

To: Councillor Williams (Chair)
Councillors McGoldrick, Asare, Dennis, Keane,
McGrother, Mitchell, Moore and Stevens

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17 September 2025

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NOTICE OF MEETING - AUDIT AND GOVERNANCE COMMITTEE 25 SEPTEMBER 2025

A meeting of the Audit and Governance Committee will be held on Thursday, 25 September 2025 at 6.30 pm in the Council Chamber, Civic Offices, Reading. The Agenda for the meeting is set out below.

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A representative from the Council's External Auditor will present a progress report on the audit of the 2024/25 Statement of Accounts.	
5. TRAFFIC REGULATION ORDERS - UPDATE	21 - 42
To receive a report about the implementation of the Action Plan to rectify irregularities in relation to certain historic Traffic Regulation Orders and to monitor its effectiveness, and to make a decision about when to close the Restitution Scheme.	
6. INFORMATION GOVERNANCE QUARTERLY UPDATE	43 - 50
This report provides an update on the actions in progress to improve the Council's policies, systems and processes around Information Governance.	
7. INTERNAL AUDIT QUARTERLY PROGRESS REPORT (Q2) AND UPDATED INTERNAL AUDIT PLAN	51 - 70

This report provides an update on key findings emanating from Internal Audit reports issued since the last quarterly progress report and updates to the Internal Audit Plan to reflect the reintegration of Children's Services into the Council.

8. AUDIT AND GOVERNANCE COMMITTEE ANNUAL REPORT 2024/25 71 - 108

To consider the annual report, associated action plan, and detailed feedback on the Audit & Governance Committee's performance and to endorse that the report represents a fair reflection of the year, prior to its submission to Council.

9. STRATEGIC RISK REGISTER 2025/26 109 - 146

This report provides the latest update on the Strategic Risk Register 2025/26.

10. TREASURY MANAGEMENT REVIEW QUARTER 1 2024/25 147 - 160

This report updates Members on the activity of the Treasury Management function.

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Present: Councillor Williams (Chair);

Councillors McGoldrick (Vice-Chair), Dennis, Keane, McGrother, Mitchell, Moore and Stevens

Apologies: Councillor Asare

1. MINUTES OF THE PREVIOUS MEETING HELD ON 9 APRIL 2025

The Minutes of the meeting held on 9 April 2025 were confirmed as a correct record and signed by the Chair.

Further to Minute 36 of the previous meeting, on the Information Governance Quarterly Update, which had included stating that the report had provided an update on “the on-time responses to FOI requests, which stood at 90.3% in Quarter 3, a significant improvement from the 45.7% recorded in Quarter 2 of 2024/25”, it was reported at the meeting that it had subsequently been discovered that, in changing the method of reporting, the team had inadvertently selected an incomplete dataset to report upon and, as a consequence, earlier cases in the period had not been counted for the statistics reported to the Committee. When reviewed and checked, the Customer Relations Team and the Performance Team had agreed the performance for FOI in Q3 had been 69% sent out in timescales and the process used to report data going forward had been reviewed. An update on the more recent statistics was given at the meeting (Q4 of 24/25 – 80% of FOIs had been sent out in timescales; Q1 of 25/26 - 87% of FOIs had been sent out in timescales, with monthly data: April – 82%; May – 91%; June – 90%) and a full report would be given at the next meeting.

Resolved: That the position be noted.

2. 2024/25 DRAFT STATEMENT OF ACCOUNTS

The Committee received a report on the unaudited draft 2024/25 Statement of Accounts for Reading Borough Council, and the Reading Borough Council Group which included its subsidiaries Brighter Futures for Children, Reading Transport Limited and Homes for Reading, which had been published on the Council’s website by the statutory deadline of 30 June 2025, and was attached at Appendix 1 to the report. It stated that this was the first time the Council had met this requirement for nearly a decade, and it represented the passing of a significant milestone as the Council sought to play its part in the national recovery programme for external audit opinions.

It was reported at the meeting that the formal public inspection period was from 9 July to 19 August 2025.

The report also outlined the timing of the external audit scrutiny of the accounts, with the aim of reporting to the next Committee in September 2025 a substantially completed process. It stated that the Government had set a backstop date of 27 February 2026 for the external audit opinion to be issued.

Resolved:

- (1) That the unaudited draft 2024/25 Statement of Accounts be noted;**
- (2) That the Committee's thanks to the finance team for the hard work done to enable the Statement of Accounts to be published by the statutory deadline be recorded.**

3. EXTERNAL AUDITOR UPDATE

The Committee received a covering report on behalf of the Council's External Auditor, KPMG, which had attached a draft External Audit Plan & Strategy for the year ending 31 March 2025. The external audit process included the approval of the annual Statement of Accounts results and the publication of accurate, transparent financial information which gave a true and fair view of Reading Borough Council's economic performance and financial stability.

Jonathan Brown and Edward Mills from KPMG addressed the meeting and highlighted key areas from the Audit Plan & Strategy for the Committee to consider.

Resolved: That KPMG's draft External Audit Plan & Strategy for the year ending 31 March 2025 be noted.

4. CHIEF AUDITOR'S ANNUAL ASSURANCE REPORT 2024/25

The Committee considered a report setting out at Appendix 1 the Internal Audit Annual Assurance Report of the Chief Auditor for 2024/25, as required by the Accounts and Audit regulations and the Public Sector Internal Audit Standards. The report gave the Chief Auditor's opinion on the overall adequacy and effectiveness of the organisation's internal control environment, drawing attention to any issues particularly relevant to the preparation of the Annual Governance Statement. It also set out key themes arising from the work of the Audit Team during the 2024/2025 financial year, and compared the audit work undertaken with that planned, summarising the performance of the Internal Audit function against its performance measures and targets.

The report explained that, based on the work completed during the year, the Chief Auditor had concluded that, whilst no assurance could ever be absolute, 'Reasonable Assurance' could be placed on the adequacy and effectiveness of the Council's internal control framework in the areas audited in 2024/25. The basis for the assurance opinion was set out in section 2 of the Annual Assurance report and the key areas for improvement identified during the audit work were set out in section 4. The opinion did not imply that Internal Audit had reviewed all risks relating to the organisation and assurances should also be taken from other appropriate sources.

The report stated that the reasonable assurance reflected a significant improvement from previous years, with only 18% of audits receiving limited or no assurance in 2024-25, compared to 44% in 2023-24, 26% in 2022-23, and 38% in 2021-22. The report provided a comprehensive overview of internal audit activities conducted in 2024-25. A total of 17 audits, two advisory reports, and eight grant certifications had been completed.

The Committee noted that management responses within 15 days of Internal Audit issuing a draft report had fallen from 86% in 2023/24 to 62% in 2024/25, despite having improved from 2022/23 to 2023/24. Managers were expected to meet the 15-day target on at least 75% of occasions where a draft report had been received.

With reference to the section of the report which stated that the most commonly used channel for submitting whistleblowing referrals was the whistleblowing@reading.gov.uk email address, accessed only by Internal Audit staff, who triaged the concerns and, where appropriate, forwarded them to the relevant service for investigation, members of the Committee queried whether this mailbox had higher levels of security and encryption than other mailboxes, given the sensitivity of the information. The Chief Auditor said that he would need to find out and report back to the Committee.

Members of the Committee also expressed interest in having some 'Introduction to Internal Audit' training, similar to that provided in the previous year, possibly prior to a Committee meeting.

Resolved:

- (1) That the assurance opinion given by the Chief Auditor and the issues raised in the annual report be noted and the Committee's thanks to the Internal Audit team for their work during the year be recorded;**
- (2) That Assistant Directors be advised that the Committee placed a high reliance on Internal Audit and hoped that management responses would be more timely in future in responding to Internal Audit draft reports within the 15-day target timescale;**
- (3) That the Chief Auditor find out the level of security on the whistleblowing@reading.gov.uk mailbox and report back to Committee members via email;**
- (4) That the Chief Auditor organise training on Internal Audit for members of the Committee.**

5. INTERNAL AUDIT QUARTERLY PROGRESS REPORT

The Committee considered a report providing an update on the key findings from the Internal Audit reports issued for the period 1 April to 30 June 2025 (Quarter 1).

The report summarised the findings, recommendations and management actions that had been put forward for each audit review and stated the overall assurance opinion level given by the Internal Audit team. A total of five audit reviews had been finalised in the period, as follows:

- Debt Management (Reasonable Assurance opinion given);
- Accounts Payable (Reasonable Assurance opinion given);

- Housing Rents and Charges (Reasonable Assurance opinion given);
- Right to Buy (Reasonable Assurance opinion given);
- Residents Parking Permit Enforcement (Limited Assurance opinion given).

In relation to Residents Parking Permit Enforcement, the audit had found that, while the system met statutory requirements, improvements were needed in policy clarity, system controls, contract management and data reporting to enhance transparency, efficiency and accountability.

The report also detailed the audits that were currently in progress and gave a summary of the Corporate Investigations Team's work.

Resolved: That the audit findings be noted, and the recommendations and management action under way, as set out in the Internal Audit & Investigations 2025/26 Quarter 1 Update Report, be endorsed.

6. IMPLEMENTATION OF AUDIT RECOMMENDATIONS TRACKER

The Committee considered a report setting out a summary of Internal Audit recommendations and updated management responses, which focused on those recommendations where there had been either a 'limited' or 'no assurance' opinion. Appendix 1 to the report contained a summary of Internal Audit recommendations and updated management responses since the Committee meeting on 25 September 2024. The report stated that the frequency of reporting to Committee would now be twice per year.

Prior to reporting to Committee, officers responsible for implementing the specific recommendations had been asked to update the audit tracker. Each recommendation had been marked with a red (off track), amber (at risk), green (on track) or blue (complete) rating. The report listed progress in the implementation of the management responses to audit recommendations to enable tracking of whether the audit recommendations were being properly addressed. Management actions which were overdue were rated red.

There were 29 recommendations currently on the tracker. Ten had been reported as complete in August 2024 and had been removed from the tracker. Seven new recommendations had been added for the Commercial Rents and Leases audit and six recommendations for Supported Living. Twelve recommendations had been marked as complete, four recommendations had been marked as 'Red' with six ranked as 'Amber' and seven 'Green'.

The Committee noted that the red overdue recommendation on Supported Living regarding developing a specialist review had had a due date of 31 March 2025 and that the recommendation seemed to suggest financial risk and that it related to an important part of service provision, including to providers outside the supported living framework. The management response and latest update suggested that there was a project over three years which may solve the problem, but it would be starting with providers within the framework, and it was queried whether this was a proportionate response to sufficiently control the risk, given the findings.

It was suggested that a written answer be requested, noting that, if members of the Committee were not satisfied with the answer, the appropriate Assistant or Executive Director for the service could be asked to attend a future meeting of the Committee to answer further questions.

Resolved:

- (1) **That progress against the audit recommendations for audits assigned a 'limited' or 'no assurance' opinion, as set out in the Appendix to the report, be noted;**
- (2) **That the high and medium risk Internal Audit recommendations and the responses to those risks be noted as set out in Appendix 1 to the report;**
- (3) **That the Chief Auditor provide a written answer to members of the Committee to the question of whether the response to the audit recommendation on Supported Living regarding developing a specialist review was a proportionate response to sufficiently control the risk, given the findings of the audit.**

7. ANNUAL TREASURY MANAGEMENT REVIEW 2024/25

The Committee considered a report on the Council's Treasury Management Strategy and Annual Investment Strategy for 2024/25. The Treasury Management Strategy required an Annual Outturn Report reviewing the Treasury Management activity which had taken place during the year.

The report stated that at the start of 2024/25 the Bank of England base interest rate had sat at 5.25%. As had been reported through the quarterly review reports, the bank rate had been cut to 4.75% by the end of Quarter 3 and had been subsequently cut further to 4.50% on 6 February 2025. Outside of this reporting period, the bank rate had been cut further to 4.25% on 8 May 2025 and held at this level on 19 June 2025. The next projected cut to bank rate was currently forecast to occur in August 2025.

The Council remained significantly under borrowed against its Capital Financing Requirement and had followed the approved borrowing strategy of deferring any potential long-term borrowing whilst interest rates remained at current levels and instead utilised short or temporary borrowing from the local authority market as required. No long-term loans (those over one year in duration) had been taken out during the year. During 2024/25 the Council took out short-term loans (less than one year in duration) of £253.500m (from other local authorities) at an average interest rate of 5.13%.

Overall, the Council had under borrowed by £149.718m as at 31 March 2025. As a consequence, the Council had effectively avoided the requirement to budget for and incur external interest costs in the order of £6.168m during 2024/25, based on the average rate for the existing debt portfolio of 4.12%. Against the 2024/25 General Fund budget, there had been an overall positive net variance of £2.653m on the Capital Financing budget as reported in the 2024/25 Quarter 4 Performance report to Policy Committee on 21 July

2025. This budget included interest payable, interest receivable and Minimum Revenue Provision (MRP); a charge to the revenue budget made in respect of paying off the principal sum of the borrowing undertaken to finance the Capital Programme.

The report stated that the Council had not breached any of its treasury management performance indicators during 2024/25. The Borrowing and Investment portfolios and a list of approved Countries for Investments as at 31 March 2025 were appended to the report.

Resolved: That the Treasury Management Outturn Report for 2024/25 be noted.

8. ANNUAL GOVERNANCE STATEMENT 2024/25

The Committee considered a report setting out the draft 2024/25 Annual Governance Statement (AGS), which was attached to the report at Appendix 1. The Council was required to prepare and publish an AGS each year as an accompaniment to the authority's financial statements. The Council was responsible for ensuring that its financial management was adequate and effective and that it had a sound system of internal control, which facilitated the effective exercise of the Council's functions, including arrangements for the management of risk. The AGS was a record of the overall effectiveness of governance arrangements within the Authority; it reflected the latest guidance from CIPFA/SOLACE on a strategic approach to governance and demonstrated how the key governance requirements had been met.

The report stated that the AGS now incorporated new guidance in relation to the Council's Best Value duty. The enhanced and restructured AGS demonstrated the Council's continued commitment to maintaining the robust governance arrangements while addressing emerging challenges and regulatory requirements.

Assistant Directors and Executive Directors had completed Annual Assurance Statements in respect of governance and internal control arrangements for their respective areas. The improvements to governance arrangements and internal control which had been identified were set out in the AGS. The AGS stated that, having undertaken the review, the Council was satisfied that suitable and appropriate governance arrangements were in place but identified further improvements that were set out in the conclusion of the AGS.

It was noted that the Assistant Director of Legal and Democratic Services would be making any necessary minor amendments to the draft AGS in consultation with the Leader and Chief Executive, prior to signature of the final AGS by the Leader and Chief Executive. The Committee's role was to review the AGS prior to approval, to consider whether it properly reflected the risk environment and supporting assurances, including the head of internal audit's annual opinion, and to consider whether the annual evaluation for the AGS fairly concluded that governance arrangements were fit for purpose, supporting the achievement of the Council's objectives.

Resolved:

(1) That the Annual Governance Statement for 2024/25 be noted;

AUDIT AND GOVERNANCE COMMITTEE MEETING MINUTES - 16 JULY 2025

(2) **That the Committee considered that the annual evaluation for the AGS fairly concluded that governance arrangements were fit for purpose, supporting the achievement of the Council's objectives.**

(The meeting commenced at 6.30pm and closed at 8.03 pm)

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Audit and Governance Committee

25 September 2025



Title	External Auditor Update - KPMG
Purpose of the report	To note the report for information
Report status	Public report
Executive Director/ Statutory Officer Commissioning Report	Darren Carter – Director of Finance
Report author	Mark Sanders, Chief Accountant
Lead Councillor	Councillor Emberson, Lead Councillor for Corporate Services and Resources
Council priority	Not applicable, but still requires a decision
Recommendations	<ol style="list-style-type: none">1. That the Committee notes KPMG's progress report on the external audit of the 2024/25 Statement of Accounts

1. Executive Summary

- 1.1. A representative from KPMG will be attending the meeting to present a progress report on the audit of the 2024/25 Statement of Accounts.

2. Contribution to Strategic Aims

- 2.1. The external audit process includes the approval of the annual Statement of Accounts results and the publication of accurate, transparent financial information which gives a true and fair view of Reading Borough Council's economic performance and financial stability.

3. Environmental and Climate Implications

- 3.1. None Arising

4. Community Engagement

- 4.1. This report will include where appropriate any feedback from public inspection of accounts.

5. Equality Implications

- 5.1. None arising.

6. Other Relevant Considerations

- 6.1. There are none.

7. Legal Implications

- 7.1. The Accounts and Audit Regulations 2015 (as amended) require the council to produce and publish an annual Statement of Accounts in accordance with these regulations and "proper practice".

7.2. Section 21 of the Local Government Act 2003 defines “proper practice” for this purpose to be the Chartered Institute of Public Finance and Accountability (CIPFA) Code of Practice on Local Authority Accounting (the Code) for the relevant year. The Code specified the principles, practices, format and content required in the preparation of the Statement of Accounts of the Accounts.

8. Financial Implications

8.1. None arising.

9. Timetable for Implementation

9.1. Not Applicable.

10. Background Papers

10.1. There are none.

Appendices

1. External Audit of the 2024/25 Statement of Accounts - Progress Update



Reading Borough Council



Report to the Audit & Governance Committee

External audit progress report

—

September 2025

Executive Summary

Since the last Audit & Governance Committee we have:

- Completed a large part of our final audit fieldwork, which has included among others: selecting and testing samples across a wider range of financial statement areas; reviewing and challenging management's assumptions, particularly around estimates; and understanding and investigating variances year on year. Detail of progress by area of the financial statements is shown as at date of writing on the following page.
- Responded to the challenges arising through the backstop, which has included:
 - concluding our testing over prior year balances, such as cash & cash equivalents and other service income;
 - consulting with KPMG's valuation team and diarising a meeting with the Council's valuer to investigate and challenge key assumptions, using other industry benchmarks and comparable property; and
 - commencing our risk assessment work around Building Back Assurance, which involves a line-by-line consideration of the financial statements and work that will need to be undertaken to move away from disclaimed audit opinions and the timeframe in which to do this. We will communicate our conclusion to management ahead of the next Committee.
- Progressed our work over Value for Money, which included: reviewing responses to our questionnaire; collating Council reports through Minutes alongside documentation provided to date; and preparing interviews with key stakeholders to occur over the next few weeks.

Ahead of the next meeting of the Audit & Governance Committee we will:

- Conclude, review and close our final audit work over the financial statements and Value for Money;
- Communicate our draft findings through our Auditor's Annual Report; and
- Agree our plans for Building Back Assurance for the Council in light of the release of LARRIG 06.

The Audit & Governance Committee is asked to note this report.

Audit progress

Financial statements area	Status
Human resources	Work is largely complete in this area
Other expenditure *	Work is largely complete in this area
Collection Fund	Work is largely complete in this area
Grants	Work is largely complete in this area
Other income	Work is on-going in this area
Housing rents (HRA)	Work is largely complete in this area
Plant, property and equipment *	Work is on-going in this area
Treasury and debt	Work is largely complete in this area
Investments	Work is largely complete in this area
Pensions *	Work is on-going in this area
Other disclosures	Work is on-going in this area
Group	Work is yet to be performed in this area

* Significant risk in this area



Value for money

We are required under the Audit Code of Practice to confirm whether we have identified any significant weaknesses in the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources.

In discharging these responsibilities we include a statement within the opinion on your accounts to confirm whether we have identified any significant weaknesses. We also prepare a commentary on your arrangements that is included within our Auditor's Annual Report, which is required to be published on your website alongside your annual report and accounts.

Commentary on arrangements

We will have prepared our draft Auditor's Annual Report and a copy of the report will be included within the papers for the next Committee.

The report is required to be published on the Council's website alongside the publication of the Council's financial statements.

Response to risks of significant weaknesses in arrangements to secure value for money

As reported in our risk assessment we noted two risks of a significant weakness in the Council's arrangements to secure value for money. Our proposed response to this risk was communicated to you at the previous Committee and our finalised detailed response will be communicated at the next Committee in November.

Summary of work to date

We have set out in the table below the progress on our procedures against each of the domains of value for money:

Domain	Risk assessment	Summary of arrangements	Description of risk	Procedures being performed
Financial sustainability	One significant risk identified	Our work is in progress in this area	The 2024/25 outturn suggests a £9.3 million adverse variance to Budget. Larger budget deficits can be an indication of weakness in arrangements around financial sustainability.	<ol style="list-style-type: none">1. Consider the Council's arrangements and structures to monitor and deliver a balanced budget;2. Understand the process for identifying savings and other available levers to the Council;3. Review recent budget monitoring and performance throughout the period to date; and4. Conduct interviews with senior management to understand the feasibility of on-going recovery plans and measures to support financial sustainability.
Governance	No significant risks identified	No significant weaknesses identified		
Improving economy, efficiency and effectiveness	One significant risk identified	Our work is in progress in this area	The recent challenging reporting from Ofsted and the Regulator of Social Housing indicates that there is a risk that the Council does not have in place adequate arrangements to achieve economy, efficiency and effectiveness of services in the period.	<ol style="list-style-type: none">1. Consider the recent reports and receive and evaluate other 24/25 reports when they are able to be provided;2. Investigate and challenge management as to the drivers behind the reports and arrangements currently in place; and3. Understand management's response to the reports, the action plan and future proposed arrangements.



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Audit and Governance Committee

25 September 2025



Title	Traffic Regulation Orders - update
Purpose of the report	To make a decision
Report status	Public report
Report author	Michael Graham, Monitoring Officer
Lead Councillor	Cllr Liz Terry, Leader of the Council
Corporate priority	Not applicable, but still requires a decision
Recommendations	<p>That Audit and Committee:</p> <ol style="list-style-type: none"> Notes the progress made by officers to address the issues reported to Council on 15 October 2024, and ongoing actions Notes the progress made on the Action Plan at Appendix 2 Resolves to close the Restitution Scheme Resolves to add the outstanding actions on the Action Plan to the Committee's Audit Tracker Notes that further claims which would have been allowable under the Restitution Scheme can still be made directly by motorists to Parking Services and will still be payable if they meet the published conditions

1. Executive Summary

- On 15 October 2024, a report was presented to Council about irregularities in relation to certain historic Traffic Regulation Orders (TROs). As part of that report, an Action Plan was agreed by Council. This Committee has been delegated authority to receive reports about the implementation of that Action Plan and to monitor its effectiveness.
- An update was brought to Audit and Governance Committee in January 2025 and then again on 9 April 2025 where it was agreed:
 - That the Executive Director of Economic Growth and Neighbourhood Services update the management response to the APSE report to address the recommendations regarding the Traffic Management Sub-Committee;
 - That, at its next meeting, the Committee consider setting a deadline for closing the formal Restitution Scheme and the Committee's monitoring of the Action Plan.
- In October 2024, Council also delegated authority to the Audit and Governance Committee to decide when to close the Restitution Scheme. This is now being recommended, and the reasons why are explained in this report.

2. Policy Context

- The Council has approximately 240 TROs that enforce various highway restrictions in the Borough.

2.2. The Road Traffic Regulation Act 1984 (RTRA) sets out the legal basis for making TROs. It gives local authorities the power to make TROs to regulate or restrict traffic as needed for:

- (a) avoiding danger to persons or other traffic using the road or any other road or for preventing the likelihood of any such danger arising, or
- (b) preventing damage to the road or to any building on or near the road, or
- (c) facilitating the passage on the road or any other road of any class of traffic (including pedestrians), or
- (d) preventing the use of the road by vehicular traffic of a kind which, or its use by vehicular traffic in a manner which, is unsuitable having regard to the existing character of the road or adjoining property, or
- (e) preserving the character of the road in a case where it is especially suitable for use by persons on horseback or on foot, or
- (f) preserving or improving the amenities of the area through which the road runs, or
- (g) any of the purposes specified in paragraphs (a) to (c) of subsection (1) of section 87 of the Environment Act 1995

2.3. The Council Plan (2025/2028) theme of *Deliver a sustainable and healthy environment and reduce Reading's carbon footprint* aligns closely with the provisions of the Road Traffic Regulation Act 1984 (RTRA), as both seek to improve public wellbeing and sustainable development.

2.4. In addition, the Council has recently agreed its Local Transport Plan 2024 – 2040, which sets out an ambitious vision to create healthier, greener and more equal communities through the future provision of travel options in Reading. The Strategy is focused on promoting sustainable transport options as a realistic alternative to the private car, setting out how transport facilities and services in Reading will be developed to 2040 to help achieve our wider objectives for the town, including the Reading 2050 Vision and the objectives of the Climate Emergency Strategy. TROs which address the issues (a) – (g) above have an important part to play in the delivery of this Transport Plan.

3. Update on Action Plan

Appendix 1 contains the original Action Plan approved by Council on 15 October 2024.

Appendix 2 Provides a summary of progress in implementing the Action Plan with RAG ratings applied. Further detail on some of the key activities is outlined below. The six headings below mirror the Action Plan headings.

Resourcing Restitution

3.1. Council approved the scheme of restitution on 5 October 2024, and the website went live on 15 October 2024 with claims being submitted from 16 October 2024. The go live was accompanied by press and communications to draw as much attention as possible to the opportunity to submit a claim.

3.2. A priority for the Council was to directly contact those individuals who were subject to enforcement action. A total of 147 cases had been referred to Enforcement Agents (formerly known as Bailiffs). Each of the individuals or businesses were written to in October 2024. Of these, 63 responded and have been fully refunded.

3.3. Officers put in place arrangements to attempt to trace the remaining individuals through credit reference agencies, such as Experian. The Enforcement Agents have now successfully located 69 of the 147 and made restitution. The remaining individuals have either not responded or cannot be traced. This element of the plan is now complete.

3.4. The metrics show that; 1,141 claims related to PCNs have been submitted to date. Of those (at the time of preparing this report) a total of 714 have been approved for refund. In total across both Enforcement agents and PCN cases £68k has been refunded as at the end August 2025 including Time and Trouble and interest payments.

PCN Metrics	No.
Claims Made	1,141
Claims resulting in refund	528
Claims pending refund – awaiting bank details	186
Total claims approved for refund	714
Claims not approved for refund – awaiting further information	131
Claims rejected	296
Enforcement Case Metrics (cases that went to bailiff)	No.
Total claims	69
Total approved	69
Paid	69
Rejected	0

Month	No. Enf. Claims	No. PCN Claims
October 2024	44	89
November 2024	15	70
December 2024	4	326
January 2025	3	396
February 2025	2	90
March 2025	1	31
April 2025	0	22
May 2025	0	12
June 2025	0	12
July 2025	0	14
August 2025	0	13

(Note this table includes 3 test cases not counting towards the total)

3.5. The Council has taken further proactive action and written to 2,235 customers who were subject to a Penalty Charge Notice (PCN) but not enforcement action. This involved contact to recent customers where we had contact details on file. The Council has now interrogated all data held by it and carried out searches through credit reference agencies to locate other claimants. There are no further databases we can search and therefore no further proactive enquiries can be made to search for possible claimants.

3.6. All temporary staff who were employed to deal with the initial rush of claims (and expected claims) have now been let go. Any remaining claims that do come in, and the ongoing work to seek additional information and verify payment details of the claims

shown in the tables above, are now managed with existing resources in Parking Services. Any new claims that now emerge can be dealt with by existing resources.

3.7. Prior to the reintroduction of live enforcement, warning notices were issued for a period of 2 weeks. Since the commencement of enforcement on the affected Red Routes, and parking bays, there have been 1161 PCN issued.

Communications

3.8. Communications activity carried out to date highlighting residents' ability to make a claim is set out below.

3.9. Press release issued with media interviews with BBC South, ITV Meridian, Reading Chronicle and Greatest Hits Radio – 7 October 2024

Communication	Channel	Date
Media Interviews	BBC South, ITC, Reading Chronicle, Radio	7 Oct 24
Social Media	Next Door, Facebook, X	8 Oct 24
Residents Newsletter	Email with details of scheme and how to claim	16 Oct 24
Internal RBC Communications	Email	7,10,16 Oct 2024
Berkshire Councils media	Berkshire councils and South Oxfordshire and Vale of White Horse District Councils	29 Oct 24
<i>Direct correspondence</i>	<i>Enforcement Agents wrote to all eligible claimants where addresses were held offering a refund.</i>	<i>October 2024</i>
Residents Newsletter	Email with details of scheme and how to claim	7 Nov 24
Paid for media campaign	Facebook users within 50km (2 weeks)	13 Nov 24
Residents Newsletter	Email with details of scheme and how to claim	28 Nov 24
<i>Direct correspondence</i>	<i>Enforcement Agents carried out credit searches on those subject to enforcement who had not responded to letter in October. A second letter was sent where addresses were assessed to be current. 15 were considered likely to be at the same address. There were no further responses.</i>	<i>December 24</i>
Paid for media campaign	Paid for social media campaign for users in 50km area – 14 January - 31 January which received more than 85,000 views and 1,280 clicks through to the webpage.	14-31 Jan 25
Berkshire Councils media	Reminder to Berkshire councils and South Oxfordshire and Vale of White Horse District Councils to share content	14 Jan 25
Press Release	Scheme reminder which was published in the Reading Chronicle, Reading Today, BBC South Online and Greatest Hits Radio.	15 Jan 25
Social Media	A social media message with a link to the appropriate Council webpage has been pinned at the top of the Council's X/Twitter account since October 2024 and remains there now.	Ongoing

- 3.10. A number of, but not all, the communication activities above have resulted in small peaks in traffic to the website and claim activity. Following the update report to this Committee in April 2025 further articles were generated in the Reading Chronicle and Reading Today. Articles have also been published by Reading Chronicle and BBC Berkshire in response to the Traffic Management Sub-Committee in September 2025 which updated councillors about the TRO rectification programme (see below). The issue has therefore been in the public domain with sufficient attention for almost a year.
- 3.11. Mindful of the need to advise Audit and Governance Committee on the eventual closure of the Scheme, it seems that we have now reached the point where officers can recommend the current scheme can safely close. This is discussed further below.

Remaking of Traffic Regulation Orders

- 3.12. Officers have completed a detailed review of the restrictions and measurements to be included in the new draft TROs, alongside conducting a review of the TRO Articles, considering the issues discovered with the TRO, as identified in the October 2024 report to Council.
- 3.13. Statutory processes have now been undertaken and have resulted in new or amended TROs being put in place for all of the items reported in the October 2024 meeting.
- 3.14. Progress has been reported to the Lead Councillor, Chair of Traffic Management Sub-Committee and Ward Councillors. Additionally, the first in a series of update reports was noted at Traffic Management Sub-Committee (TMSC) in November 2024. Further reports have been taken to each subsequent meeting of TMSC up to, and including, September 2025.
- 3.15. The following table reports the dates at which the TROs came into effect and when enforcement commenced:

Item	Progress (Indicative Key Milestones. Subject to Change)
TRO 1 (Red Route East)	TRO made and came into effect on 3 February 2025. Enforcement, following warning notices, commenced from 2 March 2025.
TRO 2 (Swainstone / Waldeck)	TRO made and came into effect on 24 April 2025. Enforcement, following warning notices, commenced from 15 May 2025.
TRO 3	Not Applicable.
TRO 4 (Red Route West)	TRO amended by statutory notice and made on 4 September 2025. Enforceability was not impacted by the identified issue and had not ceased.
TRO 5 (Southcote Verge & Footway)	TRO made and came into effect on 28 April 2025. Enforcement, following warning notices, commenced from 15 May 2025.
TRO 6 (Tilehurst & Kentwood Verge & Footway)	TRO made and came into effect on 28 April 2025. Enforcement, following warning notices, commenced from 15 May 2025.
TRO 7 (London Road)	TRO made and came into effect on 2 June 2025. Enforcement, following warning notices, commenced from 17 June 2025.

Item	Progress (Indicative Key Milestones. Subject to Change)
TRO 8 (Hosier Street & St Marys Butts)	TRO made and came into effect on 28 April 2025. Enforcement, following warning notices, commenced from 15 May 2025.
TRO 9 (A33 bus lanes)	TRO made and came into effect on 28 April 2025. Enforcement, following warning notices, commenced from 15 May 2025.
TRO 10 (Redlands Road)	TRO made and came into effect on 28 April 2025. Enforcement, following warning notices, commenced from 15 May 2025.

- 3.16. Enforcement recommenced at least two weeks after the making of each TRO, following an initial period of issuing warning notices. This is with the exception of TRO 4, where the validity and enforceability of the TRO was not considered to be compromised by the issue identified.
- 3.17. Enforcement activity has returned to normal levels witnessed before the suspension of enforcement; there are no other notable patterns to report upon resuming enforcement.

Future Assurance

- 3.18. A system has been put in place between Network Services, Parking Enforcement and Legal Services to review new TROs and monitor any issues that arise that may affect enforcement of existing TROs in order to put in place appropriate actions.
- 3.19. Through this process, further issues have been identified. These have been reported through the 'TRO Rectification Update' reports at TMSC. Officers have been transparent about the identified issue, and, where applicable, enforcement activities have been suspended at the point where the issue came to light.
- 3.20. Where remedy has required new or amended TROs to be proposed through statutory consultation, progress on these processes has been reported to TMSC.
- 3.21. At the time of writing, two additional issues are progressing: the Town Centre Red Route (TRO Article issues involving typos) amendment order has been consulted and is in the process of being made. The statutory consultation amending the London Street southbound bus lane (TRO schedule and signing mismatch) is underway, and any objections will be considered by TMSC in November 2025.
- 3.22. All draft TROs are now circulated to Parking Services for comment and for their input into the Articles. The proposed site is walked by officers to compare the TRO with the actual restrictions. Any contradictions or omissions are noted and passed back to the Service delivering the TRO for amendment.
- 3.23. A new 'Digital TRO' project has been initiated and is underway. This project seeks to implement a map-based TRO management system that will not only improve the availability, ease of reference and consistency of Highway TROs, but will provide a significant risk mitigation against future TRO inaccuracies. The starting point for this new system is expected to be the creation of three themed Boroughwide TROs, covering all waiting restrictions, moving traffic restrictions and speed limits respectively, with comprehensive overarching TRO Articles applying to each.
- 3.24. This is a substantial project, for which it is expected that the waiting restriction TRO will take circa 18 months to introduce, with moving traffic and speed limit restrictions to follow as smaller packages.
- 3.25. Following a procurement exercise, the software provider has been appointed, and it is anticipated that the initial on-street surveys of all restrictions will commence before

October 2025. As these initial stages of the project progress, officers will be able to map out projected activity timelines with greater confidence and intend to provide updates to TMSC.

Governance Arrangements

- 3.26. One of the issues identified in the report to Council was the lack of opportunity to discover these mistakes at an earlier point as there was no report back to TMSC about implementation of the Councillors' previous decisions and the proper implementation of the same. Whilst this might not have caught all the errors identified in the Audit report, it would certainly have helped to tighten up these procedures. Two matters have now been instigated as a result:
- 3.27. Firstly, Committee Services have undertaken a review of Delegated Decisions since October 2022 (when the Constitution changed, and officer delegations were rationalised). As a result of this, further work is taking place and will be ongoing as part of business as usual, to ensure that Officer Decision Notices (ODN) are completed where expected and filed in the appropriate Council system.
- 3.28. Secondly, a new Agenda item will be placed on all Committees to follow up previous decisions. Where a Committee makes a specific delegation to an Officer this will be reported to the next Committee, so that councillors can see when the appropriate ODN has been made (or if it is still pending). Where no ODN is published, councillors will be able to question Officers and follow up. The Monitoring Officer will keep this new system under review to ensure it achieves its objectives.

Review of TRO process and Team Capacity

- 3.29. In line with the Action Plan, in November 2024 the Council commissioned a review of structures, processes and working practices across those teams involved in the preparation and execution of Traffic Regulation Orders. APSE (Association for Public Service Excellence) was appointed to carry out the review.
- 3.30. This report and the management response was considered at your April 2025 Committee.
- 3.31. At your committee on 9 April 2025 it was agreed:
 - That the Executive Director of Economic Growth and Neighbourhood Services update the management response to the APSE report to address the recommendations regarding the Traffic Management Sub-Committee;
- 3.32. Since that time the Executive Director has discussed with the Council leadership the remit and process for resident and Sub-Committee requests being presented to TMSC. Officers are working on a new triage process which will be presented to TMSC. This should address the Audit and Governance Committee's view that local matters should be heard at TM Sub whilst not creating unrealistic expectations for residents which may not be resourced for delivery.
- 3.33. At your April meeting it was also reported that the Government was consulting on a requirement to digitise all new and temporary (but not existing) TROs to be provided to the Department for Transport in a digital format for use within a central database. The consultation considered implementation of the new requirement in either July or October 2025. Officers responded to that consultation and in summary indicated, that this would be insufficient time to procure and implement a solution. At the time of writing a date has not been set by Government for implementation.

Support for staff

- 3.34. It is recognised that although the Council has many existing ways in which staff can speak up if they are aware of errors, poor practice or improvements that could be made, more can be done to publicise these channels. A 'Speaking Up' campaign was

launched in late March 2025 to bring together all of the various ways in which concerns can be raised. These channels include formal channels such as the whistleblowing process and via formal HR casework/trades unions as well as informal channels such as 1:1s and via staff groups. Please note that this campaign fully addresses the relevant recommendations recently set out by the Chair of the Committee on Standards in Public Life in the report '[Recognising and Responding to Early Warning Signs in Public Sector Bodies](#)' which is designed to support public leaders to reflect on how they can best equip staff to identify and resolve problems or issues that might get in the way of delivering the core purpose of an organisation). Whilst it is difficult to track the impact of the campaign (given it focuses on encouraging staff to speak up via existing – rather than new – channels, it is certainly the case that the whistleblowing and HR casework channels have seen an increase in volumes following the launch of the Speaking Up campaign. Regular reminders about the value of Speaking up are included in staff newsletters.

Continuity of the Restitution Scheme

- 3.35. Given the low numbers of new referrals into the scheme and the work which has been done so far to publicise the ability to claim refunds, it is now proposed to discontinue the scheme. This should not diminish the ability of any member of the public to claim a refund for an historic PCN if they have not already done so. Existing claims which are awaiting further information, or verified claims which are awaiting payment details will be honoured. So to that extent, the Parking Services element of the plan will continue as a business as usual activity.
- 3.36. Reports on the Digital TRO process will be submitted routinely to TMSC as part and parcel of agreeing the new Orders, maps, articles etc which will be necessary for the Project. This means that the ongoing work of improving all of the Council's TROs will still be visible to councillors and the public.
- 3.37. The Action Plan at **Appendix 2** is now substantially complete and significant progress against the plan can be evidenced since it was first published (as Appendix 1) in October 2024.
- 3.38. There are two future matters on the Action Plan which can be added to the Committee's Audit Tracker to ensure they are reviewed in the future:
 - Following the APSE report it was envisaged that there would be a further follow up Audit which was scheduled for Q2 25/26. This is in hand. The outcome will be reported through the usual mechanisms to Audit and Governance Committee quarterly updates of the Chief Internal Auditor.
 - A wider review of the Council's systems against the CIPFA / SOLACE Code of Corporate Governance was recommended. This was last reviewed in 2021/22. The timing of this is a matter for the Committee to determine.
- 3.39. In conclusion, as
 - the Action Plan is now broadly complete
 - monitoring at TMSC and Audit and Governance has been effective
 - remaining actions can be overseen by Audit and Governance, and
 - there is no prejudice to the rights of residents and motorists to claim historic PCNsit is now proposed that the Restitution Scheme is closed.

4. Contribution to Strategic Aims

- 4.1. The Council Plan has established five priorities for the years 2025/28. These priorities are:

- Promote more equal communities in Reading
- Secure Reading's economic and cultural success
- Deliver a sustainable and healthy environment and reduce our carbon footprint
- Safeguard and support the health and wellbeing of Reading's adults and children
- Ensure Reading Borough Council is fit for the future

4.2. In delivering these priorities, we will be guided by the following set of principles:

- Putting residents first
- Building on strong foundations
- Recognising, respecting, and nurturing all our diverse communities
- Involving, collaborating, and empowering residents
- Being proudly ambitious for Reading

4.3. Full details of the Council Plan and the projects which will deliver these priorities are published on the Council's website - [Council plan - Reading Borough Council](#). These priorities and the Council Plan demonstrate how the Council meets its legal obligation to be efficient, effective and economical.

4.4. The recommendations in this report align with the Council's values and objectives in the Council Plan, namely:

Deliver a sustainable and healthy environment and reduce our carbon footprint

4.5. The Road Traffic Regulation Act enables the Council to introduce measures like speed limits, low-emission zones, or restrictions on certain vehicles. These provisions directly support reducing pollution, improving air quality and creating spaces where people feel the benefits of clean air and active travel like walking and cycling. By implementing TROs, the Council can create more green spaces and pedestrian friendly areas, aligning with its goal of promoting a healthy environment which has a positive impact on the life of every resident – making Reading a greener, more attractive place to live, with a tangible impact on physical and mental health and life expectancy.

4.6. TROs can enhance road safety through measures like traffic calming, safer pedestrian crossings, or reduced speed limits, making neighbourhoods safer and more liveable. This fosters a sense of connectivity in communities. These actions also support accessibility and mobility, which are key to thriving, connected communities, ensuring everyone including the vulnerable and excluded can safely use public spaces, regardless of age or ability.

Secure Reading's economic and cultural success

4.7. By managing traffic to reduce congestion and improve public transport flow, the Council can boost local economic activities and make it easier for everyone to access education, skills and training and good jobs.

Ensure Reading Borough Council is fit for the future

4.8. Our approach to the scheme of restitution demonstrates strong use of digital first, creating an online route to claims which was easy to use and allowed the Council to track metrics on key data points. We also maintained an in-person option so as to be accessible to those who needed support with the claims process. The work towards procurement of a replacement digital approach to TRO will also enable digital improvements to process.

5. Environmental and Climate Implications

- 5.1. The Council declared a Climate Emergency at its meeting on 26 February 2019 (Minute 48 refers).
- 5.2. A climate impact assessment has not been considered necessary for this report. The TRO rectification and associated climate considerations are described in reports to Traffic Management Sub Committee. In general, the link between poor air quality, the

climate emergency and emissions from vehicles is well documented and evidenced. Effective control and management of car parking can have a positive impact in reducing the effects of transport on the environment. A robust process for setting out restrictions and allowing for effective enforcement is therefore essential.

6. Community Engagement

- 6.1. Please see paragraph 3.7 for the community engagement undertaken to ensure there is public awareness of the Restitution Scheme.
- 6.2. For rectification of TRO, the draft TROs will be advertised in compliance with statutory regulations and an opportunity provided for objections to be made.

7. Equality Implications

- 7.1. Under the Equality Act 2010, Section 149, a public authority must, in the exercise of its functions, have due regard to the need to -
 - eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
 - advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
 - foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
- 7.2. An EqIA is not relevant for this update report. No impacts on the public sector equality duty have been identified.

8. Other Relevant Considerations

- 8.1. None to report.

9. Legal Implications

- 9.1. The legal implications relating to TROs and the discrepancies uncovered were reported in full to Council in October 2024. No further legal implications arise in this update report.

10. Financial Implications

- 10.1. As set out in the main body of this report, a grand total of £68k of claims have been paid to August 2025. These payments and future ones will be funded from earmarked reserves.

11. Timetable for Implementation

- 11.1. If councillors are minded to agree the recommendation, the Restitution Scheme will now close and further claims about historic claims will be handled as business as usual activity. Whilst the Council will no longer pro-actively promote the issue, this will not prevent valid claims being brought forward.

12. Background Papers

- 12.1. There are none.

Appendices

1. Original Action Plan as approved at Council on 15 October 2024
2. Updated Action Plan showing progress with RAG status

Appendix 1

Traffic Regulation Orders - Action Plan

Council approved version - 15 October 2024

To understand why the issue arose and take steps to ensure it does not happen again.

It is proposed that all actions are monitored through the Audit and Governance Committee. Please note Key below.

No	Action	Progress / Next steps	Lead officer	When
1.0	Resourcing Restitution			
1.1	Stand up a team to provide additional capacity to refund PCNs to motorists according to the Restitution Scheme	Specific working group established. Restitution Scheme to be approved by Council on 15 October.	AD (P,T &PP)	15 October onwards
1.2	Make website page Live		AD (P,T &PP)	16 October
1.3	Keep under review the Restitution Scheme to ensure that it meets its stated objectives and that customers are recompensed in an efficient and effective way.	Report progress on restitution to Audit and Governance Committee together with any changes made to the Scheme of Restitution.	AD (P,T &PP)	21 Jan 2025 A&G Ongoing
1.4	Monitor agreed metrics to assess <ul style="list-style-type: none">Number of website hitsCalls to customer services takenNumber of claims submitted via online formNumber of claims verifiedNumber of refunds actioned within 28 daysNumber of cases not resolvedValue of refunds issued	Monitor effectiveness and take up of the restitution process.	ED DEGNS AD (P,T &PP) Dir of Finance	16 October onwards

No	Action	Progress / Next steps	Lead officer	When
1.4	Advise Audit and Governance Committee on the success of the Restitution Scheme and when it should close.	Future action once success of the scheme can be measured.	AD (P, T & PP)	21 Jan 2025 A&G Ongoing
2.0	Remaking of Traffic Regulation Orders			
2.1	Subject to Council's agreement on 15 October publish consultation notices on those TROs with identified defects.	Review has commenced to remeasure the on-street restrictions and to reconcile with proposed restrictions in the TROs.	AD (E & CS)	16 Oct 2024 onwards.
2.2	Consider objections raised on the proposed TROs and publish Officer Decision Notices to confirm outcome in each case.	Awaiting publication of proposals.	ED DEGNS	Follows item number 2.1
2.3	Update Traffic Management Sub Committee on the progress for each of the TROs which has to be remade.	Progress reports scheduled for TM Sub Committee on: 27 November 2024 16 January 2025	AD (E & CS)	27 Nov 2024
2.4	Communicate with residents and motorists to advise when enforcement recommences on affected sites.	Advise TM Sub Committee of intended communications on: 27 November 2024 (and if required) 16 January 2025	AD (E & CS)	27 Nov 2024
3.0	Future Assurance			
3.1	Ongoing investigation into, and monitoring of, existing TROs to identify errors while Digital TRO project is mobilised. Establish shared data files between Network Management, Parking Enforcement and Legal to	Central files established for TRO identified for further investigation. Any queries will result in suspension of enforcement while TRO are investigated and rectified if necessary.	ED DEGNS	Ongoing

No	Action	Progress / Next steps	Lead officer	When
	<p>capture TROs with suspected errors and initiate process for rectification and track progress.</p> <p>Any errors will be rectified through Traffic Management Sub Committee at the earliest opportunity.</p>			
3.2	Digital TRO project will be commissioned by the Transformation and Efficiency Board and monitored through the Council's Project Management governance. Progress to be reported through Audit and Governance.	<p>Project initiated - October 2024</p> <p>Project team established - October 2024</p> <p>Funding identified for Phase 1 software and surveys (capital programme approved).</p> <p>Procurement on system and surveys to commence Q4 2024/5</p> <p>Project duration c. 18 months</p>	ED DEGNS	Progress reported quarterly via A&G
4.0	Governance Arrangements			
4.1	Ensure that Audit and Governance Committee and TM Sub Committee receive reports as envisaged in this Action Plan	<p>Updates scheduled for:</p> <p>27 Nov 24 – TM Sub Committee</p> <p>16 Jan 25 – TM Sub Committee</p> <p>21 Jan 2025 – Audit and Governance</p>	AD (L & DS)	27 Nov 24
4.2	Ensure reports to TM Sub Committee follow the Council's report clearance process enabling appropriate oversight and tracking of officer decisions	<p>Review scheduled for:</p> <p>27 Nov 24 – TM Sub Committee</p>	AD (L & DS)	27 Nov 24
4.3	Review the basis on which all Committee decisions are followed up to ensure they have been put into effect.	<p>A review of delegated decisions since October 2022 has already been instigated.</p> <p>A new process will be put in place to monitor progress of all prior decisions made by councillors.</p>	AD (L & DS)	Jan A&G

No	Action	Progress / Next steps	Lead officer	When
4.4	Undertake a review of Corporate Governance against the CIPFA / SOLACE code to ensure that all the necessary policies and procedures which could help have been identified and strengthened.	This will be undertaken after the working practices review in DENGs.	AD (L & DS)	To be agreed by Audit and Governance Committee
5.0	Review of TRO Process and Team Capacity			
5.1	Commission a review of working practices and capacity as regards Traffic Regulation Orders and Enforcement and associated areas in DEGNS to ensure that lessons are identified.	A review of staff culture, working practices and capacity is required to allow all staff involved to reflect on and learn from the circumstances which led us to this point. This is being commissioned. A second audit report (below) will follow up with a review of any management changes to procedures and systems arising from the Review.	ED DEGNS	Review commissioned October 2024
5.2	Present a report on effective systems and processes to a future Audit and Governance Cttee		Chief Internal Auditor	Follow up audit Q2 25/26
6.0	Support for Staff			
6.1	Discuss TRO issue with staff in Directorate, to keep in mind the well-being of staff in the wider service who may be affected by the reputational impact of this situation.	Executive Director led briefings for affected teams.	ED DEGNS	Progress reported via A&G
6.2	An engagement and communications campaign will be launched to enable staff to feel supported and able to speak up when they are aware of errors, poor practice or improvements that could be made.	The Council has established systems for Whistleblowing, staff supervision 121s, exit interviews, internal audits etc, but they did not help in this situation. Further engagement and communications work will be done with staff and managers across the Council to support the Team Reading values.	Chief Executive	Report progress to 21 Jan 2025 A & G

Key

AD (P,T &PP) – Assistant Director for Planning Transport and Public Protection

AD (E & CS) – Assistant Director for Environmental and Commercial Services

AD (L & DS) – Assistant Director for Legal and Democratic Services

AD (PP & CS) - Policy Performance and Customer Services

A&G – Audit and Governance Committee

CIA – Chief Internal Auditor

Dir of Finance – Director of Finance

ED DEGNS – Interim Executive Director for Economic Growth and Neighbourhood Services

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Appendix 2

Traffic Regulation Orders - Action Plan

Monitoring version – updated for Sept 2025

Please note Key below.

No	Action	Progress / Next steps	RAG	Lead officer	When
1.0	Resourcing Restitution				
1.1	Stand up a team to provide additional capacity to refund PCNs to motorists according to the Restitution Scheme	Specific working group established. Restitution Scheme to be approved by Council on 15 October.	Closed	AD (P,T &PP)	15 October onwards
1.2	Make website page Live	Website launched as envisaged on 16 October.	Closed	AD (P,T &PP)	16 October
1.3	Keep under review the Restitution Scheme to ensure that it meets its stated objectives and that customers are recompensed in an efficient and effective way.	Progress on restitution was reported to Audit and Governance Committee in Jan, April and Sept 24. Now recommended to close the Scheme of Restitution.	Closed	AD (P,T &PP)	25 Sept 2025 A&G
1.4	Monitor agreed metrics to assess <ul style="list-style-type: none"> Number of website hits Calls to customer services taken Number of claims submitted via online form Number of claims verified Number of refunds actioned within 28 days Number of cases not resolved Value of refunds issued 	Initial fortnightly TRO Task Group monitored effectiveness and take up of the restitution process. Progress was reported to Audit and Governance Committee as envisaged.	Closed.	ED DEGNS AD (P,T &PP) Dir of Finance	16 Oct 24 – July 2025

No	Action	Progress / Next steps	RAG	Lead officer	When
1.4	Advise Audit and Governance Committee on the success of the Restitution Scheme and when it should close.	25 September 2025 – scheme now recommended to close. This does not preclude motorists from making a claim directly to Parking Services.	Closed	AD (P,T &PP)	25 Sept 2025 A&G
2.0	Remaking of Traffic Regulation Orders				
2.1	Subject to Council's agreement on 15 October publish consultation notices on those TROs with identified defects.	All complete.	Closed	AD (E & CS)	16 Oct 2024 onwards.
2.2	Consider objections raised on the proposed TROs and publish Officer Decision Notices to confirm outcome in each case.	All complete	Closed	ED DEGNS	Follows item number 2.1
2.3	Update Traffic Management Sub Committee on the progress for each of the TROs which has to be remade.	Updates have been provided at each TMSC. Updates will continue in the light of the newly discovered issues. Notwithstanding that, this item has achieved its intended aim.	Closed	AD (E & CS)	27 Nov 2024 onwards
2.4	Communicate with residents and motorists to advise when enforcement recommences on affected sites.	All complete. See Report to A&G in Sept 2025 for details of completed schemes and enforcement advice.	Closed	AD (E & CS)	27 Nov 2024 onwards
3.0	Future Assurance				
3.1	Ongoing investigation into, and monitoring of, existing TROs to identify errors while Digital TRO project is mobilised. Establish shared data files between Network Management, Parking Enforcement and Legal to capture TROs with suspected errors and initiate process for rectification and track progress.	The TROs have been monitored and the systems put in place have highlighted a small number of issues which were reported to TMSC. It is expected that any future issues will get picked up as part of Digital TRO project.	Closed	ED DEGNS	Ongoing only as part of Digital TRO

No	Action	Progress / Next steps	RAG	Lead officer	When
	Any errors will be rectified through Traffic Management Sub Committee at the earliest opportunity.				
3.2	Digital TRO project will be commissioned by the Transformation and Efficiency Board and monitored through the Council's Project Management governance. Progress to be reported through Audit and Governance.	A&G to determine future monitoring of Digital TRO project.	Closed	ED DEGNS	Progress reported quarterly via A&G since Jan 25
4.0	Governance Arrangements				
4.1	Ensure that Audit and Governance Committee and TM Sub Committee receive reports as envisaged in this Action Plan	27 Nov 24 – TM Sub Committee 16 Jan 25 – TM Sub Committee 6 March 25 – TM Sub Committee 21 Jan 2025 – Audit and Governance 09 April 2025 – Audit and Governance 11 June 2025 – TM Sub Committee 11 Sept 2025 – TM Sub Committee 25 Sept 2025 – Audit and Governance – proposed final report.	Closed	AD (L & DS)	27 Nov 24 onwards
4.2	Ensure reports to TM Sub Committee follow the Council's report clearance process enabling appropriate oversight and tracking of officer decisions	27 Nov 24 – TM Sub Committee (completed) 16 Jan 24 – TM Sub Committee (completed) 6 March 25 - TM Sub Committee (completed) 11 June 25 – TM Sub Committee (completed) 11 Sept 25 – TM Sub Committee (completed)	Closed	AD (L & DS)	27 Nov 24 onwards

No	Action	Progress / Next steps	RAG	Lead officer	When
4.3	Review the basis on which all Committee decisions are followed up to ensure they have been put into effect.	A new process has been put in place to monitor progress of all prior decisions made by councillors: new decision tracking section added to all agenda.	Closed	AD (L & DS)	Jan A&G
4.4	Undertake a review of Corporate Governance against the CIPFA / SOLACE code to ensure that all the necessary policies and procedures which could help have been identified and strengthened.	This will be undertaken after the working practices review in DEGNS.	Future action – date to be confirmed.	AD (L & DS)	To be agreed by Audit and Governance Committee
5.0	Review of TRO Process and Team Capacity				
5.1	Commission a review of working practices and capacity as regards Traffic Regulation Orders and Enforcement and associated areas in DEGNS to ensure that lessons are identified.	A review of staff culture, working practices and capacity is required to allow all staff involved to reflect on and learn from the circumstances which led us to this point. This is being commissioned. A second audit report (below) will follow up with a review of any management changes to procedures and systems arising from the Review.	Closed Report received in April 2025 at A&G.	ED DEGNS	Review commissioned October 2024. Reported April 2025
5.2	Present a report on effective systems and processes to a future Audit and Governance Cttee	Scheduled for after the APSE Review (now completed) and to take place in Q2 25/26.	In progress as of Sept 25	CIA	Will report to future A&G
6.0	Support for Staff				
6.1	Discuss TRO issue with staff in Directorate, to keep in mind the well-being of staff in the wider service who may be affected by the reputational impact of this situation.	Executive Director led briefings for affected teams.	Done	ED DEGNS	Progress reported via A&G

No	Action	Progress / Next steps	RAG	Lead officer	When
6.2	An engagement and communications campaign will be launched to enable staff to feel supported and able to speak up when they are aware of errors, poor practice or improvements that could be made.	Case study at All Staff Briefings and a 'Speak Up' campaign have been undertaken.	Closed	Chief Executive	Progress reported via A&G

Key

AD (P,T &PP) – Assistant Director for Planning Transport and Public Protection

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A&G – Audit and Governance Committee

CIA – Chief Internal Auditor

Dir of Finance – Director of Finance

ED DEGNS – Interim Executive Director for Economic Growth and Neighbourhood Services

Audit and Governance Committee

25 September 2025



Title	Information Governance Quarterly Update
Purpose of the report	To note the report for information
Report status	Public report
Executive Director/ Statutory Officer Commissioning Report	Louise Duffield, Executive Director of Resources
Report author	Michael Graham, Assistant Director of Legal and Democratic Services Ade Marques, Assistant Director Digital & IT
Lead Councillor	Cllr Ellie Emberson, Lead Councillor for Corporate Services and Resources
Council priority	Not applicable, but still requires a decision
Recommendations	<p>The Committee is asked to:</p> <ol style="list-style-type: none"> 1. To note the progress to date and future actions outlined in this report 2. To identify matters of interest for future reports

1. Executive summary

1.1. This report provides an update on the actions in progress to improve the Council's policies, systems and processes around Information Governance.

2. Policy context

2.1. The Council Plan has established five priorities for the years 2025/28. These priorities are:

- Promote more equal communities in Reading
- Secure Reading's economic and cultural success
- Deliver a sustainable and healthy environment and reduce our carbon footprint
- Safeguard and support the health and wellbeing of Reading's adults and children
- Ensure Reading Borough Council is fit for the future

2.2. In delivering these priorities, we will be guided by the following set of principles:

- Putting residents first
- Building on strong foundations
- Recognising, respecting, and nurturing all our diverse communities
- Involving, collaborating, and empowering residents
- Being proudly ambitious for Reading

2.3. Full details of the Council Plan and the projects which will deliver these priorities are published on the Council's website - [Council plan - Reading Borough Council](#). These priorities and the Council Plan demonstrate how the Council meets its legal obligation to be efficient, effective and economical.

- 2.4. Data is playing an increasing role in designing, delivering and transforming public services to improve outcomes for customers and drive efficiencies within current financial constraints.
- 2.5. The Local Government Association describe the value of data to public services as facilitating:
 - The design of services around user needs
 - The engagement and empowerment of citizens to build their communities
 - Efficiencies and public service transformation
 - Economic and social growth
 - Greater transparency and accountability
- 2.6. Effective information governance is a key requirement for the Council which has duties to be both open and transparent whilst at the same time protecting the confidential information it holds about people and businesses. How it collects, uses, stores, shares and destroys personal data is governed by the Data Protection Act. The Council also has to comply with the Freedom of Information Act, the Environmental Information Regulations and the Access to Information Act in relation to its records. Compliance is monitored by the Information Commissioner who has wide ranging powers including the ability to impose considerable financial penalties for breaches of the Data Protection Act.

3. Update

Subject Access Requests Q1 & Q2 (1st April 2025 to 15th September 2025)

- 3.1. RBC requests in Q1 & Q2, a total of 81 cases were received of these 7 have been completed and 18 remain outstanding and 46 cases were closed as an Invalid Request. During 2024/25 financial year the Customer Relations & Information Governance Service took over the process for dealing with requests for CCTV footage and the figures in the table below reflect these. 1 case is currently on hold – awaiting further information from the requester and 9 cases are on hold – awaiting Identification Verification and/or Consent to be provided.
- 3.2. BFfC requests in Q1 & Q2, a total of 57 cases were received, of these 8 have been completed and 30 remain outstanding and 11 cases were closed as an Invalid Request. 2 cases are currently on hold – awaiting further information from the requester and 6 cases are on hold – awaiting Identification Verification and/or Consent to be provided.
- 3.3. The implementation of the redaction software continues; we have had training on the system and has been user acceptance testing. However, the system seems to have limitations which did not present to us at the time of procurement. We have raised these concerns with the Supplier who is working in the background to correct and meet our needs. The Information Rights Services Manager is in weekly contact with the Supplier with feedback from the testing in order for them to make system improvements. The Information Rights Services Manager is also reviewing the terms of the contract with regards to a possible termination should matters not improve by the end of October 2025.

SAR Backlog Data as at 15 September 2025.

	22/23		23/24		24/25		25/26	
	RBC	BFfC	RBC	BFfC	RBC	BFfC	RBC	BFfC
No. Received	46	59	80	75	144	58	81	57
No. Outstanding	0	3	1	1	14	15	18	30
No. On Hold (Requires Further Info)	0	0	0	0	0	0	1	2
No. On Hold (No Consent/ID)	0	0	0	0	0	0	9	6
No. Completed	45	53	68	62	46	20	7	8
No. Declined (Invalid Request) *	1	3	11	12	84	23	46	11

*Invalid Request – Requests that have been submitted without ID or Proof of Address, no response to requests to provide, 6 week time limit passed. ICO Guidelines.

FOI cases

- 3.4. As previously reported, a number of measures have been taken with the aim of increasing FOI performance:
 - Centralisation of the function in the Customer Relations Team
 - Implementation of a new case management system
 - Review of the procedures
 - Training has been provided to officers
 - Continual monitoring weekly by CMT
- 3.5. Notwithstanding these measures, performance across the Council has taken time to show some improvement. Low figures have been reported to previous Committees however we reported improvements to response rates at the previous Committee in April 2025. It was subsequently discovered that in changing the method of reporting, the team had inadvertently selected an incomplete data set to report upon. This was discovered by the Performance Team on collating data for CMT. The consequence of this was that earlier cases in the period had not been counted for the stats reported to A&G.
- 3.6. The FOI Team (Customer Relations) and the Performance Team have reviewed the data and the process used to report data going forward. This reporting is now in accordance with the Information Commissioners Office (ICO) guidelines. We are no longer basing our response rates on the number of cases received vs number of cases responded to. But number of cases responded to vs number of cases responded to in timescale.
- 3.7. Tables below show the annual data for 2024/25: Total number of FOI's received by Directorate.

Directorate	Total No. Received
BFfC	155
DACHS	175

DEGNS	430
DoR	331
Total	1091

3.8. Tables below show the total number of FOI's responded to in 2024/25 by Directorate. 74% of the 989 cases that were responded to were responded in timescale.

Directorate	Total Number responded to in timescale
BFfC	135
DCASC	159
DEGNS	398
DoR	297
Total	989

3.9. The following table is the number of FOI cases received in Q1 of 25/26 for RBC and BFfC.

Directorate	Total No Received.
BFfC	40
DACHS	58
DEGNS	115
DoR	99
Total	312

3.10. Tables below show the total number of FOI's responded to in Q1 of 2025/26 by Directorate. 87% of the 310 cases were responded to in timescales.

Directorate	No Responded to in timescales
BFfC	44
DACHS	59
DEGNS	110
DoR	97
Total	310

- 3.11. The Information Rights Services Manager provides monthly reports in this format to the Corporate Management Team. The Customer Relations & Information Governance Service staff have worked with the CCM Project Business Analysts and the Supplier to correct the system issues, obtain regular reports, and train the organisation. The Information Rights Services Manager attends the CCM Project Board and is kept informed of the progress of this project and tracks the issues log with the allocated Business Analysts.
- 3.12. With the corrections noted above and the reports in place we expected the data for Q2 to keep improving. Data for the first 2 months of Q2 is below and shows that 87.2% of the 196 responses were sent out in timescales:
- 3.13. **Q2 2025/26 – up to the 31st August RBC & BFfC**

Directorate	FOI's received in Q2	Number responded to in Q2
BFfC	36	28
DCASC	44	33
DEGNS	113	100
DoR	45	35
Total	238	196

- 3.14. The Responders whose names appear on the overdue reports are prompted/reminded by the Information Rights Services Manager, by email and via Teams, to respond in time. Emails are copied to the relevant Executive Director and Assistant Directors who also now have licences and can self-serve their information.
- 3.15. Of the FOI's responded to in Q1 and Q2 to date, 6 requests for Internal Review of Freedom of Information responses were received. 3 have been responded to with the Council's original response upheld and 3 are currently open with reviews in progress.

Data Transparency

- 3.16. The Data Transparency pages are up to date for Contracts costing over £5000 with data for quarters 1 to 2 of 2025/26 published. Expenditure over £500 for Q1 of 2025/6 is published as is the first month of Q2, July. August is currently being drafted. A revised senior management structure chart is required, to reflect recent management changes in DoR, this has been requested from the AD for HR & OD.
- 3.17. We have noted also that the Parking Services accounts and Parking Annual Report for 2023/24 require publishing an up-to-date report, the Parking Service has assured the Information Rights Services Manager that this task will be completed this autumn.

Information Governance Board

- 3.18. The Information Governance Board meets monthly and reviews Cyber Security Incidents and possible breaches of the Data Protection Act which may need to be reported to the Information Commissioners Office (ICO). Where any subsequent actions are identified then these are monitored.
- 3.19. There were 94 data related incidents reported to the Information Governance Team. One report met the criteria for notifying the ICO, disclosure via email which contained Special Category Data. The email was confirmed as deleted and not shared. The ICO recommended preventive measures, which were fed back to the respective work areas.
- 3.20. The main themes around the above breaches were the misdirection of emails and postal communications as a result of human error. All breaches are discussed at the

Information Governance Board where necessary specific training and improvement action plans for services are recommended.

- 3.21. We reinforce the messaging to the organisation around checking that the correct recipients and their addresses (email and postal) are correct before sending, we copy ICO Decision Notices along with their recommendations to Service Managers and direct staff to revisit the IG and Cyber Training following a breach.

Information Management Strategy

- 3.22. The Information Management Strategy and Action Plan was presented and signed off by the Policy Committee in March 2022. This sets out the Council's approach to information management and governance.
- 3.23. The Action Plan from this has since been changed to the ICO's own template, this will allow for better tracking and reporting of actions completed once work resumes with the Data Stewards.
- 3.24. The work with Social Care & Housing Data Stewards (BFfC and DCASC) and Corporate Data Stewards were postponed whilst resource from the Information Governance Team was allocated to an increase in business-as-usual tasks, process improvements for the Arcus system and user acceptance testing on the redaction software system.
- 3.25. The IG Team have created a Data Stewards site on SharePoint with access to guidance, templates and processes they require to complete work outlined in the Action Plan. The work on updating the external website to share information and ensure transparency about how the Council and BFfC work to the Data Protection Act has progressed, much of the information has been in 2025, however will not be completed until the Information Governance Officer return from long term absence.

Training

- 3.26. Cyber Security and Information Governance training is a mandatory requirement for RBC and BFfC staff. This is available to all staff and members through Learning Pool, the Council's e-learning package. The Senior Leadership teams within the Council and BFfC have been asked to monitor their own areas for compliance through the Power Bi reporting tool. The expectation is that SLG will be able to monitor their own staff and where there is non-compliance, they can take appropriate action to encourage their staff to complete the training. However, the Mandatory Training Task & Finish Group continue to monitor uptake and staff who have not completed the training will be given a timescale to complete the training before their system is disabled.
- 3.27. The content of the training suite of Cyber Security and GDPR training was revised for 2025/26 using the skills within the organisation and examples of breaches recorded within RBC and BFfC have been used as a learning tool. This inhouse suite of training was rolled out to all staff via the Learning Pool in June 2025. The table at 3.31 shows the uptake as of 09 September. The IG Team continue to provide bespoke training for colleagues without access to IT systems. Sessions were completed with Highways, Grounds personnel, and Hexagon staff.
- 3.28. The Mandatory Training Task & Finish Group has been working to ensure mandatory training requirements are communicated to staff, that there is appropriate monitoring and follow up to ensure that training is delivered as envisaged by CMT. The table at 3.31 shows the uptake as of 09 September, this group will continue to ensure uptake improves through weekly comms, and direct emails to staff.

Next Steps

- 3.29. The focus is on user acceptance training on the redaction software and commencing with the work that was started with the Data Stewards Network. Further comms to the organisation around the importance of completing the IG and Cyber security training.

Cyber Security Programme

3.30. This Committee requested an update around the cyber security programme, this consists of the areas of focus set out in below.

3.31. Cyber Incidents

1. Phishing -

We continue to see more sophistication with phishing attacks majority of which are caught by our tools. However we have seen a few successful attempts where users have unwittingly clicked on links.

- Recently we saw a phishing attack which was caused by a vulnerability in the Microsoft email exchange protocols. RBC was not the only target, and we are aware of at least one other Berkshire authority where this phishing attack was successful.
- We continue to monitor our email exchange to keep up with these and insist users keep themselves up to date by carrying out refresher training on cyber security and GDPR.
- A ransomware attack simulation was rehearsed by council officers in the Spring and will be rehearsed further at the Managers Teamtalk event in September 2025.
- A cyber resilience group is being considered to help manage engagement and business continuity in the event of a cyber-attack.

3.32. Suspicious Email & Security Trends

Management Information

This report presents a consolidated record of all inbound emails that were proactively blocked by the system over the past 13 months, highlighting trends, volumes, and potential threats.

Incoming Mail Blocked

Month	Quantity	%
Jun-24	1,698,978	70.90%
Jul-24	1,320,211	64.70%
Aug-24	1,660,179	70.90%
Sep-24	1,878,700	72.30%
Oct-24	1,645,645	68.30%
Nov-24	2,129,015	74.50%
Dec-24	1,843,373	75.40%
Jan-25	3,212,538	80.70%
Feb-25	11,616,034	94.40%
Mar-25	7,595,422	90.80%
Apr-25	4,441,740	86.30%
May-25	4,405,655	86.00%
Jun-25	3,688,091	83.20%
Jul-25	3,605,594	82.70%

3.33. Upcoming Security Changes -

More effort is going into ensuring all applications have Multi Factor Authentication from Sept 2025.

Users will be transitioned to Microsoft Authenticator or phone verification.

3.34. Cyber Security & IG Training Statistics: See comments above at paragraph 3.27

Directorate	Cyber Completed	CGRP Completed
BFFC	32.5%	37.45%
DCASC	33.23%	34.42%
DEGNS	25.83%	26.00%
DOR	26.24%	27.34%

4. Contribution to strategic aims

- 4.1. The purpose of Information Governance is cross-cutting and relevant to all Services of the Council and to all of our public facing services which collect and retain data about the public. The role of Information Governance contributes to the Corporate Priority foundation of “Getting the best value”.

5. Environmental and climate implications

- 5.1. The Council declared a Climate Emergency at its meeting on 26 February 2019 (Minute 48 refers).
- 5.2. There is nothing within this report which is of relevance for the Council’s strategic priority of Climate Change.

6. Community engagement

- 6.1. It is not anticipated that there will be public consultation on the Information Management Strategy or Action Plan. It will however be in the public domain at Policy Committee and this Committee, and I anticipate members will wish to receive regular updates at this Committee. This will ensure that progress in this field is visible to residents.

7. Equality impact assessment

- 7.1. An Equality Impact Assessment (EIA) is not relevant to this report. All citizens have rights to information and there is no evidence that any section of the community is disadvantaged in accessing those rights under the current service provision. There is no reason to think that any section of society will be adversely affected by the roll-out of better Information Governance and an Information Management Strategy within the Council.

8. Other relevant considerations

- 8.1. Nothing relevant.

9. Legal implications

- 9.1. The Council is required to comply with a number of information governance regulations including the Data Protection Act, the Freedom of Information Act, the Environmental Information Regulations and the Access to Information Act. Effective governance, policies and practices are essential to minimising the risk of data protection breaches and to help ensure the appropriate handling of information requests. Failure to do so could result in regulatory action being taken against the Council.

10. Financial implications

- 10.1. There are no direct financial implications arising from this report.

11. Timetable for implementation

- 11.1. Not applicable.

12. Background papers

- 12.1. There are none.

Audit and Governance Committee

25 September 2025



Title	Internal Audit & Investigations Quarterly Update Report (Q2) and updated Internal Audit Plan
Purpose of the report	To note the report for information
Report status	Public report
Report author	Paul Harrington, Chief Auditor
Lead Councillor	Councillor Ellie Emberson, Corporate Services & Resources
Corporate priority	Our Foundations
Recommendations	The Audit & Governance Committee is requested to consider the report and to approve the changes to the Annual Audit Plan.

1. PURPOSE OF REPORT

- 1.1 This report provides an update on the progress made in delivering the Internal Audit Plan, including details of audits completed during the second quarter of the 2025/2026 financial year.
- 1.2 In line with the Global Internal Auditing Standards (Sections 8.1 and 9.4), the Chief Auditor is required to report any significant revisions to the Annual Audit Plan to the Committee. Following the reintegration of Children's Services and Education into the Council, the Audit Plan has been updated to reflect this organisational change.
- 1.3 Additionally, the Audit Function has experienced resource constraints due to unplanned investigations. As a result, certain audit projects have been postponed or cancelled. These projects will be reinstated if and when capacity permits.

2. SUMMARY

- 2.1 The primary objective of each audit is to arrive at an assurance opinion regarding the robustness of the internal controls within the financial or operational system under review. Where weaknesses are found, Internal Audit will propose solutions to improve controls, thus reducing opportunities for error or fraud. In this respect, an audit is only effective if management agree audit recommendations and implements changes in a timely manner.
- 2.2 A total of two audit reviews were finalised in the period between July and September 2025, with 1 receiving a positive opinion and 1 receiving a negative opinion¹. Two grants were verified in this quarter.

2.3 Substantial Assurance Opinion Reviews

- 2.3.1 N/A

¹ positive = substantial or reasonable assurance, negative = limited or no assurance.

2.4 Reasonable Assurance Opinion Reviews

2.4.1 An audit of **IT disaster recovery** identified that while the Council and BFFC had some strengths in IT disaster recovery and business continuity planning, such as coordinated invocation plans and recovery infrastructure, there were notable weaknesses, particularly within RBC. These included outdated service continuity plans, lack of a formal business impact assessment, insufficient testing documentation, and incomplete third-party recovery plans, with two major suppliers failing to submit theirs. The absence of a central register for third-party dependencies further increased vulnerability. To address these issues, the audit recommended five key actions aimed at improving resilience and safeguarding critical IT services.

2.5 Limited Assurance Opinion Reviews

2.5.1 A review of the **Financial Assessment and Benefit's** process found significant challenges in managing demand, maintaining data quality and ensuring timely processing of assessments. The current backlog and staffing constraints highlight the need for improved use of data and prioritisation of cases.

2.6 No Assurance Opinion Reviews

2.6.1 N/A

2.7 Other:

2.7.1 An audit into **Fleet Management** was initiated following whistleblowing concerns, prompting a series of enquiries and procedures to assess the validity of the issues raised. One concern involved the awarding of a vehicle repair contract and the presence of a technician from the selected provider on-site. It was confirmed that the provider became the sole option after another contractor withdrew late in the process due to fee disputes. The on-site technician was part of the agreed terms to ensure timely repairs. Another concern focused on the lack of oversight in the vehicle repair ordering and accounting system. The Fleet Manager had introduced changes to improve visibility and control, using spreadsheets for scheduled and unscheduled maintenance, which were found to be accurate when cross-referenced with fleet management software.

2.7.2 A sample audit of maintenance work and associated invoices from May showed that all transactions were properly documented, matched to pre-approved purchase orders, and processed correctly. The audit trail was clear, and any discrepancies were appropriately addressed. In conclusion, the audit found no evidence to support the concerns raised about the fleet management operations or the contract in question, indicating that the processes in place were functioning effectively and transparently.

2.8 **Grant Certification**

2.7.1 From a sample test, the expenditure against the **Local Transport Grant** was found to have been in accordance with the grant conditions. Spend had been made on key projects, including Reading West Station, South Reading Mass Rapid Transit, construction of the Green Park Station, bridge maintenance works, Reading Station subway and Invest to Save Energy street lighting.

2.7.2 The **Bus Service Operators Grant** (BSOG) forms part of the 'Bus Grant' it is used to support socially necessary services that are not otherwise commercially viable, namely Buzz 9, Buzz 18 and route 650. The grant was found to have been spent in accordance with the grant conditions.

2.9 **Corporate Investigations**

2.9.1 To date, the Corporate Investigations Team has received a range of referrals across several categories. These include:

- 103 Blue Badge referrals, primarily from Trellint Parking Services, with additional reports from the public and anonymous sources. Blue Badge fraud typically involves misuse of disabled parking permits, such as using forged or expired badges, or using a badge when the registered holder is not present. This undermines the integrity of the system and disadvantages those who genuinely rely on accessible parking.
- 42 Council Tax Support referrals, submitted by the public, internal teams, and external bodies including the Police. These cases often involve individuals providing false information or failing to report changes in circumstances to unlawfully reduce their tax liability.
- 27 Housing Tenancy Fraud referrals, reported by Housing staff, the public, or anonymously. Common issues include unlawful subletting, misrepresentation on applications, and false claims to succession rights.
- Internal Investigations initiated internally or via anonymous reports. These inquiries focus on potential misconduct and are essential for identifying and addressing risks within the organisation.
- non-categorised referrals, which fall outside the team's direct remit but have been reviewed and appropriately redirected.
- 1 School Fraud referral, involving suspected manipulation of school admissions through false address declarations to gain placement at preferred schools.
- 1 Social Care Investigation, submitted by an accredited informant.

2.9.2 These figures exclude cases initiated prior to April 2025. In addition, the team has responded to 90 Data Protection Act (DPA) requests from Thames Valley Police, 1 request from the National Crime Agency, and 3 from other Local Authorities.

2.9.3 Since April, nine whistleblowing referrals have also been investigated by the Audit Team. This does not include internal disciplinary and grievance investigations, which continue to add to the overall workload.

3. Revised Internal Audit Plan 2025/2026

3.1 The internal audit plan is a strategic tool designed to provide independent assurance and advisory services that support the Council's governance, risk management, and operational efficiency. It helps ensure compliance with laws and policies, promotes transparency, and enhances service delivery by evaluating internal controls and identifying opportunities for cost savings and improved resource use. The plan is risk-based and adaptable, allowing the internal audit function to respond to emerging issues, legislative changes, and organisational developments, while maintaining public trust and accountability.

3.2 Adjustments to the Internal Audit Plan are made to reflect evolving priorities, resource availability, and urgent matters such as special projects, whistleblowing cases, and investigations. A significant change this year is the reintegration of Children's Services into the Council, necessitating updated audit coverage and the inclusion of relevant areas within the 2025/26 plan.

3.3 To accommodate these developments, several planned reviews have been deferred or cancelled, allowing resources to be redirected where most needed. All changes have been formally documented and communicated to the affected service areas.

3.4 This flexible approach ensures that Internal Audit continues to provide timely and relevant assurance aligned with the Council's changing needs. Details of the amendments to the Audit Plan are provided in Section 4 of the attached appendix.

4. Contribution to Strategic Aims

4.1 The Internal Audit Team aims to assist in the achievement of the strategic aims of the Council set out in the Corporate Plan by bringing a systematic disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes. In particular, audit work is likely to contribute to the priority of remaining financially sustainable to deliver the Council's priorities. The Council's new Council Plan 2025/28 is focussing on five priorities over the next three years to deliver its vision; '*To help Reading realise its potential and to ensure that everyone who lives and works here can share in the benefits of its success*'. These priorities are:

- Promote more equal communities in Reading
- Secure Reading's economic and cultural success
- Deliver a sustainable and healthy environment and reduce Reading's carbon footprint
- Safeguard and support the health and wellbeing of Reading's adults and children
- Ensure Reading Borough Council is fit for the future

4.2 These priorities are guided by "Our Principles and Values" explaining the ways we work at the Council:

- Putting residents first
- Building on strong foundations
- Recognising, respecting, and nurturing all our diverse communities
- Involving, collaborating, and empowering residents
- Being proudly ambitious for Reading

4.3 Full details of the Council's Corporate Plan and the projects which will deliver these priorities are published on the [Council's Website](#). These priorities and the Council Plan demonstrate how the Council meets its legal obligation to be efficient, effective and economical.

5. Environmental and Climate Implications

5.1 There are no environmental or climate implications arising from the report.

6. Community Engagement

6.1 N/A

7. Equality Implications

7.1 No equalities impact implications have been identified as arising from this report.

8. Other Relevant Considerations

8.1 None

9. Legal Implications

9.1 Legislation dictates the objectives and purpose of Internal Audit the requirement for an Internal Audit function is either explicit or implied in the relevant local government legislation.

9.2 Section 151 of the Local Government Act 1972 requires every local authority to "make arrangements for the proper administration of its financial affairs" and to ensure that one of the officers has responsibility for the administration of those affairs.

9.3 In England, more specific requirements are detailed in the Accounts and Audit Regulations in that authorities must "maintain an adequate and effective system of internal audit of its accounting records and of its system of internal control in accordance with proper internal audit practices".

9 Financial Implications

9.1 n/a

10 Timetable for Implementation

10.1 n/a

11 Background Papers

11.1 n/a

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Appendix 1

Internal Audit & Investigations

Quarterly Update Report Q2 & Revised Internal Audit plan

1.0 OVERVIEW

1.1 Purpose & Scope of Report

1.1.1 The purpose of this report is to provide an update on the progress made against the delivery of the Internal Audit Plan and amendments made to the plan following the transition of Children's Services back into the Council from the 1 October 2025.

1.2 Assurance Framework

1.2.1 Each Internal Audit report provides a clear audit assurance opinion. The opinion provides an objective assessment of the current and expected level of control over the subject audited. It is a statement of the audit view based on the work undertaken in relation to the terms of reference agreed at the start of the audit; it is not a statement of fact. The audit assurance opinion framework is as follows:

1.2.2 The assurance opinion is based upon the initial risk factor allocated to the subject under review and the number and type of recommendations we make. It is management's responsibility to ensure that effective controls operate within their service areas. Follow up work is undertaken on audits providing **limited** or '**no**' assurance to ensure that agreed recommendations have been implemented in a timely manner.



A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.

There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.

Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.

Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.

2.0 HIGH LEVEL SUMMARY OF AUDIT FINDINGS

2.1	Financial Assessment and Benefits Team	Recs			Assurance
		3	4	0	
2.1.1	Under section 14 of the Care Act 2014, Local Authorities have the authority to charge individuals for any care services they receive. However, to determine the applicable charge, they must conduct a fair and transparent financial assessment.				
2.1.2	The Financial Assessment Benefit Team must operate in accordance with both national and local policies while conducting financial assessments. It requires comprehensive oversight of the management of the work received by the Team, as well as the allocation of tasks within the Team, to enhance the customer experience and mitigate the risk of accruing debt.				
2.1.3	A 'limited assurance opinion' was issued based on the fact that while the Council has established procedures and systems to support financial assessments, significant challenges remain in managing demand, maintaining data quality, and ensuring timely processing. The current backlog, staffing constraints, and inconsistencies in performance reporting highlight the need for stronger oversight, more apparent prioritisation, and improved use of data.				
2.1.4	The Council's adult social care webpage, updated in February 2025, provides clear guidance on paying for care, including financial assessments and appeals, promoting transparency for service users. Staff can access procedural documentation through Trix1 and SharePoint, which includes user guides and workflow charts.				
2.1.5	The Mosaic system provides a structured approach to monitoring financial assessment performance, with clear tracking of referral timelines and responsibilities. However, the frequent use of 'amber' RAG ratings and lack of 'green' safeguarding prioritisation indicate a misalignment with case urgency. Additionally, insufficient visibility into the total number of caseloads and trends in the backlog hampers performance oversight. To improve this, redefining prioritisation criteria based on the age of the referral document and enhancing the reporting dashboard is crucial for better benchmarking and workload management.				

¹ online social care procedures

2.1.6 As of May 2025, UK local authorities are required to complete financial assessments within 4 to 6 weeks, as mandated by the Care Act 2014. The Financial Assessment and Benefits (FAB) Team, which conducts them, reduced its staff from 9 to 7 in the 2024/25 fiscal year, leading to a 21-22% drop in weekly output, from 26 to 21 assessments. Local performance targets were reinstated to monitor referral times. The team completed 1,185 financial assessments and handled 2,264 cases for the annual contribution uplift review in March 2025. This situation poses risks to delayed income, which, although difficult to quantify, could be approximately £250,000 per annum, and reduced efficiency, highlighting the need for improved controls and visibility to ensure timely assessments and maintain public confidence.

2.1.7 As of 1 April 2025, the FAB Team was managing a significant and longstanding backlog of 535 financial and welfare benefit assessments, with 30% of cases over six months old and some dating back to 2018. Although 76% of referrals are assigned to officers, 24% remain unallocated, highlighting inefficiencies in triage and workflow. A joint analysis with the Performance Analyst showed a 7% increase in the backlog over the past year, despite isolated improvements. Additionally, 57% of referrals from Adult Social Care lack essential contact information, with a notable decline in data quality since 2023, which further delays assessments. These issues underline the need for stronger oversight, clearer referral protocols, and improved data capture. Adult Social Care must ensure key contact information is made mandatory at the point of referral to support timely and effective processing.

2.1.8 The Power BI dashboard has enhanced ASC's monitoring of CQC inspection performance through weekly data collection and regular senior leadership reviews, facilitating timely discussions and reducing the risk of prolonged waiting times. However, concerns remain regarding the completeness and consistency of performance reporting. Notably, discrepancies between the FAB 'Backlog Report' and the 'FAB Waiting List' report raise questions about data reliability. Furthermore, the current dashboard lacks a comprehensive overview of total caseloads and omits outstanding cases dating back to 2018. These limitations significantly hinder its utility for benchmarking and strategic planning. These issues could hinder the accuracy and timeliness of performance submissions, thereby impacting the council's ability to meet reporting deadlines and fully assess service delivery pressures.

2.1.9 A review of financial assessments for non-residential care users revealed a generally strong control environment, supported by secure data storage in the Mosaic system and accurate contribution calculations. However, several control risks exist, including inconsistent verification of service users' assets, unclear income-related benefit rules, and a lack of formal verification for the assessor's work by the manager. While entitlement data is often cross verified with DWP records, legislative constraints limit the audit trail due to the absence of retained evidence. These issues present a moderate control risk due to procedural inconsistencies and inadequate oversight, which may allow errors or conflicts of interest to remain undetected.

		Recs	Assurance
2.2	IT Disaster Recovery	0 3 2	Reasonable

2.2.1 IT business continuity refers to an organisation's ability to maintain or quickly resume critical IT services and infrastructure following a disruption. This includes planning for and responding to incidents such as system failures, cyberattacks, natural disasters, or other events that could interrupt IT operations. The goal is to ensure that essential services continue to function at an acceptable level, minimising downtime and impact on service delivery.

2.2.2 The purpose of the audit was to review the adequacy and effectiveness of the Council's and BFFC's IT disaster recovery and business continuity planning, particularly in the event of denial-of-service attacks or other critical incidents. The audit did not look at cyberhacking or virus/denial of service attack on IT infrastructure in detail as this has been covered in a previous audit.

2.2.3 The audit concluded that while there were several positive elements in place regarding IT disaster recovery and business continuity planning, there remain key areas requiring improvement to ensure resilience and readiness in the event of a significant disruption.

2.2.4 The Council and BFFC demonstrated a reasonable level of preparedness, with evidence of a coordinated invocation plan, physical infrastructure for recovery, and awareness among key personnel. BFFC, in particular, had a comprehensive and current strategy document, with service plans largely up to date or under review. However, RBC's service continuity planning was inconsistent, with many plans outdated or awaiting review, some dating back to 2021.

2.2.5 The audit identified the absence of a formal business impact assessment, limited written evidence of testing, and gaps in third-party disaster recovery documentation. While most third-party software providers had recovery arrangements in place, two major suppliers had not submitted plans, posing a risk to service continuity. Additionally, the lack of a central register for third-party contracts and dependencies increases the risk of unacknowledged vulnerabilities.

2.2.6 The audit made five key recommendations, including the need for a clear invocation plan, a business impact statement, a third-party software recovery register, an action plan to update service continuity plans, and documented evidence of testing. These actions are essential to strengthen the Council's ability to respond effectively to IT-related disruptions and to safeguard critical services.

2.3 Fleet Management

- 2.3.1 Following a review of the whistleblowing concerns raised with Internal Audit, a series of enquiries and audit procedures were undertaken to assess the validity of the issues reported.
- 2.3.2 Concerns were raised about the awarding of a vehicle repair contract and the presence of a technician from the selected provider on-site. Discussions with the Contracts Team and the Fleet Manager confirmed that the chosen provider became the sole option after another potential contractor withdrew from the tender process at the last moment. This withdrawal was due to a request for increased fees and a lack of formal confirmation until shortly before the contract was awarded. As part of the agreed terms, the selected provider was to have a technician based on-site to ensure timely repairs.
- 2.3.3 Further concerns were raised about the lack of oversight in the vehicle repair ordering and accounting system. An audit review was conducted to evaluate the financial and operational controls in place. The changes to the system were initiated by the Fleet Manager, who previously lacked visibility over repair orders and invoice processing. This had led to delays in payments and uncertainty about completed work. The current system uses two spreadsheets, one for scheduled maintenance and one for unplanned repairs, stored on a shared drive. These logs were cross-referenced with the fleet management software and found to be accurate.
- 2.3.4 A sample of scheduled and unscheduled maintenance work from May was reconciled against purchase orders and invoices. Invoices were sent to a dedicated fleet email inbox, reviewed for completion of work, and then processed for payment. Any discrepancies were queried. All sampled invoices had been correctly processed, with payments matched to pre-approved purchase orders. The audit trail for these transactions was clear and complete.
- 2.3.5 In conclusion, no evidence was found to support the concerns raised about the operation of fleet management or the contract in question.

3.4 **Grant Certifications**

Local Transport Grant

- 3.4.1 An audit was conducted to verify the receipt, allocation, and use of the Local Transport Plan Capital Block Funding, which totalled £3,430,000. This funding was provided under the terms and conditions of grant determination notices 31/7318 and 31/7319, covering integrated transport, highway maintenance (including needs and incentive elements), and the pothole fund.

3.4.2 The conditions of the grant required that the funds be used solely to support lawful expenditure by local authorities in England and only for purposes permitted under regulations made pursuant to section 11 of the Local Government Act 2003. These conditions were issued under section 31(3) and 31(4) of the same Act.

3.4.3 Based on sample testing, the audit confirmed that the funds were appropriately recorded in the Council's financial system and were used to support expenditure on a range of transport-related projects. These included the development of the Local Transport Plan, improvements at Reading West Station, phases 3 and 4 of the South Reading Mass Rapid Transit scheme, construction of Green Park Station, bridge maintenance, enhancements to the Reading station subway, network management, highways infrastructure, and energy-efficient street lighting under the Invest to Save initiative. All sampled transactions were properly accounted for and aligned with the grant's intended purpose.

Bus Service Operators Grant

3.4.4 The Bus Service Operators Grant (BSOG) forms part of the 'Bus Grant' it is used to support socially necessary services that are not otherwise commercially viable.

3.4.5 For 2024/25 this funding was used to support those services that have been established through the Council's BSIP Programme, namely Buzz 9, Buzz 18 and route 650 services.

3.4.6 These services cost significantly more than the BSOG received (£74,192), therefore it was not possible to identify specific transactions against which the grant can be allocated, rather it is allocated to help support all of these services.

3.4.7 From the data provided and the limited testing performed, the conditions of the BSOG were found to have been complied with.

4.1 The internal audit plan is designed to provide independent and objective assurance, as well as advisory services, that support the Council in achieving its strategic priorities and maintaining effective governance. Its core purpose is to ensure that the Council's operations are conducted efficiently, transparently, and in compliance with relevant laws, policies, and standards. The plan plays a vital role in helping the Council manage its resources responsibly and deliver services effectively to the public. It aims to assess and improve the Council's ability to identify, manage, and mitigate risks that could impact service delivery or financial stability. It also evaluates the effectiveness of internal controls and governance frameworks across departments and services. By identifying opportunities for cost savings, improved resource utilisation, and enhanced service outcomes, the plan contributes to achieving value for money. It ensures that the Council adheres to statutory obligations, financial regulations, and internal policies, while also helping to detect and deter fraud, corruption, and misuse of public assets.

4.2 The plan is risk-based and flexible, allowing the internal audit function to respond to emerging issues, changes in legislation, and organisational developments. It provides assurance to the Audit and Governance Committee, senior management, and external stakeholders that the Council is operating effectively and responsibly, and that public trust in its operations is maintained.

4.3 If there is a change in the internal audit plan, it typically reflects a response to evolving risks, emerging priorities, or shifts in available resources. Such changes are not made lightly and are usually the result of discussions between internal audit, senior management, and the Audit and Governance Committee. The revised plan ensures that audit resources remain focused on the areas of greatest importance or concern to the Council.

4.4 When the plan is amended, it may involve adding new audits, deferring or cancelling planned audits, or reallocating resources to address urgent issues. These changes can affect the scope and timing of assurance provided to the Council, potentially delaying findings in some areas while accelerating attention in others. All amendments are formally documented, and the rationale for each change is clearly explained to maintain transparency and accountability. Affected services are informed of any revisions to ensure coordination and readiness for the updated audit schedule. Ultimately, the flexibility to amend the audit plan helps ensure that internal audit continues to provide relevant, timely, and effective assurance in support of the Council's objectives.

- 4.5 Amendments to this year's internal audit plan are made primarily to reflect the reallocation of audit resources in response to special projects, whistleblowing cases, and other investigations that have been undertaken, as well as staff absence. Another significant factor is the transition of Children's Services back into the Council, which requires a change in how audit coverage for these services is planned and delivered.
- 4.6 Historically, the Council's Internal Audit function provided services to Brighter Futures for Children (BFFC) under a formal Service Level Agreement. This included the development of a risk-based annual audit plan, which was approved by BFFC's Audit and Risk Committee. With the reintegration of Children's Services into the Council, it's become necessary to incorporate audit coverage for these areas into the Council's overarching audit plan. As a result, the 2025/26 audit plan has been updated to include relevant audit titles for Children's Services and Education.
- 4.7 Additional amendments have been made to cancel or defer several planned reviews, again reflecting the need to redirect resources to priority areas. These adjustments are detailed in the table in the following pages of the report. Where capacity allows, postponed projects may be reinstated.

Key: No Assurance: Limited Assurance: Reasonable Assurance: Substantial Assurance:

Audit reviews carried over from 2024/2025

Audit Title	Timing				Start Date	Draft Report	Final Report	Res			Assurance
	Q1	Q2	Q3	Q4				P1	P2	P3	
Accounts Payables	●				Aug-24	June-25	June-25	0	7	1	Reasonable
Deputies	●				Feb-25	Sep-25					
Residents Parking Permits	●				Jan-25	April-25	June-25	4	2	3	Limited
Housing Rents	●				Oct-24	May-25	June-25	0	6	4	Reasonable
Right to Buy*	●				Feb-25	June-25	June-25	0	5	1	Reasonable
IT Disaster Recovery	●				Jan-25	May-25	Aug-25	0	3	2	Reasonable
Debt Management	●				Aug-24	May-25	June-25	0	6	1	Reasonable

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Audit reviews for 2025/2026 (revised to include Children's Services)

Audit Title	Timing				Start Date	Draft Report	Final Report	Res			Assurance
	Q1	Q2	Q3	Q4				P1	P2	P3	
Health & Safety (now delayed)	●				May-25						
Electoral register and elections	●				May-25	Sep-25					
Financial Assessments & Benefits Team (FAB)	●				May-25	Jul-25	Jul-25	3	4	0	Limited
Fleet Management**	●				Jun-25	Jul-25	Jul-25	-	-	-	N/A
Closing the Gap 2 Funding**	●				Apr-25	May-25	May-25	-	-	-	N/A
Lone Working (Children's)	●				Apr-25	May-25	Jul-25	5	2	0	No Assurance
Children's Savings Accounts & Junior ISAs – follow up	●				Jun-25	Sep-25					

Key: No Assurance:  Limited Assurance:  Reasonable Assurance:  Substantial Assurance: 

Audit Title	Timing				Start Date	Draft Report	Final Report	Res			Assurance
	Q1	Q2	Q3	Q4				P1	P2	P3	
Traffic Regulations Orders		●			Sep-25						
Local Transport Plan Capital Settlement (Grant Certification)		●			Jul-25	n/a	Jul-25	-	-	-	Certified
Local Authority Bus Subsidy Grant (BSOG)		●			Jul-25	n/a	Jul-25	-	-	-	Certified
Coroners**		●			July-25	Aug-25		-	-	-	N/A
Joint Legal Team (JLT) Billing process		●									
Land Charges*		●			Jun-25	Sep-25					
Accounts Receivable		●						POSTPONED (see below)			
Project Management (PMO)		●						POSTPONED (see below)			
Housing Repairs Materials		●						POSTPONED (see below)			
Home Improvement Grants (Disabled Facilities Grant)		●			Jul-25	Sep-15					
Unaccompanied Asylum-Seeking Children – follow up		●			Aug-25						
Payments against orders (children's)		●			Jul-25						
ARCUS system			●		Jun-25						
Capital Programme and monitoring			●								
Housing Benefits			●								
Contract Management – Corporate			●								
Housing Repairs (Planned Repairs)			●					POSTPONED (see below)			
Children's Placements – follow up			●								

Key: No Assurance:  Limited Assurance:  Reasonable Assurance:  Substantial Assurance: 

Audit Title	Timing				Start Date	Draft Report	Final Report	Res			Assurance
	Q1	Q2	Q3	Q4				P1	P2	P3	
Occupational Therapy Waiting Lists				●							
IT Application Security				●							
Recruitment (Pre-employment checks)				●							
Caseload Management (incl ASC Front door)				●							
Commercial Lease/rent follow up				●							
Synergy Follow up				●	POSTPONED (see below)						
School audits – half a dozen schools will be reviewed on a cyclical basis			●	●							

* Additional to plan and undertaken by apprentice

** Added to the plan following whistleblowing allegations

Audit reviews postponed

Audit Title	Provisional scope
Accounts receivables (debtors)	A comprehensive review of debt management was carried out during the 2024/2025 financial year, and the findings were subsequently reported to the Audit & Governance Committee in July 2025. Although the original intention of the Accounts Receivable audit was to focus on system controls related to Accounts Payable functions following the implementation of the new finance system, some overlap between the two areas was identified. Additionally, it was noted that the Revs & Benefits Manager has left and the Accounts Receivable manager has been on long-term sick leave, which may affect the timing and scope of further audit work in this area. Delayed until next year
Synergy follow up review	The Synergy Project, which supports School Admissions and Early Help, received limited assurance in last year's audit due to weaknesses in its ICT control environment. Key concerns included inadequate access controls, weak password policies, and insufficient procedures for removing system access for leavers. This year's audit was intended to follow up on those findings and assess whether appropriate improvements had been made. However, due to current capacity constraints within the audit team and the need to focus on higher-priority areas within the audit plan, this review has been postponed.
Housing Repairs Materials – order and control of materials	The purpose of this audit was to review the processes for ordering, collecting, and paying for materials, as well as evaluating whether there was a reliable system in place to record what materials had been purchased and which jobs they were associated with. The audit also aimed to confirm that material charges could be reconciled against records of work performed. It has now been decided that this area of work will be incorporated into the broader housing repairs audit to ensure a more integrated and comprehensive review.
Housing Repairs (Planned Repairs)	The housing repairs follow-up audit has been delayed following a request from the Executive Director, due to significant operational pressures currently facing the service. The Repairs function is under scrutiny from the regulator and is undergoing intensive improvement work. In addition, the team is managing the tendering and mobilisation of a new stores contract, with implementation scheduled for October. These concurrent priorities are placing considerable strain on available resources, and it is not feasible to accommodate the audit currently without compromising either the audit's effectiveness or the delivery of critical service improvements. As such, the revised plan is to commence audit activity in Quarter 4, with the likelihood that it will extend into Quarter 1 of the next internal audit cycle.
Project management (PMO)	An audit of the procurement and implementation of the ARCUS system is already in progress, and it is expected to include a review of project management governance arrangements. As a result, it was decided to postpone this separate audit until the 2026/2027 audit plan to avoid duplication and ensure a more focused review.

4.0 INVESTIGATIONS (APRIL 2025 – AUGUST 2026)

4.1 To date, the Corporate Investigations Team has received a range of referrals across several categories. These include:

- **103 Blue Badge referrals**, primarily from Trellint Parking Services, with additional reports from the public and anonymous sources. Blue Badge fraud typically involves misuse of disabled parking permits, such as using forged or expired badges, or using a badge when the registered holder is not present. This undermines the integrity of the system and disadvantages those who genuinely rely on accessible parking.
- **42 Council Tax Support referrals**, submitted by the public, internal teams, and external bodies including the Police. These cases often involve individuals providing false information or failing to report changes in circumstances to unlawfully reduce their tax liability.
- **27 Housing Tenancy Fraud referrals**, reported by Housing staff, the public, or anonymously. Common issues include unlawful subletting, misrepresentation on applications, and false claims to succession rights.
- **Internal Investigations** initiated internally or via anonymous reports. These inquiries focus on potential misconduct and are essential for identifying and addressing risks within the organisation.
- **non-categorised referrals**, which fall outside the team's direct remit but have been reviewed and appropriately redirected.
- **1 School Fraud referral**, involving suspected manipulation of school admissions through false address declarations to gain placement at preferred schools.
- **1 Social Care Investigation**, submitted by an accredited informant.

4.2 These figures exclude cases initiated prior to April 2025. In addition, the team has responded to **90 Data Protection Act (DPA) requests** from Thames Valley Police, **1 request from the National Crime Agency**, and **3 from other Local Authorities**.

4.3 Since April, **ten whistleblowing referrals** have been reported to the Internal Audit & Investigations Team. This does not include internal disciplinary and grievance investigations, which continue to add to the overall workload.

Audit and Governance Committee

25 September 2025



Title	Audit and Governance Committee Annual Report
Purpose of the report	To make a decision
Report status	Public report
Executive Director/ Statutory Officer Commissioning Report	Chair of the Audit and Governance Committee
Report author	Paul Harrington – Chief Auditor
Lead Councillor	Councillor Ellie Emberson, Lead Councillor for Corporate Services and Resources
Council priority	Ensure Reading Borough Council is fit for the future
Recommendations	The Audit and Governance Committee is requested to consider and approve the draft report as a fair reflection of their performance over the municipal year before submission to Council.

1. Executive Summary

- 1.1. CIPFA guidance¹ indicates that it is best practice for the Audit and Governance Committee to produce an annual report detailing how it has complied with the 2022 CIPFA Position Statement, discharged its responsibilities, and includes an assessment of its performance. The report should be made available to the public.
- 1.2. The attached Audit and Governance Committee Annual Report (Appendix 1) sets out:
 - The Committee's remit and membership.
 - Areas covered and work of the committee during 2024/25.
 - Training undertaken by members during the year.
 - A summary of an assessment of committee effectiveness carried out by committee members and key Officers (detailed analysis is provided in Appendix 2).
 - An update on progress since the last assessment against the CIPFA guidance was carried out.
 - Possible areas identified for improvement and forthcoming plans

¹ Audit Committees: Practical Guidance For Local Authorities And Police (2022 edition)
<https://www.cipfa.org/policy-and-guidance/publications/audit-committees-practical-guidance-for-local-authorities-and-police-2022-edition>

- 1.3 The annual report reviews the Committee's work over the last 12 months and has been produced by the Audit and Governance Committee, with input from committee members and key officers, including the Chief Auditor.
- 1.4 Audit & Governance Committee members and key officers were asked to complete a questionnaire reviewing the committee over the last municipal year. Some of the key findings are:
 - There was a high awareness among both councillors and officers of the committee's role and purpose.
 - There was strong agreement that the committee adequately considered governance, internal control, and audit matters. However, officers indicated a decline in attention to risk management and financial reporting.
 - Councillors reported improved escalation of issues, whilst officers observed a decline in the promptness and follow-up of actions.
 - There was a marked improvement in councillors' awareness of training evaluations, with both groups perceiving that the committee had appropriate knowledge and skills.
 - There was still a lack of clarity as to whether private meetings occurred with either internal or external audit.
 - Both groups acknowledged the committee's value in improving governance and risk management.
- 1.5 Committee members have continued to ask questions and challenge officers where appropriate throughout the year and have requested the attendance of various officers to provide updates on areas of concern.
- 1.6 Areas for improvement are identified in section seven of Appendix One.
- 1.7 Generally, the Audit and Governance Committee complies with the 2022 CIPFA Position Statement, although it does not have any independent members on the committee and did not review the Annual Governance Statement during the year.

2. Contribution to Strategic Aims

- 2.1. An effective audit committee enables the Council to meet its statutory responsibilities concerning governance and internal control arrangements, financial management, financial reporting, and internal audit, which are fundamental to the delivery of the Council's strategic aims, vision, and Corporate Plan priorities.
- 2.2. The Council Plan has established five priorities for the years 2025/28. These priorities are:
 - Promote more equal communities in Reading
 - Secure Reading's economic and cultural success
 - Deliver a sustainable and healthy environment and reduce our carbon footprint
 - Safeguard and support the health and wellbeing of Reading's adults and children
 - Ensure Reading Borough Council is fit for the future
- 2.3. In delivering these priorities, we will be guided by the following set of principles:
 - Putting residents first
 - Building on strong foundations
 - Recognising, respecting, and nurturing all our diverse communities
 - Involving, collaborating, and empowering residents
 - Being proudly ambitious for Reading
- 2.4. Full details of the Council Plan and the projects which will deliver these priorities are published on the Council's website - [Council plan - Reading Borough Council](#). These priorities and the Council Plan demonstrate how the Council meets its legal obligation to be efficient, effective and economical.

3. Environmental and Climate Implications

- 3.1. The Council declared a Climate Emergency at its meeting on 26 February 2019 (Minute 48 refers).
- 3.2. There are no environmental or climate implications arising from the report.

4. Community Engagement

- 4.1. N/A

5. Equality Implications

5.1. Under the Equality Act 2010, Section 149, a public authority must, in the exercise of its functions, have due regard to the need to -

- eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
- advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
- foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

5.2. No equalities impact implications have been identified as arising from this report.

6. Other Relevant Considerations

6.1. None

7. Legal Implications

7.1. The CIPFA Position Statement on Audit Committees in Local Authorities 2022 is guidance; however, it is noted that "CIPFA expects that all local government bodies should make their best efforts to adopt the principles, aiming for effective audit committee arrangements."

8. Financial Implications

8.1. Some likely indirectly as a result of the self-assessment - for example, training. In addition, remuneration might be necessary for appointed independent members.

9. Timetable for Implementation

9.1. Not applicable.

10. Background Papers

10.1. There are none.

Appendices – delete if there are none

- 1. Audit Committee Report**
- 2. Feedback from Committee and key Officer surveys**



AUDIT AND GOVERNANCE COMMITTEE ANNUAL REPORT

**Report on the work of the
Audit and Governance Committee
during the 2024/25 Municipal Year**

Audit and Governance Committee Annual Report 2024/25

Introduction / Foreword by the Committee Chair:

I'm pleased to present this year's Audit and Governance Committee Annual Report, reflecting a year of oversight, constructive challenge, and continued progress in strengthening the Council's governance, risk management, and control frameworks.

The Committee met four times during the 2024/25 municipal year, maintaining a strong attendance record and benefiting from a diverse membership, operating collaboratively, with all members actively engaging in discussions and scrutiny.

Our work this year has spanned five core areas: governance, risk and control; financial and governance reporting; internal and external audit. We received regular updates on strategic risks, internal audit recommendations, and key governance issues, including Information Governance and Traffic Regulation Orders. The Committee also reviewed the Internal Audit Plan and Charter and endorsed the Annual Assurance Report.

We welcomed continued engagement from our external auditors, KPMG, who provided updates on audit progress and key findings. While legacy issues with unaudited accounts remain, we supported pragmatic steps to address these, including the national backstop position to enable catch-up.

Training and development remained a priority, with members attending a range of sessions to enhance their understanding and effectiveness. Our annual effectiveness review, informed by surveys of members and officers, showed a continued understanding of the Committee's role, strong relationships with key officers, and increased confidence in the Committee's ability to add value.

However, we recognise there is more to do. Areas for improvement include strengthening value-for-money arrangements, reviewing the assessment of fraud risks and monitoring the counter-fraud strategy, and ensuring the Committee monitors the implementation of recommendations from the 2024/25 Annual Governance Statement. We also aim to improve visibility and engagement with External Audit.

Looking ahead to 2025/26, we anticipate a busy year. Key areas of focus will include the integration of Brighter Futures for Children into the Council (for example, governance and financial arrangements), review of the effectiveness of the whistleblowing and speaking up policies, and ongoing scrutiny of housing repairs, as well as the impact of the Local Audit Reform consultation. We have expanded our membership and made provision for an additional meeting to ensure we can meet these demands effectively.

In closing, I would like to thank all Committee members, officers, and auditors for their commitment and contributions throughout the year.

Whilst this foreword comes from me, it and this report have been reviewed at our September meeting of the Audit & Governance Committee and is presented to Council with the full support of all members.

Councillor Josh Williams

Chair, Audit and Governance Committee

1. Committee remit

- 1.1 The Audit and Governance Committee's role is to provide an independent, high-level focus on the adequacy of the Council's governance, risk, and control arrangements, ensuring that there is sufficient assurance over these to give increased confidence that these arrangements are effective. It has oversight of internal and external audit, financial and governance reporting.
- 1.2 The terms of reference for the committee are included within the Council's [constitution](#) (page 69) and provide more details of its remit.

2. Committee membership

- 2.1 The committee consisted of a total of eight members during the 2024/25 municipal year. Committee membership is based on the political composition of the Council, with five Labour Councillors and one each from The Green Party, The Conservatives, and the Liberal Democrats. The Administration Group traditionally offer the role of Chair to a member of the opposition party with the highest number of seats on the Council. This year, as in the previous year, the committee was chaired by the Green Party representative. There were no independent members on the committee during the year; however, a Lead Member was on the committee.
- 2.2 Further details of committee membership during the 2024/25 municipal year and attendance at meetings are provided in the table below (Table 1). There were four Audit and Governance Committee meetings held during the year:

Table 1: Table showing committee members' meeting attendance during the 2024/25 municipal year.

Member	Position	Party	Attendance					% attendance
			17/07/24	25/09/24	21/01/25	09/04/25		
Councillor Williams	Chair	Green	✓	✓	✓	✓		100%
Councillor Asare	Member	Labour	✓	✓	✓	✓		100%
Councillor Dennis	Member	Labour	✓	✓	✓	✓		100%
Councillor Gittings	Member	Labour	✓	✓	A	✓		75%
Councillor McGoldrick	Vice Chair*	Labour	✓	A	✓	✓		75%
Councillor Mitchell	Member	Conservative	A	A	✓	✓		50%
Councillor Moore	Member	Liberal Democrats	A	✓	✓	✓		75%
Councillor Stevens	Member	Labour	✓	✓	✓	✓		100%
% attendance			75%	75%	88%	100%		

- 2.3 The Audit and Governance Committee reports, and is directly accountable, to Council and is independent of scrutiny functions.

3. Areas covered and work of the committee.

The Audit and Governance Committee has five main areas within its remit. A summary of coverage of these during the 2024/25 municipal year is detailed below (Table 2). It was agreed at the January 2025 meeting that regular reports would only be received by the committee at every other meeting. This would enable better management of the Committee's business and allow for more discussion of agenda items.

Table 2: Table showing key areas covered at 2024/25 Municipal Year A&G Committee meetings.

Areas covered at meetings:	17/07/2024	25/09/2024	21/01/2025	09/04/2025
governance, risk and control	✓	✓	✓	✓
governance reporting	✓			
financial reporting	✓	✓		
external audit	✓	✓	✓	✓
internal audit	✓	✓	✓	✓

3.1 Governance, risk and control

3.1.1 The Committee received updates on the strategic risk register, including highlighting any new and red (i.e., highest) risks, at three of its meetings, as well as an update report on the actions to improve the Council's policies, systems and processes relating to Information Governance following several internal audit limited assurance reports in this area at each of its meetings. There was also a regular review of progress in implementing high and medium-risk internal audit recommendations. Updates on Traffic Regulation Orders (TROs), housing repairs and Brighter Futures for Children Freedom of Information (FOI) requests following audits were also considered, together with details of the CIPFA Financial Management Code 2024/25 and the Ministry of Housing, Communities and Local Government (MHCLG) consultation on Local Audit Reform.

3.2 Governance reporting

3.2.1 The first Audit and Governance Committee Annual Report detailing how the committee had complied with the 2022 CIPFA Position Statement was received, together with feedback from the self-assessment completed by committee members and key officers. It was endorsed as a fair recommendation and recommended for consideration by Council. It was noted that the Annual Governance Statement (AGS) for 2023/24, which details the overall effectiveness of the Council's governance arrangements, had not been received by the committee during the year. It had been received directly by Council for approval at their meeting in February 2025. However, the draft 2024/25 AGS had been received at the July 2025 A&G Committee meeting for review and approval as anticipated.

3.3 Financial reporting

3.3.1 Updates on the preparation and progress of the draft 2023/24 statement of accounts and the status of the 2020/21, 2021/22 and 2022/23 statement of accounts were received at the first two committee meetings of the municipal year. The committee also recommended to Council that the Director of Finance be given delegated authority to finalise and approve the 2021/22 and 2022/23 financial accounts during the year. Financial performance and monitoring reports had been removed from the Committee's remit and had reverted to Council in the previous year.

3.4 External Audit

3.4.1 Representatives from KPMG, the Council's External Auditor, were regular attendees at Committee meetings during the year, attending all meetings, providing the draft audit plan and strategy for the 2023/24 audit, progress updates on the external audit of the financial statements and planned value for money assurance work, summary of findings and key issues arising from the 2023/24 audit, the Auditor's Year End Report and the final version of the ISA260 report for 2023/24. It was noted that the 2021/22 and 2022/23 Statement of Accounts had not been audited as they would have been in the past by the Council's former auditors, Ernst and Young. Due to a national backlog in external audit opinions, a backstop position had been adopted with a disclaimed opinion issued to enable the local government sector to recover.

3.5 Internal Audit

3.5.1 The Chief Auditor provided a quarterly update on progress with the annual audit plan, together with a summary of key findings from audit reports issued since the previous meeting for the committee to review and consider. The Internal Audit Plan and Internal Audit Charter for the forthcoming year were also reviewed and approved, together with the Internal Audit Annual Assurance Report, which provided an opinion on the overall adequacy of the Council's governance, risk management and control frameworks.

3.6 Other

3.6.1 The Committee received an Annual Treasury Management review for 2023/24 and quarterly updates on Treasury Management activity. The continued use of the Council's Risk-Based Verification Policy for the Housing Benefit and Council Tax Support Scheme in 2025/26 was reviewed and endorsed.

All A&G Committee meeting agendas, papers, minutes and recordings are available online on the [Council's website](#).

4. Training

4.1 To enable committee members to fully engage in discussions and provide appropriate challenges as required, several training sessions were organised during the year. Details of training sessions attended by each committee member are detailed on the following page (Table 3). In addition, there was a training session run on Internal Audit.

Table 3: Table showing training attended by A&G Committee members in the 2024/25 Municipal Year.

Member	Training session								Member briefing sessions attended	
	Cllr Induction / Code of Conduct	Code of Conduct	Local Govt Finance	Member Briefing Sessions	Planning, Development & Control	Planning / Planning & Enforcement Training	Prevent	LGA Risk Management		
Councillor Josh Williams			✓	✓	✓	✓			✓	Devolution, domestic abuse
Councillor Ama Asare			✓	✓				✓		Statutory nuisance (environmental health), domestic abuse
Councillor Glenn Dennis			✓	✓	✓	✓	✓	✓		Statutory nuisance (environmental health), devolution, RBH presentation to members
Councillor Paul Gittings										
Councillor Finn McGoldrick					✓	✓				
Councillor Clarence Mitchell				✓						Devolution
Councillor James Moore				✓						Devolution, domestic abuse
Councillor David Stevens	✓	✓		✓						Devolution, RBH presentation to members

5. Committee Effectiveness

As for last year, both committee members and key Officers were invited to complete a short questionnaire seeking their opinions on the Committee's effectiveness. A summary of key findings in each is provided below, with a detailed analysis in Appendix 2.

5.1 Councillors survey

5.1.1 The questionnaire saw a 75% response rate, consistent with the previous year. Key findings include:

- **Understanding of Committee Role:** 83% of respondents clearly understood the committee's role and purpose, an improvement from two-thirds the previous year. The remainder had a partial understanding.
- **Issue Escalation:** All respondents agreed that the Audit & Governance Committee escalated concerns promptly to governance and leadership, up from two-thirds previously.
- **Governance and Assurance:** Nearly all respondents felt the committee had adequately considered governance, risk management, internal controls, the assurance framework, and audit matters. Two-thirds believed the Annual Governance Statement and financial reporting were also sufficiently addressed. All areas showed improvement except risk management, which remained unchanged.
- **Private Meetings with Audit:** There remains uncertainty about whether the committee or chair met privately with Internal or External Audit, though awareness has slightly improved.
- **Evaluation and Training:** Understanding of personal evaluations regarding knowledge, skills, and training needs rose significantly from 17% to 67%. All respondents reported receiving useful support, and most found training effective.
- **Committee Capability:** All respondents agreed the committee had appropriate knowledge and skills, with improved perceptions from the previous year. Secretarial and administrative support was also deemed adequate.
- **Relationships with Key Officers:** Strong relationships and access to key officers (Internal/External Audit, Director of Finance, Assistant Director of Legal and Democratic Services) were reported by 83–100% of respondents. However, visibility of the committee among these officers was slightly lower (67–83%).
- **Meeting Efficiency:** Feedback was mixed. While agreement remained high overall, some areas saw a decline in positive responses. Most respondents felt the committee was well-chaired, non-political, focused on key issues, and encouraged member engagement.
- **Performance Feedback:** There is still a lack of clarity on whether feedback is obtained from stakeholders who interact with or rely on the committee's work.
- **Recommendations and Impact:** Most respondents felt the committee made recommendations to improve governance, risk, and control. 83% believed these had traction with leadership, and 67% felt the committee added value—both metrics improved from the previous year.
- **Engagement:** As in the previous year, all respondents agreed the committee engaged with a broad range of leaders and managers.

5.2 Key Officers survey

5.2.1 The questionnaire received a 67% response rate. Key findings include:

- **Understanding of Role:** All respondents understood the role and purpose of the Audit & Governance (A&G) Committee, consistent with the previous year.
- **Issue Escalation:** Fewer respondents felt the committee escalated concerns promptly to governance and leadership (down from 86% to 67%), and fewer believed appropriate actions were taken following escalation.
- **Adequate Consideration of Core Areas:** While internal control and Internal Audit continued to receive full agreement, positive responses declined for risk management, the Annual Governance Statement, financial reporting, External Audit, and the assurance framework. However, agreement on governance arrangements rose from 57% to 67%, with Officer and Member views broadly aligned.
- **Private Meetings with Audit:** Uncertainty remains around whether the committee or Chair met privately with Internal or External Audit, with most respondents unaware of any such meetings.
- **Committee Expertise:** Perceptions of committee knowledge and skills improved significantly (83% vs. 43% last year), with comments noting better risk management and the benefit of experienced councillors.
- **Relationships and Visibility:** All respondents reported good access to Internal Audit, the Director of Finance, and the Assistant Director of Legal and Democratic Services. Most also agreed on good relations with External Audit and the Risk Management Team. Visibility with key officers was rated highly.
- **Meeting Efficiency:** The committee continues to be seen as well-chaired. Positive responses increased regarding member participation and dialogue with the Chair. However, agreement declined on apolitical operation, focus on improvement, addressing key agenda items, and receiving feedback.
- **Recommendations and Value:** More respondents felt the committee made effective recommendations, particularly around External Audit and risk management. Most agreed the committee added value through improved audit tracking, strategic risk oversight, and enhanced scrutiny.
- **Officer Attendance:** Agreement that responsible officers attended meetings to answer questions and respond to concerns dropped from 100% to 67%.

6. Progress update since the last assessment of good practice

6.1 This marks the second year the committee has presented an annual report to Council, outlining its performance over the past year. The report details how the committee has aligned with the CIPFA Position Statement 2022, the outcomes of its annual evaluation, actions taken or planned in response, fulfilment of its terms of reference and key issues escalated during the year. An annual effectiveness review was also conducted, incorporating feedback from Committee members, key Officers and Internal Audit via tailored questionnaires. As with the previous year, areas for improvement were identified.

6.2 Further progress has been made since last year's good practice assessment. During the year, the committee reviewed its first annual report, which was subsequently recommended to Council, formally approved and published as a public report on the Council's website.

6.3 A wide range of Officers had been involved with the Committee during the year, with some attending regularly (for example Internal and External Audit, the Executive Director of Resources, the Director of Finance, the Assistant Director of Legal and Democratic Services, the Chief Accountant, the Financial Strategy and Planning Manager, and the Health, Safety and Risk Management Lead) and some on an ad hoc basis (for example the Executive Directors of Communities and Social Care and of Economic Growth and Neighbourhood Services, the Interim Assistant Directors of Housing Landlord Services and of Digital and IT, The Revenues and Benefits Manager, and the Director of Education for Brighter Futures for Children).

6.4 Throughout the year, the Committee exercised its right to request attendance or update reports from relevant Directors, Assistant Directors, and Service Managers in cases where internal audits resulted in limited or no assurance. This included updates on Traffic Regulation Orders (TROs), housing repairs, cyber security and FOI responses from Brighter Futures for Children.

6.5 Responses to the questionnaires from Members and key Officers indicated a good level of knowledge, skills and experience within the committee. Members regularly asked questions and challenged officers, where appropriate.

6.6 Towards the end of the municipal year, it was agreed that regular update papers would only be received and reviewed by the committee at every other meeting to allow more time for review and challenge.

6.7 Generally, the Audit and Governance Committee complies with CIPFA's Position Statement 2022, although it does not have any independent members on the committee, and the 2023/24 AGS was not reviewed by the committee in the municipal year.

6.8 It is noted that the governance of significant partnerships had not been reviewed in the year. A paper on this was awaited, after which a decision would be taken as to where to focus attention.

7. Areas for improvement

7.1 Areas identified for improvement are listed below:

- Confirm that robust value for money measures are in place.
- Assess fraud risk management and monitor the counter-fraud strategy, including whistleblowing procedures, actions and resources.
- Review the Committee's working relationship, visibility and access to External Audit.
- Ensure the Committee monitors progress on implementing actions arising from the 2024/25 Annual Governance Statement.

8. Plans for 2025/26

- 8.1 The Committee has experienced another busy year, continuing to make progress made on areas of development identified in last year's committee assessment.
- 8.2 Looking ahead, several developments are expected in the forthcoming year. Allowance has been made for an additional committee meeting to be held, should this be necessary, to accommodate the committee's workload. An additional committee member (Green Party) has been added, taking the total membership to nine. It has also been noted of the need for the committee to receive meeting papers in a timely manner to allow time for review and scrutiny.
- 8.3 Key areas for focus in the forthcoming year are anticipated to include the implications of the transfer of Brighter Futures for Children to RBC, the review of the members' gifts and declarations process, assessment of the effectiveness of the whistleblowing and speaking up policies, ongoing review of the TRO restitution scheme and its possible closure, ongoing monitoring of housing repairs and the impact of the Government's consultation on Local Audit Reform, particularly in relation to independent members.

Appendix 2: Feedback from Committee and Officer Surveys

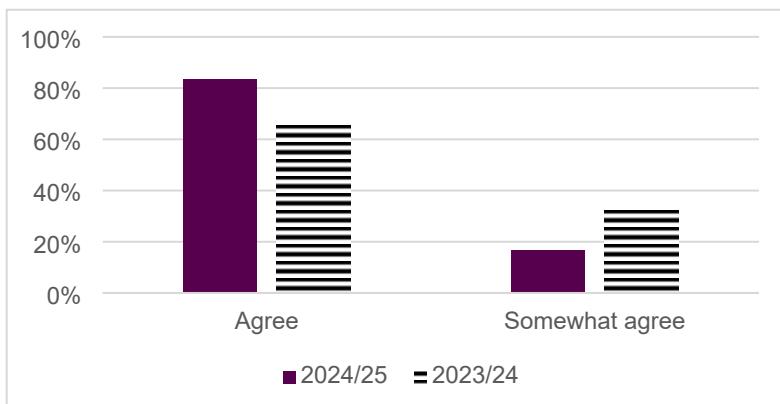
Committee Survey

In April 2025, a self-evaluation questionnaire was circulated to all members of the Audit & Governance Committee. The questionnaire consisted of 18 structured questions, together with opportunities for free-text responses. Its purpose was to gather members' reflections, input, and assessments of the committee's performance during the 2024/25 municipal year.

A summary of the responses received is provided below and includes a comparison with responses from the previous year (2023/24), where questions were repeated

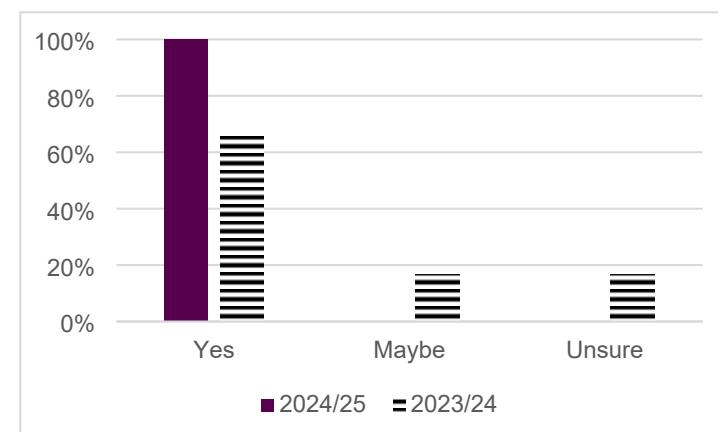
Q1 I understand the role and purpose of the Audit and Governance Committee

Response	2024/25	2023/24
Agree	83%	67%
Somewhat agree	17%	33%
Neither agree nor disagree	0%	0%
Somewhat disagree	0%	0%
Disagree	0%	0%
Total	100%	100%



Q2 Do you think that the Audit and Governance Committee escalates issues and concerns promptly to those in governance and leadership roles, i.e., Council and/or CMT?

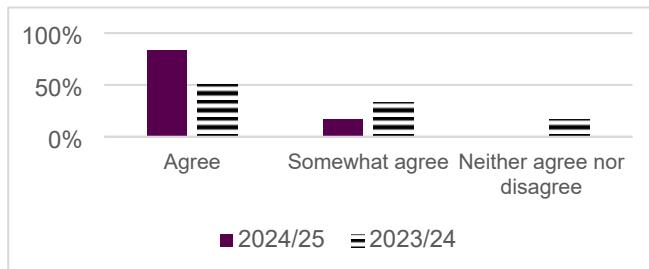
Response	2024/25	2023/24
Yes	100%	67%
Maybe	0%	17%
Unsure	0%	17%
No	0%	0%
Don't know	0%	0%
Other	0%	0%
Total	100%	100%



Q3 Do you think that in the last year, the A&GC has given adequate consideration to all core areas listed below?

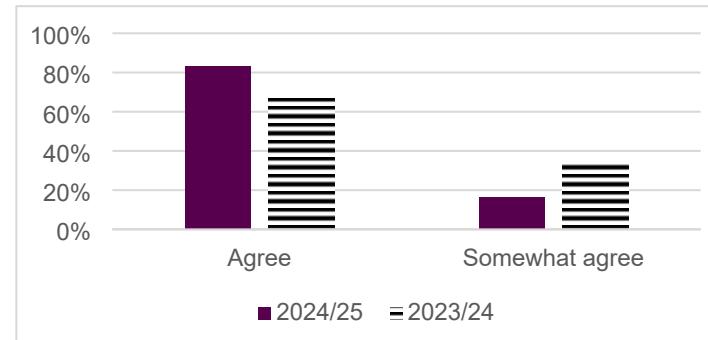
Governance arrangements:

Responses	2024/25	2023/24
Agree	83%	50%
Somewhat agree	17%	33%
Neither agree nor disagree	0%	17%
Somewhat disagree	0%	0%
Disagree	0%	0%
Total	100%	100%



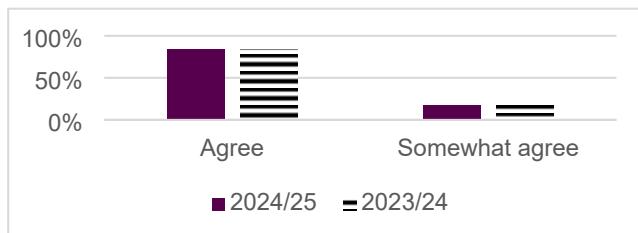
Internal control arrangements:

Responses	2024/25	2023/24
Agree	83%	67%
Somewhat agree	17%	33%
Neither agree nor disagree	0%	0%
Somewhat disagree	0%	0%
Disagree	0%	0%
Total	100%	100%



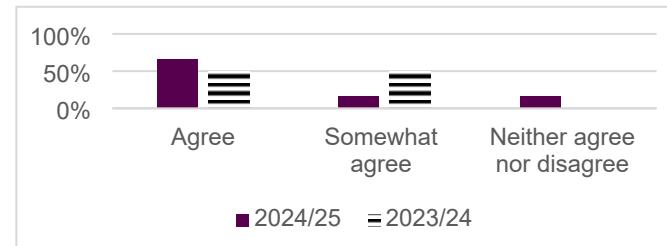
Risk management arrangements:

Responses	2024/25	2023/24
Agree	83%	83%
Somewhat agree	17%	17%
Neither agree nor disagree	0%	0%
Somewhat disagree	0%	0%
Disagree	0%	0%
Total	100%	100%



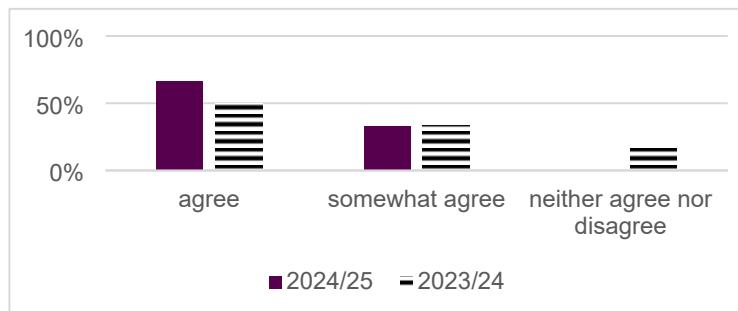
Annual Governance Statement (AGS):

Responses	2024/25	2023/24
Agree	67%	50%
Somewhat agree	17%	50%
Neither agree nor disagree	17%	0%
Somewhat disagree	0%	0%
Disagree	0%	0%
Total	100%	100%

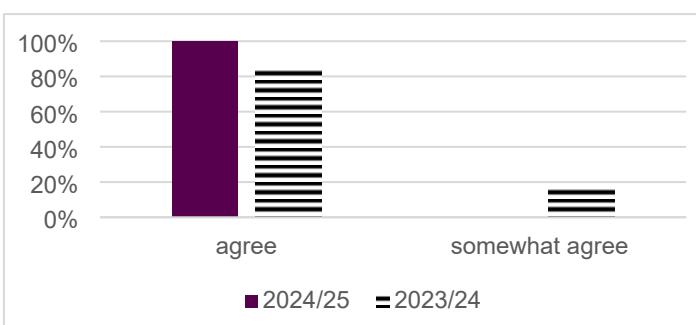


Financial reporting:

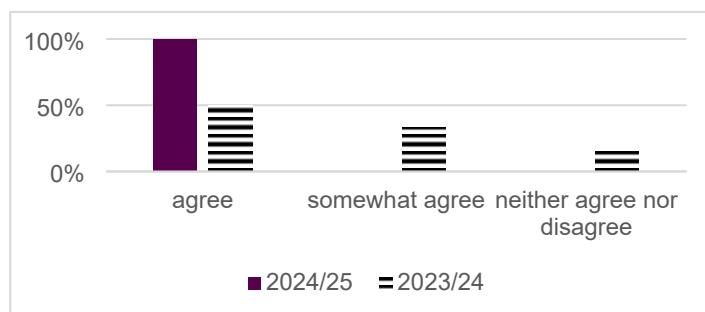
Responses	2024/25	2023/24
Agree	67%	50%
Somewhat agree	33%	33%
Neither agree nor disagree	0%	17%
Somewhat disagree	0%	0%
Disagree	0%	0%
Total	100%	100%

**Internal Audit:**

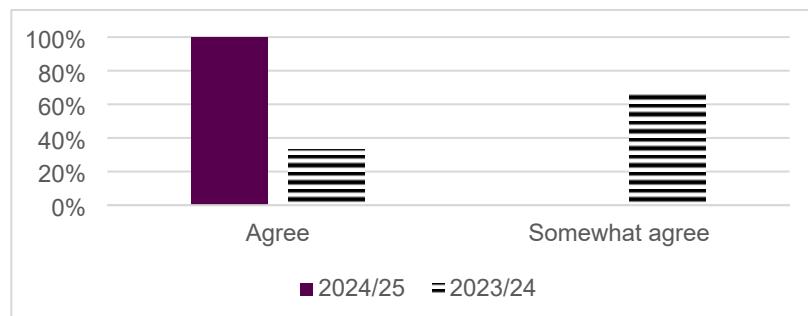
Responses	2024/25	2023/24
Agree	100%	83%
Somewhat agree	0%	17%
Neither agree nor disagree	0%	0%
Somewhat disagree	0%	0%
Disagree	0%	0%
Total	100%	100%

**Assurance Framework:**

Responses	2024/25	2023/24
Agree	100%	50%
Somewhat agree	0%	33%
Neither agree nor disagree	0%	17%
Somewhat disagree	0%	0%
Disagree	0%	0%
Total	100%	100%

**External Audit:**

Area	2024/25	2023/24
Agree	100%	33%
Somewhat agree	0%	67%
Neither agree nor disagree	0%	0%
Somewhat disagree	0%	0%
Disagree	0%	0%
Total	100%	100%

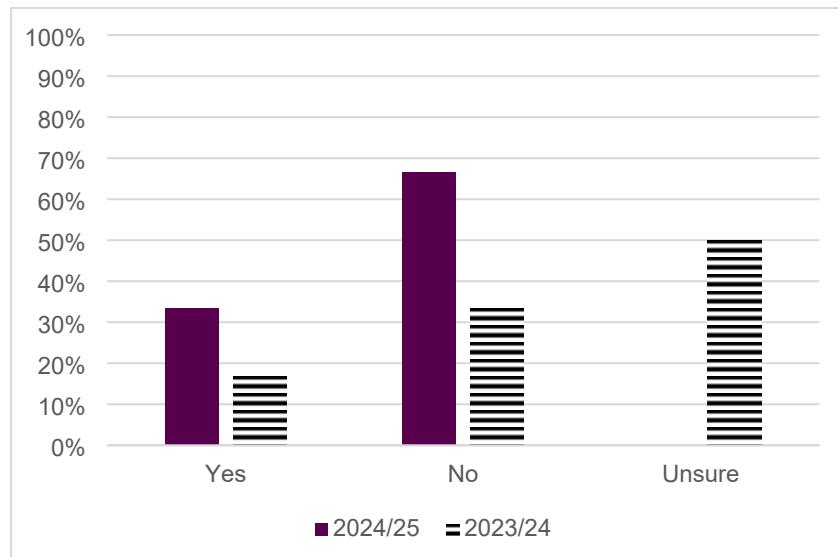


Q4 Are you aware if the committee met privately with the External

Auditors and Internal Audit within the last year?

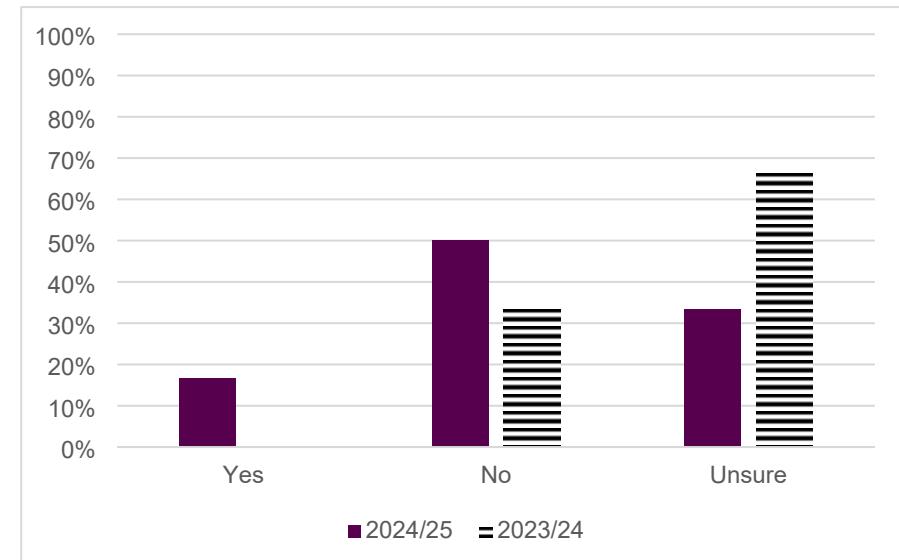
External Audit:

Response	2024/25	2023/24
Yes	33%	17%
No	67%	33%
Unsure	0%	50%
Total	100%	100%



Chief Auditor (Internal Audit):

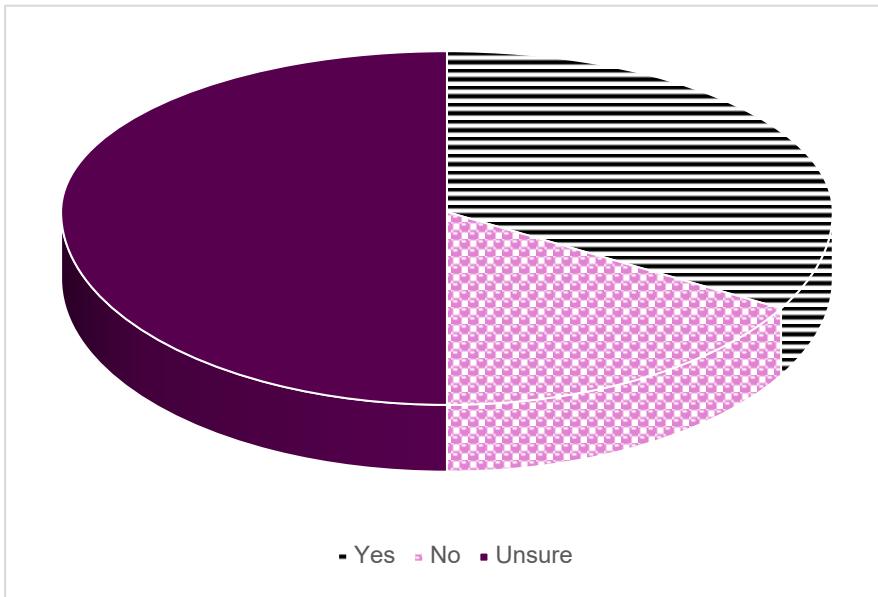
Response	2024/25	2023/24
Yes	17%	0%
No	50%	33%
Unsure	33%	67%
Total	100%	100%



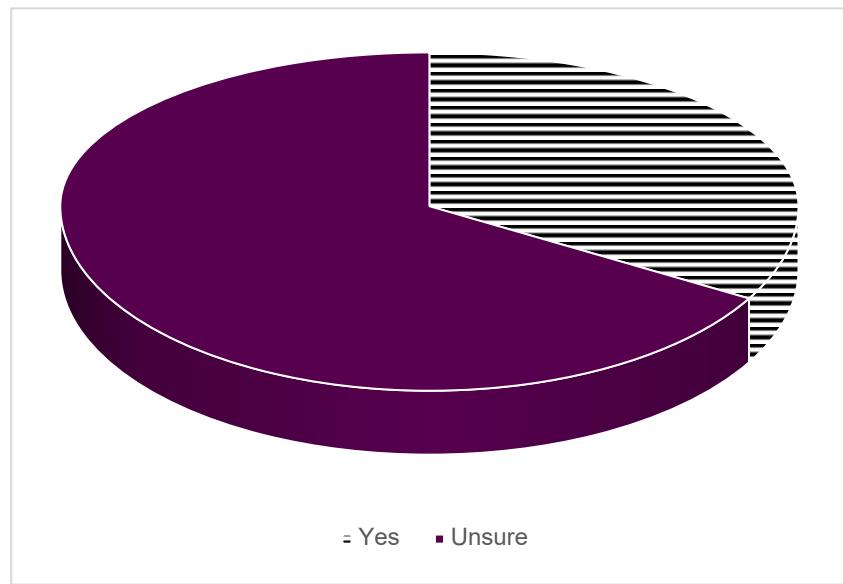
Q5 Are you aware if the committee chair met privately with the external auditors and the Chief Auditor (Internal Audit) within the last year? (Note this question was not asked in 2023/24)

Response	External Audit 2024/25	Internal Audit 2024/25
Yes	33%	33%
No	17%	0%
Unsure	50%	67%
Total	100%	100%

External Audit:



Internal Audit:



Q6 Have you had an evaluation of your knowledge, skills, and training needs carried out since you joined the committee or within the last two years (whichever is most recent)?

Knowledge:

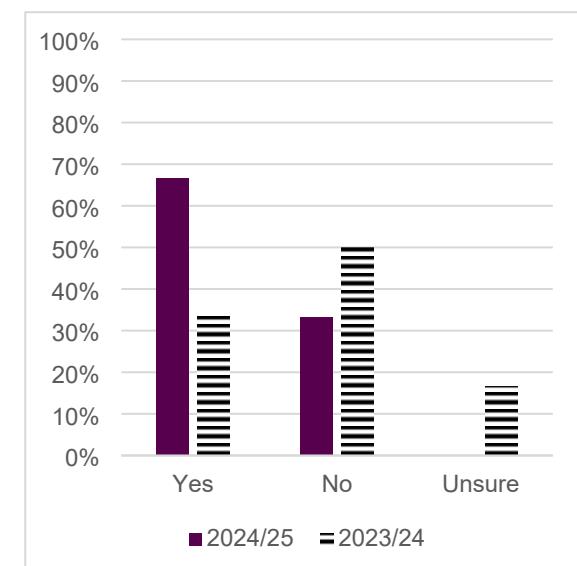
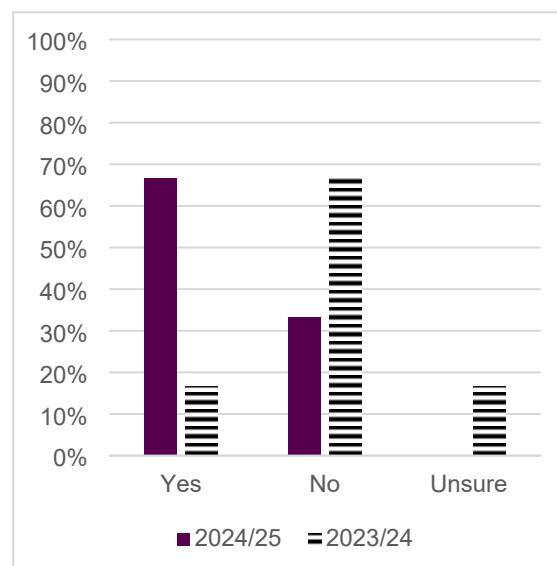
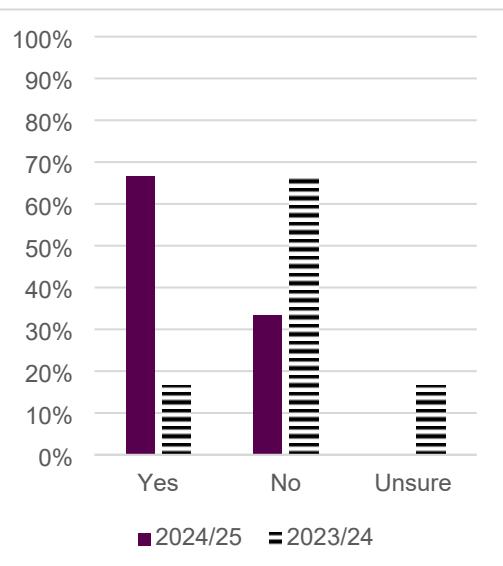
Responses	2024/25	2023/24
Yes	67%	17%
No	33%	67%
Unsure	0%	17%
Total	100%	100%

Skills:

Responses	2024/25	2023/24
Yes	67%	17%
No	33%	67%
Unsure	0%	17%
Total	100%	100%

Training needs:

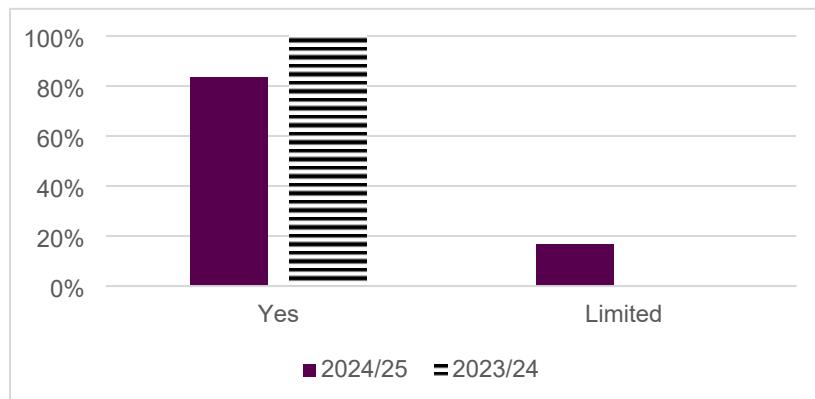
Responses	2024/25	2023/24
Yes	67%	33%
No	33%	50%
Unsure	0%	17%
Total	100%	100%



Q7 Has useful and effective training and support been provided?

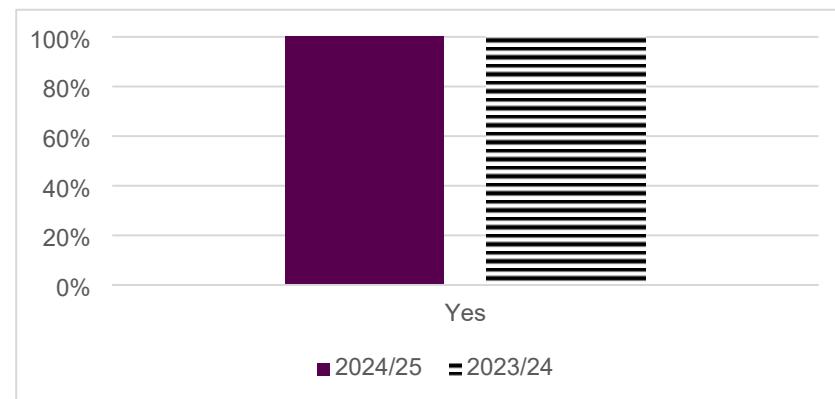
Useful training:

Responses	2024/25	2023/24
Yes	83%	100%
Limited	17%	0%
Total	100%	100%



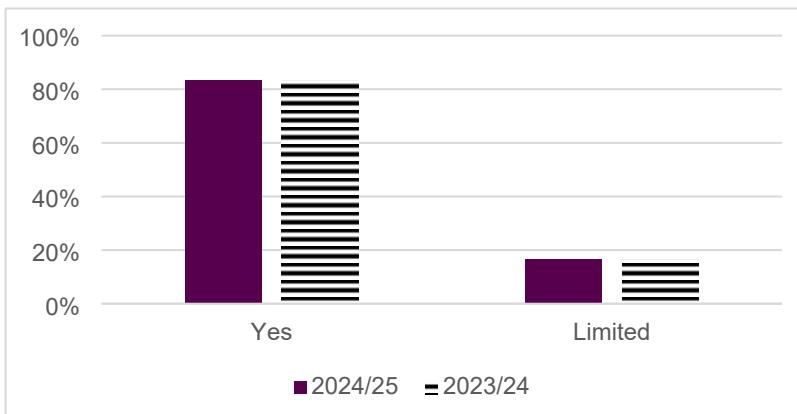
Useful support:

Responses	2024/25	2023/24
Yes	100%	100%
Limited		
Total	100%	100%



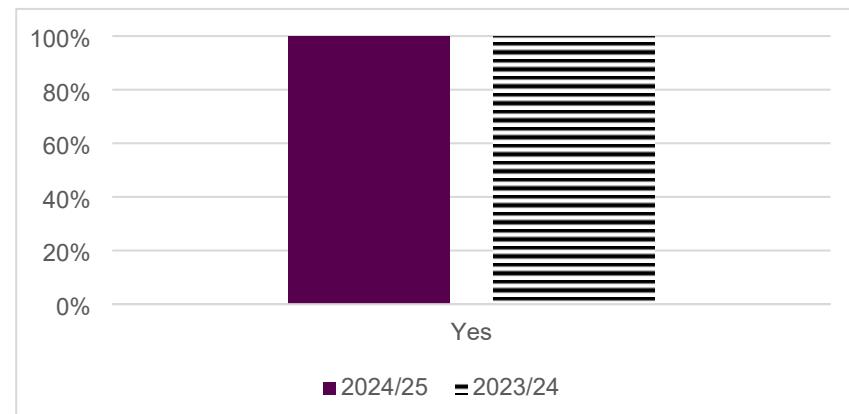
Effective training:

Responses	2024/25	2023/24
Yes	83%	83%
Limited	17%	17%
Total	100%	100%



Effective support:

Responses	2024/25	2023/24
Yes	100%	100%
Limited		
Total	100%	100%

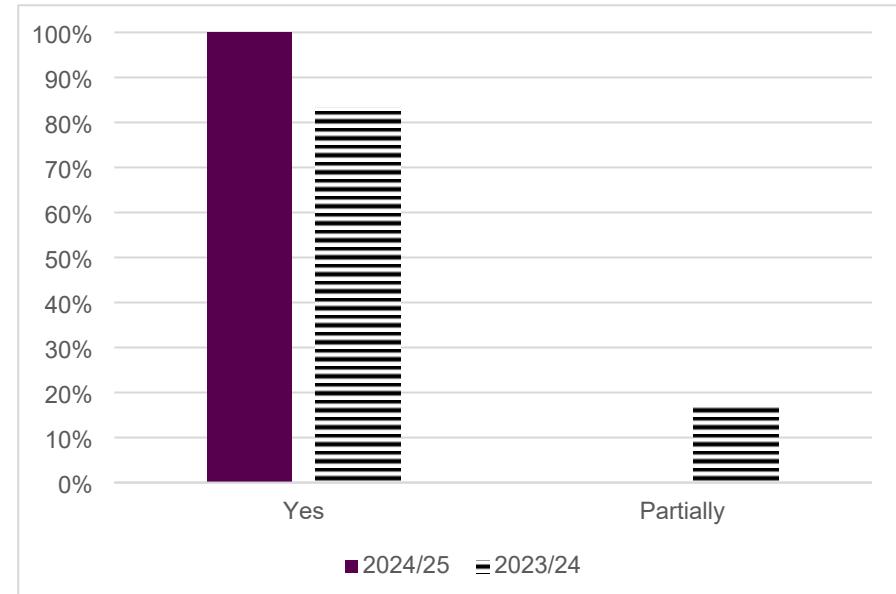
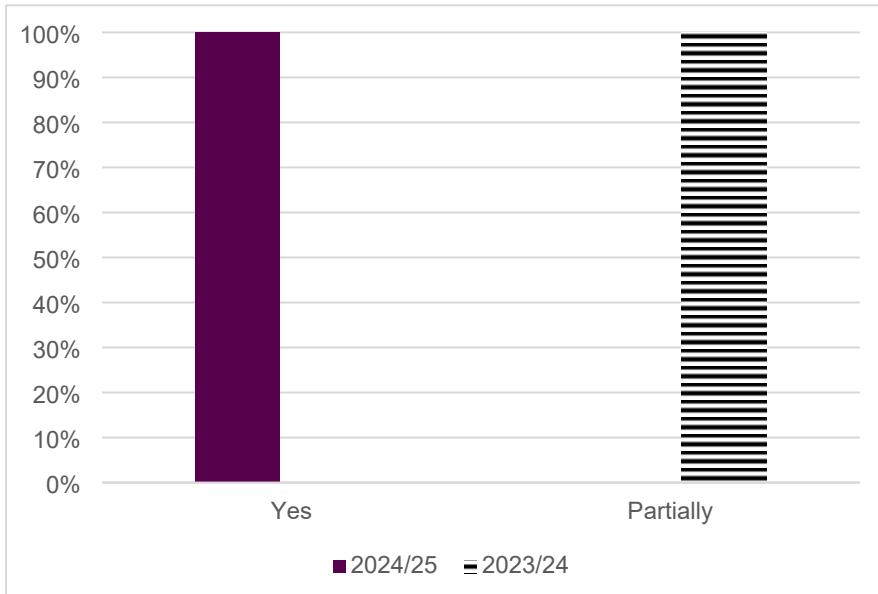


Q8 Do you feel that there is an appropriate level of knowledge and skills on the committee?

Responses	2024/25	2023/24
Yes	100%	0%
No	0%	0%
Partially	0%	100%
Total	100%	100%

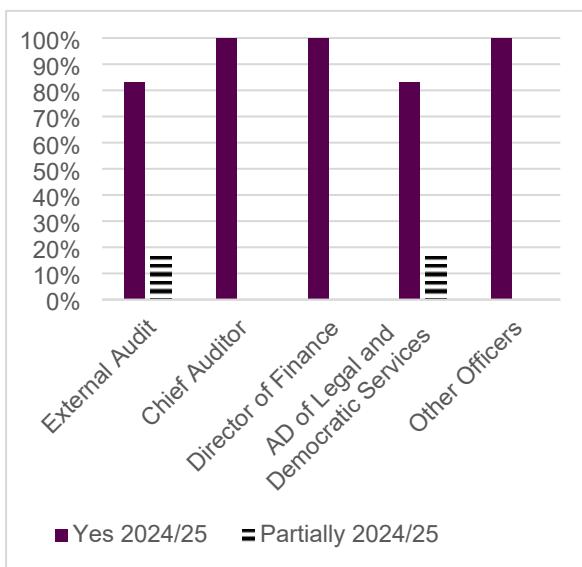
Q9 Does the committee have adequate secretarial and administrative support?

Responses	2024/25	2023/24
Yes	100%	83%
No	0%	0%
Partially	0%	17%
Total	100%	100%



¹Q10 Do you think that the committee has good working relations with the key people detailed below (2024/25 only)?

Area	Yes	Partially	Unsure
External Audit	83%	17%	0%
Chief Auditor	100%	0%	0%
Director of Finance	100%	0%	0%
AD of Legal and Democratic Services	83%	17%	0%
Other Officers	100%	0%	0%



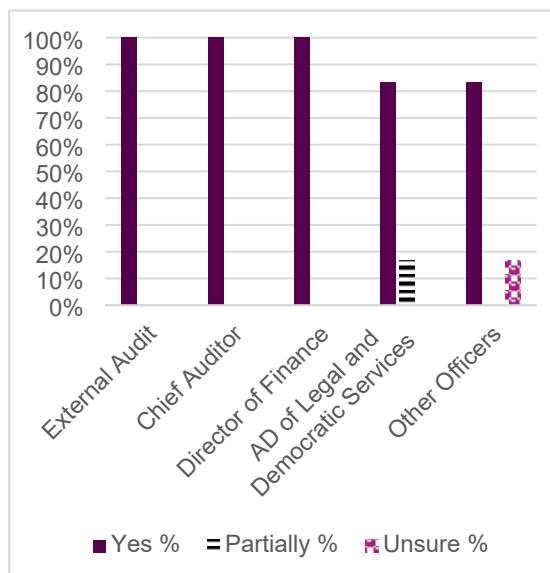
¹ Note for questions 10-12 there is no direct comparison available with the 2023/24 municipal year as this was asked as one question

Other Officers:

- Variety of Officers periodically attending the committee meetings

Q11 Do you think that the committee has good access to the key people detailed below (2024/25 only)?

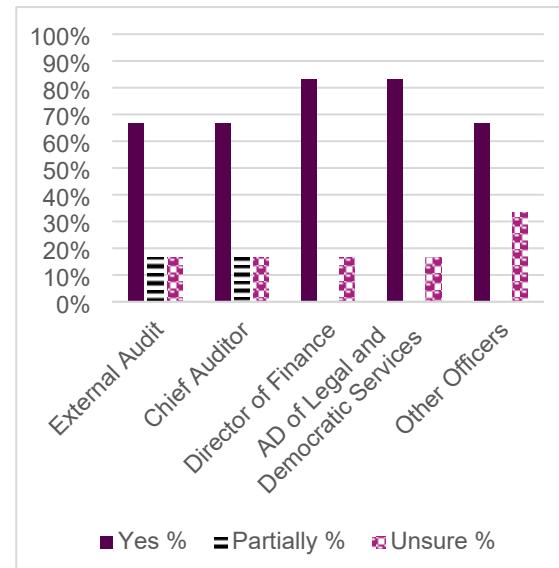
Area	Yes	Partially	Unsure
External Audit	100%	0%	0%
Chief Auditor	100%	0%	0%
Director of Finance	100%	0%	0%
AD of Legal and Democratic Services	83%	17%	0%
Other Officers	83%	0%	17%



- Risk Management Team and Director of Resources

Q12 Do you think that the committee has good visibility with the key people detailed below (2024/25 only)?

Area	Yes	Partially	Unsure
External Audit	67%	17%	17%
Chief Auditor	67%	17%	17%
Director of Finance	83%	0%	17%
AD of Legal and Democratic Services	83%	0%	17%
Other Officers	67%	0%	33%

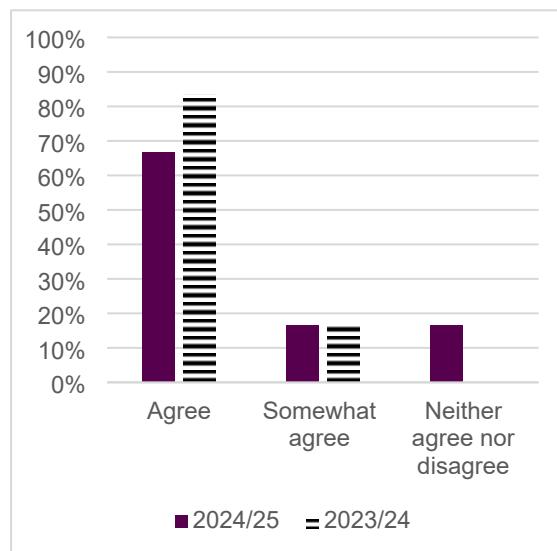


- Senior Education and Housing Officers

Q13 Please rate the following in terms of meetings in the last year:

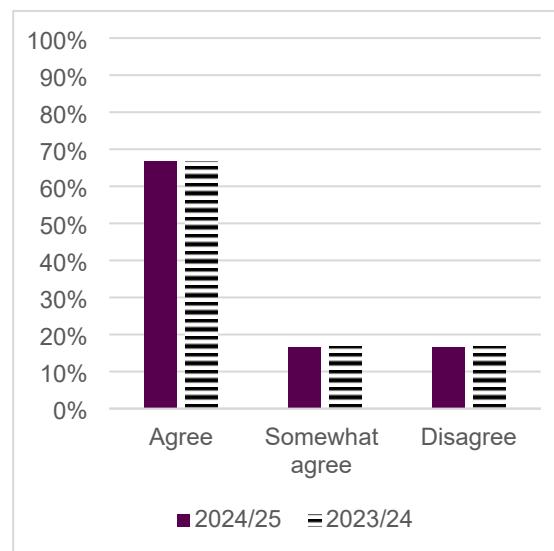
- The Committee is well chaired

Responses	2024/25	2023/24
Agree	67%	83%
Somewhat agree	17%	17%
Neither agree nor disagree	17%	0%
Somewhat disagree	0%	0%
Disagree	0%	0%
Total	100%	100%



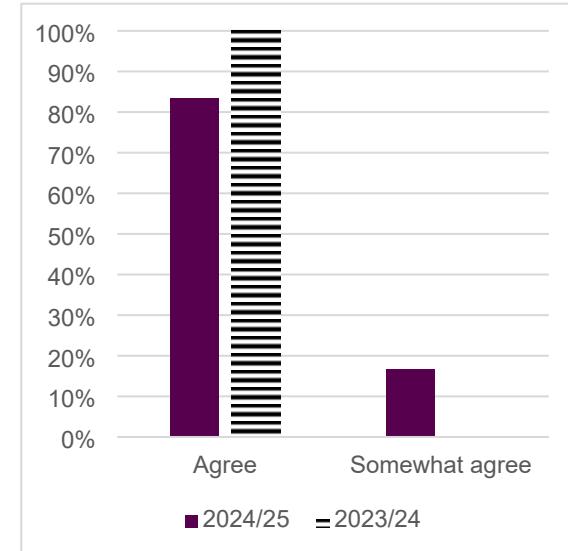
- The committee operates in an apolitical manner

Responses	2024/25	2023/24
Agree	67%	67%
Somewhat agree	17%	17%
Neither agree nor disagree	0%	0%
Somewhat disagree	0%	0%
Disagree	17%	17%
Total	100%	100%



- Key agenda items are addressed

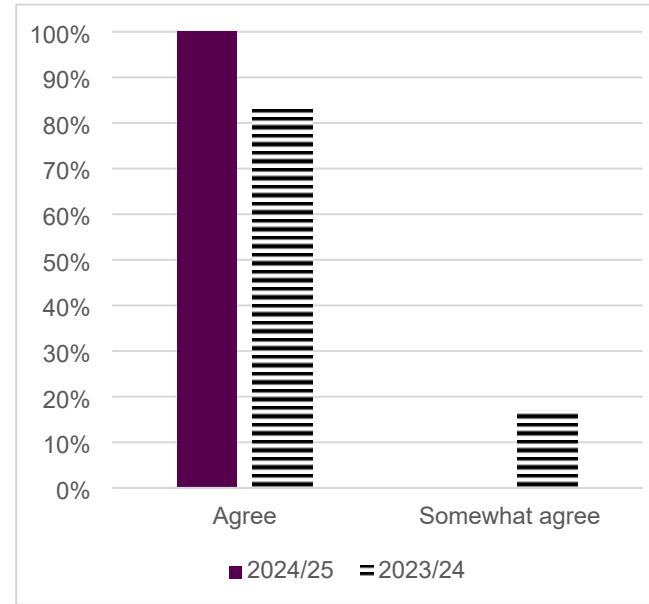
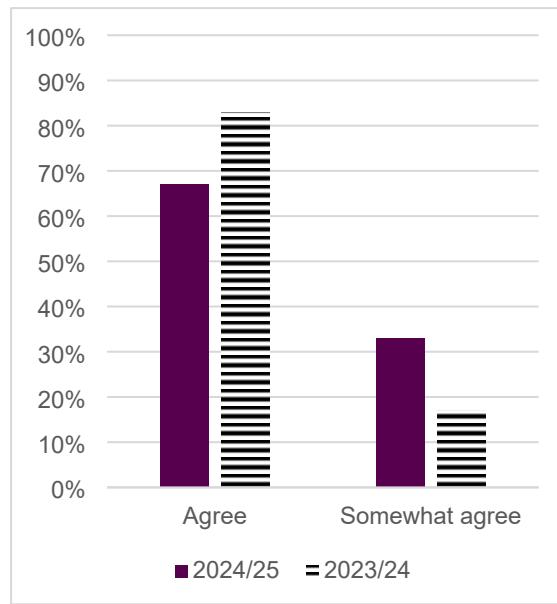
Responses	2024/25	2023/24
Agree	83%	100%
Somewhat agree	17%	0%
Neither agree nor disagree	0%	0%
Somewhat disagree	0%	0%
Disagree	0%	0%
Total	100%	100%



- There is a focus on improvement

Responses	2024/25	2023/24
Agree	67%	83%
Somewhat agree	33%	17%
Neither agree nor disagree	0%	0%
Somewhat disagree	0%	0%
Disagree	0%	0%
Total	100%	100%

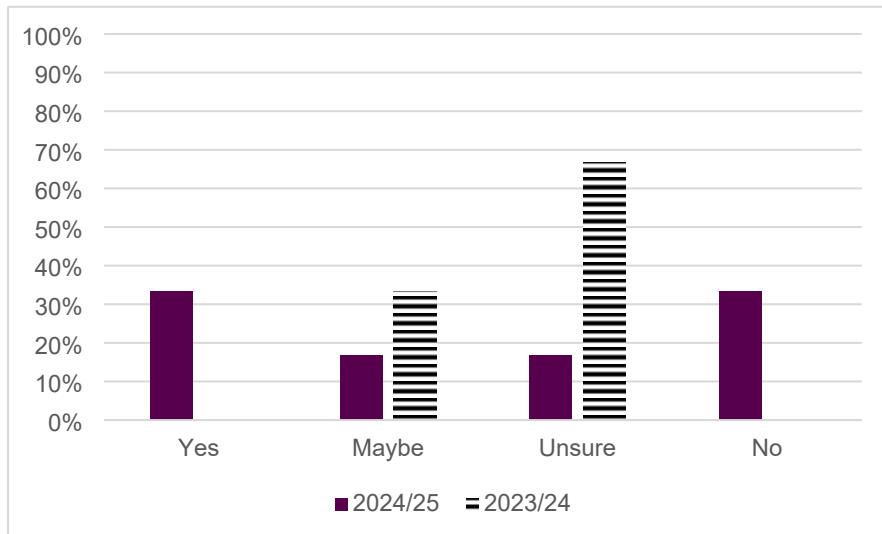
Responses	2024/25	2023/24
Agree	100%	83%
Somewhat agree	0%	17%
Neither agree nor disagree	0%	0%
Somewhat disagree	0%	0%
Disagree	0%	0%
Total	100%	100%



- All members are encouraged to engage in discussions

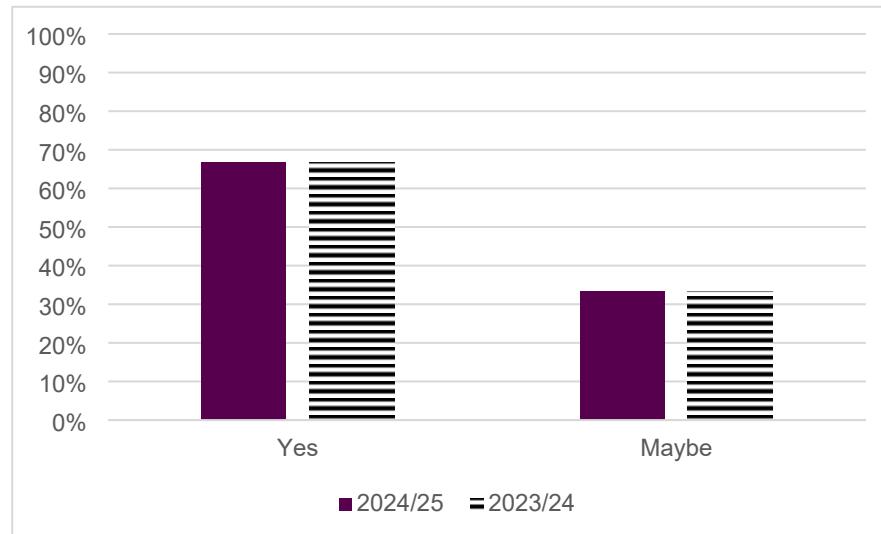
Q14 Has the committee obtained feedback on its performance from those interacting with or relying on its work (for example, key officers, committees, etc)?

Responses	2024/25	2023/24
Yes	33%	0%
Maybe	17%	33%
Unsure	17%	67%
No	33%	0%
Total	100%	100%



Q15 Does the committee make recommendations for improving governance, risk, and control arrangements?

Responses	2024/25	2023/24
Yes	67%	67%
Maybe	33%	33%
Unsure	0%	0%
No	0%	0%
Total	100%	100%



Comments:

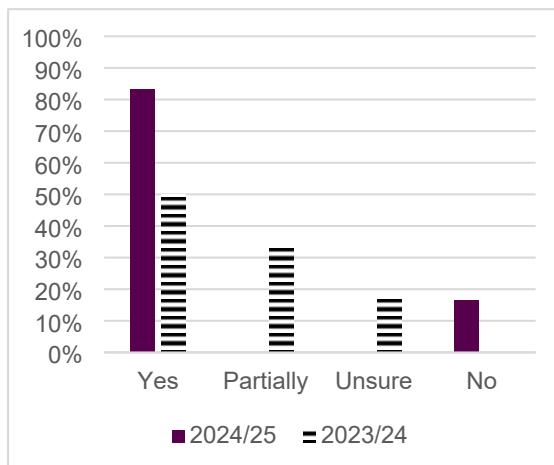
- Not aware that feedback has been sought
- I have not been aware that this has taken place
- Informally

Comments:

- Recommendations are sometimes made
- It has the facility to do so, and so can and will if the occasion requires it, but relies on officer reports and usually notes and comments on recommendations made by officers
- Housing repairs
- Yes, we monitor our performance and liaise with officers

Q16 Do Audit and Governance Committee recommendations have traction with those in leadership roles?

Responses	2024/25	2023/24
Yes	83%	50%
Partially	0%	33%
Unsure	0%	17%
No	17%	0%
Total	100%	100%

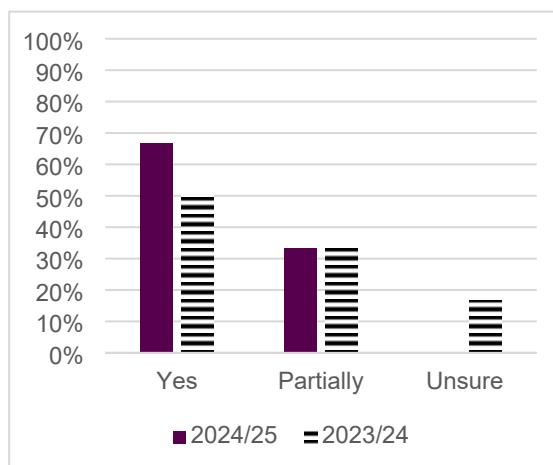


Comments:

- Recommendations are often dismissed, even if they came from external bodies like APSE.
- Committee recommendations and/or officer reports which have been discussed, noted, and recommendations commented on appear to have been acted on by officers, as evidenced by repeated returning reports and the Audit Tracker
- The leadership often attends meeting, as do relevant lead councillors.
- Housing repairs

Q17 Do you think the Audit and Governance Committee is adding value?

Responses	2024/25	2023/24
Yes	67%	50%
Partially	33%	33%
Unsure	0%	17%
No	0%	0%
Total	100%	100%

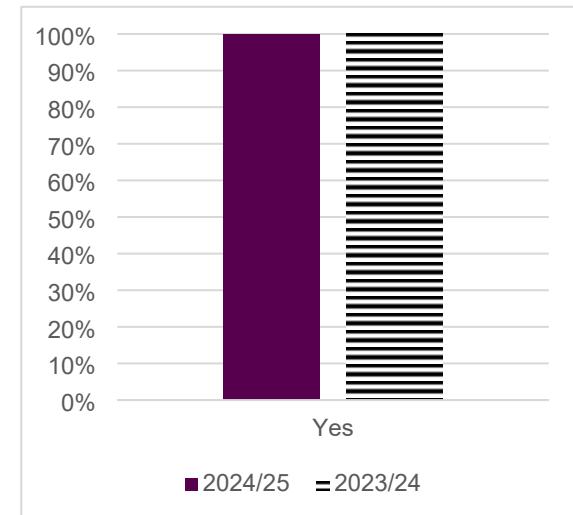


Comments:

- It adds a public forum for the discussion of Audit recommendations, with the hope that those recommendations will be carried out.
- The audit function highlights failures and keeps focus on processes of the council, e.g., FOI, Housing Repairs, Housing Fraud, etc.
- Senior officers attend and listen to the committee.
- We monitor key areas of the council's performance and make recommendations

Q18 Does the committee engage with a wide range of leaders and managers, including discussing audit findings, risks, and action plans with responsible officers?

Responses	2024/25	2023/24
Yes	100%	100%
Partially	0%	0%
Unsure	0%	0%
No	0%	0%
Total	100%	100%

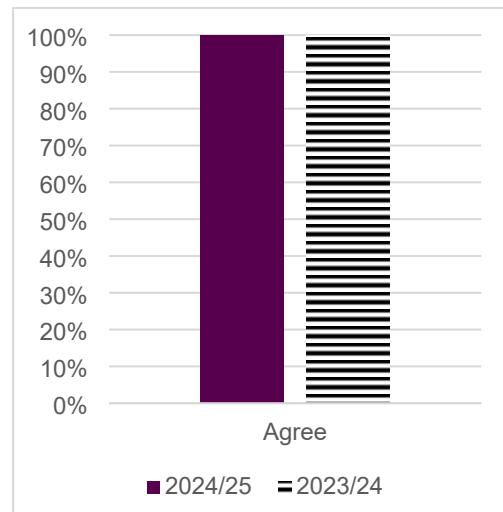


Officers survey

A slightly different questionnaire was given to key Officers, consisting of 15 questions, plus some associated free-text options. A summary of the responses received is provided below and includes a comparison with responses from the previous year (2023/24), where questions were repeated.

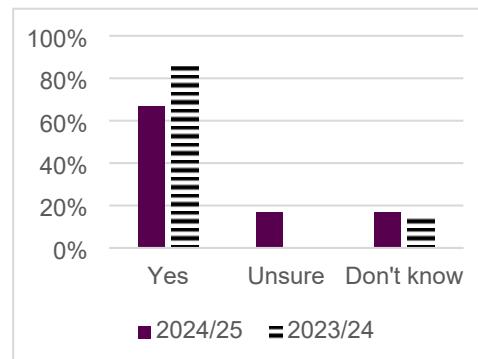
Q1 I understand the role and purpose of the Audit and Governance Committee.

Response	2024/25	2023/24
Agree	100%	100%
Total	100%	100%



Q2 Do you think that the Audit and Governance Committee (A&GC) escalates issues and concerns promptly to those in governance and leadership roles, i.e., Council and/or CMT?

Response	2024/25	2023/24
Yes	67%	86%
Maybe	0%	0%
Unsure	17%	0%
No	0%	0%
Don't know	17%	14%
Total	100%	100%

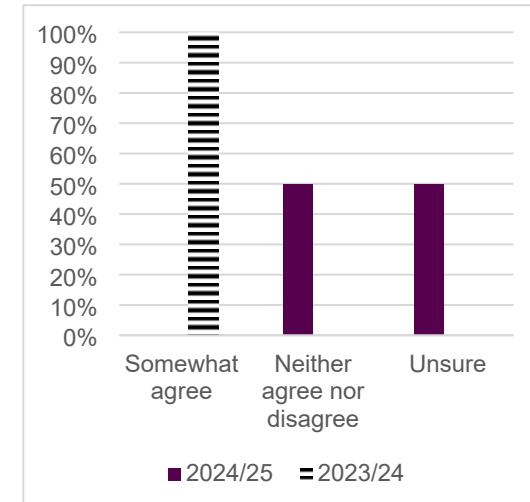


Comments:

- Do not see this interaction so cannot comment
- I'm unaware of any instances of the A&G Committee escalating concerns to Council, but there has certainly been issues escalated to A&G for monitoring and scrutiny, such as implementation of the TRO action plan.

Q3 Where A&GC have escalated issues and/or made recommendations, they have been noted, consideration has been given to the appropriate action to take, and this has been implemented.

Response	2024/25	2023/24
Somewhat agree		100%
Neither agree nor disagree	50%	0%
Unsure	50%	0%
Total	100%	100%



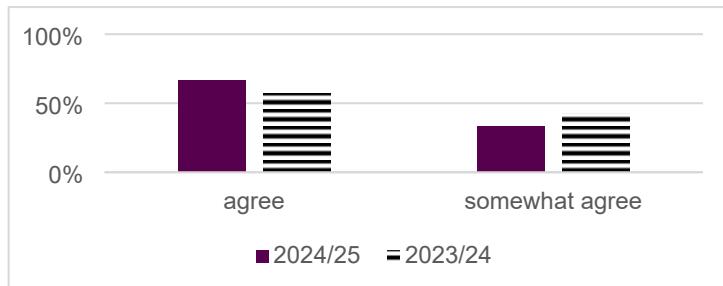
Comments:

- No visibility of this step.
- I'm unaware of the A&G committee escalating issues; however, issues have come to them from Council, such as the TRO's.

Q4 Do you think that in the last year, the A&GC has given adequate consideration to all core areas listed below?

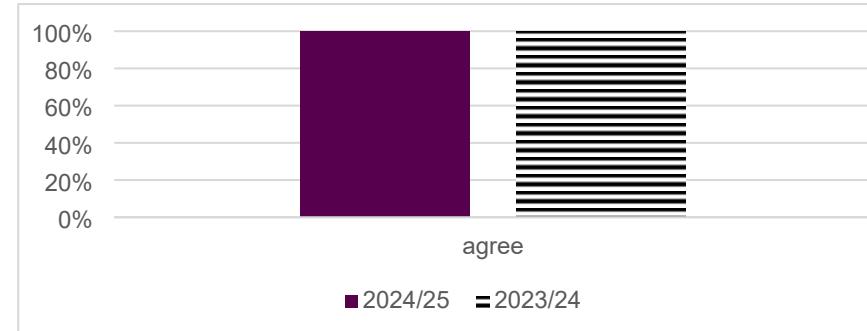
Governance arrangements:

Responses	2024/25	2023/24
Agree	67%	57%
Somewhat agree	33%	43%
Neither agree nor disagree	0%	0%
Somewhat disagree	0%	0%
Unsure	0%	0%
Total	100%	100%



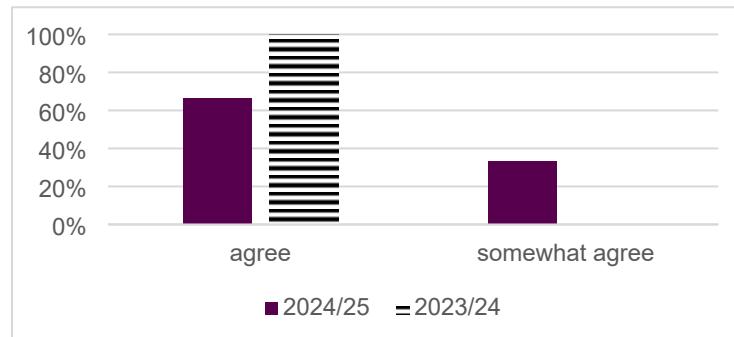
Internal control arrangements:

Area	2024/25	2023/24
Agree	100%	100%
Somewhat agree	0%	0%
Neither agree nor disagree	0%	0%
Somewhat disagree	0%	0%
Unsure	0%	0%
Total	100%	100%



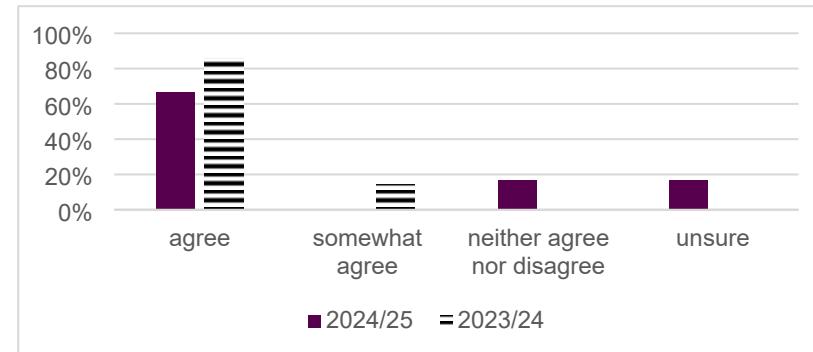
Risk management arrangements:

Responses	2024/25	2023/24
Agree	67%	100%
Somewhat agree	33%	0%
Neither agree nor disagree	0%	0%
Somewhat disagree	0%	0%
Unsure	0%	0%
Total	100%	100%



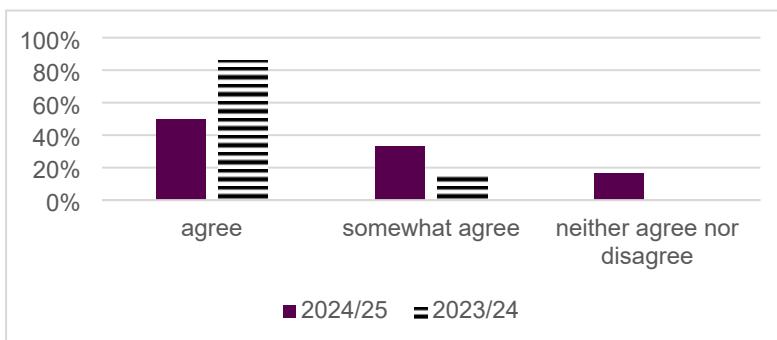
Annual Governance Statement:

Area	2024/25	2023/24
Agree	67%	86%
Somewhat agree	0%	14%
Neither agree nor disagree	17%	0%
Somewhat disagree	0%	0%
Unsure	17%	0%
Total	100%	100%

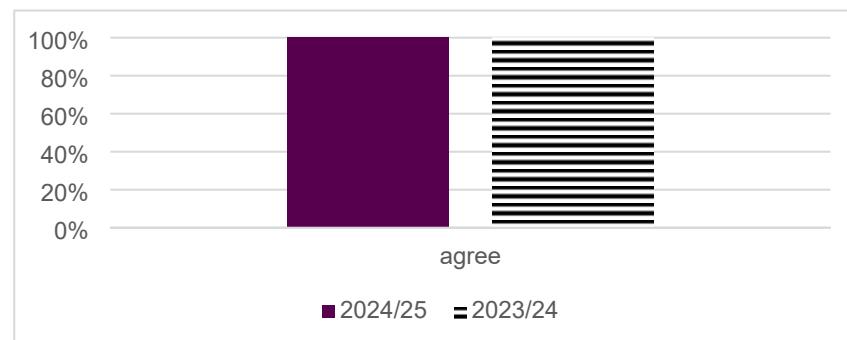


Financial Reporting:

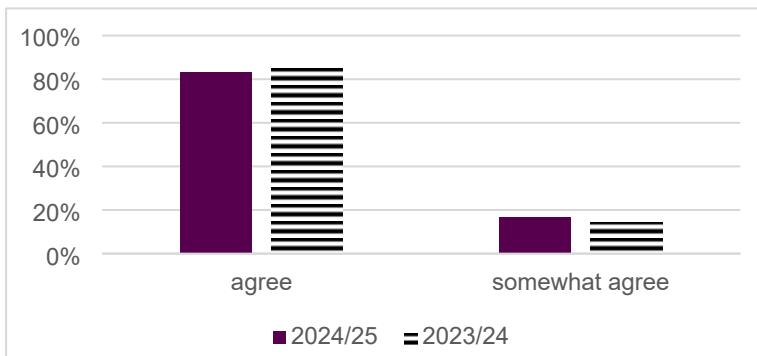
Area	2024/25	2023/24
Agree	50%	86%
Somewhat agree	33%	14%
Neither agree nor disagree	17%	0%
Somewhat disagree	0%	0%
Unsure	0%	0%
Total	100%	100%

**Internal Audit:**

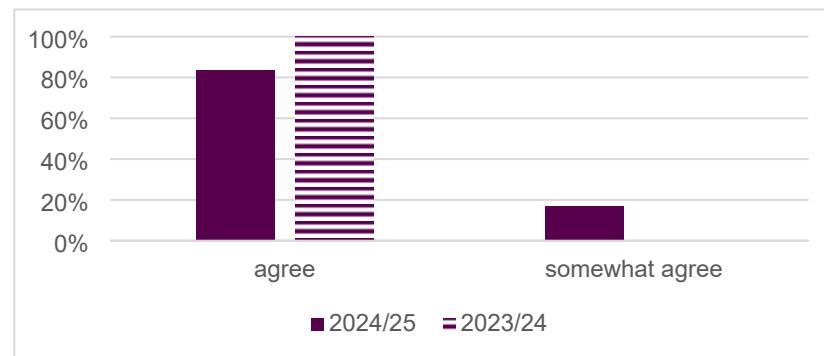
Area	2024/25	2023/24
Agree	100%	100%
Somewhat agree	0%	0%
Neither agree nor disagree	0%	0%
Somewhat disagree	0%	0%
Unsure	0%	0%
Total	100%	100%

**Assurance Framework:**

Area	2024/25	2023/24
Agree	83%	86%
Somewhat agree	17%	14%
Neither agree nor disagree	0%	0%
Somewhat disagree	0%	0%
Unsure	0%	0%
Total	100%	100%

**External Audit:**

Area	2024/25	2023/24
Agree	83%	100%
Somewhat agree	17%	0%
Neither agree nor disagree	0%	0%
Somewhat disagree	0%	0%
Unsure	0%	0%
Total	100%	100%



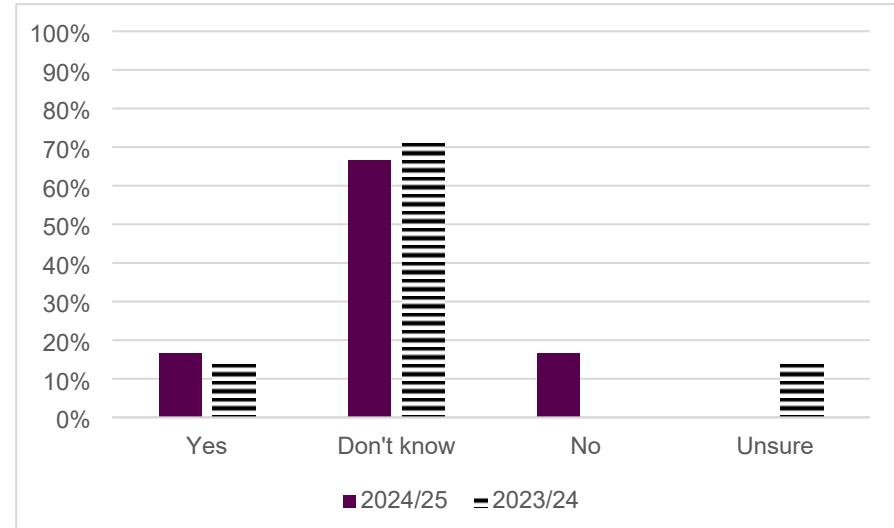
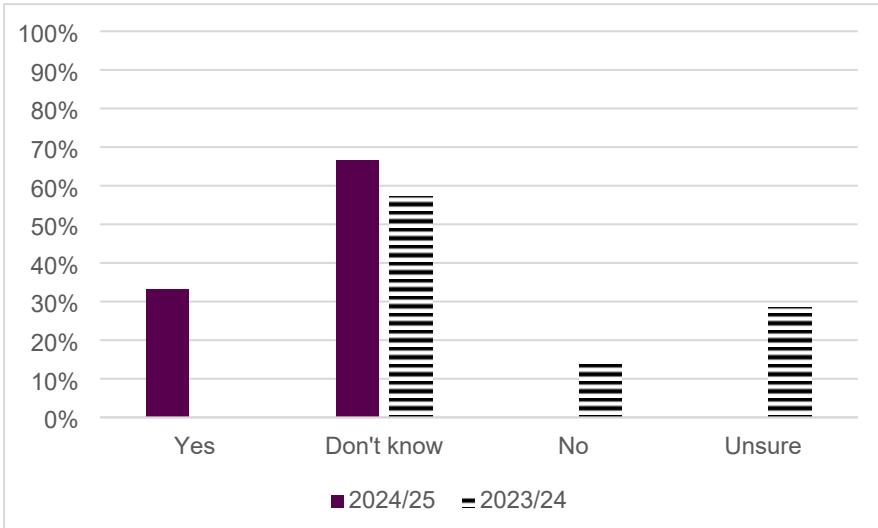
Q5 Are you aware if the committee has met privately with the External Auditors and Chief Auditor (Internal Audit) within the last year?

External Audit:

Response	2024/25	2023/24
Yes	33%	0%
Don't know	67%	57%
No	0%	14%
Unsure	0%	29%
Total	100%	100%

Internal Audit:

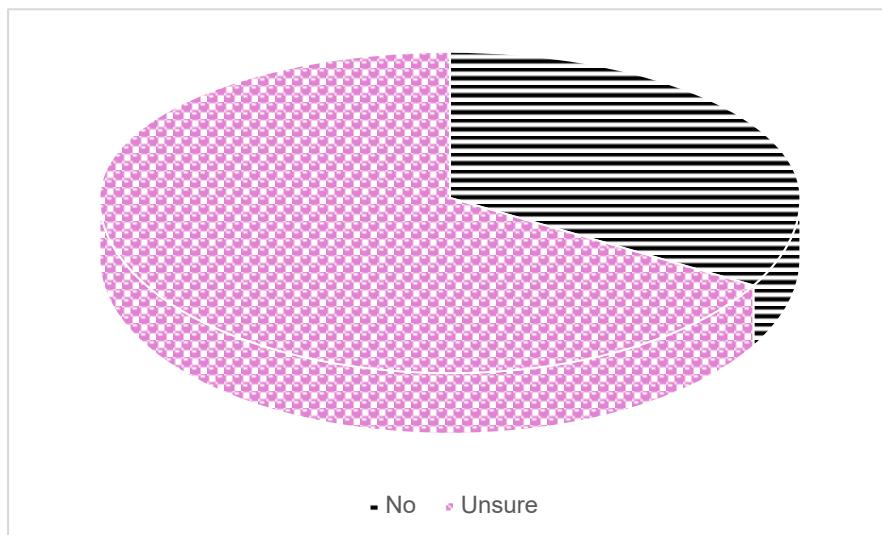
Response	2024/25	2023/24
Yes	17%	14%
Don't know	67%	71%
No	17%	0%
Unsure	0%	14%
Total	100%	100%



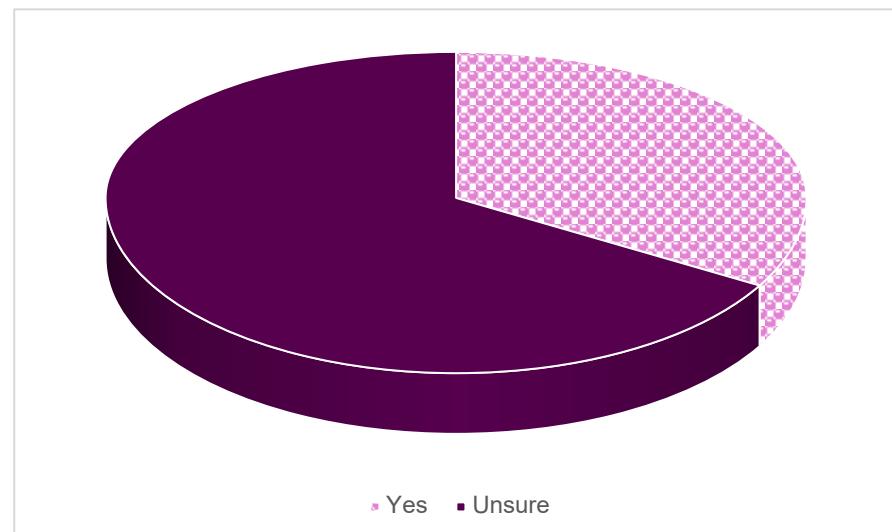
**Q6 Are you aware if the chair has met privately with the external auditors and Chief Auditor (Internal Audit) within the last year?
(note this question was not asked last year)**

Response	External Audit 2024/25	Internal Audit 2024/25
Yes	0%	33%
No	33%	0%
Unsure	67%	67%
Total	100%	100%

External Audit:

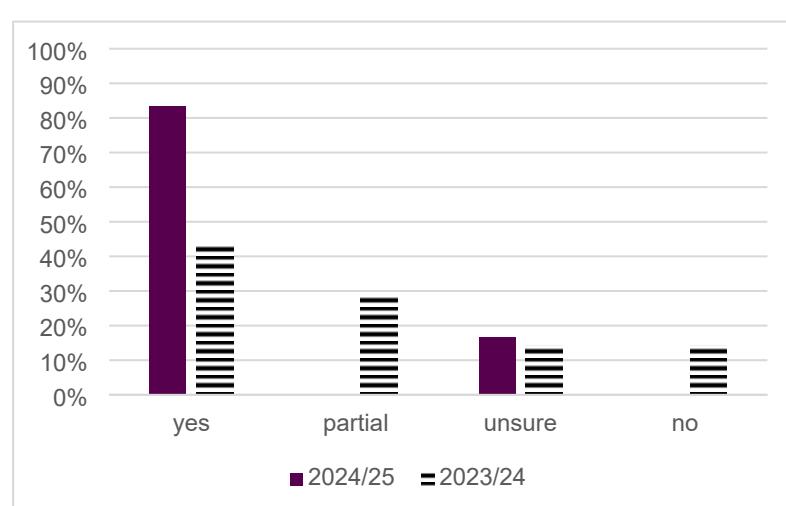


Internal Audit:



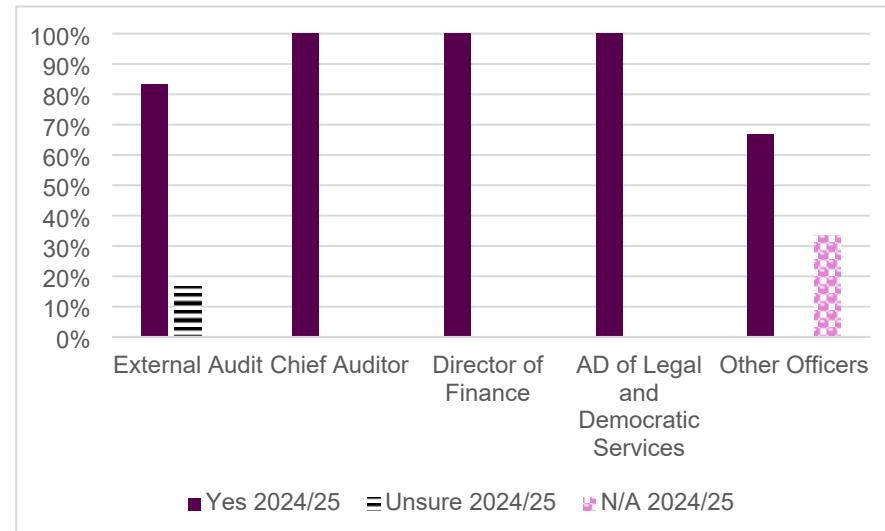
Q7 Do you feel that there is an appropriate level of knowledge and skills on the committee?

Response	2024/25	2023/24
Yes	83%	43%
Partial	0%	29%
Unsure	17%	14%
No	0%	14%
Other	0%	0%
Total	100%	100%



Q8 Do you think that the committee has good working relations with the key people detailed below? NB 2023/24 had Qs 8, 9 and 10 all included in 1 question therefore no direct comparison able to be made.

Area	Yes 2024/25	Partially 2024/25	Unsure 2024/25	N/A 2024/25	Total 2024/25
External Audit	83%	0%	17%	0%	100%
Chief Auditor	100%	0%	0%	0%	100%
Director of Finance	100%	0%	0%	0%	100%
AD of Legal and Democratic Services	100%	0%	0%	0%	100%
Other Officers	67%	0%	0%	33%	100%

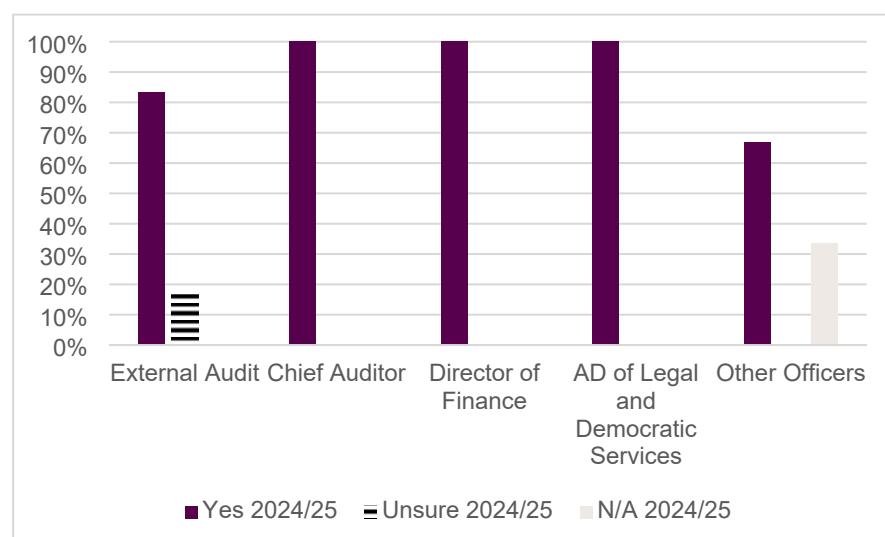


Comments:

- All other officers who present reports and attend A&G Committee
- Risk Management
- Executive Directors, Chief Executive

Q9 Do you think that the committee has good access to the key people detailed below?

Area	Yes 2024/25	Partially 2024/25	Unsure 2024/25	N/A 2024/25	Total 2024/25
External Audit	83%	0%	17%	0%	100%
Chief Auditor	100%	0%	0%	0%	100%
Director of Finance	100%	0%	0%	0%	100%
AD of Legal and Democratic Services	100%	0%	0%	0%	100%
Other Officers	67%	0%	0%	33%	100%

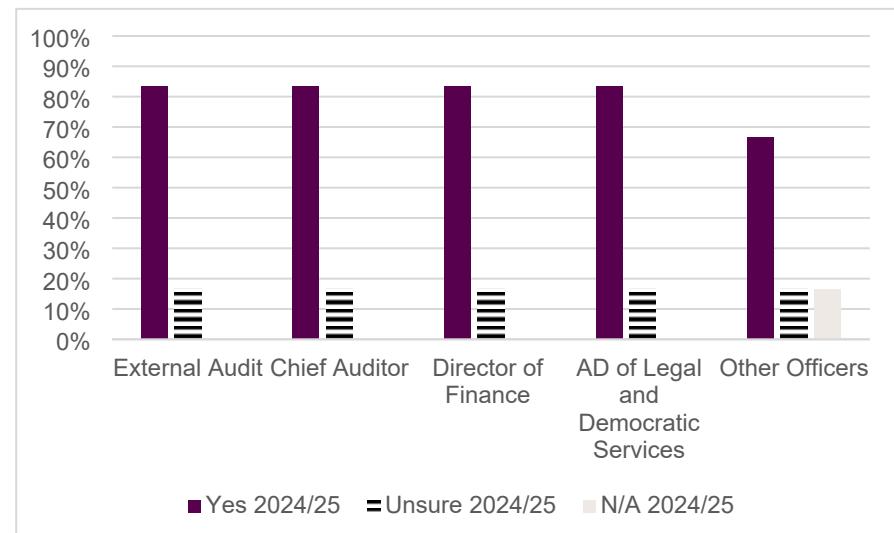


Comments:

- All other officers who present reports and attend A&G Committee
- Risk Management

Q10 Do you think that the committee has good visibility with the key people detailed below?

Area	Yes 2024/25	Partially 2024/25	Unsure 2024/25	N/A 2024/25	Total 2024/25
External Audit	83%	0%	17%	0%	100%
Chief Auditor	83%	0%	17%	0%	100%
Director of Finance	83%	0%	17%	0%	100%
AD of Legal and Democratic Services	83%	0%	17%	0%	100%
Other Officers	67%	0%	17%	17%	100%



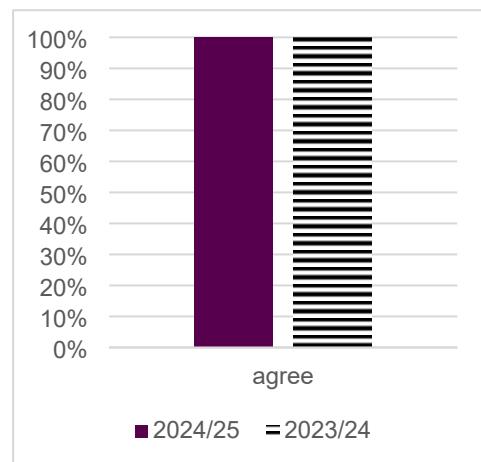
Comments:

- All other officers who present reports and attend A&G Committee
- Risk Management

Q11 Please rate the following in terms of the meetings in the last year:

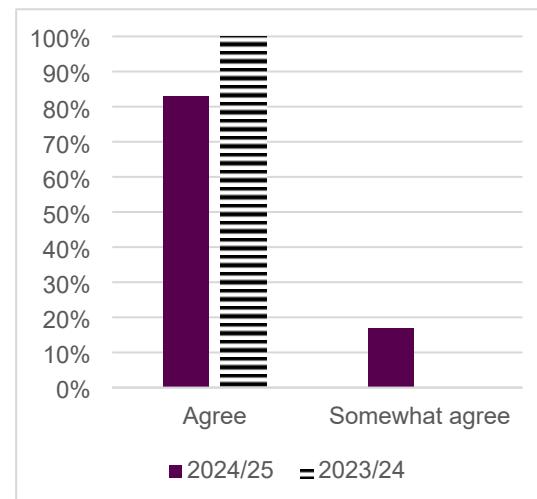
The Committee is well chaired

Responses	2024/25	2023/24
Agree	100%	100%
Somewhat agree	0%	0%
Neither agree nor disagree	0%	0%
Somewhat disagree	0%	0%
Unsure	0%	0%
Total	100%	100%



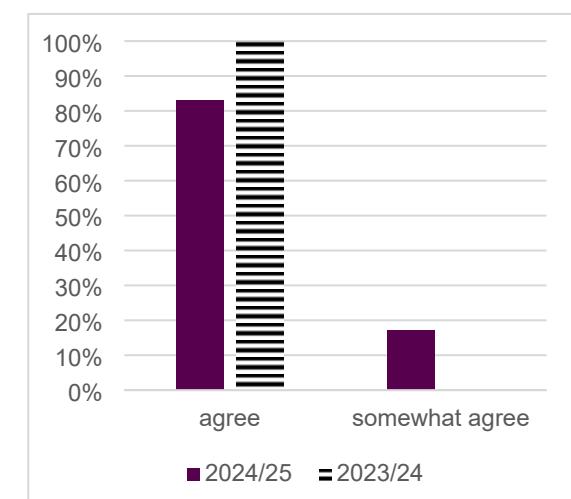
The committee operates in an apolitical manner

Responses	2024/25	2023/24
Agree	83%	100%
Somewhat agree	17%	0%
Neither agree nor disagree	0%	0%
Somewhat disagree	0%	0%
Unsure	0%	0%
Total	100%	100%



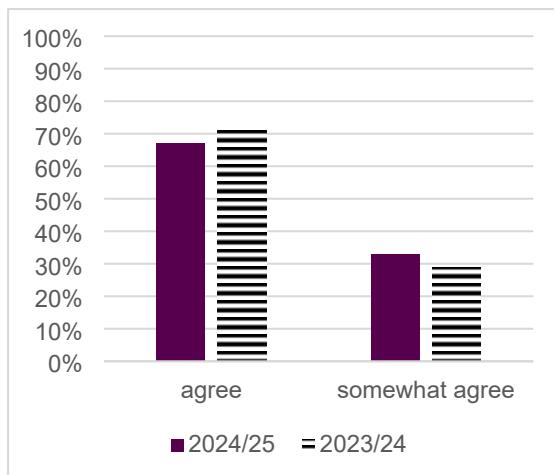
Key agenda items are addressed

Responses	2024/25	2023/24
Agree	83%	100%
Somewhat agree	17%	0%
Neither agree nor disagree	0%	0%
Somewhat disagree	0%	0%
Unsure	0%	0%
Total	100%	100%

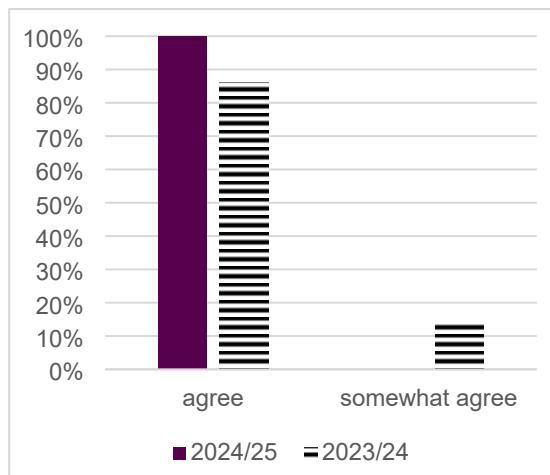


There is a focus on improvement

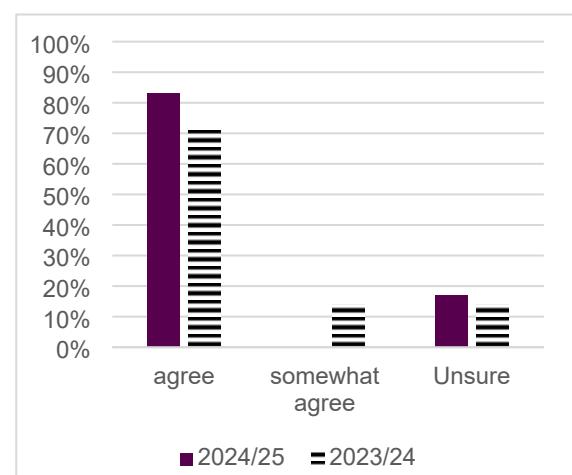
Responses	2024/25	2023/24
Agree	67%	71%
Somewhat agree	33%	29%
Neither agree nor disagree	0%	0%
Somewhat disagree	0%	0%
Unsure	0%	0%
Total	100%	100%

**All members are encouraged to engage in discussions**

Responses	2024/25	2023/24
Agree	100%	86%
Somewhat agree	0%	14%
Neither agree nor disagree	0%	0%
Somewhat disagree	0%	0%
Unsure	0%	0%
Total	100%	100%

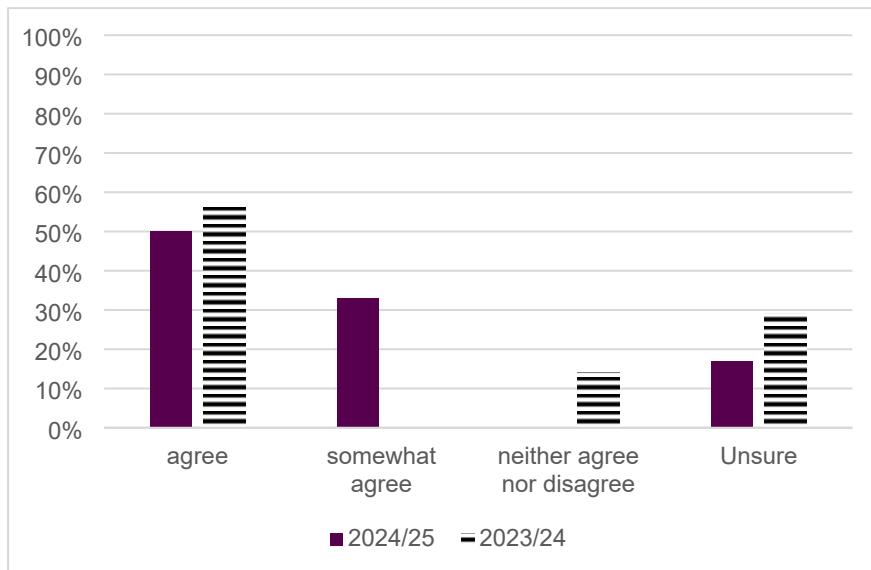
**There is regular dialogue with the Chair as to how the committee is working**

Responses	2024/25	2023/24
Agree	83%	71%
Somewhat agree	0%	14%
Neither agree nor disagree	0%	0%
Somewhat disagree	0%	0%
Unsure	17%	14%
Total	100%	100%



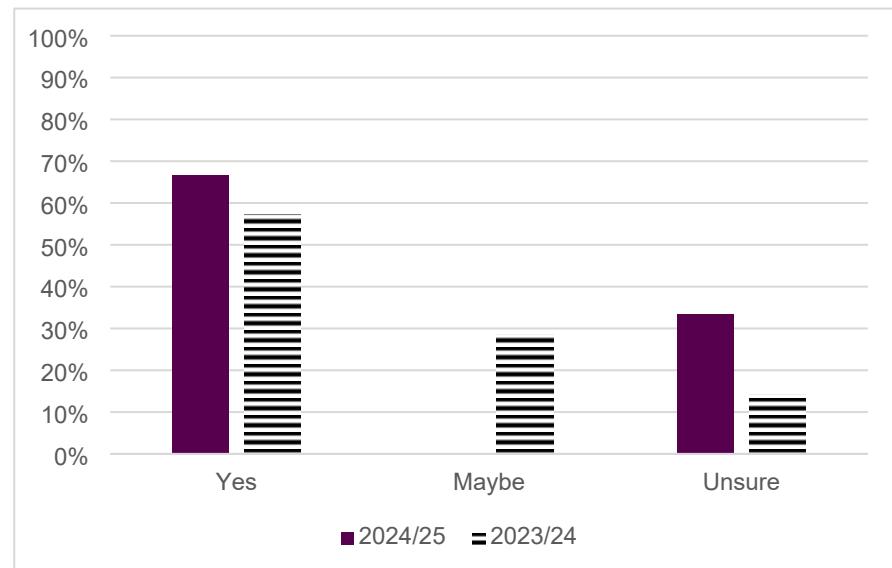
Feedback is provided to the committee

Responses	2024/25	2023/24
Agree	50%	57%
Somewhat agree	33%	0%
Neither agree nor disagree	0%	14%
Somewhat disagree	0%	0%
Unsure	17%	29%
Total	100%	100%



Q12 Does the committee make recommendations for improving governance, risk and control arrangements?

Responses	2024/25	2023/24
Yes	67%	57%
Maybe	0%	29%
Unsure	33%	14%
No	0%	0%
Total	100%	100%

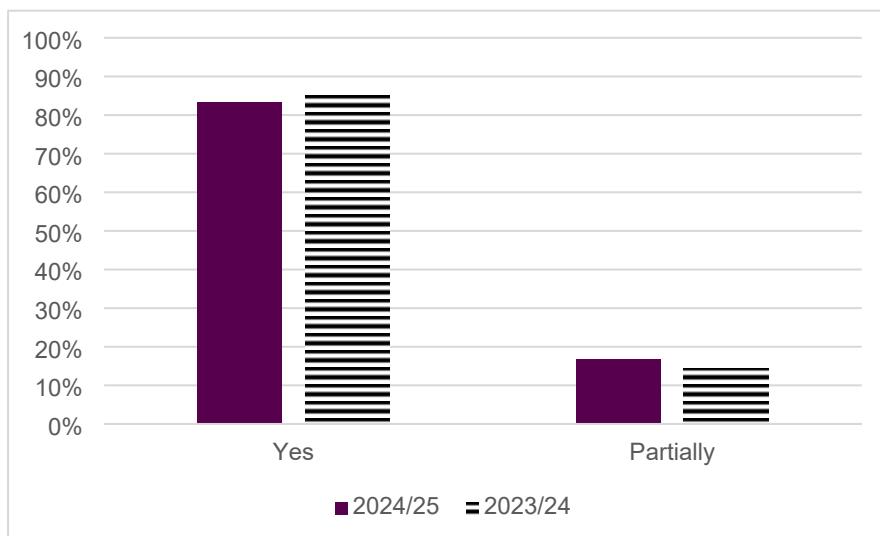


Comments:

- Challenge is offered and recommendations are made for progress reports to come back to the committee
- For risk management, the Committee has made a number of recommendations which have been progressed
- Good discussion re backstop arrangements and plans to get back on track in future with external audit.

Q13 Do you think the Audit and Governance Committee is adding value?

Responses	2024/25	2023/24
Yes	83%	86%
Partially	17%	14%
Unsure	0%	0%
No	0%	0%
Total	100%	100%



Comments on how it is adding value:

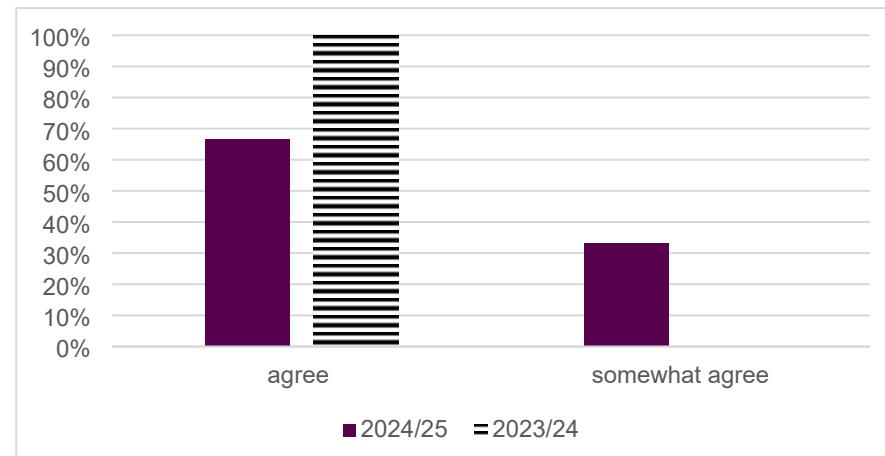
- The Committee adds a level of independent scrutiny, bringing in different skills and knowledge.
- The committee adds value by obtaining assurance that the Council has appropriate systems of internal control, governance and risk management processes in place.
- It is a necessary assurance function.

Q14 What, if anything, do you think has changed as a result of the actions of the A&G Committee?

- Improvements in the management of strategic risks
- More scrutiny and focus on improvement
- Officers face more challenge and scrutiny, especially if weaknesses are identified.
- Agreement to evolve how the audit tracker recommendations are reported (including frequency) which is more pragmatic and less repetitive.

Q15 Responsible Officers attend A&GC meetings when appropriate to answer questions, advise on actions being taken to address areas of concern, and listen to comments and concerns of the committee on key matters such as the Annual Governance Statement, Annual Assurance Report

Responses	2024/25	2023/24
Agree	67%	100%
Somewhat agree	33%	0%
Total	100%	100%



Audit and Governance Committee

25 September 2025



Title	Strategic Risk Register – September 2025
Purpose of the report	To note the report for information
Report status	Public report
Report author (name & job title)	Robin Pringle, Corporate Health, Safety and Risk Management Lead
Lead Councillor (name & title)	Councillor Ellie Emberson, Lead Councillor for Corporate Services and Resources
Corporate priority	Our Foundations
Recommendations	Audit and Governance Committee are asked to consider the Council's Strategic Risk Register as of September 2025 (Appendix 1)

1. Executive Summary

1.1 This report outlines the September 2025 update of the Strategic Risk Register. The Register is presented to the Council's Audit & Governance Committee every six months. The previous report was presented to the Council's Audit and Governance Committee in January 2025.

1.2 The following documents are appended:

- Appendix 1 - The Council's Strategic (Corporate) Risk Register

2. Policy Context

2.1 The Risk Management Policy and Procedure was presented to Audit & Governance Committee in July 2022 and was updated in October 2024, and it is available on the Intranet.

2.2 Risk management is a key part of corporate governance. Good risk management will help identify and deal with key strategic risks facing the Council in the pursuit of its goals and is a key part of good management, not simply a compliance exercise. Risk management and internal controls are important and integral parts of a performance management system and are crucial to the achievement of outcomes. They consist of an ongoing process designed to identify and address significant risks involved in achieving the Council's outcomes.

2.3 RBC are operating a comprehensive risk management system, to provide greater governance and reassurances to our insurers and Members.
This is achieved by improving:

- The policy commitments and roles and responsibilities,
- Defining a clear operating procedure,
- The frequency of risk reporting, and
- Working closely with our insurers and risk consultants to embed the new system.

2.4 The Corporate Management Team (CMT) and Directorate Management Teams (DMT's) are required to continually review their existing risks, determine if they are still relevant and fit for purpose and determine whether there are new risks that need incorporating into the

Risk Registers. DMT's are also asked to determine if any risks should be escalated to the Strategic Risk Register.

2.5 The Strategic Risk Register provides a concise, focused, high-level overview of strategic risks that can be easily communicated to all staff, councilors, and stakeholders (e.g., Council's Insurers). It should always be supplemented by directorate, service and project risk registers.

3 The Proposal

3.1 The Strategic Risk Register covers the actions completed by the Council between July - September 2025 and the future risk ratings for the Council for October – December 2025. Timing of reports to Audit & Governance Committee means the report is produced slightly before the end of the quarter.

3.2 The Strategic Risk Register was reviewed by the Corporate Management Team (CMT) on the 2nd September 2024.

3.3 The Strategic Risk Register (Appendix 1) for agreement, consists of 12 risks – the same as the previous report.

The risks that continue from the previous quarter are:

1. Risk of loss from cyber-attack.
2. Lack of local special educational needs and disabilities (SEND) placement provision to meet current and future levels of demand. Insufficient provision impacts on the Dedicated Schools Grant (DSG) High Needs Block (HNB) deficit.
3. Unable to deliver a balanced budget as a result of demand pressures and achieving income targets.
4. Failure to deliver zero carbon commitments (Climate mitigation)
5. Failure to safeguard vulnerable adults.
6. Failure to safeguard vulnerable children.
7. Failure to retain and recruit staff.
8. Failure to adapt to the impacts of climate change (Climate adaptation)
9. Information Governance - Failure to protect personal data.
10. Failure to fulfil our obligations under the PREVENT Duty
11. Failure to mitigate risks or manage issues, associated with health & safety, appropriately
12. Risk to adherence to Care Act Statutory duties as residents are waiting in Adult Social Care

3.4 **Risks that have been escalated, from Brighter Futures for Children (BFfC) and Directorate registers, to the Strategic Register**

- **BFfC**
 - No risks escalated.
- **Directorate of Resources**
 - No risks escalated
- **'Directorate of Adult Care and Health Services**
 - No risks escalated
- **Directorate of Economic Growth and Neighbourhood Services**
 - No risks escalated

3.5 **Risks for de-escalation from the Strategic Risk Register to BFfC or Directorate registers**

- **BFfC**
 - No risks de-escalated
- **Directorate of Resources**
 - No risks de-escalated
- **Directorate of Adult Care and Health Services**
 - No risks de-escalated.
- **Directorate of Economic Growth and Neighbourhood Services**
 - No risks de-escalated.

3.6 There are now 8 red risk cards.

1. Risk of loss from cyber-attack.
2. Lack of local special educational needs and disabilities (SEND) placement provision to meet current and future levels of demand. Insufficient provision impacts on the Dedicated Schools Grant (DSG) High Needs Block (HNB) deficit.
3. Unable to deliver a balanced budget as a result of demand pressures and achieving income targets.
4. Failure to deliver zero carbon commitments (Climate mitigation)
5. Failure to adapt to the impacts of climate change (Climate adaptation)
6. Failure to safeguard vulnerable children.
7. Failure to mitigate risks or manage issues, associated with health & safety, appropriately.
8. Risk to adherence to Care Act Statutory duties as residents are waiting in Adult Social Care. The increase in risk score in Q1 2025/26 was due to the demand and resources required remaining an ongoing issue: Demand continues to outstrip capacity with the service seeing as many as 20 referrals per day. The service is undertaking a deep dive to review the internal processes and referral pathways.

3.7 There are now 4 amber cards.

1. Failure to safeguard vulnerable adults.
2. Failure to retain and recruit staff.
3. Information Governance - Failure to protect personal data.
4. Failure to fulfil our obligations under the PREVENT Duty

3.8 Guidance is provided in relation to the scoring of risks to enable as much consistency as possible; it remains a subjective process. The primary aim of the Strategic Risk Register is to identify those key vulnerabilities that Corporate Management Team consider need to be closely monitored in the forthcoming months and, in some instances, years ahead. In many cases this will be because the risk is relatively new and, whilst being effectively managed, the associated control framework is yet to be fully defined and embedded. In such circumstances it follows that not only will the potential impact be large, but the risk of likelihood of occurrence could also be increased.

3.9 In order to focus senior management and Member attention on areas of greatest risk, the Register should include only the key current risks that have not been mitigated down to the acceptable risk level. Where risks have been rated as green for 2 or more consecutive quarters they are removed from the Register. These can be re-instated should the risk increase again.

3.10 Service Plan Risk Registers are currently being rolled out. This will allow Service Managers to record risks associated with their Service Plans. To support this, the 2025 Service Plan documentation reflects the requirement to record risks on the Risk Management SharePoint site.

3.11 Brighter Futures for Children are now utilising RBC's Risk Management software package to record their Directorate and Service Plan risks, in preparation for their merger back into the Council.

3.12 In order to support the embedding of risk management principles across the Council, 208 Managers have now completed the 'Risk Management for Managers' training course and twice monthly courses are planned for 2025 and 2026. The target is 300 managers. These will be provided by the Council's Senior Risk and Health and Safety Adviser.

3.13 A Risk Management Training session has been planned for the 22nd October 2025 for newly elected members. This will complement the 3 Risk Management Training sessions delivered to Councillors in 2023. All training sessions provide Members with the guidance on how to review and challenge reports when received (as part of good governance).

3.14 The risk management intranet page and SharePoint site has been updated to include numerous guidance notes to support managers complete their duties.

4. Contribution to Strategic Aims

4.1 Regular review of the Policy, and Strategic Risk Register, is an integral part of effective risk management arrangements and corporate governance. Each risk is linked to a Corporate Plan theme.

4.2 The Council's new Corporate Plan has established three themes for the years 2022/25. These themes are:

- Healthy Environment
- Thriving Communities
- Inclusive Economy

4.3 These themes are underpinned by "Our Foundations" explaining the ways we work at the Council:

- People first
- Digital transformation
- Building self-reliance
- Getting the best value
- Collaborating with others

4.4 Full details of the Council's Corporate Plan and the projects which will deliver these priorities are published on the [Council's website](#). These priorities and the Corporate Plan demonstrate how the Council meets its legal obligation to be efficient, effective and economical.

5 Environmental and Climate Implications

5.1 There are no specific environmental and climate implications arising from the decision. The Strategic Risk Register includes two risks related to climate implications and the actions to mitigate these risks are included in Appendix One.

6 Community Engagement

6.1 The consultation duty is not applicable to the Risk Management Policy & Procedure.

7 Equality Implications

7.1 An Equality Impact Assessment (EIA) is not relevant to this report.

8 Other Relevant Considerations

8.1 There are no other considerations relevant for this report.

9 Legal Implications

9.1 There are no specific legal implications arising from the recommendations in this report.

10 Financial Implications

10.1 There are no specific financial implications arising from the recommendations in this report.

11 Timetable for Implementation

11.1 Each individual risk card identifies its own implementation timetable.

12 Background Papers

12.1 There are no background papers.

Appendices

1. Strategic Risk Register as at 12th September 2025.



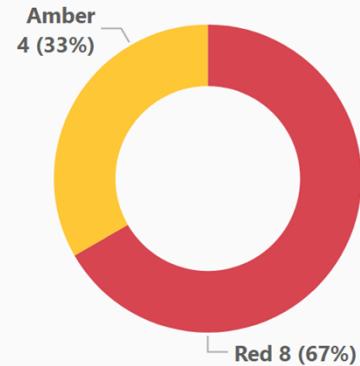
Strategic Risk Register - Summary - Q2 25/26

Select Register

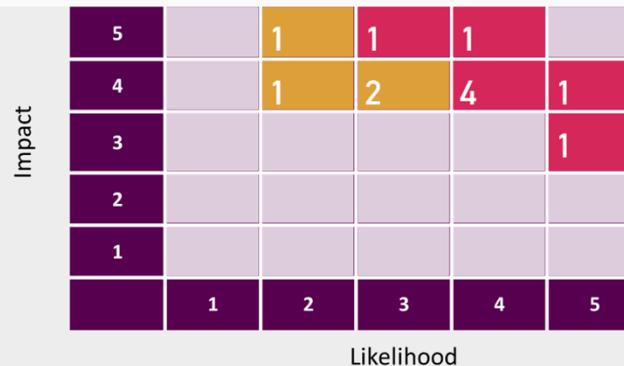
Strategic



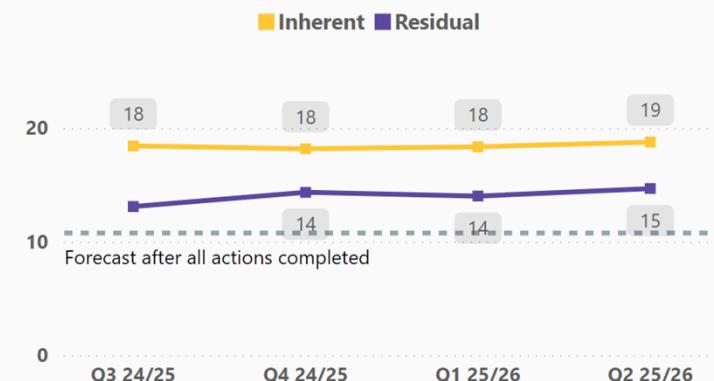
Risk Status



Risk Distribution



Average Risk Scores



Risk Title

Risk Title	Q3 24/25	Q4 24/25	Q1 25/26	Q2 25/26
Strategic Risk Failure to safeguard vulnerable children	9	16	16	16
Strategic Risk: Cyber - Risk of loss from cyber attack	16	16	12	20
Strategic Risk: Directorate of Childrens Services (BFFC) - Lack of local special educational needs and disabilities (SEND) placement provision to meet current and future levels of demand. Insufficient provision impacts on the Dedicated Schools Grant (DSG) High Needs Block (HNB) deficit.	16	16	16	16
Strategic Risk: Failure to adapt to the impacts of climate change (Climate adaptation)	16	16	16	16
Strategic Risk: Failure to deliver zero carbon commitments (Climate mitigation)	15	15	15	15
Strategic Risk: Failure to fulfil our obligations under the PREVENT Duty	10	10	10	10
Strategic Risk: Failure to mitigate risks or manage issues, associated with health & safety, appropriately	15	15	15	15
Strategic Risk: Failure to retain and recruit staff	12	16	12	12
Strategic Risk: Failure to safeguard vulnerable adults	12	12	12	12
Strategic Risk: Information Governance - Failure to protect personal data	8	8	8	8
Strategic Risk: Risk to adherence to Care Act Statutory duties as residents are waiting in Adult Social Care	12	12	16	16
Strategic Risk: Unable to deliver a balanced budget as a result of demand pressures and achieving income targets.	16	20	20	20



Risk:
Strategic Risk Failure to safeguard vulnerable children

Register:
BFFC

Q2 25/26

Risk owner:
James, Lisa

16

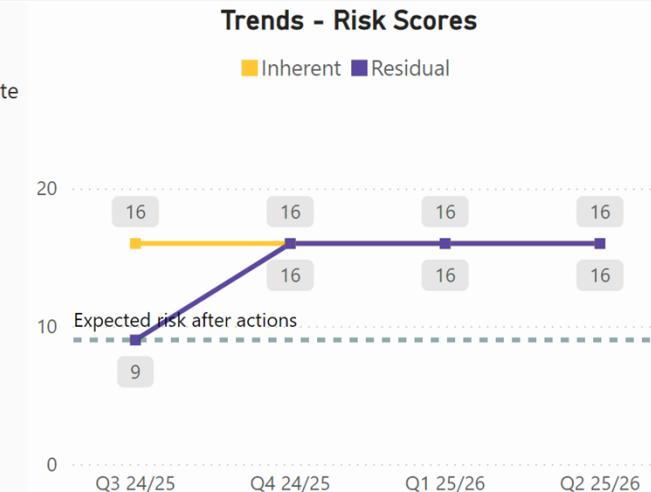
Residual

Cause

High level of risk to a child, including unforeseen risk, inadequate risk assessment and management, lack of or poor safeguarding response, failure to provide adequate health and safety measures.

Potential Impact

Harm, injury or death of person(s) to whom Children's Social Care has a duty
Children experience serious harm and negative long term impacts
Potential of legal claim for negligence, corporate manslaughter
Reputational damage
Media coverage



Risk Scores

Risk Type	Q3 24/25	Q4 24/25	Q1 25/26	Q2 25/26
Impact (Inherent)	4	4	4	4
Likelihood (Inherent)	4	4	4	4
Inherent	16	16	16	16
Impact (Residual)	3	4	4	4
Likelihood (Residual)	3	4	4	4
Residual	9	16	16	16

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Risk Status

Treat the risk – Agreeing to continue to implement further controls to change the nature of the risk.

After all planned actions are complete it is expected that residual scores will be a likelihood of 3 and impact of 3.

Expected risk score after actions

9

Specific Actions Required

Actions	Title	Date for completion	Status
1	Rapid improvement plan in place to address risk in the Together for Families service to positively impact on the timeliness and quality of practice and reduce the number of children practitioners are working with	29/09/2025	In progress
2	Multi-agency action plan to ensure timely, robust and good quality safeguarding processes are in place	30/01/2026	In progress
3	Strengthening the front door to ensure that need is met by Family Help and/or universal/community services at the earliest opportunity preventing escalation of need and risk	30/01/2026	In progress
4	Setting up Children's Improvement Board and recruiting an Independent Chair to drive improvement when children's services moves back into RBC	31/10/2025	In progress

Background Information

Our role is to safeguard vulnerable children and protect and support children who have been subject to neglect, abuse, exploitation or harm outside the home.

In BFFC, there has been an increase in the number of children referred into the service with more complex needs who require an immediate safeguarding response. A large proportion of the workforce consists of newly qualified social workers and overseas workers, requiring higher levels of support, supervision and management oversight. The number of children subject to Child Protection Plans (CPP's) has increased and service delivery is mostly at the higher end of complexity and intensity, with practitioners working with high numbers of children.

Q1 - 2025/26 -There has been a lack of progress in the timeliness and quality of practice for children in need and children in need of protection, which has resulted in an increase in the residual risk score, until additional mitigations have embedded and there is sustained evidence of impact.

Q1/2 2025/26 update: In March 2025 Reading received a Joint Targeted Area Inspection (JTAI), a partnership inspection of the impact of domestic abuse on children under 7yrs. The JTAI findings resulted in a 'Priority Action' for the partnership. Single and multi-agency rapid improvement plans were put in place immediately to respond to the findings of the inspection. Whilst rapid improvement has been achieved, it is imperative that measures are embedded and impact is evidenced and sustained before the risk score can be reduced.

Any serious harm, injury or death of a child is referred to BWSCP (Berkshire West Safeguarding Children's Partnership), through any of the partnership agencies (social care, health, police or education). For Brighter Futures for Children (BFFC) a Serious Incident Notification (SIN) is made to Ofsted, a Rapid Review (RR) follows and a recommendation is made to the National Safeguarding Panel (NSP) if a Child Safeguarding Practice Review (CSPR) should be undertaken or if local learning would suffice to ensure learning is adequate and risk is mitigated. CSPR's are published and local learning reviews are shared with the wider partnership to ensure actions are taken to mitigate risk and learning positively impacts on practice.

Existing Controls

- Risks relating to children's services are managed by Brighter Futures for Children, who have their own risk management arrangements. Safeguarding practice is governed by statute and is highly regulated and inspected by Ofsted.
- Local guidance and practice expectations are set out locally, in accessible format. BFFC follows the local policies and procedures, as set out by Berkshire West Safeguarding Children's Partnership (BWSCP), alongside local practice guidance, where appropriate.
- In April 2024, an Inspection of Local Authority Children's Services (ILACS) by Ofsted graded children's services as Requires Improvement, with Good sub judgements for children looked after and care leavers. An action plan was in place to deliver against the areas for improvement and these actions have now been aligned with the Joint Targeted Area Inspection (JTAI) findings and action plan.
- The fostering service was graded as Good in July 2024.
- The Youth Justice Service (YJS) was inspected in September 2024 and judged as Inadequate. An Improvement Plan is in place that is driven by the partnership Youth Justice Board (YJB). Positive progress is being made against the action plan, endorsed by the National Youth Justice Board who provide additional oversight and scrutiny.
- An extra familial risk/contextual safeguarding pathway for adolescents has been established to provide support for young people exposed to exploitation risks, potential gang affiliation, criminality and risk outside of their family. A dedicated team, Reconnect, delivers a bespoke service to these children and has close links with the missing children team - to understand and respond to associated risk.

- The leadership of Community Safety and Brighter Futures for Children (BFfC), work in partnership with Thames Valley Police (TVP), the Berkshire, Oxfordshire and Buckinghamshire Integrated Care System (BOB ICS), and the Berkshire West Adolescent Risk Group (BWARG) to ensure an effective safeguarding response to the risks of extra-familial harm, exploitation and serious violence.
- All staff receive mandatory training to assess safeguarding risks when commencing employment, with regular refresher training which is mandatory and reported to the BFfC Board and Senior Leadership Team (SLT) on a quarterly basis.
- Supervision is crucial to provide clear guidance and decision making for children. Managers attended supervision workshops at the end of 2024 and in 2025 managers were assigned a more senior manager as a mentor to strengthen supervision skills. Performance reports support the monitoring of compliance to the supervision policy and the quality of supervision is scrutinised through audits and remains an area of ongoing focus.
- The Quality Assurance and Impact Committee (QAIC) is chaired by the Chair of the company and scrutinises the performance of the service on a monthly basis. From June 2025, membership was expanded to include the RBC Chief Executive Officer (CEO), RBC Section 151 Officer and a Department for Education (DfE) Improvement Advisor.
- External auditors scrutinise practice, identify and share learning to develop practice and build on areas of strengths.
- The Performance and Quality Assurance frameworks, including audits and performance meetings across teams and services, provide forums to identify and address safeguarding risks. Both the Performance and Quality Assurance Framework (QAF) have been reviewed and a new Performance Framework and Quality Assurance Program have been launched (June 2025)
- Quarterly learning reviews provide a forum to share learning from practice and complaints, including serious incidents and safeguarding risks and to mitigate future risks.
- A Need-to-Know process is in place to alert senior managers to risks for individual children and to provide assurance as to how those risks are to be mitigated.

All referrals are screened, risks assessed and prioritisation decisions made in Children's Single Point of Access (CSPoA). This is well established and subject to dip-sampling and auditing to ensure robust, consistent application of threshold decision making.

- The Berkshire West Safeguarding Children Partnership (BWSCP) Multi Agency Safeguarding Hub (MASH) Oversight Board was established in 2024 to hold all partners to account for consistent service delivery that meets children's safeguarding needs.
- Learning from Safeguarding Practice Reviews or local learning reviews is used to improve practice across Children's Services and multi-agency partners.
- Monitoring of the quality of commissioned providers, including foster carers and children's homes, takes place through our Commissioning team and through our Independent Reviewing Officers to ensure that children are safeguarded and any identified improvements are made.
- The Edge of Care Service was established in 2025 to prevent children from becoming looked after, reduce escalation of risk and to support children to remain or return home where it is safe to do so.
- Increased partnership understanding and awareness of safeguarding duties and procedures by reissuing Berkshire West Safeguarding Children's Partnership (BWSCP) policies and procedures in March 2025.
- In the context of multiple improvement plans it is essential for systems leaders in Reading to have a coherent and integrated oversight of improvement across children's services; and for the interdependencies across children's services to be fully understood. Senior leaders have introduced an Integrated Improvement Plan for Children's Services and a Rapid Improvement Plan for Children's Social Care. June 2025
- A multi-agency JTAI plan has been created with partners and is scrutinised and monitored through weekly meetings overseen by the Director for Transformation, Improvement and Quality Assurance (interim) and the Executive Director of Children's Services (June 2025)
- Rolled out the refreshed Early Help Strategy and our response to the national Families First Partnership Programme through the One Reading Partnership to ensure that needs are met across the partnership to drive the delivery of Family Hubs. June 2025



Risk:
Strategic Risk: Cyber - Risk of loss from cyber attack

Register:
DOR

Q2 25/26
20
Residual

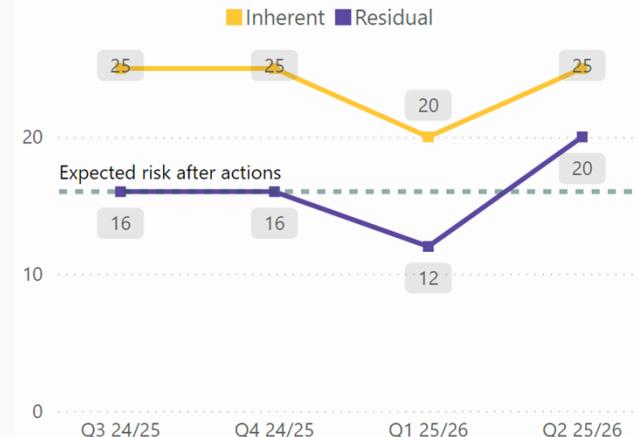
Cause

Attack by hostile nation states, criminals or activists. Likelihood remains high. The continuing evolution of the threat environment means that the likelihood will remain high, notwithstanding the actions is exerting downward pressure on likelihood, this is balanced by worsening of the threat environment. (See first ever Government Cyber Security Strategy to step up Britain's defence and resilience - GOV.UK (www.gov.uk)).

Potential Impact

Loss of service, loss of reputation, legal challenges, recovery costs.

Trends - Risk Scores



Risk Scores

Risk Type	Q3 24/25	Q4 24/25	Q1 25/26	Q2 25/26
Impact (Inherent)	5	5	5	5
Likelihood (Inherent)	5	5	4	5
Inherent	25	25	20	25
Impact (Residual)	4	4	3	4
Likelihood (Residual)	4	4	4	5
Residual	16	16	12	20

Page 1

Risk Status

Treat the risk – Agreeing to continue to implement further controls to change the nature of the risk.

After all planned actions are complete it is expected that residual scores will be a likelihood of 4 and impact of 4.

Expected risk score after actions

16

Specific Actions Required

Actions	Title	Date for completion	Status
1	Implementation of Security information and Event Management (SIEM)	28/11/2025	Not started
2	Implementation of Defender 2	30/11/2025	Not started
3	Achieve Cyber Essentials Plus certification (delayed as a result of delays in legacy application replacement)	31/12/2025	Not started
4	Introduction of the Customer & Case Management new IT system to remove old software	31/12/2025	In progress

Background Information

The continuing evolution of the threat environment - not least owing to the war in Ukraine and Middle East - means that the likelihood will remain high, notwithstanding the significant set of actions in place. As evidence of this, we continue to intercept over 75% of emails sent to our (RBC and BFfC) network. We also continue to block over 5,000 attempts by users to access web links that led to malicious sites monthly.

The high impact of cyber incidents has been demonstrated by incidents such as the Haringey and Redcar & Cleveland, Marks & Spencer's (M&S) and Jaguar Land Rover (summer 2025) ransomware attacks.

While the risk to loss of applications and data from a cyber-attack does not diminish, in the last quarter we have taken further measures to reduce the likelihood slightly. This has included the introduction of Multifactor Authentication as well as further enhancement and enforcement of cyber training programme for all staff across BFfC and RBC.

Existing Controls

Organisational controls

- Security governance provided by Information Governance Board, which reviews policy and strategy relating to cyber security, and also monitor reports of security incidents to identify corrective action. Assistant Director Legal & Democratic Services has been appointed as cyber security champion for Corporate Management Team (CMT), and a similar role is played in Council by the Lead Member for Corporate Resources & Customer Services.
- Staff awareness and training is critical. Training (including annual refresher training) has been made mandatory by both the Council and Brighter Futures for Children (BFfC). In place and ongoing.
- A new training module has been developed in house by the digital and IT team to make this mandatory training more bespoke and user friendly.
- Cyber insurance in place (and ongoing purchase)
- Assessment of security strategy and policy to be conducted against new Local Government profile of Cyber Assessment Framework being conducted by Department for Levelling Up Housing and Communities Future Councils programme (as part of our grant award).
- Conduct Local Government Cyber Assessment Framework assessment and remediation plan
- Agreed and implemented policy and approach to enforcing mandatory training (cleansing of personnel data for tracking completed, allowing monitoring of training completion to be implemented in June/July) - Information Governance Board

Controls focused on resistance to attack

- Improved defences against attack from Internet via email and internet are now in place.
- External certification of cyber countermeasures against Cyber Essentials Plus framework - work to address gaps identified by internal review is in progress, with the most significant actions relating to work (by both IT and business teams) on certain legacy applications. Following an internal audit report that raised questions over remediation plans, an external review has been conducted. There were no major new issues arising from this review. However, we have moved the target date for Cyber Essentials assessment back by to reflect the revised timing of the implementation of some business applications on which achievement of the criteria depend, and also to allow time for a full audit of business and web applications.
- A ransomware simulation event was held in the spring of 2025, to help measure our level of preparedness for a ransomware attack.
- A similar exercise is planned for all managers on the 24th of September at the Team Talk session.

Controls focused on recovery from attack

- Cyber incident response plan and cyber incident “playbooks” to reflect learning from recent attacks on the public sector and the latest guidance from the National Cyber Security Centre (NCSC).
- An exercise is in place to review business continuity plans for cyber across all areas of the business. This assessment will be followed by a cross-business cyber resilience rehearsal/exercise, following on from a limited exercise run in Legal & Democratic Services. See 'Specific Actions'
- Independent assessment of security improvement plans and threat monitoring to ensure we have robust plan to achieve Cyber Essentials Plus certification conducted
- Preparedness for cyber-attack to be assessed through review of business continuity plans - review workshops completed with all Directorate of Resources (DoR) services; Directorate of Economic Growth and Neighbourhood Services (DEGNS and Directorate of Communities and Adult Social Care (DCASC) to be completed - Action completed December 2024
- Carrying out actions from the ransomware simulation rehearsal April 2025.



Strategic Risk: Directorate of Childrens Services (BFtC) - Lack of local special educational needs and disabilities (SEND) placement provision to meet current and future levels of demand. Insufficient provision impacts on the Dedicated Schools Grant (DSG) High Needs Block (HNB) deficit.

Register:
BFtC
Risk owner:
Grady, Brian

Q2 25/26
16
Residual

Cause

Risk that the needs of children with SEND cannot be met in Reading -and/or 'Out of Borough' placements will be required, leading to costs exceeding budget and poorer outcomes for the children in question.

Potential Impact

Risk that the needs of children with SEND cannot be met in Reading and/or Out of Borough placements will be required, leading to costs exceeding budget and poorer outcomes for the children in question. Risk that the deficit on the High Needs Block continues to increase and puts at risk the financial stability of the council.

Trends - Risk Scores



Risk Type	Risk Scores			
	Q3 24/25	Q4 24/25	Q1 25/26	Q2 25/26
Impact (Inherent)	4	4	4	4
Likelihood (Inherent)	4	4	4	4
Inherent	16	16	16	16
Impact (Residual)	4	4	4	4
Likelihood (Residual)	4	4	4	4
Residual	16	16	16	16

Risk Status

Treat the risk – Agreeing to continue to implement further controls to change the nature of the risk.

After all planned actions are complete it is expected that residual scores will be a likelihood of 3 and impact of 3.

Expected risk score after actions
9

Specific Actions Required

Actions	Title	Date for completion	Status
▲			
1	New special school provision of up to 244 places to be available	31/12/2025	In progress
2	Additionally resourced provision places in the secondary phase	31/12/2025	In progress

Background Information

The Local Authority (LA) has a statutory responsibility to provide sufficient school places for pupils, including those with Special Educational Needs and Disabilities (SEND). Brighter Futures for Children (BFFC) works in partnership with Reading Borough Council (RBC) and other stakeholders to discharge this duty. There is a national and local shortage of resources and placements for children within SEND, in addition to an increase in demand for support and services. Following a steady increase in the number of Educational Health and Care Plan's (ECHP) since 2018, there has been a sharper increase in EHCP's in 2022/2023, which has been at a higher rate than the increase in the population of children and young people, meaning that a higher proportion of pupils now have an EHCP. Following the period of the pandemic more children and young people are being identified as having SEND, including in the early years, particularly increased levels of speech, language and communication needs and social and emotional mental health needs. There has also been an increase in children with autism. Collectively these needs have resulted in the increase in EHCP's, the number of which rose at a higher rate in the last year than previous years.

Demand for EHCPs is rising. As of November 2023, there were 1959 Children and Young People (CYP) aged 0-25 with EHCPs for whom BFFC is responsible. This represents an increase in EHCPs of 12% since January 2023. If EHCP numbers had continued to rise at the 22/23 rate, we anticipated there being 2194 EHCP plans by September 2024. As of November 2024, there are 1972 children with an EHCP; a stabilising in terms of percentage increase, but with a greater proportion of EHCPs requiring additional funding.

From September 2024, projections have confirmed that Reading needs 1184 places for CYP with EHCPs outside of mainstream settings. From September 2024, all proposed Additionally Resourced Provisions (ARP's) opened, and Hamilton school increased its intake to 64 children, resulting in a total of 800 places available for children in ARPs (408) and Maintained Special Schools (MSS) (392). New all-through Independent Non-Maintained Special Schools (INMSS) provision has been explored, with a possible 140 places in total for which Reading children given priority from September 2024.

This means that there are 940 places available in INMSS/ARP/MSS for Reading children, but a need of 1184 places, leaving a shortfall of 244 places.

Participation in the Department of Education (DfE) Delivering Better Value programme established a future demand and financial forecast based on data from 2020 to 2023. This identified an unmitigated forecast of financial pressure, which, if not mitigated, would lead to an accrued budget pressure of £97,598,000 by 2027/28. The pressures are being driven through the significant increase in Education health and Care Plans from April 2022, and the increased demand pressures leading to more INMSS places being used, in the absence of other more cost-effective school places being available. Planned mitigations reduce the projected budget pressure to £50,000,000 by 2030. Further special school places are needed to reduce the budget pressure further.

As of Q3 2024, all planned Additionally Resourced Provision Places have been delivered for the new academic year, and we have made progress on identifying a school site for the key action, a new special school, even though this is not yet finalised and confirmed. However, the risk rating remains unchanged due to the ongoing financial pressures.

Existing Controls

- The local area SEND Strategy 2022-2027 sets out partnership actions to identify and respond to needs of children with SEND at the earliest opportunity and in the most efficient way and develop the appropriate range of provision to meet need. Joint partnership steering group for the strategy is overseeing action plan and monitoring progress
- New free special school opened in Wokingham September 2023, providing 75 places for Wokingham and Reading children, as a joint partnership between Reading and Wokingham Councils. 17 places have been secured for Reading children as part of the phased opening.
- An additional 90 places have been secured from local schools to deliver Additionally Resourced Provision from September 2023.
- Further places in Additionally Resourced Provision (ARP) from April and September 2024 have been delivered
- Brighter Future for Children and RBC have undertaken work to appraise options, including RBC owned assets and schools sites to secure more mainstream and specialist school places for children with SEND for September 2025.
- Two independent special school providers have established additional local provision in the past nine months, which is helping meet immediate need for places for children with Special Educational Needs and Disabilities. Exploring options with other providers to establish provision in the area for 2023/2024 continues.
- Regular High Needs Block (HNB) meetings monitor the spend in this area and inform forecasting. Monitoring occurs monthly.
- Recruitment to key Delivering Better Value posts completed. New SEND advisory and support service commenced January 2024.
- Strategic Asset Review completed, identifying opportunities for special schools on community school sites to meet the needed 244 projected places.
- Transition to adulthood planning and post 16 placements for children with SEND through closer working with Adult Social Care. SEND Strategy Steering Group (from April 2024)
- 'High needs block' deficit management plan being implemented; including EHCP reviews and demand management actions - High Needs Block Review Meeting. Executive Director and Chief Finance Officer present at these meetings.

Page 120
10 more local specialist school places for children with SEND (Social, Emotional & Mental Health) through improved local provision - SEND Transformation Group

- Options for special school delivery secured, including identification of preferred options and engagement with schools who are identified as preferred options. This was overseen by the SEND Transformation Group and Corporate Management Team (CMT)
- School sites reviewed for potential special school provision. November 2024
- Procurement of architects to confirm programme viability for four shortlisted options. November 2024
- Reviewed transition plans for top 50 children in high-cost placement, including those transitioning to adult services. November 2024
- Consideration of options for new special school provision presented to Adult Social Care, Children's Services and Education (ACE) Committee in January 2025.
- 40 more 'Additionally Resourced Provision' places in North and East Planning Area. June 2025



Risk:
Strategic Risk: Failure to adapt to the impacts of climate change
(Climate adaptation)

Register:
DEGNS
Risk owner:
Gee, Emma

Q2 25/26
16
Residual

Cause

Inadequate planning and preparedness and long-term planning to adapt to the impacts of climate change.

Potential Impact

Climate change impacts (hotter drier summers, warmer wetter winters, and more extreme weather events) have a range of negative social, economic and environmental consequences, up to and including loss of life, as well as amplifying other risks (e.g. to public health, economic security, service continuity, infrastructure and supply chains). Action to adapt can reduce impacts, though the likelihood of such impacts occurring remains high, and generally rising in the coming decades, in the context of global warming which is 'baked in' as a result of historic emissions.

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Risk Status

Treat the risk – Agreeing to continue to implement further controls to change the nature of the risk.

Specific Actions Required

Actions	Title	Date for completion	Status
1	Business continuity plans to take account of climate impacts and changes to working practices which may be needed to protect staff and service users. (Lack of resources)	30/03/2026	Not started
2	Continue to roll-out Carbon Literacy training to priority cohorts of senior officers and members throughout 2025/2026	30/03/2026	In progress
3	Incorporate adaptation measures into the Town Centre and Public Realm Strategies	30/03/2026	In progress
4	Work with partners to launch and deliver the Reading Climate Emergency Strategy Action Plan	19/11/2025	In progress

Impact

Background Information

Flood Risk: The Council is responsible for surface water flooding and produced a Local Flood Risk Management Strategy in 2015 (Review commenced October 2024 - awaiting final report August 2025)

Heatwave risk: Various local agencies, including the Council and National Health Service (NHS), participate in the Berkshire Heatwave Plan and England Heatwave Plan.

Extreme weather events: The Council has a variety of roles as infrastructure owner, service provider, community leader and first responder which may involve it taking some level of responsibility prior to/during/after extreme weather events. 2024 was the warmest year on record.

The Council has (as of Q3 2024) implemented adaptation framework and this work highlighted the need to integrate adaptation planning into service planning. There aren't currently the resources to drive this work through so the risk won't effectively be mitigated.

Existing Controls

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- Flood Risk: The Council is responsible for surface water flooding and produced a Local Flood Risk Management Strategy in 2015. Action has been taken in all but one of 6 'hotspots' identified and plans for works at the remaining site (Stone Street) have been approved. Flash flooding from extreme rainfall events is likely to be an increasing but unpredictable risk. The Environment Agency is responsible for fluvial flooding and we are working with the Agency to address our main fluvial flood risks from the Thames, though the Agency's decision not to proceed with the Reading & Caversham Flood Alleviation Scheme raises questions about how to address the inherent flood risk which remains. The floods of winter 2023/2024, which tested the Council's emergency preparedness, highlighted the sort of events which are likely to become more frequent and more extreme as a result of climate change and a 'lessons learnt' exercise has been conducted. Statutory responsibility: Lead Local Flood Authority responsibility sits with Environment and Commercial Services (Sam Shean). Procedures in place: Emergency Planning Officer will open rest centres if major flooding occurs due to extreme rainfall under direction taken from Thames Valley Police Command. A sandbag policy is in place.
- Heatwave risk: Various local agencies, including the Council and National Health Service (NHS), participate in the Berkshire Heatwave Plan and England Heatwave Plan. A 'Heat Health Planning Advice' alert was introduced in 2023 and the Council has played its part in responding to these alerts. Heatwave plans were tested in the 2022 heatwaves during which there were a significant number of excess deaths. As the severity and frequency of hot weather events increases, however, more action will be needed to protect vulnerable people and infrastructure.
- Adverse Weather and Health Plan: This new plan was launched by UK Health security Agency (UKHSA) in 2023 and creates new responsibilities for Local Authorities and others in responding to adverse weather events which may impact on public health. Reading Public Health and Emergency Planning are working on this activity.
- Extreme weather events: Service business continuity plans are in place to help prepare for such events but it will be important to ensure that these reflect the changing risk profile associated with climate change and extreme weather.
- Climate impact assessment in decision-making: A protocol for climate impact assessment in Committee reports is now in place and being used by report authors - this includes tests to ensure that decisions are taking account of key climate impacts.
- Planning policy and new development: The Reading Local Plan includes policies on climate change adaptation (CC3) and flood risk (EN18) designed to ensure that new development is resilient to climate impacts. The Local Plan monitoring process should enable assessment of how well these policies are being applied, and the Local Plan review provides an opportunity to revisit policies which may support resilience to climate impacts. See 'Specific Actions'.

- 3rd National Adaptation Plan (NAP 3): Published in July 2023 and provides an updated view of the key climate related risks and vulnerabilities facing the UK at national level (<https://www.gov.uk/government/publications/third-national-adaptation-programme-nap3#:~:text=The%20NAP3%20sets%20out%20the,under%20the%20Adaptation%20Reporting%20Power>). It also emphasises the need for Local government to ensure that local services are resilient to local climate impacts. We are expecting further clarification on what is expected by Local Government in terms of Resilience Planning.
- A programme of accredited Carbon Literacy training is being rolled out to priority cohorts of senior officers and members to help embed awareness of climate risk and response across the organisation
- A Climate Change Adaptation Framework has been adopted. It sets out how services need to adapt to a change in climate.
- A number of strategies including the public realm and town centre strategies incorporate adaptation measures. For example, recognising the need to enable mobility of water resources in the urban environment for through sustainable urban drainage and through the provision of planting to encourage shade and reduction of flood risk factors. Engagement has taken place with utility companies, namely Scottish and Southern Electricity Networks (SSEN) and Thames Water regarding the incorporation of adaptation planning measures into their functions.
- The Council adopted a Climate Adaptation Framework at Strategic Environment, Planning & Transport (SEPT) committee on the 20th of November 2024. This now needs to be embedded in the Council's services, focussing first on the highest risks identified to establish targeted actions which services can embed into their service plans.
- Ensured the Local Plan review updates adaptation policies where required. November 2024
- Completed the corporate climate change adaptation framework for the Council. November 2024
- Submitted local plan review update (net zero and heat networks). April 2025.



Risk:
Strategic Risk: Failure to deliver zero carbon commitments (Climate mitigation)

Register:
DEGNS
Risk owner:
Gee, Emma

Q2 25/26
15
Residual

Cause

1. Lack of clear policies and plans in place to deliver 2. Insufficient investment of Council resources in delivery; 3. Lack of partner/resident engagement and ownership of climate action; 4. Inadequate government funding and policy support for delivery.

Potential Impact

The main direct impacts on the Council are (i) practical in the sense that if the Council is not seen to be leading by example, the success of its efforts to persuade other partners and residents to cut their emissions will be reduced and (ii) reputational, in that the Council may be accused of not delivering on its promises, noting that some of the action required to deliver a net zero Reading by 2030 is beyond the Council's control. The 'impact' score is therefore based on this rather than the ultimately catastrophic impacts which will arise in the long-term from unmitigated climate change (see also 'Failure to adapt to climate change' risk card).

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Risk Status

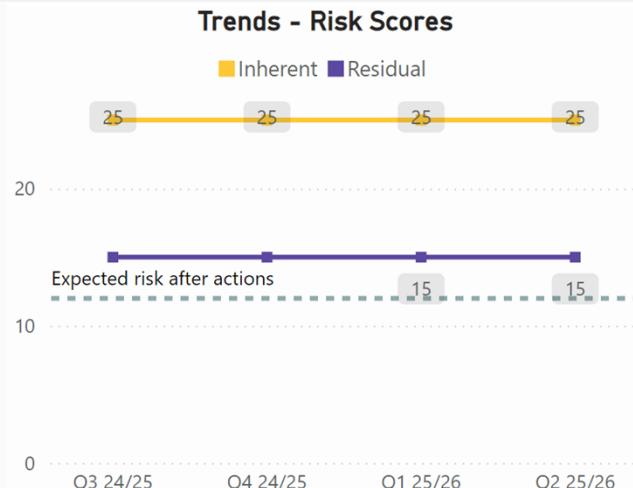
Treat the risk – Agreeing to continue to implement further controls to change the nature of the risk.

Specific Actions Required

Actions	Title	Date for completion	Status
1	New capital bids to continue decarbonisation of capital assets (under consideration)	29/09/2025	In progress
2	Climate training roll out to priority cohorts (officers and members) to continue through 2025/2026	30/03/2026	In progress
3	Publish climate emergency strategy with partners 25-30	19/11/2025	In progress
4	Influencing government policy through ADEPT, Blueprint Coalition and other bodies. (ADEPT - Association of Directors of Environment, Economy, Planning and Transport)	30/03/2026	In progress
5	Climate emergency communication campaign implemented	30/03/2026	In progress
6	Heat Network detailed project development	31/12/2025	In progress
7	Solar Investment Programme	31/12/2025	In progress
8	Reading Bus Depot Electric Vehicles	30/09/2025	In progress
9	Levelling up Fund Decarb of Hexagon and Civic	30/03/2026	In progress

Background Information

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Risk Type	Q3	Q4	Q1	Q2
	24/25	24/25	25/26	25/26
Impact (Inherent)	5	5	5	5
Likelihood (Inherent)	5	5	5	5
Inherent	25	25	25	25
Impact (Residual)	3	3	3	3
Likelihood (Residual)	5	5	5	5
Residual	15	15	15	15

After all planned actions are complete it is expected that residual scores will be a likelihood of 4 and impact of 3.

Expected risk score after actions
12

This risk relates primarily to the Borough-wide target of net zero by 2030 which the Council can influence but not control in its entirety (delivering the corporate net zero by 2030 target is a separate risk in the Directorate of Economic Growth and Neighbourhood Services (DEGNS) Directorate Risk Register). A major factor is the prevailing government policy and funding position which, as Reading's climate emergency declaration made clear, would need to change significantly to enable the 2030 target to be met. The 7th Carbon Budget Report released (February 2025) by the Committee For Climate Change sets out a balanced pathway to net zero by 2050 which indicates that net zero position would not be met until there is widespread uptake of key technologies. This would most likely go out beyond 2030 and so the risk of not meeting net zero by 2030 remains high albeit a new climate emergency strategy focusses on continuing decarbonisation efforts beyond 2030. Failure to deliver the Council's net zero commitments will ultimately contribute to catastrophic climate change impacts although the 'contribution' of greenhouse gas emissions from Reading will ultimately be indistinguishable from that of other jurisdictions.

Existing Controls

Action is broken down in relation to 'cause' categories listed above as follows:

1. Lack of clear policies and plans in place to deliver:

- Reading Borough Council (RBC) worked with partners to develop the Reading Climate Emergency Strategy 2020-2025, which includes action plans for all key policy areas (endorsed by Strategic Environment, Planning & Transport (SEPT) Committee November 2020). Implementation ongoing and review of Strategy for the period 2025-2030 is underway. This process was initiated with a successful 'Reading Leaders' Summit on Climate' on 22nd March 2024 at the start of what Reading Climate Change Partnership is framing as the 'Year of Climate Engagement'.
- Reading Borough Council produces its own Corporate Carbon Plan to set out its pathway to net zero and action required (adopted by Strategic Environment, Planning & Transport Committee November 2020). In place and delivery ongoing.
- Annual Reports on progress with both the Climate Strategy and Carbon Plan are presented to Strategic Environment, Planning & Transport (SEPT) Committee on the anniversary of their publication. In place and the latest Annual Reports were published November 2024.
- A mandatory section of Committee Reports requires report authors to assess the environmental and climate impacts of decisions, using a climate impact assessment tool and accompanying guidance where appropriate. This is in place with periodic audit of compliance completed Q4 2022-2023 and remedial action underway. Similar mechanism included in Budget Bids from 2023.

2. Insufficient investment of Council resources in delivery:

- The Council's capital programme includes significant investment designed to directly or indirectly support net zero goals, including investment in public transport, energy efficient housing, sustainable waste management practices, and carbon reduction measures in the Council's own buildings and fleet. However, these capital funds (principally the low carbon capital programme and the fleet replacement programme) expire in the next year or two, and further provision will need to be made to manage this risk. Efforts have also been made to secure external grants to support installation of low carbon measures (e.g. successful applications to Thames Valley Berkshire Local Enterprise Partnership (TVB LEP) for Civic Offices decarbonisation, and to Public Sector Decarbonisation Scheme (PSDS) for Hexagon decarbonisation). Grant has also been secured for social and public housing albeit there

was a relatively low settlement for Reading due to a lack of match funding offered. The PSDS was revoked in the last spending review, meaning less available funding

- While the Council's revenue budgets for dedicated work on climate change are modest in isolation, efforts are being made to ensure that climate action is embedded in all services and service plans through provision of support such as guidance and training for officers. A programme of Carbon Literacy training for senior officers and elected members is now underway with over 100 managers trained.

3. Engagement of partners and residents: Emissions from the Council's direct operations represent just 1.2% of the total for Reading, and it can influence an estimated 33% of Borough emissions overall. Securing ownership of climate action from organisations, businesses and residents is therefore vital. Some of these partners come together in the Reading Climate Change Partnership (RCCP) which is hosted by the Council. The Council is working with partners to build ownership of key actions via a review of the Climate Emergency Strategy which is now underway with a view to updating the Strategy for the period 2025-2030. Reading Climate Change Partnership Board has now implemented this engagement plan and Dialogue Matters won an award for their Reading project. This included a programme of events at the Reading Climate Festival (8-21 June 2024 & 7-21 June 2025) and a series of 3 deliberative events with key stakeholders planned for June, September and November 2024 now completed. A draft strategy has now been published for final stakeholder feedback ahead of consultation in Summer 2025.

4. Inadequate government funding and policy support for delivery

- While Government policy is aligned to net zero, the national target of 2050 remains less ambitious than the local target of 2030 albeit the new government has now implemented a policy objective for clean electricity for 2030 (95% clean power by 2030). Some key Government policies have also been diluted or target dates delayed (such as the Zero Emission Vehicles mandate) though some of these have been reinstated since the General Election. Even so, some policies are not fully aligned, and while Government has made significant funding available it is not yet of the scale required to support net zero by 2030. Furthermore, most funding streams are extremely competitive and/or over-subscribed. The Council therefore works through representative bodies to lobby for more generous financial support and a more ambitious policy framework to enable net zero by 2030. Regular engagement with representative bodies who have influence over government i.e., Association of Directors of Environment, Economy, Planning and Transport (ADEPT) Climate Board continues and this lobbying is an ongoing task.

The annual progress report on the Reading Climate Change Strategy in November 2023 highlights that while progress was being made with Borough-wide emissions reduction (which have been cut by 58% since 2005, the 12th largest reduction out of almost 400 UK local authorities), the pace of the reduction needs to increase significantly to achieve 'net zero by 2030'. Some of the Borough-wide action needed to achieve net zero is beyond the Council's control, but the wider community understandably looks to the Council to lead by example. In this regard, the Council has been broadly on track to meet its own corporate Carbon Plan target of an 85% reduction in emissions by 2025 (en-route to net zero by 2030) - achieving a 72.7% cut since 2008/2009 but the most recent report shows an increase of 1.2%. Further investment will, however, be needed to meet the net zero by 2030 target and without this the gap between target and actual will widen. Monitoring and reporting on an annual basis is in place. Awaiting new government data for 2023 emissions - due end of June 2025.

- RBC emissions for 2024 will be available from November 2025.

An internal audit of the Council's climate action programme was concluded in February 2022 giving 'reasonable assurance' - this made a number of recommendations to improve accountability for delivery of the Council's net zero commitments which are in the process of being implemented, including:

- Clear identification of responsible teams/officers for actions in the Reading Climate Emergency Strategy where Reading Borough Council (RBC) is listed as a delivery partner, with these actions being better reflected in the Service Plans of relevant services - this work was completed in September 2022 and guidance was issued to Assistant Directors' on how to reflect climate action in Service Plans from 2023-2024 - this has been updated and re-issued for the 2024-2025 Service Plans.
- Clearer articulation of timescales and accountability for various actions in the corporate Carbon Plan - this was completed in November 2022 and, again, guidance has been issued to relevant Assistant Directors on reflecting these actions in Service Plans from 2024-2025
- Improved support and training for officers and services to embed climate action in their work - a climate module is included in staff induction, guidance on climate assessment in Committee Reports has been produced, and sessions on climate have been included in Team Talk and Senior Leadership Group meetings. A more comprehensive 'Carbon Literacy' training offer for members and managers is underway. See 'Specific Actions'

Reading's Climate Emergency Declaration made clear that additional powers and resources would be needed from central government to enable delivery of 'net zero by 2030' - to date, these have not been forthcoming to the extent required and this remains probably the biggest risk to delivery of the Council's commitments.

Further developments from the new government have made some resources available through retrofit for which RBC have just joined the Portsmouth led Consortium, offering some 2250 retrofits per annum across 31 Local Authorities in the South. For Reading, this represents approximately 0.1% of the housing stock, which is a tiny fraction of the amount required. £0.5m Grant has also been secured for social and public housing albeit there was a relatively low settlement for Reading due to a lack of match funding available.

The Local Electric Vehicle Infrastructure (LEVI) funding for public electric vehicle charging and the Boiler Upgrade Scheme which enables boilers to be replaced with heat pumps are important priorities for net zero. Public Sector Decarbonisation funding has now been withdrawn. The Council still has many buildings that need decarbonising. Currently preparing a capital bid for the Town Hall.



Risk: Strategic Risk: Failure to fulfil our obligations under the PREVENT Duty

Register:
DOR
Risk owner:
Yates, Jackie

Q2 25/26
10
Residual

Cause

The terrorist threat we are currently facing is multifaceted with a changing and diverse landscape particularly driven by social media, highlighted by the disorder after the Southport incident on 29 July 2024. Limited resources. Area for development: Partnership working.

Potential Impact

Reading suffered a terrorist attack in June 2020. Since the start of 2017, (as of April 2025) agencies and law enforcement have disrupted 39 late-stage plots and there have been 15 domestic terror attacks. These tragic attacks have caused deaths and casualties among people going about their daily lives as well as impacting on the whole community.

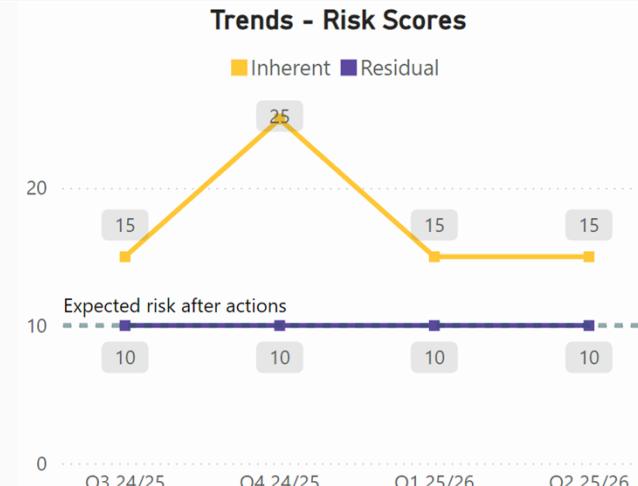
A terrorist attack in the UK by a self-initiated terrorist (S-IT) is likely and could relate either Extreme Right-Wing Terrorism or Islamist Terrorism. Low-sophistication methodologies, such as use of bladed weapons or vehicles, remain the most likely method of attack across all ideologies.

120 Risk Status

Treat the risk – Agreeing to continue to implement further controls to change the nature of the risk.

Specific Actions Required

Actions	Title	Date for completion	Status
1	Raise awareness across organisations and communities about the increasing threat from extremist and fascinat	30/03/2026	In progress
2	gination with violence influence on social media and gaming platforms	30/03/2026	In progress
3	Monitor community tensions to understand and mitigate risks to vulnerable groups and the wider community	30/03/2026	In progress
4	Promote awareness of the Prevent and Channel process to professionals, the voluntary sector and business community to safeguard young and vulnerable individuals	30/03/2026	In progress
5	Ensure the local Reading Channel Panel is an effective and knowledgeable working partnership in managing individuals referred for support	30/03/2026	In progress
6	Cases adopted by the panel are offered appropriate and targeted support on a voluntary basis	30/03/2026	In progress
	Partners deliver an annual tiered training according to role to ensure staff have the knowledge and capabilities to understand their role in identifying and supporting individuals vulnerable to radicalisation	30/03/2026	In progress



Risk Type	Risk Scores			
	Q3 24/25	Q4 24/25	Q1 25/26	Q2 25/26
Impact (Inherent)	5	5	5	5
Likelihood (Inherent)	3	5	3	3
Inherent	15	25	15	15
Impact (Residual)	5	5	5	5
Likelihood (Residual)	2	2	2	2
Residual	10	10	10	10

After all planned actions are complete it is expected that residual scores will be a likelihood of 2 and impact of 5.

Expected risk score after actions
10

Background Information

The Prevent Programme is one of 4 strands of the Government's Counter-Terrorism Strategy- Contest (the others being Pursue, Protect, Prepare) and is therefore one element of the government's approach to reduce the risk of terrorism in the area.

A Counter Terrorism South East Local Profile (CTLP) produced each March, is used to inform the local action plan and updates are reported to the Prevent Management Group Quarterly by the Counter Terrorism police team. The CTLP has highlighted the continuing risk of community tensions in the profile March 2025. Following the murders in Southport of three young girls, riots broke out first in Southport fuelled by misinformation on social media and led to violent disorder across the country. This has been linked to Extreme Right Wing (ERW) narratives. Subsequently a Prevent Learning Review (PLR) has been published relating to the perpetrator, which will lead to updates to Prevent and Channel guidance documents over 2025. Policy updates have been released through 2025 which aim to mitigate risk by reinforcing the Prevent Category of Fixation with Violence and Mass Casualty Attacks and how to manage repeat Prevent referrals. A new policy has been introduced whereby cases in overt counter terrorism investigation can be referred to Prevent.

Existing Controls

- The aim of the Prevent Duty is to safeguard people from supporting terrorism or becoming terrorists:
- The Prevent Action Plan 2025/2026 (annual plan) has been approved by the Prevent Management Group in July and will be presented to the Community Safety Partnership in September 2025. It is informed by the Counter Terrorism Local Profile and local risk assessment with actions across partners to mitigate risks identified. The plan is signed off annually by the multi-agency Prevent Management Group and Community Safety Partnership.
- There is also a statutory requirement to produce an annual training plan and community and engagement plan to build skills and knowledge and raise awareness across our community. Updated plans have been produced over August / September 2025 informed by the action plan.
- Prevent Delivery is assessed annually by the Home Office against a set of seven benchmarks and in 2025 was assessed as exceeding against all seven.
- The Home Office Prevent advisor also attends the Prevent Management Group at its quarterly meetings where quarterly updates against the action plan are presented.
- The multi-agency Channel Panel which delivers bespoke support to individuals identified as being susceptible to radicalisation is also subject to an annual assurance by the Home Office. A self- assessment was submitted in May 2024 showing all five key areas of control fully met. The 2025 assurance was postponed because of the work being done on policy and guidance in respect of Channel following Southport.
- With the rising threat of influence from extremists on-line, a key aim is to raise local awareness in the community about keeping safe on-line.
- The Council's website has dedicated pages for Prevent and on-line safety aimed at children and young people. The website is updated with any new information as required. In 2023/2024 we ran a banner campaign in playgroups which remain in place and distributed QR code stickers to schools with a link to on-line safety information on the Council's website.
- Since 2023 we have run Facebook campaigns to raise awareness
- Facebook campaigns ran targeting parents and carers with on-line safety information
- Social Media Campaign in October 2024 (Hate Crime Awareness week). Facebook: reach 2,335 Twitter Reach: 3,252 people and accompanied by residents' newsletter article and February Safer Internet Day 2025 Reach: 814

- On 20 November 2024, an on-line safety summit took place in Reading's Town Hall for young people and practitioners aimed at better understanding of what adults can do to help young people keep safe on-line. A digital goodie bag was produced for attendees including a video made by young people. In February 2025, a small group of young people taking part in work experience at the council produced a video about on-line safety. A further summit is now in planning stage for November 2026.
- From summer 2024 online safety posters have been displayed in GP surgeries and pharmacies.
- In January 2025, the Safer Reading Forum received a presentation on Prevent and the importance of on-line safety. Briefings are regularly offered for councillors and Safeguarding Leads in Schools.
- In March 2024, a new mandatory Safeguarding and Prevent course was launched for all staff to build knowledge and understanding about the Prevent Duty and spotting the signs of individuals being radicalised. The compliance rate was 85.4% in April 2025. The Prevent lead provides virtual training sessions for front line staff and councillors and briefings for businesses.
- In March 2024, a joint development day for all Channel Panel members took place for four Berkshire boroughs with a further Hydra training day will take place on 23 September 2025.
- In 2023, there was a successful joint bid to the Home Office for funding which delivered training for the voluntary sector in April/May 2023.
- A bid to provide a briefing video and resources package for the business sector has been submitted for 2024. The Home Office has provided a set of Communication assets to circulate to businesses.
- Action Counters Terrorism operational and Prevent briefing sessions take place every year for pubs and retailers delivered by the Council in partnership with Counter Terrorism Policing South East (CTPSE). Sessions took place in Oct and November 2023, July 2024, and May 2025.

Nationally, following the adoption of the On-line Safety Bill, the government commissioned a sprint review which was set out in their manifesto. This explored how we can improve responses to extremism including in the online space, to stop people being radicalised. The online space is specifically mentioned because its known encourage the spreading of extremist views, and this work has completed with actions announced by the Home Secretary in December 2024 including tackling on-line radicalisation.



Risk:

Strategic Risk: Failure to mitigate risks or manage issues, associated with health & safety, appropriately

Register:
DOR

Risk owner:
Duffield, Louise

Q2 25/26

15

Residual

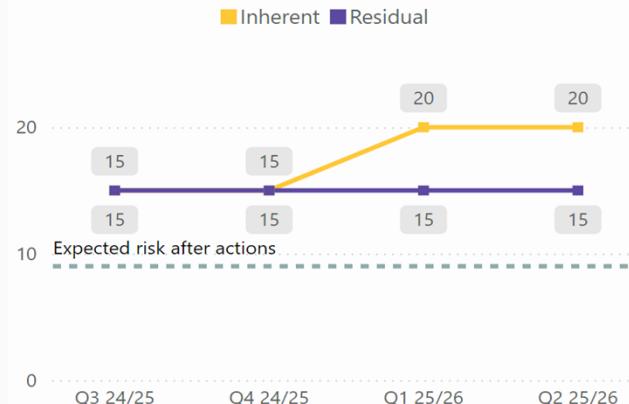
Cause

Ineffective health and safety policies, structures or culture.

Potential Impact

Risks include unsafe working practices, lack of robust processes and required procedures, inadequate reviews of Health and Safety risks to required timescales. Resulting in elevated risks of harm to staff, and civil and criminal litigation being taken against the Council.

Trends - Risk Scores



Risk Scores

Risk Type	Q3 24/25	Q4 24/25	Q1 25/26	Q2 25/26
Impact (Inherent)	5	5	5	5
Likelihood (Inherent)	3	3	4	4
Inherent	15	15	20	20
Impact (Residual)	5	5	5	5
Likelihood (Residual)	3	3	3	3
Residual	15	15	15	15

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Risk Status

Treat the risk – Agreeing to continue to implement further controls to change the nature of the risk.

After all planned actions are complete it is expected that residual scores will be a likelihood of 3 and impact of 3.

Expected risk score after actions

9

Specific Actions Required

Actions	Title	Date for completion	Status
1	Water Safety: Develop an overarching plan with partners. Focus on learning from recent incidents and working with Partners and education to increase awareness of the risk	28/11/2025	In progress
2	Health and safety controls of contractors are in place and monitored. Central list of contractors to be generated	29/09/2025	In progress
3	Internal Service Level Agreements are reviewed and updated to ensure that specifications for work are sufficiently detailed with adequate time allocated in advance of the work to be able to design safety controls.	29/09/2025	In progress
4	Compliance audits and fire risk assessments: Where actions for improvement have been identified evidence is provided to demonstrate that the action has been completed.	30/03/2026	In progress
5	Mandatory and job specific H&S training is completed	30/03/2026	In progress
6	Suitable health surveillance is undertaken with appropriate controls put in place.	30/03/2026	In progress
7	Work equipment inspection and maintenance is carried out by competent individuals	31/10/2025	In progress
8	Clarity between property teams as to their roles and areas of responsibilities – Corporate Property Services, Housing Property Services and Adult Social Care.	30/11/2025	In progress
9	Water Safety - Recommendations received from Fire Service for rescue equipment at specified locations. Action plan to be developed post Risk Assessment report received	29/09/2025	In progress
10	Water Safety - Directorates to complete actions identified in RoSPA Report	29/09/2025	In progress

Background Information

A number of health and safety incidents have occurred over the last few months (2024) that on investigation have found shortfalls in compliance. Areas of weakness were found in risk assessments, safe operating procedures, training, records and local management's monitoring of activities. One incident resulted in an intervention from the Health & Safety Executive who identified breaches in legislation including failing to plan and risk assess activities.

There has been an increase in water safety incidents involving the waterways within the Borough.

The Q2 2024/2025 Inherent score has reduced due to continued senior management focus in the area and now more established H&S Controls.

The Q1 2025/2026 Residual score has remained the same because of a number of issues which have come to light following audits and investigations.

Existing Controls

Existing controls in place:

- Priority changes are being implemented and a full review of the health and safety model across the council has been initiated.
- Health & Safety (H&S) Policy and Codes of Practice in place. 30 of 33 Codes of Practice reviewed and updated (June 2025).
- Building Compliance meetings to review process and systems. Action Plan for Housing Repairs in place and progressing (July 2025).
- Page 132
• Health and Safety Boards (Committees) at Directorate and Corporate Level meeting every quarter. Unions present. Monitoring of health and safety data occurs at these meetings.
- Corporate health and safety team in place and compliance teams within Property Services and Housing Property Services.
- SharePoint site set up to record directorate data. H&S intranet page makes all Codes of practice (COP's) available to all staff.
- New audit process and programme in place which focusses actions on higher risk service areas. Programmed Audits being completed (July 2025).
- H&S Training programmes in place across the council. (Corporate and high-risk service areas)
- Water Safety Partnership (WSP) established involving numerous various partners which meets regularly. Action Plan in place. (July 2025)
- In-depth review of health and safety policies, structures and culture across the council completed.
- Corporate Property Services undertake 'Building Compliance' Audits of corporate properties with register maintained and actions monitored.
- Automated workflows within Directorate Action Logs to ensure actions are completed. Progress monitored by Health and Safety Boards.
- Risk assessments monitored at H&S Boards (quarterly) and CMT (monthly).
- Zero Tolerance Policy is in place. Action Plan implemented. Revised banning process for the most serious offenders being developed. (July 2025)
- Core health and safety training now has a mandatory refresh every two years. Programme for next 12 months launched. (August 2025)
- SharePoint site set up for storage and tracking of risk assessments, self-audits and Directorate Health & Safety Boards Action Logs (June 2025).
- Housing H&S Action Plan agreed and being worked on. 2025



Risk: Strategic Risk: Failure to retain and recruit staff

Register:
DOR

Risk owner:
Cook, Kathryn

Q2 25/26

12

Residual

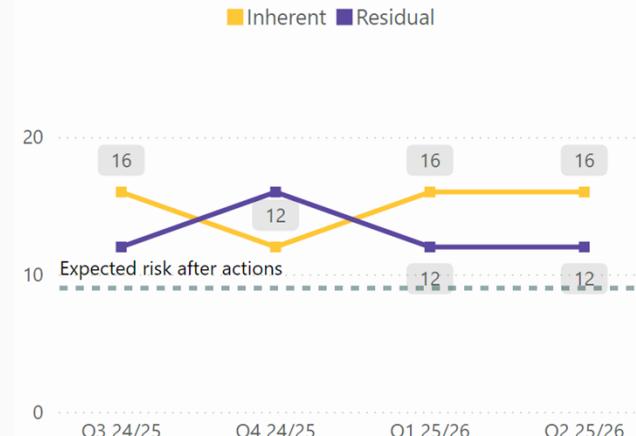
Cause

There is a national shortage of skilled staff for some areas (e.g. Social Workers, Occupational Therapists, local government lawyers and financial professionals, Planners etc). In other areas, local government salaries and the impact of the cost of living crisis may mean that the Council is not able to keep pace with salaries being offered in the private sector (e.g. Surveyors, IT professionals and Drivers) and staff may leave for higher paid jobs in other sectors.

Potential Impact

Failure to meet demand. Statutory duties not met. Negative impact on staff motivation and stress related illness.

Trends - Risk Scores



Risk Scores

Risk Type	Q3 24/25	Q4 24/25	Q1 25/26	Q2 25/26
Impact (Inherent)	4	4	4	4
Likelihood (Inherent)	4	3	4	4
Inherent	16	12	16	16
Impact (Residual)	3	4	4	4
Likelihood (Residual)	4	4	3	3
Residual	12	16	12	12

Risk Status

Treat the risk – Agreeing to continue to implement further controls to change the nature of the risk.

After all planned actions are complete it is expected that residual scores will be a likelihood of 3 and impact of 3.

Expected risk score after actions

9

Specific Actions Required

Actions	Title	Date for completion	Status
1	Further development of the Council's approach to apprenticeships including targeting some apprenticeships at care experienced people and focussing recruitment in more deprived parts of the Borough	30/03/2026	In progress
2	Developing closer links to the University in order to attract appropriate recruits, particularly in relation to hard to fill roles.	30/03/2026	In progress
3	A communications campaign to continually promote the benefits available to staff is underway (e.g. Employee Assistance Programme, benefits platform and discounts with retailers and gym memberships, lease cars scheme, pensions etc).	28/11/2025	In progress
4	Disability statement and action plan	29/09/2025	In progress
5	Anti racism statement and Action Plan launch	31/10/2025	In progress

Background Information

There is an on-going shortage of skilled staff in the employment market for some key local government professions (e.g. Social Workers, Occupational Therapists, local government lawyers and financial professionals) and therefore recruitment in these areas is difficult. We compare our data with other local authorities and national recruitment statistics. RBC has had a record number of applications in the rolling year to date. Some roles are being held vacant to assist with financial savings.

Existing Controls

Reading Borough Council

- Resourcing Team well established to ensure proactive approach and success of permanent and all other types of recruitment. Time to fill (advert to start date) has decreased to an average of 61 days (July 2025). Success rate of recruitment has increased to 83% (July 2025). Whilst fill rates are high for most jobs, there are a small number of jobs where considerable challenges recruiting have been experienced. These difficulties are experienced on a national level by most local authorities and are typically in shortage occupations such as experienced solicitors and social workers.
- Our results for 2024 were encouraging with the council receiving the second highest application numbers on record, and calendar year to date the number of job applications has increased by a further 53%. This has seen permanency rates in key hard to fill areas such as qualified social workers and solicitors increase by over 40% during the year. The Human Resources Team continue to work with services to help improve recruitment and retention.
- Page 134
Access to pool of appropriately qualified temporary staff via agency contract. The contract continues to perform well, meeting the vast majority (98% by spend) of our temporary staffing needs and kept off-contract usage to a minimum.
- Apprentice and work experience programmes provide access to a pool of younger and less experienced and skilled staff who can be internally developed to fill hard-to-recruit positions in the future. We continue to support apprenticeships for existing and new staff. The practicality of introducing an annual Apprenticeship Awards ceremony is being explored (currently anticipated to align with Apprenticeship week).
- Staff Surveys have been conducted annually since 2021 to provide insight into how staff feel about the Council as an employer and an opportunity to build on and maintain positive results and address areas for improvement. The 2024 survey ran throughout June, closing the first week of July. Questions asked were identical to previous surveys (to enable tracking of responses over time). A corporate action plan has been developed alongside action plans for each Executive Director (ED) area. Progress with implementing these actions is being monitored by Corporate Management Team (CMT). BFFC (Brighter Futures for Children) matched the RBC (Reading Borough Council) survey in December/January and now has a detailed action plan specific to the Company. Two pulse surveys were launched in 2025 to understand how staff feel about 1:1s and supervision and Bullying and Harassment. Areas that require action are now included in our staff survey action plans. We continue to communicate to all staff to let them know about the progress being made in delivering the action plans. The next all staff survey is expected to be launched in November 2025.
- The Team Reading Programme is embedded to support delivery of the People Strategy which aims to achieve a highly skilled, high performing and motivated workforce. Programme governance has changed reflecting the important role of service 'voice' in a newly constituted Team Reading Stakeholder Group. Items for decisions are remitted to the Corporate Management Team.
- Our Inclusion and Diversity Strategy and Plan was launched in January 2024. The strategy is supported by a three-year action plan with quarterly reviews with the Chief Executive. This strategy aims to ensure RBC is an employer where everyone can do their best work and can thrive. This is expected to have a positive impact on retention and on recruitment. The year two action plan is currently being delivered, which has included publication of an inclusive recruitment guide and delivery of inclusive recruitment sessions for managers.

- The latest Leadership Development Programme has now been completed. This programme is designed to ensure managers deliver high quality, inspiring leadership and role model the Team Reading Leadership Behaviours. Work will commence in Q3 to identify proposals for 2026/2027.
- Quarterly reporting of Human Resources (HR) & Organisational Development (OD) performance metrics to Corporate Management Team (CMT) and monthly to Directorate Management Teams (DMT's), to identify areas of good practice that can be shared, and areas that require improvement so that these can be addressed.
- A communications campaign to continually promote the benefits available to staff is underway (e.g. Employee Assistance Programme, benefits platform and discounts with retailers and gym memberships, lease cars scheme, pensions etc).
- The Council is part of national pay bargaining and so has limited scope to increase pay but market supplement payments can be awarded for particularly hard to fill posts which present recruitment/retention challenges. Local Government Association (LGA) negotiate on RBC behalf. This is a rolling year on year process.
- Developed an engagement framework for the council to ensure an engaged workforce - includes the development of staff groups and the staff awards. A new long service recognition event is held regularly to celebrate those with 30+ years employment with the Council.
- BFfC: A recruitment and retention proposal has been completed to convert the high number of agencies into permanent hires. June 2025
- Continued deployment of the new approach to work experience following a successful trial in 2023 - providing opportunities for school children to understand the opportunities available in local government and gain work experience. June 2025
- Reverse mentoring pilot launched in June 2025 with 5 members of the Corporate Management Team (CMT).



Risk:
Strategic Risk: Failure to safeguard vulnerable adults

Register:
DCASC

Risk owner:
Purser, Jo

Q2 25/26

12

Residual

Cause

Delay in screening safeguarding concerns and completion of Section 42 enquiries, resulting in people waiting for a significant period without appropriate risk assessment or action taken.

Potential Impact

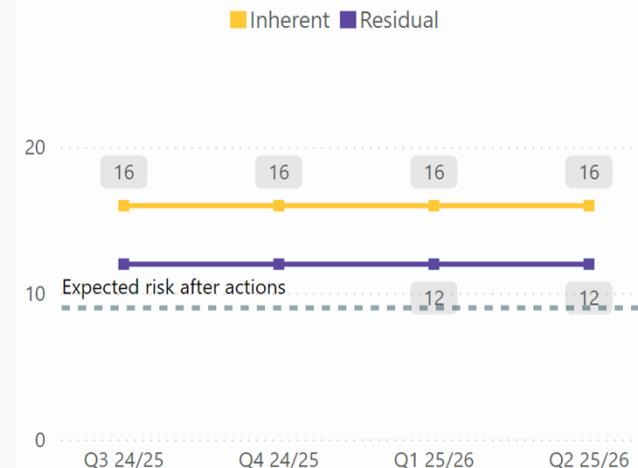
Harm, injury or death of person(s) to whom adult social care has a duty

Potential of legal claim for negligence, corporate manslaughter

Reputational damage

Media coverage

Trends - Risk Scores



Risk Scores

Risk Type	Q3 24/25	Q4 24/25	Q1 25/26	Q2 25/26
Impact (Inherent)	4	4	4	4
Likelihood (Inherent)	4	4	4	4
Inherent	16	16	16	16
Impact (Residual)	4	4	4	4
Likelihood (Residual)	3	3	3	3
Residual	12	12	12	12

Risk Status

Treat the risk – Agreeing to continue to implement further controls to change the nature of the risk.

After all planned actions are complete it is expected that residual scores will be a likelihood of 3 and impact of 3.

Expected risk score after actions

9

Specific Actions Required

Actions	Title	Date for completion	Status
1	Gather feedback from people with lived experience to ensure services are shaped to meet the needs of the community.	29/09/2025	In progress
2	Move the Safeguarding function to the Advice & Wellbeing Hub to streamline the customer journey. Stabilisation of the teams required first to enable successful transfer of 1) staff into new team and 2) people currently engaged in the safeguarding process.	29/09/2025	In progress

Background Information

Deaths and serious incidents relating to abuse or neglect are reported to the Executive Director who raises as appropriate with the Chief Executive, Lead Member and Leader. They are also reported to West Berkshire Safeguarding Adult Board (WBSAB) which Reading Borough Council is the lead agency under the requirements of the Care Act 2014. The Safeguarding Review Panel (SAR Review Panel) which is a subcommittee of the Board considers all such cases in order to determine where a Safeguarding Adult Review (SAR) is required and reports its findings to the Board. All agencies represented on the Board have a duty of co-operation under the Care Act to cooperate with any such review and to consider and act on the learning from reviews to improve practice and take mitigating action to ensure such failures to safeguard are reduced and lessons are learnt.

Safeguarding Adults Review's are published by the Board and reported onto the Care Quality Commission (CQC) who regulate Adult Social Care Statutory (ASC) Services whether provided directly by the Council or commissioned from external agencies.

This card was separated from a joint Risk Card with Children's Safeguarding in June 2024 to provider greater accuracy about each services ability to manage the risk.

The risk of likelihood has reduced due to concerns raised being screened within 48 hours, this enables immediate actions to be taken where necessary and make enquiries to identify risks and consider safety measures. August 2024.

Existing Controls

- All Directorate staff and relevant other Officers receive mandatory training to assess safeguarding risks. Staff and Managers have regular refresher training which is mandatory and these are reported on completion to the 'Workforce Board' and Directorate Leadership Team (DLT) on a quarterly basis. Due to staff turnover and the frequency of staff refresher training, employees are continually required to update their knowledge.
- Supervision policy has been improved to ensure that staff receive 1-1 supervision from their managers where safeguarding is discussed and practice support is available. Ongoing support is provided through the Safeguarding Adults Team.
- Open safeguarding episodes are reviewed and reported weekly to the Executive Director and monthly through Working with People Board, Managers in the teams have oversight and support from senior managers.
- RBC follows the local policies and procedures, as set out by West Berkshire Safeguarding Adults Board (WBSAB).
- All referrals received are screened, risk assessed and prioritisation decisions made. Process for this is well embedded.
- All learning from Safeguarding Adults Reviews (SAR's) is used to improve practice across Adult Social Care and multi-agency partners. As new reviews / cases occur the Principal Social Worker (PSW's) is responsible for implementing appropriate processes and sharing information across the service.
- Inspection findings from the Care Quality Commission (CQC) are acted on in services provided directly by the Council or by external Providers where services are commissioned and/or supported. Procedures and staffing are in place to manage situations as they arise. Monitoring of providers occurs through Commissioning arrangements, to ensure that identified improvements occur.
- Directorate of Communities and Adult Social Care (DCASC) provides safeguarding and quality oversight of care settings and where Serious Concerns (SC) are identified. Providers are held to account for improvements required and quality assures care quality through the contractual relationships which are commissioned. Process in place.
- Head of Strategic Safeguarding, Strategy and Improvement recruited to and commenced in role in June 2025.
- Pan Berkshire Policies and Procedures agreed and in place

- Effective relationships embedded with key partners and forums
- Management and supervision of staff in place across the service.
- Berkshire West Safeguarding Board in place
- Quality Assurance Framework in place
- Established and recruited to a Permanent Strategic Safeguarding Lead, recruitment process.



Risk:
Strategic Risk: Information Governance - Failure to protect personal data

Register:
DOR

Risk owner:
Graham, Michael (AD Legal & Dem)

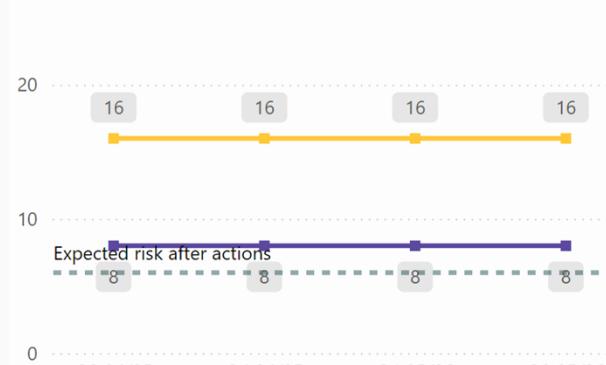
Q2 25/26

8
Residual

Cause
User error, lack of policy guidance and procedures, failure of system reminders, staff workloads resulting in insufficient care and attention to detail.

Potential Impact
Fines/penalties, reputational damage and service failure. Wasted time and cost involved in responding to service failure.

Trends - Risk Scores



	Q3 24/25	Q4 24/25	Q1 25/26	Q2 25/26
Inherent	16	16	16	16
Residual	8	8	8	8
Expected risk after actions	8	8	8	8

Risk Scores

Risk Type	Q3 24/25	Q4 24/25	Q1 25/26	Q2 25/26
Impact (Inherent)	4	4	4	4
Likelihood (Inherent)	4	4	4	4
Inherent	16	16	16	16
Impact (Residual)	4	4	4	4
Likelihood (Residual)	2	2	2	2
Residual	8	8	8	8

Risk Status

Treat the risk – Agreeing to continue to implement further controls to change the nature of the risk.

After all planned actions are complete it is expected that residual scores will be a likelihood of 2 and impact of 3.

6
Expected risk score after actions

Specific Actions Required

Actions	Title	Date for completion	Status
1	Information Sharing Protocols to be reviewed by Information Governance Champions Network (IGCN)	29/09/2025	In progress
2	Records of Processing Activities (ROPA) being further developed by Data Protection Officer and will help to identify Information Asset Owners within Services.	29/09/2025	In progress
3	Cascade of compliance requirements now through the Information Governance Champions Network (IGCN). This is being rolled out from Autumn 2022. Now underway in the Directorate of Adult Care and Health Services (DACHS) and Brighter Futures for Children	29/09/2025	In progress
4	Roll out of annual refresher training for Information Governance	29/09/2025	In progress

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28

Background Information

Information governance is an important issue for the Council as information is a corporate resource and is essential for the delivery of services to residents. The Council has duties to manage information properly, under the General Data Protection Regulations (GDPR). In addition, in order to make best use of the information, it should be organised in a way that allows Services to derive maximum benefit from it.

Existing Controls

- Information Governance Board (IGB) set up to oversee delivery of Information Management Strategy and compliance.
- Information Management Strategy agreed at Policy Committee on 7th March 2022.
- Corporate training programme for data protection, raising awareness with staff groups of the need to handle personal data securely and properly. Data Protection Training is mandatory for all staff.
- Oversight from the Audit and Governance Committee on a regular basis.
- Face to Face Data Protection refresher training is available for staff as and when needed.
- Subject Access Request policy and Breach Management policy reviewed by Information Governance Board. Further training to be delivered to staff.
- Privacy Notices are being updated for each service area and made available to service users. This is kept under review in Information Governance Champions Network (IGCN).
- Information Sharing Protocols have been centralised and will be reviewed by IGCN.
- The Council now has retention schedules for each directorate. All retention schedules have been updated and will be reviewed through ongoing IGCN programme to ensure they are being actioned. Further work through the IGCN will ensure that the schedules are given greater visibility and to assess level of compliance.
- New Information Governance and Cyber Security modules have been rolled out as mandatory training. Uptake is subject to monitoring at Information Governance Board.
- Corporate Management Team (CMT) have confirmed a corporate approach to mandatory training which includes Data Protection and Information Governance (January 2024).
- Review of Breach Management Policy commissioned in relation to external suppliers of software systems.



Risk:

Strategic Risk: Risk to adherence to Care Act Statutory duties as residents are waiting in Adult Social Care

Register:
DCASC

Risk owner:
Mehmi, Sunny

Q2 25/26

16

Residual

Cause

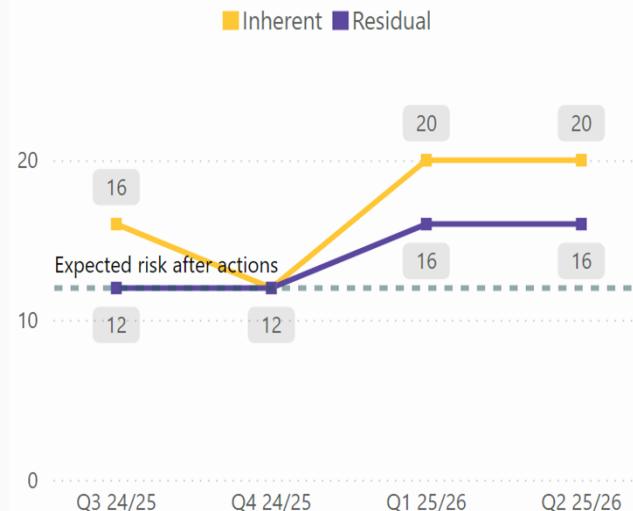
Increased demand which outstrips staff capacity. Lack of capacity in the various teams to meet the complexity of demand

Potential Impact

Risk of death, harm or injury to vulnerable persons for whom we have a statutory responsibility

Breach to meeting statutory obligations as defined by the Care Act 2014

Trends - Risk Scores



Risk Scores

Risk Type	Q3	Q4	Q1	Q2
	24/25	24/25	25/26	25/26
Impact (Inherent)	4	4	4	4
Likelihood (Inherent)	4	3	5	5
Inherent	16	12	20	20
Impact (Residual)	4	4	4	4
Likelihood (Residual)	3	3	4	4
Residual	12	12	16	16

Risk Status

Treat the risk – Agreeing to continue to implement further controls to change the nature of the risk.

After all planned actions are complete it is expected that residual scores will be a likelihood of 3 and impact of 4.

Expected risk score after actions

12

Specific Actions Required

Actions	Title	Date for completion	Status
1	Deep Dive into the Social Care AWB (Advice Well Being) processes and forms to determine effectiveness	29/09/2025	In progress

Background Information

The waiting times for people who draw on care and support waiting for an assessment or review of their social care needs continues to be high as demand for interventions outstrips staff capacity across the various teams.

Post-COVID all teams are seeing significant demand and additional complexity. Pre-COVID as we operate our strengths-based model many cases could have been brought to a resolution after 2-3 visits with the person; however, this is more likely to be 4-6 visits now and practitioners are needing to undertake more joint working with the National Health Service (NHS) and other partners. Teams have reported that more court work is required which involves lengthy Mental Capacity Assessments, Court of Protection applications and Safeguarding Enquiries.

Data is collected weekly by the Performance Team via a new PowerBI dashboard has been developed to allow managers to analysis their individual waiting lists and target the longest waits.

This data is also reviewed at the Working for People Board and the Directorate Leadership Board which is where we oversee the impact of the mitigations, we are deploying to address the waiting times.

Q1 2025/26 - Demand and resources remain ongoing issues as part of the councils financial position. Demand continues to outstrip capacity with the service seeing as many as 20 referrals per day, as a result the risk rating has increased. We are now undertaking a deep dive to review the internal processes and referral pathways.

~~Further demand anticipated with the loss of NRS Equipment contract, this in turn will increase referrals as less trusted assessors for less complex equipment.~~

~~The RAG rating processes have been reviewed and refreshed and the Red RAG cases can now be tracked on PowerBI and actioned.~~

Existing Controls

Mitigation controls that have been put in place so far include:

- Increased Governance and oversight of waits at CMT, the Directorate Leadership Team & performance Board and Team managers are monitoring the waiting times within their teams. December 2024
- Adult Social Care have developed and implemented a BRAG (Black/Red/Amber/Green) rating system including an overarching 'Waiting Well' Policy that provides guidance for cases that are awaiting allocation to a worker. All residents are being triaged to assess levels of Risk to support this rating system. October 2024
- Risk Matrix tool set up. November 2024
- Additional resources (both short term and permanent) have been agreed and deployed across the service to address the waiting times
- Deep Dive into the internal processes and referral pathways. Ongoing.
- This targeted approach has demonstrated great progress in both safeguarding and the Hub who have noted reductions in waits and improved adherence to target timeframes for targeted interventions for our Residents.
- New PowerBI system developed and rolled out

- Reviewed capacity across the service to ensure staff are deployed in the correct teams to meet need - Directorate Leadership Team (DMT). October 2024
- All residents referred into Adult Social Care will be risk assessed to ensure those who are RAG rated red/urgent will be triaged within 24 hours
- The RAG rating processes have been reviewed and refreshed and the Red RAG cases can now be tracked on PowerBI and actioned.
- Medium Term Financial Strategy (MTFS) submission for additional resources submitted for 2025/26. October 2024
- Ongoing development work on Advice and Well Being Hub, Digital Front Door and Voluntary and Community Sector Front Door to manage future demand
- Q1 25/26 - Number of referrals continues to increase on both the Social Care and Occupational Therapy (OT) pathways, with demand outstripping capacity. The wait times for OT pathway sits at approximately 500 workflows. Staff absences add to the capacity issues.
- 'NRS Equipment' closed at the end of July 2025, this may increase the referrals into the OT service. Generally, the demand remains high in August 2025.
- Reviewed MOSAIC pathways to ensure alignment with practice and facilitates robust business intelligence and performance information i.e. PowerBI. July 2025



Risk:

Strategic Risk: Unable to deliver a balanced budget as a result of demand pressures and achieving income targets.

Register:
DOR

Risk owner:
Carter, Darren

Q2 25/26
20
Residual

Cause

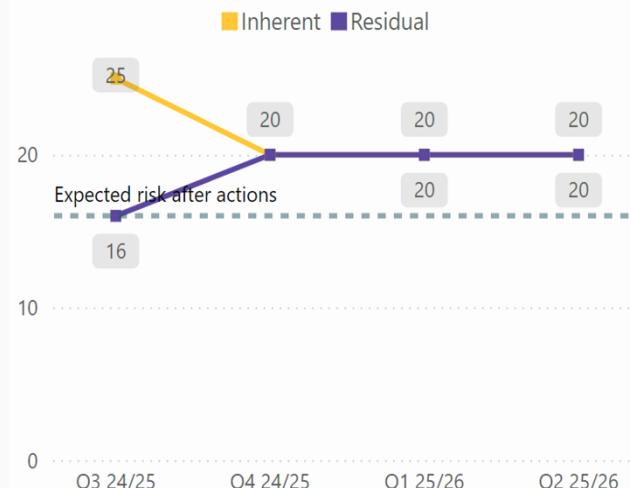
Demand pressures in social care and homelessness and increasing complexity of need, combined with uncertainty about future funding.

Potential Impact

The unplanned overspend in 2024/25 was funded through a drawdown from reserves, with a further drawdown required to balance the 2025/26 budget. Work is now underway to close the forecast budget gap for 2026/27. The continued use of reserves in this way is not sustainable.

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Trends - Risk Scores



Risk Scores

Risk Type	Q3 24/25	Q4 24/25	Q1 25/26	Q2 25/26
Impact (Inherent)	5	5	5	5
Likelihood (Inherent)	5	4	4	4
Inherent	25	20	20	20
Impact (Residual)	4	5	5	5
Likelihood (Residual)	4	4	4	4
Residual	16	20	20	20

Risk Status

Treat the risk – Agreeing to continue to implement further controls to change the nature of the risk.

After all planned actions are complete it is expected that residual scores will be a likelihood of 4 and impact of 4.

Expected risk score after actions

16

Specific Actions Required

Actions	Title	Date for completion	Status
1	Business case submissions are due to be presented to CMT for review and challenge in mid August, with any follow up actions required to be completed in September ahead of budget challenge sessions with Lead Members in early October 2025	31/10/2025	In progress

Background Information

The 2024/2025 Quarter 4 Performance & Monitoring Report is an adverse net variance of £9.305m which is an improvement of £1.313m from Quarter 3. The 2025/2026 Quarter 1 forecast is an adverse variance of £4.180m.

The budget report presented to Policy Committee and Council in February 2025 included a budget gap for 2025/2026 of £2.7m that is being funded from earmarked reserves, with a forecast budget gap of £10.9m in 2026/2027.

Following the publication of the Comprehensive Spending Review and the consultation document Fair Funding 2.0, the current estimated budget gap is now £7m, which is an improvement on the previous forecast but work remains to identify sustainable savings proposal to close the gap. All directorates have been working on proposals to close this budget gap as part of the 2026/2027 business case submission process. These business cases are due to be reviewed and challenged by Corporate Management Team (CMT) in mid-August, with any required follow up actions to be completed by late September ahead of budget challenge sessions with Lead members in early October 2025.

Existing Controls

- Controls include regular reporting to CMT and DMT's, plus quarterly reporting to Policy Committee.

Audit and Governance Committee

25 September 2025



Reading
Borough Council
Working better with you

Title	Treasury Management Review Quarter 1 2025/26
Purpose of the report	To note the report for information
Report status	Public report
Executive Director/ Statutory Officer Commissioning Report	Darren Carter, Director of Finance
Report author	Stuart Donnelly, Financial Planning & Strategy Manager
Lead Councillor	Councillor Emberson, Lead Councillor for Corporate Services and Resources
Corporate priority	Not applicable, but still requires a decision
Recommendations	1. That the Committee notes the content of the Treasury Management Review Quarter 1 report for 2025/26.

1. Executive Summary

- 1.1. The Council adopted a Treasury Management Strategy and an Annual Investment Strategy for 2025/26 at its meeting on 25th February 2025.
- 1.2. The purpose of this report is to update Members on the activity of the Treasury Management function during the first quarter of 2025/26 for the period 1st April 2025 to 30th June 2025.
- 1.3. The Bank of England cut its base interest rate from 4.50% to 4.25% on 8th May 2025. This rate was maintained at the Monetary Policy Committee (MPC) meeting on 19th June 2025. Outside of this reporting period, bank rate was cut further to 4.00% on 7th August 2025. The next projected cut to bank rate of 0.25% is forecast to occur in February 2026.
- 1.4. The Council remains significantly under borrowed against its Capital Financing Requirement and is continuing to follow the approved borrowing strategy of deferring any potential long-term borrowing whilst interest rates remain at current levels and is instead utilising short or temporary borrowing from the local authority market as required. No long-term loans (those over one year in duration) have been taken out during the year to date.
- 1.5. The Council is currently forecasting a positive variance of £0.262m on investment income for the year. Additionally, there is a forecast positive variance of £0.093m on interest payable. These variances were reported to Policy Committee on 17th September 2025 as part of the [2025/26 Quarter 1 Performance and Monitoring Report](#).
- 1.6. The Council's Borrowing and Investment portfolios are attached as appendices 2 and 3 to the report.
- 1.7. The Council continues to operate within all of its treasury indicators, and none have been breached during the year to date.

2. Policy Context

- 2.1. The CIPFA (Chartered Institute of Public Finance and Accountancy) Code of Practice for Treasury Management 2021 recommends that members be updated on treasury management activities at least quarterly.
- 2.2. This report facilitates that process providing details of the Council's treasury management activity for the first quarter of 2025/26.

3. Interest Rates

Monetary Policy Committee (MPC) Meetings

- 3.1. The Bank of England's Monetary Policy Committee (MPC) voted to reduce the Bank Rate by 25 Basis Points (bps) to 4.25% on 8th May 2025. This rate was maintained at the MPC meeting on 19th June 2025. Outside of this reporting period, bank rate was cut further to 4.00% on 7th August 2025.

Interest Rate Forecast

- 3.2. The Council has appointed MUFG Corporate Markets as its treasury management advisors and part of their service is to assist the Council to formulate a view on interest rate forecasts, which are set out in Table 1. The Public Works Loan Board (PWLB) rate forecasts are based on the Certainty Rate (the standard rate minus 20 bps) which has been accessible to most authorities since 1st November 2012.
- 3.3. The latest interest rate forecast, received on 11th August 2025, sets out a view that although short term rates are expected to reduce slightly faster and further than previously expected, medium and long-dated interest rates will be at higher levels and will reduce at a much slower pace. The next rate cut is currently forecast for February 2026

Table 1. Interest Rate Forecasts

MUFG Corporate Markets Interest Rate View 11.08.25														
	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27	Jun-27	Sep-27	Dec-27	Mar-28	Jun-28	Sep-28	
BANK RATE	4.00	4.00	3.75	3.75	3.50	3.50	3.50	3.50	3.25	3.25	3.25	3.25	3.25	3.25
3 month ave earnings	4.00	4.00	3.80	3.80	3.50	3.50	3.50	3.50	3.30	3.30	3.30	3.30	3.30	3.30
6 month ave earnings	4.00	3.90	3.70	3.70	3.50	3.50	3.50	3.50	3.30	3.30	3.40	3.40	3.40	3.40
12 month ave earnings	4.00	3.90	3.70	3.70	3.50	3.50	3.50	3.50	3.30	3.40	3.50	3.60	3.60	3.60
5 yr PWLB	4.80	4.70	4.50	4.40	4.30	4.30	4.30	4.20	4.20	4.20	4.20	4.10	4.10	4.10
10 yr PWLB	5.30	5.20	5.00	4.90	4.80	4.80	4.80	4.70	4.70	4.70	4.70	4.60	4.60	4.60
25 yr PWLB	6.10	5.90	5.70	5.70	5.50	5.50	5.50	5.40	5.40	5.30	5.30	5.30	5.30	5.20
50 yr PWLB	5.80	5.60	5.40	5.40	5.30	5.30	5.30	5.20	5.20	5.10	5.10	5.00	5.00	5.00

4. Treasury Management Strategy Statement and Annual Investment Strategy Update

- 4.1. The Treasury Management Strategy Statement (TMSS) for 2025/26 was approved by Council on 25th February 2025.
- 4.2. There are no policy changes proposed to the TMSS for 2025/26. This report sets out the Council's position compared to the TMSS considering budgetary changes already approved and revised in-year forecasts of capital expenditure.

5. The Council's Capital Position (Prudential Indicators)

Prudential Indicators for Capital Expenditure

5.1. The Council is required to ensure that all its capital expenditure, investments and borrowing decisions are prudent and sustainable. The prudential indicators for capital expenditure set out whether the Council is delivering within its approved budgets.

5.2. Tables 2 and 3 below show the Council's forecast capital expenditure compared to the Capital Programme agreed in February 2025 (Original Budget) and the Capital Programme as at Quarter 1 (Revised Budget) as approved by Policy Committee as part of the 2025/26 Quarter 1 Performance and Monitoring Report in September 2025.

5.3. The indicators show that the Council is forecasting a positive net variance against the approved Capital Programme budget of £0.168m for the General Fund.

Table 2. General Fund Capital Programme

General Fund	2025/26 Original Budget	2025/26 Revised Budget (Q1)	2025/26 Full Year Forecast (Q1)	Projected Variance
	£m	£m	£m	£m
Communities & Adult Social Care	8.876	9.875	9.875	0.000
Economic Growth & Neighbourhood Services	41.162	50.360	50.360	0.000
Economic Growth & Neighbourhood Services – Education Schemes	10.139	17.191	17.191	0.000
Resources	3.028	3.569	3.569	0.000
Corporate	3.623	5.505	5.337	(0.168)
Total General Fund	66.828	86.500	86.332	(0.168)

5.4. The indicators show that the Council is forecasting to spend to budget against the approved HRA Capital Programme budget of £80.933m.

Table 3. HRA Capital Programme

Housing Revenue Account	2025/26 Original Budget	2025/26 Revised Budget (Q1)	2025/26 Full Year Forecast (Q1)	Projected Variance
	£m	£m	£m	£m
Housing Revenue Account	90.143	80.933	80.933	0.000
Total Housing Revenue Account	90.143	80.933	80.933	0.000

5.5. Further details on significant variances on individual capital schemes are reported to Policy Committee as part of the Quarterly Performance and Monitoring Reports.

Changes to the Financing of the Capital Programme

5.6. Tables 4 and 5 below identify the expected financing arrangements of the Council's capital expenditure plans. The Borrowing Requirement increases the underlying indebtedness of the Council by increasing the Capital Financing Requirement (CFR), although this will be reduced in part by revenue contributions for the repayment of debt (the Minimum Revenue Provision).

Table 4. Financing of the General Fund Capital Programme

General Fund	2025/26 Original Budget	2025/26 Revised Budget (Q1)	2025/26 Full Year Forecast (Q1)
	£m	£m	£m
Total Capital Expenditure	66.828	86.500	86.332
Financed by:			
Capital Receipts	3.693	5.736	5.568
Capital Grants and other Contributions	45.076	61.578	61.578
Direct Revenue Financing	0.000	0.120	0.120
Total Financing (excluding Borrowing)	48.769	67.434	67.266
Net Borrowing Requirement	18.059	19.066	19.066

Table 5. Financing of the HRA Capital Programme

Housing Revenue Account	2025/26 Original Budget	2025/26 Revised Budget (Q1)	2025/26 Full Year Forecast (Q1)
	£m	£m	£m
Total Capital Expenditure	90.143	80.933	80.933
Financed by:			
Capital Receipts	2.849	2.715	2.715
Capital Grants and other Contributions	14.401	16.558	16.558
Capital Reserves	21.730	13.820	13.820
Direct Revenue Financing	0.000	0.027	0.027
Total Financing (excluding Borrowing)	39.980	33.120	33.120
Net Borrowing Requirement	51.163	47.813	47.813

Changes to the Prudential Indicators for the Capital Financing Requirement (CFR), External Debt and the Operational Boundary

5.7. Table 6 shows the Council's Operational Boundary and Authorised Limit as approved by Council on 25th February 2025. These prudential indicators cannot be amended without approval from full Council.

Table 6. Operational Boundary & Authorised Limit

	£m
Operational Boundary (approved 25th February 2025)	689.107
Capital Financing Requirement Forecast (as at 30th June 2025)	670.473
Authorised Limit (approved 25th February 2025)	729.107
Actual Borrowing (as at 30th June 2025)	479.704

5.8. Table 7 shows the Council's CFR, which is its total underlying indebtedness. Whilst the CFR forecast has marginally increased from £669.107m to £670.473m, due to the revised expenditure and financing forecasts, it remains significantly below the Operational Boundary set by Council in February 2025, therefore, there is no requirement to seek approval to amend the Operational Boundary indicator.

Table 7. Capital Financing Requirement and Actual Borrowing

	2025/26 Original Estimate	2025/26 Forecast (Q1)	2025/26 Actual Position (Q1)
	£m	£m	£m
Borrowing	540.222	523.500	460.500
Other Long-Term Liabilities	19.204	19.204	19.204
Total Debt	559.426	542.704	479.704
CFR – General Fund	403.015	402.294	402.294
CFR - HRA	266.092	268.179	268.179
CFR - Total	669.107	670.473	670.473
Over/(under) Borrowing	(109.681)	(127.769)	(190.769)

5.9. The Council's current level of external debt, including borrowing and other long-term liabilities, (as at 30th June 2025) is £479.704m, as set out in Table 7 above. The Council is therefore significantly underborrowed compared to the CFR and is operating significantly within its Operational Boundary.

Limits to Borrowing Activity

5.10. Over the medium term, net borrowing (borrowings less investments) should only be for capital purposes. Gross external borrowing should not, except in the short term, exceed the total of the Council's CFR in the preceding year plus the estimates of any additional CFR for 2025/26 and next two financial years. This allows some flexibility for limited early borrowing for future years. The Council has approved a policy within the TMSS for borrowing in advance of need which will be adhered to if this proves prudent.

5.11. The Authorised Borrowing Limit is the expected maximum borrowing need with some headroom for unexpected movements. This is a statutory limit determined under section 3 (1) of the Local Government Act 2003 and sets the limit beyond which borrowing is prohibited without Member approval. It reflects the level of borrowing which, while not desired, could be afforded in the short term, but is not sustainable in the longer term. Table 6 above sets out the Authorised Limit. The current level of external debt of £479.704m (as of 30th June 2025) is significantly below the Authorised Limit.

6. Borrowing

6.1. The Council's estimated Capital Financing Requirement (CFR) for 2025/26 as at 30th June 2025 is £670.473m. If the CFR is positive the Council may borrow from the PWLB or the market (external borrowing) or from internal balances on a temporary basis (internal borrowing) to fund capital expenditure. The balance of external and internal borrowing is generally driven by market conditions.

6.2. Table 7 above shows that the Council has external borrowing (including prior year borrowing) of £460.500m and has utilised £190.769m of cash flow funds in lieu of borrowing. This is a prudent and cost-effective approach in the current economic climate but will require ongoing monitoring in respect of the Council's cashflow requirements, long-term borrowing requirement and interest rate increases.

6.3. Due to the overall cashflow position and the underlying need to borrow for capital purposes (the Capital Financing Requirement), new external short-term borrowing totalled £115.000m over the quarter at an average rate of 4.448%. In the main these were taken to replace maturities of existing short-term loans. Loans totalling £117.500m were repaid in the during this period, and at the end of the quarter the Council's net position of new loans taken was £2.500m. Outside of the reporting period, new loans were taken totalling £55.000m at an average rate of 4.064%

6.4. The Council will have a need to borrow further during Quarter 2 of 2025/26 as cash balances are forecast to reduce in the second half of the year. This is primarily because of the repayment of short-term loans and the expected lower revenue in the latter part of the year. However, the current expectation is that this would be met by temporary or short-term borrowing. If any required borrowing cannot be sourced from the local authority market during the period, then the Council could borrow from the PWLB (minimum of 12 months).

6.5. The Council's Borrowing Portfolio is set out at Appendix 2.

7. Debt Rescheduling

7.1. No debt rescheduling (restructuring the terms of any existing loans) took place during Quarter 1 of 2025/26.

8. Compliance with Treasury and Prudential Limits

8.1. During the quarter ended 30th June 2025, the Council has operated within the treasury and prudential indicators set out in the Council's Treasury Management Strategy Statement for 2025/26. The Director of Finance reports that no difficulties are envisaged for the current or future years in complying with these indicators.

8.2. All treasury management operations have also been conducted in full compliance with the Council's Treasury Management Practices.

9. Annual Investment Strategy

9.1. The Treasury Management Strategy Statement (TMSS) for 2025/26, which includes the Annual Investment Strategy, was approved by Council on 25th February 2025. In accordance with the CIPFA Treasury Management Code of Practice, it sets out the Council's investment priorities as being:

- Security of capital.
- Liquidity.
- Yield.

9.2. The Council will aim to achieve the optimum return (yield) on its investments commensurate with proper levels of security and liquidity, aligned with the Council's risk appetite. In the current economic climate, over and above keeping investments short-term to cover cash flow needs, there is a benefit to seek out value available in periods up to 12 months with high credit rated financial institutions, using the MUFG Corporate Markets suggested creditworthiness approach, including a minimum sovereign credit rating and Credit Default Swap (CDS) overlay information.

Creditworthiness

9.3. There have been few changes to credit ratings over the quarter under review. However, officers continue to closely monitor these, and other measures of creditworthiness to ensure that only appropriate counterparties are considered for investment purposes.

Investment Counterparty Criteria

9.4. The current investment counterparty criteria selection approved in the TMSS is meeting the requirement of the treasury management function.

Investment Balances

9.5. The average level of funds available for investment purposes during the year to 30th June 2025 was £51.321m. These funds were available on a temporary basis, and the level of funds available was mainly dependent on the timing of precept payments, receipt of grants and Capital Programme expenditure. These funds have earned an average rate of 4.37%. The comparable performance indicator is the 7 days backward looking Sterling Overnight Index Average (SONIA) uncompounded rate, which was 4.309%.

9.6. The current level of treasury investments as of 30th June 2025 total £39.806m and are detailed in Appendix 3.

9.7. The Council also has £15.000m invested in the CCLA Property Fund which is a long-term investment and has received an income of £0.180m over the three-month period to 30th June 2025. The total income return on the fund is 4.81%.

9.8. The Council's budgeted General Fund investment return for 2025/26 was £1.466m; the forecast General Fund interest received from investments as of 30th June 2025 was £1.728m, a £0.262m positive variance compared to budget. This budget includes interest in respect of the loans to the Council's wholly owned companies, which are non-treasury investments and are therefore shown separately throughout this report.

9.9. The position on interest income must be compared with external interest costs payable. The forecast external interest costs as of 30th June 2025 are £8.789m against a budget of £8.882m; a £0.093m positive variance against the General Fund budget. The net General Fund position on interest receivable/payable is therefore a net positive variance of £0.355m. These variances were reported to Policy Committee on 17th September 2025 as part of the [2025/26 Quarter 1 Performance and Monitoring Report](#).

Approved Limits

9.10. Officers can confirm that the approved limits within the Annual Investment Strategy were not breached during the quarter ended 30th June 2025.

9.11. There is no policy changes required to the TMSS. This report sets out the Council's position compared to the TMSS considering the updated economic position, budgetary changes already approved and revised in-year forecasts of capital expenditure.

9.12. A full list of investments held as of 30th June 2025 is set out in Appendix 3.

10. Contribution to Strategic Aims

10.1. Full details of the Council's Corporate Plan and the projects which will deliver these priorities are published on the [Council's website](#). These priorities and the Corporate Plan demonstrate how the Council meets its legal obligation to be efficient, effective, and economical.

10.2. Delivery of the Council's budget is essential to ensuring the Council meets its strategic aims and remains financially sustainable going forward.

11. Environmental and Climate Implications

11.1. The Council's Treasury Management Strategy sets out that the Council will not knowingly invest directly in businesses whose activities and practices pose a risk of serious harm to individuals or groups, or whose activities are inconsistent with the Council's Corporate Plan and values. This would include institutions with material links to:

- human rights abuse (e.g. child labour, political oppression);
- environmentally harmful activities (e.g. pollution, destruction of habitat, fossil fuels);
- socially harmful activities (e.g. tobacco, gambling).

11.2. As part of the review carried out in 2022/23 and approved as part of the Annual Investment Strategy for 2025/26, the Council will only invest in countries deemed as "Free" as per the Freedom House Global Freedom rating system.

11.3. The Council has provided loans totalling £1.712m to Reading Transport Limited to specifically fund improvements to their existing fleet of buses in respect of hybrid fuel conversions which produce lower emissions.

12. Community Engagement

12.1. Budget-related communications and consultations will continue to be a priority over the next three years as we work to identify savings.

13. Equality Implications

13.1. None have been identified as arising directly from this report.

14. Other Relevant Considerations

14.1. There are none.

15. Legal Implications

15.1. None have been identified as arising directly from this report.

16. Financial Implications

16.1. The financial implications are set out in the body of the report.

17. Timetable for Implementation

17.1. Not applicable.

18. Background Papers

18.1. There are none.

Appendices

- 1. MUFG Corporate Markets Economics Update**
- 2. Borrowing Portfolio as at 30th June 2025**
- 3. Investment Portfolio as at 30th June 2025**
- 4. Approved Countries for Investments as at 30th June 2025**

Appendix 1 – MUFG Corporate Markets Economics Update

1. The first quarter of 2025/26 (1st April 2025 to 30th June 2025) saw:
 - A 0.3% month on month (m/m) fall in Gross Domestic Product in April 2025 – the first fall since October 2024.
 - The 3 month year on year (3myy) rate of average earnings growth excluding bonuses fall from 5.5% to 5.2% in May 2025.
 - Core Consumer Price Index (CPI) inflation dropped from 3.5% in April 2025, to 3.4% in June 2025 before rising to 3.6% in June 2025.
 - The Bank of England cut interest rates from 4.50% to 4.25% in May 2025, holding them steady in June 2025.
2. The 0.3% m/m fall in GDP in April 2025 was the first fall since October 2024 and the largest fall since October 2023. This is a significant shift from the 0.7% quarter on quarter (q/q) rise in the (calendar year) Quarter 1 of 2025, probably as a result of the boosts from net exports and business investment unwinding. The decline in exports was mostly due to a reversal of US tariff front-running with export values to the US falling by 31% m/m after rising 34% in total in the five months to February 2025. April's GDP figures also showed manufacturing output falling by 0.9% m/m along with the domestic economy showing signs of weakness. Despite construction output growing by 0.9% m/m, services output declined by 0.4% m/m. This weakness in services likely reflects higher labour costs from April's rise in National Insurance Contributions for employers.
3. The sharp 2.7% m/m drop back in retail sales volumes in May 2025 adds to other evidence that the burst of economic growth in (calendar year) Quarter 1 is over. The weakness was widespread with sales falling in all seven of the major categories. This decline was partly due to the unwinding of the previous boost from April's unusually warm and dry weather along with inflationary pressures prompting consumers to cut back. The latter would be a more persistent drag on retail spending.
4. The weakening in the jobs market is gathering pace. May's 109,000 m/m fall in the PAYE measure of employment was the largest decline (barring the Covid-19 pandemic) since the data began and the seventh in as many months. The monthly change was revised lower in five of the previous seven months too, with April's 33,000 fall revised down to a 55,000 drop. Overall, the payroll measure of employment has now fallen by 276,000 since the announcement of the rise in payroll taxes and the minimum wage in the October Budget. The job vacancies data also portrays a rapidly weakening labour market. The number of job vacancies is now falling a bit faster, dropping from 760,000 in the three months to April to 736,000 in May. Capital Economics' seasonally adjusted measure of single-month vacancies declined sharply from 763,000 in April to 713,000 in May.
5. A looser labour market is driving softer wage pressures. The 3myy rate of average earnings growth excluding bonuses fell from 5.5% to 5.2% in May. The rate for the private sector slipped from 5.5% to 5.1%, putting it on track to undershoot the Bank of England's (calendar year) Quarter 2 forecast of 5.2%. And after rising in April as the 6.7% rise in the minimum wage took effect, the timelier PAYE median earnings measure fell back from 6.2% y/y in April to 5.8% in May. Softer wage growth is feeding through to lower services inflation, pointing to a slowdown from 4.7% in May to around 3.0% by the end of the year.
6. CPI inflation fell slightly from 3.5% in April to 3.4% in May, before rising to 3.6% in June 2025. Services inflation is expected to continue to fall as wage growth slows, supporting a view that CPI inflation will fall close to 2.0% by the start of 2027. An upside risk, however, in the near term is that higher oil/gas and food prices could trigger another bout of second-round effects on wages and inflation expectations, meaning CPI inflation stays above 3.0% for longer and causes the Bank to shift to an even slower rate cutting path. CPI is expected to peak at 3.8% in September.

Appendix 2 – Borrowing Portfolio as at 30th June 2025

Class	Type	Start / Purchase Date	Maturity Date	Counterparty	Profile	Rate	Principal O/S (£)
Loan	Temporary Borrowing - Fixed	25/06/25	22/08/25	Kirklees Council	Maturity	4.300%	5,000,000.00
Loan	Temporary Borrowing - Fixed	25/06/25	26/08/25	Middlesbrough Teesside Pension Fund	Maturity	4.300%	5,000,000.00
Loan	Temporary Borrowing - Fixed	14/04/25	14/07/25	West Midlands Combined Authority	Maturity	4.650%	30,000,000.00
Loan	Temporary Borrowing - Fixed	07/04/25	07/07/25	West Midlands Police and Crime Commissioner	Maturity	4.650%	10,000,000.00
Temporary Borrowing - Fixed Total						4.580%	50,000,000.00
Loan	Fixed	17/04/25	17/04/26	PWLB	Maturity	4.270%	50,000,000.00
Loan	Fixed	26/03/18	25/03/68	PWLB	Maturity	2.280%	15,000,000.00
Loan	Fixed	27/09/18	27/09/43	PWLB	Maturity	2.820%	15,000,000.00
Loan	Fixed	27/09/18	27/09/49	PWLB	Maturity	2.790%	15,000,000.00
Loan	Fixed	11/03/19	11/03/66	PWLB	Maturity	2.380%	15,000,000.00
Loan	Fixed	13/03/19	13/03/37	PWLB	Maturity	2.420%	5,000,000.00
Loan	Fixed	13/03/19	13/03/57	PWLB	Maturity	2.420%	5,000,000.00
Loan	Fixed	01/04/19	01/04/64	PWLB	Maturity	2.200%	10,000,000.00
Loan	Fixed	01/10/19	02/10/62	PWLB	Maturity	1.640%	5,000,000.00
Loan	Fixed	01/10/19	01/10/63	PWLB	Maturity	1.630%	5,000,000.00
Loan	Fixed	07/10/19	07/10/66	PWLB	Maturity	1.630%	5,000,000.00
Loan	Fixed	07/10/19	08/10/68	PWLB	Maturity	1.630%	5,000,000.00
Loan	Fixed	11/03/20	25/09/69	PWLB	Maturity	2.070%	15,000,000.00
Loan	Fixed	13/05/05	25/09/51	PWLB	Maturity	4.150%	2,000,000.00
Loan	Fixed	11/01/06	25/09/55	PWLB	Maturity	3.900%	5,000,000.00
Loan	Fixed	23/01/06	25/09/55	PWLB	Maturity	3.700%	5,000,000.00
Loan	Fixed	23/05/06	25/09/47	PWLB	Maturity	4.200%	2,000,000.00
Loan	Fixed	19/07/06	25/03/52	PWLB	Maturity	4.250%	20,000,000.00
Loan	Fixed	20/09/06	25/09/51	PWLB	Maturity	4.200%	5,000,000.00
Loan	Fixed	28/09/06	25/09/52	PWLB	Maturity	4.050%	10,000,000.00
Loan	Fixed	08/03/07	25/03/53	PWLB	Maturity	4.250%	10,000,000.00
Loan	Fixed	08/03/07	25/03/54	PWLB	Maturity	4.250%	10,000,000.00
Loan	Fixed	05/08/08	25/03/58	PWLB	Maturity	4.480%	2,000,000.00
Loan	Fixed	15/08/08	25/09/57	PWLB	Maturity	4.390%	6,000,000.00
Loan	Fixed	02/12/08	25/09/58	PWLB	Maturity	4.120%	10,000,000.00
Loan	Fixed	20/08/09	25/03/59	PWLB	Maturity	4.200%	5,000,000.00
Loan	Fixed	31/08/10	25/03/60	PWLB	Maturity	3.920%	10,000,000.00
Loan	Fixed	14/07/11	25/03/26	PWLB	EIP	3.590%	500,000.00
Loan	Fixed	15/09/11	25/03/31	PWLB	EIP	3.350%	3,000,000.00
Loan	Fixed	28/03/12	25/03/51	PWLB	Maturity	3.530%	12,000,000.00
Loan	Fixed	28/03/12	25/09/26	PWLB	Maturity	2.970%	12,000,000.00
Loan	Fixed	28/03/12	25/03/50	PWLB	Maturity	3.530%	15,000,000.00
Loan	Fixed	28/03/12	25/03/41	PWLB	Maturity	3.490%	15,000,000.00
Loan	Fixed	28/03/12	25/03/61	PWLB	Maturity	3.480%	15,000,000.00
Loan	Fixed	28/03/12	25/03/32	PWLB	Maturity	3.300%	12,000,000.00
Loan	Fixed	28/03/12	25/09/41	PWLB	Maturity	3.490%	15,000,000.00
Loan	Fixed	28/03/12	25/09/51	PWLB	Maturity	3.520%	3,000,000.00
Loan	Fixed	28/03/12	25/03/62	PWLB	Maturity	3.480%	15,000,000.00
Loan	Fixed	28/03/12	25/03/41	PWLB	EIP	2.990%	16,000,000.00
Loan	Fixed	06/12/05	06/12/55	Barclays Bank plc	Maturity	3.990%	5,000,000.00
Fixed Total						3.379%	405,500,000.00
Loan	LOBO	30/01/08	31/01/78	Dexia	Maturity	4.190%	5,000,000.00
LOBO Total						4.190%	5,000,000.00
Loan Total						3.518%	460,500,000.00

Outside the reporting period temporary loans were arranged to start in July 2025, replacing some of the loans maturing that month.

Class	Type	Start / Purchase Date	Maturity Date	Counterparty	Profile	Rate	Principal O/S (£)
Loan	Temporary Borrowing - Fixed	07/07/25	30/09/25	West Midlands Police and Crime Commissioner	Maturity	4.200%	10,000,000.00
Loan	Temporary Borrowing - Fixed	14/07/25	14/05/26	West Midlands Combined Authority	Maturity	4.000%	30,000,000.00
Loan	Temporary Borrowing - Fixed	16/07/25	27/04/26	West Yorkshire Combined Authority	Maturity	4.100%	15,000,000.00
Temporary Borrowing - Fixed Total						4.064%	55,000,000.00

Appendix 3 - Investment Portfolio as at 30th June 2025

Class	Type	Deal Ref	Start / Purchase Date	Maturity Date	Counterparty	Rate	Principal O/S (£)
Treasury Investments							
Deposit	Fixed	LA Fixed Short Term Loan	29/04/25	29/07/25	South Tyneside Metropolitan Borough Council	4.400%	10,000,000.00
Deposit	MMF	Federated	N/A	N/A	Federated Prime Rate Sterling Liquidity 4	4.310%	14,500,000.00
Deposit	Fixed	CCPF	31/03/15	N/A	CCLA Local Authorities Property Fund	0.000%	15,000,000.00
Deposit	Current A/c	Lloyds		N/A	Lloyds Bank Plc	1.750%	306,077.19
Treasury Investment Total							39,806,077.19
Non-Treasury Investments							
Deposit	Fixed	18004BFC	25/03/21	24/03/26	Brighter Futures for Children Ltd	1.810%	5,000,000.00
Deposit	Fixed	17002HFR to 170012HFR	16/04/19	24/03/29	Homes for Reading Ltd	6.350%	9,449,999.00
Deposit	Fixed	17013HFR	16/04/19	24/03/29	Homes for Reading Ltd	3.750%	7,000,000.00
Deposit	Fixed	19008	30/04/19	30/04/29	RTL	5.000%	3,004,660.88
Deposit	Fixed	19009	15/08/19	30/07/29	RTL	5.000%	500,000.00
Deposit	Fixed	18001	08/04/18	01/07/23	RTL	5.000%	490,297.04
Deposit	Fixed	18002	03/06/18	01/07/23	RTL	5.000%	206,749.85
Deposit	Fixed	18003	29/07/18	01/07/23	RTL	5.000%	164,084.05
Deposit	Fixed	18004	20/01/20	01/01/24	RTL	5.000%	150,785.28
Deposit	Fixed	20001	21/08/20	01/10/24	RTL	5.000%	700,000.00
Non-Treasury Investments Total							26,666,576.10
Total Investments							66,472,653.29

*Values above do not include lease agreements with Reading Transport Ltd.

Appendix 4 - Approved Countries for Investments as at 30th June 2025

Based on lowest available rating

AAA

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

AA+

- Canada
- Finland
- U.S.A.

AA-

- Belgium
- France
- U.K.

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