10	78.30	58.70	87.60	74.40	55.80	0.00	470.20	446.69
SILKSTONE	0.00	99.30	152.40	169.20	243.50	251.90	225.50	68.50	4.00	1,214.30	1,153.59
STAINBOROUGH	0.00	6.70	26.80	13.30	23.00	40.90	36.50	14.70	2.00	163.90	155.71
SUB TOTAL	7.80	2,132.40	1,584.60	1,781.80	1,844.60	1,883.90	1,349.70	816.60	37.60	11,439.00	10,867.09
OTHERS	101.10	27,649.80	10,531.90	9,017.80	6,590.40	2,524.80	731.30	243.40	18.60	57,409.10	54,538.65
TOTAL	108.90	29,782.20	12,116.50	10,799.60	8,435.00	4,408.70	2,081.00	1,060.00	56.20	68,848.10	65,405.74

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BARNSELY METROPOLITAN BOROUGH COUNCIL

This matter is a Key Decision within the Council's definition and has been included in the relevant Forward Plan

Cabinet: 8th January 2020

Report of the Executive Director of Core Services

2020/21 BUSINESS RATES – CALCULATION OF THE AUTHORITY'S LOCAL SHARE

1. Purpose of the Report

- 1.1 This report sets out the 2020/21 estimated Business Rate Local Share for the Council that is built into the 2020/21 budget and outlines the process for calculating the National Non Domestic Rates Return (NNDR1) to be submitted to the Ministry for Housing, Communities and Local Government (MHCLG) by 31st January 2020.

2. Recommendations.

- 2.1 That Members note the process for estimating the retained Business Rate Local Share for 2020/21 set out in the report and agree that the 'local share' for Barnsley will be £23.614M (excluding S31 Grants) in line with the Council's Medium Term Financial Strategy (MTFS).
- 2.2 It is recommended that the final submission is approved by the Service Director Finance - S151 Officer in consultation with the Cabinet Spokesperson for Core Services.

3. Background

- 3.1 The Government's reform agenda introduced the local Business Rates Retention (BRR) scheme from 1st April 2013 which altered the way revenue from business rates is distributed. From this date, councils now collect and retain 49% of business rates (known as the Local Share) and this amount forms part of the funding of the Council's agreed 2020/21 budget.
- 3.2 The Government announced a move to allow all Councils to retain 75% of business rates they collect by 2020/21. As a result of the primary legislation not being approved in time, the implementation date is expected to be delayed to 2021/22.

4. Current Position

Local Business Rates Retention

- 4.1 Under the Business Rates Retention (BRR) scheme councils are required to estimate the total business rates to be collected in their area.
- 4.2 After taking account of reliefs, appeals and other variables, councils are required to pay 50% of this net amount over to Central Government and 1% to local Fire Authorities. The remaining amount (49%) is then available to contribute to the Council's budget planning process.
- 4.3 The key steps involved in the process of estimating the local share of business rates which are retained by the Council are attached at Appendix 1, with a summary below highlighting a number of issues that need to be considered when calculating the Business Rate base

for 2020/21.

Small Business Rates Relief

- 4.4 From 1st April 2017, the Government announced changes to the entitlement threshold for qualifying small businesses. The table below highlights the current threshold:

	Current Threshold (Gross RV)
100% Relief Awarded	Up to £12,000
Tapered Relief Awarded	From £12,001 to £14,999
Bills calculated on Small Business Rate Multiplier	From £15,000 to £51,000

- 4.5 Following these changes the amount of Small Business Rate Relief (SBRR) awarded has increased significantly and it is expected that this trend will continue. This results in a reduction in the amount of rates retained by the Council (the Local Share).
- 4.6 However, Government have confirmed that S31 Grant will continue to be awarded to compensate Local Authorities for the changes made to the SBRR threshold in 2017.
- 4.7 The Chancellor of the Exchequer in his 2018 autumn budget also announced that all small retail businesses with a rateable value of £51,000 or less will see their bills cut by 1/3 for a minimum period of 2 years. This measure has resulted in a further reduction in the amount of rates retained by the Council. Government have announced that all Local Authorities affected by this change will continue to be compensated via S31 Grant.
- 4.8 An estimate has been made for the S31 grants to be received and has been built into the MTFS accordingly.

Deductions for Estimated Charitable Reliefs

- 4.9 Charities are awarded 80% mandatory relief. This continues to be a significant issue for the Authority as schools that become academies will automatically receive relief on their business rate charge.
- 4.10 In addition, the legal case of Derby Teaching Hospital Trust and 16 other NHS trusts V Derby City Council (and other Local Authorities, including Barnsley) was heard the week commencing 4 November 2019. This legal challenge is associated with the award of 80% mandatory relief to NHS Trusts. Mr Justice Morgan has now handed down the judgement that Derby Teaching Hospital Trust is not a charity for the purposes of section 43(6) of the Local Government Finance Act 1988, meaning that they are not entitled to 80% mandatory relief. Whilst positive it is expected that the Trust will make an application to the Court of Appeal over the judgement. Future reports will update on this position.

Empty Properties and Business Closures

- 4.11 Under the current Business Rates scheme, business properties that become vacant are eligible for empty property relief. The amount of relief awarded is dependent on the type of property that becomes vacant. For industrial use properties a maximum of 6 months relief can be awarded with a maximum of 3 months relief being awarded to other property types. However, a ratepayer can re-apply for relief after a period of 6 weeks occupation meaning that a business can effectively receive over 10 months relief in any financial year.

- 4.12 Whilst the total amount of relief to be awarded during 2020/21 is difficult to predict, the total rates to be collected has been adjusted to reflect known circumstances. This includes the impact of the ongoing Glass Works regeneration scheme.

Enterprise Zones

- 4.13 All rates collectable from businesses within Enterprise zones are required to be paid to the Local Enterprise Partnership (LEP's) rather than being retained by the Local Authority.
- 4.14 There are currently 2 approved Enterprise Zones within the Barnsley area at Shortwood and Ashroyd Way. The estimated rates to be collected in 2020/21 from these sites total £0.9M. This amount will be required to be paid to the Sheffield City Region Combined Authority and therefore the impact of this has been built into the 2020/21 income forecast.

Check, Challenge and Appeal

- 4.15 The Check, Challenge and Appeal process was introduced on 1st April 2017. This is a three stage process which is instigated by any ratepayer who believes that the rateable value of their business premises have been calculated incorrectly. All appeals are processed by the Valuations Office (VO). Appeals usually take place over a 5 year period in line with the VO's property revaluation timetable.
- 4.16 The Check, Challenge and Appeal process appears to have reduced the number of cases that reach the appeal stage and are settled more effectively and efficiently. However, the true impact is unknown as ratepayers still have the opportunity to dispute their rateable value within the current revaluation timetable.
- 4.17 As at the end of November 2019 there are currently 217 cases by Barnsley businesses that have been lodged with the Valuation Office currently going through the Check Challenge and Appeal process. The total cost of settling these cases (if they were all successful) is unknown but a provision for the cost of successful appeals has been estimated using current data supplied by the VO and previous settled cases. This provision has been deducted from the amount of business rate income to be retained by the Council.
- 4.18 An example of a recent successful appeal relates to the way in which cash machines (ATM's) are rated. The Court of Appeal ruled that cash machines should not be assessed separately for business rates. The Valuation Office have petitioned this decision to the Supreme Court, if it remains upheld the estimated cost to the Council would be in excess of £1.35M in backdated refunds with an ongoing annual cost of £0.150M.

Business Rate Arrears

- 4.19 The collection of business rates remains relatively positive in Barnsley and the Council has in place a robust income recovery policy which continues to be actively used as necessary. In order to provide some protection for non-collection, a bad debt provision has been built into the amount of income expected to be collected and retained.

Submission of the National Non Domestic Rates Return (NNDR1)

- 4.20 Councils are required to collect the information highlighted at Appendix 1 and submit it to Government via the NNDR1 return by no later than 31st January in any given year.
- 4.21 The NNDR 1 for 2020/21 was received on the 14th December and is currently being

reviewed by Officers. As such it is possible that adjustments may be necessary to the position reported in this report; particularly the split between retained rates (Local Share) and the amount of estimated S31 grant, to take into account any changes that may be announced as a result of the forthcoming General Election. Bearing in mind the deadline for submitting the NNDR 1 form is 31 January 2020, it is recommended that approval for the final submission is delegated to the Service Director Finance - S151 Officer.

- 4.22 The position on business rates will continue to be carefully monitored throughout the financial year and reported to Members as part of normal budgetary procedures.

Future Changes to the Business Rates Retention Scheme

- 4.23 As mentioned the current Business Rates Retention Scheme (BRRS) allows Local Authorities to retain 49% of all business rates collected locally.
- 4.24 Government have announced that they are to make changes to the BRRS including a proposal to allow Local Authorities to retain 75% of all business rates collected by 2021/22. Further details are expected to be announced during 2020. It is however expected that Government will adjust other funding (e.g public health grant, revenue support grant etc) to ensure any change to retained rates at a local level is cost neutral and as such the Council is not expected to benefit financially from this proposal.
- 4.25 A further report will be submitted to Cabinet to update on the position in due course.

5. Options

- 5.1 The Council is statutorily required to submit a completed NNDR1 form no later than 31st January in any given year.

6. Local Area Implications

- 6.1 The impact on local businesses (especially in relation to Government policy changes) is outlined within the report.

7. Implications for local people and service users

- 7.1 No local people or services will be directly affected by this report.

8. Financial Implications

- 8.1 From the introduction of the BRR scheme on 1st April 2013 the Council retained 49% of the amount it collects. Following the 2017 Business Rate Revaluation, an estimate of the amount to be retained in 2020/21 has been made and totals £23.614M. This amount has been built into 2020/21 Budgetary Procedures. In addition, the Council is required to notify Central Government and South Yorkshire Fire and Rescue Authority (SYFRA) of their share of business rates income.
- 8.2 The business rate baseline remains extremely volatile with a number of key factors that can influence its position; none more so than the ongoing legal challenges currently being progressed. The move to 75% retention places even more importance on the monitoring of the budgeted position. A rigorous monitoring process has been put in place with any material variations against the budget being reported to Cabinet as part of the normal quarterly financial monitoring process.

8.3 Any variations identified from this exercise will affect the Council's Collection Fund Reserves, which will in turn impact on the Council's MTFs. These variations will also impact the amounts paid over to Central Government and the SYFRA.

9. Employee Implications

9.1 No existing employees are adversely affected by this report.

10. Communications Implications

10.1 None directly arising from this report.

11. Tackling Health Equalities

11.1 There are no known implications.

12. Climate Change & Sustainable Energy Act 2006

12.1 There are no known implications.

13. Risk Management considerations

13.1 As the business rates retention scheme forms a major part of the Council's future funding position any forecast decline may pose a significant risk. As such this has been included within the Authority's strategic risk register (strategic risk 3034 refers).

14. Health & Safety Issues

14.1 There are no implications.

15. Compatibility with European Convention on Human Rights

15.1 There are no implications.

16. Promoting Equality and Diversity and Social Inclusion

16.1 There are no implications

17. Reduction of Crime and Disorder

17.1 There are no implications.

18. Consideration of Biodiversity

18.1 There are no implications.

19. List of Appendices

Appendix 1- Process for calculating the National Non Domestic Rates Return

Officer Contact: N Copley Service Director and S151 Officer, Finance
Telephone No: 773237 **Date: 03/12/2019**

PROCESS FOR CALCULATING THE 2019/20 NNDR 1 FORM

Step 1 – Calculation of Gross Debit

The gross debit is calculated by taking the gross rateable value of properties on the ratings list within the Barnsley area and applying a business rate multiplier as set by Government.

The rateable value to be used is that based on the revised 2017 Revaluation as at 1st April 2017.

Step 2 – Deductions for Estimated Reliefs Awarded

Certain types of organisation (certain small businesses, charities, empty properties) are entitled to business rates relief. These include charitable trusts and other similar organisations including academies.

Any estimated reliefs to be awarded in the forthcoming year are deducted from the gross debit and thus affect the amount to be retained by the Council.

Step 3 - Losses in collection

As part of the estimate of business rates revenue to be collected locally, councils are required to make an estimate of any losses in collection it anticipates in any given year.

A prudent estimate based on the current collection rate being achieved together with past years actual losses, has been made. This has been built into the overall calculation of business rates to be collected and equates to a collection rate in the region of 97%. There has been considerable investment in both time and resources in collection/ recovery processes over the last 18 months and the new methods adopted by the Council (including charging orders, a new enforcement framework and bankruptcy and petitions) should help to achieve the target for 2020/21.

Step 4 – Enterprise Zones

Under the new scheme councils are required to pay 100% of the business rates collected on properties that sit within enterprise zones over to the Local Enterprise Partnership.

There are currently 4 properties within Barnsley that sit within the Sheffield City Region Enterprise Zone. The business rates to be collected on these properties will be deducted from the estimated business rates for 2020/21 to be paid to the LEP.

Step 5 - Renewable Energy Schemes

From 1st April 2013 the Council are able to retain 100% of the business rates levied on companies engaged on any new Renewable Energy business where the energy produced is above a certain threshold. To date only one eligible property of this type has come on to the rating list since this time. (NOTE: a number of the renewable energy businesses were already on the rating list prior to 1st April 2013).

Step 6 - Business Growth/Decline

As part of the scheme councils are also required to make an estimate for any growth or decline in businesses within their area. Council's will retain 49% of the business rates revenue estimated from any growth anticipated.

Based on local intelligence, an analysis has been made of any future growth within the Barnsley area. There is no anticipated net growth during 2020/21 within the area that would make a significant impact on the overall amount of business rates to be collected. It is therefore proposed not to include anything for net business rate growth in the final submission to Government. The MTFS does include some growth (e.g Glassworks) from 2021/22.

Councils will however also have to take 49% of the loss in revenues from companies that go out of business. Specifically it is difficult to quantify any impact of the ongoing economic uncertainty surrounding BREXIT.

Step 7 - Appeals

Appeals occur when a business believes that the business rates they have been charged have been calculated unfairly. All appeals are processed by the Valuations Office. Appeals usually take place over a 5 year period in line with the Valuations Office property revaluation timetable.

Step 8 Transitional Protection Payments

Government undertakes a ratings revaluation of business premises every 5 years. The next revaluation has been undertaken and took effect from 1st April 2017. Where a properties ratings value has significantly changed as a result of re-valuation the business in question is awarded Transitional Rate Relief to protect them from significant changes.

Any transitional rate relief that is awarded is therefore deducted from the total amount of business rates levied.

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Report of the Executive Director Core Services

CABINET – 8th January 2020

CORPORATE ANTI-FRAUD AND CORRUPTION POLICIES

1. Purpose of the Report

- 1.1 To present for approval the revised Corporate Anti-Fraud and Corruption Policy, Corporate Anti-Fraud and Corruption Strategy, Corporate Anti-Bribery Policy, Corporate Prosecutions Policy, Corporate Fraud Response Plan, Confidential Reporting Policy and the Anti-Money Laundering Policy.

2. Recommendation

- 2.1 **It is recommended that Cabinet approve the policies and continue to support and endorse the corporate approach to minimise the risk of fraud, corruption and bribery within the Authority's overall ethical framework.**

3. Introduction and Background Information

- 3.1 Barnsley Council is committed to ensuring that the people of the Borough can have confidence that the affairs of the Council are conducted in accordance with the highest standards of probity and accountability.
- 3.2 In seeking to ensure this commitment is met, the Council has an Anti-Fraud and Corruption Policy and framework which set out its overall approach to combating fraud, corruption and wrongdoing. Below this sit other supporting procedural documents and behavioural codes which describe the arrangements in place for preventing, detecting and investigating fraud and error. These together with a strong internal control environment are the main methods to help protect the Council against the risk of fraud.
- 3.3 The revised Corporate Anti-Fraud and Corruption Policy, Corporate Anti-Fraud and Corruption Strategy, Corporate Anti-Bribery Policy, Corporate Prosecutions Policy, Corporate Fraud Response Plan, Confidential Reporting Policy and the Anti-Money Laundering Policy were presented to the Audit Committee in December 2019.

4. The Framework

- 4.1 The framework of counter fraud policies address specific areas of risk and clearly state the Council's zero tolerance approach to fraud and illegal activity, as well as providing mechanisms which officers can use to raise concerns of wrongdoing or fraudulent activity. Each policy is supported by procedural guidance which sets out the responsibilities and expectations for staff including the specific actions which

they must follow to enable the Council to demonstrate good governance and comply with its legal obligations.

- 4.2 Three of the policies remain largely unchanged only requiring minor alterations due to amendments to other Council policies and updates to legislation e.g. Data Protection Act 2018. All of the remaining policies have been refreshed and revised. A summary of the amendments are recorded below:

Corporate Anti-Fraud and Corruption Policy, Corporate Anti-Fraud and Corruption Strategy and Corporate Anti-Bribery Policy

- 4.3 A statement from the Chief Executive reinforcing the Council's commitment to zero tolerance of fraud has been included at the beginning of the Corporate Anti-Fraud and Corruption Policy and Corporate Anti-Fraud and Corruption Strategy.
- 4.4 The Council's definition of bribery has been refreshed and is now consistent across the above policies.
- 4.5 Paragraphs 11.2 and 12.1 of the Corporate Anti-Bribery Policy have been revised following changes to the Council's Code of Conduct and the publishing of Central Governments SI 2019 no 560 – The Public Procurement (Amendment etc.) (EU) Regulations 2019.

Corporate Fraud Response Plan

- 4.6 The Corporate Fraud Response Plan defines how the Council will respond to allegations and provides guidance for employees and Members on reporting a suspected fraud.
- 4.7 Although the Corporate Fraud Response Plan has not been reviewed for a number of years the majority of the detail remains the same.
- 4.8 The main changes are the format of the document and making it easier for employees, managers and Members to understand the process and how to report suspicions of fraud.
- 4.9 A preservation of evidence section has also been included providing examples of common forms of evidence and how they should be preserved.

Corporate Prosecutions Policy

- 4.10 It is acknowledged that, even with strong preventative measures, motivated fraudsters may still succeed, and the Council must therefore have a robust enforcement response to pursue fraudsters and to deter others. The Corporate Prosecutions Policy sets out the circumstances in which the Council will take legal action against anyone committing a fraudulent or corrupt act against it.

4.11 Criminal prosecutions, civil action and disciplinary action all deter offenders and reinforce a culture of zero tolerance towards fraud and corruption.

4.12 This policy:

- provides guidance on the criteria required in order for a criminal prosecution to be pursued (the Evidential and Public Interest Tests);
- clarifies that disciplinary action will be taken in all cases where an employee has committed a fraud against the Council;
- clarifies that in some cases more than one form of sanction may be appropriate. For example, where the employee has defrauded the Council, disciplinary, prosecution and civil recovery action may be taken;
- makes it clear that the Council will seek recovery of losses; and
- recognises that publicity of successfully prosecutions will act as a deterrent to others who may be contemplating committing fraud.

Confidential Reporting (Whistleblowing) Policy

4.13 Effective whistleblowing procedures are a key part of good governance, establishing a culture of openness, probity and accountability across all aspects of the Council's work. Ensuring that employees, Members and contractors/agents of the Council feel empowered to raise concerns through the correct channels allows the Council to address any risks as early as possible.

4.14 The Confidential Reporting Policy (previously recorded as the Whistleblowing Policy) was last reviewed by Audit Committee in 2014 and sets out how individuals can raise suspected instances of wrongdoing within the Council.

4.15 In recent years there have been a number of significant developments in relation to whistleblowing in the public sector which have highlighted several common issues around the negative treatment of whistleblowers, a failure to act on concerns raised, poor process and uncertainty amongst workers over how to raise concerns.

4.16 In response to these issues Internal Audit Services has reviewed the Whistleblowing Policy and retitled it Confidential Reporting Policy in an attempt to remove the negative association of 'whistleblowing'. In addition, the following sources of best practice and guidance have been used whilst conducting the review:

- The Whistleblowing Commission Code of Practice;
- Department for Business Innovation & Skills Whistleblowing Guidance for Employers and Code of Practice; and
- National Audit Office Assessment Criteria for Whistleblowing Policies.

4.17 Whilst most of the changes are a refresh or rewording, the following key changes have been made:

- Consolidation of the policy and separate supporting guidance into one single document for ease of use;
- Inclusion of a separate section to provide clarity over the reporting arrangements for school based staff;
- Greater clarity on the difference between raising a whistleblowing concern, a complaint and grievance;
- Greater clarity for individuals on what they should expect from the Council when they do raise a concern and what protection they will be afforded. This includes the Public Interest Disclosure Act 1998 (PIDA) legislation and what makes a 'qualifying disclosure' under the Act;
- Greater reassurance and clarity for individuals as to how concerns will be handled;
- Inclusion of a 'frequently asked questions' section to provide additional clarity
- Under the section 'monitoring of whistleblowing complaints', we have included that details of all referrals received by managers should be notified to the Head of Internal Audit, Anti-Fraud and Assurance to allow a central record to be maintained.

Corporate Anti-Money Laundering Policy

- 4.18 The Corporate Anti-Money Laundering Policy has been revised following the introduction of the Money Laundering, Terrorist Financing and Transfer of Funds (Information to the Payer) Regulations 2017 (MLR 2017).
- 4.19 The risks to the Council of contravening the legislation are relatively low and some requirements of the legal and regulatory requirements do not apply to public authorities. However, the Council cannot be immune from the risks surrounding money laundering and therefore it is appropriate that the Council complies with the principles of the money laundering legislation by taking proportionate safeguards to minimise the likelihood of money laundering.
- 4.20 Whilst explaining what money laundering is and the legal and regulative framework that is in place to govern it, the Corporate Anti-Money Laundering Policy also specifies the processes the Council needs to have to ensure that it does all it can to prevent it and its employees being exposed to money laundering and to ensure that the Council complies with all legal and regulatory requirements.
- 4.21 The majority of the Policy has been updated to comply with the changes to the legislation. In addition, the policy and separate supporting guidance have been combined into one single document to make it easier for officers to understand the process and how to report any suspicious activity.
- 4.22 The Corporate Anti-Money Laundering Policy gives information and guidance in the following areas:
- What is Money Laundering;
 - What are the obligations of the Council;

- The Money Laundering Reporting Officer;
- How to recognise suspicious activity that may be linked to Money Laundering;
- Money Laundering offences;
- The reporting procedure and reporting forms;
- Consideration of disclosure report by the Money Laundering Reporting Officer;
- Customer due diligence;
- Record keeping; and
- Risk Assessment;

5. Financial Implications

- 5.1 None directly arising from this report. However there are clearly potentially significant financial implications should serious incidents of fraud, thefts etc. occur. The policy framework seeks to minimise this risk.

6. Risk Considerations

- 6.1 A corporate counter fraud framework sets a high level commitment to ensuring that appropriate safeguards are in place for mitigating the risk of fraud and corruption within the Council.

7. Employee Implications

- 7.1 There are no direct employee implications arising from this report. The Trade Unions have considered and commented where appropriate on the draft policies and received their agreement.
- 7.2 The policies form part of the framework of policies and procedures all employees are expected to be aware of and follow.

8. Legal Implications

- 8.1 Confidential reporting (or Whistleblowing) is recognised as being in the public interest; in refreshing the procedure, the requirements of the Public Interest Disclosure Act and Enterprise and Regulatory Reform Act are acknowledged.
- 8.2 The Council must comply with The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 and it is therefore important that proper Governance procedures are in place. The Council's counter fraud framework and assurance reviews assist the Council in complying with anti-corruption law.

9. Other

- 9.1 The following sources of information were used for this report:
- The Whistleblowing Commission Code of Practice;

- Assessment Criteria for Whistleblowing Policies (National Audit Office, January 2014) ;
- Whistleblowing: Guidance for Employers and Code of Practice (Department for Business Innovation and Skills, March 2015);
- The Code for Crown Prosecutors (Crown Prosecution Service, January 2013)

10. List of Appendices

10.1 The following policies and strategies are appended to this report:

Corporate Anti-Fraud and Corruption Policy
Corporate Anti-Fraud and Corruption Strategy
Corporate Anti-Bribery Policy
Corporate Prosecutions Policy
Corporate Fraud Response Plan
Confidential Reporting Policy
Anti-Money Laundering Policy

Contact Officer: Head of Internal Audit, Anti-Fraud and Assurance
Date: 17th December 2019



Corporate Anti-Fraud and Corruption Policy

Forward by the Chief Executive

“Barnsley Council is funded by public money, through council tax, business rates and other sources. Fraud against the Council is essentially theft of this money and the Council takes its role as a guardian of these public funds seriously.

The Council’s Corporate Plan sets out our priorities and outcomes for the residents of the Borough in a time when demand for services is increasing and funding for local government is falling. We have to make tough decisions on finances to continue to support key services. Any fraud against the Council takes more money away from services and undermines our ability to achieve our aims.

For these reasons, the Council will not tolerate any fraud or corruption against it.

The Corporate Anti-Fraud and Corruption Policy forms part of the Council’s Counter Fraud Framework which outlines the measures the Council will take to tackle fraud and corruption.

We will seek to identify areas where fraud may occur and limit opportunities for fraudsters to exploit the Council. Where fraud is suspected we will investigate robustly, and where it is proved will utilise all measures available to us to deal with criminals and recover any losses.”

Sarah Norman
Chief Executive – Barnsley MBC

October 2019

1. POLICY STATEMENT

- 1.1 Barnsley Metropolitan Borough Council is committed to protecting the public funds that it administers, and consequently the Council will not tolerate any abuse of its services. The Council is determined to prevent, deter and detect all forms of fraud, bribery and corruption committed against it, whether that be internal or from outside the Council.
- 1.2 The Council is determined that the culture and tone of the organisation is one of honesty and rigorous opposition to fraud, bribery and corruption. Thus, the Council is committed to ensuring all of its business is conducted in an open, honest, equitable and fair manner, and is accountable to all the people within the borough of Barnsley.
- 1.3 The Council will not tolerate fraud or corruption committed, or attempted, by its Members, employees, suppliers, contractors or service users and will take all necessary steps to investigate allegations of fraud or corruption and pursue sanctions available in each case, including removal from office, dismissal and/or prosecution and the recovery of Council assets and funds.
- 1.4 The measures adopted by the Council in its commitment to the prevention, deterrence and detection of fraud, bribery and corruption are set out in detail in the Council's:
- Corporate Anti-Bribery Policy;
 - Corporate Anti-Fraud and Corruption Strategy;
 - Corporate Prosecutions Policy.

2. FRAUD

- 2.1 The **Fraud Act 2006** is used for the criminal prosecution of fraud offences. The Council also deals with fraud in non-criminal disciplinary matters.
- 2.2 The Fraud Act created a general offence of fraud which might be committed in three ways:
- Fraud by false representation,
 - Fraud by failing to disclose information, and
 - Fraud by abuse of position.
- 2.3 For the purposes of this document fraud is defined as:

The dishonest action designed to facilitate gain (personally or for another) at the expense of the Council, the residents of the Borough or the wider national community.

- 2.4 'Fraud' has moved away from the concept of the deceit of another to the dishonest intent of the fraudster to make a gain or cause a loss or risk of a loss. Thus, the arena of fraud is far more reaching than the simple crime of theft.

3. THEFT

- 3.1 Theft is the act of stealing any property belonging to the Council or which has been entrusted to it (i.e. client funds), including cash, equipment, vehicles, data.
- 3.2 Theft does not necessarily require fraud to be committed. Theft can also include the stealing of property belonging to another whilst on Council property.

4. BRIBERY AND CORRUPTION

4.1 The Bribery Act 2010 came into force on 1st July 2011 and creates offences of:

- Accepting a bribe,
- Bribery of another person,
- Bribing a foreign official, and
- Failure to prevent bribery

4.2 The Council defines bribery as:

‘The offering, giving, soliciting or acceptance of an inducement or reward for performing an act, or failing to perform an act, designed to influence official action or decision making’.

These inducements can take many forms including for examples cash, holidays, event tickets, meals.

The Council defines corruption as:

‘Dishonest or illegal behaviour’.

4.3 The Council’s **Corporate Anti-Bribery Policy** provides guidance to staff on action to be taken to prevent bribery and how to report concerns of alleged bribery or corruption.

5. REPORTING FRAUD, BRIBERY AND CORRUPTION

5.1 The Council encourages and expects its employees and Elected Members to report incidents of suspected fraud, bribery and corruption. A **Confidential Reporting (Whistleblowing) Policy** is in place to facilitate the reporting of concerns by employees and Elected Members where the normal reporting to a line manager is not appropriate. The public are able to utilise the corporate complaints procedure to raise a concern about wrongdoing.

6. INVESTIGATING ALLEGATIONS OF FRAUD, BRIBERY AND CORRUPTION

6.1 A **Corporate Fraud Response Plan** has been prepared to guide managers on action to be taken should they receive an allegation of fraud or corruption.

6.2 In normal cases it will be the Council’s Internal Audit Services Corporate Anti-Fraud Team that will undertake or direct the investigation. Matters of a criminal nature will be referred to the Police. A reporting and liaison protocol is in place with South Yorkshire Police.

7. MONITORING FRAUD, BRIBERY AND CORRUPTION

7.1 The Audit Committee will have responsibility for monitoring the performance and effectiveness of the Corporate Anti-Fraud and Corruption Policy and Strategy through the annual Internal Control Framework review process.

7.2 The Audit Committee will make recommendations to the Council to make any necessary changes to the Anti-Fraud and Corruption Policy or Strategy.

8. OTHER RELEVANT POLICIES

8.1 Further information on relevant Council policy and practice can be found in the following internal documents:

- Anti-Money Laundering Policy;
- Confidential Reporting (Whistleblowing) Policy;
- Employee Code of Conduct;
- Employee Code of Conduct – Insider Dealing;
- Employee Code of Conduct – Register of Employees Interests;
- Register of Hospitality, Gifts and Legacies;
- Members Code of Conduct;
- Information Security and Computer Usage Policy

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Corporate Anti-Fraud and Corruption Strategy

STATEMENT OF COMMITMENT

“We have a responsibility to be transparent and accountable to our residents. Taking responsibility for fraud means being honest about the level of fraud and acknowledging that fraud risk will exist in all large organisations. We are committed to tackling fraud, in both prevention and the delivery of robust action where fraud or bribery does occur. This strategy outlines our approach and demonstrates our commitment to ensuring good governance.”

Sarah Norman
Chief Executive

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1. INTRODUCTION

1.1 Fraud against Local Government nationally is estimated to cost £2.1 billion per year. This is a significant loss to the public purse. To reduce these losses Barnsley Metropolitan Borough Council (the Council) is committed to:

- The highest standards of probity in the delivery of its services, ensuring proper stewardship of its funds and assets;
- The prevention of fraud and the promotion of an anti-fraud culture;
- A zero-tolerance attitude to fraud requiring employees, contractors and Members to act honestly and with integrity at all times, and to report all suspicions of fraud;
- The investigation of all instances of actual, attempted or suspected fraud. The Council will seek to recover any losses and pursue appropriate sanctions against the perpetrators. This may include criminal prosecution, disciplinary action, legal proceedings and professional sanctions;
- The Fighting Fraud and Corruption Locally Strategy 2016-2019 provides a blueprint for a tougher response to fraud and corruption perpetrated against local authorities including:
 - Acknowledging the threat of fraud and the opportunities for savings that exist.
 - Preventing and detecting all forms of fraud.
 - Pursuing appropriate sanctions and recovery of any losses.

2. DEFINITION OF FRAUD

2.1 The Fraud Act 2006 came into force on 15th January 2007. The Act repeals the deception offences enshrined in the 1968 and 1978 Theft Acts and replaces them with a single offence of fraud which can be committed in three separate ways:

- Fraud by false representation;
- Fraud by failing to disclose information;
- Fraud by abuse of position

2.2 Fraud by false representation: - Examples include providing false information on a grant or Blue Badge application, employees claiming to be absent from work due to illness when they are in fact fit and well, or submitting time sheets or expenses with exaggerated or entirely false hours and/or expenses.

2.3 Fraud by failing to disclose information:- Examples include failing to disclose a financial interest in a company BMBC is trading with, or failing to disclose a personal relationship with someone who is applying for a job at the council.

2.4 Fraud by abuse of position:- Examples include a carer who steals money from the person they are caring for, or employees who order goods and services through the Council's accounts for their own use.

2.5 The Council defines fraud as:

The dishonest action designed to facilitate gain (personally or for another) at the expense of the Council, the residents of the Borough or the wider national community.

2.3 While fraud is often seen as a complex financial crime, in its simplest form, fraud is lying. Some people will lie, or withhold information, or generally abuse their position to try to

trick someone else into believing something that isn't true. Appendix A includes a summary of the Fraud Act 2006.

3. STANDARDS

- 3.1 The Council wishes to promote a culture of honesty and opposition to fraud and corruption based on the seven principles of public life. The Council will ensure probity in local administration and governance and expects the following from all Members, employees, agency workers, volunteers, suppliers and those providing services under a contract with BMBC.

Selflessness

Holders of public office should take decisions solely in terms of the public interest. They should not do so in order to gain financial or other material benefits for themselves, their families, or their friends.

Integrity

Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that might influence them in the performance of their official duties.

Objectivity

Holders of public office must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias.

Accountability

Holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office.

Openness

Holders of public office should be as open as possible about all the decisions and actions that they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands. Openness requires an inclusive approach, an outward focus and a commitment to partnership working.

Honesty

Holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest.

Leadership

Holders of public office should exhibit these principles in their own behaviour. They should actively promote and robustly support the principles and be willing to challenge poor behaviour wherever it occurs.

4. CORPORATE FRAMEWORK AND CULTURE

- 4.1 The Council's endorsement of this strategy sends a clear message that fraud against the Council will not be tolerated and where reported or identified will be dealt with in a professional and timely manner using all the sanctions available. Through the creation and enhancement of a strong Anti-Fraud Culture the Council aims to deter potential perpetrators from targeting its finances, assets and services.

- 4.2 In addition to this strategy there are a range of policies and procedures that help reduce the Council's fraud risks. These have been formulated in line with appropriate legislative requirements and professional best practice, and include:
- Corporate Anti-Fraud and Corruption Policy;
 - Corporate Anti-Bribery Policy;
 - Corporate Anti-Money Laundering Policy;
 - Confidential Reporting Policy;
 - Corporate Fraud Response Plan;
 - Disciplinary Procedure;
 - Financial Regulations and Standing Orders;
 - Code of Member Conduct;
 - Employee Code of Conduct;
 - Employee Code of Conduct – Insider Dealing;
 - Employee Code of Conduct – Register of Employees Interests;
 - Declaration of interest and gifts and hospitality procedures for Members and Officers;
 - An established Audit Committee;
 - E-learning fraud awareness training for employees accessible through POD;
 - Relevant documents, including invoices over £500, being made available to the public, partners, staff and members;
 - Participation in the Cabinet Office's National Fraud Initiative and membership to the National Anti-Fraud Network.
- 4.3 The expectation is that elected Members and employees of all levels will adopt the highest standards of propriety and accountability and demonstrate that the Council is acting in a transparent and honest manner. Consequently, any Member / co-opted Member of the Council who commits a fraudulent act against the Council or is involved with bribery in the performance of their duties will be subjected to the Council's procedures for dealing with complaints of misconduct against Members operated via the Council's Monitoring Officer / Standards Committee and may be reported to the Police.
- 4.4 Any Council employee committing a fraudulent act against the Authority or found to be involved with bribery in the performance of their duties will be subjected to the Council's disciplinary procedures and may be reported to the Police (whether or not the act is outside of their direct employee role). For instance benefit fraud, the misuse of a blue badge, submitting a false insurance claim against the Council, Council Tax evasion, Council Tax Support fraud or falsely claiming single person's discount are all offences against the Council that can be committed by employees outside of their direct role and which are likely to be subject to investigation under the Council's Disciplinary Procedure. Whilst the internal action in relation to both Members and employees will be entirely separate to any criminal sanction and the intrinsic link to the employment relationship can be considered by the Council.
- 4.5 When fraud and / or bribery has occurred due to lack of internal control or an identified breakdown in controls, the relevant Executive Director will be responsible for ensuring appropriate improvements in systems of control are implemented in order to minimise the risk of recurrence. Where investigations are undertaken by CAFT, an audit report will be produced on any control weaknesses and follow up action undertaken as appropriate to ensure the implementation of improvements.

5. ROLES AND RESPONSIBILITIES

The Role of Elected Members

- 5.1 As elected representatives, all Members of the Council have a duty to act in the public interest and to do whatever they can to ensure that the Council uses its resources in accordance with statute.
- 5.2 This is achieved through Members operating within the Constitution which includes the Member Code of Conduct and Financial Regulations.

The Role of Employees

- 5.3 The Council expects its employees to be alert to the possibility of fraud and corruption and to report any suspected fraud or other irregularities to the Head of Internal Audit, Anti-Fraud and Assurance.
- 5.4 Employees are expected to comply with the Employee Code of Conduct and the Council's policies and procedures.
- 5.5 Employees are responsible for complying with the Council's policies and procedures and it is their responsibility to ensure that they are aware of them. Where employees are also members of professional bodies they should also follow the standards of conduct laid down by them.
- 5.6 Employees should follow instructions given to them by management. They are under a duty to properly account for and safeguard the money and assets under their control/charge.
- 5.7 Employees are required to provide a written declaration of any financial and nonfinancial interests or commitments, which may conflict with BMBC's interests (Employee Code of Conduct – Register of Employees Interests). Section 117 of the Local Government Act 1972 requires any officer with an interest in a contract which has been, or proposed to be, entered into by the Council to declare that interest. The legislation also prohibits the acceptance of fees or rewards other than by means of proper remuneration.
- 5.8 Failure to disclose an interest or the acceptance of an inappropriate reward may result in disciplinary action or criminal liability. Staff must also ensure that they make appropriate disclosures of gifts and hospitality (Declaration of an offer of Benefits).
- 5.9 Managers at all levels are responsible for familiarising themselves with the types of fraud that might occur within their directorates and the communication and implementation of this strategy.
- 5.10 Managers are expected to create an environment in which their staff feel able to approach them with any concerns that they may have about suspected fraud or any other financial irregularities.

The Public and external organisations

- 5.11 Members of the public receive financial assistance and benefits from the Council through a variety of services. These include Council Tenancies, Temporary Accommodation, Renovation and other housing related grants, Housing and Council Tax Support, Council Tax discounts, Right to Buy discounts, Direct care payments and Parking concessions.

At some time or another these areas have been subject to attack by those intent on committing fraud which means that there is less money and resources available for those in genuine need.

- 5.12 The same principles of investigations will apply across all areas where fraud and corruption is alleged.
- 5.13 All applications for financial or other assistance will be verified to the highest standard, and all data available to the Council will be used to corroborate information provided by applicants for the purposes of preventing and detecting fraud. All employees involved in assessing applications for assistance and/or verifying identification documentation submitted in support of applications will be provided with ongoing fraud awareness training through an e-learning package.
- 5.14 Information exchange will be conducted where allegations are received within the framework of the Data Protection Act 2018 for the purposes of preventing and detecting crime or under statutory legislation where it exists.
- 5.15 We will apply appropriate sanctions in all cases where it is felt that fraud or attempted fraud has been perpetrated against the authority. These will range from official warnings to Crown Court prosecution. We will also seek to recover any monies obtained fraudulently, including freezing assets, utilising the Proceeds of Crime Act 2002, confiscation orders, civil recovery and general debt recovery.
- 5.16 We will use the Council's Legal Services Department and the Crown Prosecution Service to bring offenders to justice. Prosecutions will not be limited to Council Tax Reduction Scheme cases but will include any area within the Council where there is evidence to indicate a fraud related offence has been committed and the case meets the standards required in the Corporate Prosecutions Policy and The Code for Crown Prosecutors.
- 5.17 As a deterrent, we will publicise our successful sanctions through the Council's Communications and Marketing Team and in the local and national media where the law allows us to do so and periodically run targeted anti-fraud campaigns within the borough to raise fraud awareness.

6. PREVENTION

Responsibilities of management

- 6.1 The primary responsibility for the prevention and detection of fraud is with management. They must ensure that they have the appropriate internal controls in place, that they are operating as expected and being complied with. They must ensure that adequate levels of internal checks are included in working practices, particularly financial. It is important that duties are organised in such a way that no one person can carry out a complete transaction without some form of checking or intervention process being built into the system.

Corporate Anti-Fraud Team and Internal Audit

- 6.2 The CAFT and IA provide the Council's Anti-Fraud function. IA will ensure that an effective audit is undertaken of the Council systems and processes. CAFT will utilise all methods to detect, prevent, investigate and pursue fraud. This includes data-matching, data mining, open source research, surveillance and intelligence led investigations. The

two branches of the operation will work to assist management to implement appropriate controls and provide solutions to control failures.

6.3 CAFT and IA are empowered to:

- Enter any Council premises or land;
- Have access to all records, documentation and correspondence relating to any financial and other transactions as considered necessary;
- Require and receive information or explanation of council employees as are regarded necessary concerning any matter under examination;
- Require any employee of the Council to account for cash, stores or any other Council property under their control or possession.

6.4 The Council actively encourages employees to express any concerns regarding colleagues who are suspected of committing fraud. The Confidential Reporting Policy provides further details on how employees can utilise the protection offered by the Public Interest Disclosure Act 1998. All employees, the public and members are encouraged to contact the CAFT or IA with any suspicion of fraud, corruption, financial malpractice or the abuse of official position.

6.5 CAFT is responsible for assessing the authority's counter fraud arrangements and performance against professional guidance and findings of internal reviews and investigations.

6.6 The CAFT is authorised to investigate allegations of fraud and corruption under:

- Section 222 of the Local Government Act 1972;
- Regulations 3, 4 and 5 of the Council Tax Reductions Schemes (Detection of Fraud and Enforcement) (England) Regulations 2013; and
- Regulations 2 and 4 of the Prevention of Social Housing Fraud (Power to Require Information) (England) Regulations 2014.

Working with others and sharing information

6.7 The Council is committed to working and co-operating with other organisations to prevent fraud and corruption and protect public funds. The Council may use personal information and data-matching techniques to detect and prevent fraud, and ensure public money is targeted and spent in the most appropriate and cost-effective way. In order to achieve this, information may be shared with other bodies responsible for auditing or administering public funds including the Cabinet Office, the Department for Work and Pensions, other local authorities, HM Revenue and Customs, and the Police.

National Fraud Initiative

6.8 The Council participates in the National Fraud Initiative (NFI). Part 6 of the Local Audit and Accountability Act 2014 requires the Authority to provide data from its computer systems to the Cabinet Office. This data is matched with that of other authorities and agencies, to identify possible fraud. Details of matches are returned to the Authority where further internal investigations are undertaken to identify and pursue cases of fraud and irregularity. CAFT act as key contact for the authority in co-ordinating this exercise and ensuring that data subjects are informed in a timely manner when the exercise is undertaken as per best practice guidance from the Audit Commission and Information Commissioner.

Training and awareness

- 6.9 The successful prevention of fraud is dependent on risk awareness, the effectiveness of induction and training and the responsiveness of employees throughout the Council.
- 6.10 Management will provide induction and ongoing training to employees, particularly those involved in financial processes and systems to ensure that their duties and responsibilities are regularly highlighted and reinforced.
- 6.11 Internal Audit will provide fraud awareness training on request and will publish its successes to raise awareness.

7. DETECTION AND INVESTIGATION

- 7.1 The Council is committed to the investigation of all instances of actual, attempted and suspected fraud committed by employees, Members, consultants, suppliers and other third parties and the recovery of funds and assets lost through fraud.
- 7.2 Any suspected fraud, corruption or other irregularity should be reported to the Head of Internal Audit, Anti-Fraud and Assurance who will advise on the appropriate course of action. This will ensure that any investigation is carried out independently and objectively in accordance with Council policy and procedures, key investigation legislation and best practice and, provide assurance that investigations do not jeopardise any potential disciplinary action or criminal sanctions.
- 7.3 Action could include:
- Investigation carried out by the CAFT;
 - Joint investigation with Internal Audit, CAFT and relevant directorate management;
 - Directorate carry out investigation and CAFT provide advice and guidance;
 - Referral to the Police.
- 7.4 The responsibility for investigating potential fraud, corruption and other financial irregularities within BMBC lies mainly (although not exclusively) with the CAFT. Employees involved in this work will therefore be appropriately trained, and this will be reflected in training plans.

8. RAISING CONCERNS AND THE CONFIDENTIAL REPORTING POLICY

Suspensions of fraud or financial irregularity

- 8.1 All suspected or apparent fraud or financial irregularities must be brought to the attention of the Head of Internal Audit, Anti-Fraud and Assurance in accordance with Financial Regulations. Where the irregularities relate to an elected Member, there should be an immediate notification to the Executive Director, Core Services in their role as Council Monitoring Officer.
- 8.2 If a member of the public suspects fraud or corruption they should contact the Corporate Anti-Fraud Team in the first instance. They may also contact the Council's External Auditor, who may be contacted in confidence.
- 8.3 The Council's Corporate Anti-Fraud Team can be contacted by telephone on 0800 138 2940 or by mail to corporatefraudinvestigations@barnsley.gov.uk

Confidential Reporting Policy

- 8.4 Employees (including Managers) wishing to raise concerns should refer to the Council's Confidential Reporting Policy and associated procedures.
- 8.5 The Council's Confidential Reporting Policy encourages individuals to raise serious concerns internally within the Council, without fear of reprisal or victimisation, rather than over-looking a problem or raising the matter outside. All concerns raised will be treated in confidence and every effort will be made not to reveal the individual's identity if this is their wish. However, in certain cases, it may not be possible to maintain confidentiality if the individual is required to come forward as a witness.
- 8.6 Employees wishing to raise concerns can obtain a copy of the Confidential Reporting Policy on the Corporate Intranet.

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Corporate Anti-Bribery Policy

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1. INTRODUCTION

- 1.1 Bribery is a criminal offence. Barnsley MBC does not, and will not, pay bribes or offer improper inducements to anyone for any purpose, nor do we or will we, accept bribes or improper inducements.
- 1.2 To use a third party as a conduit to channel bribes to others is a criminal offence. We do not, and will not, engage indirectly in or otherwise encourage bribery.
- 1.3 We are committed to the prevention, deterrence and detection of bribery. We have zero-tolerance towards bribery. We aim to maintain anti-bribery compliance “business as usual”, rather than as a one-off exercise.

2. OBJECTIVE OF THIS POLICY

- 2.1 This policy provides a coherent and consistent framework to enable the Council's employees to understand and implement arrangements enabling compliance. In conjunction with related policies and key documents it will also enable employees to identify and effectively report a potential breach.
- 2.2 We require that all personnel, including those permanently employed, temporary agency staff and contractors:
- act honestly and with integrity at all times and to safeguard the Council's resources for which they are responsible;
 - comply with the spirit, as well as the letter, of the laws and regulations of all jurisdictions in which the Council operates, in respect of the lawful and responsible conduct of activities.

3. SCOPE OF THIS POLICY

- 3.1 This policy applies to all of the Council's activities. For partners, joint ventures and suppliers, we will seek to promote the adoption of policies consistent with the principles set out in this policy.
- 3.2 Within the Council, the responsibility to control the risk of bribery occurring resides at all levels of the Council. It does not rest solely within assurance functions, but in all business units and corporate functions.
- 3.3 This policy covers all personnel, including all levels and grades, those permanently employed, temporary agency staff, contractors, non-executives, agents, Members (including independent members), volunteers and consultants.

4. THE COUNCIL'S COMMITMENT TO ACTION

- 4.1 The Council commits to:
- Setting out a clear Anti-Bribery Policy and keeping it up to date
 - Making employees aware of their responsibilities to adhere strictly to this policy at all times
 - Encouraging its employees to be vigilant and to report any suspicions of bribery, providing them with suitable channels of communication and ensuring sensitive information is treated appropriately

- Rigorously investigating instances of alleged bribery and assisting police and other appropriate authorities in any resultant prosecution
- Taking firm and vigorous action against any individual(s) involved in bribery
- Provide information to employees to report breaches and suspected breaches of this policy
- Include appropriate clauses in contracts to prevent bribery.

5. BRIBERY

5.1 The Council defines bribery as:

The offering, giving, soliciting or acceptance of an inducement or reward for performing an act, or failing to perform an act, designed to influence official action or decision making.

6. THE BRIBERY ACT 2010

6.1 There are four key offences under the Act:

- Bribery of another person (section 1)
- Accepting a bribe (section 2)
- Bribing a foreign official (section 6)
- Failing to prevent bribery (section 7)

6.2 The Bribery Act 2010 makes it an offence to offer, promise or give a bribe (Section 1). It also makes it an offence to request, agree to receive, or accept a bribe (Section 2). Section 6 of the Act creates a separate offence of bribing a foreign public official with the intention of obtaining or retaining business or an advantage in the conduct of business. There is also a corporate offence under Section 7 of failure by a commercial organisation to prevent bribery that is intended to obtain or retain business, or an advantage in the conduct of business, for the organisation. An organisation will have a defence to this corporate offence if it can show that it had in place **adequate procedures** designed to prevent bribery by or of persons associated with the organisation.

7. WHAT ARE “ADEQUATE PROCEDURES”?

7.1 Whether the procedures are adequate will ultimately be a matter for the courts to decide on a case-by-case basis. Adequate procedures need to be applied proportionately, based on the level of risk of bribery in the organisation. It is for individual organisations to determine proportionate procedures in the recommended areas of six principles. The principles are not prescriptive and are intended to be flexible and outcome focussed e.g. small organisations will face different challenges to those faced by large multi-national enterprises.

7.2 Proportionate procedures

The Council’s procedures to prevent bribery by persons associated with it are proportionate to the bribery risks it faces and to the nature, scale and complexity of its activities. They are also clear, practical, accessible, effectively implemented and enforced.

7.3 Top level commitment

Elected Members and the Council's Senior Management Team are committed to preventing bribery by persons associated with the Council. They foster a culture within the council in which bribery is never acceptable.

7.4 Risk Assessment

The Council assesses the nature and extent of its exposure to potential external and internal risks of bribery on its behalf by persons associated with it. The assessment is periodic, informed and documented. It includes financial risks but also other risks such as reputational damage.

7.5 Due diligence

The Council applies due diligence procedures, taking a proportionate and risk based approach in respect of persons who perform or will perform services for or on behalf of the organisation in order to mitigate identified bribery risks.

7.6 Communication

The Council seeks to ensure that its bribery prevention policies and procedures are embedded and understood throughout the organisation through internal and external communication, including training that is proportionate to the risks it faces.

7.7 Monitoring and review

The Council monitors and reviews procedures designed to prevent bribery by persons associated with it and makes improvements where necessary.

The Council is committed to proportional implementation of the above principles.

8. PENALTIES

8.1 An individual guilty of an offence under sections 1, 2 or 6 is liable:

- On conviction in a magistrates court, to imprisonment for a maximum term of 12 months or to a fine not exceeding £5,000, or to both
- On conviction in a crown court, to imprisonment for a maximum term of ten years, or to an unlimited fine, or both

8.2 Organisations are liable for these fines and if guilty of an offence under section 7 are liable to an unlimited fine.

9. BRIBERY IS NOT TOLERATED

9.1 It is unacceptable to:

- accept payment from a third party that you know or suspect is offered with the expectation that it will obtain a business advantage for them;
- accept a gift or hospitality from a third party if you know or suspect that it is offered or provided with an expectation that a business advantage will be provided by us in return;

- retaliate against or threaten a person who has refused to commit a bribery offence or who has raised concerns under this policy;
- engage in activity in breach of this policy.

10. FACILITATION PAYMENTS

10.1 Facilitation payments are not tolerated and are illegal. Facilitation payments are unofficial payments made to public officials in order to secure or expedite actions.

11. GIFTS AND HOSPITALITY

11.1 This policy is not meant to change the requirements of the Council's Register of Hospitality and Gifts.

11.2 Paragraph 6.3.3 of the Code of Conduct for Employees states:

It is a serious criminal offence for employees to corruptly receive or give any gift, bribe, loan, fee, reward or advantage for doing/not doing or showing favour to any persons as a result of their official capacity – Prevention of Corruption Act 1916 and the Bribery Act 2010.

11.3 Furthermore, Section 6.6 of the policy provides guidance and instruction relating to the offering of benefits. The policy advises that, with the exception of very modest benefits, any offer must be firmly refused and states:

Public confidence and that of the Council would be seriously damaged if the least suspicion were to arise of actual or perceived impropriety by an employee of the Council.

11.4 In general terms, however, an employee must:

- Treat any offer of a gift or hospitality if it is made to them personally with extreme caution;
- Not receive any reward or fee other than their salary;
- Never accept monetary gifts of any kind;
- Always refuse offers of gifts or services to them (or their family members) from organisations or persons who do, or might, provide work, goods or services, to the Council or who require a decision from the Council;
- Always report any such offer to their line manager.

12. PUBLIC CONTRACTS AND FAILURE TO PREVENT BRIBERY

12.1 Under the Public Contracts Regulations 2006 as amended by the Public Contracts Regulations 2015 (which gives effect to EU law in the UK), a company is automatically and perpetually debarred from competing for public contracts where it is convicted of a corruption offence. Organisations that are convicted of failing to prevent bribery are not automatically barred from participating in tenders for public contracts. The Council has the discretion to exclude organisations convicted of this offence.

*Note: In March 2019 the Minister for the Cabinet Office made **SI 2019 no 560** - The Public Procurement (Amendment etc.) (EU Exit) Regulations 2019. This SI will come into force on exit day and will amend the procurement regulations to ensure that they continue to operate effectively after exit day.*

13. EMPLOYEE RESPONSIBILITIES

- 13.1 The prevention, detection and reporting of bribery and other forms of corruption are the responsibility of all those working for the organisation or under its control. All employees are required to avoid activity that breaches this policy.
- 13.2 You must:
- ensure that you read, understand and comply with this policy;
 - raise concerns as soon as possible if you believe or suspect that a conflict with this policy has occurred, or may occur in the future.
- 13.3 As well as the possibility of civil and criminal prosecution, employees breaching this policy will face disciplinary action, which could result in dismissal for gross misconduct.

14. RAISING A CONCERN

- 14.1 The Council is committed to ensuring that all of us have a safe, reliable, and confidential way of reporting any suspicious activity. We want each and every employee to know how they can raise concerns.
- 14.2 We all have a responsibility to help detect, prevent and report instances of bribery. If you have a concern regarding a suspected instance of bribery or corruption, please speak up – your information and assistance will help.
- 14.3 There are multiple channels to help you raise concerns (please refer to the Confidential Reporting Policy). Preferably the disclosure will be made and resolved internally e.g. to your line manager, head of department or Internal Audit. Alternatively, where internal disclosure proves inappropriate, concerns can be raised with the Council's external auditor. Raising concerns in these ways may be more likely to be considered reasonable than making disclosures publicly e.g. to the media.
- 14.4 Concerns can be anonymous. In the event that an incident of bribery, corruption, or wrongdoing is reported, we will act as soon as possible to evaluate the situation. We have clearly defined procedures for investigating fraud, misconduct and non-compliance issues and these will be followed in any investigation of this kind. This is easier and quicker if concerns raised are not anonymous.
- 14.5 Employees who refuse to accept or offer a bribe, or those who raise concerns or report wrongdoing can understandably be worried about the repercussions. The Council aims to encourage openness and will support anyone who raises a genuine concern in good faith under this policy, even if they turn out to be mistaken.
- 14.6 We are committed to ensuring nobody suffers detrimental treatment through refusing to take part in bribery or corruption, or because of reporting a concern in good faith.
- 14.7 If you have any questions about these procedures, please contact Internal Audit.

15. OTHER RELEVANT POLICIES

- 15.1 Further information on relevant Council policy and practice can be found in the following internal documents:
- Corporate Anti-Fraud and Corruption Policy;

- Corporate Anti-Fraud and Corruption Strategy;
- Members Code of Conduct;
- Employee Code of Conduct (including gifts and hospitality);
- Corporate Anti-Money Laundering Policy;
- Confidential Reporting Policy (Whistleblowing Policy).

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BARNSLEY
Metropolitan Borough Council

Corporate Prosecution Policy

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1 POLICY STATEMENT

- 1.1 The Corporate Prosecution Policy forms part of the Council's overall counter-fraud and corruption strategy. The policy covers all acts, and/or attempted acts, of fraud, theft bribery or corruption committed by officers or Members of the Council, or committed by members of the public, or other organisations or their employees, against the Council.
- 1.2 The policy sets out the circumstances in which the Council will take legal action against the perpetrators of fraud or corruption. The policy does not cover internal disciplinary procedures which are the subject of the council's Disciplinary Procedure.
- 1.3 This policy should be read in conjunction with the Council's Corporate Anti-Fraud and Corruption Policy, Corporate Anti-Fraud and Corruption Strategy, Corporate Anti-Bribery Policy, Corporate Whistleblowing Policy, Financial Regulations, Contract Standing Orders, and the Corporate Disciplinary Policy and Procedures.

2 PURPOSE OF THE POLICY

- 2.1 The Council is committed to an effective anti-fraud and corruption strategy. The strategy is designed to encourage the prevention and detection of fraud and corruption. As part of the strategy the Council is also committed to taking appropriate action against anyone believed to have attempted and/or committed a fraudulent or corrupt act against it.
- 2.2 The policy is designed to ensure that the Council acts fairly and consistently when determining what action to take against the perpetrators of fraud or corruption.
- 2.3 Employees and Members who are found to have committed fraud or corruption may be prosecuted in addition to such other action(s) that the Council may decide to take, including disciplinary proceedings in the case of employees. Any decision not to prosecute a member of staff for fraud and corruption does not preclude remedial action being taken by the relevant Executive Director or Service Director in accordance with the council's disciplinary procedures or other policies.
- 2.4 This Policy is also designed to be consistent with council policies on equalities. The Council will take into account the circumstances of each case and the nature of the alleged crime when considering whether to prosecute or not.
- 2.5 Irrespective of the action taken to prosecute the perpetrators of fraud and corruption, the Council will take whatever steps necessary to recover any losses incurred, including taking action in the civil courts.

3 PROSECUTION

- 3.1 The policy is intended to ensure the successful prosecution of offenders in Court. However, not every contravention of the law should be considered for prosecution. The Council will weigh the seriousness of the offence (taking into account the harm done or the potential for harm arising from the offence) with other relevant factors and against the public interest criteria. All cases will be looked at individually and be considered on their particular circumstances.
- 3.2 To consider a case for prosecution the Council must be satisfied that two tests have been passed. Firstly, there must be sufficient evidence of guilt to ensure conviction (referred to as the **Evidential Test**). Secondly; it must be in the public interest to

proceed (called the **Public Interest Test**). Further guidance on these two tests are shown at Appendix I.

4 MEMBERS AND EMPLOYEES

- 4.1 The Council will invoke disciplinary action in all cases of fraud, theft, financial misconduct, serious and intentional breach of financial regulations and corruption committed by employees of the Council or employees within its maintained schools. The normal recommendation for employees would be gross misconduct. This will include cases of fraud against the Council, other council's and other public sector bodies.
- 4.2 Where a financial loss has been identified the Council will always seek to recover this loss either through the civil or criminal process. In addition, where employees are members of professional bodies or are subject to national codes of conduct such as teaching and social services staff, we will refer cases to the relevant professional body.
- 4.3 The Council will always refer cases to the relevant prosecuting authority for criminal prosecution, where management consider a prosecution to be appropriate, in matters relating to elected Members and employees

5 OTHER FRAUD

- 5.1 Other types of fraud against the Council include, but are not limited to: Direct Care Payments, Grants, Reliefs or other applications for financial assistance or other benefits awarded such as Blue Badges.
- 5.2 In cases where the Council suffers a financial loss, we will always seek recovery. Where an organisation is involved in the fraud, the Council will also make referrals to the relevant governing body e.g. Charities Commission.
- 5.3 The Council will also consider criminal prosecution. The factors that will affect our decision to prosecute will be based on the evidential and the public interest test. This will include cases of attempted fraud e.g. applications for renovation grants where the financial estimates are deliberately misstated or false applications for direct care payments.
- 5.4 Individuals fraudulently claiming a council tax discount / reduction or committing a non-domestic rates fraud will be dealt with under the Benefits and Taxation Sanction and Penalty Policy.
- 5.5 The Corporate Anti-Fraud Team in conjunction with Legal Services will consult with South Yorkshire Police in respect of potential criminal acts.

6 MITIGATING FACTORS

- 6.1 The following mitigating factors will be taken into account when determining whether to prosecute;

Voluntary Disclosure

A voluntary disclosure occurs when an offender voluntarily reveals a fraud about which the Council is otherwise unaware. If this happens, then the fraud will be investigated but

the offender will not be prosecuted unless in exceptional circumstances. However, any person colluding in the crime will still be prosecuted.

A disclosure is not voluntary if the:-

- admission is not a complete disclosure of the fraud;
- admission of the fraud is made only because discovery of the fraud is likely, (for example, the offender knows the Council is already undertaking an investigation in this area and/or other counter fraud activity);
- offender only admits the facts when challenged or questioned;
- offender supplies the correct facts when making a claim to Legal Aid;

Social Factors

A wide range of social factors may make a prosecution undesirable. The test is whether the court will consider the prosecution undesirable, and go on to reflect that in the sentence.

Exceptional Circumstances

In certain exceptional circumstances the Council may decide not to prosecute an offender. For example, a lack of sufficient resources to complete the investigation within a reasonable period of time (even after requesting assistance from the police) may be a factor against prosecution action (refer to Appendix I, The Public Interest Test).

7 PROCEEDS OF CRIME ACT 2002 (POCA)

7.1 In addition to the actions set out in this policy, the Council reserves the right to refer all suitable cases for financial investigation with a view to applying to the courts for **restraint** and/or **confiscation** of identified assets.

- A restraint order will prevent a person from dealing with specific assets.
- A confiscation order enables the Council to recover its losses from assets which are found to be the proceeds of crime.

7.2 The Council will use the Proceeds of Crime Act 2002, Criminal Justice Act 1988 and the provisions of the Prevention of Social Housing Fraud Act 2013 to obtain Confiscation Orders and Unlawful Profit Orders as well as recovery of the full criminal benefit figure where possible. The Council may use Accredited Financial Investigators attached to other law enforcement agencies in order to conduct an investigation, obtain orders and present evidence.

8 PUBLICITY

8.1 The consistent application of the policy will provide a means for ensuring that those who have perpetrated fraud and corruption are appropriately penalised. It will also act as a meaningful deterrent to those who are contemplating committing fraud or corruption. The Council recognises the deterrent value of good publicity and therefore information regarding successful prosecutions and sanctions will be made public.

9 REPORTING AND REVIEW

- 9.1 Details of all cases where prosecutions have resulted from investigations conducted by Council Officers will be included in the periodic reports provided to the Council's Audit Committee.
- 9.2 This policy will be reviewed annually, or when changes in legislation require it, by the Head of Internal Audit, Anti-Fraud and Assurance. Any minor or consequential changes will be made with the agreement of the Director of Legal Services.

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Prosecution – The Evidential and Public Interest Test

Each case will be looked at individually to decide what action, if any, is appropriate under this policy. This decision will be based upon 'The Code for Crown Prosecutors' which sets out the general principles prosecutors should look to when they make decisions on cases. The tests are known as the Evidential Test and the Public Interest Test.

The Evidential Test

In making a decision to prosecute, the Council must be satisfied that there is enough evidence to provide a realistic prospect of conviction. A realistic prospect of conviction is an objective test meaning that a jury, magistrate or judge hearing a case which, is properly directed in accordance with the law, is more likely than not to convict the defendant of the alleged offence.

In order to ensure that a “realistic prospect of conviction” exists officers of the Corporate Anti-Fraud Team and prosecutors will at all times ensure that investigations are conducted in accordance with all relevant legislation and Codes of Practice with regard to evidence gathering, interviewing and rules of disclosure.

The evidence gathered will be examined in the first instance by the investigating officer and then line manager. When both are satisfied that sufficient evidence exists to successfully prosecute and that the Public Interest Stage is also satisfied the case file will be passed on to either the council's legal team or the Crown Prosecution Service. All prosecutors will then apply their own inspection of the evidence to ensure that both tests are met.

If a case does not pass an evidential test it must not go ahead no matter how important or serious the offence seems. If the case does pass the evidential stage then it should move on to the second stage to decide if a prosecution is appropriate in the public interest

The Public Interest Test

Having examined the evidential test and established that there is sufficient evidence of a realistic prospect of conviction, the Public Interest Test is then applied to determine whether a prosecution should take place or whether an alternative Sanction may be suitable. The factors for and against prosecution should be balanced carefully. It is a matter of common sense that if there are additional factors that should be taken into account then these factors should be considered.

Factors against prosecution action

- There has been undue delay between the offence taking place and the date of the trial, unless the offence is serious, or the delay has been caused in part by the defendant.
- There are major physical or mental health issues for the defendant, which has been confirmed in writing by a medical practitioner and that the ordeal of a prosecution could have a significant detrimental impact on their wellbeing, unless the offence is serious or there is a real possibility that it may be repeated. Age is not in itself a bar factor against prosecution, but if the customer has poor health because of their advanced years this should also be considered.
- The subject was driven to commit the offence by a difficult domestic situation.
- If prosecuted there exists the possibility of mental injury to a third party, for example where an adopted or fostered child would be made aware of their true status;

Factors In favour of prosecution action

- The defendant is alleged to have committed the offence whilst under an order of the court or suspended sentence.
- The defendant's previous convictions or sanctions are relevant to the present offence.
- The defendant is in a position of trust, where their financial impropriety would have a bearing on their ability to continue in their role e.g. a Council employee or Elected Member.
- There is evidence that the defendant has taken deliberate action or provided false statement/documentation to perpetrate the deception.
- The motivation for the fraud was one of pure financial greed where the perpetrator is in a position of relative prosperity.
- There are grounds for believing that the offences were likely to be continued or repeated e.g. by a history of recurring conduct.
- The offence is alleged to have occurred over a protracted period of time involving more than one period of deception.
- The evidence shows that the suspect has instigated, encouraged, or coerced others to commit fraud.
- Where a person occupies a position in public office and the fraud is considered to have brought their position into disrepute.
- In certain exceptional circumstances, the authorising officers, may decide to recommend proceedings where the normal criteria are not met. These cases will be where there are extenuating/aggravating circumstances and each case will be considered on its merits.
- The fraud appears to involve collusion. Cases involving collusion should be regarded as serious fraud and prosecution may be appropriate irrespective of the amount of the fraud.

The various reasons listed above are not exhaustive. The factors that apply will depend on the facts in each individual case.

The Council will also take into consideration the suitability of evidence obtained and any failures or delays in the investigation. Examples would be where an application form has been wrongly completed by an officer of the Council or when there has been a failure to identify obvious flaws in a statement or document.



Corporate Fraud Response Plan

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1. INTRODUCTION

1.1 Barnsley Council is committed to combatting fraud, corruption and irregularity. This Fraud Response Plan is intended to provide direction and help to all Council employees and Elected Members who wish to raise their concerns about suspected fraud, theft, corruption or irregularity either within, or against the Council.

1.2 The Council's Financial Regulations, Part B (Corporate Governance), Section 4 (Internal Control and Audit) states:

The Chief Executive, SMT and Service Directors are:

Responsible for informing the Head of Internal Audit, Anti-Fraud and Assurance of any suspected irregularities, impropriety or areas of malpractice (described below) that are brought to their attention.

Employees are:

Responsible for notifying their respective Executive Director and/or the Head of Internal Audit, Anti-Fraud and Assurance of:

- *All concerns regarding suspected irregularities involving cash, stores, equipment, information or other resources or property of the Council;*
- *Suspected impropriety in the functions of the Council;*
- *Suspected malpractice in the completion, use or retention of records.*

1.3 The Head of Internal Audit, Anti-Fraud and Assurance has a responsibility to investigate all cases of fraud that are referred to him. Actual investigations may be carried out by officers of the Corporate Anti-Fraud Team or Internal Audit (CAFT).

1.4 The Council's definition of fraud and corruption is defined within the Council's [Corporate Anti-Fraud and Corruption Policy](#) at paragraphs 2.3 and 4.2 respectively.

1.5 Section 6.4 of the Council's Code of Conduct for Employees states the following:

'Where an employee has suspicions that a Council employee(s) or other individual(s) are involved in fraudulent or corrupt activities or theft, then they must in the first instance report those suspicions to their line manager.

If an employee feels unable to do this, then they can raise their concern(s) under the Council's [Confidential Reporting Policy](#) or to the Council's Corporate Anti-Fraud Team so the Council can take prompt action. The policy makes it clear that employees who raise legitimate concerns can do so without fear of reprisals. Any disclosure or allegation made maliciously or for personal gain will not be protected and disciplinary action may be taken accordingly.

As per the Council's Financial Regulations, all matters of potential and actual irregularity are required to be reported to Internal Audit. Such matters include all concerns regarding suspected irregularities involving cash, stores, equipment, information or other resources or property of the Council, any suspected impropriety in the functions of the Council or any suspected malpractice in the completion, use or retention of records.'

This means that all officers of the Council are contractually required to report any concerns relating to theft, fraud or corruption via appropriate channels.

- 1.6 The Plan gives a framework to follow in responding to suspicions of fraud or corruption and provides information that allows evidence to be gathered and collated in a way which facilitates informed initial decisions, while ensuring that evidence gathered will be admissible in any future criminal or civil actions.
- 1.7 The Plan also outlines how the Council will deal with reports of fraud, theft, corruption or irregularity.
- 1.8 Where the suspected fraud relates to housing or welfare benefits, the matter should be referred directly to the Department for Work and Pensions (DWP) who will investigate the case under the Single Fraud Investigation Service.
- 1.9 This Policy does not cover money laundering. Any suspicions of money-laundering should be dealt with using the [Corporate Anti-Money Laundering Policy \(and Guidance\)](#).

2. OBJECTIVES

- 2.1 The objectives of a fraud response plan are to ensure that timely and effective action can be taken to:
 - Ensure an appropriate investigation is undertaken;
 - minimise the risk of inappropriate action or disclosure taking place which would compromise an investigation;
 - ensure there is a clear understanding regarding who will lead any investigation and to ensure Internal Audit's Corporate Anti-Fraud Team, service managers, Legal Services and Human Resources are involved as appropriate;
 - ensure a fair and consistent response to suspected frauds;
 - secure evidence and ensure containment of any information or knowledge of any investigation into the matter reported;
 - prevent further losses of funds or other assets where fraud has occurred and maximise recovery of losses;
 - ensure there is substance and evidence to support any allegation against an employee before that employee is subject to disciplinary action;
 - minimise the effect of a fraud or corrupt act by taking appropriate and timely action at an early stage;
 - identify the perpetrators and maximise the success of any disciplinary /legal action taken;
 - reduce adverse impacts on the business of the Council;
 - minimise any adverse publicity for the Council;
 - identify lessons to be learned to improve the internal control arrangements of the Council and improve fraud awareness.

3. EMPLOYEE RESPONSIBILITIES

- 3.1 As an employee there are a number of actions you may be required to take depending on who is involved in the irregularity. You should remember, however, that when you know of or suspect a fraud or corrupt act you should not discuss it with other work colleagues either before or after reporting it to the appropriate person.
- 3.2 You should never confront the suspected individual or act in a manner which might draw their attention to your suspicions.
- 3.3 At the earliest opportunity you should clearly record all the activities you have witnessed and information you have received or are aware of. It is important to record as much

information as possible to inform any subsequent management assessment or investigation, including dates, times and sequences of events but not to undertake any investigatory work yourself.

Fraud by a member of the public / service user

- 3.4 If the fraud or corrupt act is being committed in your service area, then under normal circumstances you should report your concerns to your line manager. If it is not in your area then you should not ignore the information you have, but should report the matter directly to the CAFT in Internal Audit Services or to one of the Corporate Whistleblowing Officers.

This may also include information that comes into your possession through your social life.

Fraud by another Council employee

- 3.5 If a work colleague is giving rise to suspicions that they are committing a fraudulent or corrupt act within their area of work, then under normal circumstances you should report it to your line manager. You may however not wish to report your concerns to your line manager particularly if you suspect your line manager of committing the fraud or corrupt act or having an involvement or knowledge.

Therefore the option exists to report to any of the following officers:

- Head of Internal Audit, Anti-Fraud and Assurance;
- The Executive Director Core Services;
- The Service Director of the Business Unit;
- The Executive Director of the Directorate;
- The Chief Executive.

Alternatively, concerns can be raised using the Council's Confidential Reporting (Whistleblowing Policy).

Fraud by an elected Member

- 3.6 If you need to report a suspicion or an actual fraud or corrupt act by a Councillor, you should report this to the following officers in the Council:
- Executive Director, Core Services, who is the Council's Monitoring Officer;
 - Service Director, Governance and Business Support; or
 - Head of Internal Audit, Anti-Fraud and Assurance.

Investigation Conduct

- 3.7 When a suspected fraud or corrupt act is reported an appropriate senior officer in the service department, in conjunction with an officer of the CAFT, will undertake a review of the situation and will, where evidence suggests there is a potential fraud, undertake a detailed investigation.

Any conversations you have, or information that you provide to the investigating officers will remain confidential. You should remember, however, that the Head of Internal Audit, Anti-Fraud and Assurance has a responsibility to investigate all cases of fraud that are

referred, with a view to prosecution and therefore you might be required to produce a signed written statement that could be used in a subsequent criminal investigation.

- 3.8 Subject to the constraints of the Data Protection legislation and the Council's duty of confidentiality to employees and Elected Members, you will be given as much information as possible about the outcome of any investigation. You must only report genuine concerns and believe the concerns to be true. Any reports which are subsequently determined to be malicious themselves could be dealt with as a disciplinary matter.

Confidential Reporting Policy (also known as Whistleblowing Policy)

- 3.9 The Council has developed a Confidential Reporting Policy in accordance with the provisions of the Public Interest Disclosure Act 1998. The policy is available on the intranet ([Confidential Reporting Policy](#)) and enables you to raise legitimate concerns, which are in the public interest, about any financial or other malpractice in the Council without fear of recrimination.

4. MANAGEMENT RESPONSIBILITIES

Evaluation and Investigation of complaints and allegations

- 4.1 As soon as a complaint or an allegation is received, it is the responsibility of the line manager to report the facts to their appropriate senior line manager and between them satisfy themselves that there are reasonable grounds for the suspicion.
- 4.2 Upon judging that there are reasonable grounds for the suspicion, the concern must be reported immediately to the CAFT. Due to the requirement to secure any possible evidence, particularly if this is in an easily destroyable form, the matter should be reported as soon as it appears to be justified.
- 4.3 Management should be mindful of two important points at this time,
- where necessary, to take action to stem the outflow of cash / goods;
 - safeguard any evidence of any malpractice.
- 4.4 As the final outcome of an investigation could result in a court appearance it is of the utmost importance that the investigation can withstand the rigours of cross-examination. Evidence is crucial and the CAFT will advise management what action needs to be taken to secure both cash and evidence. This includes ensuring that any relevant documentation is retained securely in the condition it is received, i.e. it should not be written on or altered in any way. Preserving documents in plastic wallets is recommended. Other items or equipment relevant to the investigation must be safeguarded without any alteration to their original condition, e.g. personal computers. Prior to any possible suspension, Management must not act in any way that might alert the suspect.
- 4.5 At no time should the manager:
- Inform or alert the alleged perpetrator that they are under suspicion. To do so is likely to put evidence at risk;
 - Carry out any surveillance without proper authorisation or guidance from Internal Audit's CAFT;

- Divulge any information to the press or media. Responsibility for divulging information to the media will be taken by relevant Executive Directors through the Authority's Press Information Officer;
 - Undertake any interviews without consulting CAFT and HR.
- 4.6 If there are suspicions that similar frauds are or could be being committed the situation should be discussed with a member of the CAFT.

5. INTERNAL AUDIT'S RESPONSIBILITIES

- 5.1 Internal Audit's CAFT will offer advice and assistance on the most appropriate course of action. Subsequent action could involve the securing of evidence in accordance with the Criminal Procedure and Investigations Act 1996 (CPIA). This evidence could be documents, CCTV footage or computer records; all of these could easily be destroyed or tampered with. The securing of computers and associated data and records is a specialised procedure and should only be attempted by specialists at the request of Internal Audit or the CAFT.

Further guidance on preserving evidence is given in Section 8 below.

- 5.2 Prior to undertaking an investigation, the CAFT will initially consider the size of the alleged fraud or the circumstances of its perpetration. If appropriate, advice and guidance will be provided to enable an investigation to be undertaken by the manager's own employees.
- 5.3 Whilst in most cases the CAFT will lead the investigation, each case will be considered individually and the appropriate course of action agreed. The nominated lead investigator will be responsible for co-ordinating interviews and ensuring any interviews are conducted fairly and in accordance with the Police and Criminal Evidence Act 1984 (PACE). Given the need to comply with PACE regulations all formal interviews will, where possible, be tape-recorded. Interviews will be conducted by two officers.
- 5.4 If the allegation is serious it may be desirable to remove an employee from the workplace, whilst the investigation is undertaken. Where suspension is being considered the line manager and the lead investigator will discuss this with an officer within Human Resources. A decision to suspend should be taken promptly with a Service or Executive Director's approval of the suspension.

6. ELECTED MEMBERS RESPONSIBILITIES

- 6.1 Where Elected Members come into possession of information which may indicate that a fraudulent or corrupt act is being perpetrated against the Council the expectation is that they will report this to the Chief Executive, the relevant Executive Director, the Monitoring Officer (Executive Director, Core Services) or the Head of Internal Audit, Anti-Fraud and Assurance. The officer receiving the allegation should ensure that any subsequent investigation follows the requirements of this fraud response plan.

7. DETERMINING THE TYPE OF INVESTIGATION

Allegation against an employee

- 7.1 If an allegation is substantiated after the preliminary enquiry and further investigation is able to provide adequate evidence of the alleged action the matter will be reported to management for disciplinary proceedings to commence.

7.2 At the same time if there is evidence that fraud has been committed against the Council the Head of Internal Audit, Anti-Fraud and Assurance will formally consider referring the matter to the Police and liaise with them over whether formal charges could be brought and an investigation taken forward to possible prosecution.

7.3 In appropriate circumstances the Council will consider taking civil action against the perpetrator to recover any losses caused as a result of their actions.

Allegation against a member of the public

7.4 If an allegation of fraud against the Council is substantiated the basis of the action taken will follow a criminal prosecution route.

7.5 In addition to the criminal route, wherever applicable, the action taken by the Council will also follow a civil route. The use of the civil courts would be primarily in order to recover assets or monies obtained by the perpetrator.

Allegation against an Elected Member

7.6 Any allegations against a Councillor must be made to the Executive Director, Core Services in their role as Council Monitoring Officer.

External Audit

7.7 In some cases it may be necessary to immediately inform the Council's External Auditor of the fraud or corruption. This will be the responsibility of the Section 151 Officer (Service Director – Finance), the Council's Monitoring Officer or the Head of Internal Audit, Anti-Fraud and Assurance.

8. PRESERVATION OF EVIDENCE

8.1 When the initial enquiry has established that further investigation is required, it is essential that all available evidence relating to the fraud be preserved. There is a fine balance between preserving evidence and not alerting the alleged perpetrator to your suspicions. In the first instance advice should be sought from the CAFT regarding the procedures to follow to ensure full compliance with RIPA, PACE and CPIA with regards to obtaining and documenting evidence, to ensure that the evidence obtained remains admissible in a Court of Law. For instance you should never go through a person's drawers or lockers without appropriate advice and authorisation; you should never obtain evidence by surveillance without following RIPA processes. The most common forms of evidence and a brief note of how they should be preserved are given below:

- **Original documents.** Original documents should be obtained and retained. The documents should be handled as little as possible and should be put in a protective folder. Under no circumstances should they be marked in any way. All original documents should be given to the Head of Internal Audit, Anti-Fraud and Assurance for review and preparation as evidence. A record of all documents should be maintained, detailing how, when and where they were obtained. All copies of original documents or screen images should be formally certified as a true copy with the date of copying.
- **Security of records following suspension.** Whenever a person is suspended from work they should be asked to remove all personal belongings from their

desk and be informed that the desk may be examined. Under no circumstances should an employee once suspended be allowed to access their files or computer records, any network access should be terminated immediately if not before the suspension is actioned.

- **Desk Search.** If an employee is under suspicion then their desk/work station can be searched. However any such search must be undertaken by two managers lead by a member of the CAFT. Under PACE conditions the contents of the desk/work station should be listed and the list should be signed by both officers as being a true record of what was found.
- **Computer based data.** When evidence is held on a computer, the computer should be secured and the Head of Information Systems and the Head of Internal Audit, Anti-Fraud and Assurance should be consulted about the most appropriate way of retrieving the data in accordance with the rules of evidence. Under no circumstances should any computer thought to contain likely evidence be powered down or access/download be attempted by individuals not appropriately trained.
- **Video evidence.** There may be CCTV based evidence available. If you suspect that a camera system may have information of value, secure the hard copy media or arrange for a certified download of the data in such a way as it can be treated as evidence in accordance with the rules of evidence.

8.2 The final outcome of an investigation could result in a court appearance. It is therefore of the utmost importance that the investigation can withstand the rigours of cross-examination. Evidence is crucial. Consequently managers should secure and preserve evidence in a legally admissible form.

8.3 The CAFT have specially trained officers to carry out investigations and undertake interviews. **Departmental or service managers are strongly advised not to undertake any interviews without consulting the CAFT, Human Resources and Legal Services.**

8.4 Interviews are an important part of any investigation and interview statements are a crucial element of evidence. All interviews must be conducted under properly controlled conditions in order to ensure that any statement taken and subsequently used as evidence will not be rejected as inadmissible. Where it is deemed appropriate the guidelines and code of conduct for interviewing suspects issued under the Police and Criminal Evidence Act (PACE) should be applied.

8.5 As a matter of routine, and to ensure a fair and transparent investigation is completed, the CAFT will record all interviews where they are the investigation lead.

9. WHERE SUSPICIONS CAN BE REPORTED

9.1 The Council has a specially trained Corporate Anti-Fraud Team (CAFT), situated within Internal Audit Services, who deal with all alleged or potential financial irregularities and allegations of corruption.

Suspensions of **corporate fraud** can be reported by the following methods:

- Corporate Anti-Fraud Team - Telephone number 01226 773185
- Email the Corporate Anti-Fraud Team at

Corporatefraudinvestigations@barnsley.gov.uk

- Head of Internal Audit , Anti-Fraud and Assurance - Telephone number 01226 773241
- Freephone 24 hour Whistleblowing hotline 0800 138 2939
- Contacting either of the Authority’s Whistleblowing Officers by telephone - Rob Winter on 01226 775788 or Andrew Frosdick on 01226 775799
- Contacting either of the Authority’s Whistleblowing Officers by E-mail at wbo1rwinter@barnsley.gov.uk or wbo2afrosdick@barnsley.gov.uk
- Write to the dedicated Whistleblowing address – Barnsley MBC., PO Box 320, Barnsley S70 2YL.

NB All allegations / suspicions will be treated in the strictest confidence.

10. Press and Publicity

- 10.1 The Council’s Communications and Marketing Team will deal with the media in all matters regarding fraud and corruption. Where appropriate the details of all successful prosecutions for fraud should be released to the media. Employees must not directly disclose to the media the details of any cases suspected or under investigation.
- 10.2 Disclosure of details to the media without the express authority of Communications and Marketing would be regarded a disciplinary matter. The aim is to publicise the Council’s intolerance of fraud or corruption both within the Council and by users of its services. It also serves to publicise our successes against those who would perpetrate such fraud or corruption against the Council.

11. Conclusion

- 11.1 The Corporate Fraud Response Plan, in conjunction with the Corporate Anti-Fraud and Corruption Policy, Corporate Anti-Fraud and Corruption Strategy, Confidential Reporting Policy, Code of Conduct and Disciplinary Procedure will ensure that the Council’s objectives in countering and investigating corporate fraud and corruption are achieved. However no guidance such as this can expect to cover all eventualities and therefore if you have any issues or are unsure of the action to take in a given situation you should immediately contact a member of the CAFT.

12. Supporting Corporate Policies

Corporate Anti-Fraud and Corruption Policy
Corporate Anti-Fraud and Corruption Strategy
Corporate Anti-Bribery Policy
Corporate Prosecutions Policy
Corporate Anti-Money Laundering Policy
Confidential Reporting Policy
Code of Conduct
Disciplinary Procedure

Confidential Reporting (Whistleblowing) Policy

Policy and Guidance for Whistleblowers

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1. INTRODUCTION

- 1.1 Barnsley Council is committed to the highest possible standards of honesty, openness and accountability and will not tolerate malpractice or wrongdoing.
- 1.2 Employees and others who work with the Council are often the first to realise that there may be something wrong within the Council. However, they may not express their concerns because they feel that speaking up would be disloyal to their colleagues or to the Council. Indeed it may also be the case that someone with a concern is not aware how best to raise concerns.
- 1.3 The Confidential Reporting Policy is a vital element of the Council's governance arrangements and is designed to allow those employed by the Council to come forward and raise concerns of wrongdoing involving the actions of the Council's employees, its Councillors, contractors or any aspect of the Council's activities.
- 1.4 As such the Council is committed to a policy which seeks to protect those individuals who make certain disclosures with regard to any instance of malpractice or wrongdoing and to investigate them in the public interest. It is important to stress that any concern raised through this Policy will be treated confidentially and with the utmost seriousness.
- 1.5 This policy seeks to set out how the Council will handle and respond to serious allegations of perceived wrongdoing raised by employees of the Council.

Aims and Scope

- 1.6 The Confidential Reporting Policy seeks to cover all disclosures and allegations made by employees of Barnsley Council, including temporary and agency staff and those employed in locally managed schools.
- 1.7 It also extends to any other individuals who work for the Council who want to raise an allegation of perceived wrongdoing, including consultants, contractors and sub-contractors who are engaged in work for the Council.
- 1.8 The policy seeks to:
 - Support the culture of zero tolerance toward fraud and corruption and deter wrongdoing;
 - encourage employees and others with serious concerns about any aspect of the Council's work to feel confident to come forward and voice those concerns;
 - facilitate raising concerns at an early stage and in the right way ensuring that critical information gets to the people who need to know and who are able to take action;
 - provide safeguards to reassure those who raise concerns in the public interest and not maliciously or for personal gain, that they can do so without fear of reprisals or victimisation or disciplinary action, regardless of whether these are subsequently proven;
 - set out how the Council will respond to allegations made and provide feedback to the whistleblower on any action taken;
 - ensure that employees know what to do if they are not satisfied with actions taken.
- 1.9 The Confidential Reporting Policy is not to be used where other more appropriate internal reporting procedures are available. There are existing Council procedures which enable employees to lodge a grievance relating to their conditions of employment, raise matters of harassment or to make a general complaint, which by contrast, generally have no additional public interest dimension.

Further guidance explaining the difference between whistleblowing and making a complaint is shown at **Appendix B - Frequently Asked Questions**.

1.10 This Confidential Reporting Policy covers concerns that fall outside the scope of those existing internal procedures. The Council will investigate under the confidential reporting (whistleblowing) process any allegations made through the above procedures, which raise serious concerns over wrongdoing.

1.11 **Safeguarding** – any concerns relating to a child protection issue or the abuse or neglect of an adult should be reported in line with the specific guidelines outlined on the Council's website:

[Safeguarding Children;](#)
[Safeguarding Adults](#)

1.12 Any individuals who are raising concerns relating to money laundering offences or Proceeds of Crime Act 2002 are required to report these concerns directly to the Money Laundering Reporting Officer (MLRO) in line with the Anti Money Laundering Policy.

2. WHAT IS WHISTLEBLOWING?

2.1 Whistleblowing is generally the term used when someone who is employed in an organisation reports a concern about suspected wrongdoing, malpractice, illegality or risk in the workplace. It is the confidential disclosure by an employee, of any concerns relating to a perceived wrongdoing involving any aspect of the Council's work or those who work for the Council. The whistleblowing process assists individuals, who believe they have discovered malpractice, impropriety or wrongdoing, to raise a concern, in order that this can be addressed. Examples of wrongdoing are shown at **Appendix A**.

2.2 The **Public Interest Disclosure Act 1998 (PIDA)** is known as the Whistleblowing law and is designed to encourage and enable employees to "speak out" and to report suspected wrongdoing at work. This is commonly known as "blowing the whistle".

2.3 The **Enterprise and Regulatory Reform Act 2013** introduced a public interest test in relation to whistleblowing. This ensures that, in order to benefit from protection, whistleblowing claims must satisfy a public interest test and disclosures which can be characterised as being of a personal rather than a public interest will not be protected

2.4 The above legislation legally protects employees (including those employed in schools maintained by the Council, temporary workers and agency staff), from any detriment from their employer or colleagues that arises as a result of making a "*protected disclosure*" (a qualifying disclosure) in the public interest. This includes protection from harassment, victimisation or dismissal by their employer.

2.5 In making a protected disclosure the employee must:

- reasonably believe that the disclosure they are making is in the public interest;
- reasonably believe that the information detailed and any allegations in it are substantially true; and
- the matter disclosed must fall within the matters prescribed for that regulator

2.6 A disclosure of information is not a protected disclosure if, by making the disclosure, the worker commits an offence such as breaching the Official Secrets Act or Misconduct in public Office.

2.7 Whilst protection under PIDA covers employees and most workers it is not extended to partners, non-executive directors, volunteers or the self-employed. However, the principles outlined in this policy, as far as they can be, will be applied to whistleblowing allegations received from sources other than employees of the Council. As with internally reported cases, particular consideration needs to be given to matters of confidentiality.

3. HOW TO REPORT A WHISTLEBLOWING CONCERN

Making an Internal disclosure

- 3.1 It is the hope and intention of the Council that any employee with a concern about any aspect of the Council's operations or its conduct, feels able to first raise those concerns internally with line management.
- 3.2 The earlier an employee expresses a concern, the easier it will be to take action. Employees should raise a concern as soon they have a reasonable suspicion but are not expected to investigate the concern themselves to prove their suspicions are well-founded. Providing genuine concerns are being raised it does not matter if the employee is mistaken.
- 3.3 Concerns should preferably be made in writing. However raising a concern verbally also counts as whistleblowing. Wherever possible, the information provided should include the background and history of the concern, provide names, dates and places where possible, and the reason why the individual is particularly concerned about the situation.
- 3.4 In accordance with financial regulations all concerns relating to a perceived wrongdoing (as per Appendix A) which are referred to managers must be reported on receipt to the Head of Internal Audit, Anti-Fraud and Assurance. This may be done by the Whistleblower, the receiving manager or the senior manager investigating the allegations.

Whistleblowing Officers

- 3.5 Alternatively, any Council employee who has a concern relating to the Council can report the suspected wrongdoing in one of the following ways:
- contacting one of the Whistleblowing Officers by telephone (there is a voicemail facility if unanswered) :-
Rob Winter, Head of Internal Audit, Anti-Fraud and Assurance, Telephone 775788
Andrew Frosdick, Executive Director Core Services, Telephone 775799
 - using the dedicated 24 hour Whistleblowing hotline - 0800 138 2939
 - writing in to the Whistleblowing Officers using a dedicated P.O. Box :-
Barnsley Metropolitan Borough Council
P.O. Box 320,
Barnsley,
S70 2YL
 - e-mailing one of the Whistleblowing Officers :-
WBO1RWinter (internal)
WBO1RWinter@barnsley.gov.uk (external)
WBO2AFrosdick (internal)
WBO2AFrosdick@barnsley.gov.uk (external)

NB. Should an employee wish to speak to a female officer in detail, this can be arranged through the Whistleblowing Officers.

- 3.6 Any person reporting a concern should provide as much information as possible, including:
- who the allegations are against;
 - details of the nature of the alleged wrongdoing;
 - dates, places and amounts where possible;
 - provide or highlight any evidence they have in support of the allegation;
 - state if the person making the disclosure is an employee of the Council;
 - If not, does the person work in a school;
 - name and contact details (unless they wish to remain anonymous).
- 3.7 Employees and elected members who are raising a concern are not permitted to undertake their own investigations, surveillance or to interview or visit any 'witnesses' as this could jeopardise a formal investigation.
- 3.8 Following a call to the Council's Confidential Reporting Hotline, the respective Corporate Whistleblowing Officer will gather as much information as possible about the concerns raised.
- 3.9 The Council recognises that employees may wish to seek advice from their trade union and indeed may invite their trade union (or professional association) to raise a matter on their behalf.

Whistleblowing by individuals employed in schools

- 3.10 Individuals employed in schools who want to raise a concern should follow the guidance documented in **Appendix E** of this policy.

Making an external disclosure to a prescribed person

- 3.11 A prescribed person is someone identified in regulations who is independent of the employee's organisation, but usually has an authoritative relationship with the organisation, such as a regulatory or legislative body. The link below shows a list of other 'prescribed regulators' to whom a protected disclosure can be made:

[Whistleblowing: list of prescribed people and bodies - GOV.UK](#)

Whistleblowing by members of the public

- 3.12 Members of the public can still contact the Council to report any concerns or disclosures over wrongdoing using the Barnsley MBC website. Allegations or concerns received from members of the public will be treated in the same way. However, unlike disclosures made by employees, protection under PIDA law does not extend to disclosures made by members of the public.

Employees should direct members of the public to the following link:

[Raising a concern via the Barnsley Council website](#)

4. HOW THE COUNCIL WILL RESPOND

- 4.1 The Council will endeavour to formally respond to acknowledge receipt of a disclosure within 5 working days of the concern being received.
- 4.2 A further acknowledgement will be sent within 10 working days to indicate:

- how the Council proposes to deal with the matter; and the policy under which it will be investigated;
 - whether the Council considers it to be a protected disclosure;
 - contact details for the officer handling the investigation;
 - arrangements for confidentiality;
 - an estimate of how long it will take to provide a response on the outcome;
 - any initial enquiries which may have been made;
 - if no action is planned, why not.
- 4.3 The action taken by the Council will depend on the nature of the concern. In order to protect individuals and the Council, initial enquiries will be made to decide whether an investigation is appropriate and, if so, what form it should take. Concerns or allegations that fall within the scope of specific procedures (for example, child protection, disciplinary or discrimination issues) will normally be referred for consideration under those procedures. The matters raised will be investigated internally to establish basic facts. At that stage a decision will be made on whether:-
- to complete the investigation internally; or
 - to refer the matter to the Authority's External Auditor; or
 - to refer the matter directly to the Police; or
 - to organise an independent inquiry; or
 - take no action.
- 4.4 All proposed action should be notified and agreed with the Head of Internal Audit, Anti-Fraud and Assurance and, in consultation with the relevant Senior Manager.
- 4.5 All allegations will be handled confidentially and discreetly by those managers who are directly involved in the investigating process. The ongoing point of contact for the whistleblower will be given in the acknowledgement letter.
- 4.6 If necessary, further information will be sought from the whistleblower. This will depend on the nature of the matters raised, the potential difficulties involved in conducting an investigation and the clarity of the information provided.
- 4.7 At any meeting arranged to discuss an employee's concerns the employee has the right, if they so wish, to be accompanied by their Trade Union representative, work colleague or a friend who is not involved in the area to which the concern relates. Initial contact with the employee(s) may be outside of the work place to protect their identity and, if necessary and mutually acceptable, subsequent meetings may be held away from work and / or outside normal working hours.
- 4.8 Where possible the identity of the person raising the concern will not be divulged during the investigation. Enquiries may be appropriate to ensure that the whistleblower is not themselves subject to any disciplinary proceedings that may undermine the public interest motive for raising a concern.
- 4.9 The Council will do what it lawfully can to minimise any difficulties that an employee may experience as a result of raising a concern. For example, if an employee is required to give evidence in criminal or disciplinary proceedings, the Council will advise the employee about the procedures in terms of what will happen and what will be expected of them.

Anonymous allegations

- 4.10 The Council recognises that there may be circumstances where individuals are worried about being identified when they report concerns about their employer. Concerns

expressed anonymously are more difficult to investigate, and harder to substantiate, and further liaison with the whistleblower is not possible. It is also difficult for an anonymous whistleblower to be protected by the law if they subsequently suffer detrimental treatment.

4.11 Both anonymous allegations and named referrals which include contact details are treated seriously and are considered on the basis of individual merits. Factors that will be taken into consideration when assessing the allegation will include:

- the seriousness of the issues raised;
- the credibility of the concern; and
- the likelihood of confirming the allegations from attributable sources.

5. OUTCOMES

5.1 The Council will, subject to legal constraints, seek to advise the whistleblower on the outcomes of the investigation in order to assure them that that the matter has been properly addressed. The Council will not usually provide the whistleblower with all the details of the investigation outcomes as this could breach others' rights to confidentiality e.g. if disciplinary action has been taken against an individual. Some concerns raised may be resolved by agreed action, once the whistleblower's concerns have been explained, without the need for investigation.

5.2 As all concerns are considered on an individual basis it is possible that a full investigation report is not required for all cases. However, Internal Audit will require confirmation of the outcome of the referral/investigation and any system or control risk issues which arise from it.

5.3 In the event that an investigation report is deemed appropriate, the report will usually be issued by the Investigating Officer to the Executive Director of the department involved and to the Director of Finance (Section 151 Officer). Reporting is restricted as the content of investigation reports could include personal information of others, commercially sensitive information or details of investigation processes and practices the publication of which could prejudice the effective conduct of future investigations.

5.4 Internal Audit may carry out follow up work as a result of any identified areas of risk.

6. SAFEGUARDS

6.1 In order to ensure that allegations are investigated in the right spirit with the right outcome, the following safeguards or principles should be applied in all cases.

Confidentiality

6.2 The Council's Confidential Reporting Policy seeks to protect the identity of the individual making a disclosure wherever possible.

6.3 Records of employee disclosures held by Internal Audit are stored securely. Access to whistleblowing and related investigation records are restricted to specific officers assigned to examine the concerns being raised. Wherever possible the identity of an employee raising a concern will not be revealed as part of an investigation. Should this not be possible the employee will be notified and consent will be sought beforehand.

6.4 Certain disclosures, including those relating to a child at risk or abuse of a vulnerable adult, override the employee's request for confidentiality. The Council is required to

investigate these matters under separate procedures which take priority over any request for confidentiality.

- 6.5 The Council cannot guarantee to protect the identity of an employee raising allegations of serious wrongdoing where a criminal offence has been committed, and legal/prosecution action results from the disclosure. In some cases an employee may have to act as a witness and/or provide evidence in relation to offences which are referred to the Police.

Harassment and Victimisation

- 6.6 The Council acknowledges that the decision to report a concern can be a difficult decision for an employee to take, not least because of the fear of reprisal from those responsible for the malpractice. It is unlawful for an employee to suffer victimisation or harassment for whistleblowing.
- 6.7 The Council will not tolerate harassment or victimisation against an employee who has raised a genuine concern under the Confidential Reporting Policy. Victimisation may include an attempt to identify the person raising the concern. Any employee who victimises a whistleblower will be subject to disciplinary action which may lead to dismissal. An individual may also be personally liable for treating a colleague detrimentally on the grounds that they have raised public interest concerns.
- 6.8 Service Directors and Heads of Service should monitor how identifiable whistleblowers are subsequently treated after raising a matter of concern. They should ensure that any harassment or victimisation is dealt with under disciplinary arrangements.
- 6.9 Any employee who believes they have been victimised as a result of making a disclosure or blowing the whistle should report their concerns to the Executive Director - Core Services.

Malicious allegations

- 6.10 While encouraging employees to bring forward matters of concern, the Council must guard against claims which are malicious. This is because of the risk of claims made to deliberately damage the reputation of other employees, or the Council as a whole, and not least because the cost of undertaking investigations is significant.
- 6.11 If an employee makes an allegation which they reasonably believe is a whistleblowing concern, but it is not confirmed by the investigation, no action will be considered or taken against them. However, if an employee makes false, malicious or vexatious allegations this will be treated as a serious disciplinary offence and disciplinary action will be taken. The PIDA only offers protection from dismissal or detriment if the worker reasonably believes their disclosure was made in the public interest.

Misuse of the policy

- 6.12 The Confidential Reporting (Whistleblowing) Policy is not designed to allow:
- individuals who have acted inappropriately to escape punishment by highlighting any malpractices they were involved in;
 - employment protection in relation to a redundancy situation or pre-existing disciplinary issues as a result of reporting a wrongdoing;
 - an individual to raise a concern for some private or personal motive.

7. DATA PROTECTION AND FOI

- 7.1 The Freedom of Information Act 2000 gives a general right of access to all types of recorded information held by public authorities. As such the Council often receives requests for information under the Freedom of Information Act.
- 7.2 The Council has a legal obligation to provide the information unless it falls under one of the exemptions of the Act.
- 7.3 The Freedom of Information Act contains exemptions which may be applicable to permit the withholding of information identifying the whistleblower, including:
- Section 40: Personal Data;
 - Section 41: Information which, if disclosed, would give rise to an actionable breach of confidence
- 7.4 Many people making a disclosure to the Council will wish to protect their identity and the Council will always seek to protect the identity of individuals during the course of an investigation. If the Council receives a request for information identifying a whistleblower, the Council will contact the whistleblower to seek their views beforehand and will, wherever possible, seek to comply with those views.
- 7.5 The principle of maintaining confidentiality should also be applied to the identity of any individual who may be the subject of a disclosure.
- 7.6 When processing personal data as part of a whistleblowing investigation, the Council will take all necessary precautions to protect such data and not share it more widely than is necessary as part of the investigation. The Council will apply the General Data Protection Regulations and the Data Protection Act 2018 in all aspects of any whistleblowing investigation.

8. MONITORING OF WHISTLEBLOWING COMPLAINTS

- 8.1 The Head of Internal Audit, Anti-Fraud and Assurance will maintain a central record of all whistleblowing referrals made under this policy and monitor the outcome of these cases. The collection, monitoring, review and storage of these records will at all times be carried out within the safeguarding principles set out at Section 7 of this policy.
- 8.2 As such, the receiving manager should report details of any allegation to the Head of Internal Audit, Anti-Fraud and Assurance who will log and allocate each case a reference number whether or not Internal Audit are involved in the investigation work. The outcome of the investigation should be notified to Internal Audit by the Investigating officer.
- 8.3 The records held by the Head of Internal Audit, Anti-Fraud and Assurance will be used to analyse the impact and effectiveness of the arrangements in place in statistical terms. The detailed case records form part of the process of reporting back to Members on the effectiveness and outcomes of the Policy and form the record of actions taken in the case of any concerns raised under the PIDA. This information will be referred to for monitoring purposes and periodic assurance reports provided to the Audit Committee as part of this process.
- 8.4 The Chief Executive has overall responsibility for the maintenance and operation of this policy. In accordance with its Terms of Reference for the oversight of the internal control and governance framework of the Authority, the Audit Committee will review this Policy and consider its effectiveness through a process of periodic review.

8.5 A Confidential Reporting (Whistleblowing) record sheet (**Appendix C**) should be used to record a summary for each case. A copy should be sent to Internal Audit's Corporate-Anti Fraud Team and one retained with the investigation paperwork on completion.

9. HOW THE MATTER CAN BE TAKEN FURTHER

9.1 This policy is intended to provide employees with an avenue to raise concerns within the Council and be satisfied with the Council's response. However, should an employee feel dissatisfied with the Council's response, and feels it is right to take the matter outside the Council, they can do so. Contact can be made through one of the following contact points:-

- the Authority's External Auditors, Grant Thornton UK LLP:
 - Leeds Office: - 1 Whitehall Riverside, Leeds LS1 4BN:
Telephone 0113 245 5514;
 - Gareth Mills (Key Audit Partner): - 1 Whitehall Riverside, Leeds LS1 4BN:
Telephone 0113 200 2535
- the relevant professional bodies or regulatory organisation ;
- the whistleblowing charity 'Protect' (refer to the Note below);
- Trade Union;
- a Solicitor, or
- the Police.

Note – Protect can also be contacted should someone wish to seek independent advice about how best to raise a concern (appendix B – Frequently Asked Questions provides contact details). Seeking this independent advice would not constitute legal notification to the Council.

9.2 It should be remembered that failing to raise the matter within the Council first may result in the disclosure being unprotected within the provisions of the Public Interest Disclosure Act 1998.

9.3 Employees who are in any doubt regarding the provisions of the Policy should contact Human Resources. Advice as to whether or how a matter should be raised should be sought by contacting one of the Whistleblowing Officers.

10. TRAINING AND AWARENESS

10.1 Service Directors and Heads of Service are responsible for ensuring that their employees are aware of the Confidential Reporting Policy and process and that any training needs are addressed which may arise from the application of the policy. Raising awareness of the Council's Confidential Reporting Policy should form part of the induction training for all employees and should be addressed as refresher training for all employees.

10.2 Employees have a responsibility to ensure that they are aware of and understand the Council's policy in relation to Whistleblowing.

EXAMPLES OF WHISTLEBLOWING

Concerns around suspected wrongdoing, malpractice, illegality or risk in the workplace may include:

- criminal offences (actual or potential);
- failure to comply with a legal duty;
- miscarriages of justice;
- fraud or corruption;
- a misuse or theft of Council money, physical assets or the abuse of working arrangements;
- abuse of authority/position;
- serious breaches of Council policy or procedure, including but not limited to, Council Financial Regulations, Contract Standing Orders, Corporate Anti-Bribery Policy, Recruitment Procedures;
- a misuse or abuse of the Council's computers, its systems, data or information;
- unethical conduct and actions deemed unprofessional or inappropriate (this could include, but is not limited to, the malpractice in dealing with or mistreatment of a client of the Council; breaches of regulations requiring school governors to 'act with integrity, objectivity and honesty and in the best interests of the school' and breaches of the 'Nolan Principles' which are the basis of ethical standards expected of public office holders (**Appendix D**);
- the health and safety of any individual has been, or is likely to be, endangered;
- the environment has been, is being or is likely to be, damaged (as a result of the Council's actions or inactions); and
- information about any of the above has been, is being, or is likely to be, deliberately concealed.

FREQUENTLY ASKED QUESTIONS

What is the difference between whistleblowing and making a complaint or a grievance?

In general terms, whistleblowing occurs when an employee raises a concern about danger or illegality that affects others and which has a public interest dimension to it. The person blowing the whistle is usually not directly, personally affected by the danger or illegality. Consequently, the whistleblower rarely has a personal interest in the outcome of any investigation into their concerns. As a result, the whistleblower should not be expected to prove their case; rather he or she raises the concern so others can address it.

A grievance or private complaint is, by contrast, a dispute about the employee's own employment position and has no additional public interest dimension. When someone complains, they are saying that they have personally been poorly treated. This poor treatment could involve a breach of their individual employment rights or bullying and the complainant is seeking redress or justice for themselves. The person making the complaint therefore has a vested interest in the outcome of the complaint, and, for this reason, is expected to be able to prove their case.

For example – bullying and discrimination issues should be dealt with under the respective policy or under grievance procedure

Can concerns be raised confidentially or anonymously?

The Council encourages whistleblowers to identify themselves and raise concerns openly. Openness makes it easier for the Council to assess the issue, work out how to investigate the matter, understand any motive and get more information. The effectiveness of any whistleblowing investigation may be limited where an individual chooses not to be identified.

An individual raises a concern confidentially if he or she gives his or her name on the condition that it is not revealed without their consent. An individual raises a concern anonymously if he or she does not give his or her name at all. Clearly, if the Council does not know who provided the information, it is not possible to reassure or protect them.

Does the Public Interest Disclosure Act (PIDA) require an employer to keep a whistleblower's identity secret?

The simple answer is no. PIDA contains no specific provision on confidentiality. The protections within the Act can be deemed to encourage employees to raise issues openly. A good whistleblowing policy will provide a confidential port of call for a worried employee and employers should respect any promise of confidentiality they make. However in some cases it will be impossible to take action on the concern without the open testimony of a whistleblower. Further it may later become necessary to waiver anonymity because of the course of the investigation for example if the matter has had to be referred to the police

Am I protected from dismissal if I blow the whistle?

It is unlawful to dismiss an employee for the reason that they have blown the whistle. This would be an unfair dismissal. As long as disclosures meet the legal tests an employee should not be dismissed for raising concerns.

The types of whistleblowing eligible for protection as qualifying disclosures are provided at **Appendix A.**

Who is protected?

The following people are protected:

- employees;
- agency workers;
- people who are training with an employer, but not employed.

A worker will be eligible for protection if:

- they honestly think what they're reporting is true;
- they are telling the right person;
- they believe that their disclosure is in the public interest.

Who is not protected?

An employee will not be afforded protection if:

- they break the law when they report something, for example because they signed the Official Secrets Act;
- they were part of the wrongdoing;
- they found out about the wrongdoing when someone wanted legal advice ('legal professional privilege'), for example if they are a solicitor;
- it is not in the public interest

Workers who are not employees cannot claim unfair dismissal because of whistleblowing, but they are protected and can claim 'detrimental treatment'.

What information should a whistleblower provide?

Supporting evidence for the allegations, if available, is clearly helpful. However, the law does not require individuals to have evidence before reporting the matter, but it does say that the individual must reasonably believe the information is substantially true.

Individuals should report concerns to line management or other at the earliest opportunity rather than wait to collate any evidence.

Whistleblowers are encouraged to provide their contact details to allow the Council to seek further information, where necessary and advise on outcomes

Where can I get independent advice?

Free, independent, confidential advice and information about PIDA law can be obtained from the Whistleblowing Charity 'Protect' (formally Public Concern at Work). The charity runs a UK helpline on their advice line tel: 020 3117 2520 or visit their website www.protect-advice.org.uk.

CONFIDENTIAL <u>BARNSLEY METROPOLITAN BOROUGH COUNCIL</u> <u>CONFIDENTIAL REPORTING (WHISTLEBLOWING) CASE RECORD</u>	
Date the concern / allegation received	
Name, Job title and contact details of the officer receiving the referral/concerns	
Directorate Involved	
How the report was received (verbal / written)	
Does the individual raising the concern wish to remain anonymous?	
If not, details of officer raising concern / allegation i.e. name, job title, contact details etc.	
Was confidentiality requested / explained or promised?	
A summary of the concern / allegation raised:	

<p>CONFIDENTIAL</p> <p>BARNSLEY METROPOLITAN BOROUGH COUNCIL</p> <p><u>CONFIDENTIAL REPORTING (WHISTLEBLOWING) CASE RECORD</u></p>	
<p>Has formal acknowledgement been provided to the employee in line with the Policy?</p> <p>(Acknowledgement of receipt within 5 working days with a further acknowledgement sent within 10 working days)</p>	
<p>Date reported to Head of Internal Audit and Corporate Anti-Fraud</p>	
<p>Officer(s) handling the investigation:</p> <p>(Name(s) and job title(s))</p>	
<p>Summary outcome of investigation:</p> <p>(Proved / not proved, action plans, recommendations)</p>	
<p>Date notification of outcome provided to the employee raising the concern / allegation:</p>	
<p>Papers retained (location), responsible officer and review date:</p>	

SEVEN NOLAN PRINCIPLES

The following are the Seven Nolan Principles underpinning standards for Public Life:

The principles of public life apply to anyone who works as a public office-holder. This includes all those who are elected or appointed to public office, nationally and locally, and all people appointed to work in the civil service, local government, the police, courts and probation services and in the health, education, social and care services. All public office-holders are both servants of the public and stewards of public services. The principles also have application to all those in other sectors delivering public services.

1. Selflessness: Holders of public office should act solely in terms of the public interest.
2. Integrity: Holders of public office must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves, their family, or their friends. They must declare and resolve any interests and relationships.
3. Objectivity: Holders of public office must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias.
4. Accountability: Holders of public office are accountable to the public for their decisions and actions and must admit themselves to the scrutiny necessary to ensure this.
5. Openness: Holders of public office should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing.
6. Honesty: Holders of public office should be truthful.
7. Leadership: Holders of public office should exhibit these principles in their own behaviour. They should actively promote and robustly support the principles and be willing to challenge poor behaviour wherever it occurs.

Source: The Committees website is at <http://www.public-standards.gov.uk/>

WHISTLEBLOWING BY INDIVIDUALS EMPLOYED IN MAINTAINED SCHOOLS

1. Individuals employed in schools which fall under the Council's confidential reporting policy arrangements include those employed in schools maintained by the Council i.e. the Council is the legal employer.
2. Each locally managed school should have their own whistleblowing policy and reporting arrangements which reflect the principles and requirements set out in the Council's Policy. In most cases, school based staff are encouraged to raise their concerns in accordance with the schools own reporting procedures, rather than directly to the Council.
3. However, if the employee has a concern which they feel they cannot discuss with the management of the school or have good reason to believe that their complaint or disclosure will not be properly handled, then they may report their concerns directly to the Council or prescribed regulator using the Council's whistleblowing reporting procedures.
4. **Safeguarding** – any concerns relating to a child protection issue should be reported to the Local Authority Designated Officer (LADO) and in line with the specific guidelines outlined in the school's safeguarding policy. Further information is available on the Council's website:

[Safeguarding Children](#)
[Local Authority Designated Officer](#)

5. The Confidential Reporting Policy is not to be used where other more appropriate reporting procedures are available within school, for example, in relation to any grievance relating to employment matters or to make a general complaint in relation to the school.
6. The Council expects schools to respond to a disclosure or allegation in the same way as the Council would respond. The Headteacher or Chair of Governors would be expected to seek advice as necessary from the Council.
7. Internal Audit's Corporate Anti-Fraud Team can offer advice and support to schools on the approach to be taken to investigate whistleblowing allegations to ensure concerns are properly addressed.
8. The action taken by schools in response to allegations made will depend on the nature and seriousness of the concern. Where appropriate, the matters raised may be:
 - investigated by school management, or the Council's Internal Audit Service;
 - referred to the Police;
 - referred to the External Auditor;
 - subject of an independent enquiry.
9. For monitoring purposes the Headteacher or Chair of Governors must report (at the earliest opportunity) details of all whistleblowing allegations or suspicions of fraud, theft or corruption made within school to the Council's Head of Internal Audit, Anti-Fraud and Assurance. Internal Audit's Corporate Anti-Fraud Team will monitor the outcome of all cases, including action taken to reduce the risk of reoccurrence.
10. Employees who wish to raise concerns over practices in other schools should report these directly to the Council.

11. This policy does not extend to staff employed in **Voluntary Aided Schools** as, in these schools; the governing body is the employer and not the Council. Each school should have their own whistleblowing policy and arrangements for reporting, logging and investigating concerns. The governing body must decide how employees and workers may make a qualifying disclosure under PIDA or raise an allegation of wrongdoing.
12. The Council's ability to legally investigate disclosures of serious wrongdoing in voluntary aided schools is reduced unless the allegations relate to safeguarding matters, Special Educational Needs and/or financial mismanagement concerns. The Council should be notified of details of all concerns reported in relation to these matters.
13. **Academy Schools** should adopt their own whistleblowing policy and procedures as the Council has no legal power to investigate, except for those concerns relating to safeguarding issues and Special Educational Needs.
14. The Council will acknowledge receipt any disclosures received relating to these institutions and advise whistleblowers on an appropriate course of action regarding concerns raised. If the disclosure relates to serious wrongdoing in respect of safeguarding issues involving children or vulnerable adults the Council has a legal obligation to investigate and will do so irrespective of the status of the school.
15. Any notifications that are received in relation to locally managed schools will be logged and monitored by Internal Audit Services. Whilst the Council may not investigate every concern raised (as this may be undertaken by the individual school concerned), logging the issues enables the Council to monitor progress and where possible deal with the concerns having regard to any legal obligations or duty of care in relation to the school.

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Corporate Anti-Money Laundering Policy (and Guidance)

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1. INTRODUCTION

- 1.1 The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (referred to throughout this policy as MLR 2017) came into force on 26 June 2017. They implement the EU's 4th Directive on Money Laundering. In doing so, they replace the Money Laundering Regulations 2007 and the Transfer of Funds (Information on the Payer) Regulations 2007 which were previously in force.
- 1.2 Barnsley Council is committed to establishing and maintaining effective arrangements to prevent and detect attempts to launder money using Council services. The Council requires all Members and employees to demonstrate the highest standards of honesty and integrity and this includes compliance with appropriate legislation. The Council is committed to working constructively with the Police and other relevant agencies in relation to combating money laundering and ensuring compliance with the legislation.
- 1.3 This policy is designed to set out the Council's approach to money laundering prevention and associated reporting and should be read in conjunction with the Council's Anti-Fraud and Corruption Policy. The Council will seek to ensure the corporate stance on money laundering is widely publicised and that employees and Members have access to the appropriate guidance. Failure to comply with the procedures set out in this document may constitute a disciplinary and/or criminal offence.

2. SCOPE

- 2.1 This policy applies to all employees of the Council, including temporary and agency staff as well as those employed in locally maintained schools. It contains specific sections to advise employees of the process to be followed to enable the Council to comply with its legal obligations. This policy is also applicable to elected members where any suspicions of money laundering activity are noted or come to light
- 2.2 The aim of the policy is to ensure all appropriate action is taken to prevent, wherever possible, the Council, its Members and employees from being exposed to money laundering and to comply with all legal and regulatory obligations.

3. WHAT IS MONEY LAUNDERING?

- 3.1 Money Laundering is the process by which criminally obtained money or other criminal property is exchanged for "clean" money or other assets with no obvious link to their criminal origins. The term is used for a number of offences involving the integration of "dirty money" (i.e. the proceeds of crime) into the mainstream economy. The aim is to legitimise the possession of such monies through circulation and this effectively leads to "clean" funds being received in exchange. It is a favoured method of organised criminals and terrorists.
- 3.2 The term "Money Laundering" describes offences involving the integration of the proceeds of crime, or terrorist funds, into the mainstream economy. Such offences are defined under The Proceeds of Crime Act 2002 and the primary ones are listed below;
 - Concealing, disguising, converting or transferring criminal property or removing it from the UK;

- Entering into or becoming concerned in an arrangement which you know or suspect facilitates the acquisition, retention, use or control of criminal property by or on behalf of another person;
- Acquiring, using or possessing criminal property;
- Failure to disclose knowledge or suspicion of another person(s) involvement in money laundering; and
- Tipping off (a person) or making a disclosure which is likely to prejudice an investigation being carried out by a law enforcing authority, knowing that such an investigation is in motion.

Further details are provided in **Appendix A: Offences Table**:

- 3.3 Offences cover a range of activities (not necessarily involving money or laundering) regarding the proceeds of crime. This means that potentially any employee or Member, irrespective of what sort of Council business they are undertaking, could commit an offence if they become aware of, or suspect the existence of criminal property, irrespective of the size of the benefit gained, and/or fail to report their concerns.
- 3.4 Where an employee/Member suspect money laundering and report, or are aware that someone else has, they must exercise caution in what is discussed with others as a further offence of “tipping off” may be committed if, knowing or suspecting a disclosure has been made, the employee/Member take any action which is likely to prejudice any investigation that may be conducted.
- 3.5 It is impossible to give a definitive list of ways in which to spot money laundering or how to decide whether to make a report. Money laundering activity may range from a single act such as the use of criminal funds to pay an invoice to multiple payments to an account to “launder” money in smaller chunks to avoid checks and suspicions. They can even involve sophisticated schemes involving multiple parties and multiple methods of handling and transferring criminal property, as well as concealing it, and entering into arrangements to assist others to do so.
- 3.6 Council employees need to be alert to the risks of money laundering in any of its many forms. Facts which tend to suggest that something ‘odd’ is happening may be sufficient for a reasonable suspicion of money laundering to arise. Risk factors which may, either alone or cumulatively with other factors suggest the possibility of money laundering activity are provided at **Appendix B: Possible Signs of Money Laundering**.
- 3.7 Potentially any employee or Member could be caught by the money laundering provisions if they suspect money laundering and either become involved with it in some way and/or do nothing about it. They may be liable to prosecution and, if convicted of one of the offences listed above, may receive an unlimited fine and up to 14 years imprisonment. (Section 7 of this document provides guidance regarding the reporting of, and implications of the failure to report, suspicions of money laundering).

4. REQUIREMENTS OF THE MONEY LAUNDERING LEGISLATION

- 4.1 The MLR 2017 imposes specific obligations on “relevant persons”.
- 4.2 The term relevant person relates to the following activities carried out in the course of business; tax advice; accounting services; treasury management; investment or other financial services; credit institutions; audit services; legal services; estate agents; services involving the formation, operation or arrangement of a company or trust; dealing in goods wherever a transaction involves a cash payment equivalent to €15,000 or more.
- 4.3 The obligations include the following requirements:
- Appoint a Money Laundering Reporting Officer (**MLRO**).
 - Obtain sufficient knowledge to ascertain the true identity of customers in certain circumstances, by applying **customer due diligence** measures.
 - Know the intended nature of business relationships and undertake ongoing monitoring of them (to identify **unusual transactions**).
 - Implement a procedure for assessing and controlling risk and **reporting suspicions** of money laundering.
 - Maintain **record keeping** procedures (e.g. for evidence of identity obtained, details of transactions undertaken, for at least 5 years afterwards).
- 4.4 Local Authorities are not directly covered by the requirements of the MLR 2017. However, some activities undertaken by local authorities could be included within the scope of the regulations and guidance from finance and legal professions, including the Chartered Institute of Public Finance and Accounting (CIPFA), indicates that public service organisations should comply with the underlying spirit of the legislation and regulations and put in place appropriate and proportionate anti-money laundering safeguards and reporting arrangements.
- 4.5 To ensure compliance with the regulations and legislation, the Council are considered a relevant person when acting in the course of business and activities carried out by them.
- 4.6 The European Union’s 4th Money Laundering Directive requires a focus on risk assessments in relation to anti-money laundering; in particular the need to evidence that an organisation’s exposure to risk is considered as part of ongoing business. As such Heads of Service should maintain engagement with Internal Audit as business operations change with regard to undertaking appropriate and proportionate assessments.

5. THE MONEY LAUNDERING REPORTING OFFICER (MLRO)

- 5.1 If an individual becomes aware that their involvement in a matter may amount to money laundering then they must report it to the Money Laundering Reporting Officer (MLRO) and not take any further action until they have received consent from the MLRO, who may have to be granted such consent by the National Crime Agency.
- 5.2 The Council has designated the Head of Internal Audit, Anti-Fraud and Assurance as the MLRO:

Rob Winter Telephone Number: 01226 773241
Email: robwinter@barnsley.gov.uk

The Service Director Finance has been designated as Deputy MLRO:

Neil Copley Telephone Number: 01226 773237
Email: NeilCopley@Barnsley.gov.uk

5.3 The MLRO is responsible for:

- receiving internal suspicious activity reports (SARS) from within the Council;
- deciding whether these should be reported to the NCA;
- if appropriate making such reports to the NCA; and
- providing guidance and advice as necessary on money laundering matters/issues.

5.4 The MLRO will retain copies of the internal reports and copies of the decisions taken on each of the reports

6. CUSTOMER DUE DILIGENCE PROCEDURE

What is Due Diligence?

6.1 Regulations 27 and 28 of the MLR 2017 requires the Council to take steps to identify its customer and verify they are who they say they are. This is known as customer due diligence and, in practice, means obtaining a customer's:

- name
- photograph on an official document which confirms their identity
- residential address and date of birth

6.2 The best way to do this is to ask for a government issued document like a passport, along with utility bills, bank statements and other official documents. Other sources of customer information include the electoral register and information held by credit reference agencies such as Experian and Equifax.

6.3 In certain situations it may be necessary to identify the 'beneficial owner'. This may be because someone else is acting on behalf of another person in a particular transaction, or it may be because the ownership structure of a company, partnership or trust needs to be established.

6.4 As a general rule, the beneficial owner is the person who is behind the customer and who owns or controls the customer, or, it is the person on whose behalf a transaction or activity is carried out.

6.5 Officers must stop dealing with customers where there are doubts about identity.

Customer Due Diligence when Establishing a Business Relationship

6.6 A business relationship is one commenced where both parties expect that the relationship will be ongoing. It can be a formal or an informal arrangement.

- 6.7 The following information is required when establishing a new business relationship:
- the purpose of the relationship
 - the intended nature of the relationship - for example where funds will come from, the purpose of transactions, and so on
- 6.8 The type of information needed may include:
- details of your customer's business or employment
 - the source and origin of funds that your customer will be using in the relationship
 - copies of recent and current financial statements
 - details of the relationships between signatories and any underlying beneficial owners
 - the expected level and type of activity that will take place in your relationship
- 6.9 A flowchart summarising the customer due diligence procedure is shown at **Appendix C** and a Verification of Customer Identity form is shown at **Appendix D**.

When is it Carried Out?

- 6.10 The requirement for customer due diligence applies immediately for new customers. However, it also allows organisations to vary customer due diligence according to the risk of money laundering or terrorist financing, depending on the type of customer, business relationship, product or transaction. This recognises that not all customers present the same risk, for example there is no need to apply customer due diligence measures where the customer is a UK public authority
- 6.11 Ongoing customer due diligence must be carried out during the life of a business relationship, proportionate to the risk of money laundering and terrorist funding, based on the officer's knowledge of the customer, regular scrutiny of the transactions involved and any changes of circumstances with the customer e.g. a big change in the level or type of business activity or a change in the ownership structure of a business.
- 6.12 Where there is a need to not interrupt the normal conduct of business and there is little risk of money laundering occurring and terrorist funding occurring, verification may be carried out during the establishment of the business relationship provided that the verification is completed as soon as practicable after the contact is first established

Enhanced Due Diligence (EDD)

- 6.13 Regulation 33(1) sets out a list of circumstances in which EDD measures must be applied (in addition to the customer due diligence measures detailed above).
- 6.14 These include any transaction or business relationship involving:
- any case identified as one where there is a high risk of money laundering or terrorist financing
 - any business relationship or transaction with a person established in a high-risk third country;
 - correspondent relationships with a credit institution or a financial institution (in accordance with regulation 34);

- a **Politically Exposed Person** (PEP) or a family member or known close associate of a PEP;
- in any case where the relevant person discovers that a customer has provided false or stolen identification documentation or information and the relevant person proposes to continue to deal with that customer;
- in any case where:
 - a transaction is complex and unusually large, or there is an unusual pattern of transactions, and
 - the transaction or transactions have no apparent economic or legal purpose, and
 - in any other case which by its nature can present a higher risk of money laundering or terrorist financing.

- 6.15 Under the regulations EDD measures must include, as a minimum, examining the background and purpose of the transaction and increasing monitoring of the business relationship.
- 6.16 Regulation 33(6) sets out a list of factors that must be taken into account in assessing whether there is a higher risk of money laundering and terrorist financing present in a given situation and the extent of EDD measures that should be applied. Whilst these factors should be taken into account, the situation should be considered as a whole i.e. the presence of one or more of the risk factors identified in 33(6) is not in itself determinative of a higher risk situation.

Politically exposed persons (PEPs)

- 6.17 The parts of MLR 2007 which applied only to foreign PEPs now also apply to local PEPs. This in practice means enhanced due diligence requirements for a broader range of individuals who have been trusted with prominent public functions both in the UK and overseas.

Simplified Customer Due Diligence

- 6.18 The circumstances in which simplified customer due diligence is permissible is more restricted under MLR 2017.
- 6.19 As part of the risk based approach, there ceases to be "automatic" simplified due diligence requirements for any transactions. Instead, a relevant person needs to consider both customer and geographical risk factors in deciding whether simplified due diligence is appropriate.
- 6.20 Simplified due diligence is permitted where you determine that the business relationship or transaction presents a low risk of money laundering or terrorist financing, taking into account your risk assessment.

Service Managers Responsibilities

- 6.21 The Council does not normally in the course of most of its duties undertake "regulated activities" for which additional checks and measures are necessary ("*due diligence*" checks). However, some Council activities are considered to be higher risk. On such transactions we

must ensure that we comply with the spirit of the money laundering regulations. These activities include (but are not limited to):

- Any advice given on tax affairs or accounting / auditing services done for other parties;
- Legal services;
- Property sales (commercial and those of housing stocks);

6.22 It is the responsibility of service managers to ensure that their systems of internal control are robust and that employees are appropriately trained in respect of money laundering. It is also the responsibility of service managers to ensure that appropriate due diligence checks are undertaken on any relevant transactions.

7. REPORTING PROCEDURE FOR SUSPICIONS OF MONEY LAUNDERING

7.1 Where an employee or Member suspects money laundering activity they must disclose this as soon as practicable to the MLRO. The disclosure should be within “hours” of the information coming to your attention, not weeks or months later.

7.2 Disclosures should be made to the MLRO using the standard pro-forma report attached at Appendix E. The report must include as much detail as possible, for example:

- Full details of the people involved (including employee or Member, if relevant);
- Full details of the nature of their involvement;
- The types of money laundering activity involved (see Appendix A, Offences Table);
- The dates of such activities, including whether the transactions have happened, are ongoing or are imminent;
- Where they took place;
- How they were undertaken;
- The (likely) amount of money/assets involved;
- Exactly why there are suspicions; the NCA will require full reasons;
- Any other relevant available information to enable the MLRO to make a sound judgment as to whether there are reasonable grounds for knowledge or suspicion of money laundering and to enable them to prepare their report to the NCA, where appropriate.

7.3 If an employee or Member becomes concerned that their own involvement in a transaction would amount to an offence under Sections 327 – 329 of the Proceeds of Crime Act 2002 or Regulations 86-88 of the MLR 2017 (see appendix A), then the report must include all relevant details. Consent will be required from the NCA, via the MLRO, for the individual to take any further part in the transaction. This is the case even if the customer gives instructions for the matter to proceed before such consent is given. Employees and Members should therefore make it clear in the report if such consent is required and clarify whether there are any deadlines for giving such consent e.g. a completion date or court deadline.

7.4 Once the matter has been reported to the MLRO then any subsequent directions provided must be followed. Further enquiries into the matter should not be made by the employee or Member; any necessary investigation will be undertaken by the NCA.

- 7.5 Reference of any reports being made to the MLRO should not be recorded on client files – should the client exercise their right to see their records, then such a note/reference will tip them off to the report having been made and may render the employee or Member liable to prosecution. The MLRO must keep the appropriate records in a confidential manner
- 7.6 Suspicions of money laundering, whether reported to the MLRO or not, must not be discussed with anyone else. Any discussions may amount to an offence of ‘tipping off’. Any person found guilty of tipping off or prejudicing an investigation offence is liable to imprisonment (maximum five years), a fine or both.
- 7.7 A new criminal offence was created in 2017: any individual who recklessly makes a statement in the context of money laundering which is false or misleading commits an offence punishable by a fine and/or up to 2 years’ imprisonment.

8. **CONSIDERATION OF DISCLOSURE**

- 8.1 The MLRO must note on the face of the disclosure report the date it was received, acknowledge receipt of the document and advise the employee or Member submitting the report of the timescale for a response.
- 8.2 The MLRO will consider the report and any other relevant internal information available, for example:
- reviewing other transaction patterns and volumes;
 - the length of any business relationship involved;
 - the number of any one-off transactions and linked one-off transactions; and
 - any identification evidence held.
- 8.3 The MLRO will undertake other reasonable enquiries considered appropriate in order to ensure that all available information is taken into account in deciding whether a report to the NCA is required. The MLRO may also need to discuss the disclosure report with the employee or Member who submitted the report.
- 8.4 Once the MLRO has evaluated the disclosure report and any other relevant information, he must make a timely determination as to whether:
- there is actual or suspected money laundering taking place; or
 - there are reasonable grounds to know or suspect that is the case and;
 - whether they need to seek consent from the NCA for a particular transaction to proceed.
- 8.5 Where the MLRO suspects money laundering is taking place then they must disclose the matter as soon as practicable to the NCA on their standard report form and in the prescribed manner, unless they have a reasonable excuse for non-disclosure to the NCA (for example, you wish to claim legal professional privilege for not disclosing the information). Up to date forms can be downloaded from the NCA website at www.nationalcrimeagency.gov.uk
- 8.6 Where the MLRO considers no money laundering is taking place or suspects money laundering but has a reasonable excuse for non-disclosure, then he must note the report

accordingly and can then immediately give their consent for any ongoing or imminent transactions to proceed. However, it's better to disclose than not.

- 8.7 In cases where legal professional privilege may apply, the MLRO must liaise with the Service Director, Legal Services, to decide whether there is a reasonable excuse for not reporting the matter to the NCA.
- 8.8 Where consent is required from the NCA for a transaction(s) to proceed, then the transaction(s) in question must not be undertaken, completed or proceed until the NCA has specifically given consent, or there is deemed consent through the expiration of the relevant time limits without objection from the NCA.
- 8.9 Consent will be received in the following way:
- **Specific consent** (where the NCA have granted a defence against money laundering charges in their reply to the SAR);
 - **No refusal of consent during the notice period** (seven working days starting with the first working day after the MLRO makes the disclosure). If a reply from the NCA is not received within 7 working days and the MLRO believes the activity has been correctly reported, s/he can choose to assume a defence is granted;
 - Where the NCA reply to the SAR refusing permission to proceed, they have a further 31 calendar days to take action. If a **response has not been received after the 31 days**, the MLRO can proceed with the transaction. No offence will be committed.
- 8.10 The MLRO should therefore make it clear in the report if such consent is required, and clarify whether there are deadlines for giving such consent, e.g. completion date or court deadline.
- 8.11 Where the MLRO concludes that there are no reasonable grounds to suspect money laundering then the MLRO shall mark the report accordingly and give her consent for any ongoing or imminent transaction(s) to proceed.
- 8.12 All disclosure reports referred to the MLRO and reports made by them to the NCA must be retained by the MLRO in a confidential file kept for that purpose, for a minimum of five years.
- 8.13 The MLRO may commit a criminal offence under section 331 of the Act if he knows or suspects (or has reasonable grounds to do so) through a disclosure being made, that another person is engaged in money laundering and does not disclose this as soon as practicable to the NCA.

9. RECORD KEEPING AND RECORD RETENTION

- 9.1 Each department undertaking due diligence checks MUST maintain records of the checks carried out including copies of any evidence obtained to support the transactions / due diligence assessment. This is to meet the requirements of the Regulations and may be used as evidence in any subsequent investigation/inspection by the relevant supervising body.
- 9.2 The precise nature of the records is not prescribed by law; however, they must be capable of providing an audit trail during any subsequent investigation. For example distinguishing

the customer and the relevant transaction and recording in what form any funds were received or paid. In practice, the business units of the Council will be routinely making records of work carried out for customers in the course of normal business and these should suffice in this regard.

- 9.3 On **NO ACCOUNT** should a record of or any mention of, or, any referrals to, the Money Laundering Reporting Officer be kept / mentioned on a customer's file. The file must not contain details of any such suspicions as the file can be reviewed by the customer at any time and it is important that the customer is not "tipped off" about any allegations accidentally.
- 9.4 Records must be kept for a minimum of 5 years to allow for any investigation to take place.
- 9.5 A record of the destruction of such information (including the money laundering reporting form) must also be kept in line with normal Council procedures.

10. DATA PROTECTION CONSIDERATIONS

- 10.1 Regulation 41 of the MLR 2017 states that any personal data obtained by relevant persons for the purposes of these Regulations may only be processed for the purposes of preventing money laundering or terrorist financing.
- 10.2 In addition, new customers must be provided with the following information before establishing a business relationship or entering into an occasional transaction with the customer:
- the information specified in paragraph 2(3) of Part 2 of Schedule 1 to the Data Protection Act 1998 and
 - a statement that any personal data received from the client will only be processed for the purposes of the preventing money laundering or terrorist financing unless permitted by an enactment or unless they provide consent.
- 10.3 Under data protection regulations any customer may ask to see the information held about them. This is called a Data Subject Access Request, and, under the law, this information must be provided. However, the regulations (both the General Data Protection Regulation and its predecessor) contain exemptions.
- 10.4 Exceptions apply in this case, where the release of the data would likely prejudice the prevention and detection of a crime or would cause the body releasing the information to actually commit a crime in doing so. As a result, money laundering referrals are usually exempt from any such subject access request, which is why the referral should not be documented on the customer's file. However, this does not prevent the release of all of the customer's information. Advice on the application of exemptions in this respect should be taken before any release of the information takes place.

11. RISK ASSESSMENT

- 11.1 Regulation 18 of the MLR 2017 requires the Council to identify, assess and manage the risk to council business in relation to Money Laundering.

11.2 This process is outlined in the corporate risk process framework and include:

- Identifying the money laundering and terrorist financing risks that are relevant to the Council;
- Assessing the risks presented by the particular customers, products and services, delivery channels and geographical area;
- Designing and implementing controls to manage and mitigate these assessed risks.

The risk assessment procedures and controls should be documented and kept under regular review.

11.3 The Council is also required to conduct ongoing monitoring of its business relationship in line with the risks which it has identified. This includes:

- Applying customer due diligence measures to verify the identity of customers and any beneficial owners obtaining additional information on customers,
- Conducting ongoing monitoring of the transactions and activity of customers with whom there is a business relationship,

11.4 Risks will be reviewed continuously as part of the annual review of the Council Risk Register.

11.5 For further advice or help in developing/considering money laundering risk contact the Head of Internal Audit, Anti-Fraud and Assurance.

12. TRAINING

12.1 Employees considered likely to be exposed to suspicious situations, will be made aware of these by their senior officer and provided with appropriate training.

12.2 Additionally, all employees and Members will be made aware of the legal and regulatory requirements relating to money laundering and terrorist financing, and the requirements of data protection, which are relevant to the implementation of the MLR 2017 and how they affect both the Council and themselves.

12.3 Notwithstanding the paragraphs above, it is the duty of employees and Members to report all suspicious transactions to the MLRO.

13. RELEVANT LEGISLATION

13.1 The following legislation is relevant to this policy:

- The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (MLR 2017);
- Terrorism **Act** 2000;
- The Proceeds of Crime Act (POCA) 2002;
- Serious Crime Act 2015;
- Criminal Finances Act 2017

SUMMARY OF MONEY LAUNDERING OFFENCES THAT CAN BE COMMITTED

Proceeds of Crime Act 2002 – POCA

Money Laundering, Terrorise Financing and transfer of Funds (Information on the Payer) Regulations 2017 - MLR

Section Ref.	Type of Offence	Definition
S327 POCA	Money Laundering Offence: Concealing Criminal Property	A person commits an offence if they conceal, disguise, convert or transfer criminal property or if they remove criminal property from England, Wales, Scotland or Northern Ireland. This is punishable by a maximum term of imprisonment of 14 years at the Crown Court and an unlimited fine. At the Magistrates Court it is 6 months and £5,000 fine.
S328 POCA	Money Laundering Offence: Arrangements	This offence requires a person to become actively involved in some arrangement which helps someone else to get, keep, use or control the proceeds of a crime. The punishment is as for S327.
S329 POCA	Money Laundering Offence: Acquisition, Use and Possession	This offence is committed by anyone that has criminal proceeds in their possession provided they know or suspect that it represents the proceeds of a crime unless they paid 'adequate consideration' for it. Someone who pays less than the open market value is therefore guilty of the offence but someone who pays the full retail price, despite knowing or suspecting they are stolen goods is not guilty. The punishment is as for S327.
S330 POCA	Failure to Disclose Offence: Regulated Sector	This offence is committed by an employee of a business in the regulated sector who has knowledge or suspicion of another person's involvement in money laundering and does not make a report through the appropriate channels. Negligence is not a defence as the employee will be tried upon what they should have known given their experience, knowledge and training. This is punishable by a maximum term of imprisonment of 5 years and/or a fine.
S331 POCA	Failure to disclose offence: nominated officers in the regulated sector	This offence is committed by a nominated officer (MLRO) of a business in the regulated sector who has knowledge or suspicion of another person's involvement in money laundering and does not make a report through the appropriate channels without an acceptable excuse under the legislation. Negligence is not a defence as the nominated officer will be tried upon what they should have known given their experience, knowledge and training. The offence is triable either way with the same maximum penalty on indictment as an offence under section 330 (up to 5 years imprisonment).
S332	Failure to Disclose	This offence is committed by a nominated officer (MLRO) of a business

Section Ref.	Type of Offence	Definition
POCA	Offence: Other Nominated Officers	outside of the regulated sector who has knowledge or suspicion of another person’s involvement in money laundering and does not make a report through the appropriate channels without an acceptable excuse under the legislation. The officer will be tried on what they knew or suspected not on what they might have been expected to know or suspect. This is punishable by a maximum term of imprisonment of 5 years and/or a fine.
S333 POCA	Tipping Off Offence	This offence is committed if an officer or Member makes a disclosure which is likely to prejudice an investigation being carried out by a law enforcing authority, knowing that such an investigation is in motion. This is punishable by a maximum term of imprisonment of 5 years and/or a fine.
Reg 86 MLR 2017	Contravening a Relevant Requirement	A person commits an offence if they have not followed any relevant guidance issued by the European Supervisory Authorities, Financial Conduct Authority or any other relevant supervisory authority approved by the Treasury. This is punishable by a maximum term of imprisonment of 2 years at the Crown Court, a fine, or both. At the Magistrates Court a term of three months, a fine, or both.
Reg 87 MLR 2017	Prejudicing an Investigation	This offence is committed when a person who knows or suspects that an appropriate officer is acting (or proposing to act) in connection with an investigation into potential contravention of a relevant requirement which is being or is about to be conducted. The offence is committed if either they make a disclosure which is likely to prejudice the investigation or they falsely, conceal, destroy or otherwise dispose of, or cause to permit the falsification, concealment, destruction or disposal of, documents which are relevant to the investigation. The punishment is as for Reg. 86 above.
Reg 88 MLR 2017	Providing False or Misleading Information	There are two separate offences under regulation 88. Under regulation 88(1) : a person commits an offence if: 1. In purported compliance with a requirement imposed on him by or under the MLR 2017, provides information which is false or misleading in a material particular and knows that the information is false or misleading; or 2. Is reckless as to whether the information is false or misleading. In respect of both offences, the punishment is the same as regs 86 and 87 above.

POSSIBLE SIGNS OF MONEY LAUNDERING

Criminals have various ways of concealing, moving and legitimising the proceeds of their crimes. This policy cannot list every potential scenario that could indicate money laundering however, some risk factors which *may*, either alone or along with other factors suggest the possibility of money laundering activity include:

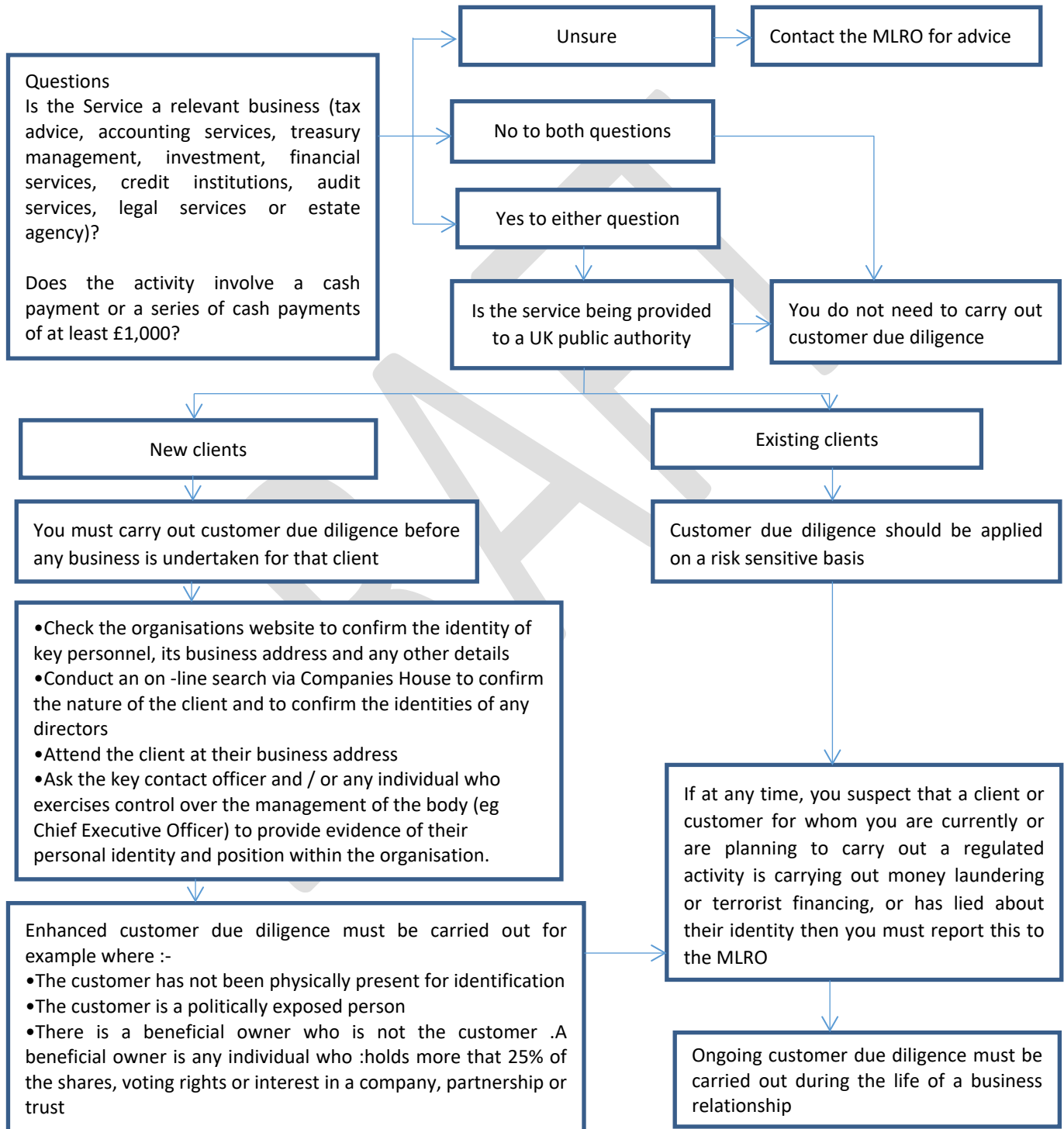
General

- A new customer with no previous 'history' with the Council;
- A secretive customer: for example, one who refuses to provide requested information without a reasonable explanation;
- Concerns about the honesty, integrity, identity of a customer;
- Illogical third party transactions: for example, unnecessary routing or receipt of funds from third parties or through third party accounts;
- Involvement of an unconnected third party in a transaction without logical reason or explanation;
- Payment of a substantial sum in cash (but it's reasonable to be suspicious of any cash payments particularly those over £1,000) where other means of payment are more normal (unusual transactions);
- Overpayments by a customer that are subsequently requested for a refund;
- Absence of an obvious legitimate source of the funds i.e. individuals of companies that appear insolvent (appear not to have funds) that are making transactions or are making transactions that appear beyond their means;
- Movement of funds to/from overseas, particularly to and from a higher risk country;
- Where, without reasonable explanation, the size, nature and frequency of transactions or instructions is out of line with normal expectations;
- A transaction without obvious legitimate purpose or which appears uneconomic, inefficient or irrational;
- Cancellation or reversal of an earlier transaction i.e. the payment of monies that are then requested back;
- Requests for release of customer account details other than in the normal course of business;
- Poor business records or internal accounting controls;
- A previous transaction for the same customer which has been, or should have been, reported to the MLRO.

Property Matters

- Unusual property investment transactions with no apparent investment purpose;
- Instructions to receive and pay out money where there is no linked substantive property transaction involved (surrogate banking);
- Regarding property transactions, funds received for deposits or prior to completion from an unexpected source or where instructions are given for settlement funds to be paid to an unexpected destination.

CUSTOMER DUE DILIGENCE PROCEDURE FLOWCHART



VERIFICATION OF CUSTOMER IDENTITY

Identity Verification Reference No:

NB: If you are receiving funds from a Council customer in any transaction **above £1,000 cash**, the identity of the person making the payment must be checked and confirmed.

All suspicions about possible Money Laundering, regardless of amount, should be reported to the Money Laundering Reporting Officer, via the Money Laundering reporting form.

CUSTOMER DETAILS

Forename		Surname	
Address			
Tel No (inc area code)		Email Address	
Payment in Respect of:		Payment Reference	
Amount	£	Receipt Number (If Applicable)	

If a payment is being made by a third party then please complete the details below in respect of the third party.

DETAILS OF THE THIRD PARTY MAKING THE PAYMENT:

Forename		Surname	
Address:			

A. EVIDENCE NOT OBTAINED – REASONS

1. Customer/third party previously identified in: MonthYear
2. Other – state reason fully

B. EVIDENCE OBTAINED TO VERIFY INDIVIDUAL NAME AND ADDRESS

NB. One form of identification CANNOT be used to evidence both name and address.

For example, if a driving licence is provided as proof of name another form of identification must be provided to evidence an address, such as a utility bill.

PROOF OF IDENTITY CHECKLIST FOR INDIVIDUALS

Proof of name

Proof of address

Current signed passport

Utility bill (gas, electric, satellite television, landline phone bill) issued within the last three months

Original birth certificate (UK birth certificate issued within 12 months of the date of birth in full form including those issued by UK authorities overseas such as Embassies High Commissions and HM Forces)

Local authority council tax bill for the current council tax year

EEA member state identity card (which can also be used as evidence of address if it carries this)

Current UK driving licence (but only if not used for the name evidence)

Current UK or EEA photocard driving licence

Bank, Building Society or Credit Union statement or passbook dated within the last three months

Full old-style driving licence

Original mortgage statement from a recognised lender issued for the last full year

Photographic registration cards for self-employed individuals in the construction industry -CIS4

Solicitors letter within the last three months confirming recent house purchase or land registry confirmation of address

Benefit book or original notification letter from Benefits Agency

Council or housing association rent card or tenancy agreement for the current year

Firearms or shotgun certificate

Benefit book or original notification letter from Benefits Agency (but not if used as proof of name)

Residence permit issued by the Home Office to EEA nationals on sight of own country passport

HMRC self-assessment letters or tax demand dated within the current financial year

National identity card bearing a photograph of the applicant

Electoral Register entry

NHS Medical card or letter of confirmation from GP's practice of registration with the surgery

NB. Documents unaccepted as evidence include, but are not limited to:

- Provisional driving licence
- Mobile phone bills
- Credit card statements

C. EVIDENCE OBTAINED FOR COMPANIES OR OTHER LEGAL STRUCTURES

Legal structure

Corporate ID required

Individual ID required

Legal structure

Corporate ID required

Individual ID required

A company (including a UK LLP)

Certificate of Incorporation or equivalent

copy of filed audited accounts

details of current company officers (i.e. directors and company secretary) and shareholders

Identity evidence for a) the individual dealing with the transaction and b) all other individuals or entities with 25% or more of the shares or voting rights in the company (see proof of identity checklist for individuals above)

A partnership with six or more partners

name of partnership

trading address

registered address (if any)

nature of business

recent audited accounts

list of all partners

list of all those with voting rights indicating their voting stake

Identity evidence for a) the partner responsible for the transaction and b) one other partner and c) all other individuals who (directly or indirectly) are entitled to, or control, 25% or more of the capital, profits or voting rights (see proof of identity checklist for individuals below)

D. DISADVANTAGED CUSTOMERS

E.g., Confirmation of identity from Social Worker or Bail Officer, Police, School, Courts etc.

E. If evidence not obtained for the reasons in A, do you have any suspicions regarding identity?

.....

I confirm that I have seen the originals of the documents indicated above and have identified the above Customer or Third Party.

Signed Date

NB. Wherever possible TAKE COPIES of the identification evidence TO PLACE ON FILE. Copies should be notarised to indicate a copy and signed to evidence sight of the original.

CONFIDENTIAL

Report of Money Laundering Activity

To: Money Laundering Reporting Officer

From:
[Insert name of employee]

Directorate/Section: **Ext/Tel No:**
[Insert post title and Business Unit]

DETAILS OF SUSPECTED OFFENCE

Name(s) and address(es) of person(s) involved:
[if a company/public body please include details of nature of business]

Nature, whereabouts, value and timing of activity/property involved:
[Please include full details, e.g. what, when, where, how. Please also include details of current whereabouts of the laundered property, so far as you are aware. Continue on a separate sheet if necessary]

Nature of suspicions regarding such activity:
[Please continue on a separate sheet if necessary]

Has any investigation been undertaken (as far as you are aware)? Yes No
[Please tick the relevant box]

If yes, please include details below:

Have you discussed your suspicions with anyone else? Yes No
[Please tick the relevant box]

If yes, please specify below, explaining why such discussion was necessary:

Have you consulted any supervisory body guidance re money laundering? (e.g. the Law Society) Yes No
[Please tick the relevant box]

If yes, please specify below:

Do you feel you have a reasonable excuse for not disclosing the matter to the NCA? (e.g. are you a lawyer and wish to claim legal professional privilege?) Yes No
[Please tick the relevant box]

If yes, please set out full details below:

Are you involved in a transaction which might be a prohibited act (under section 327-329 of the Proceeds of Crime Act 2002 or Regulations 86-88 of the MLR 2017 and which requires appropriate consent from the NCA? (refer to Appendix A – Money Laundering Offences) Yes No
[Please tick the relevant box]

If yes, please set out full details below:

Please set out below any other information you feel is relevant:

Signed: Dated:

Please do not discuss the content of this report with anyone else and in particular anyone you believe to be involved in the suspected money laundering activity described. To do so may constitute a tipping off offence, which carries a maximum penalty of 5 years' imprisonment.

THE FOLLOWING PART OF THIS FORM IS FOR COMPLETION BY THE MLRO

Date report received:

Date receipt of report acknowledged:

CONSIDERATION OF DISCLOSURE:

Action plan:

OUTCOME OF CONSIDERATION OF DISCLOSURE:

Are there reasonable grounds for suspecting money laundering activity?

If there are reasonable grounds for suspicion, will a report be made to the NCA? Yes No
[Please tick the relevant box]

If yes, please confirm date of report to the NCA:
And complete the box below:

Details of liaison with the NCA regarding the report:

Notice Period: **To**

Moratorium Period: **To**

Is consent required from the NCA to any ongoing or imminent transactions which otherwise be prohibited acts

[Please tick the relevant box]

Yes

No

If yes, please confirm full details in the box below:

Date consent received from the NCA:

.....

Date consent given by you to employee:

.....

If there are reasonable grounds to suspect money laundering, but you do not intend to report the matter to SOCA, please set out below the reason(s) for non-disclosure:

[Please set out any reasonable excuse for non-disclosure]

Date consent given by you to employee for any prohibited act transactions to proceed:

.....

Other relevant information:

Signed: **Date:**

THIS REPORT TO BE RETAINED SECURELY FOR AT LEAST FIVE YEARS

Earliest disposal date:

BARNSLEY METROPOLITAN BOROUGH COUNCIL

This matter is a Key Decision within the Council's definition and has been included in the relevant Forward Plan.

**Report of the Executive
Director of PLACE**

Billingley View – 'Barnsley Low Carbon Standard' housing development

1. Purpose of Report

- 1.1 The purpose of this report is to seek approval for the development of 16 highly energy efficient and Low Carbon homes at Billingley View, Bolton-on-Dearne as part of the Council's Housing Capital Programme.

2. Recommendations

- 2.1 **That approval is granted for the Council to progress the delivery of 10 x 2 bed and 6 x 3 bed semi-detached houses on a Council owned site off Billingley View, Bolton-on-Dearne. The homes will be Council owned properties, managed by Bernesai Homes and let to applicants on the Council's Housing Waiting list.**

The homes will be delivered to the NEW Barnsley Low Carbon standard which seeks to deliver highly energy efficient homes (on a fabric first basis) at SAP rating A. The homes will be 'off gas', low carbon/renewable focussed and affordable to heat.

- 2.2 **Cabinet approval is granted to appoint NPS Barnsley as Principal Contractor to construct the 16 residential units.**

3. Background

- 3.1 The site on Billingley View is designated as Urban Fabric in the Local Plan. The site is adjacent to a large Employment site (ES10 – allocated within the Local Plan with the requirement for a masterplan framework to be completed in advance of planning/development) and close to a housing allocation (HS51). The site is adjacent to two local primary schools (Lacewood and Heather Garth), a large area of public open space (POS) and a mix of private and council owned stock.
- 3.2 The site is well served in terms of local amenities including shops, schools and transport routes into Barnsley Centre.
- 3.3 The proposed development will provide family houses in the form of 10x 2 bed semi-detached houses and 6x 3 bed semi-detached houses. Both the 2 and 3 bed designs have been used on previous sites and have proven to be very popular. These designs are part of a suite of 'standard' property types that officers are developing to create design cost efficiencies and to streamline the project development stage of our investment programme.

- 3.4 These properties will be built to “Secure by Design” standards but differ to the units developed, to date, as they are part of a pilot scheme which is seeking to deliver a NEW specification of Council property to the Barnsley Low Carbon standard.

The homes will be highly energy efficient, fossil fuel free, wholly affordable homes which respond to the Council’s Zero 40/45 strategy and set the blueprint for the standard of energy efficiency (SAP rating A) homes that we will seek to deliver via the Council Build Programme, going forward.

- 3.5 As part of the feasibility for this this scheme, officers produced a minimum energy specification and requested that our architects (NPS Barnsley) develop two scheme options – one which considered the delivery of the scheme using MMC (Modern Methods of Construction - ILKE type modular build) and one which delivered using traditional build methods.

4. Current Situation

- 4.1 In reviewing the two options, officers recommend that the scheme is delivered using a traditional construction approach in this instance. The rationale for this is three-fold:

Firstly, COST. The MMC scheme is currently more expensive to deliver than the same spec of units on a traditional basis.

Secondly, Officers (within BMBC and Berneslai Homes) have raised concerns relating to future repairs and maintenance of MMC properties. As the Council would be purchasing a small number of MMC units, the opportunities to shape/amend its specification are limited. As such, there are concerns over the cost/inconvenience to tenants in having to replace certain items/components on the standard property types. An example of this is that window replacements on MMC homes currently require that the window is removed from the inside. If this window was in the kitchen, this would require any units/built in appliances to be removed (which might also need replacing), thus adding to the cost of the repair and inconvenience to the tenant.

- 4.2 Finally, a MMC scheme restricts opportunities for the Council to achieve against our Inclusive Growth and Local Spend agendas as MMC units would need to be purchased from elsewhere in the country and would require specialist installation from qualified fitters. This would prevent local contractors from benefitting from work opportunities and restrict local spend.

- 4.3 The traditional scheme has been fully costed and designed. It is proposed that this scheme is delivered in partnership with NPS Barnsley, who would act as principal contractor for this scheme. A contract waiver would be required to appoint NPS Barnsley to undertake the work. The rationale for NPS Barnsley being ‘contracted’ to deliver this scheme as PC, is that they have a specialism in delivering energy efficient residential schemes, have committed to a fixed price (which is comparable to the market) and have committed to adding social value to the scheme; achieving local spend, delivering against the Council’s employer promise, and enhanced training and development support.

- 4.4 Benefits of the scheme include:

- The delivery of 16 new Council Homes for rent
- Launch of the Barnsley Low Carbon Standard pilot which will link the new homes to an energy education programme (being developed by Berneslai Homes) which

teaches tenants how to make the best use of new energy technologies e.g. Air Source Heat Systems and battery packs.

- Launch of a monitoring programme to assess the in use energy efficiency/fuel consumption of these homes
- The generation of Council Tax and potentially New Homes Bonus (NHB) to support the forecast sums currently included in the updated Medium Term Financial Strategy.
- Additions to the Council's revenue stream for council rents

5. Justification

- 5.1 This scheme will build homes to the Barnsley Low Carbon standard (See Appendix B for details of the specification and a comparison of SAP ratings/estimated fuel bills between the Council's standard council build and the proposed Barnsley Low Carbon build); with the intention to roll this specification (as a minimum) out across all Council build developments, going forward. Not only will tenants pay an affordable rent, they will also benefit from more affordable energy costs. This will positively impact on a tenant's financial position as well as their health and well-being and will demonstrate the alternative approach that we can take to heating our properties without being reliant on gas.
- 5.2 This project is not intended as a passivhaus demonstrator; it is an attempt to develop energy efficient and energy affordable properties which could be adopted within our mainstream Council Build Programme. The aim is to strike the right balance between enhanced energy efficiency and overall affordability, ease of consumer use and pragmatism around build costs and the wider build programme.
- 5.3 The appointment of NPS Barnsley as PC allows the Council to deliver new affordable housing on an accelerated basis, to a set budget and using local labour/supplies.
- 5.4 It is thus proposed that approval is granted to deliver this scheme in line with the recommendations at section 2 of the report.

6. Consideration of alternative approaches

- 6.1 A number of options were considered for the site, including:

- Traditional Spec Build

The Council could seek to deliver these homes to the current 'standard specification' for the Council Build programme ONLY which, excluding some properties which have benefitted from air source heat pumps and solar panels linked to specific funding opportunities in the past, would be delivered with gas boilers, dual fuel for heating and a standard, fabric first approach to efficiency in line with building regulations. These homes would still be efficient and would still meet affordable housing need. **However, this does not address the project brief which sets to deliver a blueprint Barnsley Low Carbon Standard to achieve highly energy efficient homes; future proofing our Council stock, going forward, and setting a precedent/example to other developers re: the quality/efficiency of housing stock that we want to be delivered in our borough.**

- Sale on the Open Market/Mixed Tenure scheme

The Council could look to deliver some of these homes via MET Homes Barnsley and sell them on the open market to private purchasers. This would

generate a profit for the Council which could be reinvested and off-set against the delivery of the affordable homes.

Officers have considered delivering the schemes across tenure but have concluded that there would be viability issues in delivering ‘for sale’ homes in this area. The Council cannot deliver new build homes within the same margins as a volume developer and, as such, would struggle to sell these homes for less than it would cost to build them (especially with additional energy measures). This is due to higher build costs linked to procurement/economies of scale and lower sales values in the Dearne.

- **Traditional Development via Tender and Appointment of an Independent Contractor**

The Council could look to tender this build contract and appoint an independent contractor to undertake the works. This may/may not attract a better tender price. **However, the rationale for appointing NPS Barnsley as Principal Contractor is because they offer the greatest potential for wider social benefits and ‘added value’.**

7. Implications for local people/service users

- 7.1 The re-development will positively impact on those residents residing or operating a business in the surrounding area. The site has been vacant for some years (and will deliver additional housing to those sites already allocated - windfall) and has, in the past, attracted anti-social behaviour and/or fly tipping. With the pressure on the Council’s Housing Waiting list, these family homes will be popular and provide high quality, energy efficient social housing.

8. Financial Implications

- 8.1 Consultations have taken place with representatives of the Service Director – Finance (S151 Officer).
- 8.2 This project is part of the proposed Housing Growth Investment programme included 2020/21 Housing Revenue Account report.
- 8.3 The proposal is to build 16 properties for Social Housing priorities that will be appropriated to the Housing Revenue Account.
- 8.4 The anticipated cost of this scheme totals £2.657M which includes the works, professional fees and an element of contingency. The breakdown of this total cost is shown in the table below:

Billingley View – ‘Barnsley Low Carbon Standard’ Housing Development		
Estimated Total Project Costs	No. of Units	£
Social Housing		
Total Works - 2 & 3 Bed Semi	16	£2,353,000
NPS Fees		£232,947
External Consultant Professional Fees		£13,768
Planning		£7,524
Building Control		£3,200
Contingency		£47,060
Total Construction Costs	16	£2,657,499

8.5 This scheme is proposed to be funded from a combination of available resources set aside as part of the HRA budget setting process 2020/21, eligible 1-4-1 Capital Receipts and Section 106 contributions.

8.6 On completion, it is proposed that the 16 properties are appropriated to the Housing Revenue Account for use as council housing stock. The expected level of rental income generated to the HRA totals £0.087M per annum.

8.7 The levels of maintenance and capital investment required to keep the properties at the Barnsley Homes Standard over the 30 year business planning period is estimated to be in the region of £1.217M for the 16 properties.

The indicative figure is based on average repair costs and overheads rates at the current stock level of 18,400 properties and an assumed average cost per dwelling for the planned capital replacements the properties will require over a 30 year period.

8.8 The net impact to Housing Revenue Account over the 30 Year planning period is estimated to be a positive (£1.404M). This is calculated by comparing the total rental income expected of (£2.621M) against the estimated management, maintenance and capital replacement costs £1.217 million (section 9.5 above).

8.9 A summary of the Financial Appraisal Model for this development as explain in sections 9.4, 9.5 and 9.6 is attached at Appendix B.

8.10 A summary of the above financial implications is attached at Appendix A.

9. Employee implications

9.1 There are no employee implications arising from this report.

10. Communication implications

10.1 As the scheme progresses, local residents, members and key stakeholders will be consulted and kept informed.

11. Consultations

- 11.1 Local members have been consulted and fully support the proposal.
- 11.2 Consultation has been undertaken with Officers within BMBC and Berneslai Homes who are supportive of the plans.

12. The Corporate Plan and the Council's Performance Management Framework

- 12.1 Building new Affordable homes will help achieve the following priority within the Council's Corporate Plan and contribute to the BuildIT theme within Town Spirit.

- Create more and better housing

New affordable homes meet housing need and contribute to growth targets.

- 12.2 The Council's performance management framework contains the following performance indicator

- EC29 – Number of NEW Affordable Homes
- EC28 – Number of New Homes Completed

- 12.3 The scheme aligns with the Council's Zero 40/45 policy.

13. Tackling Health Inequalities

- 13.1 It is widely recognised that the quality of housing and the surrounding neighbourhood are influential in shaping health and wellbeing. Redundant areas of land can attract Anti-Social Behaviour and repeated Fly Tipping.

14. Climate Change and Sustainability Energy Act 2006

- 14.1 These new homes will be highly energy efficient and 'off gas' – contributing to the Council's Zero 40/45 aspirations.

15. Risk Management Issues

- 15.1 There are risks associated with any new build scheme, including but not exhaustive are:-

- Inclement weather;
- Site Abnormals increasing scheme costs;
- Site security and vandalism;
- Poor contractor performance.

- 15.2 Direct delivery reduces a number of risks associated with contractor performance, cost control, tendering and contractor stability.

16. Compatibility with European Convention on Human Rights

- 16.1 None arising directly from this report.

17. Appendices

Appendix A – Financial Appendix A
Appendix B – Financial Appraisal Model

18. Background Papers

If you would like to inspect background papers for this report, please email governance@barnsley.gov.uk so that appropriate arrangements can be made

Sarah Cartwright
Group Lead Housing Growth

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Report of the Executive Director Core Services

FINANCIAL IMPLICATIONS

Billingley View – ‘Barnsley Low Carbon Standard’ Housing Development

i) Capital Expenditure	<u>2019/20</u> (£)	<u>2020/21</u> (£)	<u>2021/22</u> (£)	<u>2022/23</u> (£)
Total Works - 2 & 3 Bed Semi		2,353,000		
NPS Fees		232,947		
External Consultant Professional Fees		13,768		
Planning		7,524		
Building Control		3,200		
Contingency		47,060		
	0	2,657,499	0	0

To be financed from:

HRA Reserves	772,496
Sec 106	1,087,753
1-4-1 Receipts	797,250
	0 2,657,499 0 0


ii) Revenue Effects	<u>2019/20</u> (£)	<u>2020/21</u> (£)	<u>2021/22</u> (£)	Future Years (£)
Indicative HRA Property Management and Maintenance	0	0	30,286	30,286
Indicative Capital Replacement Programme	0	0	10,293	10,293
	0	0	40,579	40,579

To be financed from:

Anticipated Rental Income	0	0	-87,378	-87,378
	0	0	-87,378	-87,378

Impact on Medium Term Financial Strategy

Not applicable in this report

Agreed by:  On behalf of the Service Director-Finance, Section 151 Officer

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Billingley View – ‘Barnsley Low Carbon Standard’ Housing Development

Estimated Total Project Costs	No. of Units	£
Social Housing		
Total Works - 2 & 3 Bed Semi	16	£2,353,000
NPS Fees		£232,947
External Consultant Professional Fees		£13,768
Planning		£7,524
Building Control		£3,200
Contingency		£47,060
Total Construction Costs	16	£2,657,499

Proposed Funding Composition	£
HRA Reserves	£772,496
Sec 106	£1,087,753
1-4-1 Receipts	£797,250
	£2,657,499

HRA Revenue Implications	No. of Units	Weekly Rent	Annual Rent	30 Years
2 Bed Semi Detached	10	£101.29	-£52,671	-£1,580,124
3 Bed Semi Detached	6	£111.24	-£34,707	-£1,041,206
Average Direct HRA Overheads per Property	16	£1,892.89	£30,286	£908,586
Average Capital Replacement Programme	16			£308,778
Impact to HRA Business Plan			-£57,091	-£1,403,966

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BARNSELY METROPOLITAN BOROUGH COUNCIL

This matter is a Key Decision within the Council's definition and has not been included in the relevant Forward Plan.

REPORT OF THE EXECUTIVE DIRECTOR PLACE

Berneslai Homes – Purchase, Conversion and Refurbishment of Former Council Offices, Berneslai Close by Berneslai Homes Ltd

1. Purpose of Report

- 1.1 To seek approval for Berneslai Homes to implement the purchase, conversion and refurbishment of Berneslai Close in line with the agreed capital programme approved by Cabinet (Cab.9.1.2019/11 refers).

2. Recommendations

It is recommended that Cabinet approves that:

- 2.1 **Berneslai Homes Ltd is to proceed to procure and deliver the conversion and refurbishment of the retained building at Berneslai Close;**
- 2.2 **Relevant authorisation for the monitoring and authorisation of specific project decisions are delegated to Berneslai Homes Senior Management Team, in line with the Council's approved Standing Orders;**
- 2.3 **The 9 market rented units are held within Berneslai Homes Ltd ('The Company') and let at market rent.**

3. Introduction

- 3.1 Berneslai Homes has, for several years, successfully delivered a programme of individual projects converting former estate shops, community buildings and commercial properties across the borough into useable residential accommodation. Often the former use is redundant but the buildings structures are sound providing an economic opportunity to deliver new homes.
- 3.2 This project is set in the context with the proposal by McCarthy and Stone (McC & S) to develop on the adjoining site to build 60 leasehold apartments for older people and the existing BMBC development of 22 units of social rented accommodation for older people at Churchfields Close (facing Barnsley College).
- 3.3 McCarthy and Stone have purchased the whole site and buildings. Demolition of the more recent 1940's extension to the office buildings is underway (Oct 2019) and will create the development site for the leasehold apartments to be built by McC.& S.
- 3.4 This leaves what was the original entrance to the former Victorian hospital building. Although this is not a listed building, it does have architectural merit and is in the conservation area. The separation of the building from the 1940's extensions and the new buildings to be constructed by McC.& S will enhance the overall appearance of the group of buildings, when seen together with the adjacent park and historic church.
- 3.5 Taking all three development elements together McCarthy & Stone, Berneslai Close and Churchfields Close social rent (BMBC), the area will have the feel of a retirement village set in and around the park, in a very prominent location close to the centre of Barnsley's municipal central area.

3.6 The development will be complimentary to the town centre redevelopment currently underway. The residents who will occupy this and the adjoining developments will have easy access to all facilities, the market and main shopping area.

4. Proposal and Justification

4.1 In summary, the proposed project involves:

- The demolition of the adjoining building, and preparation of the land for development, the sealing of exposed landings and stairwell to complete the envelope of the building to be retained. This work will be undertaken by McCarthy and Stone (McC&S) prior to the purchase and the commencement of the Berneslai Homes element of the project;
- The purchase from the Council, a building formerly used as office accommodation and associated parking spaces and incidental land;
- The building is to be acquired directly by Berneslai Homes Ltd and will be held as assets of The Company;
- The refurbishment and conversion of the building to provide nine self-contained high standard apartments to be let at a market rent level;
- The ongoing management of the property, maintenance and repair of the building will be the responsibility of Berneslai Homes Ltd; and
- The day to day management of the residents and the use of the property will be undertaken by the Berneslai Homes.

4.2 It is proposed that Berneslai Homes be authorised to commission and deliver the project in line with current Standing Orders;

4.3 The proposals are in line with the priorities within the Council's Housing Strategy to make the best use of buildings and to satisfy housing need in the Borough.

Market Rented Units - Berneslai Homes Ltd

4.4 This proposal relates to holding 9 dwellings in Berneslai Homes Ltd, to be held for market rent purposes. The Articles of Association of The Company was changed in 2018, (Cab.17.10.2018/7 refers) to allow The Company to hold such assets for that specific purpose. The recommendation at 2.3 refers.

4.5 The rationale for this approach is that a new tenure type is introduced to the current housing offer that is provided by the Council and partners, of high quality, market rental units, for which there is demand for.

4.6 By providing the market rented product via Berneslai Homes, the Council can have confidence in the quality of the management and maintenance services principles that are already established in respect of the management of the Council's housing stock by Berneslai Homes.

4.7 Furthermore, the inclusion of a market rent product via Berneslai Homes also enables the use of Assured Shorthold Tenancies which allows for independent rent setting outside of Right to Buy legislation, which promotes sustainability in respect of maintaining housing stock levels.

4.8 Other local authorities and housing associations are already using their housing companies to hold stock for sale/rent outside of HRA arrangements. Some examples of this approach are Yorkshire Housing, who has actively developed tri-tenure properties across Barnsley

over the last 5 years, delivering affordable rent, market rent and market sale homes on sites in West and Central (Monk Bretton) Barnsley and Derby Homes, who own and manage stock for private rent on behalf of Derby City Council.

- 4.9 Berneslai Homes already manage private rented stock on behalf of private landlords across the borough and this proposal represents a commercial opportunity for The Company to generate additional income for and on behalf of the Council.
- 4.10 The profit from the market rentals from this proposal and any subsequent capital receipts upon disposal generated from these 9 properties would increase The Company's reserves and balances. It is proposed that these specific balances are separately identified and ringfenced for consideration against the joint emerging priorities of both the Council and Berneslai Homes, in line with the Council's approved Reserves and Capital Investment strategies respectively.

5. Current Position

- 5.1 McCarthy & Stone have made a successful Planning Application for all elements of the development, including the change of use and refurbishment of the retained building, to provide nine apartments. The final amended application was approved in June 2019.
- 5.2 McC & Stone completed the purchase of the site and building in April 2019, commissioned the asbestos removal and commenced the demolition in August 2019. They have also commissioned, topographical, drainage and utility service surveys and quotations for the whole site.
- 5.3 For about a year, Berneslai Homes have held regular meetings with senior officers of McCarthy & Stone, their technical consultants and NPS (our consultants). The purpose of these meetings has been to optimise the approach and ensure that the two building work together, have complimentary access to utility services and designs are complimentary where appropriate.
- 5.4 Berneslai Homes have commissioned NPS to provide technical advice, design and cost estimation services to maximise the value potential and cost effectiveness of the internal layout. They have also supported Berneslai Homes in discussions with McC & S.
- 5.5 A purchase price of £190,000 has been agreed which is more than supported by a professional valuation and Berneslai Homes have also commissioned a valuation of the building based on the completed development. As per the contractual agreement with McC & Stone, the Council is due to receive 70% of this receipt (c.£130k) with the remaining 30% being retained by McC & Stone.
- 5.6 Where possible, Berneslai Homes have de-risked the development costs by consulting specialists such as lift design consultants, acoustic transmission specialists, door entry equipment suppliers, fire officer etc.

6. Consideration of Alternative Approaches

- 6.1 The Council had previously marketed the whole of the Berneslai Close office complex when the building became surplus to requirements several years ago and received very little interest. McCarthy and Stone were the first organisation to show serious interest in the building and willingness to commit resources to the regeneration of the site. As such, they have provided a catalyst for the redevelopment of the area. However, they have no desire to take the conversion of the retained building forward and have been seeking a partner to work with them to own and redevelop the building sympathetically.
- 6.2 It is very much in the Council's and Berneslai Homes' interest that the Council should be an active partner in the redevelopment of the area, to ensure that the new development is complimentary to the adjacent Council stock and other public interests in the area.

- 6.3 McCarthy & Stone could seek an alternative partner to refurbish the retained building. This would limit the Council's ability to control the future use of the building and opportunity to engage in the partnership working.
- 6.4 On balance, the option proposed offers the greater balance of benefits over cost and the value created by the Council in developing quality housing in its own right and for the community it serves should not be under estimated.
- 6.5 There are also significant social and qualitative benefits derived from "beacon projects" of this type over and above the financial and physical structure.

7. Implications for Local People / Service Users

- 7.1 Berneslai Homes' approach to estate and community improvements is geared towards responding to issues and opportunities raised by residents, the Council and Berneslai Homes officers and members. Historically, many of the buildings identified have been within or on the periphery of estates.
- 7.2 The focus is to improve living conditions for residents and make the housing environment more attractive to new customers and the wider community.
- 7.3 The purchase and refurbishment of the former Council offices at Berneslai Close offers a very specific and relatively unique opportunity to broaden the housing offer in Barnsley.
- 7.4 The renovation of the empty building will benefit the wider community and improve the visual amenity of the area.

8. Financial Implications

- 8.1 Consultations have taken place with representatives of the Service Director – Finance (S151 Officer).

Capital Expenditure & Funding

- 8.2 The estimated cost of this scheme totals £1.269M and is detailed in the table below:

	£M
Acquisition & Stamp Duty	0.197
Works	0.985
Fees	0.067
Specialist Services/Utilities	0.020
Total Estimated Cost	1.269

- 8.3 This scheme was included in the Housing Growth Strategy approved in principle by Cabinet (Cab.9.1.2019/11 refers) which has also been recommended to, and therefore formally approved by Full Council on the 7th February 2019. The amount set aside for this project totaled £0.998M.
- 8.4 The increase in estimated costs totalling £0.271M from the £0.998M originally set aside, to the revised estimated cost of £1.269M, is included and considered within the proposed Housing Growth Investment programme which forms part of the 2020/21 Housing Revenue Account Budget, approved by Members and due to be formally approved by Cabinet in January 2020.
- 8.5 It is anticipated that the acquisition will be completed in the 2019/20 financial year with the remaining costs in respect of works etc. expected to be incurred in 2020/21.

- 8.6 The proposed funding of the capital expenditure is the use of Berneslai Homes Surplus, identified again, as part of the 2020/21 Housing Revenue Account Budget papers as outlined above.
- 8.7 It should be noted that the initial capital expenditure and relevant funding resides within Berneslai Homes in its entirety and that no transactions are to be included in the Council's account in respect of this.

Capital Receipts

- 8.8 The Council entered into a contract with McCarthy & Stone to purchase the land, demolish the element of Berneslai Close that was surplus to requirements, make the retained element structurally and externally sound, and facilitate the sale of this to a third party developer, with the agreed share of any receipt being split 70:30 in the Council's favour.
- 8.9 An agreement was negotiated between the Council and McCarthy & Stone for the purchase price of the land which was netted down by the cost of demolition of the surplus to requirements element of Berneslai Close, which equates to an approximate capital receipt of £0.117M that is due to the Council.
- 8.10 Berneslai Homes were the successful third party developer with an agreed acquisition price of £0.190M, of which the Council will receive £0.133M in terms of a capital receipt, bringing the total to £0.250M, including the land element above.

Revenue Implications

- 8.11 The 9 units that will be made available for private rental tenancies at market rents will be held in Berneslai Homes where the properties will be held as assets of The Company.
- 8.12 The 9 properties are expected to generate rental income and service charge income in the region of £0.053M p.a. This income will contribute towards the ongoing repairs and maintenance requirement and management of the 9 properties which, on an average basis is estimated to total £0.030M p.a. which is, therefore, expected to generate a surplus for The Company of £0.023M p.a. (before tax), which will be separately ringfenced for consideration in line with the Council's Capital Investment Strategy and Reserves Strategy, as explained in paragraph 4.10.
- 8.13 It should be noted that the expected Council Tax and New Homes Bonus generated from this proposal has already been considered in the Council's Medium Term Financial Strategy.

Accounting & Taxation

- 8.14 Berneslai Homes have sought advice from BDO LLP regarding the accounting & tax implications of the proposed development. In summary, the key issues are as follows:-
- As the properties are being rented out at a market rent, the assets will be classified as an investment property and it will need to be revalued each year, with any change in the value being posted to the profit and loss account.
 - Corporation tax will be payable on any profit made from renting out the dwellings with the current rate being 17%.
 - As VAT is not charged on the rental of dwellings (it is an exempt supply), Berneslai Homes will be unable to reclaim the VAT that is expended on, for example, materials, sub-contractors and professional fees. Therefore, there will be a cost of unrecoverable VAT on both the refurbishment of the building and the ongoing management & maintenance. Some of the refurbishment works will qualify for a reduced rate of VAT at 5%.

- The most significant element of unrecoverable VAT will be incurred on the refurbishment of the properties. There is an option to refurbish the properties within Berneslai Homes and subsequently transfer them to a subsidiary company on completion. In this scenario, VAT on the refurbishment can thus be reclaimed. However, this option has been discounted on the basis of the burden of setting up and operating the subsidiary outweighs the benefit.

8.15 Berneslai Homes have received legal advice on the scheme which confirms that the market renting of the dwellings by Berneslai Homes does not constitute “state aid”.

8.16 The financial implications are summarised in the attached Appendix A.

9. Employee Implications

9.1 The works will be undertaken using resources identified and approved as part of the development proposal and contained within Berneslai Homes Investment and Regeneration Team.

9.2 The ongoing Management of tenancies and building delivered by our Private Landlord Services team / asset management function. Some additional pressures may materialise on the Berneslai Homes Finance Team in relation to the VAT position of the project and its ongoing management and maintenance.

10. Communications Implications

10.1 Berneslai Homes will communicate regularly with the residents, and officers affected by the proposed works directly using social media, Email and progress events held locally.

11. Consultations

11.1 Consultation has taken place at a local level engaging with residents, Housing Management Staff, community groups and local members as part of the Planning Application process. Further consultation will take place as part of the pre contract and development process with all stakeholders.

12. Risk Management Issues

Risk Detail	Probability and Impact	Mitigation
Failure to secure the purchase of the buildings. The owner may accept a higher offer should one be made prior to our completion of purchase.	Prob – Medium Risk – High	A none binding option to purchase has been agreed with the owner.
Failure to secure a works cost submission within the defined budget cost.	Prob –Med Impact – Med	Significant work has been undertaken to develop a cost model which is robust and accurate. The scheme will not proceed if this cannot be achieved and or the variance significant.
Failure to control cost of Delivery	Prob – Low Impact - High	A fixed price will be agreed with Construction Services and this should significantly limit option to vary costs. Prompt and close scrutiny of variations or suggestions of additional work or material will be carried out. There will be no option to vary without authority of the client function built into

Risk Detail	Probability and Impact	Mitigation
		process.
Reputation Risk of failure to deliver a “good” project	Prob – Low Impact - High	Berneslai Homes has an experienced team which has successfully delivered over 10 significant house construction / development projects in the last few years. Many with significantly higher value than this. These have been recognized in terms of quality standards and delivery method by external bodies. The deliverer method to be used is tried and tested by the team.

13. **BMBC Strategic Alignment**

- 13.1 New Housing Development directly addresses two of the Councils Corporate Priorities:
- Creating a strong and vibrant economy
 - Building Strong and Resilient Communities
- It will also improve and broaden the housing offer for the community both locally and across the borough.
- 13.2 The development of the scheme by Berneslai Homes near the heart of Barnsley will assist with the generation of community confidence in the area and be a clear indication of the Council’s commitment to invest in the central area of the town.
- 13.3 The proposal will bring a currently empty and unused build back into productive use.
- 13.4 The full project business case has been considered by the Council’s Capital Oversight Board. The project has the support of the relevant senior officers who make up the Board.

14. **List of Appendices**

- 14.1 Appendix A - Financial Implications

15. **Glossary**

- 15.1 NPS – Norfolk Property Services
 BMBC – Barnsley Metropolitan Council
 CDM – Construction Design and Management

Report author: Stephen Davis
 Director of Assets Regeneration and Construction
 Berneslai Homes

Date: 31 Oct 2019

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Report of the Executive Director Place

FINANCIAL IMPLICATIONS


Purchase, Conversion and Refurbishment of Berneslai Close by Berneslai Homes

i) Capital Expenditure	<u>2019/20</u> (£)	<u>2020/21</u> (£)	<u>2021/22</u> (£)	<u>2022/23</u> (£)	<u>Total</u> (£)
Acquisition of Land	197,000				197,000
Works & Fees		1,072,012			1,072,012
	197,000	1,072,012	0	0	1,269,012
To be financed from:					
Berneslai Homes Surplus	197,000	1,072,012			1,269,012
	197,000	1,072,012	0	0	1,269,012
ii) Revenue Effects	<u>2019/20</u> (£)	<u>2020/21</u> (£)	<u>2021/22</u> (£)	<u>2022/23</u> (£)	<u>FYE</u> (£)
Berneslai Homes Management Costs			6,500	6,500	6,500
Indicative Repairs and Maintenance			10,485	10,485	10,485
Indicative Capital Replacement Programme			12,600	12,600	12,600
	0	0	29,585	29,585	29,585
To be financed from:					
Anticipated Rental/Service Charge Income *			52,850	52,850	52,850
	0	0	52,850	52,850	52,850
Net Revenue Impact					
Contribution to Fund HRA Housing Growth Future Projects	0	0	-23,265	-23,265	-23,265

Impact on Medium Term Financial Strategy

Not applicable in this report

Agreed by: .



.....On behalf of the Service Director-Finance, Section 151 Officer

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BARNSELY METROPOLITAN BOROUGH COUNCIL

This matter is a Key Decision within the Council's definition and has not been included in the relevant Forward Plan

**REPORT OF THE
EXECUTIVE DIRECTOR PLACE
TO CABINET**

South Yorkshire Digital Connectivity Strategy

1. PURPOSE OF REPORT

- 1.1. The purpose of this report is to seek approval for the adoption of the South Yorkshire Digital Connectivity Strategy and, in principle, the programme of activities and projects proposed within it. These activities and projects will improve digital connectivity in Barnsley and wider city region, so that coverage, choice and speed of communication stays ahead of demand; and so that connectivity enables residents and businesses to use digital solutions to improve their lives and to sustain, grow and create new business.

2. RECOMMENDATIONS

- 2.1. **Adopt the South Yorkshire Digital Connectivity Strategy and the 'direction of travel' set out therein.**

3. INTRODUCTION

3.1. Barnsley's Current Digital Connectivity Landscape

- 3.2. Barnsley is well served by the current generation digital connectivity technology. For example, coverage of Superfast Broadband (fixed line broadband that is capable of download speeds of 30Mbps) is at 97.1% of the borough and coverage of 4G (cellular broadband with average download speeds from 16 to 33Mbps) ranges from 81% to 92% of the borough depending on network operator.
- 3.3. However, both Superfast Broadband and 4G technologies are incapable of meeting future demands for speed, capacity, reliability, and responsiveness; and are fast approaching end of life. Indeed, Openreach and the Government have both announced plans to phase out copper based Superfast Broadband infrastructure.
- 3.4. The next generation of digital connectivity technology is full fibre networks and 5G cellular networks.
- 3.5. Full fibre networks dispense with copper wire and traditional street cabinets. They provide a direct connection from a property to an exchange using glass fibre and are capable of download speeds in excess of 1,000Mbps.

- 3.6. 5G uses a new radio interface that along with other new technologies, enable much higher radio frequencies to be used. This enables significantly more data to be carried over the air for faster speeds, reduced congestion and lower latency. At launch, 5G download speeds are expected to start at 150Mbps, eventually becoming as fast as 1,000Mbps plus.
- 3.7. Only these new technologies are capable of meeting the future demands for speed, capacity, reliability, and responsiveness required by residents, businesses and the public sector in order to use modern digital services. With copper and early generation cellular networks soon being phased out, we are at risk of becoming 'cut off' - unable to use the applications, products and services that communicate on modern networks. This will increase the digital divide, with more people unable to benefit from the social, health, educational and financial benefits of being online.
- 3.8. Unfortunately, Barnsley is not well served by this next generation of digital connectivity technology. At time of writing, full fibre network coverage in Barnsley is only 3.99%. Nationally, the figure is 10.4% coverage.
- 3.9. Barnsley has not been named in Openreach's "Fibre First" plans, a programme to deploy full fibre networks in over 70 UK towns
- 3.10. Barnsley has not been named in City Fibre's "Gigabit Cities" plans, a programme to deploy full fibre networks in 26 locations
- 3.11. No Mobile Network Operators, have announced that Barnsley will be included in their initial 5G roll out plans
- 3.12. It will take several years and several iterations of the technology before 5G technology is fully deployed.
- 3.13. 5G is dependent on full fibre coverage, requiring significant fibre backhaul.

4. PROPOSAL AND JUSTIFICATION

4.1. How the Council Could Improve Digital Connectivity in Barnsley

- 4.2. Following almost a decade of austerity and year on year reductions in central government funding, combined with rising pressures for both children's and adult's social care; the Council's ability to fund digital connectivity from its core budget is limited.
- 4.3. However, we believe improvements can still be achieved by leveraging our position as an anchor institution with significant assets and influence on regional policy and strategy. The Digital Connectivity Strategy, set out in the Appendix, sets out a vision for digital connectivity in South Yorkshire, achievements to date and plans for building on these over the next 3 years utilising:
 - Arrangements such as concession contracts or alternative forms of agreement that will offer use of council owned assets in exchange for a rental income and some form of digital connectivity service;

- Applications for funding from Government, Sheffield City Region and other external sources;
- Publicising and promoting our strengths and achievements because an enhanced profile and reputation based on world class digital connectivity will help attract business and inward investment to Barnsley - one of the reasons why this Digital Connectivity Strategy is important is that it makes a clear statement of our intent to the market which will increase our chances of attracting those companies who want to make investments in relation to fibre, 5G and other digital connectivity;
- Establishing and maintaining closer working relationships with the private sector, sharing information, helping each other, innovating, ensuring that public sector interventions complement those of the private sector;
- Adopting a pro investment, barrier busting approach to wayleaves, planning and highways to provide the conditions required by network operators to install full fibre, 5G and other telecommunications infrastructure quickly, efficiently and effectively in the Barnsley
 - Full fibre network infrastructure providers need help from Local Authorities to remove barriers to deployment. Pragmatic approaches to highways, planning and wayleaves will increase speed and coverage of full fibre network deployment.
 - There is much for the Council to do to ensure that Barnsley continues to benefit from each improvement in the speed and coverage of 5G.

4.4. Most of our achievements to date have been delivered in partnership with our Local Authority Partners through the Superfast South Yorkshire programme. We will continue to collaborate in this way where this helps to deliver our strategic objectives.

4.5. We will also collaborate with our regional partners in Academia, Health, Police, Commerce and other sectors in order to implement the aims and objectives of the strategy, to enable further downstream benefits to be delivered, and to ensure that South Yorkshire moves towards being recognised as one of the country's best connected regions.

4.6. Activities and Projects

4.7. The Digital Connectivity Strategy includes a number of proposals for improving digital connectivity in South Yorkshire that will be pursued over the next 3 years including:

- Seek further investment in the Superfast South Yorkshire programme;
- Promote Government connection voucher schemes;
- Produce a transport network digital connectivity plan;
- Seek further investment in business support programmes;
- Ensure Council enabled networks can be used as accessible innovation test beds;
- Establish a region wide register of public assets that can be used to improve digital connectivity;
- Establish a single point of contact responsible for enabling the private sector to reuse these assets;
- Maintain and extend public owned infrastructure such as duct;
- Arrangements such as a concession contract or alternative form of agreement for an open access 5G infrastructure;

- Seek to introduce a policy that will require developers to provide full fibre access at new sites (superfast only if they can demonstrate that full fibre is not feasible);
- Publish a digital connectivity charter describing how the Council will adopt a pro-investment, barrier busting approach to wayleaves, planning and highways;
- Arrangements such as a concession contract or alternative form of agreement for an Internet of Things (IoT) infrastructure;
- Fund IoT demonstrators that illustrate the art of the possible in different sectors;
- Arrangements such as a concession contract or alternative form of agreement for free of charge public access wi-fi;
- Try to find a way of providing free of charge/reduced cost basic internet access in social housing.

4.8. Where further decisions are required to implement these proposals these will be subject to future approvals as applicable.

4.9. HOW DOES THIS DECISION CONTRIBUTE?

4.10. The Digital Connectivity Strategy has an ambitious vision; that by 2021 South Yorkshire will be recognised as one of the best connected regions in the country: where coverage, choice and speed of communication stays ahead of demand; and where connectivity enables residents and businesses to use digital solutions to improve their lives and to sustain, grow and create new business.

4.11. The Digital Connectivity Strategy has 9 Strategic Objectives, these are:

- To deliver access to superfast broadband for 100% of South Yorkshire;
- To deliver access to full fibre at every major business location;
- To deliver digitally connected public and private transport networks;
- To stimulate demand and encourage innovation;
- To exploit publicly owned assets and infrastructure;
- To establish South Yorkshire as a 5G-ready region;
- To become an industry recognised, pro-investment, barrier busting region;
- To establish a region-wide internet of things network;
- To provide free internet access in council owned social housing, outdoor spaces and potentially other council owned buildings.

4.12. It is anticipated that these strategic objectives will deliver the following benefits:

- To ensure that no one is excluded from the digital age and the socio-economic benefits of being online;
- To meet the demands from an increasing resident population, ensuring sufficient network capacity;
- To enable businesses to be more productive and more competitive;
- To sustain and grow the digital sector, in new and emerging technologies;
- To provide ubiquitous coverage, so that residents, workers and visitors are always connected;
- To facilitate rapid adoption of smart services such as 5G, Internet of Things (IoT), Connected Vehicles;
- To enable public services to be delivered more efficiently, more effectively, and to be accessible online;
- To create jobs, to learn and apply the skills needed for the infrastructure, products and services;

- For smart city solutions that improve energy use, public safety, traffic management and air quality;
- To establish South Yorkshire's reputation as a 'go to' place for innovators, researchers and investors;
- To gain a competitive advantage from ensuring supply is available ahead of demand; and,
- To meet consumer demand for higher bandwidth for video streaming, gaming, home working.
- The Sheffield City Council Digital Connectivity Strategy was approved 18/09/2019
- DMBC and RMBC are in the process of adopting the South Yorkshire Digital Connectivity Strategy

5. CONSIDERATION OF ALTERNATIVE APPROACHES

- 5.1. Do Nothing
- 5.2. The Council could choose not to adopt and implement the Digital Connectivity Strategy and to allow the market to determine the speed and coverage of next generation digital connectivity; it could choose not to work with the market to reduce barriers to investment; and it could choose not to directly intervene through, for example, concession contracts (or alternative forms of agreement).
- 5.3. However, history has shown that without public sector intervention, the market is slow to deploy infrastructure, particularly in less affluent areas of the region.
- 5.4. Public Sector Interventions since 2014 have achieved the following:
 - Coverage of superfast broadband has increased from 80% to over 97% and will reach 99% of premises by 2021;
 - Take-up of superfast broadband has increased to over 50%;
 - South Yorkshire's business parks were amongst the first in the country to access full fibre, gigabit, broadband;
 - Business support programmes have helped SMEs use digital to sustain and grow their business;
 - SMEs have received vouchers for half price connection and for half price innovation projects;
- 5.5. The do nothing option is not recommended because, were the Council to choose not to intervene, it is likely that coverage of full fibre and 5G in South Yorkshire would continue to lag significantly behind the rest of the country, with many other regions competing to attract the limited resources of the market to their own areas.

6. IMPLICATIONS FOR LOCAL PEOPLE/SERVICE USERS

- 6.1. The Digital Connectivity Strategy provides a framework for delivering a range of benefits for local businesses and residents. Examples include:
 - Improved health and well-being through remote health monitoring, better communications and access to health services;
 - Reduced isolation as access to the Internet can help improve communication and social engagement;

- Improved education outcomes through the use of web-based learning materials;
- Better employability through more effective job hunting and the ability to work remotely;
- The ability to access public services which are increasingly available online (such as applying for Universal Credit);
- Access to savings and discounts offered through online shopping (estimated at over £500 per year).

7. FINANCIAL IMPLICATIONS

- 7.1. The Digital Connectivity Strategy will be implemented using: existing Council resources and commitments; in partnership with sub regional and regional partnerships; and, through innovative relationships with the private sector. This will require the use of the revenues generated from concession contracts (or alternative forms of agreement such as contracts, leases or wayleaves).
- 7.2. This report seeks approval for the strategy to implement digital connectivity and does not commit the Council to additional net expenditure. The intention is that any costs that might be incurred, in any of the Council's departments, will be defrayed by the income generated from the various concessions, leases and wayleaves agreements that may be negotiated with partners. The choice of the most appropriate agreement will be made in accordance with the Council's decision making processes at the time.

8. EMPLOYEE IMPLICATIONS

- 8.1. There are no direct employee implications arising from the adoption of this strategy.

9. LEGAL IMPLICATIONS

- 9.1. There are no direct legal implications associated with the adoption of the Digital Strategy.

10. CUSTOMER AND DIGITAL IMPLICATIONS

- 10.1. Domestic internet traffic will continue to grow in the future as multiple family members use increasing numbers of internet services in their daily lives. For example, on line gaming in high definition; streaming of music, video and catch up TV; voice calling, video calling, wearables, smart speakers and other connected devices combine to create ever increasing demands on bandwidth.
- 10.2. Video on Demand is a massive growth area in the US and the UK. High Definition content streams at 8Mbps and 4k Ultra High Definition content streams at 32 Mbps which exceeds the UK definition of Superfast Broadband. Also where 4G connections tend to offer download speeds of around 20Mbps (which is fast enough to download a HD movie in 30 minutes), 5G is expected to surpass that by orders of magnitude: 500 to 1,500 Mbps (fast enough to download the same film in 25 seconds).
- 10.3. A 2018 study for Ofcom found that up to 40% of UK households could demand at least 1Gbps download speeds and 600Mbps upload speeds by 2025. Under a less aggressive scenario, the study estimated that 8% of households would require

Gigabit bandwidth by 2025, and that more than 50% would require download speeds of at least 300Mbps

11. COMMUNICATIONS IMPLICATIONS

11.1. We are working up a communication plan anticipating the adoption of the Digital Connectivity Strategy

12. CONSULTATIONS

12.1. The Digital Connectivity Strategy is the product of over 12 months' worth of consultation and collaboration with the fixed line infrastructure providers, mobile network operators, shared infrastructure providers, government departments, specialist consultancies, public sector partners throughout the city region, academia and the private sector.

13. THE CORPORATE PLAN AND THE COUNCIL'S PERFORMANCE MANAGEMENT FRAMEWORK

13.1. The corporate performance indicator for broadband is **CO38 % take up of superfast broadband**

14. HEALTH, SAFETY AND EMERGENCY RESILIENCE ISSUES

14.1. There are no direct implications associated with the adoption of the strategy

15. LIST OF APPENDICES

Appendix 1: South Yorkshire Digital Connectivity Strategy

16. BACKGROUND PAPERS

If you would like to inspect background papers for this report, please email governance@barnsley.gov.uk so that appropriate arrangements can be made

Report author: Martin Owens

Financial Implications/Consultation



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The Superfast South Yorkshire Programme

Digital Connectivity Strategy



September 2019



Executive Summary

Digital Connectivity

Digital Connectivity is the means by which electronic devices and ‘things’ communicate with each other, with private networks and with the internet. There are 14 billion electronic devices and ‘things’ connected to the internet today including computers, smart phones, tablets, TVs, smart speakers, wearables, vehicles, traffic signals, smart meters, buildings, data centres, medical equipment, sensors, industrial equipment etc. Digital Connectivity consists of fixed line networks (legacy copper networks and modern full fibre), mobile networks (legacy 4G and modern 5G) and wireless networks (Wi-Fi, Internet of Things Networks).

Our Vision

By 2021 South Yorkshire will be recognised as one of the best connected Regions in the country: where coverage, choice and speed of communication stays ahead of demand; and where connectivity enables residents and businesses to use digital solutions to improve their lives and to sustain, grow and create new business.

Why We Need This Strategy

During the last five years, the South Yorkshire Local Authorities have played a key role in ensuring that businesses and residents are able to access the best digital connectivity services available:

- Coverage of superfast broadband has increased from 80% to over 95% and will reach c99% by 2021;
- The take-up of superfast broadband has increased from 18% to over 45%;
- Business parks in South Yorkshire were amongst the first to access gigabit full fibre broadband;
- Business development programmes have helped businesses to use digital to sustain and grow;
- Voucher schemes have covered 50% of our SMEs digital connection and innovation costs; and,
- Sheffield city centre now benefits from arguably the best public access Wi-Fi network in the country.

However, we cannot afford to stand still. As South Yorkshire develops and grows over the next 3-5 years, there will become an increased demand on high speed, ubiquitous connectivity. The Region must document and share its Vision for Digital Connectivity in order to give residents and businesses confidence that their future connectivity needs will be met. It will help to demonstrate that South Yorkshire is a pro-investment Region that is open for business and to encourage the market to invest here ahead of other less ambitious areas. This strategy will ensure that the Region has the infrastructure in place to meet the following connectivity requirements:

- To enable businesses to be more productive and more competitive, to grow through digitisation;
- To sustain and grow the digital sector, in new and emerging technologies;
- To provide ubiquitous coverage, so that residents, workers and visitors are always connected;
- To facilitate rapid adoption of smart services such as 5G, Internet of Things (IoT), Connected Vehicles;
- To enable public services to be delivered more efficiently, more effectively, and to be accessible online;
- To create jobs, to learn and apply the skills needed for the infrastructure, products and services;
- To meet the demands from an increasing resident population, ensuring sufficient network capacity;
- For smart city solutions that improve energy use, public safety, traffic management and air quality;
- To ensure that no one is excluded from the digital age and the socio-economic benefits of being online;
- To establish a reputation as a ‘go to’ place for innovators, researchers and investors;
- To gain a competitive advantage from ensuring supply is available ahead of demand; and,
- To meet consumer demand for higher bandwidth for video streaming, gaming, home working.

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1. The Vision

Digital Connectivity

Digital Connectivity is the means by which electronic devices and ‘things’ communicate with each other, with private networks and with the internet. There are 14 billion electronic devices and ‘things’ connected to the internet today including computers, smart phones, tablets, TVs, smart speakers, wearables, vehicles, traffic signals, smart meters, buildings, data centres, medical equipment, sensors, industrial equipment etc. Digital Connectivity consists of fixed line networks (legacy copper networks and modern full fibre), mobile networks (legacy 4G and modern 5G) and wireless networks (Wi-Fi, Internet of Things Networks).

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- To enable businesses to be more productive and more competitive, to grow through digitisation;
- To sustain and grow the digital sector, in new and emerging technologies;
- To provide ubiquitous coverage, so that residents, workers and visitors are always connected;
- To facilitate rapid adoption of smart services such as 5G, Internet of Things (IoT), Connected Vehicles;
- To enable public services to be delivered more efficiently, more effectively, and to be accessible online;
- To create jobs, to learn and apply the skills needed for the infrastructure, products and services;
- To meet the demands from an increasing resident population, ensuring sufficient network capacity;
- For smart city solutions that improve energy use, public safety, traffic management and air quality;
- To ensure that no one is excluded from the digital age and the socio-economic benefits of being online;
- To establish a reputation as a ‘go to’ place for innovators, researchers and investors;
- To gain a competitive advantage from ensuring supply is available ahead of demand; and,
- To meet consumer demand for higher bandwidth for video streaming, gaming, home working.

Our Strategic Themes



Access for All

Increase coverage and take-up across the whole of the Region

Economic Growth

Business connectivity and support for competitive advantage

Innovation

Adopt the latest technology innovations at an early stage

Exploit Public Assets

Reuse infrastructure to deliver quickly and economically

Enables Wider Benefits

Support and enable digital inclusion, public service transformation and 'smart city' initiatives

2. The Benefits of Digital Connectivity

2.1 Being Economically Competitive

The 2018 Digital Economy and Society Index (DESI) found that, overall, the UK is ranked 7th in the European Union for digital connectivity. However, this assessment is based largely on the use of current generation technology that is fast reaching end of life such as Fibre to the Cabinet (FTTC), Cable Broadband and 4G. The UK is not so well placed where the next generation of digital connectivity is concerned. For example, it is currently ranked 26th for Fibre to the Premise (FTTP). According to broadband comparison website, Think Broadband, coverage of Superfast Broadband in South Yorkshire is 97.02% but coverage of Full Fibre is only 1.5% (<https://labs.thinkbroadband.com/local/south-yorkshire>).

Analysis commissioned by Ofcom from Dr Pantelis Koutroumpis of Oxford University has proven that investment in broadband has had a positive impact on economic growth, increasing UK GDP by 0.37% pa from 2002 to 2016 (a cumulative increase of 5.3% over the period). Investments in coverage, speed and take-up are each proven to increase economic growth. The Ofcom report establishes an empirical basis for how broadband has impacted on the UK economy and supports a strategy of continuing to encourage broadband investment, improving coverage and speed, and increasing take-up.

Business benefits enabled by digital connectivity include:

- Access to, and use of, products, services and resources that are increasingly digitally enabled;
- Increased efficiency and effectiveness, increasing productivity and reducing costs;
- Growth of existing markets and entry to new global markets;
- Innovation and the creation of new products and services; and,
- Workstyles that attract skilled employees.

South Yorkshire has a thriving and growing creative, digital and tech sector, including: WANdisco, Sumo Digital, Jaywing and Pimoroni. There are over 60 thriving digital and cross-sector collaborative communities, meetups and digital skills initiatives, including: Barnsley TechTown, dotSHF, Smart Sheffield and Sheffield Digital.

The Region is also proactively looking to position itself to respond to the opportunities and challenges that the digitisation agenda presents. One example of this is the Barnsley Digital Campus where working in partnership, Barnsley Council, Barnsley College and Sheffield Hallam University will bring digital skills and learning together with digital business. The campus also provides a framework for digital innovation through the provision of maker and demonstrator spaces.

Digital industry is growing faster in Sheffield than any other sector, creating new jobs and new wealth for the Region. The 2018 Tech Nation Report described the growth in digital industry and jobs in Sheffield. Sheffield's tech industry turnover grew by £82m in 2016-17 to £745m, an increase of more 12% - the largest increase of all major UK cities. For this to continue, the supply of full fibre, 5G and other forms of digital connectivity must remain ahead of demand. A Region that is responsive to advances in digital connectivity technology will retain and grow its digital sector and the other sectors of its economy that are increasingly dependent on connectivity and technology for their competitive advantage.

Digital connectivity also drives growth through innovation and the development of new products and services, many of which are inconceivable at the time that next advance in technology is first deployed. A connected Region can support testbeds, trials and collaborations between public, private and academic partners to further drive innovation and growth. It enables South Yorkshire to become a more digitally enabled and interactable Region to drive new kinds of business and relationships with consumers.

The Government’s Future Telecoms Infrastructure Review supports this, stating that “it is important that network supply stays ahead of demand, otherwise it risks becoming a constraint on the potential for future innovation, productivity and growth.”

Analysis commissioned by the National Infrastructure Commission (NIC) from Frontier Economics has estimated that the benefits of full fibre to consumers from being able to access new innovative services (Premium Audio Visual, Virtual and Augmented Reality and Smart Home) and from cost savings in the delivery of public services (Telehealthcare, Online Classrooms and 5G) could reach £33.3Bn by 2050. This analysis makes no allowance for wider economic benefits associated with productivity improvements, greater scope for innovation, enhanced labour force participation, or ‘externality’ impacts related to improved health, wellbeing, inclusion or environmental benefits.

Analysis commissioned by City Fibre based on a wide range of national and international research and evidence does account for these wider impacts and has predicted that the total economic impact of deploying full fibre broadband networks in South Yorkshire, when combined with investment in smart city technologies, IoT, 5G mobile networks and new telehealth technologies, could be as high as £2.771Bn over 15 years. These potential benefits are summarised in the following table.

Economic Benefit	(£m)
Direct Impacts	99
Up to 150 jobs created in construction, civil engineering & the professional services associated with network construction in each local authority area.	
Productivity	78
Business processes based on faster upload & download speeds, uncontended services, ultra-low latency, superior resilience & reliability.	
Innovation	77
Develop new & richer products & services, access new markets across the globe, innovate in collaboration with international online communities.	
Business Start-Ups	92
Starting a business is easier & less expensive, powerful cloud based solutions are accessible on subscription, businesses are leaner & more productive, flexibility supports their sustainability.	
Worker Flexibility	82
New working practices, access to a wider labour pool, lower premises overheads, work-life balance improves motivation/productivity, reduced barriers to work for carers, single parents etc.	
Housing Wealth	244
Digital connectivity is a priority feature for an increasing number of home buyers, gigabit connectivity has increased house prices by 4% in the United States.	
Health	49
New forms of outreach, person centred care, remote diagnosis, prevention & patient monitoring through e-patient records, apps, wearable devices, telehealth & assistive living technologies.	
5G	1,326
The features of 5G mobile communication will create new business models, products & services that increase growth in transport & logistics, finance, health & social care, manufacturing & retail.	
Smart Cities	244
Enable the roll-out of connected & interactive technologies & data to make a wide range of services & urban infrastructures better adapted to user needs & more efficient.	
Industry 4.0 / IoT	480
Industry 4.0 & IoT (industrial robots, networked machinery, data simulation, 3D printing, big data & analytics, augmented reality etc.) will revolutionise manufacturing & drive economic growth.	
Total	2,771

2.2 Enjoying a Better Quality of Life

Digital connectivity improves our quality of life. If the people of South Yorkshire understand the benefits of the internet for them personally and if they have the skills and the means to get online; then they will be happier, healthier and better off financially. The socio-economic benefits of being online include:

- The ability to access public services which are increasingly available online;
- Improved education outcomes through the use of web-based learning materials;
- Better employability through more effective job hunting and the ability to work remotely;
- Improved health and well-being through remote health monitoring, better communications and access to health services;
- Reduced isolation as access to the internet can help improve communication and social engagement;
- Access to streaming services which are increasingly replacing physical methods of distributing recreational content such as TV, movies and music;
- Access to savings and discounts offered through online shopping; and,
- More opportunities to interact with new digital services and experiences in the environment, both urban and rural.

South Yorkshire has an ambition to be recognised as a leading digitally inclusive Region where everyone who wants to be online is able to benefit from the advantages of the digital world. The South Yorkshire Local Authorities will continue to work with their partners to reduce digital exclusion.

The potential socio-economic impact of improved digital skills and digital connectivity in South Yorkshire is huge. Sheffield City Region is the 7th most deprived of the 39 Local Enterprise Partnership geographies according to the 2015 English Index of Multiple Deprivation. The following table shows how the City Region ranks across a range of measures.

Sheffield City Region Area: Rank of Average Score (1 is Most Deprived, 326 is Least Deprived)									
Index of Multiple Deprivation	Income	Employment	Education, Skills, Training	Health Deprivation & Disability	Crime	Barriers To Housing & Services	Living Environment	Income Deprivation Affecting Children Index	Income Deprivation Affecting Older People
7	8	6	2	6	8	34	27	9	8

Those who would benefit the most from being online are precisely those who are digitally excluded. The following table, based on the 2017 Good Things Foundation Digital Nation Report, compares characteristics of the digitally excluded to corresponding quality of life benefits experienced by regular internet users.

Characteristics of Non Users	Benefits Experienced by Regular Users
90% are disadvantaged in some way	74% use public service web sites
39% are older than 75	66% feel happier & 51% less isolated due to more social contact
78% left school before the age of 16	90% progress to further learning
50% are in social class DE	52% are more confident managing money
48% are chronically ill or disabled	67% feel more confident managing their health
45% earn less than £11.5k	£516 to £744 saved each year
19% are unemployed	64% find paid or voluntary work, or look for work

The impact of improved digital skills and connectivity in South Yorkshire will be felt most by the Region's 'digitally excluded'. For example:

Financial Impact

Universal Credit is a single monthly payment for people on a low income or who are out of work that replaces six 'legacy' benefits and tax credits. In most cases, Universal Credit should be applied for online, so new claimants will need digital skills and connectivity. However, in a 2019 survey, 50% of organisations involved in delivering Universal Credit in Sheffield reported that the supply of online access is not enough to meet current and/or future demand. This places up to 8,400 people in Sheffield currently claiming the out of work benefits covered by Universal Credit at financial risk (Nomis Jan 2019).

Health Impact

In Sheffield in 2014-15 almost 100,000 days were lost to work-related stress, depression or anxiety. Currently 1 in 3 people of working age have a long-term health condition. By 2030, on current trends, 40% of working age people will be affected by poor health. The distribution of this barrier is not equal, with the poorest populations of the City having a 60% higher level of long term conditions. Digital skills and connectivity can help those affected by physical or mental health conditions to access health and social care services and to manage their own conditions, to keep socially active with friends and relatives, to feel better faster and to return to work sooner.

The impact of improved connectivity in South Yorkshire will also be felt by those who have long since embraced the benefits of internet access. Full fibre and 5G networks offer far faster, far more reliable, far more responsive connectivity than superfast fibre to the cabinet networks. This technology is required to meet the demands of greater bandwidth for consumer services. For example:

Video on Demand

Video on Demand is a massive growth area in the US and the UK. High Definition content streams at 8Mbps and 4k Ultra High Definition content streams at 32 Mbps which exceeds the UK definition of Superfast Broadband. Also where 4G connections tend to offer download speeds of around 20Mbps (which is fast enough to download a HD movie in 30 minutes), 5G is expected to surpass that by orders of magnitude: 500 to 1,500 Mbps (fast enough to download the same film in 25 seconds).

Traffic Growth and Future Proofing

Domestic internet traffic will continue to grow in the future as multiple family members use increasing numbers of internet services in their daily lives. For example, on line gaming in high definition; streaming of music, video and catch up TV; voice calling, video calling, wearables, smart speakers and other connected devices combine to create ever increasing demands on bandwidth.

In a 2018 study for Ofcom, WIK Consult assessed the applications that require ultrafast broadband and how demand for bandwidth might evolve in the years to 2025. WIK found that high definition video, consumer cloud traffic, gaming, 'tactile internet' (e.g. remote diagnostics and autonomous driving) and 'immersive media' (e.g. virtual and augmented reality) would drive the demand for greater bandwidth. WIK found that up to 40% of UK households could demand at least 1Gbps download speeds and 600Mbps upload speeds by 2025. Under a less aggressive scenario, WIK estimated that 8% of households would require Gigabit bandwidth by 2025, and that more than 50% would require download speeds of at least 300Mbps.

2.3 Delivering Better Public Services

Digital Connectivity enables public services to be delivered in ways that are increasingly more innovative, more effective and more efficient. It enables public services to be targeted and to be tailored to the needs of individuals. Digital Connectivity also enables these new personalised public services to be accessed electronically, rather than in person or through a telephone contact centre.

The benefits of electronic public service delivery are described below:

- Enables the public sector to deliver services electronically to the public who are then able to access them ‘any time, any place, anywhere’;
- Delivering access to public sector services electronically online is often more efficient than delivering them through face-to-face or telephone contact centre channels. The 2016 LGA ‘Engaging Citizens Online’ report estimated the initial costs per transaction of face-to-face contact at £8.21, £2.59 for a telephone contact and £0.09 for an online transaction;
- Enables the public sector to improve its business processes, to take advantage of digital products and services to improve efficiency and effectiveness, to innovate and be responsive to changes in demand;
- Enables the public sector to reduce costs by using lower cost cloud based services rather than more expensive on premise alternatives;
- Enables the public sector to share information, to deliver joined up services, and to implement alternative organisational models such as shared services;
- Enables the delivery of other organisational strategies. For example: public service transformation; education and skills; and, economic development; and,
- Enables the public sector to use modern ways of working which offer employees better work/life balance, helps attract new recruits, and helps retain skilled and experienced employees.

Local Authority Transformation

The South Yorkshire Local Authorities are equipping Council Departments with the technology, skills and tools required to deliver consistent, flexible and responsive public services. We put customers at the centre of service design; we will make it easier for customers to contact, access and receive services whenever and however they prefer to.

The Local Authorities want to ensure that when customers contact them, they can get what they need in that first point of contact, or in as few as possible, and that the Councils keeps them regularly updated along the way. The Local Authorities also want to support customers to do more general tasks online.

Local Authority transformation programmes will develop modern, flexible, responsive and digitally enabled services based on the needs of customers. Using service and customer insight they will identify new and exciting ways of working and deliver the tools needed to be more modern and customer focussed organisations. The following table illustrates customer’s preferred ways of accessing Local Authority services (taken from a recent Sheffield City Council survey).

Access Method	How Do Customers Access Services Now?	How Do They Want To Access Services In The Future?
On Line	22%	58%
eMail	25%	15%
‘Phone	43%	20%
Face To Face	1%	5%
Paper Forms & Post	20%	2%

A Long Term Plan for the National Health Service

The NHS Long Term Plan, published in January 2019, describes how the NHS will become fit for the future and how it will get the most value for patients from its limited funding. The plan describes how technology will play a central role in realising the Long Term Plan, helping clinicians use the full range of their skills, reducing bureaucracy, stimulating research and enabling service transformation.

The NHS will establish a wide-ranging and funded programme to upgrade technology and digitally enabled care across the NHS. Over the next 10 years, this programme will result in an NHS:

- Where digital access to services is widespread;
- Where patients and their carers can better manage their health and condition;
- Where clinicians can access and interact with patient records and care plans wherever they are, with ready access to decision support and AI, and without the administrative hassle of today;
- Where predictive techniques support local Integrated Care Systems to plan and optimise care for their populations; and,
- Where secure linked clinical, genomic and other data support new medical breakthroughs and consistent quality of care.

The Emergency Services Network

The Emergency Services Network (ESN) is a critical communications system that will replace the current Airwave service used by the emergency services.

The ESN will be used by the police, fire and rescue, and ambulance services as well as a range of other users stretching from local authorities and utility services to first responders like inshore rescue. There are potentially around 300,000 individuals who will depend on ESN, using handheld devices or operating equipment in 50,000 vehicles, 115 aircraft and 200 control rooms.

The ESN software is being provided by Motorola Solutions and the infrastructure is being built by EE; who will upgrade and extend its existing 4G network. Around 500 new sites will be built, 300 in the most rural areas of the country. The new sites can be shared with other mobile network operators in order to maximise coverage for both the emergency services and to bring much commercial coverage to unserved areas.

3. Aims and Objectives

3.1 Deliver Access to Superfast Broadband for 100% of South Yorkshire

Superfast Broadband is a broadband connection able to download data at speeds of 30Mbps or above. Superfast Broadband can be provided using a range of different technologies including Fibre to the Cabinet, Fibre to the Premise, Cable and Wireless. A single superfast connection can support multiple computers, tablets, games consoles, and phones, meaning more people can be online at the same time. By 2021, we want every business and every resident in South Yorkshire to be able to access broadband services that offer speeds of 30Mbps and above.

The Current Position

In 2014 Superfast Broadband (30Mbps) reached only 80% of premises in South Yorkshire. The broadband providers in the UK had no plans to extend their networks, so the Barnsley, Doncaster, Rotherham and Sheffield Local Authorities formed the Superfast South Yorkshire Programme. Collectively, the South Yorkshire Authorities applied for funding to Central Government and to Sheffield City Region. They secured £15m and established a project to extend connectivity to c100,000 residential and commercial premises across the Region through an almost entirely Fibre to the Cabinet (FTTC) infrastructure.

The Superfast South Yorkshire Programme has long recognised that Fibre to the Cabinet infrastructure has limited capacity and is incapable of meeting future demands for speed, bandwidth and reliability. Therefore, it has targeted public sector investment at Fibre to the Premise infrastructure (FTTP) since 2016. Fibre to the Premise is the gold standard for residential and business telecommunications; therefore our longer term ambition is for 100% of the Region to have access to Fibre to the Premise Gigabit Broadband.

In 2018, The South Yorkshire Local Authorities invested a further £4m to connect up to 10,000 premises that are currently unable to access superfast broadband with an almost entirely Fibre To The Premise infrastructure. This will extend coverage of Superfast, Ultrafast or Gigabit broadband to almost 99% of South Yorkshire by 2021.

How We Will Do It

01: Further Investment in the Superfast South Yorkshire Programme [Medium Term]

The South Yorkshire Local Authorities will continue to seek further investment in the Superfast South Yorkshire Programme. Additional public funding, together with further commercial investment, will extend coverage from 99% to 100% of the Region.

3.2 Deliver Access to Full Fibre at Every Major Business Location

Full Fibre Broadband connections provide the fastest and the most reliable speeds available, capable of transferring data at 1,000Mbps and above. Full Fibre Broadband is delivered by Fibre to the Premise technology – a glass fibre connection directly from the exchange to the home or business, an infrastructure that has a lifetime of many decades. South Yorkshire has very little coverage of full fibre at the moment. However, a number of infrastructure providers have recently announced plans to increase coverage and in 2018 the Government set a target for national coverage by 2033. We believe that access to full fibre is essential for our future economic success. Therefore, our second objective is that by 2021 it is possible to access gigabit fibre broadband at every Major Growth Area, Major Business Park and Business District in the Region.

The Current Position

In March 2016, £5m of Central Government and Sheffield City Region funding was invested to bring speeds of 100Mbps and above to South Yorkshire Enterprise Zones and key Business Parks through Fibre to the Premise infrastructure.

In March 2018 the Government launched a Gigabit Voucher scheme to help businesses (or clusters of businesses) to buy gigabit-capable connectivity. It is anticipated that this demand will encourage operators to invest in new infrastructure to extend their coverage in the Region. By March 2019, 177 Gigabit Vouchers had been issued in South Yorkshire with a further 80 in the pipeline, attracting a total of £577k government funding into the Region.

How We Will Do It

02: Connection Vouchers [Short Term]

The South Yorkshire Local Authorities will promote Government Voucher Schemes that subsidise the costs of full fibre connectivity. We will aggregate and communicate demand from businesses to digital infrastructure providers who will extend their coverage to meet this need.

3.3 Digitally Connected Public and Private Transport Networks

A digitally connected transport network offers many benefits. It enables commuters to access personal and business networks on their commute to and from work, and during their working day as they move around the Region. It enables commuters to access up-to-date information about the performance of the public transport system and the travel choices that they have - regardless of whether they are at home planning a journey or at a bus stop, tram stop or train station. It ensures that public transport is a safe place to be, that it has the connectivity needed for lighting, CCTV monitoring and for calling the emergency services. It enables Connected and Autonomous Vehicles to traverse the Region's roads. It enables the highway network to be managed more efficiently and effectively; improving road safety, managing traffic flows, minimising congestion, reducing pollution and improving air quality.

The Current Position

A range of improvements to the Regions transport network are planned for the next three years, many of which are dependent upon 5G, wireless or full fibre connectivity. Projects include the Clean Air Zone (a £50m system that charges owners of the most polluting vehicles to enter Sheffield City Centre) and an Internet of Things Programme to be implemented by Amey LG. Initially this will see sensors installed in litter bins, grit bins and drainage gullies. The Programme also has the potential to improve the maintenance of: roads; pavements; street lights; street signs; traffic signals; street furniture; grass verges; bridges and highway structures; waste collection; and, the gritting of roads and pavements.

The South Yorkshire Local Authorities must also now plan for the introduction of electrical vehicle charging; for connected and autonomous vehicles; and for the implementation of the Sheffield City Region Transport Strategy 2018-2040.

How We Will Do It

03: The Transport Network Digital Connectivity Plan [Medium Term]

The South Yorkshire Local Authorities will define the digital connectivity requirements of all of their major transport initiatives in order to ensure that these needs are met in the most efficient and effective manner, and that opportunities to add value, reduce cost, disruption and environmental impact are seized.

3.4 Stimulate Demand and Encourage Innovation

Extending coverage of digital connectivity will not in itself achieve the economic and social benefits that we want to realise. We must be proactive in stimulating demand and in encouraging citizens and businesses to use superfast, ultrafast and gigabit broadband as well as 5G and wireless networks such as Wi-Fi and IoT. Our fourth objective is to stimulate demand and encourage innovation amongst residential and business users.

The Current Position

In 2015, the Superfast South Yorkshire Programme developed a Demand Stimulation Strategy and obtained £1m funding from the South Yorkshire Local Authorities and from the European Regional Development Fund (ERDF) for its implementation.

In 2017 The Digital Growth Programme was launched which supported businesses to adopt new technology enabled by superfast broadband. It provided inspirational presentations from companies such as Rolls Royce, it raised awareness of the 'art of the possible', and it provided practical sessions to help local businesses put in place plans to implement what they had seen. 112 South Yorkshire SMEs each received over 12 hours of support from the Digital Growth Programme.

In 2015 the South Yorkshire Local Authorities joined the government funded Connection Voucher Scheme. This 6 month programme offered grants of up to £3,000 to cover the installation costs of connecting to superfast or ultrafast broadband. 750 South Yorkshire businesses took advantage of the scheme, attracting over £1m government funding into the Region, with many of the superfast or ultrafast broadband connections being provided by local suppliers.

In 2017 the Superfast South Yorkshire Programme established its own ERDF funded Connection and Innovation Voucher Scheme. The vouchers covered 50% of a business's connection costs up to £2,500 and 50% of a business's ICT enabled innovation costs up to £12,500. Over 150 South Yorkshire businesses took advantage of the scheme, attracting £1.2m government funding into the Region.

In March 2018, DCMS launched a national Gigabit Broadband Voucher Scheme. This offers vouchers worth up to £2,500 to support the capital costs of new gigabit capable connections for businesses in the Region. By March 2019, 177 Gigabit Vouchers had been issued in South Yorkshire with a further 80 in the pipeline, attracting a total of £577k government funding into the Region.

Take-up of Superfast Broadband was 18% in 2015. In January 2018 take-up in the Intervention Area (the coverage funded by the SFSY Programme) had reached 26%, by June 2019 it had reached 45%, and by 2021 it is expected to reach 50%.

How We Will Do It

04: Business Support Programme [Short Term]

The South Yorkshire Local Authorities will continue to stimulate demand and encourage innovation through the Superfast South Yorkshire Programme, and to bid for additional funding for business support. Each Local Authority will continue to provide targeted support to start-ups and SMEs with growth potential. This will include explaining how technology and connectivity can improve productivity - regardless of the size, nature or IT maturity of the business. Business Support is also available from the Sheffield City Region Growth Hub.

05: An Accessible Innovation Test Bed [Medium Term]

The digital connectivity infrastructure to be established through this strategy represents an 'innovation platform' that can act as a testbed for research and development and for the development of new products and services; accessible by the universities, technology start-up incubators, and the Region's broader digital eco-system. The 'innovation platform' could potentially be used by National Partners such as the Connected Places Catapult and the DCMS 5G Test Beds and Trials Programme.

3.5 Exploit Publicly Owned Assets and Infrastructure

The South Yorkshire Local Authorities own thousands of assets including street light columns, CCTV columns, underground duct, administrative buildings and social housing. Our fifth objective is to exploit publicly owned assets and infrastructure in order to improve the supply of full fibre and 5G telecommunications services and to foster innovation and growth.

The Current Position

In November 2017, Sheffield City Council entered into a concession contract that offered exclusive use of its city centre assets to a telecommunications company in exchange for a rental income, profit share and the provision of a free of charge public access Wi-Fi network. The rental income and profit share helps the Council to fund its digital activities. The free of charge public access Wi-Fi network makes the city centre a more vibrant and attractive places for citizens, visitors, businesses and shoppers. This will increase footfall and help local businesses thrive and grow.

Barnsley, Doncaster and Rotherham have similar aspirations and hope to provide free of charge internet access through future concessionary projects.

All of the South Yorkshire Local Authorities will make their assets available for reuse to help deliver the aims and objectives described in this Digital Connectivity Strategy. Potential applications include the use of council owned duct to extend full fibre networks, the use of council owned street assets to mount small cell radios for 5G, and the use of council rooftops to host Radio Gateways for IoT networks. Council assets could also be used by tech and digital industry to innovate, develop new products and services, and to get to market quickly.

How We Will Do It

06: Asset Register [Medium Term]

The South Yorkshire Local Authorities will establish a Region wide inventory of publicly owned assets, ensuring that data such as location and condition is accurate and well maintained. The asset register will be used to support the delivery of the Digital Connectivity Strategy, and to stimulate further innovation through the reuse of public sector assets.

07: Single Point of Contact [Short Term]

The South Yorkshire Local Authorities will make it easier for digital infrastructure providers and the technology and digital industries to reuse public sector assets where this delivers the Digital Connectivity Strategy or stimulates further innovation. We have established a network of Digital Infrastructure Champions responsible for granting access to assets and infrastructure to support the rollout of full fibre and mobile networks throughout South Yorkshire.

08: Maintain and Extend the Infrastructure [Long Term]

The South Yorkshire Local Authorities will adopt a 'dig once' approach so that publicly owned duct is laid under highways whenever there is a major development in the Region. The duct can then be used by the Local Authorities to provide connectivity for traffic signals, ANPR cameras, CCTV etc. The new duct increases the assets available for reuse by partners and the private sector to extend and improve digital connectivity in the Region. Private sector partners will also be invited to lay their own duct during these developments.

3.6 A 5G-Ready Region

This objective is to stimulate market development and deployment of 5G technology and infrastructure in South Yorkshire. This will create new opportunities for businesses, developing capability and skills, and encouraging inward investment; and it will ensure that the Region secures an 'early mover advantage' in the investment and development of capability and skills as future 5G products, services and applications evolve.

The Current Position

It is understood that the Mobile Network Operators plan to upgrade their existing 4G cellular infrastructure to meet the short to medium term demands of 5G, but do not plan to invest in the infrastructure required for longer term, higher levels of demand, known as 'densification'.

The South Yorkshire Local Authorities collectively own thousands of assets including street light columns, CCTV columns, underground duct, administrative buildings and social housing. These assets could be used by a telecommunications company to provide, ahead of demand, a wholesale 5G network ready for densification.

A densified 5G infrastructure (assumed to be based on a fibre to the street light, fibre to the small cell solution) is most appropriately provided on a shared basis, thus enabling choice and completion of 5G services to the customer, and minimising the amount of civil construction, disruption and environmental impact of each MNO implementing its own competing small cell network.

How We Will Do It

09: 5G Ready South Yorkshire [Medium Term]

Sheffield City Council will procure a concession contract (or other appropriate form of agreement) that will offer use of city assets for small cell networks in exchange for a rental income and the creation of an open access fully managed densified 5G infrastructure. Sheffield City Council will collaborate with its South Yorkshire Local Authority Partners to ensure that if possible, their assets are included in scope of the contract and that the preferred supplier is also able to extend its 5G infrastructure into Barnsley, Doncaster and Rotherham should it wish to do so. By ensuring that the 5G network supply stays ahead of demand, South Yorkshire will be well placed to respond quickly to the opportunities it will present for future innovation, productivity and growth.

3.7 An Industry Recognised, Pro-Investment, Barrier Busting Region

This objective is to ensure that South Yorkshire is recognised by the telecommunications industry as an attractive place to invest, where the Local Authorities proactively support operators and remove barriers to the deployment of infrastructure.

The Current Position

The South Yorkshire Local Authorities have long recognised that digital communications infrastructure is vitally important for social and economic well-being. The current levels of fixed line, mobile and wireless coverage could not have been achieved without the support of council services such as planning, highways and property. Some of our processes are recognised as industry best practice and are quoted in government publications. For example, The Yorkshire & Humber Common Permit Scheme (YHCPS) which minimises delay and reduces disruption to road users from street works. However, we do not receive the recognition that we deserve; that would enhance the Region's reputation, attract suppliers to South Yorkshire, and ensure that collectively we gain competitive advantage from being an early adopter of new technology.

How We Will Do It

10: Planning Policy [Short Term]

The South Yorkshire Local Authorities will seek to introduce policies that require developers to provide full fibre access at new sites (superfast only if it can demonstrate that full fibre is not feasible). This will mean that the gaps in commercial coverage do not grow in size, and that additional public funding is not required to help fill those gaps. Developers will be asked to consider installing multiple full fibre suppliers in order to provide choice and competition.

11: Barrier Busting [Short Term]

The South Yorkshire Local Authorities will publish a Digital Connectivity Charter. This will describe how we will adopt a pro-investment, barrier busting approach to wayleaves, planning and highways to provide the conditions required by network operators to install full fibre, 5G and other telecommunications infrastructure efficiently and effectively. It will describe how the local authorities will establish and maintain relationships with the market, and how they will manage and govern digital connectivity internally.

3.8 A Region-Wide Internet of Things Network

Our eighth objective is to establish a Region-wide, open access IoT network that supports all major long range wireless communication protocols. The South Yorkshire Local Authorities own administrative buildings and social housing that are ideal locations for IoT radio gateways.

The Current Position

By 2020 it is estimated that there will be 13 billion things in the home, 3.5 billion things in vehicles, 411 million wearable things, 646 million things in the hospital and 9.7 million other things in the city connected to the internet. A Region-wide, technology agnostic and open access IoT communications network is required to provide connectivity and backhaul for South Yorkshire.

This is not just about meeting current and future demand, it is also about gaining competitive advantage for the Region, its businesses and its citizens as 66% of early movers in manufacturing say IoT is critical to competitive advantage, 88% report a return in investment, and 77% of leaders say that IoT will transform business as we know it.

How We Will Do It

12: A Region Wide IoT Network [Medium Term]

Sheffield City Council will procure a concession contract (or other appropriate form of agreement) that will offer use of council owned buildings for IoT radio gateways in exchange for a rental income and the creation of an open access fully managed IoT infrastructure. Sheffield City Council will collaborate with its South Yorkshire Local Authority Partners to ensure that if possible, their assets are included in scope of the contract and that the preferred supplier is also able to extend its IoT infrastructure into Barnsley, Doncaster and Rotherham should it wish to do so. By ensuring that IoT networks are in place ahead of demand, South Yorkshire will be well placed to respond quickly to the opportunities that IoT presents for future innovation, productivity and growth.

13: IoT Demonstrators [Long Term]

The South Yorkshire Local Authorities will fund IoT demonstrators and proof of concept projects that illustrate the art of the possible and that can then be deployed further by the private sector to improve productivity, and by the public sector to improve efficiency and effectiveness.

3.9 Free Internet Access

We live in an increasingly digital world where many people are already benefitting from the internet, digital TV and mobile communications. City Regions are some of the most digitally advanced, digitally driven places on the planet. This creates a huge range of business and social opportunities with rapidly changing products, services and ideas. It also offers further opportunities to learn, save money and keep in touch. When individuals are digitally active it can improve the accessibility of services and support to people who find themselves physically and emotionally isolated, whilst also providing employment opportunities both in digital careers and other industries that make use of digital technology.

The South Yorkshire Local Authorities are committed to tackling inequalities by supporting those with the greatest needs and helping and enabling people to achieve their full potential. We all recognise that affordable safe access to the internet and the ability to use it can save people money and increase their ability to search for and apply for work, develop skills and access the services they need.

Therefore this objective is to regard access to the internet as a human right, and to provide free of charge internet access wherever we can – in our public buildings, in our open spaces and in our social housing, so that those who wish to access the internet are able to do so (we recognise, and respect, that some people choose not to be digitally connected).

The Current Position

In 1856 Sheffield Public Library opened its doors for the first time, offering the public free of charge access to a selection of newspapers and books. 163 years later and the citizens of Sheffield are still visiting their local libraries in order to access information and services that they would otherwise not be able to, not just through printed media, but increasingly electronically.

The South Yorkshire Local Authorities currently provide free of charge access to computing devices and to the internet at libraries, first stop shops, outdoor spaces and public buildings.

However, we want to go beyond this and to provide free of charge internet access in public buildings, in more outdoor areas, and in the homes of our social housing tenants. This will help to bring the internet closer to the 20% of the overall population, and 40% of social housing tenants, that are digitally excluded.

How We Will Do It

14: Free Wi-Fi Service - Phase 2 [Medium Term]

Sheffield City Council will procure a concession contract (or other appropriate form of agreement) that will offer use of council owned street lights, CCTV columns and buildings for the provision of residential and commercial Wi-Fi services in exchange for a rental income and a free of charge public access Wi-Fi service. Phase 2 is expected to cover outdoor spaces and non-residential public buildings in densely populated areas of Sheffield outside the city centre. Sheffield City Council will collaborate with its South Yorkshire Local Authority Partners to ensure that if possible, their assets are included in scope of the contract and that the preferred supplier is also able to extend its Wi-Fi infrastructure into Barnsley, Doncaster and Rotherham should it wish to do so.

15: Free of Charge Basic Internet Access in Social Housing [Medium Term]

The South Yorkshire Local Authorities will attempt to find a way of providing social housing tenants with basic internet access that is free of charge to the tenant and free of charge to the Councils. The Local Authorities will investigate whether it is possible for a digital infrastructure provider to offset the costs of providing a basic free of charge service through the profit generated by sales of paid for services to those tenants able to afford a commercial service. If it is not possible to find a way of providing basic internet access that is free of charge, then we will try to find a way of providing internet access at a reduced cost.

4. Digital Connectivity Strategy: Summary of Activity

Strategic Objective and Activity	Phasing (Months)	Lead Organisation
1. Deliver Access to Superfast Broadband for 100% of South Yorkshire		
<i>01: Further Investment in the Superfast South Yorkshire Programme</i>	<i>M: 10-18</i>	<i>SFSY</i>
2. Deliver Access to Full Fibre at Every Major Business Location		
<i>02: Connection Vouchers</i>	<i>S: 6-10</i>	<i>SFSY</i>
3. Digitally Connected Public and Private Transport Networks		
<i>03: The Transport Network Digital Connectivity Plan</i>	<i>M: 10-18</i>	<i>SY LAs</i>
4. Stimulate Demand and Encourage Innovation		
<i>04: Business Support Programme</i>	<i>S: 6-10</i>	<i>SFSY, SCR, SY LAs</i>
<i>05: An Accessible Innovation Test Bed</i>	<i>M: 10-18</i>	<i>SCC, SY LAs</i>
5. Exploit Publicly Owned Assets and Infrastructure		
<i>06: Asset Register</i>	<i>M: 10-18</i>	<i>SY LAs</i>
<i>07: Single Point of Contact</i>	<i>S: 6-10</i>	<i>SY LAs</i>
<i>08: Maintain and Extend the Infrastructure</i>	<i>L: 18 Plus</i>	<i>SY LAs</i>
6. A 5G-Ready Region		
<i>09: 5G Ready South Yorkshire</i>	<i>M: 10-18</i>	<i>SCC</i>
7. An Industry Recognised, Pro-Investment, Barrier Busting Region		
<i>10: Planning Policy</i>	<i>S: 6-10</i>	<i>SY LAs</i>
<i>11: Barrier Busting</i>	<i>S: 6-10</i>	<i>SY LAs</i>
8. A Region-Wide Internet of Things Network		
<i>12: A Region Wide IoT Network</i>	<i>M: 10-18</i>	<i>SCC</i>
<i>13: IoT Demonstrators</i>	<i>L: 18 Plus</i>	<i>SY LAs</i>
9. Free Internet Access		
<i>14: Free Wi-Fi Service - Phase 2</i>	<i>M: 10-18</i>	<i>SCC</i>
<i>15: Free of Charge Basic Internet Access in Social Housing</i>	<i>M: 10-18</i>	<i>SY LAs</i>

This strategy describes a range of activities and projects that the South Yorkshire Local Authorities plan to implement in order to deliver their objectives for digital connectivity. These activities and projects will be developed in greater detail in the months ahead. We will take account of developments in technology and changes in market conditions as we progress.

5. Our Strategic Approach

5.1 Our Strategic Approach To Funding

Following almost a decade of austerity and year on year reductions in central government funding, combined with rising pressures for both children's and adult's social care; the South Yorkshire Local Authorities' ability to fund digital connectivity from its core budgets is limited. Therefore, we will find alternative sources of funding to deliver our objectives. This includes:

- Concession contracts (or other appropriate forms of agreement) that will offer use of council owned assets in exchange for a rental income and some form of digital connectivity service;
- Applications for funding from Government, Sheffield City Region and other external sources; and,
- Publicising and promoting our strengths and achievements because an enhanced profile and reputation based on world class digital connectivity will help attract business and inward investment to the Region.

5.2 Our Strategic Approach To Working With The Private Sector

The South Yorkshire Local Authorities will work with digital infrastructure providers, and residential/commercial developers, to establish and maintain a shared understanding of one another's plans, ensuring that public sector interventions complement those of the private sector.

In addition, we will adopt a pro investment, barrier busting approach to wayleaves, planning and highways to provide the conditions required by network operators to install full fibre, 5G and other telecommunications infrastructure efficiently and effectively in the Region.

5.3 Our Strategic Approach To Working With Partners

The majority of our achievements to date have been delivered in partnership through the Superfast South Yorkshire programme. The South Yorkshire Local Authorities will continue to collaborate in this way where this helps to deliver our strategic objectives.

The purpose of the Digital Connectivity Strategy is to ensure that the citizens and businesses of South Yorkshire have access to full fibre, wireless, mobile and IoT connectivity. Digital connectivity is a pre requisite for other Regional strategy such as economic growth, skills and training, digital inclusion and smart cities. We will continue to collaborate with partner organisations to help deliver all of our Regional strategic objectives.

We will also collaborate with our Regional partners in Local Government, Academia, Health, Police, Commerce and other sectors in order to implement the aims and objectives of this strategy, to enable further downstream benefits to be delivered, and to ensure that South Yorkshire is recognised as one of the country's best connected Regions by 2021.

5.4 Our Strategic Approach To Standards

5G networks will need to comply with government technical standards and health and safety legislation. Public Health England is responsible for advising the UK Government on 5G. Its guidance note entitled "Mobile phone base stations: radio waves and health" was updated in May 2019. This guidance note explains that Public Health England, along with the International Commission on Non-Ionizing Radiation Protection (ICNIRP), the European Commission's Scientific Committee on Emerging and Newly Identified Health Risks (SCENIHR), and the World Health Organisation all share the view that the results of current scientific research show that there are no evident adverse health effects if exposure remains below the levels set by current standards.

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BARNSELY METROPOLITAN BOROUGH COUNCIL

This matter is a Key Decision within the Council's definition and has been included in the relevant Forward Plan.

Report of the Executive Director of PLACE

St Michael's Avenue Housing Development

1. Purpose of Report

- 1.1 The purpose of this report is to seek approval for the development of 35 new build housing units on a Council-owned site off St Michael's Avenue, Monk Bretton.

2. Recommendations

- 2.1 **Cabinet grants 'in principle' approval for the direct development of this Council owned site by the Council. The site will provide 35 residential units with a mixture of open market sale, council rented and market rented properties.**
- 2.2 **Cabinet delegates final scheme approval and responsibility for the appointment of suitably qualified contractors, to the Executive Director of PLACE, following consultation with the Director of Finance, Assets and IT. A final decision regarding the progression of the development will be made following a full financial appraisal at tender evaluation stage.**
- 2.3 **Cabinet approval is granted to appropriate the 16 council rented units into the Housing Revenue Account, which will be managed by Berneslai Homes.**
- 2.4 **Cabinet approval is granted to appropriate the 6 market rented units to Berneslai Homes Ltd ('The Company'), which will be held separately from the Housing Revenue Account and let at an affordable market rent.**

3. Introduction

- 3.1 The project is set within the context of the Council's Housing Strategy (2014 to 2033) and Local Plan (2014-33) which identifies that Barnsley needs more new homes, of different types and tenures. The homes need to be affordable and should include a mixture of private and social homes. BMBC is actively working with a range of partners to stimulate housing growth to ensure that everyone has access to a home which meets their current and future needs.
- 3.2 This Council-owned site off St Michael's Avenue has been allocated for housing under the adopted Local Plan (site ref. HS22). There is an opportunity for the Council to directly deliver a housing scheme which offers a broad range of property types and tenures, to meet diverse housing needs. The site is well served in terms of local amenities including shops, schools and transport routes into Barnsley Centre.
- 3.3 The scheme proposal also aligns with DCLG's March 2016 guidance on the disposal of Local Authority Assets, which includes maximising housing capacity as a rationale for the consideration of creative disposal/redevelopment methods.

- 3.4 The proposed development will provide family houses in the form of 2, 3 and 4 bedrooed semi-detached houses and older person accommodation comprising 2 bedrooed bungalows and apartments. The mix of units would be as follows:
- Homes for council (social) rent (16 units)
8 x 2-bed house
2 x 4-bed house
2 x 2-bed bungalow
4 x 2-bed apartment
- Homes for market (private) rent (6 units)
4 x 3-bed house
2 x 2-bed house
- Homes for open market (private) sale (13 units)
5 x 2-bed bungalow
4 x 4-bed house
4 x 3-bed house
- 3.5 NPS Barnsley have been appointed to provide full professional services including Architectural, Employer Agent, Contract Administration and Quantity Surveying functions, for the duration of the project.
- 3.6 It is proposed that the project be competitively tendered on a Design and Build contract basis.
- 3.7 A financial appraisal for the scheme has been developed which includes build cost estimates provided by NPS. The appraisal and the sales values within have been reviewed by the Council's Asset Management team (RICs qualified surveyors) and our current Sales and Marketing Advisors, Haybrook.
- 3.8 The majority of the property designs have been used on previous schemes and have proven to be very popular. These designs are part of a suite of 'standard' property types that officers are developing to create design cost efficiencies and to streamline the project development stage of our investment programme. There will be an emphasis on providing well designed, spacious and high quality housing across all tenure types.
- 3.9 The Council recently completed its first housing development for open market sale at Longcar Lane (Blenheim View), under the marketing name of 'Met Homes Barnsley'. The scheme was a success, with all properties being sold 'off-plan'. The valuable experience been gained by the Housing Growth team in delivering Blenheim View can now be transferred to the sales element of the St Michael's scheme.
- 3.10 Any efficiency generated through the in-house delivery of open market sale homes could be recycled for re-investment into further housing projects.
- 3.11 A tender has been issued to engage a professional Sales and Marketing agent on a three year contract basis, to assist with the sales of the open market units on this and future 'Met Homes Barnsley' schemes. Such an agent was employed for the Blenheim View scheme, which proved invaluable to the success of securing early reservations and the efficient selling of the properties.
- 3.12 Soft Market Testing has been undertaken and a marketing report produced by Haybrook which suggests that market demand for the mix of sales units provided on this scheme will be strong. Sales Values, as noted in the viability appraisal, have also been sense checked by the local agent and deemed achievable.

- 3.13 Berneslai Homes has sought legal advice and approval (following the Housing Services Review (2017/18) to hold stock as a company (within Berneslai Homes Ltd), to deliver a private rented model.
- 3.14 The properties will be built to “Secure by Design” standards and will be highly insulated and energy efficient on a fabric first basis; responding to the Council’s Zero 40/45 strategy. The Council retained homes will be ‘off-gas’; also benefitting from Air Source Heat Pump systems. All properties will have EV charging points and full fibre broadband.

4. Proposal and Justification

- 4.1 It is proposed that by acting as a direct developer, the Council can deliver a sustainable housing scheme which contributes to the delivery of the Council’s Housing Growth targets on an inclusive basis; providing well in excess of policy on Affordable Housing (37% on site) and the provision of quality market rented accommodation for families whilst making a small return on investment.
- 4.2 The project will directly contribute to the Council’s Corporate Priority of ‘Achieving a Thriving and Vibrant Economy’ via the delivery of More and Better Housing. It will directly contribute to Housing Growth Targets (EC28) and the delivery of new affordable housing (EC29) in a popular and well located part of the Borough.
- 4.3 Delivery by the Council will ensure that this project directly contributes to ‘Inclusive Economy’ - procuring a local contractor with local supply chains, and linking to training and development opportunities for local people. It also highlights an inclusive growth approach to housing development; mixed tenure, sustainable, affordable homes to meet need (not just the cheapest to be built from a numbers perspective).
- 4.4 The Strategic Housing Market Assessment (SHMA) identifies a strong need for Affordable Housing in this sub-market area. The mix aligns with Choice Based Lettings data and provides accommodation for both smaller and larger families, singles and older people.
- 4.5 By providing the market rented product via Berneslai Homes, the council can have confidence in the quality of the management and maintenance services and that any surplus generated can be recycled into improved service delivery across the board.
- 4.6 The inclusion of a market rent product via Berneslai Homes also enables the use of Assured Shorthold Tenancies which allows for independent rent setting outside of Right to Buy legislation.
- 4.7 Direct delivery of the development at St Michael’s will achieve the following objectives:
- **Accelerated housing growth on an INCLUSIVE basis – 35 new homes, offering a range of tenures**
 - **The generation of New Homes Bonus and Council Tax to support the forecast sums currently included in the updated Medium Term Financial Strategy.**
 - **A return on investment to be reinvested in other competing priorities (5-8%). The Blenheim View development exceeded the estimated ROI.**
 - **The delivery of a range of affordable homes to meet increasing housing need on the Council’s waiting list – including larger 4 bed homes, adaptable 2 bed bungalows and smaller accommodation for single people.**
 - **A quality, well managed private rented offer.**
 - **The delivery of quality, highly energy efficient/reduced carbon homes off gas (air source heat pumps in Council retained dwellings), which is a direct contribution to the Council’s Zero 40/45 aspirations.**
 - **Full Fibre Broadband to every property**

- 4.8 New housing development by the Council generates additional Council Tax and potential New Homes Bonus as well as generating increased economic activity which supports local business and services. New homes for rent managed by the Council also offer an ongoing stable revenue stream.

5. Consideration of alternative approaches:

A number of options were considered for the site, including:

5.1 Land disposal

Officers have considered a number of alternative options for the accelerated delivery of new homes on this site. The principal option would be disposal of the site on the open market. The Council's Asset Management team has estimated that the site could achieve a sales value of £250,000, if auctioned on the on the open market.

The disposal option is not favoured for the following reasons given below:

- 5.2 Whilst disposal to a private developer could ultimately result in the development of the site, the Council would not be able to influence the speed, quality nor type/tenure of the development. We are aware through work carried out as part of our Stalled Sites Review, and through our ongoing engagement with the private sector, that there is often a lack of capacity and/or appetite in the SME housebuilding industry to deliver schemes of this size due to other commitments/viability concerns.

Even our RP partners are struggling to deliver a sales/affordable mix on sites in most parts of the borough as their expectations on a return on investment are not achievable. Their preference is currently for wholly affordable rented schemes, which at this scale is not something that provides the most sustainable housing solution.

Crucially, it is highly unlikely that a private developer would provide the diverse range of property types and tenures (including the high proportion of affordable housing) which the Council is proposing to deliver. Direct delivery by the Council would ensure accelerated housing growth, whilst addressing local housing need with a high quality scheme.

5.3 Deliver a FULL Open Market Sale Scheme (as at Blenheim View)

The Council could look to deliver a primarily open market sales scheme (with only the Planning Policy minimum requirement of 10% affordable housing), on the same basis as the previous Met Homes scheme at Blenheim View. Whilst this could provide for a greater return on investment than the current proposal, it is considered that there is a greater sales risk on this site as it is located in a lower value area than Blenheim View and could thus be more sensitive to fluctuating demand/values.

6. Implications for local people/service users

- 6.1 The scheme will positively impact on residents in the area by offering a broad new housing offer. With the pressure on the Council's Housing Waiting list, the affordable homes will be popular and provide high quality social housing.

7. Financial Implications

Overview

- 7.1 Consultations have taken place with representatives of the Service Director – Finance (S151 Officer).

- 7.2 This scheme was included in the Housing Growth Strategy approved by Cabinet (Cab.9.1.2019/11 refers) which has also been recommended to, and therefore formally approved by Full Council on the 7th February 2019.
- 7.3 The proposal is to build 35 properties of mixed types and tenure to support diverse local housing needs. The project is set in the Council's Housing Strategy 2014 – 2033 which identifies a need for more new homes of different types. The properties need to be affordable and to include a mixture of private and social homes.
- 7.4 The proposal is expected to deliver 16 properties for Social Housing that will be appropriated into the Housing Revenue Account upon completion. A further 6 properties will be transferred to Berneslai Homes and held within that company, marketed for rent at current rates. The remaining 13 properties will be held for sale with all capital receipts retained by the Council.
- 7.5 Soft Market Testing has been undertaken by Strategic Housing and a marketing report produced by Haybrook which suggests that market demand for the mix of sales units provided on this scheme will be strong. Sales Values, as noted in the viability appraisal, have also been sense checked by the local agent and deemed achievable.
- 7.6 A report will be presented to Cabinet detailing the Berneslai Homes proposal to become a private landlord in their own right, and hold property assets within the company (referenced in Berneslai Close).

Development Build Costs

- 7.7 The anticipated cost of this scheme totals £5.341M, which includes the works, professional fees and an element of contingency. The breakdown of the expected costs by property type is shown in the table below. A further detailed costing breakdown is included in the Financial Appraisal (available on request).

<u>St Michael's Housing Development Monk Bretton</u>		
Estimated Total Project Costs	No. of Units	£
Private Housing Units	13	£1,957,797
Social Housing	16	£2,457,428
Private Rented Units	6	£925,844
Total Construction Costs	35	£5,341,068

Project Funding

- 7.8 The £5.341M scheme is proposed to be funded from a combination of available resources included the Council's housing growth strategy, previously approved by Cabinet, that includes Housing Revenue Account Reserves, Berneslai Homes Surplus and 1-4-1 Capital Receipts. The detailed breakdown is included in the table below.

Proposed Funding Composition	£
HRA Reserves	£1,720,199
Berneslai Homes Surplus	£2,883,641
1-4-1 Receipts	£737,228
	£5,341,068

Private Housing Open Market Sales

- 7.9 The development includes Homes for open market sale which presents the Council an opportunity to secure a return on investment estimated to be around 8% equating to (£0.162M). The return on investment is calculated using an estimated total sales projection of (£2.120M) for the 13 Private Units against a total build cost estimate including marketing and sales costs of £1.958M.
- 7.10 The projected property values have been calculated tested by Haybrook estate agents are included in the table below.

Projected Sales Revenue	No. of Units	Unit Value	Gross Revenue
3 bed 4p semi-detached house	4	£150,000	£600,000
4 bed 6p semi-detached house	4	£200,000	£800,000
2 bed 4p semi-detached bungalow	4	£145,000	£580,000
2 bed 4p mid-terrace bungalow	1	£140,000	£140,000
			£2,120,000

Social Housing Units

- 7.11 The 16 social housing units that will be appropriated in the Housing Revenue Account have been assessed for their financial impact on the HRA business model.
- 7.12 The levels of maintenance and capital investment required to keep the properties at the Barnsley Homes Standard over the 30 year business planning period is estimated to be in the region of £1.217M for the 16 properties.
- The indicative figure is based on average repair costs and overheads rates at the current stock level of 18,400 properties and an assumed average cost per dwelling for the planned capital replacements the properties will require over a 30 year period.
- 7.13 The net impact to Housing Revenue Account over the 30 Year planning period is estimated to be a positive (£1.297M). This is calculated by comparing the total rental income expected of (£2.515M) against the estimated management, maintenance and capital replacement costs of £1.217M.

Private Rented Units

- 7.14 The 6 units that will be made available for private rental tenancies at current market rates will be transferred to Berneslai Homes. The properties will be held within Berneslai Homes as assets of the company.

7.15 The 6 properties are expected to generate rental income in the region of £35,800 which will fund the repairs and maintenance of the properties and generate a surplus for the company.

7.16 A summary of the above financial implications is attached at Appendix A.

7.17 A Financial Appraisal Model for this development is available upon request.

8. Employee implications

8.1 There are no employee implications arising from this report.

9. Communication implications

9.1 As the scheme progresses, local residents, members and key stakeholders will be consulted and kept informed.

10. Consultations

10.1 Local members have been consulted and fully support the proposal.

10.2 Consultation has been undertaken with Officers within BMBC and Berneslai Homes who are supportive of the plans.

10.3 A consultation event for local residents was held in June 2019. Residents' comments have been taken on board and the scheme layout amended.

11. The Corporate Plan and the Council's Performance Management Framework

11.1 Building new Affordable homes will help achieve the following priority within the Council's Corporate Plan and contribute to the BuildIT theme within Town Spirit.

- Create more and better housing

New affordable homes meet housing need and contribute to growth targets.

11.2 The Council's performance management framework contains the following performance indicator

- EC29 – Number of NEW Affordable Homes
- EC28 – Number of New Homes Completed

11.3 The scheme aligns with the Council's Zero 40/45 policy.

12. Tackling Health Inequalities

12.1 It is widely recognised that the quality of housing and the surrounding neighbourhood are influential in shaping health and wellbeing. Building more and better homes will help to tackle some of the health inequalities that exist in the housing market, particularly in poor quality private sector renting. The new homes that will be delivered by the Council will be to a high standard including energy efficiency. Pricing of the properties will be affordable for local residents/tenants thus tackling health inequalities in a number of key areas.

13. Climate Change and Sustainability Energy Act 2006

13.1 These new homes will be highly energy efficient and 16 of the properties will be 'off gas', which contributes to the Council's Zero 40/45 aspirations.

14. Risk Management Issues

14.1 There are risks associated with any new build scheme, including but not exhaustive:

- Inclement weather;
- Site Abnormals increasing scheme costs;
- Site security and vandalism;
- Poor contractor performance.

14.2 Whilst the scheme will be tendered on a design and build basis, the scheme and specification have been fully developed by NPS Barnsley with full cost estimates based on actual material/build costs and/or recent tenders. The sales values have been considered by sales and marketing professionals and sensitivity analysis has been undertaken on the sales viability model.

15. Compatibility with European Convention on Human Rights

15.1 None arising directly from this report.

16. Appendices

Appendix A – Financial Appendix A

Appendix B – Scheme Layout

17. Background Papers

If you would like to inspect background papers for this report, please email governance@barnsley.gov.uk so that appropriate arrangements can be made

Sarah Cartwright
Group Lead Housing Growth

Report of the Executive Director Place

FINANCIAL IMPLICATIONS

St Michael's Avenue Housing Development

i) Capital Expenditure	<u>2019/20</u> (£)	<u>2020/21</u> (£)	<u>2021/22</u> (£)	<u>2022/23</u> (£)	<u>Total</u> (£)
Private Housing Units		489,449	1,468,348		1,957,797
Social Housing		614,357	1,843,071		2,457,428
Private Rented Units		231,461	694,383		925,844
	0	1,335,267	4,005,802	0	5,341,069

To be financed from:

HRA Reserves		430,050	1,290,149		1,720,199
Berneslai Homes Surplus		720,911	2,162,732		2,883,642
1-4-1 Receipts		184,307	552,921		737,228
	0	1,335,267	4,005,802	0	5,341,069

ii) Revenue Effects - HRA	<u>2019/20</u> (£)	<u>2020/21</u> (£)	<u>2021/22</u> (£)	<u>2022/23</u> (£)	<u>FYE</u> (£)
Indicative HRA Property Management and Maintenance				30,286	30,286
Indicative Capital Replacement Programme				10,293	10,293
	0	0	0	40,579	40,579

To be financed from:

*Anticipated Rental Income				-83,825	-83,825
<small>*Assumes all HRA properties completed and occupied from 1st April 2022</small>	0	0	0	-83,825	-83,825

Net Revenue Position (HRA):**-43,246 -43,246**

iii) Revenue Effects - Berneslai Homes	<u>2019/20</u> (£)	<u>2020/21</u> (£)	<u>2021/22</u> (£)	<u>2022/23</u> (£)	<u>FYE</u> (£)
Berneslai Homes Management Costs				4,333	4,333
Indicative Repairs and Maintenance				6,990	6,990
Indicative Capital Replacement Programme				8,400	8,400
	0	0	0	19,723	19,723

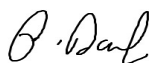
To be financed from:

*Anticipated Rental Income				-39,120	-39,120
<small>*Assumes all BH properties completed and occupied from 1st April 2022</small>	0	0	0	-39,120	-39,120

Net Revenue Position (BH):**-19,397 -19,397****Impact on Medium Term Financial Strategy**

Not applicable in this report

Agreed by:



.....On behalf of the Service Director-Finance, Section 151 Officer

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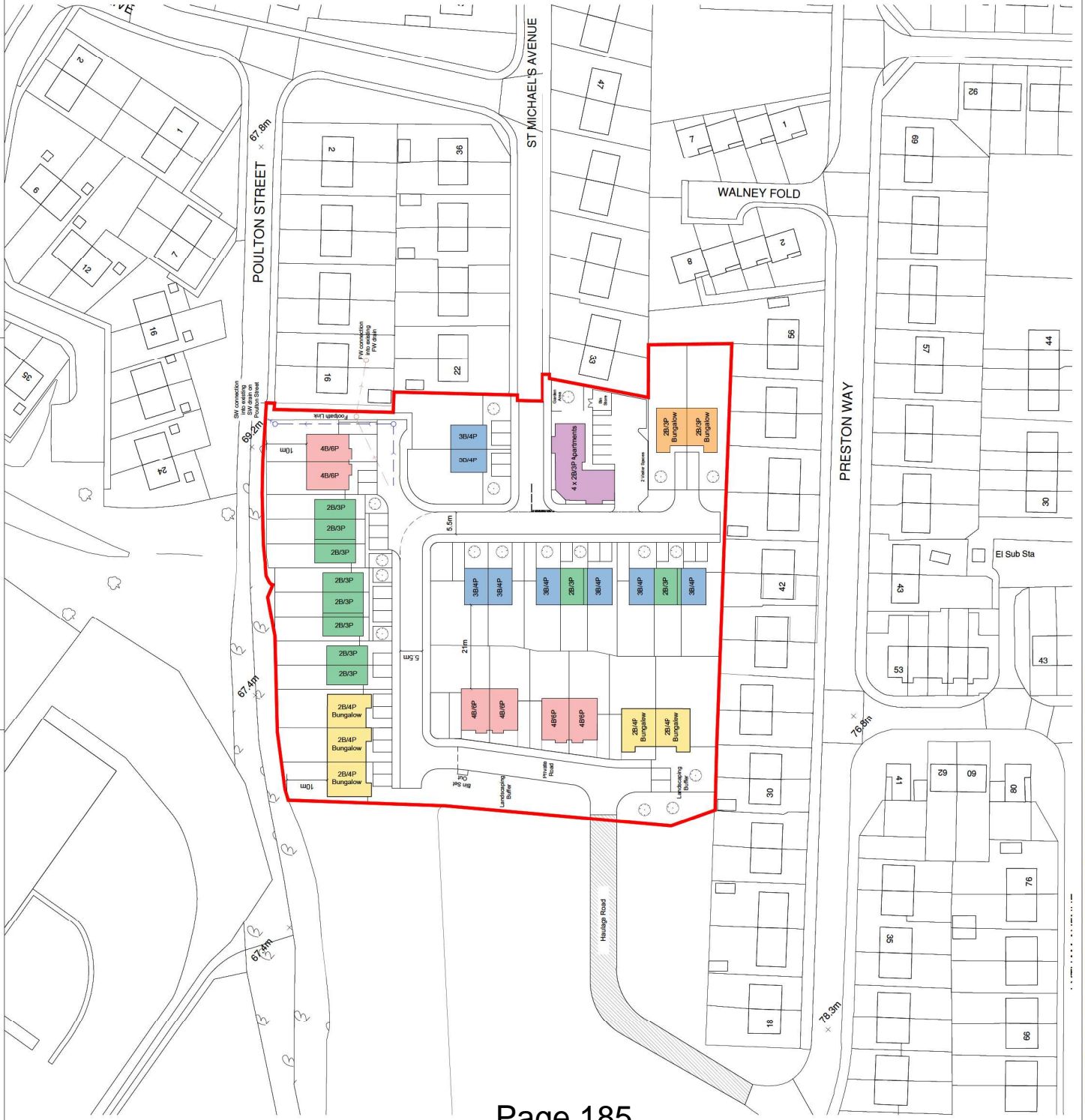


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- Notes:**
- 1.19 Hectare Site
 - Housing Provision
 - Total 35 Units
 - 6 x 4B/4P Houses
 - 10 x 2B/3P Houses
 - 5 x 2B/4P Bungalows
 - 2 x 2B/3P Apartments
 - 2 x 2B/3P Bungalows
- Enfiteuse**
- 2 Bed properties = 1no. Space
 - 2 Bed bungalows = 2no. space
 - 2 Bed Apartments = 2no. space
 - 2 Bed Apartments = 1no. Space per unit + 3 Visitor spaces

KEY TO HOUSETYPES

- 4 Bedroom, 6 Person Semi Detached
- 2 Bedroom, 4 Person Semi Detached Bungalow
- 3 Bedroom, 4 Person
- 2 Bedroom, 3 Person
- 4 x 2 Bedroom, 3 Person Apartments
- 2 x 2 Bedroom, 3 Person Bungalows



REV	DATE	BY	CHKD	APPD	DATE
P1	15/04/19				
P2	15/04/19				
P3	15/04/19				
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nps/group

Client: BMBC Housing Growth

Project: New Housing Development
 St Michael's Avenue, Monk Bretton

Title: Proposed Site Plan

Scale: 1:500 ARCH-TECT
 Project Number: 1E-1-1301
 Drawing Number: NPS-DR-A-(00)-012
 Revision Code: P12
 Status Code: PRELIMINARY
 Drawn By: S3
 Checked By: S3
 Approved By: S3
 Date: 15/04/19

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