

Borough Council of
**King's Lynn &
West Norfolk**



Cabinet

Agenda

Tuesday, 5th March, 2024
at 6.00 pm

in the
Council Chamber
Town Hall
Saturday Market Place
King's Lynn

Also available to view on Zoom and available for the public to view on [WestNorfolkBC on You Tube](#)



King's Court, Chapel Street, King's Lynn, Norfolk, PE30 1EX
Telephone: 01553 616200

CABINET AGENDA

DATE: CABINET - TUESDAY, 5TH MARCH, 2024

VENUE: COUNCIL CHAMBER, TOWN HALL, SATURDAY
MARKET PLACE, KING'S LYNN PE30 5DQ

TIME: 6.00 pm

As required by Regulations 5 (4) and (5) of The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 - no items will be considered in private.

1. MINUTES

To approve the Minutes of the Meeting held on 6 and 7 February 2024 (previously circulated).

2. APOLOGIES

To receive apologies for absence.

3. URGENT BUSINESS

To consider any business, which by reason of special circumstances, the Chair proposes to accept, under Section 100(b)(4)(b) of the Local Government Act 1972.

4. DECLARATIONS OF INTEREST (Page 6)

Please indicate if there are any interests which should be declared. A declaration of an interest should indicate the nature of the interest (if not already declared on the Register of Interests) and the agenda item to which it relates. If a disclosable pecuniary interest is declared, the member should withdraw from the room whilst the matter is discussed.

These declarations apply to all Members present, whether the Member is part of the meeting, attending to speak as a local Member on an item or simply observing the meeting from the public seating area.

5. **CHAIR'S CORRESPONDENCE**

To receive any Chair's correspondence.

6. **MEMBERS PRESENT UNDER STANDING ORDER 34**

To note the names of any Councillors who wish to address the meeting under Standing Order 34.

Members wishing to speak pursuant to Standing Order 34 should inform the Chair of their intention to do so and on what items they wish to be heard before a decision on that item is taken.

7. **CALLED IN MATTERS**

To report on any Cabinet Decisions called in.

8. **FORWARD DECISIONS** (Pages 7 - 10)

A copy of the Forward Decisions List is attached

9. **MATTERS REFERRED TO CABINET FROM OTHER BODIES**

To receive any comments and recommendations from other Council bodies which meet after the dispatch of this agenda.

10. **PEER REVIEW CHALLENGE ACTION PLAN** (Pages 11 - 30)

11. **CORPORATE STRATEGY ANNUAL PLAN 2024-25** (Pages 31 - 42)

12. **ANTI MONEY LAUNDERING POLICY REVIEW** (Pages 43 - 153)

13. **INDEMNITY FOR MEMBERS AND OFFICERS APPOINTED TO OUTSIDE BODIES** (Pages 154 - 161)

14. **KING'S LYNN AREA CONSULTATIVE COMMITTEE - STATUS** (Pages 162 - 171)

To: Members of the Cabinet

Councillors B Anota, A Beales, M de Whalley, J Moriarty (Vice-Chair),
C Morley, T Parish (Chair), S Ring, J Rust and S Squire

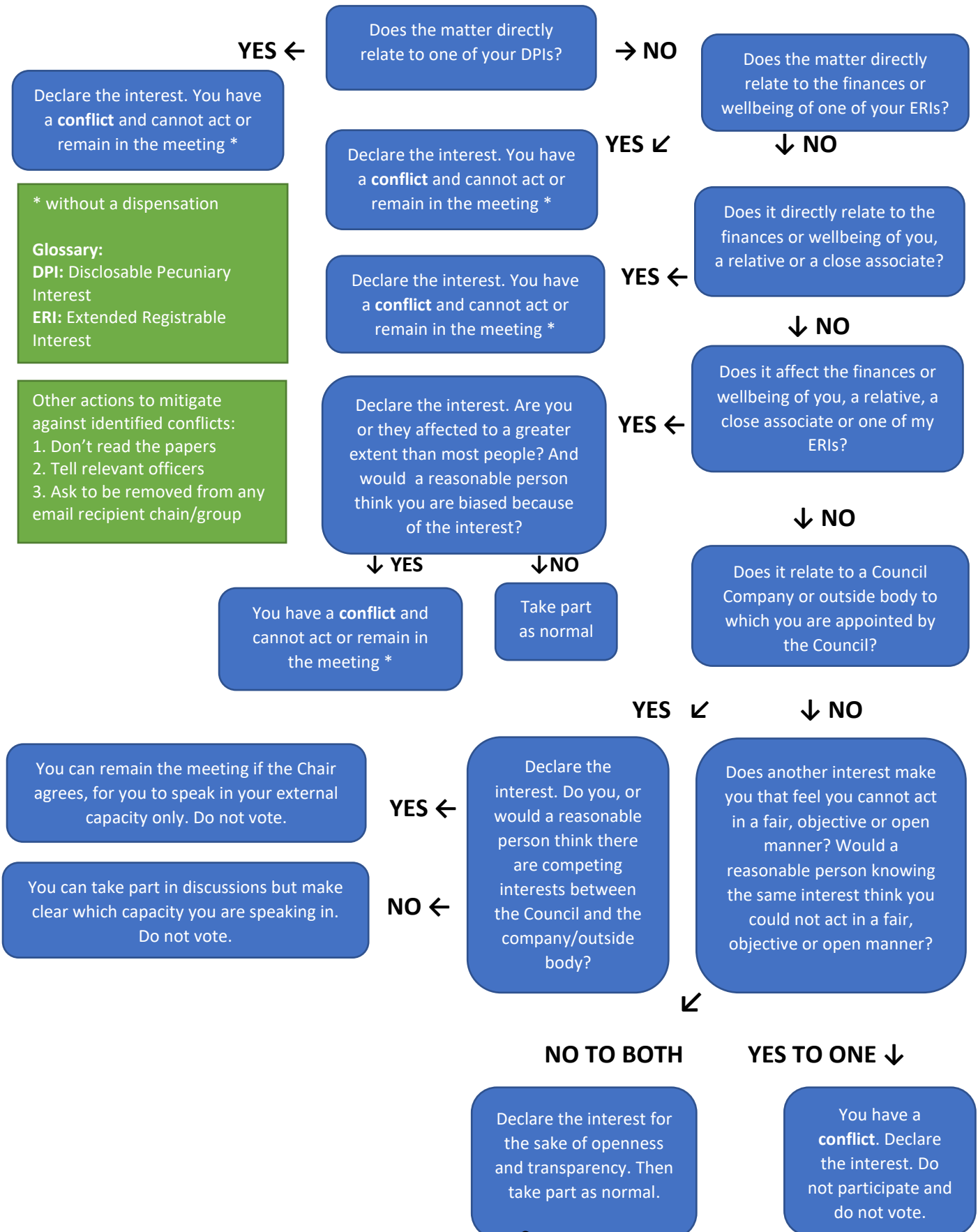
For Further information, please contact:

Sam Winter, Democratic Services Manager 01553 616327
Borough Council of King's Lynn & West Norfolk
King's Court, Chapel Street
King's Lynn PE30 1EX

DECLARING AN INTEREST AND MANAGING ANY CONFLICTS FLOWCHART



START



FORWARD DECISIONS LIST

Date of meeting	Report title	Key or Non Key Decision	Decision Maker	Cabinet Member and Lead Officer	List of Background Papers	Public or Private Meeting
5 March 2024						
	Peer Review Challenge Action Plan	Non	Council	Leader Chief Executive		Public
	Corporate Strategy - Annual Plan 2024/25	Key	Council	Chief Executive Leader		Public
	KLACC – Area Committee Status	Non	Council	Leader Monitoring Officer		Public
	Indemnity for Councillors and Officers on outside bodies	Non	Cabinet	Leader Monitoring Officer		Public
	Anti Money Laundering Policy Review	Non	Council	Finance Assistant Director – M Drewery		Public

Date of meeting	Report title	Key or Non Key Decision	Decision Maker	Cabinet Member and Lead Officer	List of Background Papers	Public or Private Meeting
11 April 2024 Special Meeting						
	Local Plan Gypsy and Traveller Preferred Sites	Key	Council	Development and Regeneration Asst Dir S Ashworth	Local Plan Task Group mins and Agendas	Public

Date of meeting	Report title	Key or Non Key Decision	Decision Maker	Cabinet Member and Lead Officer	List of Background Papers	Public or Private Meeting
23 April 2024						

	Florence Fields – Tenure Mix	Non	Council	Deputy Leader Assistant Director – D Ousby		Part Public and part Private- Contains exempt Information under para 3 – information relating to the business affairs of any person (including the authority)
	Review of Outside Bodies	Non	Cabinet and Council	Leader		Public
	Article 4 Direction	Non	Cabinet	Regeneration and Development Assistant Director – S Ashworth		Public
	CIL applications referred to Cabinet	Non	Cabinet	Development and Regeneration Asst Dir – S Ashworth		Public
∞	Data Protection Policy Review	Non	Council	Leader Monitoring Officer		Public
	Redundancy Payments Scheme	Non	Council	Leader Exec Dir – D Gates		Public

Date of meeting	Report title	Key or Non Key Decision	Decision Maker	Cabinet Member and Lead Officer	List of Background Papers	Public or Private Meeting
11 June 2024						
	St George's Guildhall RIBA Stage 3 and project scope	Key	Cabinet	Regeneration & Development Asst Dir		Public
	Empty Homes Strategy Review	Key	Council	People and Communities Asst Dir M Whitmore		Public
	King's Lynn Town Football Club	Non	Cabinet	Property Asst Dir – M Henry		Private- Contains exempt Information under

						para 3 – information relating to the business affairs of any person (including the authority)
	Appointments to Outside Bodies	Non	Cabinet	Chief Executive Leader		Public
	Review of Planning Scheme of Delegation	Non	Council	Development and Regeneration Asst Dir – S Ashworth		Public

Date of meeting	Report title	Key or Non Key Decision	Decision Maker	Cabinet Member and Lead Officer	List of Background Papers	Public or Private Meeting
17 September 2024						
	Homelessness and Rough Sleeping Strategy Update	Non	Cabinet	Asst Director - D Hall		Public

Items to be scheduled

	Notice of Motion 7-21 – Councillor Kemp – Equalities	Non	Council	People & Communities Asst Dir B Box		Public
	Procurement Strategy	Non	Cabinet	Finance Asst Dir – D Ousby		Public
	Custom and Self Build Site – Stoke Ferry	Non	Cabinet	Regeneration and Development Assistant Director - D Hall		Public
	Southend Road Hunstanton	Key	Cabinet	Regeneration & Development Asst Dir – D Ousby		Public
	Overnight Campervan parking in Hunstanton	Non	Cabinet	Leader Asst Director – M Chisholm		Public

	Pay Award 2024	Key	Cabinet	Leader		Public
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REPORT TO CABINET

Open/Exempt		Would any decisions proposed :			
Any especially affected Wards	Mandatory/	Be entirely within Cabinet's powers to decide		YES/NO	
	Discretionary /	Need to be recommendations to Council		YES/NO	
	Operational	Is it a Key Decision		YES/NO	
Lead Member: Cllr Terry Parish – Leader of the Council E-mail: cllr.terry.parish@west-norfolk.gov.uk		Other Cabinet Members consulted: Cabinet			
Lead Officer: Honor Howell – Corporate Governance Manager E-mail: honor.howell@west-norfolk.gov.uk Direct Dial:01553 616550		Other Members consulted: Corporate Performance Panel			
Lead Officer: Honor Howell – Corporate Governance Manager E-mail: honor.howell@west-norfolk.gov.uk Direct Dial:01553 616550		Other Officers consulted: Management Team Assistant Directors Council staff via Briefing Sessions/Unison			
Financial Implications YES/NO	Policy/ Personnel Implications YES/NO	Statutory Implications YES/NO	Equal Impact Assessment YES/NO If YES: Pre- screening/ Full Assessment	Risk Management Implications YES/NO	Environmental Considerations YES/NO
If not for publication, the paragraph(s) of Schedule 12A of the 1972 Local Government Act considered to justify that is (are) paragraph(s)					

Date of meeting: 5 March 2024

TITLE CORPORATE PEER CHALLENGE ACTION PLAN

<p>Summary</p> <p>Following a motion to council, the council invited the Local Government Association (LGA) to conduct a Corporate Peer Challenge (CPC) at the council as part of their sector level improvement programme.</p> <p>The scope of the peer challenge was designed to incorporate both an external 'health check' of the organisation, including the core components examined by all corporate peer challenges listed below:</p> <ul style="list-style-type: none"> • Local priorities and outcomes • Organisational and place leadership: • Governance and culture: • Financial planning and management: • Capacity for improvement: <p>The review took place in October 2023 and the final report was received in December 2023. This report summarises the findings of the team's work and outlines the steps taken to develop the attached action plan (Appendix A) to respond to the recommendations set out in the report. It was encouraging to note that the council was already working on or planning actions to address some of the issues raised by the Peer Team.</p>

The peers will be returning to the council on 27 June 2024 to assess and report on the council's progress against the published action plan. They will then publish their findings in respect of the action plan and progress made towards those plans.

Recommendation

Cabinet Resolves

Cabinet notes the final report of the LGA Peer Challenge Team and to endorse the Action Plan drawn up by Management Team and the Senior Leadership Team (SLT) in consultation with council staff to respond to the report's conclusions.

That Cabinet note that implementation of the actions stated will require resource and capacity. It is envisaged that a financial allocation will be required in the future.

Reason for Decision

To enable the organisation to consider, plan, and respond to the findings of the LGA Corporate Peer Challenge and to put in place a programme of transformation across council services.

1 Background

- 1.1 A Motion was put forward to full Council in December 2022 that the council invite the Local Government Association (LGA) to visit the council to carry out a Corporate Peer Challenges (CPC). As part of its council assurance and peer support programmes, the LGA offer CPC's which are designed to harness opportunities and drive improvements in local government. It is recommended that councils undergo a CPC every five years. The last CPC at this council was in 2014, therefore was overdue for a CPC.
- 1.2 To prepare for the CPC, the council provided a number of documents and produced a Position Statement prior to the Peers visit. Meetings were arranged with a number of external stakeholders, Members, Management Team, the Senior Leadership Team, and staff representatives from across the authority. They also met with partners of the council. Members of the Town Deal Board as well as Chief Executives from neighbouring authorities.
- 1.3.1 On the last day of the visit, the Peers provided feedback to Cabinet and the Senior Leadership Team on their preliminary findings. The draft report was received in November 2023.
- 1.3.2 The timetable for the CPC is set out below:

Action	Date
Delivery of CPC	16 – 19 th October 2023
Drafting report	23 rd – 27 th October
QA report	27 th October
Peers to review report and feedback	30 th – 3 rd November
Receipt of draft report to BCKLWN	W/c 6 th November
Finalised Report	
Published CPC report	No later than 19 th January 2024

Published CPC action plan	No later than 19 th March 2024
Six-month progress review – scope meeting	TBA
Position Statement and action plan	No later than 14 June 2024
Progress Review	28 June 2024
Report published	No later than 18 th October 2024

1.3.3 Following receipt of the final report just before Christmas 2023, the report was sent to all staff and those stakeholders who had been interviewed as part of the process. It was also published on the council's website and a Press Release was issued to the local media.

1.4 The final report highlighted eight key recommendations for the council to consider:

- Recommendation 1 - Engage, consult and co-produce with residents and communities – Develop a customer engagement strategy/charter.
- Recommendation 2 - Talk and listen to staff, create new regular channels of ongoing staff engagement.
- Recommendation 3 - The political and managerial leadership needs to take stock and think about how to make the council fit for the future.
- Recommendation 4 - Re-focus SLT on strategic issues and empower managers to manage and deliver.
- Recommendation 5 - Use headroom to deliver ongoing annual revenue savings to address the underlying budget gap in 2026/27.
- Recommendation 6 - Put in place a transformation programme that designs everything around residents and communities.
- Recommendation 7 - Performance measures and data should focus on priorities and outcomes and provide the right information for members to make decisions.
- Recommendation 8 Undertake a governance review to focus meetings on adding value to decision-making and scrutiny.

1.3.4 Ongoing engagement with staff was a key recommendation from the peers. Acknowledging this, over recent weeks the Chief Executive has held a series of staff briefing sessions to obtain first-hand feedback from staff on their thoughts on the CPC and obtain their input and ideas for the action plan. This feedback has been incorporated into the attached action plan. Ongoing face to face engagement with staff will continue with more sessions on the Corporate Strategy and the budget and how staff roles contribute to the overall success of the council being planned for the spring.

1.6 Over the coming weeks, officer Working Groups will be set up progress the actions set out in the plan. The Working Groups will focus on recommendation four off the CPC Report along with other areas that the council had previously identified such as Digital Transformation, Culture and Values plus the Productivity Plans recently announced in line with the Local

Government Finance Settlement. Some initial suggestions for the groups include:

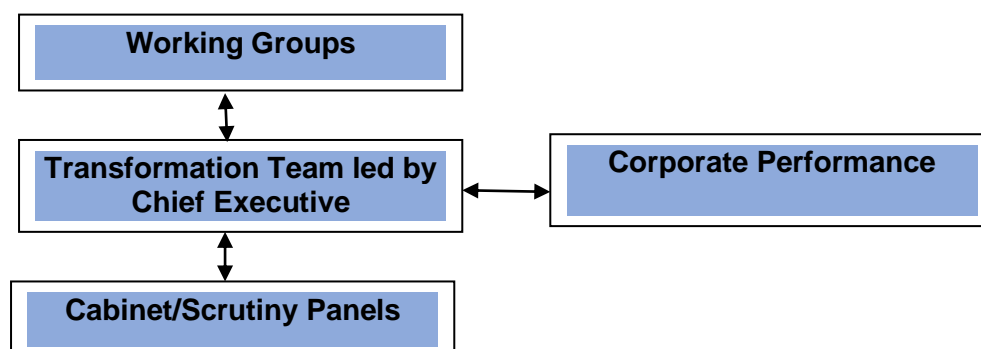
- a) Cost management and income generation/Productivity Plans
- b) Digital Strategy
- c) Office Accommodation
- d) Internal Communications/Staff Engagement/Corporate Intranet
- e) Community Engagement
- f) HR Processes
- g) Corporate Performance Management System
- h) Culture and Values

- 1.7 As we further develop and work through the action plan, these may change according to priority and available resource. A programme of transformation will consider any recommendations and outputs from these groups. This will ensure our staff have the opportunity to contribute on the way the council transforms its services.
- 1.8 These Working Groups will sit beside the work already completed on the Cost Management and Income Generation plan published with the annual budget. The groups will be managed and led by members of staff who have demonstrated an interest in being involved with the CPC action plan.

2 Options Considered

- 2.1 The primary purpose of inviting the Peer Challenge Team to carry out a review at the Borough Council was to identify opportunities for improvement against the core criteria set by the LGA. Approaches to the suggestions and recommendations made by the Peers and from the feedback from the staff engagement sessions will be explored by the officer task groups as they carry out their work programs.
- 2.2 The CPC action plan will be maintained and monitored by the council's Corporate Governance Team who are responsible for managing and monitoring the council's Corporate Strategy, Annual Plan, and the Key Performance Indicators. Progress reports will be presented to the Corporate Performance Panel and Cabinet on a quarterly basis with the other performance management reports. The plan will undergo a formal review bi-annually to ensure it remains relevant and to remove completed actions.
- 2.3.3 The last few months have seen the adoption of the Corporate Strategy, the Annual Plan for 2023/2024 and the Annual Plan for 2024/2025 will also soon be published. In considering the CPC Action Plan, Cabinet should recognise the action plans already in place and the resources, capacity, and finance available to deliver these ambitious plans. The CPC Action Plan needs to be delivered over a period of time. Change does not occur overnight, and this plan should be viewed as a long term, transformational and cultural shift of the organisation.

2.3.4 The model below demonstrates the performance framework for this ongoing transformation work:



2.3.5 An internal 'Transformation Team' will be set up, led by the Chief Executive, supported by the Corporate Performance Team. The officer working groups will feed into the transformation team. Regular update reports on progress will be presented to the Senior Leadership Team and the Corporate Performance Panel and Cabinet.

2.3.6 The Working Groups will all be given a brief for the area of work they are focused on. Relevant Portfolio Holders will be invited to join the initial meetings to discuss the purpose of the groups along with outputs and outcomes.

3. Policy Implications

3.1 There are no direct policy implications from this report or the CPC Action Plan. Any policy implications identified arising from the Working Groups will be subject to separate reporting.

4 Financial Implications

4.1 There is no budget or resource currently allocated to the implementation of the CPC Action Plan. The delivery of the plan will impact on resource and capacity across the organisation, but at this stage, a total cost is not quantifiable. As the staff working groups begin to make recommendations for the transformation of services, then the requirement for a budget to be allocated will be considered.

5 Personnel Implications

5.1 None

6 Environmental Considerations

6.1 There are no environmental considerations.

7 Statutory Considerations

7.1 None

8 Equality Impact Assessment (EIA) (Pre screening report template attached)

9 Risk Management Implications

- 9.1 Following a CPC, the council is obligated to publish an action plan and to be able to demonstrate progress against the plan when the LGA revisit the authority in June 2024. Failure to make visible progress against the recommendations in the CPC Report would be a considerable reputational risk for the council and would have a corresponding detrimental impact on staff morale as the perception would be that the council hasn't listened to what was conveyed to the Peers during their visit.

10 Declarations of Interest / Dispensations Granted

- 10.1 None

11 Background Papers

- 11.1 [Peer Challenge Position Statement](#)
[Peer Challenge Final Report](#)

Pre-Screening Equality Impact Assessment

Borough Council of
King's Lynn & West Norfolk



Name of policy/service/function	Corporate Peer Challenge Action Plan				
Is this a new or existing policy/service/function?	New / Existing (delete as appropriate)				
<p>Brief summary/description of the main aims of the policy/service/function being screened.</p> <p>Please state if this policy/service is rigidly constrained by statutory obligations</p>	<p>Action plan to respond to the recommendations outlined in the Corporate Peer Challenge Report.</p> <p>No</p>				
Question	Answer				
<p>1. Is there any reason to believe that the policy/service/function could have a specific impact on people from one or more of the following groups according to their different protected characteristic, for example, because they have particular needs, experiences, issues or priorities or in terms of ability to access the service?</p> <p>Please tick the relevant box for each group.</p> <p>NB. Equality neutral means no negative impact on any group.</p>		Positive	Negative	Neutral	Unsure
	Age			x	
	Disability			x	
	Gender			x	
	Gender Re-assignment			x	
	Marriage/civil partnership			x	
	Pregnancy & maternity			x	
	Race			x	
	Religion or belief			x	
	Sexual orientation			x	
	Other (eg low income)			x	

CORPORATE PEER CHALLENGE ACTION PLAN
FEBRUARY 2024

In October 2023, the council undertook a Local Government Association Corporate Peer Challenge. Peer Challenges are delivered by experienced elected councillor and officer peers. The peers were selected based on their experience in respect of the relatively new political leadership of the council. The peer team considered the following five themes which form the core components of all Corporate Peer Challenges. These areas are critical to council's performance and improvement.

1. **Local priorities and outcomes:** Are the council's priorities clear and informed by the local context? Is the council delivering effectively on its priorities and achieving improved outcomes for all its communities?
2. **Organisational and place leadership:** Does the council provide effective local leadership? Are there good relationships with partner organisations and local communities?
3. **Governance and culture:** Are there clear and robust governance arrangements? Is there a culture of respect, challenge, and scrutiny?
4. **Financial planning and management:** Does the council have a good understanding of its current financial position? Does the council have a strategy and a clear plan to address its financial challenges?
5. **Capacity for improvement:** Is the organisation able to support delivery of local priorities? Does the council have the capacity to improve?

The peers highlighted eight key recommendations and this action plan outlines the council's response to implement the change required.

Recommendation 1 - Engage, consult and co-produce with residents and communities – Develop a customer engagement strategy/charter.

Recommendation 2 - Talk and listen to staff, create new regular channels of ongoing staff engagement.

Recommendation 3 - The political and managerial leadership needs to take stock and think about how to make the council fit for the future.

Recommendation 4 - Re-focus SLT on strategic issues and empower managers to manage and deliver.

Recommendation 5 - Use headroom to deliver ongoing annual revenue savings to address the underlying budget gap in 2026/27.

Recommendation 6 - Put in place a transformation programme that designs everything around residents and communities.

Recommendation 7 - Performance measures and data should focus on priorities and outcomes and provide the right information for members to make decisions.

Recommendation 8 Undertake a governance review to focus meetings on adding value to decision-making and scrutiny.

Recommendation 1

Engage, consult and co-produce with residents and communities, develop a customer engagement strategy/charter

What do we want to achieve?	How are we going to do it?	Timescale
1.1 Develop/deliver a customer Engagement Strategy	<ul style="list-style-type: none"> a. Form an officer working group of staff volunteers to work with relevant officers to work together to develop a Public/Community Engagement Charter and Strategy. b. Officer working group to comprise customer facing roles including teams not based at King's Court 	Working Group – March 2024 Final strategy – October 2024
1.2 Engage with partners on examples of best/shared practices and co-production	<ul style="list-style-type: none"> a) Develop the working group's Terms of Reference to include b) working with partners and stakeholders c) Work specifically with the stakeholder groups that represent younger residents. d) Develop a consultation framework that makes best use of partner and council resources and aims for effective consultation to optimize use of consultation channels. 	April-Sept 2024
1.3 Review the capacity and skills within the council's Communications team to align with ongoing consultation and engagement work	<ul style="list-style-type: none"> a. Conduct a review of the Communications Team considering the new Corporate Strategy and actions arising from the Peer Review b. Incorporate findings from Customer Engagement Strategy to inform future resource requirements within Central Services to ensure there is a clear focus on staff and resident engagement 	April-June 2024
1.4 Provide training for staff on engagement and consultation to ensure management of Expectations	<ul style="list-style-type: none"> a. Arrange for training on consultation and engagement for Managers to inform when consultation and engagement should occur and how to manage expectations around engagement and consultation b. Engage with partners to inform and share best practice 	June-July 2024

<p>1.6 Devise methods of consultation and feedback from customers and stakeholders</p>	<p>a. A series of community events have been set up for Spring/early Summer 2024 (Beat the Bills, Food for Thought)</p> <p>b. Use learning from the community events to consider what went well, what could be better, in terms of the effectiveness of the consultation and whether it attracted the target audience.</p> <p>c. Annual Plan/Corporate Strategy and annual budget to be published with email set up to receive feedback from customers and stakeholders</p>	<p>May 2024</p>
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Recommendation 2

Talk and listen to staff, create new regular channels of ongoing staff engagement.

What do we want to achieve?	How are we going to do it?	Timescale
<p>2.1 Review and improve current arrangements for internal communications</p>	<p>a. Progress actions arising for the internal comms survey undertaken in 2023.</p> <p>b. Establish an employee working group, with representatives from all services and Unison, to support improvements in employee communication and engagement.</p> <p>c. Scope, develop and implement a new Intranet.</p>	<p>Spring 2024</p> <p>Spring 2024</p> <p>December 2024</p>
<p>2.2 Undertake and act on the findings of an employee opinion/engagement survey</p>	<p>a. Procure an external survey provider.</p> <p>b. Ensure scope is considered by groups other than the Senior Management Team with a view to increasing objectivity, reach and integrity of intentions.</p> <p>c. Undertake survey and analyse results.</p> <p>d. Develop and agree action plan.</p> <p>e. Progress workstreams arising from action plan</p>	<p>February 2024</p> <p>April 2024</p> <p>May 2024</p> <p>Ongoing</p>
<p>2.3 Improve engagement with staff across all service areas</p>	<p>a. Identify the resources required to progress actions in relation to this recommendation.</p> <p>b. Work with Assistant Directors and managers to ensure all staff have the opportunity for regular two-way communication.</p> <p>c. Create a middle manager peer group that meets bi-monthly, initially to</p>	<p>Spring 2024</p> <p>Summer 2024</p>

What do we want to achieve?	How are we going to do it?	Timescale
	<p>enable them to discuss and monitor progress of this action plan, share best practice, input to task groups and be aware of new practices and outcomes to increase awareness and adopt change.</p> <p>d. Use feedback from staff face to face engagements sessions and feedback sessions held with middle managers to inform work undertaken.</p> <p>e. Ensure internal communications are appropriate to the intended audience (e.g. Public Open Space) and not King's Court centric.</p> <p>f. Deliver Corporate Strategy sessions for staff programmed for April/May 2024</p>	Summer 2024
2.4 Continue to support employee wellbeing initiatives, including introducing an Employee Assistance Programme	<p>a. Provide an annual programme of wellbeing initiatives and activities.</p> <p>b. Implement an Employee Assistance Programme</p> <p>c. Make recommendations regarding a volunteering scheme (including- volunteering leave) for employees</p>	Ongoing Spring 2024 Autumn 2024
2.5 Review the Working Arrangements Framework	<p>a. Undertake a post Implementation review of the working Arrangements Framework</p> <p>b. Consult staff and consider best practice elsewhere, particularly for professions with recruitment and retention problems.</p> <p>c. Engage with the HR processes Working Group of staff and Unison to ensure they contribute to the review.</p> <p>d. Undertake <u>all staff</u> consultation on recommendations prior to final agreement and implementation of any changes resulting in a "You said, We did" output.</p>	July 2024

Recommendation 3

The political and managerial leadership needs to take stock and think about how to make the council fit for the future

What do we want to achieve?	How are we going to do it?	Timescale
3.1 Review structure and resources relevant to strategic direction of the council	<ul style="list-style-type: none"> a. Establish a working group, comprised of officers and members, supported by an external resource, to develop the culture and values work to support the strategic direction of the council. b. Use analysis of discretionary services and resources to update service identities and ensure non-value-added activities are stopped, with resources redeployed to priorities and statutory services. 	March 2023
3.2 Training Needs Analysis (finance, political awareness, Change Management)	<ul style="list-style-type: none"> a. Conduct a training needs analysis of Assistant Directors and Service Managers to highlight specific areas for improvement. b. Allocate funding from the training budget, scope and deliver training to meet areas of priority need 	July 2024

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Recommendation 4

Refocus SLT on strategic issues and empower managers to manage and deliver

What do we want to achieve?	How are we going to do it?	Timescale
4.1 SLT and MT informal meeting fortnightly and formal fortnightly	<ul style="list-style-type: none"> a. Formal SLT (decision making) meetings now held fortnightly and informal SLT fortnightly. b. Create a Terms of Reference for SLT meetings to convey the purpose/theme of the meeting 	Completed
4.2 Only items which need a decision to come forward. Other items will be discussed at Directorate level	<ul style="list-style-type: none"> a. Carry out a review of all items which are considered by SLT to reduce the number of operational matters which could be decided by middle managers. b. ED's and ADs to hold more directorate meetings to reduce the number of items to come forward to full SLT. c. Review of Scheme of Delegation to empower officer decision making. 	July 2024

	d. Compile register of agreed delegated decisions.	
4.3 Assistant Directors to appoint reps to attend SLT in their absence	<ul style="list-style-type: none"> a. Monthly Service Manager meetings to be restarted to improve peer to peer engagement across the authority. b. ADs to ensure Service Managers are updated to enable them to communicate with their wider teams. c. Service Managers to deputise for AD's at SLT meetings 	March 2024

Recommendation 5

Use headroom to deliver ongoing annual revenue savings to address the underlying budget gap in 2026/27

Project Sponsor: Michelle Drewery

What do we want to achieve?	How are we going to do it?	Timescale
5.1 SLT and Cabinet hold regular budget development meetings	<ul style="list-style-type: none"> a. Held budget briefing sessions in January prior to budget setting – drop in sessions also held by Section 151 Officer. b. Budget development sessions with ED's AD's and Cabinet throughout the budget cycle programmed in with the Corporate Strategy sessions. c. Up to date and relevant reporting on budget monitoring to all staff – sessions have been booked in for Spring 2024. 	Ongoing
5.2 Cost management and income generation plan is being progressed	<ul style="list-style-type: none"> a. The initial cost management and income generation plan has been included with the budget papers. b. Engage with staff on further development on the CMIG plan 	February/March 2024
5.3 Greater staff engagement and consultation in cost savings/income generation work	<ul style="list-style-type: none"> a. Build on sessions held with staff in January 2024 b. The CMIG to be owned by AD's, updated with progress monthly and reported to Cabinet bi-monthly. c. Budget Manager Workshops to be held by Finance to increase understanding and management of budgets. d. Devise a Terms of Reference for working groups. e. Prepare a plan for ongoing staff engagement/information sharing on cost savings and income generation 	Sept 2024

Recommendation 6

Put in place a transformation programme that designs everything around residents and communities

Project Sponsor: Lorraine Gore

What do we want to achieve?	How are we going to do it?	Timescale
<p>6.1 Ensure the Senior Management Team Structure reflects and supports the delivery of transformation throughout the authority</p>	<p>a. Report to Cabinet/Council how the structure supports the challenge of transformation and the delivery of the budget savings required. b. A series of Officer Working Groups will be formed from Managers and members of staff who have expressed an interest in taking part. Suggested themes of these groups have been included in this plan. c. In response to the CPC Report, a transformation program will be implemented, informed by the recommendations and outputs from the suggested Officer Working Groups.</p>	<p>By Dec 2024</p>
<p>6.2 Set up Officer Working Groups to focus on recommendation 4 of the CPC Report along with other areas that the council had previously identified such as Digital Transformation, Culture and Values plus the Productivity Plans recently announced in line with the Local Government Finance Settlement</p>	<p>Proposed Officer Working Groups (subject to change as progress is made)</p> <ul style="list-style-type: none"> a. Cost reduction/Income Generation/Productivity Plan b. Digital Strategy c. Office Accommodation d. Internal Communications/Staff Engagement/Corporate Intranet e. Community Engagement f. HR Processes g. Corporate Performance Management System h. Culture and Values 	<p>Ongoing</p>

Recommendation 7

Performance measures and data needs to focus on priorities and outcomes and provide the right information for members to make decisions.

What do we want to achieve?	How are we going to do it?	Timescale
<p>7.1 Procurement of new software to support Performance Management and decision making and risk management. Wider work to incorporate statutory and discretionary services and workstreams</p>	<ul style="list-style-type: none"> a. Put a project team together to ensure corporate representation. b. Complete specification for new Performance Management Software c. Engage with procurement on the procurement process. d. Select supplier. e. Implement new system. f. Investigate the need for resources to produce data to inform decisions. g. Engage with Communities Working Group on establishing customer needs and requirements of performance reporting 	<p>December 2024</p>
<p>7.2 Revitalise the employee performance management process to emphasise the link with staff performance to the Corporate Strategy</p>	<ul style="list-style-type: none"> a. Conduct a review of the processes which support the Performance Management Appraisal process. b. Engage with staff and managers on proposed changes to the process. c. Agree recommendations and implement changes. 	<p>December 2024</p>
<p>7.3 Constantly review and update the performance management reporting according to requirements</p>	<ul style="list-style-type: none"> a. Work with the LGA Performance Management leads to establish best practice across other local authorities. b. Review Key Performance Indicators and Corporate Strategy reporting framework on an ongoing basis. c. Simplify Risk Monitoring and embed within the management of services and monitoring of performance 	<p>December 2024</p>

Recommendation 8

Undertake a governance review to focus meetings on adding value to decision-making and scrutiny

What do we want to achieve?	How are we going to do it?	Timescale
8.1 Undertake a governance review to focus meetings on adding value to decision-making and scrutiny	a. Cabinet report March/April 2023 refers to the Governance Task Group b. Governance Task Group to be refocused to look at current Panel and Committee Structure c. Task Group to report on recommendations. d. Cabinet Report to be prepared based on recommendations. e. Engage with the Centre for Public Scrutiny to advise and recommend on the scrutiny function at the council	December 2024

REPORT TO CABINET

Open/Exempt		Would any decisions proposed :			
Any especially affected Wards	Mandatory/	Be entirely within Cabinet's powers to decide		YES/NO	
	Discretionary /	Need to be recommendations to Council		YES/NO	
	Operational	Is it a Key Decision		YES/NO	
Lead Member: Cllr Terry Parish – Leader of the Council E-mail: cllr.terry.parish@west-norfolk.gov.uk		Other Cabinet Members consulted: Cabinet			
Lead Officer: Honor Howell – Corporate Governance Manager E-mail: honor.howell@west-norfolk.gov.uk Direct Dial:01553 616550		Other Members consulted: Corporate Performance Panel			
Lead Officer: Honor Howell – Corporate Governance Manager E-mail: honor.howell@west-norfolk.gov.uk Direct Dial:01553 616550		Other Officers consulted: Management Team Assistant Directors			
Financial Implications YES/NO	Policy/ Personnel Implications YES/NO	Statutory Implications YES/NO	Equal Impact Assessment YES/NO If YES: Pre-screening/ Full Assessment	Risk Management Implications YES/NO	Environmental Considerations YES/NO
If not for publication, the paragraph(s) of Schedule 12A of the 1972 Local Government Act considered to justify that is (are) paragraph(s)					

Date of meeting: 5 March 2024

2024/2025 ANNUAL PLAN

<p>Summary</p> <p>The Corporate Strategy was adopted by council on 23 November 2023. The Corporate Strategy sets out the priorities of the administration to the next local elections in 2027.</p> <p>Each year, Council has resolved to produce an Annual Plan which will reflect the priorities of the financial year ahead. This approach will enable the Administration to prioritise projects to meet the evolving needs of the residents of the borough, reflecting the national and local issues at that time. This will enable to Administration to set their priorities annually, ensuring they are up to date and relevant.</p> <p>Recommendation</p> <p>That Cabinet resolve to endorse and adopt the Annual Plan for 2024/2025.</p> <p>Reason for Decision</p> <p>To enable the Administration to set out their priorities for the financial year ahead, considering the budget setting process and external factors affecting the residents, businesses and visitors to the borough.</p>
--

1. Background

- 1.1 The Corporate Strategy 2023-2027 was adopted by council in November 2023. To underpin the four-year Corporate Strategy, Cabinet resolved to produce an Annual Plan each year to highlight the key priorities for the year ahead which reflected the current economic climate, financial position and the needs of residents, visitors and businesses.
- 1.2 The Annual Plan 2024/2025 has been developed to reflect the services and projects which will commence, be in progress or will be delivered during the year.
- 1.3 The Corporate Strategy comprises of four key corporate priorities:
- Promote growth and prosperity to benefit West Norfolk
 - Protect our environment
 - Support our communities
 - Efficient and effective delivery of our services
- 1.4 This Annual Plan has been produced in line with each of these key priorities and activities grouped under each of the key areas.

2. Options Considered

None

3. Policy Implications

There are no policy implications

4. Financial Implications

There are no direct financial implications of this plan as its implementation is through the existing services, programmes, and budget provision already in place.

5. Personnel Implications

None

6. Environmental Considerations

The Corporate Strategy and Annual Plan include specific priorities focused on environment.

7. Statutory Considerations

None

8. Equality Impact Assessment (EIA)
(Pre screening report template attached)

9. Risk Management Implications

There are no risk management implications directly from the Annual Plan. All council risks are detailed on the Corporate Risk Register.

10. Declarations of Interest / Dispensations Granted

None

11. Background Papers

[The Corporate Strategy 2023-2027](#)

[Cabinet Report 31 October 2023](#)

Pre-Screening Equality Impact Assessment

Borough Council of
King's Lynn & West Norfolk



Name of policy/service/function	Corporate Peer Challenge Action Plan				
Is this a new or existing policy/service/function?	New / Existing (delete as appropriate)				
<p>Brief summary/description of the main aims of the policy/service/function being screened.</p> <p>Please state if this policy/service is rigidly constrained by statutory obligations</p>	<p>Action plan to respond to the recommendations outlined in the Corporate Peer Challenge Report.</p> <p>No</p>				
Question	Answer				
<p>1. Is there any reason to believe that the policy/service/function could have a specific impact on people from one or more of the following groups according to their different protected characteristic, for example, because they have particular needs, experiences, issues or priorities or in terms of ability to access the service?</p> <p>Please tick the relevant box for each group.</p> <p>NB. Equality neutral means no negative impact on any group.</p>		Positive	Negative	Neutral	Unsure
	Age			x	
	Disability			x	
	Gender			x	
	Gender Re-assignment			x	
	Marriage/civil partnership			x	
	Pregnancy & maternity			x	
	Race			x	
	Religion or belief			x	
	Sexual orientation			x	
	Other (eg low income)			x	

Question	Answer	Comments
2. Is the proposed policy/service likely to affect relations between certain equality communities or to damage relations between the equality communities and the Council, for example because it is seen as favouring a particular community or denying opportunities to another?	Yes / No	
3. Could this policy/service be perceived as impacting on communities differently?	Yes / No	
4. Is the policy/service specifically designed to tackle evidence of disadvantage or potential discrimination?	Yes / No	
5. Are any impacts identified above minor and if so, can these be eliminated or reduced by minor actions? If yes, please agree actions with a member of the Corporate Equalities Working Group and list agreed actions in the comments section	Yes / No	Actions: Actions agreed by EWG member:
<p>If 'yes' to questions 2 - 4 a full impact assessment will be required unless comments are provided to explain why this is not felt necessary:</p> <p>Decision agreed by EWG member:</p>		
Assessment completed by: Name	Honor Howell	
Job title	Corporate Governance Manager	
Date	1 February 2024	

Annual Plan 2024-2025

**Promote growth
and prosperity
to benefit**



**Protect our
environment**



**Efficient and
effective
delivery of
our services**



**Support our
communities**



Foreword by the Leader and Chief Executive of the Council

These are challenging times for communities across the country and it is the same for councils: just as the cost of living has risen for our communities, so has the cost of providing services risen. At the same time, the effect of higher living costs has increased people’s need for council services.

In West Norfolk this has led us to think long and hard about our priorities to ensure we serve the people who live and work in our rural borough as well as we possibly can, while spending within our means.

Our corporate strategy, published in November 2023, has four priorities that will help us to do this:

- » Promote growth and prosperity to benefit West Norfolk
- » Efficient and effective delivery of our services
- » Support our communities
- » Protect our environment

In June 2024 we will be reporting progress to date on the actions taken in 2023-2024. A number of these actions will continue into 2024-2025.

We are pleased to support our corporate strategy with this annual plan, which sets out actions we will take alongside our day to day provision of services to deliver those priorities in 2024-2025.

It contains activities we will undertake as a council, and in partnership with others.

It includes new homes and incorporates programmes to strengthen both our economy and the cultural landscape of West Norfolk. It shows how we will work to protect our environment, manage costs, improve governance, lobby for increased provision of NHS services and support residents in need.

Over the coming year we will be holding conversations with our communities to help us understand more about what services people most need and want, which will be at the heart of decisions about what services we provide in future.



Councillor Terry Parish
Leader



Lorraine Gore
Chief Executive

Promote growth and prosperity to benefit West Norfolk

Priorities:

- » Work with partners to develop a shared vision for a vibrant borough
- » Attract new businesses to the borough to expand the local economy
- » Support the borough's new and existing businesses to grow and thrive
- » Work with partners and local employers to equip our local workforce with the necessary skills and knowledge to meet current and future needs
- » Maximise opportunities to transform and regenerate our high streets and heritage assets
- » Increase the number of good quality new homes and associated infrastructure built through direct provision by working with registered social landlords and private sector developers
- » Encourage private sector housing development that supports local need, delivers on local infrastructure and meets environmental and biodiversity requirements
- » Promote West Norfolk as a desirable leisure, cultural and tourism destination
- » Support a year-round programme of events, festivals and activities for residents and visitors



Enterprise Zone, King's Lynn



Hunstanton Lighthouse

We will:

- » Adopt the Car Parking Strategy
- » Review and update the 2022/26 Tourism Strategy for the Borough to help promote the regions offer and support local business
- » Create a Cultural and Heritage Strategy for the Borough
- » Develop and commence implementation of an investment strategy for property assets owned by the council for income generation
- » Review and develop existing events programme across the Borough

Working with others we will:

- » Agree the Economic Development Strategy for the Borough, working closely with Norfolk County Council to ensure alignment of delivery and engage with the business community
- » Review the options in relation to the Hunstanton Masterplan and key Council assets

Protect our environment

Priorities:

- » Lead by example by reducing our own carbon emissions and considering our impact on the climate with all our projects and initiatives
- » Work with partners, locally and across Norfolk, to minimise carbon emissions from new and existing properties, housing and other developments
- » Support others to minimise carbon emissions by promoting good practice, providing information and highlighting available grants from Government
- » Encourage active travel by reducing barriers to walking and cycling. In addition, improve EV (electric vehicle) infrastructure when appropriate grants permit
- » Minimise domestic and corporate waste by encouraging reuse, recycling and responsible disposal
- » Take timely and proportionate planning and environmental enforcement action to protect West Norfolk
- » Increase biodiversity where we can and create wildflower and pollinator opportunities
- » Work with other agencies to manage and protect our coastline, rivers and streams and to improve sea water quality

We will:

- » Develop the Asset Management Plan to include measures to reduce impact on the environment from property we occupy and use as investment
- » Consider options for proposals to outline impact on the environment for decision making
- » Implement the Hunstanton Coastal Management Plan and carry out a geotechnical investigation of Hunstanton sea defences
- » Create a community orchard at South Lynn
- » Establish EV charging points at Austin St East car park.



Baker Lane Active Travel Hub

- » Develop and deploy a climate change assessment tool for council policies and projects
- » Endorse the refreshed Climate Change Strategy and Action Plan including roll out of climate literacy training
- » Consider the outcomes of the Air Quality Action Plan consultation and prepare a draft plan
- » Carry out the work towards the formal adoption of the new Local Plan
- » Hold the Mayor's Business Awards 2025 – Environmental Champion
- » Upgrade street lighting and other council assets with energy efficient LED lighting
- » Complete a review of the vehicle fleet

Working with others we will:

- » Continue Formalise the scope of the West Norfolk Air Quality project with Public Health (Norfolk County Council).
- » Work with stakeholders supporting the delivery of the Norfolk Net Zero Communities project in the parish of Marshland St James

Efficient and effective delivery of our services

Priorities:

- » Provide value for money through efficient and effective service delivery
- » Focus our capital expenditure on priority areas
- » Manage our finances to remove any projected budget deficit over the 4-year financial plan
- » Provide information to local people, businesses and visitors in a timely and accessible manner
- » Consult and engage with our communities, staff, parish councils and members to include measurement of how satisfied they are
- » Retain a highly skilled and motivated workforce, with appropriate training and development available to support current and future corporate priorities and statutory services
- » Actively and continually examine and review the way we deliver our services in-house, through our companies, through procurement and other channels to ensure they are value for money and meet the needs of our communities
- » Expand our support to help parish councils with governance and to attract new members
- » Undertake a review of the cabinet governance structure of the council
- » Consider appropriate resources to investigate a town council for the unparished area of King's Lynn and the adoption of West Norfolk as the name of the borough
- » Bring forward proposals to enable the King's Lynn Advisory and Consultative Committee (KLACC) to become a decision-making body
- » Implement approved 100% Council Tax Support Scheme
- » Implement new 100% levy for Long Term Empty Properties with effect from 1 April 2024
- » Agree arrangements for approved 100% premium on second homes for implementation from 1 April 2025
- » Produce productivity plans for submission to Department of Levelling Up, Housing and Communities (DLUHC)
- » Review of CIL governance arrangements
- » Analyse and identify actions arising from a staff survey including development of corporate values
- » Review and determine impact of government changes to Internal Drainage Board funding
- » Develop a Digital Strategy
- » Deliver financing for the Council's Housing companies to support delivery of affordable and rental homes in the Borough
- » Progress actions to encourage employees to consider active ways of travelling to work
- » Publish and review the Corporate Peer Challenge Action Plan
- » Implement a performance management system to manage information to support decision-making
- » Replace pay and display machines across the network to deliver increased payment options
- » Review property assets to inform a new Asset Management Strategy
- » Engage in formal Land Registry Migration Project
- » Commence Buildings Condition Survey across the council portfolio

We will:

- » Refresh the Financial Plan 2024-29 and implement the Cost Management and Income Generation Plan
- » Develop a transformation programme and commence a review of the council and its operations to ensure it is efficient and 'fit for the future'.

Working with others we will:

- » Introduce package of support for Parish Councils in respect of dealing with governance issues
- » Explore funding opportunities emerging through the County Deal for Norfolk and explore new ways of working with Norfolk County Council

Support our communities

Priorities:

- » Work with partners, and provide access to leisure, cultural and outreach experiences, to reduce isolation, improve health and wellbeing, and support people to live independently at home for longer
- » Tackle social and health inequalities, encourage healthy, active lifestyles and help prevent avoidable hospital admissions working with the NHS and other partners
- » Seek improvements to provision of NHS dentists in West Norfolk, working with the NHS and partners
- » Work with schools and colleges to improve educational opportunities, inclusion, attainment, and ambition
- » Support the local voluntary sector as a vital element of the local community
- » Improve access to affordable homes and work to improve the quality of rented accommodation
- » Actively monitor food safety, housing standards, air quality and other statutory issues to minimise environmental health risks
- » Address all types of anti-social behaviour and encourage respect for each other
- » Promote and maintain attractive public open spaces across the borough for all to enjoy



Community Event, Downham Market



Installing Bird Boxes, The Walks

We will:

- » Review and update the Housing Strategy and pathways to prevent homelessness
- » Progress our commitment to the Care Leavers Covenant by developing and promoting our local offer to care leavers
- » Further develop 'Creating Communities' Events
- » Undertake a review of the Council's Equality Policy and continue to progress a range of workstreams to support equality, diversity and inclusion
- » Develop a community engagement strategy as part of the Corporate Peer Challenge Action Plan

Working with others we will:

- » Engage with the Institute of Health Equity to make West Norfolk a Marmot place
- » Ensure our need for better dentistry services and the release of funding for a new QE Hospital remains a joint priority between ourselves and our partners.
- » Continue to work with Integrated Care Systems to support services delivered in the community



Measuring Success

In addition to the projects and actions described in the annual plan, we also measure key performance indicators which focus on our priorities



Nar Ouse Development, King's Lynn

Promote growth and prosperity to benefit West Norfolk:

- » Number of new affordable homes delivered by the Major Housing Programme
- » Number of new homes built through the Major Housing Programme
- » Number of brownfield sites brought into use for commercial and housing
- » Number of business grants awarded

Protect our environment

- » Number of electric vehicle charging points installed within district owned car parks
- » Number of brown bins in use for composting
- » Percentage of street lighting within the borough converted to LED
- » Solar power (kWh) generated across council sites

Efficient and effective delivery of services

- » Reduce revenue expenditure by 5%
- » Percentage of calls prevented by web chat
- » Percentage of calls answered within 90 seconds
- » Percentage of local supplier invoices paid within 10 days

Support our communities

- » Percentage of housing adaptations completed within time
- » Percentage of people attending Food for Thought events who rated the information provided as good or above
- » Number of households prevented from becoming homeless for a minimum of 6 months
- » Number of 16-30 year olds engaged with the BOOST project

REPORT TO CABINET

Open		Would any decisions proposed:			
Any especially affected Wards	Mandatory/	Be entirely within Cabinet's powers to decide		YES	
	Discretionary /	Need to be recommendations to Council		YES	
	Operational	Is it a Key Decision		NO	
Lead Member: Cllr Morley E-mail: cldr.chris.morley@west-norfolk.gov.uk		Other Cabinet Members consulted:			
		Other Members consulted:			
Lead Officer: Michelle Drewery E-Mail: Michelle.Drewery@West-Norfolk.gov.uk Direct Dial: 01553 616432		Other Officers consulted:			
Lead Officer: Jamie Hay E-mail: jamie.hay@west-norfolk.gov.uk Direct Dial: 01553 616701		Michelle Drewery – Assistant Director, Resources (S151 Officer) Carl Holland – Financial Services Manager Alexa Baker – Assistant Director, Legal, Governance & Licensing Laura Botten, Corporate Governance Officer Matthew Head, Internal Auditor Michael Tweed, Internal Auditor			
Financial Implications NO	Policy/ Personnel Implications YES	Statutory Implications NO	Equal Impact Assessment YES If YES: Pre-screening	Risk Management Implications YES	Environmental Considerations NO
If not for publication, the paragraph(s) of Schedule 12A of the 1972 Local Government Act considered to justify that is (are) paragraph(s)					

Date of meeting: 5th March 2024

ANTI-MONEY LAUNDERING POLICY REVIEW

Summary

Regulated Authorities must have provisions in place relating to 'Money Laundering', as a Local Authority we are not legally obliged to apply the provisions of the Money Laundering Regulations 2007. However, as a responsible public body, the Borough Council who do not undertake any such regulated activities should employ policies and procedures which reflect the essence of the UK's anti-terrorist financing, and anti-money laundering regimes. Such legislation has been considered by professional bodies, resulting in best practice guidance being issued that requires local authorities to establish internal procedures to prevent the use of their services for money laundering.

This is a policy review which is to replace the current Anti-Money Laundering Policy which was formally approved on 21st April 2020.

To amend titles and officers with roles within the policy, and to further develop the policy to include more robust details and information regarding CDD (Customer Due Diligence) and KYC (Know Your Customer/Client) within an accompanying set of procedures to assist officers should the need arise to follow this process through providing a step-by-step guide.

1 legislative change has occurred since April 2020, and this has been captured in section 5.5 of this new policy.

Recommendation

- a) Approval for this Policy to be put forward to Full Council and Cabinet for formal adoption.

Reason for Decision

To ensure the Council's anti-money laundering policy and associated procedures remain up to date and fit for purpose including changes in legislation. This policy looks to provide a clear process for officers/members who wish to report suspicions of money laundering and to the same end helps to raise suspicions of serious crime to the relevant responsible officers and other organisations (the National Crime Agency – NCA). As well as to protect officers/members who may have a suspicion and may require assistance to prevent further offences and/or obtaining guidance to prevent themselves from inadvertently becoming 'involved' in money offences.

1 Background

- 1.1 The Anti-Money Laundering Policy sets out the Borough Council's policy on what the definition of money laundering is, the scope and the legislation requirements regarding money laundering, who the responsible officer(s) will be, the CDD and KYC procedures to be implemented relating to suspicious activities, the internal reporting procedures for suspicions of money laundering and the further considerations of disclosure to the national governing body for anti-money laundering purposes (the NCA). This policy also introduces all of the relevant procedures and documents to be used within the accompanying Anti-Money Laundering Procedures to help officers/members decide if a possible money laundering offence is taking/has taken place, what the potential signs of money laundering may look like, the proposed due diligence and verification of customer identity processes/procedures and the reporting procedures to be introduced.

2 Options Considered

- 2.1 Retain the policy in current format. The current policy is no longer fully accurate and does not include the legislative change referred to in section 5.5 of this new policy. Other areas of the current policy have become out of date such as job titles. New areas of responsibility have been included within this policy review regarding the introduction of the "Officer in Charge of Keeping Records" and "Nominated Officer for Compliance" roles. The Policy also introduces more robust CDD and KYC procedures within the accompanying Anti-Money Laundering Procedures.

3 Policy Implications

3.1 The report recommends approval of the revised policy of Anti-Money Laundering Policy.

4 Financial Implications

4.1 The Policy will help to mitigate the risk to the organisation against fraud and corruption / money laundering which financially affects the council.

5 Personnel Implications

5.1 No Direct implications.

6 Environmental Considerations

6.1 There are no environmental considerations.

7 Statutory Considerations

7.1 There are no statutory requirements placed upon Local Authorities in respect of Money Laundering Regulations.

8 Equality Impact Assessment (EIA)

8.1 Pre screening report attached.

9 Risk Management Implications

9.1 Failure to have and maintain a policy would leave the council susceptible to money laundering, fraud and corruption and financial losses from both internal and external threats.

10 Declarations of Interest / Dispensations Granted

10.1 None.

11 Background Papers

11.1 None.



ANTI-MONEY LAUNDERING POLICY

January 2024

~~August 2021~~

CONTENTS

	<u>Page</u>
1 Policy Statement	2
2 Purpose	2
3 Scope	2
4 What is Money Laundering?	3
5 Relevant Legislation and Regulations	5
6 Requirements of the Money Laundering Legislation	7
7 Roles and Responsibilities	8
8 Penalties	9
9 Defences	9
10 Sanctions List	10
11 Review	11
12 Version Control	11

	<u>Page</u>
1 INTRODUCTION AND SCOPE	2
2 WHAT IS MONEY LAUNDERING	3
3 REQUIREMENTS OF THE MONEY LAUNDERING LEGISLATION	4
4 THE MONEY LAUNDERING REPORTING OFFICER	4
5 DUE DILIGENCE PROCEDURE	5
6 REPORTING PROCEDURE FOR SUSPICIONS OF MONEY LAUNDERING	6
7 REVIEW	8
8 VERSION CONTROL	8

9	APPENDIX A – OFFENCES TABLE	9
10	APPENDIX B – POSSIBLE SIGNS OF MONEY LAUNDERING	11
11	APPENDIX C – CUSTOMER DUE DILIGENCE PROCEDURE	
	— FLOWCHART	13
12	APPENDIX D – VERIFICATION OF CUSTOMER IDENTITY	14
13	APPENDIX E – SUSPICIOUS TRANSACTION REPORTING	
	— PROCEDURE	17
14	APPENDIX F – MONEY LAUNDERING REPORT	18

1. Policy Statement

1.1 The Borough Council of King's Lynn & West Norfolk (the Council) is committed to upholding the highest standards of integrity and ethics in all its activities. As part of our ongoing commitment to combat financial crime, including money laundering and terrorist financing, we have developed this Anti-Money Laundering (AML) Policy. This policy outlines our approach to preventing and detecting money laundering activities within our jurisdiction.

2. Purpose

2.1 Regulated Authorities must have provisions in place relating to Money Laundering, as a Local Authority we are not legally obliged to apply the provisions of the Money Laundering Regulations 2007. However, the purpose of this policy is to employ policy and procedures which reflect the essence of the UK's anti-terrorist financing, anti-money laundering and other anti-financial crime regimes. Guidance from the Chartered Institute of Public Finance and Accountancy ("CIPFA") indicates Local Authorities should comply with the legislation and regulations by:

- a) Adhering to the spirit of the legal obligations and regulatory requirements set forth by the United Kingdom's Money Laundering Regulations and other relevant legislation.
- b) Establishing clear guidelines and procedures to prevent money laundering activities across the Council (including its Local Authority Trading Companies (LATCs).
- c) Promoting awareness and provide training to our employees and relevant stakeholders to identify and report suspicious activities.
- d) Maintaining the integrity and reputation of the Council by demonstrating our commitment to combat financial crime.

3. Scope

3.1 This policy (and its accompanying set of procedures) applies to the Borough Council of King's Lynn & West Norfolk, and therefore applies to Members and all employees of the Council, including temporary and agency staff as well as those employed in wholly owned entities of the Council. It contains specific sections to advise employees and Members of the process to be followed to enable the Council to comply in essence with the UK's anti-terrorist financing, and anti-money laundering regimes.

3.2 This policy ensures all appropriate action is taken to prevent, wherever possible, employees, Members, and the Council from being exposed to money laundering and to comply with all legal and regulatory obligations, including the reporting of suspected or actual cases in line with disclosure requirements.

4. Introduction

- ~~1.1 Money Laundering is the process by which criminally obtained money or other criminal property is exchanged for “clean” money or other assets with no obvious link to their criminal origins. The term is used for a number of offences involving the integration of “dirty money” (i.e. the proceeds of crime) into the mainstream economy. The aim is to legitimise the possession of such monies through circulation and this effectively leads to “clean” funds being received in exchange.~~
- ~~1.2 Although local authorities are not directly covered by the requirements of The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017, guidance from the Chartered Institute of Public Finance and Accountancy (“CIPFA”) indicates that they should comply with the underlying spirit of the legislation and regulations.~~
- ~~1.3 The Borough Council of King’s Lynn & West Norfolk is committed to establishing and maintaining effective arrangements to prevent and detect attempts to launder money using Council services. The Council requires all Members and employees to demonstrate the highest standards of honesty and integrity and this includes compliance with appropriate legislation. The Council is committed to working constructively with the Police and other relevant agencies in relation to combating money laundering and ensuring compliance with the legislation.~~
- ~~1.4 This policy should be read in conjunction with the Council’s Anti-Fraud and Corruption Policy. The Council will seek to ensure the corporate stance on money laundering is widely publicised and that employees and Members have access to the appropriate guidance. A breach of these procedures may lead to disciplinary and/or criminal action being taken.~~

Scope

- ~~1.5 This policy applies to the Borough Council of King’s Lynn & West Norfolk, and as a consequence it applies to Members and all employees of the Council, including temporary and agency staff as well as those employed in wholly owned entities of the Council. It contains specific sections to advise employees and Members of the process to be followed to enable the Council to comply with its legal obligations.~~
- ~~1.6 Our policy is to ensure all appropriate action is taken to prevent, wherever possible, the employees, the Council and its Members from being exposed to money laundering and to comply with all legal and regulatory obligations, including the reporting of suspected or actual cases in line with disclosure requirements.~~

4 What is Money Laundering?

4.1 The Consultative Committee of Accountancy Bodies (CCAB) states that money laundering “includes all forms of using or possessing criminal property (as well as facilitating the use or possession) regardless of how it was obtained”, where criminal property includes:

- Money or money’s worth.
- Securities.
- A reduction in a liability.
- Tangible or intangible property.

4.2 Money laundering involves “the proceeds of offending in the UK but also conduct overseas that would have been an offence had it taken place in the UK. There is no need for the proceeds to pass through the UK”. This can include the following activities:

- A single act (for example, possessing the proceeds of one’s own crime).
- Complex and sophisticated schemes involving multiple parties.
- Multiple methods of handling and transferring criminal property.
- Concealing criminal property or entering into arrangements to assist others to conceal criminal property.

4.3 Money Laundering is the process of moving illegally acquired cash through financial systems so that it appears to come from a legitimate source. Criminals will try to conceal the origin and true ownership of the proceeds of their activities to turn the money from “dirty” to “clean”. It is therefore important that businesses, even low risk ones, have procedures and policies in place to identify and prevent money laundering within their company. Money laundering is the term used to describe several offences involving the proceeds of crime or terrorist funds. It is a criminal offence to:

- Conceal, disguise, convert, transfer, or remove criminal property from the United Kingdom.
- Enter into or become concerned in an arrangement which an individual knows, or suspects facilitates the acquisition, retention, use or control of criminal property by or on behalf of another person.
- Acquire, use, or possess criminal property.

- Fail to disclose one of the principal offences listed above, where there are reasonable grounds for knowing or suspecting the money was a proceed of crime.
- Tell someone that you are going to make a report or tell someone that they are being investigated (tipping-off).
- Falsify, destroy, dispose of, conceal any document which is relevant to an investigation, or allow this to happen.

4.4 There are three stages of money laundering:

1. **Placement:** Following the commission of a crime, the funds derived from the crime are paid into a bank account or used to purchase an asset, for example property.
2. **Layering:** In order to disguise the source of the proceeds of crime, criminals conduct complex and frequent transactions. Using 'money mules' is a form of layering and is an increasing trend in the UK. Money muling occurs when an individual receives money into their bank account (wittingly or unwittingly from a criminal) and transfers it elsewhere. The individual is often promised that they can keep a portion of the cash for facilitating this transaction.
3. **Integration:** Following the layering stage, i.e., once the source of the criminal funds are well disguised, the funds are transferred into the financial system. Therefore, the money appears normal. For example, criminals commonly sell property to integrate laundered money back into the economy.

4.5 Often linked to money laundering is terrorist financing, which is where money is used to finance acts of terrorism.

2. — What is Money Laundering?

~~2.1 — The Proceeds of Crime Act 2002 (as amended by the Crime and Courts Act 2013, Serious Crime Act 2015 and the Criminal Finances Act 2017), Terrorism Act 2000 (as amended by the Criminal Finances Act 2017) and the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (as amended by the Money Laundering and Terrorist Financing (amendment) Regulations 2019) cover a range of activities and offences in relation to money laundering. The primary ones are listed below; further details are provided in **Appendix A: Offences Table:**~~

- ~~Concealing, disguising, converting or transferring criminal property or removing it from the UK;~~

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

~~2.2 These offences cover a range of activities, which do not necessarily need to involve money or laundering, regarding the proceeds of crime. This means that potentially any employee or Member, irrespective of what sort of Council business they are undertaking, could commit an offence if they become aware of, or suspect the existence of criminal property, irrespective of the size of the benefit gained, and/or fail to report their concerns.~~

~~2.3 Where an employee/Member suspects money laundering and reports, or are aware that someone else has, they must exercise caution in what is discussed with others as a further offence of "tipping off" may be committed if, knowing or suspecting a disclosure has been made, the employee/Member take any action which is likely to prejudice any investigation that may be conducted.~~

~~2.4 It is impossible to give a definitive list of ways in which to spot money laundering or how to decide whether to make a report. Facts which tend to suggest that something 'odd' is happening may be sufficient for a reasonable suspicion of money laundering to arise. Risk factors which may, either alone or cumulatively with other factors, suggest the possibility of money laundering activity are provided at **Appendix B: Possible Signs of Money Laundering**.~~

~~2.5 Potentially any employee or Member could be caught by the money laundering provisions if they suspect money laundering and either become involved with it in some way and/or do nothing about it, then they may be liable to prosecution. Heavy penalties, including unlimited fines and up to 14 years imprisonment, can be handed down to those who are convicted of one of the offences listed above.~~

63. Requirements of the Money Laundering Legislation

[3.16.1](#) The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 impose specific obligations on "relevant persons".

[3.26.2](#) The term relevant person relates to the following activities carried out in the course of business; tax advice; accounting services; treasury management; investment or other financial services; credit institutions; audit services; legal services; estate agents; services involving the formation, operation or arrangement of a company or trust; dealing in goods wherever a transaction involves a cash payment equivalent to €15,000 (£12,000) or more.

[3.36.3](#) Some activities undertaken by local authorities could be included within the scope of the money laundering regulations. Therefore to ensure compliance

with the regulations and legislation and for the purposes of this Policy and Guidance, the Council are considered a relevant person when acting in the course of business and activities carried on by them.

3.46.4 The obligations include the following requirements:

- Appoint a Money Laundering Reporting Officer (MLRO) responsible for receiving internal disclosures and making external disclosures of suspicious money laundering activities to the National Crime Agency (NCA). These disclosures are submitted in the form of a suspicious activity report (SAR).
- Conduct a risk assessment on money laundering and terrorist financing.
- Implement policies, procedures, systems, and controls to counter money laundering and terrorist financing risks. This includes putting in place customer due diligence, and if necessary, enhanced due diligence procedures.
- Provide training on money laundering and terrorist financing to staff.
- Establish beneficial ownership of clients i.e., to understand their ownership and structure. Obtaining sufficient knowledge to ascertain the true identity of customers in certain circumstances, by applying due diligence measures.
- Know the intended nature of business relationships and undertake ongoing monitoring of them (to identify unusual transactions).
- Implement a procedure for assessing and controlling risk and reporting suspicions of money laundering.
- A requirement to report to Companies House any discrepancies about a client's company information.
- A requirement to respond to information requests about accounts and safe-deposit boxes.
- Maintain record keeping procedures of all the due diligence undertaken (e.g., for evidence of identity obtained, details of transactions undertaken, for at least 5 years).
-

- Obtain sufficient knowledge to ascertain the true identity of customers in certain circumstances, by applying customer due diligence measures.
- Know the intended nature of business relationships and undertake ongoing monitoring of them (to identify unusual transactions).
- Implement a procedure for assessing and controlling risk and reporting suspicions of money laundering.
- Maintain record keeping procedures (e.g. for evidence of identity obtained, details of transactions undertaken, for at least 5 years).

3.56.5 The European Union 4th Money Laundering Directive requires a focus on risk assessments in relation to anti-money laundering; in particular the need to evidence that an organisation's exposure to risk is considered as part of ongoing business. As such Assistant Directors/Service Managers should maintain engagement with Internal Audit as business operations change with regard to undertaking appropriate and proportionate assessments.

7. Roles and Responsibilities

7.1 Everyone at the Council falls within scope of this policy and has a role in implementing it. Four post holders, however, have formal responsibilities in respect of the policy:

Role	Post Holder	Summary of Responsibilities
<u>Nominated Officer for Compliance (NOC)</u>	<u>Executive Director, Central Services</u>	<u>Overall responsibility for ensuring the Council complies with the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 and supervising its AML function.</u>
<u>Money Laundering Reporting Officer (MLRO)</u>	<u>Assistant Director, Resources (S.151 Officer)</u>	<u>Ensuring and reviewing the efficacy of this policy and promoting the compliance of all staff and members with it.</u> <u>Ensuring there are mechanisms to facilitate the reporting of any suspicions that money laundering may be taking place, receiving, and investigating any such reports and in turn making reports to the National Crime Agency (NCA).</u> <u>Working with the Council's Senior Leadership Team, identifying teams within the</u>

		<u>Council that are making loans, and recoverable grants.</u>
<u>Deputy Money Laundering Reporting Officer (DMLRO)</u>	Senior Internal Auditor	<u>Supporting and deputising for the MLRO.</u>
<u>Officer in Charge of Keeping Records (OCKR)</u>	Financial Services Manager (Deputy S.151 Officer)	<u>Ensuring arrangements are in place to store and retain due diligence and other AML documentation.</u>

4. — The Money Laundering Reporting Officer (MLRO)

4.1 — If an individual becomes aware that their involvement in a matter may amount to money laundering then they must report it to the Money Laundering Reporting Officer (MLRO) and not take any further action until they have received consent from the MLRO, who may have to be granted such consent by the National Crime Agency (NCA).

4.2 — The Council has designated the Assistant Director Resources/Section 151 Officer as the Money Laundering Reporting Officer (MLRO). In the absence of the MLRO or in instances where it is suspected that the MLRO is involved in suspicious transactions, concerns should be raised with the Executive Director, Central Services.

4.3 — The MLRO will nominate the Senior Internal Auditor to act as their deputy except in the instance that it is suspected that the Senior Internal Auditor is involved in suspicious transactions:

4.4 — **Address:** Internal Audit, Borough Council of King's Lynn & West Norfolk, Kings Court, Chapel Street, Kings Lynn, PE30 1EX

Telephone Number: 01553 616701

Email: internalauditemail@West-Norfolk.gov.uk

8 Penalties

8.1 All the offences listed within the Anti-Money Laundering Procedures

Appendix 1: Offences Table are criminal offences and committing them is punishable by prison sentences and/or a fine. For example, if found guilty of the offence of tipping off (i.e., letting the customer know that they are, or might be, the subject of a suspicion of money laundering offences) an individual may be imprisoned for up to two years and may receive a fine of an unlimited amount. The objective of making "tipping off" illegal is clear; it is to ensure that nothing is conducted which might hamper an investigation.

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8.2 You should note that offences can be committed by staff as individuals even if you are acting in the course of your employment.

9 Defences

9.1 There are certain defences available for some of the offences listed within the **Anti-Money Laundering Procedures Appendix 1: Offences Table**. The main defence for our purposes is the defence of having made an 'authorised disclosure' before any offence is committed.

9.2 If you make a disclosure to our MLRO then that disclosure will be sufficient for you to rely on this defence, provided you disclose before any offence has been committed. This is why it is so important that you read this policy carefully, comply with its requirements and act quickly.

9.3 The MLRO will then decide whether to report the suspicion to the NCA. Where a suspicion is reported, if the MLRO does not receive a 'refusal to proceed' from the NCA within a seven-day period then you can proceed with the transaction. Where a 'refusal to proceed' is received there is a further period of 31 days for the NCA to follow up their refusal with further instructions. If no further information is received within 31 days, you can proceed with the transaction.

9.4 Note that if the MLRO does report any suspicions to the NCA you must discuss with the MLRO what information you should give to the proposed recoverable grant/loan/payment recipient, so that you ensure you do not commit the offence of tipping off.

9.5 A person may also not be guilty of an offence if that person took all reasonable steps and exercised all due diligence to avoid committing the offence.

9.6 See **section 3 of the Anti-Money Laundering Procedures** for our reporting requirements.

10 Sanctions List

10.1 There is a separate but related sanctions regime that imposes restrictions on our ability to do business with those persons and entities on HM Treasury's sanctions list.

10.2 Some entries on the list are specific to a particular person or entity and others are general financial sanctions on all persons and entities in a particular jurisdiction. Sometimes the effect of the sanction is that we should never provide a loan, recoverable grant or conduct other financial transactions to those on the list. In other cases, it may be possible to proceed provided we obtain a licence granted by HM Treasury. Breaching the sanctions regimes would have serious consequences for the Council and for you as an individual. So, the analysis of sanctions risk must be an integral part of the due diligence we undertake at the outset of any loan or recoverable grant transaction. A sanctions search is part of our "Knowing Your Customer" requirements.

5. ~~Due Diligence Procedure~~

~~5.1 Where the Council is carrying out activities in the course of business (paragraph 3.2), extra care needs to be taken to check the identity of the customer— this is known as carrying out customer due diligence. This is covered in Regulations 27-38 of the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017. Details of the process to be undertaken is provided in **Appendix C: Customer Due Diligence Procedure Flowchart.**~~

~~When is it done?~~

~~5.2 The requirement for customer due diligence applies immediately for new customers and should be applied on a risk basis for existing customers. Ongoing customer due diligence must also be carried out during the life of a business relationship but should be proportionate to the risk of money laundering and terrorist funding, based on the officers' knowledge of the customer and a regular scrutiny of the transactions involved.~~

~~Cash Payment Procedure~~

~~5.3 Where cash in excess of £1000 is received from customers, employees should ask for, and inspect, identification (**Appendix D: Verification of Customer Identity**). This will help to identify and report any suspicious transactions.~~

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~~5.4 — Electronic or cheque payments to the Council are easily traceable through the banking system. As traceability is key and an individual walking in to pay a debt with cash is not necessarily traceable, it is best practice to insist on payment electronically from a UK Clearing Bank.~~

~~Satisfactory Evidence of Identity~~

~~5.5 — The Council require only the most basic of identity checks (e.g. signed, written instructions on the organisation in question's headed paper at the outset of a particular matter) documented on a Verification of Customer Identity Checklist. The following factors suggest these minimum level checks are appropriate for the Council:~~

- ~~• For Members, employees and contractors of the Council, the Council already has detailed information through recording systems and internal processes.~~
- ~~• For external customers, the Council, as a matter of law, can only provide services to other local authorities and designated public bodies. These customers are heavily regulated and most are well known to us.~~

~~Generally:~~

- ~~• We know most of our customers and those through whom they are acting — there is no, or very little, doubt as to their identity;~~
- ~~• Any services that may be defined as regulated business activities are provided to customers who are UK local authority/public bodies; and~~
- ~~• We are subject to defined, robust public sector governance and financial management controls.~~

~~Record Keeping Procedures~~

~~5.6 — Each area of the Council acting in the course of business carried on by them, see paragraph 3.2, must maintain records of every customer due diligence record, preferably electronically, and details of all relevant transactions carried out for customers for a minimum of five years from the date of (as appropriate) the transaction / end of any client relationship. This is to meet the requirements of the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (Regulation 40) and may be used as evidence in any subsequent investigation/inspection by the relevant supervising body.~~

~~5.7 — Records must be capable of providing an audit trail during any investigation, for example distinguishing the customer and the relevant transaction and recording in what form any funds were received or paid. In practice, the business areas of the Council will be routinely making records of work carried out for customers in the course of normal business and these should suffice in this regard.~~

~~5.8 — Any record keeping should be in line with GDPR and the originating departments Privacy Statement.~~

6. Reporting Procedure for Suspicions of Money Laundering

- ~~6.1 Where an employee or Member suspects money laundering activity they must disclose this as soon as practicable to the MLRO. The disclosure should be within "hours" of the information coming to your attention, not weeks or months later.~~
- ~~6.2 Disclosures should be made to the MLRO in line with the procedure outlined at **Appendix E: Suspicious Transactions Reporting Procedure**. The standard pro-forma report attached at **Appendix F** should be used for this purpose. The report must include as much detail as possible, for example:~~
- ~~• Full details of the people involved (including employee or Member, if relevant);~~
 - ~~• Full details of the nature of their involvement;~~
 - ~~• The types of money laundering activity involved (see **Appendix B, Possible Signs of Money Laundering**);~~
 - ~~• The dates of such activities, including whether the transactions have happened, are ongoing or are imminent;~~
 - ~~• Where they took place;~~
 - ~~• How they were undertaken;~~
 - ~~• The (likely) amount of money/assets involved;~~
 - ~~• Exactly why there are suspicions; the NCA will require full reasons;~~
 - ~~• Any other relevant available information to enable the MLRO to make a sound judgment as to whether there are reasonable grounds for knowledge or suspicion of money laundering and to enable them to prepare their report to the NCA, where appropriate.~~
- ~~6.3 If an employee or Member becomes concerned that their own involvement in a transaction would amount to an offence under sections 327–329 of the Proceeds of Crime Act 2002 or Regulations 86–88 of the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (see **appendix A, Offences Table**), then the report must include all relevant details. Consent will be required from the NCA, via the MLRO, for the individual to take any further part in the transaction. This is the case even if the customer gives instructions for the matter to proceed before such consent is given. Employees and Members should therefore make it clear in the report if such consent is required and clarify whether there are any deadlines for giving such consent e.g. a completion date or court deadline.~~
- ~~6.4 Once the matter has been reported to the MLRO then any subsequent directions provided must be followed. Further enquiries into the matter should not be made by the employee or Member; any necessary investigation will be undertaken by the NCA.~~
- ~~6.5 Should allegations be raised regarding employees of the Council then the Council's Disciplinary and Dismissal Procedure will also apply.~~

~~6.6 — Should allegations be raised regarding Members of the Council then the Democratic Services Manager should also be contacted.~~

~~6.7 — Reference of any reports being made to the MLRO should not be recorded on client files — should the client exercise their right to see their records, then such a note/reference will tip them off to the report having been made and may render the employee or Member liable to prosecution. The MLRO must keep the appropriate records in a confidential manner.~~

~~6.8 — Any information containing personal and/or sensitive data which is supplied or processed during the course of a money laundering investigation shall not be processed wider than is absolutely necessary for the purposes of determining whether a money laundering offence has been committed.~~

~~7.~~ **11 Review**

~~117.1~~ The ~~Borough Council of King's Lynn & West Norfolk~~ will continue to review its rules and procedures and will make sure that the Anti-Money Laundering Policy is regularly reviewed to ensure it stays current, appropriate and effective.

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~~12 Version Control~~ **8. Version Control**

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Policy name		Anti-Money Laundering Policy
Policy description		Regulated Authorities must have provisions in place relating to Money Laundering, as a Local Authority we are not legally obliged to apply the provisions of the Money Laundering Regulations 2007. However, as a responsible public body, the Borough Council of King's Lynn & West Norfolk who do not undertake any such regulated activities should employ policies and procedures which reflect the essence of the UK's anti-terrorist financing, and anti-money laundering regimes. Such legislation has been considered by professional bodies, resulting in best practice Guidance being issued that requires local authorities to establish internal procedures to prevent the use of their services for money laundering.
Responsible Officer		Michelle Drewery, Assistant Director Resources/S.151 Officer

Version number	Date formally approved	Reason for update	Author	Review date
1.1	30/06/20	To introduce a corporate anti-money laundering policy	Jamie Hay	April 2022
1.2		To amend titles and officers with roles within the policy due to changes in personnel.	Jamie Hay	August 2022
<u>2.1</u>		<p><u>To amend titles and officers with roles within the policy.</u></p> <p><u>To further develop the policy to include more robust details and information regarding CDD and KYC within an accompanying set of procedures to assist officers should the need arise to follow this process through providing a step-by-step guide.</u></p>	<u>Jamie Hay</u>	<u>January 2026</u>



ANTI-MONEY LAUNDERING PROCEDURES

January 2024

CONTENTS

	Page
1 AML Procedures	3
2 Customer Due Diligence and Know Your Customer	3
3 Recognising and Reporting Knowledge or Suspicion	17
4 Maintaining Records	21
5 Appendix 1 – Offences Table	24
6 Appendix 2 – Possible Signs of Money Laundering	26
7 Appendix 3a -Customer Due Diligence Procedure Flowchart	29
8 Appendix 3b – KYC Flowchart	30
9 Appendix 4 – Verification of Customer Identity	31
10 Appendix 5 – Suspicious Transaction Reporting Procedure	34
11 Appendix 6 – MLRO Report – to be completed by employee	35
12 Appendix 7 – MLRO Report – to be completed by MLRO	37
13 Appendix 8 – KYC Identification Requirements	40
14 Appendix 9 – Additional KYC required in certain circumstances	52
15 Appendix 10 – KYC Form for sending to borrowers / recoverable grant recipients	54
16 Appendix 11a – KYC & Risk Assessment Form – Internal - Part A	76
17 Appendix 11b – KYC & Risk Assessment Form – Internal – Part B	79
18 Appendix 12 – KYC Matrix	81
19 Appendix 13 – FAQs	82
20 Appendix 14 – Glossary	86

1 AML Procedures

- 1.1 It is essential that Anti-Money Laundering (AML) procedures are **carried out early in the process** with the potential recoverable grant or loan recipient once discussions have started on the proposals of financial assistance from the Council.
- 1.2 **'Know Your Customer' (KYC) checks** are required to ensure the Council is dealing with bona fide individuals and organisations and help identify suspicious behaviour or practices. The background of the potential recoverable grant or loan recipient should be sought, and it is then for you to ascertain and consider any AML considerations and potential issues.
- 1.3 KYC must be **included within all project plans** so that these checks are completed prior to any due diligence decisions and contracts being signed. The potential recoverable grant or loan recipient should be made aware that KYC information will be requested. The potential recoverable grant or loan recipient is required to adhere to all KYC requirements the Council asks for.
- 1.4 **Decision forms should be clear about the due diligence** that has taken place on grant and loan recipients.
- 1.5 The three key areas of responsibility for employees engaged in activities covered by this policy (i.e., in relation to recoverable grants and loans to third parties) are:
- **Customer Due Diligence (CDD) and Know Your Customer (KYC);**
 - recognising and reporting knowledge or suspicion of money laundering;
 - maintaining records.
- 1.6 As part of the checks you undertake to comply with CDD and KYC, you will need to **assess the risks** of establishing a relationship with a customer and maintaining an ongoing relationship. These considerations feed into the CDD/KYC process outlined below.

2 Customer Due Diligence and Know Your Customer

What are CDD and KYC?

- 2.1 Customer Due Diligence (CDD) – and Know Your Customer (KYC) – are a keystone in the fight against money laundering, serving to ensure our dealings are with bona fide individuals and organisations, and assisting in the identification of suspicious behaviour.
- 2.2 CDD (see Appendix 3a flowchart) refers to income cash payments received in excess of £1,000. KYC (see Appendix 3b flowchart) refers to recoverable grants / loans.
- 2.3 The ‘customer’ is the person or entity with whom we form a contractual relationship when undertaking regulated business, i.e., loans or recoverable grant transactions. What is important is that we understand who we are dealing with, and the structure of any corporate entity involved, so you must ensure that you have a fundamental understanding of the structure, management, and control of the recoverable grant/loan recipient. Specifically, where the customer is a legal person, trust, company, foundation, or any other similar legal arrangement the relevant person must take reasonable measures to understand the ownership and control structure of that legal person, trust, company, foundation, or similar legal arrangement.
- 2.4 These procedures and its annexes set out the basics of what is required to comply with the MLR. The main requirements are summarised below:
- identify the customer, i.e., obtain identity documents so we know exactly who they are and that they are who they say they are.
 - for anyone except a “natural person”, identify the person representing that customer, i.e., the individual director, trustee or similar. *A “natural person” is a title used to identify an individual human being. This is different from a legal person, which can be an individual or a company.*
 - identify each Ultimate Beneficial Owner (UBO) of the customer. The UBO is a concept defined in the MLR as any individual who owns or controls 25 per cent or more of a customer. For more information, see **Appendix 8:** for carrying out CDD on complex group structures.
 - check the source of funds where you are receiving funds pursuant to a recoverable grant from a prior recipient. *Checking the source of funds helps to confirm that they are really coming from where the customer is*

saying that they are coming from. Where a recoverable grant has been paid to a prior recipient but the funds are being received/recovered from a new recipient it is important to check the source of those funds to limit opportunities for criminals to launder money from criminal sources.

2.5 Obtaining the KYC information is only the first step to understanding with whom we are dealing. You must ensure you review that information and ask appropriate questions or request additional information where necessary. This is to enable you to know enough about the potential recoverable grant/loan recipient to be reasonably satisfied they are bona fide and do not pose a significant money laundering risk. You should therefore apply this policy with this objective in mind.

When must it be done?

2.6 The Money Laundering Regulations require that evidence of identity be obtained whenever:

- a new business relationship is established (i.e., we propose to provide a loan or recoverable grant to an individual or entity we have not previously transacted with).
- occasional transactions are carried out (i.e., you carry out a transaction with a person or entity you do not regularly transact with, even if you have transacted with them before). Where a transaction is ongoing or a new transaction is planned, **the KYC must be updated at least every two years or every six months where the risk profile is assessed to be high.**
- you have a suspicion of money laundering or terrorist financing.
- where the risk profile of the recipient changes over the course of the transaction or during the period of an ongoing relationship, e.g., a company structure changes, a new beneficial owner or a Politically Exposed Person (PEP). **See paragraph 2.28**, which explains what constitutes a PEP.

2.7 As a result, you must check the identity of:

- all new recoverable grant or loan recipients.

- a recoverable grant or loan recipient for whom we have not conducted due diligence in the past two years.
- all recoverable grant or loan recipients whose risk profile has changed.

2.8 Identities must be established and verified using appropriate documentary evidence in accordance with this guidance. **There is also a flow chart at Appendix 3b which is a helpful guide as to what you need to do.**

How do you do it?

2.9 The first step is to decide whether you need to check the identity of a potential recoverable grant or loan recipient. Check the KYC Matrix – a document held by the Officer in Charge of Keeping Records (OCKR) that records details of past KYC checks (**the form of the matrix is at Appendix 12**) – to see if we already hold the necessary documentation. You should bear in mind that at the outset of a new transaction you will need to ensure the identity documents you have meet the requirements at that time, i.e., any documents required to be dated within three months as per the note at **Appendix 8**.

2.10 Each officer undertaking KYC checks must complete the matrix, retain a copy on the file and provide a copy to the OCKR. You must carry out KYC on the potential recoverable grant or loan recipient if:

- that recipient does not appear on the matrix;
- that recipient does appear on the matrix, but the KYC is dated more than two years ago.

2.11 Note that even if you do not need to update the KYC, because up to date information is recorded on the matrix, you must still complete the internal form at **Appendix 11a (and 11b where appropriate)**. This is so that we have a record that KYC has been considered on each transaction.

2.12 The KYC documentation should be requested from the potential recoverable grant or loan recipient as soon as possible in the transaction. This will avoid wasted time and costs. There is a pro forma you can send to the potential recipient at **Appendix 10**. You should send this out as soon as possible.

2.13 When the completed form is returned, you must check it against the evidence requirements set out in **Appendices 8 and 9** to make sure you have all the KYC information you need.

2.14 If you need more information to complete your KYC checks, you should ask the potential recipient for that additional information. If the potential recipient appears reluctant to provide additional information, you should speak to the MLRO without notifying the potential recipient that you are doing so. If you notify the potential recipient, it might be a prelude to “tipping off” (**as further described in paragraph 5.8 of the Anti-Money Laundering Policy**).

What documents should you request?

2.15 The detail of the basic identification documents you need is set out in **Appendix 8**. The relevant identification documents must be obtained in every case.

2.16 Details of what additional due diligence is required in the situations set out from **paragraph 2.24** are set out in **Appendix 9**.

2.17 Although you must always read the requirements at **Appendices 8 and 9** in detail, a summary of the requirements is set out below:

Who	Requirements
Individuals	<p>We do not anticipate the Council entering into transactions with individuals. As explained above, however, in some situations you may be required to verify the identity of individuals who are part of other entities. In these cases, please follow the guidance relating to individuals as set out at Appendix 8.</p> <p>If you are involved in a transaction involving a direct loan or recoverable grant to an individual, you must speak to your line manager immediately so legal advice can be sought as to whether this activity requires separate FCA authorisation for financial services or consumer credit activities. For example, if you are involved in a loan or recoverable grant to an alms-house that is structured as a loan/recoverable grant to individuals controlling the alms-house, you should check that the structure does not trigger a requirement to be FCA authorised. Other examples include loans to individual partners,</p>

	<p>loans to individuals who are members of an unincorporated association and loans to individuals in a private capacity.</p> <p>The requirements for individuals, however, remain relevant for our AML purposes because these must be followed whenever we need to verify the identity of an individual director or shareholder – that is, in many scenarios.</p>
Local Authorities and ALMOs	<p>The simplified due diligence as set out in Appendix 8. This simplified process will only apply where you do not deem there to be any risk factors which may require additional CDD.</p>
Registered providers of social housing	<p>There are different requirements for registered and pre-registration Registered Providers (RPs), although the Council will be dealing primarily with registered RPs. Registered RPs also have simplified due diligence requirements. This simplified process will only apply where you do not deem there to be any risk factors which may require additional CDD.</p>
Registered charities	<p>It is becoming more common for organisations to be created as charities and not for profit organisations and then used to finance terrorism. The donation of legitimate funds to organisations which directly or indirectly support, or finance terrorism is a serious criminal offence. Charities can therefore pose a risk and should not be treated as low risk.</p> <p>If you have any such concerns or suspicions, you must notify the MLRO immediately.</p> <p>There are different KYC requirements for smaller charities (which as a rule of thumb the Council considers to be a charity with an income of £500,000 or less) than for large charities (income of £500,000 or over). Appendix 8 sets out what these requirements are.</p>
Trusts	<p>As well as verifying the identity of trustees in the same way you would verify the identity of individual borrowers (see paragraph 2.4 above), you must also verify the identity of the beneficiaries of the trust, its settlor and any individual having control over it (e.g., a protector) again, in the same way that you would verify the identity of individual borrowers.</p>
Unincorporated associations	<p>If an association is unincorporated, it is likely you will need to verify the identity of the individuals who own the association, and therefore need to follow the requirements for individuals as set out</p>

	<p>in Appendix 8. For example, this will apply where you are dealing with loans or recoverable grants to alms-houses as these transactions usually involve loans or recoverable grants direct to individuals. Please also see the top row of this table, regarding transactions involving loans or recoverable grants direct to individual trustees.</p>
Publicly listed companies	<p>For a company listed on an approved stock exchange (UK/EEA and as otherwise agreed by the MLRO), the requirements are for simplified due diligence as set out in Appendix 8. This simplified process will only apply where you do not deem there to be any risk factors which may require additional CDD.</p>
Privately held companies, including unlisted public limited companies	<p>Again, there are different requirements depending on the location of the registered office of the company. For example, if a company had a registered office in the UK but you were aware all business was done in a country outside of the European Economic Area, then this may trigger a requirement to carry out further due diligence on the company as if it were a non-UK based. Again, there are requirements for identifying ultimate beneficial owners, i.e., any living individual who owns a 25 per cent share or more or otherwise has a 25 per cent or more control in the company (see paragraph 2.4). Where the transaction involves a group of entities, you must obtain a corporate structure chart.</p> <p>It can be harder to ascertain the ownership, management, and control of privately held companies. So, it is more likely you will need to follow the additional due diligence requirements set out in Appendix 9.</p>

When can certified copies be accepted?

2.18 If it is not possible to obtain the original documents required for KYC, we can accept certified copies of identification documents. But a certified copy is only acceptable if it:

- is no more than three months old.
- is certified by one of:
 - a UK solicitor, who appears on the roll of the Law Society of England & Wales or of Scotland;

- a chartered accountant registered with the Institute of Chartered Accountants of England and Wales (ICAEW);
- an accountant or a lawyer of another jurisdiction whose credentials you have verified through their relevant professional directory;
- a British Embassy or consular official.
- is received in hard copy ('wet-ink'), signed and dated by the individual certifying it (a PDF is not sufficient).
- includes the following wording:
 - 'Certified to be a true copy of the original seen by me' followed by the signature, date, printed name, printed address, telephone number and profession of the person certifying the document; and
- includes, where the document being certified is photographic identification, the following wording:
 - 'I certify this is a true likeness of [name of individual]' this wording may be followed by: 'who is known to me', which is desirable but not essential.
 - it must be followed by the signature, date, printed name, printed address, telephone number and profession of the person certifying the document.

2.19 Using certified copies for the purposes of our own KYC does not require the consent of the person certifying the document, nor do you need MLRO consent to rely on a certified copy, provided it complies with the requirements above. Consents are, however, required where you wish to rely on a third party's KYC.

Can we rely on third party KYC?

2.20 It is our policy to conduct KYC for ourselves, using the original or certified required for KYC (**as listed in Appendices 8, 9 and 10**) wherever possible.

2.21 If for any reason you cannot obtain the original or certified documents required, then in exceptional circumstances you may be able to rely on copies of KYC carried out by a third party, such as a solicitor. Before relying on this, you must obtain the prior written consent of the:

- third party whose KYC you wish to rely on. The MLRs require that you obtain this consent before you can rely on any third-party KYC – so it is vital that you obtain it.
- the MLRO. A request for approval must state the reason for reliance, the third party on whom you are proposing to rely on and including a copy of the written consent of the third party.

2.22 If relying on third-party KYC, the transaction becomes high-risk by default and requires extra scrutiny which makes it unlikely to receive the consent to proceed.

2.23 In this case, you must also:

- immediately obtain from the third party all the information needed to satisfy the Council's CDD requirements in relation to the customer, customer's beneficial owner, or any person acting on behalf of the customer.
- must enter into arrangements with the third party which:
 - a) enable the Council to obtain from the third party immediately on request copies of any identification and verification data and any other relevant documentation on the identity of the customer, customer's beneficial owner, or any person acting on behalf of the customer.
 - b) require the third party to retain copies of the data and documents referred to in point a) for as long as the Council would be required to hold them had the Council carried out the CDD itself.

When is additional KYC required?

2.24 The extent of the due diligence you must carry out depends on the level of risk involved. The Money Laundering Regulations require a 'risk based' approach is adopted to KYC. This means in certain situations a higher risk may be attributed to the potential loan/recoverable grant recipient. To mitigate higher risk, enhanced evidence of identity and additional details should be sought. The situations that trigger a requirement for additional KYC are:

- you doubt the documentary evidence supplied; for example, if an address on a driving licence and an address on a utility bill do not match and the potential recipient cannot explain this discrepancy.
- you do not fully understand the ownership and control structure of the entity including the customer is a legal person or legal arrangement that is a vehicle for holding personal assets, the customer is a company that has a nominee shareholder or shares in bearer form, or the corporate structure of the customer is unusual or excessively complex given the nature of the company's business.
- there are discrepancies in beneficial ownership information provided. Such discrepancies must be reported to the MLRO.
- there is no face-to-face contact with the loan/recoverable grant recipient.
- the customer is the beneficiary of a life insurance policy.
- the customer is a third country national who is applying for residence rights in or citizenship of an EEA state in exchange for transfers of capital, purchase of a property, government bonds or investment in corporate entities in that EEA state.
- dealings are being undertaken on behalf of third parties (so, for example, the recoverable grant or loan recipient does not deal with you direct and acts only through an agent or intermediary).
- any aspect of the proposed transaction is suspicious or raises red flags, for example, the source of funds for a transaction. Examples of what may be suspicious are at **section 3**.
- the transaction includes any high net worth individual. This is because high net worth individuals are a more likely target for criminals seeking to launder money.
- the transaction involves jurisdictions, entities, or individuals subject to sanctions.
- the transaction includes a PEP (**see paragraph 2.28**) or the family member or known close associate of a PEP.
- the transaction involves any non-UK company, or you are concerned that the company structure is unduly complex.
- transaction is complex or unusually large.

- unusual pattern of transactions.
- the transactions or transactions have no apparent economic or legal purpose.
- where the customer or any of the parties to the transaction is established in a high-risk jurisdiction.
- there is a transaction related to oil, arms, precious metals, tobacco products, cultural artefacts, ivory, or other items related to protected species, or other items of archaeological, historical, cultural, or religious significance or of rare scientific value.

2.25 Central Government Guidance and a high risk jurisdictions list is available through HM Treasury, [Money Laundering Advisory Notice: High Risk Third Countries - GOV.UK \(www.gov.uk\)](#). You can also refer to/consider:

- the Financial Action Task Force (FATF) high-risk jurisdictions list.
- the list supplementing the Fourth EU Money Laundering Directive (available from the MLRO).
- the corruption index maintained by Transparency International.
- countries that have organisations operating within their territory which have been designated (a) by the UK Government as prescribed organisations under Schedule 2 to the Terrorism Act 2000, or (b) by other countries, international organisations, or the EU as terrorist organisations.
- countries subject to sanctions, embargos or similar measures issued by, for example, the EU or United Nations.
- countries providing funding or support for terrorism.

High risk jurisdictions are not limited to those on these lists. If in any doubt, you must speak to the MLRO.

2.26 These factors should be identified and recorded by completing the risk assessment at **Appendix 11a (and 11b where appropriate)**.

2.27 The list of additional KYC requirements is at **Appendix 9**.

What is a Politically Exposed Person?

2.28 PEPs are/include:

- individuals entrusted in the preceding year with prominent public functions, whether inside or outside of the UK, including government ministers, their deputies and assistants, judges, boards of central banks or prominent state-owned enterprises, ambassadors and other senior political or state officials.
- those individual's immediate family members and persons known to be their close associates.
- assets held jointly with those individuals or by those individuals on behalf of the PEP.

2.29 If a transaction involves a PEP, you must obtain sufficient evidence to give you reasonable grounds for believing the recoverable grant/loan recipient is who they profess to be and must identify the source of their wealth and source of the funds involved in the proposed transaction. To do this, you need:

- the evidence as set out in **Appendix 8**.
- the additional due diligence as set out in **Appendix 9**: see the specific requirements for PEPs contained therein. Be cautious and beware of counterfeit documents or weak procedures in gaining evidence.

2.30 If a transaction involves a PEP, **you must seek approval from the MLRO** before establishing or continuing the business relationship with that person.

2.31 If you do enter into the transaction involving a PEP, you must conduct enhanced ongoing monitoring of the business relationship with that person.

What do you do once you have collected the documents?

2.32 Once you have completed your due diligence you need to record that internally. The form you need to complete is at **Appendix 11a (and 11b where appropriate)**.

2.33 You must then consider carefully whether the information revealed highlights any areas of concern. Examples of concerns include:

- discrepancies in the documentation, such as names and addresses or company numbers.

- unusual financial activity revealed in the accounts, such as unexpected levels of income or expenditure.
- unnecessarily complex transactions or corporate structures.
- the involvement of an unnecessary number of individuals in a transaction.

2.34 If you have no suspicions or concerns, then you can proceed with the transaction.

2.35 If the prospective loan / recoverable grant recipient fails to provide the appropriate information or anything is unclear, you should ask for more information or for more details. For example, if a corporate structure is complex, you should ask for a detailed structure chart explaining how the group operates so that you have a clear understanding of with whom we are contracting.

2.36 If your KYC information highlights any issues of concern you must speak to your line manager **and** the MLRO as soon as possible. It may be that you will not be permitted to continue with the proposed transaction. Remember that if the MLRO reports (using Appendix 7: MLRO Report – to be completed by MLRO) a suspicion to the National Crime Agency (**NCA**) as a result of your concerns, you must not discuss this with the proposed loan/recoverable grant recipient or you risk carrying out the offence of 'tipping off'.

2.37 Once you have completed your KYC process by obtaining the documents at **Appendix 8** (and **Appendix 9** where relevant) and completing the form at **Appendix 11a** (and **11b** where appropriate), you should provide the OCKR with a completed copy of the KYC Matrix (Appendix 12). You must also retain a copy on your file. The KYC matrix is a central, up to date schedule of all recent KYC which we have undertaken. This is so we do not duplicate recent KYC due diligence. These documents must be maintained in a place which is accessible to all relevant officers and must be made available as required for internal and external audit purposes.

2.38 **Appendix 3b** contains a flowchart that summarises this section of this policy and sets out what you need to do for initial KYC purposes. What ongoing KYC is required?

2.39 The MLR require that once you have carried out the KYC checks, you continue to have these in mind throughout the transaction so that you are alert to anything which is suspicious in the context of what you know about the

loan/recoverable grant recipient. For example, if the proposed recipient is a special purpose vehicle and suddenly appears to have an unexplained amount of money available, this should be considered as suspicious. You also need to be alert to where the risk profile of a customer has changed (**see 2.6**).

2.40 You must remember that the KYC requirements continue to apply throughout the transaction and must be repeated for any new loan or recoverable grant recipients. For example, if a new subsidiary company is suddenly introduced to the transaction this should be checked following the same KYC processes. **See paragraph 2.6.**

2.41 You must also remember that if the risk of a transaction is assessed as high or a PEP is involved then enhanced ongoing monitoring is required. Where the transaction is ongoing, the KYC and risk assessment should be reviewed every six months to consider whether additional documents are required, or the risk profile has changed.

What about sanctions?

2.42 Where this policy requires you to carry out KYC on a potential loan or recoverable grant recipient, you must first check the HM Treasury sanctions list (**see section 10 of the Anti-Money Laundering Policy**).

2.43 If the potential loan/recoverable grant recipient appears on the HM Treasury sanctions list, you must not proceed. Please notify the MLRO and the proposed recipient accordingly. If the potential loan/recoverable grant recipient does not appear on the HM Treasury sanctions list, you can proceed with the KYC checks in accordance with this AML Policy.

Cash Payment Procedure

2.44 Where cash more than £1000 is received from customers, employees should ask for, and inspect, identification. Follow the CDD Procedure Flowchart (**Appendix 3a**) and (**Appendix 4: Verification of Customer Identity**). This will help to identify and report any suspicious transactions. Please then liaise

with the MLRO who will follow Appendix 5: Suspicious Transaction Reporting Procedure.

2.45 Electronic or cheque payments to the Council are easily traceable through the banking system. As traceability is key and an individual walking in to pay a debt with cash is not necessarily traceable, it is best practice to insist on payment electronically from a UK Clearing Bank.

3 Recognising and reporting knowledge or suspicion

Red flags

3.1 You must be able to recognise suspicion to be able to report it. In this respect, you are expected to use your experience and judgement. The following pointers or 'red flags' may be helpful.

3.2 Criminals may attempt to obtain a loan or repayable grant where that funding is not necessary. This is so that they can then repay the loan or recoverable grant using the funds from the proceeds of a crime, thus 'cleaning-up' their criminal proceeds. You must be comfortable that any potential loan or recoverable grant recipient can demonstrate a need for the funding.

3.3 Similarly, criminals may attempt to obtain loan or recoverable grant funding in anticipation of triggering a repayment event so that when the monies are repaid, they can do so using the proceeds of crime. Applications for funding on a project which does not appear viable should be treated with suspicion.

3.4 Any overpayments of monies due to the Council under a recoverable grant or loan agreement must be treated with suspicion.

3.5 Payments of monies due to the Council on behalf of a borrower by anyone except for that borrower itself is suspicious – you must understand why the third party is making payment on behalf of the borrower, and to conduct CDD and KYC searches on the third party.

3.6 Criminals may use land or property that has been obtained through criminal activity as security for a loan so you should be aware of any potential risk areas in relation to assets used as security (for example a recent cash purchase of

the asset or using assets as security which are not part of the funding transaction itself).

3.7 Other circumstances that may give rise to a suspicion of money laundering include:

- unexplained or unusual urgency to the requirement for funding.
- recoverable grant recipients being more interested in the funding arrangements than the details of the scheme itself.
- complex funding arrangements that change regularly or change just as the matter is about to complete.
- overinflated values of assets involved in the transaction.
- delays in providing KYC information when asked, or reluctance to meet face to face where a face-to-face meeting would be usual.
- lack of involvement of third-party professional advisors, where such advisors would be usual.
- unusually complex corporate structures.
- the involvement of individuals where you would normally expect to be dealing with a corporate entity.
- offshore companies or sources of funding which originated from offshore accounts or assets.
- unexpected funds arriving in our accounts.
- discrepancies in beneficial ownership information shown in ownership registers (this must be reported to MLRO).

3.8 This is not intended to be an exhaustive list. You are encouraged to use your experience and working knowledge to identify potential methods of money laundering and to keep abreast of new developments. For example, you should develop a knowledge of entities that operate in the relevant sector (e.g., housing/regeneration) and are likely to be involved in our transactions – the involvement of unusual entities in the relevant sector may give rise to suspicion.

Reporting

- 3.9 You must remain alert to the potential for the Council to be used by a third party for money laundering purposes. You must also remain alert for the instances of proceeds of crime and a potential terrorist activity.
- 3.10 Where it is known or suspected that money laundering may be taking place, such knowledge or suspicion **must** be reported immediately to the MLRO, and you should not proceed with the transaction unless the MLRO gives their specific consent. You must also continue to be aware of the tipping off offence, which applies once any report has been made to the MLRO, Police, HMRC or the NCA. Although you should not proceed with a transaction, it is important you **do not tell** the loan/recoverable grant recipient that a report has been made or that you are concerned about money laundering. If you need to explain a delay to a loan/recoverable grant recipient so they do not become suspicious that you are concerned, please speak to the MLRO about what you can say to the loan/recoverable grant recipient.
- 3.11 The reason why it is so important to speak to the MLRO immediately if you are concerned or are aware of any potential suspicious activity is because a defence exists against some offences if you report any knowledge or suspicion of money laundering to the MLRO (**see section 9 of the Anti-Money Laundering Policy**). You must make this report as soon as such knowledge or suspicion is held or as soon as you become aware of anything similar to one of the examples of warning signs set out in this policy, even if you yourself are not suspicious.
- 3.12 You must therefore report anything however small you think it may be. If you do not make a report, there is no defence for you or the Council to the offence of failing to disclose a suspicion.
- 3.13 There is a prescribed form for making reports to the MLRO, which is included in this policy at **Appendix 7**. It may well be advisable, however, to discuss the matter with the MLRO before filling out the form.
- 3.14 If, in exceptional cases, knowledge or suspicion of money laundering comes to light after a transaction has been completed, then a report must be made at the point that such knowledge of suspicion arises. Again, you should use the pro forma attached at **Appendix 7**.

- 3.15 When completing the reporting form, you must provide as much detail as possible **and** the reasons for suspicion. Your immediate line manager, or the MLRO, will be able to advise in the case of any difficulties in completing the form.
- 3.16 Completed forms should be signed, dated, and sent to the MLRO straight away. The MLRO will acknowledge receipt within 48 hours. If no receipt is received, this should be followed up with the MLRO.
- 3.17 Reports should be made in confidence. Neither the fact a report has been submitted nor any of the contents of the form should be disclosed to anybody either inside or outside the Council, other than your immediate line manager and the MLRO.
- 3.18 **As noted in 3.7**, discrepancies in ownership information you collect from official sources and what you are provided with must be reported to MLRO and the MLRO, in turn, would report this to Companies House

Where to send and discuss reports?

	MLRO	Deputy MLRO
Address	Assistant Director, Resources (S151 Officer), Borough Council of King's Lynn & West Norfolk, Kings Court, Chapel Street, Kings Lynn, PE30 1EX	Senior Internal Auditor, Borough Council of King's Lynn & West Norfolk, Kings Court, Chapel Street, Kings Lynn, PE30 1EX
Telephone	01553 616432	01553 616701
Email	Michelle.Drewery@west-norfolk.gov.uk	Jamie.hay@west-norfolk.gov.uk

Steps following a report

- 3.19 Upon receipt of a report, the MLRO will undertake such further investigation as required to establish whether or not a report should be made to the International Corruption Unit of the NCA.
- 3.20 Reports to NCA will be made by the MLRO using the reporting pro forma required by NCA, as provided on their website.
- 3.21 Reports to NCA will be made in the MLRO's own name. The anonymity of the originator of reports will be protected, remaining confidential and known only to the MLRO.
- 3.22 The MLRO will maintain a log of all reports made to NCA and the action subsequently taken.
- 3.23 The MLRO will contact you and advise whether you can proceed with the transaction or not. If you are notified that you can proceed you will not have carried out any offence regarding any failure to disclose unless any subsequent suspicions or warning signs arise.
- 3.24 It is important you remember that even if you have made a report to the MLRO, and have authorisation to continue with a transaction, your money laundering obligations are not at an end. You must still monitor the transaction and report any subsequent suspicions should the transaction change or new entities become involved (**see also paragraph 2.39 regarding ongoing KYC due diligence**).
- 3.25 If staff are found to be involved with or aware of transactions that should have aroused suspicion of an offence as detailed in this policy, and have failed to make an appropriate MLRO report (using Appendix 6: MLRO Report – to be completed by employee), disciplinary action may be taken. Such failure may also be a criminal offence, as explained above.

4 Maintaining records

4.1 The MLRs requires us to keep appropriate records, as follows:

- during the course of the relationship with the recoverable grant/loan recipient you must undertake reviews of existing records and keep the documents or information up to date.

- customer identification records and the supporting evidential documents must be retained for at least five years from the date of the end of the relationship with the recoverable grant / loan recipient, or the date of a one-off transaction. If we transact with a particular individual or entity regularly, it is therefore important you retain their KYC information as it must be kept until the expiry of five years from the date of our last transaction with that individual or entity.
- transaction records on regulated transactions must also be maintained for a period of at least five years from the date of the end of the relationship. This means you must keep records of all our recoverable grants and loans for at least five years after the expiry of the grant or loan.
- if any recoverable grant/loan recipient or transaction has been the subject of a money laundering report, records should not be destroyed without the prior consent of the MLRO.
- records do not need to be kept in hard copy. They may be stored electronically.
- you must be aware that some of the KYC information we obtain will be personal information falling within the remit of the Data Protection Act 2018 and UK GDPR, and the originating department's Privacy Notice. You must therefore ensure this is treated and stored in accordance with provisions of Data Protection Legislation.

4.2 This is to meet the requirements of the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (Regulation 40) and may be used as evidence in any subsequent investigation/inspection by the relevant supervising body.

4.3 You must make sure you keep adequate and accurate files of transactions (either electronically or in paper form) to comply with these requirements. Copies of all documents must also be provided to the OCKR. These documents must be maintained in a place accessible to all officers and must be made available as required for internal and external audit purposes.

4.4 Records must be capable of providing an audit trail during any investigation, for example distinguishing the customer and the relevant transaction and recording

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

4.5 The MLRs give various authorities (such as the FCA and the NCA) rights to request copies of our KYC records and other relevant records. If you receive a request direct, please refer this to the MLRO and OCKR so that a central record can be kept of all the information requests received.

Appendix 1

OFFENCES TABLE

Section Ref.	Type of Offence	Definition
S327 Proceeds of Crime Act 2002	Money Laundering Offence: Concealing Criminal Property	A person commits an offence if they conceal, disguise, convert or transfer criminal property or if they remove criminal property from England, Wales, Scotland or Northern Ireland. This is punishable by a maximum term of imprisonment of 14 years at the Crown Court and an unlimited fine. At the Magistrates Court it is 6 months and £5,000 fine.
S328 Proceeds of Crime Act 2002	Money Laundering Offence: Arrangements	This offence requires a person to become actively involved in some arrangement which helps someone else to get, keep, use or control the proceeds of a crime. The punishment is as for S327.
S329 Proceeds of Crime Act 2002	Money Laundering Offence: Acquisition, Use and Possession	This offence is committed by anyone that has criminal proceeds in their possession provided they know or suspect that it represents the proceeds of a crime unless they paid 'adequate consideration' for it. Someone who pays less than the open market value is therefore guilty of the offence but someone who pays the full retail price, despite knowing or suspecting they are stolen goods is not guilty. The punishment is as for S327.
S330 Proceeds of Crime Act 2002	Failure to Disclose Offence: Regulated Sector	This offence is committed by an employee of a business in the regulated sector who has knowledge or suspicion of another person's involvement in money laundering and does not make a report through the appropriate channels. Negligence is not a defence as the employee will be tried upon what they should have known given their experience, knowledge and training. This is punishable by a maximum term of imprisonment of 5 years and/or a fine.
S331 Proceeds of Crime Act 2002	Failure to Disclose Offence: Nominated Officers in the Regulated Sector	This offence is committed by a nominated officer (MLRO) of a business in the regulated sector who has knowledge or suspicion of another person's involvement in money laundering and does not make a report through the appropriate channels without an acceptable excuse under the legislation. Negligence is not a defence as the nominated officer will be tried upon what they should have known given their experience, knowledge and training. This is punishable by a maximum term of imprisonment of 5 years and/or a fine.
S332 Proceeds of Crime Act 2002	Failure to Disclose Offence: Other Nominated Officers	This offence is committed by a nominated officer (MLRO) of a business outside of the regulated sector who has knowledge or suspicion of another person's involvement in money laundering and does not make a report through the appropriate channels without an acceptable excuse under the legislation. The officer will be tried on what they knew or suspected not on what they might have been expected to know or suspect. This is punishable by a maximum term of imprisonment of 5 years and/or a fine.

S333 Proceeds of Crime Act 2002	Tipping Off Offence	<p>This offence is committed if an officer or Member makes a disclosure which is likely to prejudice an investigation being carried out by a law enforcing authority, knowing that such an investigation is in motion.</p> <p>This is punishable by a maximum term of imprisonment of 5 years and/or a fine.</p>
Reg 86 Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017	Contravening a relevant requirement	<p>A person commits an offence if they have not followed any relevant guidance issued by the European Supervisory Authorities, Financial Conduct Authority or any other relevant supervisory authority approved by the Treasury.</p> <p>This is punishable by a maximum term of imprisonment of 2 years at the Crown Court, a fine, or both. At the Magistrates Court a term of three months, a fine, or both.</p>
Reg 87 Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017	<u>Prejudicing an investigation</u>	<p>This offence is committed when a person who knows or suspects that an appropriate officer is acting (or proposing to act) in connection with an investigation into potential contravention of a relevant requirement which is being or is about to be conducted. The offence is committed if either they make a disclosure which is likely to prejudice the investigation or they falsely, conceal, destroy or otherwise dispose of, or cause to permit the falsification, concealment, destruction or disposal of, documents which are relevant to the investigation.</p> <p>The punishment is as for Reg. 86 above.</p>
Reg 88 Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017	Providing false or misleading information	<p>There are two separate offences under regulation 88. Under regulation 88(1) a person commits an offence if:</p> <ol style="list-style-type: none"> 1. In purported compliance with a requirement imposed on him by or under the MLR 2017, provides information which is false or misleading in a material particular and knows that the information is false or misleading; or 2. Is reckless as to whether the information is false or misleading. <p>In respect of both offences, the punishment is the same as Regs 86 and 87 above.</p>

Appendix 2

POSSIBLE SIGNS OF MONEY LAUNDERING

Generally, for the types of transactions the Council are involved with which are at risk in relation for Money Laundering, the risks are mitigated because these transactions will be with large, well-known companies who will be represented by their solicitors who have their own professional duties regarding the Money Laundering Regulations. Conversely, where there are similar transactions with un-

represented individuals or bodies this would be an area of greater risk and our response will need to reflect this.

Types of risk factors which *may*, either alone or along with other factors suggest the possibility of money laundering activity:

General

- A new customer with no previous 'history' with the Council;
- A secretive customer: for example, one who refuses to provide requested information without a reasonable explanation;
- Concerns about the honesty, integrity, identity of a customer;
- Illogical third party transactions: for example, unnecessary routing or receipt of funds from third parties or through third party accounts;
- Involvement of an unconnected third party without logical reason or explanation;
- Payment of a substantial sum in cash (but it's reasonable to be suspicious of any cash payments particularly those over £1,000);
- Overpayments by a customer;
- Absence of an obvious legitimate source of the funds;
- Movement of funds to/from overseas, particularly to and from a higher risk country;
- Where, without reasonable explanation, the size, nature and frequency of transactions or instructions is out of line with normal expectations;
- A transaction without obvious legitimate purpose or which appears uneconomic, inefficient or irrational;
- Cancellation or reversal of an earlier transaction;
- Requests for release of customer account details other than in the normal course of business;
- Poor business records or internal accounting controls;
- A previous transaction for the same customer which has been, or should have been, reported to the MLRO.

Property Matters

- Unusual property investment transactions with no apparent investment purpose;

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

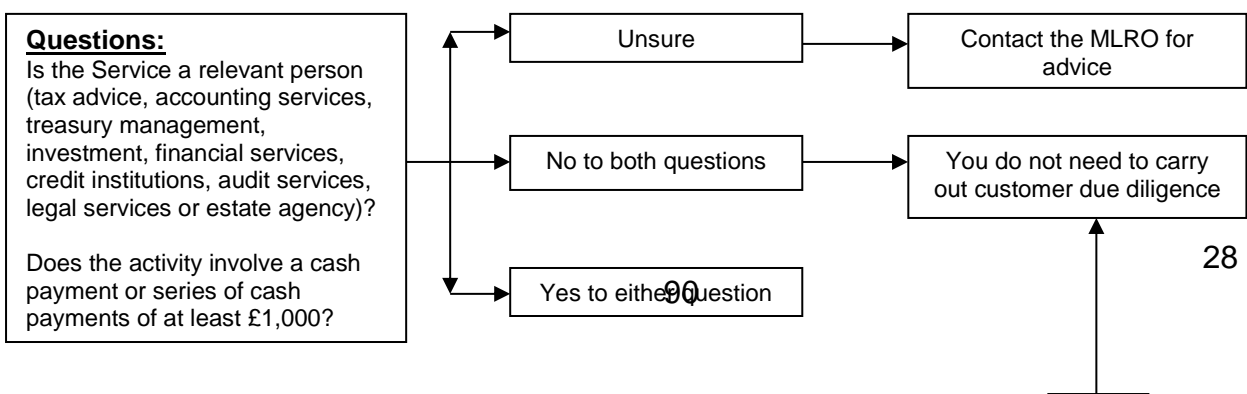
The following table sets out the types of activities that might be suspicious and where the Council may be susceptible to money laundering activities. It is not intended to be exhaustive, and just because something is not on the list, it doesn't mean that it shouldn't be reported.

ACTIVITY	The types of activity that may be affected
New customers with high value transactions	<ul style="list-style-type: none"> • Selling property to individuals or businesses • Renting out property to individuals or businesses • Entering into other lease agreements • Undertaking services for other organisations
Secretive clients	<ul style="list-style-type: none"> • Housing benefit claimants who have sums of money entering into / out of their bank account (even if we do not award them benefit, we should still consider money laundering implications) • People buying or renting property from the Council who may not want to say what it is for • People receiving grant funding who refuse to demonstrate what funding was used for
Customers who we think are acting dishonestly or illegally	<ul style="list-style-type: none"> • People paying for Council services who do not provide details about themselves • People making odd or unusual requests for payment arrangements
Illogical transactions	<ul style="list-style-type: none"> • People paying in cash then requesting refunds • Requests for the Council to pay seemingly unconnected third parties in respect of goods / services provided to the Council • Requests for the Council to pay foreign currencies for no apparent reason
Payments of substantial sums by cash	<ul style="list-style-type: none"> • Large debt arrears paid in cash • Refunding overpayments • Deposits / payments for property
Movement of funds overseas	<ul style="list-style-type: none"> • Requests to pay monies overseas, potentially for "tax purposes"
Cancellation of earlier transactions	<ul style="list-style-type: none"> • Third party "refunds" grant payment as no longer needed / used • No payment demanded even though goods / services

	<ul style="list-style-type: none"> have been provided Sudden and unexpected termination of lease agreements
Requests for client account details outside normal course of business	<ul style="list-style-type: none"> Queries from other companies regarding legitimacy of customers Council receiving correspondence / information on behalf of other companies
Extensive and over-complicated client business structures / arrangements	<ul style="list-style-type: none"> Requests to pay third parties in respect of goods / services Receipt of business payments (rent, business rates) in settlement from seemingly unconnected third parties
Poor accounting records and internal financial control	<ul style="list-style-type: none"> Requests for grant funding / business support indicates third party not supported by financial information Companies tendering for contracts unable to provide proper financial information / information provided raises concerns Tender for a contract which is suspiciously low
Unusual property investment or transactions	<ul style="list-style-type: none"> Requests to purchase Council assets / land with no apparent purpose Requests to rent Council property with no apparent business motive
Overcomplicated legal arrangements / multiple solicitors	<ul style="list-style-type: none"> Property transactions where the Council is dealing with several different parties

Appendix 3a

CUSTOMER DUE DILIGENCE PROCEDURE FLOWCHART

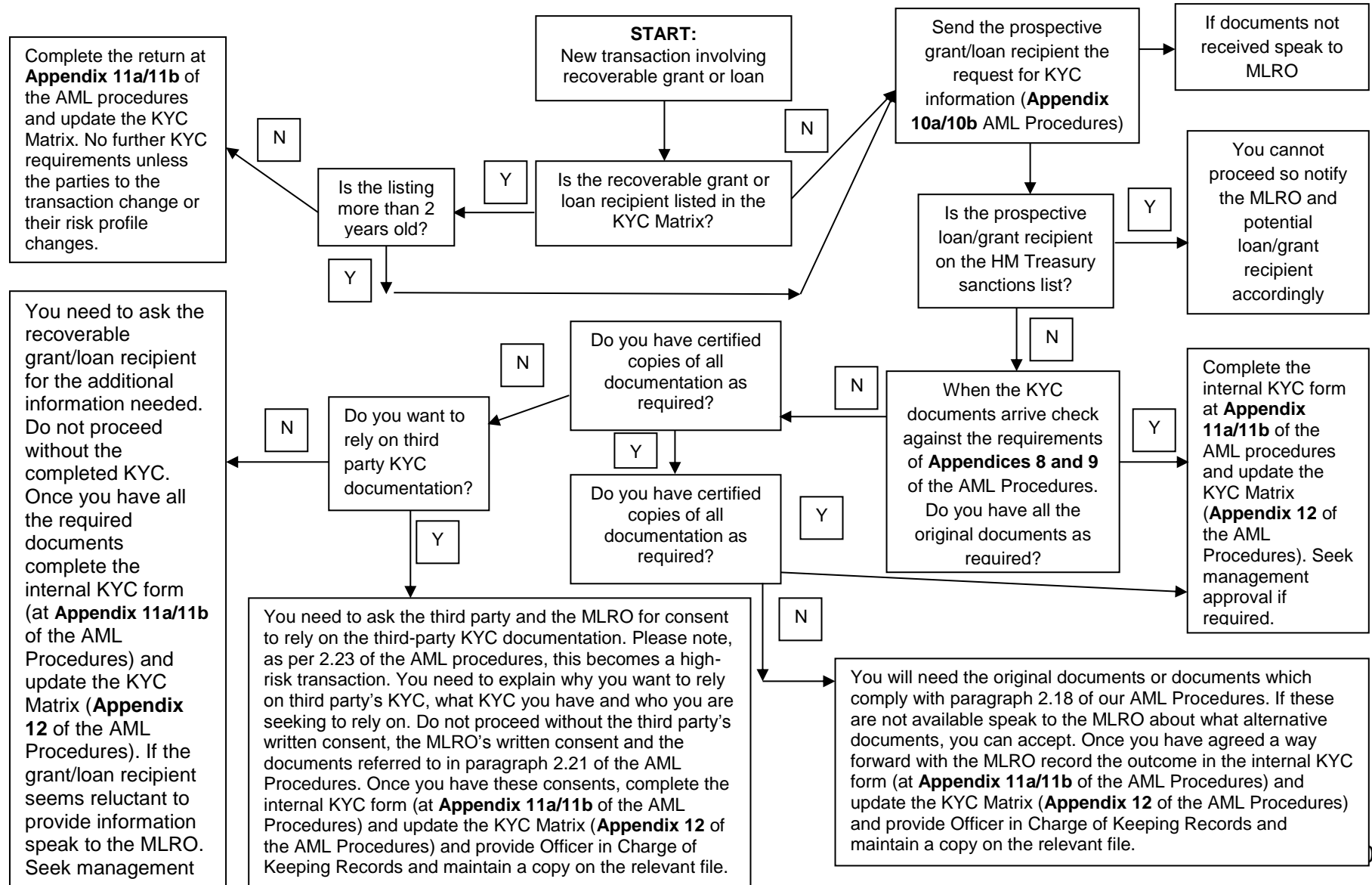


Is the service being provided to a UK public authority?

- Complete Appendix 4 – Verification of Customer Identity
- Check the organisations website to confirm the identity of key personnel, its business address and any other details
- Conduct an online search via Companies House to confirm the nature of the client and to confirm the identities of any directors
- Attend the client at their business address
- Ask the key contact officer and/or any individual who exercises control over the management of the body (e.g. Chief Executive Officer) to provide evidence of their personal identity and position within the organisation

Appendix 3b

KNOW YOUR CUSTOMER PROCEDURE FLOWCHART



Appendix 4 – Verification of Customer Identity

VERIFICATION OF CUSTOMER IDENTITY CHECKLIST

If you are receiving funds from a Council customer in any transaction **above £1,000 cash**, the identity of the customer **must** be checked.

All suspicions, regardless of amount, should be reported to the MLRO via the Money Laundering Reporting Form (Appendix 6).

Customer Name:

1. Evidence Not Obtained – Reasons:

a) Customer previously identified in:

Month: Year:

b) Other – Please state fully the reasons:

2. Evidence obtained to verify name and address:

Group A – Acceptable on their own:

- Full national passport
- Full national driving licence with photo
- Pension book
- Armed Forces ID Card
- Signed ID Card of employer known to you.

Group B – Acceptable with two items from Group C

- Young person NI Card (under 18 only)
- Pensioner’s travel pass
- Building Society passbook
- Credit reference Agency Search
- National ID Card
- Copy of the Company Certificate of Incorporation (if a limited company)
- Company and two Directors personal identity (as above)

Group C – NOT acceptable on their own:

- Gas, electricity, telephone bill
- Mortgage statement
- Council tax demand
- Bank/Building Society/credit card statement
- Young persons medical card (under 18 only)
- Home visit to applicants' address
- Check of telephone directory /Online BT Phonebook /Yell.com
- Check electoral roll

These are only suitable for proof of address only.

NB. Best Practice is to have one evidence from Group A, plus two sets of evidence from Group C.

3. Evidence obtained for unquoted company or partnership:

- Certificate of incorporation or equivalent
- Certificate of Trade or equivalent
- Latest report and audited accounts
- Principal shareholder/partner (personal ID)
- Principal Director (personal ID)
- Screenshot of the customers' website to confirm their business address
- Screenshot of Companies House website, detailing the Nature and business of the customer, and confirming the identities of the directors.
- A written instruction on the organisation in question's headed paper.

4. Disadvantaged Customers: (Confirmation of identity from)

- Social Worker (include name)

- Bail Officer (include name)

- Police (include officer name)

- School (include representatives name)

- Courts (include representatives name)

- Other

5. If evidence not obtained for the reasons in 1, do you have any suspicions regarding identity?

I confirm that I have seen the originals of the documents indicated above and have identified the above Customer(s)

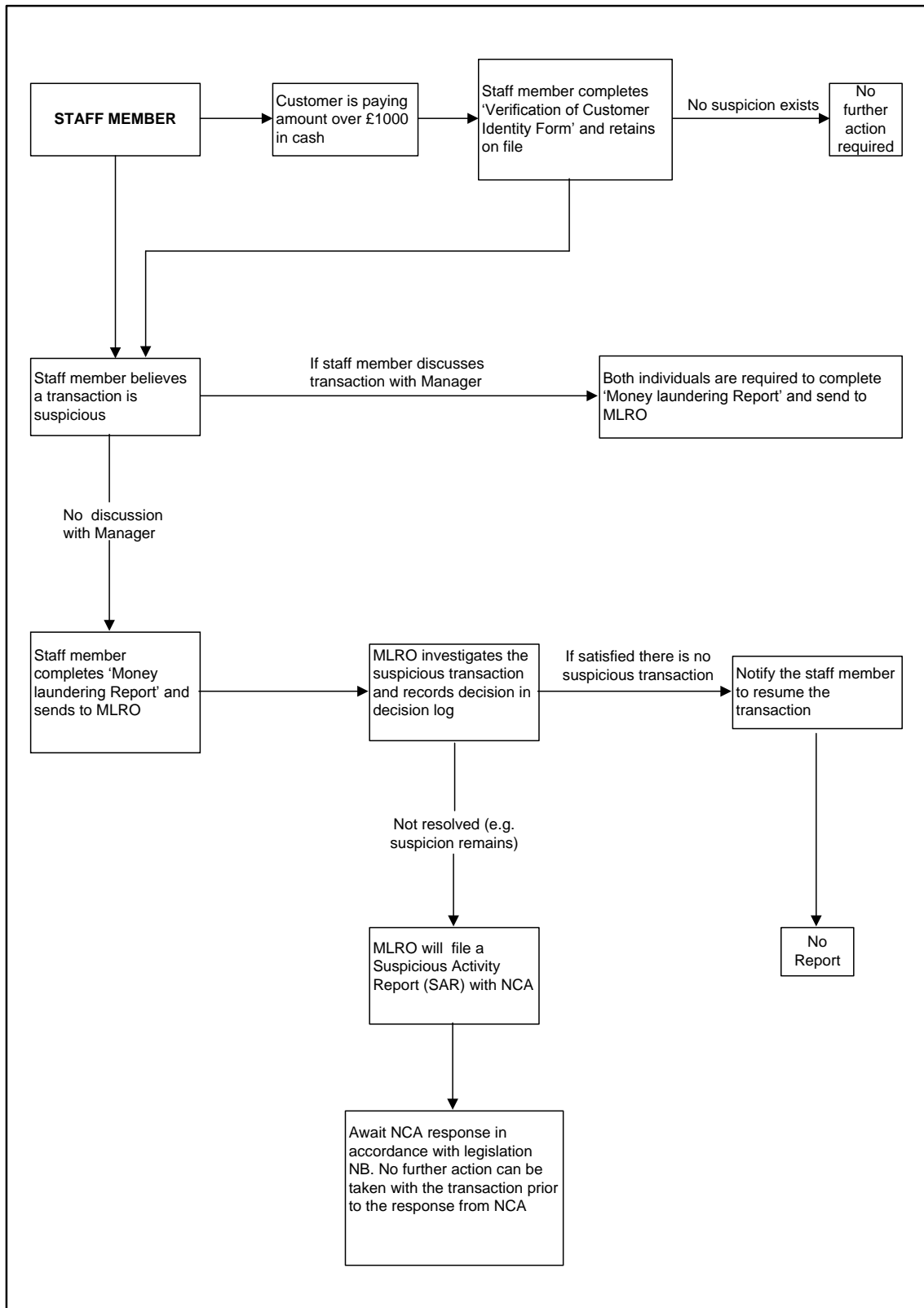
Signed

Date

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

Appendix 5

SUSPICIOUS TRANSACTION REPORTING PROCEDURE



Suspicious Activity AML Report

TO BE COMPLETED BY EMPLOYEE

Employee Details	
➤ Date of completion of form:	
➤ Employee Name:	
➤ Team / Section:	
➤ Contact Number:	
Details of suspicion	
➤ Name of loan/recoverable grant recipient giving rise to the suspicion:	
➤ Address (including post code):	
➤ Nature of business and proposed transaction:	
<p>➤ Details of activities arousing suspicion:</p> <p>(Include dates, times, checks made, and nature and size of activity. Please attach copies of all relevant correspondence, file notes and other records.</p> <p>You may be asked by the MLRO to provide further information, so the more details provided now the better)</p>	
➤ Other relevant information:	

Signature:	
Date sent to MLRO:	

Appendix 7

Suspicious Activity AML Report

TO BE COMPLETED BY MLRO

➤ Date report received:	
➤ Date receipt of report acknowledged:	
Consideration of Disclosure	
Action Plan:	
Outcome of Consideration of Disclosure	
➤ Are there reasonable grounds for suspecting money laundering activity?	
➤ If there are reasonable grounds for suspicion, will a report be made to the NCA?	
➤ If yes, confirm date of report to the NCA:	
➤ Provide details of liaison with the NCA regarding the report:	Notice Period: to

	Moratorium Period:to
➤ Is consent required from the NCA to any ongoing or imminent transactions which would otherwise be prohibited acts?	
If yes, confirm full details:	
➤ Date consent received from the NCA:	
➤ Date consent given by MLRO to the employee:	
➤ If there are reasonable grounds to suspect money laundering, but the MLRO does not intend to report the matter to the NCA, set out the reason(s) for non-disclosure:	
➤ Date consent given by MLRO to employee for any prohibited act transactions to proceed:	
Other relevant information:	

--

Signature:

Date:

This report to be retained securely for at least five years.

Earliest disposal date:

Appendix 8 - KYC identification requirements – required in ALL situations

Although this Appendix sets out the fundamental identification requirements, you should note the principles explained in our AML Procedures and you must ensure you understand the ownership and control structure of the potential loan/recoverable grant recipient in all cases.

Note that in this Appendix ‘current’ means no older than three months. All documents with expiry dates (such as passports, driving licences and identity cards) must be in force as of the date of receipt.

Entity Type	Evidence Required	Notes
Individual (UK or EU resident)	<p><i>Proof of name and identity</i></p> <p>The original (or if that is not available, a certified copy) of one of:</p> <ul style="list-style-type: none"> • signed passport. • national identity card with photograph. • UK or EU driving licence (with photograph). • any verifiable current government document containing a photograph of the client. <p>AND</p> <p><i>Proof of address</i></p> <p>The original (or if that is not available a certified copy) of one of:</p> <ul style="list-style-type: none"> • current council tax or utility bill. • current bank or building society statement containing current address. • current mortgage statement or rent book. 	<p>In the event any of the original documents cannot be obtained other original documentation, not listed here or an entry on the electoral register may be acceptable but you will need the consent of the MLRO to accept any documents not listed in this table.</p> <p>Please note the table at paragraph 2.17 regarding loans or recoverable grants to individuals – you may need to check that the transaction does not involve an FCA regulated activity.</p>

	<ul style="list-style-type: none"> driving licence (if not used to confirm identity and if none of the above can be obtained). 	
Individual (non-UK or EU resident)	<p><i>Proof of name and identity</i></p> <p>The original (or if that is not available a certified copy) of one of:</p> <ul style="list-style-type: none"> signed passport. national identity card. <p>AND</p> <p><i>Proof of address</i></p> <p>The original (or if that is not available a certified copy) of one of:</p> <ul style="list-style-type: none"> current utility or tax bill confirming home address. current rent or mortgage statement confirming the home address. address confirmation from an official overseas source. a reputable directory confirming home or work address. 	<p>It is understood that postal addresses are not available in all jurisdictions and that in some jurisdictions utility bills will often be in the name of an employer rather than an individual. In those circumstances a signed passport is acceptable as evidence of identity and an identity card, if it shows an address, or a residence permit or other current verifiable government document, as evidence of the location of the individual.</p> <p>Please note the table at paragraph 2.17 regarding loans or recoverable grants to individuals – you may need to check that the transaction does not involve an FCA regulated activity.</p>
Individual professionals	<p>You must verify the identity of the individual professional in the same way as other individuals.</p>	<p>If an individual is acting in the course of his/her business and is registered in the appropriate professional directory (such as an English solicitor on the Solicitors Regulation Authority roll who can be found on the Law Society's Find a Solicitor website) with a current business address, you do not need to confirm the home address of the individual.</p> <p>Note that if a professional is acting as an agent for the loan/recoverable grant recipient, you must still identify the loan / recoverable grant recipient.</p>
All UK government and public authorities (including local authorities)	<p>All that is required is confirmation that the Agency or Public Authority exists from an official government website.</p>	<p>If the person we are dealing with is not listed as a director or officer of the Agency or Authority then you must satisfy yourself that the person does</p>

		work within the department of which the relevant executive officer is listed. Confirmation on official headed notepaper/ letterhead is sufficient.
Government agencies and public authorities outside the UK but within the EEA	<p>You must obtain:</p> <ul style="list-style-type: none"> • full details of the status of the entity which will include a copy of the constitution or an entry on a local register/official government website. • a listing of the officers (this should be available in any accounts or on any official register/government website entry). • confirmation of where the officer with whom we are dealing fits in the organisation (a written confirmation on headed paper is sufficient). <p>You must also verify the identity of the officer with whom you are dealing in relation to the transaction. You should do this in the same way as verifying the identity of individual loan or recoverable grant recipients as set out above.</p>	
Government agencies and public authorities outside the UK and the EEA	<p>You must obtain:</p> <ul style="list-style-type: none"> • all the information required for government agencies outside the UK but within the EEA (see above). • additional due diligence as these agencies and authorities will be politically exposed persons (see paragraph 2.28 and obtain the additional information required as set out in Appendix 9). 	
Arms Length Management Organisations	<p>You must obtain:</p> <ul style="list-style-type: none"> • name, company number, registered office, or if different, principal place of business. • Certificate of Incorporation. • a copy of the Articles of Association showing sole 	You must take all reasonable steps to identify the law to which the entity and its constitution is subject, full names of the board of directors, or if there is no board the senior management and the senior person responsible

	<p>ownership of the company by the Council.</p> <ul style="list-style-type: none"> • you must also verify the identity of the officer with whom you are dealing in relation to the transaction. You should do this in the same way as verifying the identity of individual loan or recoverable grant recipients as set out above. 	for the operation of the entity.
UK registered providers (RPs)	<p>Name, company number, registered office, or if different, principal place of business.</p> <p>You must obtain copies of:</p> <ul style="list-style-type: none"> • the registration entry at Companies House or the FCA. • the audited accounts listing the directors and chief officers. <p>You must also verify the identity of the officer with whom you are dealing in relation to the transaction. You should do this in the same way as verifying the identity of individual loan or recoverable grant recipients as set out above</p>	Please note that if the entity is a RP and a registered charity, you should follow the RP requirements.
Pre-registration RPs	<p>Name, company number, registered office, or if different, principal place of business.</p> <p>You must obtain copies of:</p> <ul style="list-style-type: none"> • the company formation documents or a copy of the RP's HCA, Companies House or FCA registration. <p>You must also verify the identity of the officer with whom you are dealing in relation to the transaction. You should do this in the same way as verifying the identity of individual loan or recoverable grant recipients as set out above</p>	<p>Please note that if the entity is a pre-registration RP and a registered charity, you should follow the RP requirements AND the charity requirements.</p> <p>You must take all reasonable steps to identify the law to which the entity and its constitution is subject, full names of the board of directors, or if there is no board the senior management and the senior person responsible for the operation of the entity.</p>
Small charities (with an annual income of less than	<p>You must obtain:</p> <ul style="list-style-type: none"> • name, company number, 	Please note that if the entity is a RP and a registered charity, you should follow the RP

<p>£500,000)</p>	<p>registered office, or if different, principal place of business.</p> <ul style="list-style-type: none"> • certificate of Incorporation. • the constitutional documents. • the latest accounts. <p>You must also verify the identity of the officer with whom you are dealing in relation to the transaction. You should do this in the same way as verifying the identity of individual loan or recoverable grant recipients as set out above.</p>	<p>requirements.</p> <p>You must take all reasonable steps to identify the law to which the entity and its constitution is subject, full names of the board of directors, or if there is no board the senior management and the senior person responsible for the operation of the entity.</p>
<p>Large charities (with an annual income of £500,000 or more)</p>	<p>You must obtain:</p> <ul style="list-style-type: none"> • name, company number, registered office, or if different, principal place of business. • extract from the Charity Commission website showing the charity registration number and place of business. • a copy of the latest accounts (summary is acceptable). <p>You must also verify the identity of the officer with whom you are dealing in relation to the transaction. You should do this in the same way as verifying the identity of individual loan or recoverable grant recipients as set out above.</p>	<p>Please note that if the entity is a RP and a registered charity, you should follow the RP requirements.</p> <p>You must take all reasonable steps to identify the law to which the entity</p>
<p>Partnerships</p>	<p>You must verify the identity of the partner with whom you are dealing in relation to the transaction plus one other partner plus any other partner who owns or controls 25% more of the partnership in terms of capital, voting rights or profits (a UBO – see paragraph 2.4). You should do this in the same way as verifying the identity of individual loan or recoverable grant recipients as set out above</p>	<p>If the partnership is made up of regulated professionals (solicitors, accountants, estate agents, tax advisors and insolvency practitioners) confirmation of its existence and current business address from the relevant professional directory or reputable professional directory is sufficient.</p>

<p>Trusts</p>	<p>You must verify the identity of at least two of the trustees, including one with whom you are dealing in relation to the transaction. The identification requirements you need will depend on the nature of the trustee, so for example if the trustee is a UK private company, follow the requirements in this table for UK private companies, and if the trustee is an individual, follow the requirements in this table for individuals.</p> <p>You must check and understand the documents establishing the trust. This is likely to involve a request for a trust structure chart. and a certified copy of the trust deed.</p> <p>As well as verifying the identity of two trustees in the same way you would verify the identity of individual borrowers (see paragraph 2.4 above), you must also verify the identity of the beneficiaries of the trust, its settlor and any individual having control over it (e.g., a protector) again, in the same way that you would verify the identity of individual borrowers.</p>	
<p>Unincorporated Associations (for example alms-houses)</p>	<p>You need to verify the identity of the individuals who control the organisation. You should do this in the same way as verifying the identity of individual loan or recoverable grant recipients as set out above.</p>	<p>These arrangements are likely to involve loans or recoverable grants to individuals. Please note section regarding such loans or recoverable grants – you must check that the transaction does not involve an FCA regulated activity.</p>
<p>Companies listed on a recognised UK stock exchange (which in practice is any company listed on the Main List of the London Stock Exchange (LSE))</p>	<p>Name, company number, registered office, or if different, principal place of business.</p> <p>You must obtain:</p> <ul style="list-style-type: none"> • Certificate of Incorporation. <p>Evidence of the UK listing which can be found in most UK</p>	

	newspapers or on the relevant exchange website.	
Majority owned subsidiaries of companies listed on a regulated market in the UK (i.e., listed on the Main List of the LSE)	<p>Name, company number, registered office, or if different, principal place of business.</p> <p>You must identify the parent company listed in the UK (see above requirements): Companies registered on a recognised UK Stock Exchange.</p> <p>You must also obtain confirmation of the parent/subsidiary relationship such as the last filed annual report or a note from the parent's last audited accounts.</p>	<p>If the company structure is complex, ask to see a corporate structure chart (you need to ask the applicant to provide this).</p> <p>Once you receive the structure chart you should check it against publicly available information at Companies House (you can do this by searching the company names at Companies House online) and/or using an Online Check as referred to in Appendix 9. If it is not possible to identify any of the group entities using these sources, then this must be discussed with the MLRO.</p>
AIM companies AIM is the UK Alternative Investment Market and is a sub-market of the London Stock Exchange. AIM companies are generally smaller than FTSE or LSE companies	<p>Name, company number, registered office, or if different, principal place of business.</p> <p>You must obtain:</p> <ul style="list-style-type: none"> • Certificate of Incorporation. • A current Companies House search. To do this you need to search the company name at Companies House online to confirm the company remains active and registered. <p>You must also verify the identity of the officer with whom you are dealing in relation to the transaction. You should do this in the same way as verifying the identity of individual loan or recoverable grant recipients as set out above.</p> <p>You must also identify any ultimate beneficial owner (a UBO – see paragraph 2.4 of the AML Procedures) being a living individual who owns 25% or more of the shares in the company or otherwise controls 25% or more of the company.</p>	<p>If the company structure is complex, ask to see a corporate structure chart (you need to ask the applicant to provide this).</p> <p>Once you receive the structure chart you should check it against publicly available information at Companies House (you can do this by searching the company names at Companies House online) and/or using an Online Check as referred to Appendix 9. If it is not possible to identify any of the group entities using these sources then this must be discussed with the MLRO.</p> <p>Once you have checked the structure chart, you need to verify the identity of all of the UBOs – i.e., the bottom of the ownership chain. See the Guidance Notes at the foot of this table for practical guidance on carrying this out.</p>

	<p>You should do this in the same way as verifying the identity of individual loan or recoverable grant recipients as set out above.</p> <p>You must take all reasonable steps to identify the law to which the entity and its constitution is subject, full names of the board of directors, or if there is no board the senior management and the senior person responsible for the operation of the entity.</p>	
<p>Private and unlisted public UK companies – FCA authorised</p>	<p>Name, company number, registered office, or if different, principal place of business.</p> <p>You must obtain:</p> <ul style="list-style-type: none"> • Certificate of Incorporation. • a current Companies House search. the company name to confirm the company remains active and registered. To do this you need to search. <p>You must also verify the identity of the officer with whom you are dealing in relation to the transaction. You should do this in the same way as verifying the identity of individual loan or recoverable grant recipients as set out above.</p> <p>You must also identify any ultimate beneficial owner (a UBO – see paragraph 2.4 of the AML Procedures), being a living individual who owns 25% or more of the shares in the company or otherwise controls 25% or more of the company. You should do this in the same way as verifying the identity of individual loan or recoverable grant recipients as set out above.</p> <p>You must take all reasonable steps to identify the law to which the entity and its</p>	<p>If the company structure is complex, ask to see a corporate structure chart (you need to ask the applicant to provide this).</p> <p>Once you receive the structure chart you should check it against publicly available information at Companies House (you can do this by searching the company names at Companies House online) and/or using an Online Check as referred to in Appendix 9. If it is not possible to identify any of the group entities using these sources then this must be discussed with the MLRO.</p> <p>Once you have checked the structure chart, you need to verify the identity of all of the UBOs – i.e., the bottom of the ownership chain. See the guidance notes at the foot of this table for practical guidance on carrying this out.</p>

	<p>constitution is subject, full names of the board of directors, or if there is no board the senior management and the senior person responsible for the operation of the entity.</p>	
<p>Companies listed overseas – European Economic Area (EEA)</p>	<p>Name, company number, registered office, or if different, principal place of business.</p> <p>If the company is listed (or is a subsidiary of a listed company) on a regulated market in an EEA state, the evidence required is the same as should be obtained for companies listed in the UK.</p> <p>You must also verify the identity of the officer with whom you are dealing in relation to the transaction. You should do this in the same way as verifying the identity of individual loan or recoverable grant recipients as set out above.</p>	<p>If the company structure is complex, ask to see a corporate structure chart (you need to ask the applicant to provide this).</p> <p>Once you receive the structure chart you should check it using an Online Check as referred to in Appendix 9. If it is not possible to identify any of the group entities using these sources then this must be discussed with the MLRO.</p>
<p>Companies listed overseas – outside EEA</p>	<p>Name, company number, registered office, or if different, principal place of business.</p> <p>You must obtain:</p> <ul style="list-style-type: none"> • a company search of the local registry or reputable listing (to include the listing of directors). • certificate of 'good standing' from a lawyer. This needs to state that the company exists as a legal entity and has complied with all administrative requirements relating to its registration (including the payment of any government dues). • Confirmation from the company that the director we are dealing with is authorised on behalf of the company. This should be a written confirmation on company letter head or a suitable board minute. <p>You must also verify the</p>	<p>If the company structure is complex, ask to see a corporate structure chart (you need to ask the applicant to provide this).</p> <p>Once you receive the structure chart you should check it using an Online Check as referred to in Appendix 9. If it is not possible to identify any of the group entities using these sources then this must be discussed with the MLRO.</p>

	<p>identity of the officer with whom you are dealing in relation to the transaction. You should do this in the same way as verifying the identity of individual loan or recoverable grant recipients as set out above.</p> <p>You must take all reasonable steps to identify the law to which the entity and its constitution is subject, full names of the board of directors, or if there is no board the senior management and the senior person responsible for the operation of the entity.</p>	
<p>Unlisted and private overseas companies</p>	<p>Name, company number, registered office, or if different, principal place of business.</p> <p>You must obtain:</p> <ul style="list-style-type: none"> • official evidence of a registered address. • copy of documents required by law to form the company (and details of any change of name). • certificate of 'good standing' from a lawyer. This needs to state that the company exists as a legal entity and has complied with all administrative requirements relating to its registration (including the payment of any government dues). • Copy of the register of shareholders/members and directors. • Confirmation from the company that the director we are dealing with is authorised on behalf of the company. This should be a written confirmation on company letter head or a suitable board minute. <p>You must also verify the identity of the officer with whom you are dealing in relation to the transaction. You should do this in the same way</p>	<p>If the company structure is complex, ask to see a corporate structure chart (you need to ask the applicant to provide this).</p> <p>Once you receive the structure chart you should check it using an Online Check as referred to in Appendix 9. If it is not possible to identify any of the group entities using these sources then this must be discussed with the MLRO.</p> <p>Once you have checked the structure chart, you need to verify the identity of all of the UBOs – i.e., the bottom of the ownership chain. See the guidance notes at the foot of this table for practical guidance on carrying this out.</p>

	<p>as verifying the identity of individual loan or recoverable grant recipients as set out above.</p> <p>You must also identify any ultimate beneficial owner (a UBO – see paragraph 2.4 of the AML Procedures) being a living individual who owns 25% or more of the shares in the company or otherwise controls 25% or more of the company. You should do this in the same way as verifying the identity of individual loan or recoverable grant recipients as set out above.</p> <p>You must take all reasonable steps to identify the law to which the entity and its constitution is subject, full names of the board of directors, or if there is no board the senior management and the senior person responsible for the operation of the entity.</p>	
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Guidance Notes on carrying out CDD on complex group structure charts

- a. You need to check the group structure chart using (for UK companies) publicly available information at Companies House (you can do this by searching the company names) and/or 37 using an Online Check as referred to in paragraph 1 of Appendix 9 (the only option for overseas companies).
- b. If it is not possible to identify any of the group entities using these sources then this must be discussed with the MLRO.
- c. Once you have checked the structure chart, you need to verify the identity of all of the relevant UBOs. For example, if a company is owned by two 50 per cent parent companies, and one of those is jointly owned by two individuals, whereas the other is jointly owned by 5 individuals, then the two individuals would each be UBOs, owning 25 per cent of the recipient (i.e. 50 per cent x 50 per cent), whereas the 5 individuals would not be UBOs, owning only 10 per cent of the recipient each (i.e. 20 per cent x

50 per cent), and so their identities would not require verification. See Diagram A below.

d. You need to consider all shareholdings held by each individual. For example, if a company (the “loan recipient company”) is owned by two 50 per cent parent companies, which each in turn have two 50 per cent parent companies, each of which is owned by the same two individuals, then each individual ultimately owns 50 per cent of the loan recipient company via their aggregated shareholdings, and so are each UBOs. See Diagram B below.

e. Whilst you do need to check the group structure chart, you do not need to verify the identity of each entity within the group, just the direct recipient of the funds and any UBOs.

Diagram A

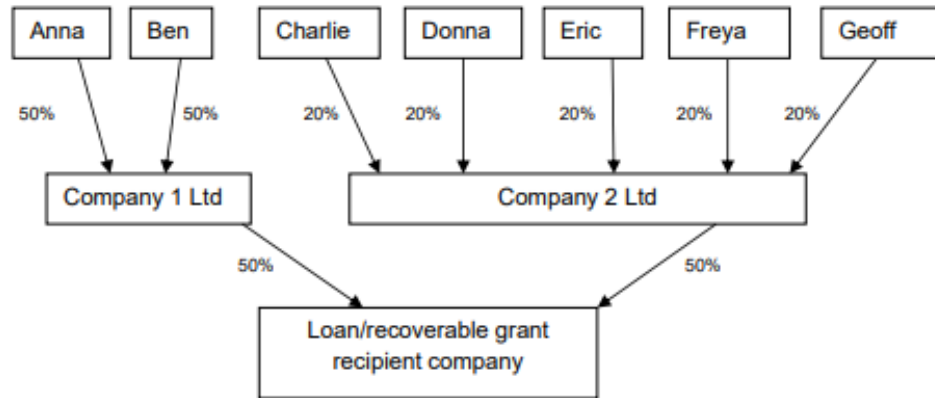
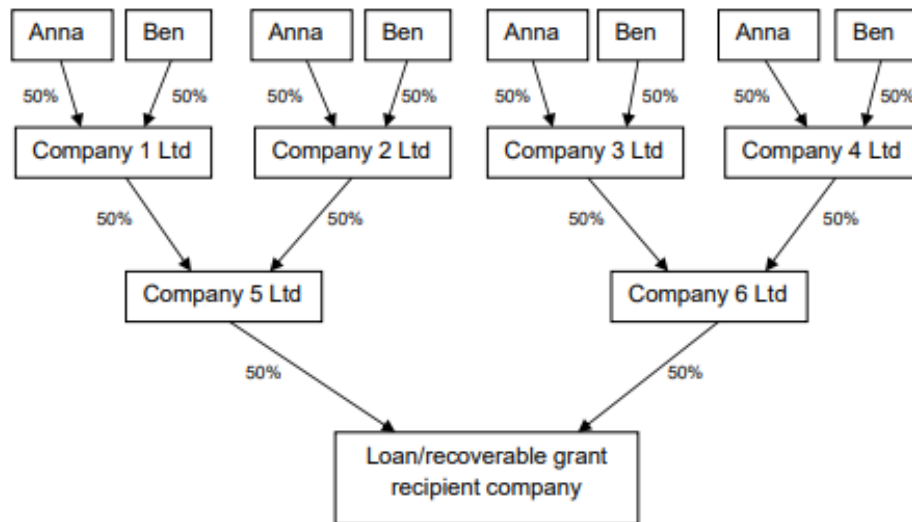


Diagram B



Appendix 9. Additional KYC required in certain circumstances.

As per paragraph 2.24 of the AML Procedures there may be some scenarios where additional due diligence of the customer is required. Employees that deal with transactions involving income for goods or services, particularly where large sums are either received or refunds are requested, will need to consider the following issues: -

The additional due diligence steps are outlined below: -

New Customers

- Is it difficult to prove the individuals/organisation identity?
- Is the individual/organisation reluctant to provide the requested details?
- Does the individual/organisation have a genuine reason for using the services provided?
- Is the individual/organisation attempting to use intermediaries to protect their identity or hide their involvement?
- Is the individual/organisation requesting a large cash transaction?
- Is the source of the cash known and reasonable?

Regular and Established Customers

- Is this transaction reasonable in relation to the customer/service providers normal business transactions?
- Is the size of the transaction, or the frequency of requests, consistent with the normal business activities of the customer/service provider?
- Has the pattern of the business transactions changed since the business relationship was established?

In either scenario of New Customers or Regular and Established Customers, you should where reasonably possible examine the background and purpose of the transaction, and increase the extent of the monitoring of the business relationship accordingly, in order to determine whether that transaction or that relationship appears to be suspicious.

Further due diligence measures may also include: -

- Seeking additional independent reliable sources to verify information provided or made available.
- Taking additional measures to understand better the background, ownership and financial situation of the customer and other parties in the transaction.

Where customers are established in a high-risk country as defined in paragraph 2.25 of the AML procedures you must obtain additional information on: -

- The customer and the customer's beneficial owners.
- The intended nature of the business relationship.
- Source of funds, source of wealth of the customer, and source of wealth of the customer's beneficial owners
- Reasons for the transactions.
- Continuation of the business relationships, and
- Conducting enhanced monitoring of the business relationship by increasing the number and timing of controls applied, and selecting patterns of transactions that need further examination.

Identification of additional individuals must be undertaken as follows: -

Partnerships

To ensure you identify each individual partner, please follow the requirements as set out in Appendix 8.

AIM Companies, private and unlisted public UK companies and overseas companies.

To ensure you identify every director and individual who owns 25% or more of the relevant company, please follow the requirements as set out in Appendix 8.

Charities

To ensure you identify every director and individual who owns 25% or more of the relevant company, please follow the requirements as set out in Appendix 8.

Trusts

To ensure you identify all the trustees, please follow the requirements as set out in Appendix 8.

Groups of Companies

Where a transaction involves a group of entities, you must obtain a corporate structure chart and verify this using the Online Check and/or publicly available information, in the same way that you have identified all the relevant entities within AIM Companies, private and unlisted public UK companies and overseas companies above, as set out in Appendix 8.

Once you have completed the additional checks, please complete the internal KYC form (see Appendix 11a/11b) and obtain written confirmation from the MLRO that you can proceed with the transaction.

Appendix 10A

KYC form – for sending to prospective borrowers/recoverable grant recipients

Know Your Customer Information Requirements

We are required to collect and use information about you as a prospective recoverable grant/loan recipient.

We are required to comply with the principles of the Data Protection Act 2018/GDPR when collating and processing this information. We confirm that any information you provide as required by this form will be dealt with in accordance with these principles.

Once you have completed this form and applied for funding from us, we will use the information provided to:

- verify your identity and suitability for investment.
- assess your ability to meet your financial commitments (and we may carry out checks with credit reference agencies to do so).

To prevent crime, verify your identity and to recover debt, we may exchange information where appropriate, with fraud prevention agencies, law enforcement agencies, debt recovery agencies and other organisations including other lenders.

If you give us false or inaccurate information and potential fraud is identified, details will be passed to fraud prevention agencies to prevent fraud and money laundering.

Information may also be processed for the purpose of complying with applicable laws, including, without limitation, anti-money laundering and anti-terrorism laws and regulations and fighting crime and terrorism. This may require the disclosure of information to a UK or other governmental or regulatory authority or to any other person we reasonably think necessary for these purposes.

Appendix 10B

SECTION A – APPLICANT INFORMATION

1) DETAILS

Programme Name:		Project Name:		Reference:	
Name of applicant (this should be the registered name if the applicant is a corporate entity) :					
Other names (if different to the registered name, please list any trading names) :					
Constitution (state if the applicant is individual, local authority/RP/UK Company, etc) :					
Country of incorporation (if applicable) :					
Company No. or CBS No. (if applicable) :					
Date of Birth (please provide this information if the applicant is an individual) :					
Address (this must be the registered address if the applicant is a corporate entity) :					
Town and County :					
Postcode :					

If the applicant is a business, is it part of a larger group?	<input type="checkbox"/> Yes <input type="checkbox"/> No
If 'Yes', how many companies are in the Group?	
Please provide the names of the Group Entities and Countries of Registration :	
NAME OF GROUP ENTITIES	COUNTRY OF REGISTRATION
→	→
→	→
→	→
→	→
→	→
Please provide a copy of your Group Organizational Chart when submitting your application form.	
Is this business/organisation the top parent company?	<input type="checkbox"/> Yes <input type="checkbox"/> No
If 'No', please provide the following details:	
➤ Parent Company Name & Company No. :	
➤ Country of Registration / Incorporation :	
➤ Primary Country of Operation :	

2) POINT OF CONTACT

Please advise which person the recipient would like to nominate as its main point of contact.

Contact Name :

Position :

Business Address

Correspondence
Address

Town and Country :

Postcode :

Country:

Please indicate your preferred contact method by ticking the relevant boxes. Where appropriate, please include the country codes.

<input type="checkbox"/> Telephone No.	
<input type="checkbox"/> Mobile No.	
<input type="checkbox"/> Email Address	

3) DIRECTORS AND SECRETARY WHERE APPLICABLE

Please complete the following section for all company Directors and the Secretary. If a Company Director is also a shareholder/ultimate beneficial owner of the company, please just list the Director's Name here but complete the shareholder/ultimate beneficial owner details in full on the next page.

Please advise the number of directors :

If there are more than four directors, please provide the information below on a supplementary sheet.

	Director / Secretary 1	Director / Secretary 2
Name :		
Official Position (please complete) :		

Date of Birth :		
Home Address :		
Town and County :		
Postcode :		
Country :		
Telephone :		
Mobile No. :		
Email Address :		
	Have you previously been identified by us in conjunction with another scheme? <input type="checkbox"/> Yes <input type="checkbox"/> No	Have you previously been identified by us in conjunction with another scheme? <input type="checkbox"/> Yes <input type="checkbox"/> No
	If so, please provide the details below:	If so, please provide the details below:

	Programme Name		Project Name		Programme Name		Project Name
	Director / Secretary 3			Director / Secretary 4			
Name :							
Official Position (please complete) :							
Date of Birth :							
Home Address :							
Town and County :							
Postcode :							
Country :							
Telephone :							
Mobile No. :							

Email Address :										
	Have you previously been identified by us in conjunction with another scheme?	<input type="checkbox"/>	Yes	<input type="checkbox"/>	No	Have you previously been identified by us in conjunction with another scheme?	<input type="checkbox"/>	Yes	<input type="checkbox"/>	No
	If so, please provide the details below:			If so, please provide the details below:						
	Programme Name		Project Name		Programme Name		Project Name			

4) SHAREHOLDERS / ULTIMATE BENEFICIAL OWNER DETAILS

Please advise the number of shareholders/ultimate beneficial owners :

If there are more than four shareholders/ultimate beneficial owners, please provide the information below on a supplementary sheet.

Shareholders/ultimate beneficial owners with 25% or more interest in the applicant are required to complete the following section.

Shareholder/Ultimate Beneficial Owner 1				Shareholder/Ultimate Beneficial Owner 2			
Is the Shareholder/Ultimate Beneficial Owner also a Director of the company?	<input type="checkbox"/> Yes <input type="checkbox"/>	Shareholding Percentage		Is the Shareholder/Ultimate Beneficial Owner also a Director of the company?	<input type="checkbox"/> Yes <input type="checkbox"/>	Shareholding Percentage	

		No				No		
Title:								
Surname:								
First Name:								
Other Name(s):								
Date of Birth:								
Permanent Residential Address:								
Town and County:								
Postcode:								
Country:								
Telephone:								
Town of								

Birth:				
Country of Birth:				
Nationality:				
Occupation or Business (if not a Director of the Company):				
Country of Business:				
Business Address:				
Town and County:				
Postcode:				
Country:				
	Have you previously been identified by us in conjunction with another scheme?	<input type="checkbox"/> Yes <input type="checkbox"/> No	Have you previously been identified by us in conjunction with another scheme?	<input type="checkbox"/> Yes <input type="checkbox"/> No

	If so, please provide the details below:			If so, please provide the details below:				
	Programme Name		Project Name		Programme Name		Project Name	
	Shareholder/Ultimate Beneficial Owner 3				Shareholder/Ultimate Beneficial Owner 4			
	Is the Shareholder/Ultimate Beneficial Owner also a Director of the company?	<input type="checkbox"/> Yes <input type="checkbox"/> No	Shareholding Percentage		Is the Shareholder/Ultimate Beneficial Owner also a Director of the company?	<input type="checkbox"/> Yes <input type="checkbox"/> No	Shareholding Percentage	
Title:								
Surname:								
First Name:								
Other Name(s):								
Date of Birth:								
Permanent Residential Address:								
Town and								

County:		
Postcode:		
Country:		
Telephone:		
Town of Birth:		
Country of Birth:		
Nationality:		
Occupation or Business (if not a Director of the Company):		
Country of Business:		
Business Address:		
Town and		

County:		
Postcode:		
Country:		

Have you previously been identified by us in conjunction with another scheme?	<input type="checkbox"/> Yes <input type="checkbox"/> No	Have you previously been identified by us in conjunction with another scheme?	<input type="checkbox"/> Yes <input type="checkbox"/> No
---	---	---	---

If so, please provide the details below:	If so, please provide the details below:
--	--

Programme Name		Project Name		Programme Name		Project Name	
----------------	--	--------------	--	----------------	--	--------------	--

If any beneficial owner/shareholder is a company, please complete the following section:

Company Name :	
----------------	--

Company No. :	
---------------	--

Country of Incorporation :		Business ownership / interest percentage :		%
----------------------------	--	--	--	---

5) ADDITIONAL SIGNATORIES

Please complete the following section for any additional individuals who will be authorised to sign Council/LATCs – related documentation or to provide instructions to Council/LATCs in relation to the proposed transaction.

There is no requirement to list any signatories who are also directors/shareholders within section 3 and 4.

	Additional Signatory 1	Additional Signatory 2
Name :		
Official Position (please complete) :		
Date of Birth :		
Home Address :		
Town and County :		

Postcode :										
Country :										
Telephone :										
Mobile No. :										
Email Address :										
	Have you previously been identified by us in conjunction with another scheme?	<input type="checkbox"/> Yes <input type="checkbox"/> No								
	Have you previously been identified by us in conjunction with another scheme?	<input type="checkbox"/> Yes <input type="checkbox"/> No								
	If so, please provide the details below:	If so, please provide the details below:								
	<table border="1"> <tr> <td>Programme Name</td> <td></td> <td>Project Name</td> <td></td> </tr> </table>	Programme Name		Project Name		<table border="1"> <tr> <td>Programme Name</td> <td></td> <td>Project Name</td> <td></td> </tr> </table>	Programme Name		Project Name	
Programme Name		Project Name								
Programme Name		Project Name								
	Additional Signatory 3		Additional Signatory 4							
Name :										
Official Position (please complete) :										
Date of Birth :										

Home Address :							
Town and County :							
Postcode :							
Country :							
Telephone :							
Mobile No. :							
Email Address :							
	Have you previously been identified by us in conjunction with another scheme?	<input type="checkbox"/> Yes <input type="checkbox"/> No		Have you previously been identified by us in conjunction with another scheme?	<input type="checkbox"/> Yes <input type="checkbox"/> No		
	If so, please provide the details below:			If so, please provide the details below:			
	Programme Name		Project Name		Programme Name		Project Name

SECTION B- DECLARATION

**Company
Name :**

**Bid
Number :**

By signing this Declaration, we confirm that:

- Full details of all shareholders/ultimate beneficial owners/principal controllers who have an interest in any entity in the corporate structure of 25% or more and all persons who are authorised to sign on behalf of the business have been disclosed above.

- The signatories to this form are duly authorised by other Directors, Officers, Partners, Shareholders, Signatories, or other relevant parties to consent to the Credit Reference Agency searches and use of information as set out in Section A.
- We will notify you promptly in writing if there is any change to the shareholder/ultimate beneficial owners/ principal controllers and any change to the information supplied under the original KYC.

Signature of the Director / Secretary / Authorised Signatory :
Name :
Capacity :
Date :

IDENTIFICATION DOCUMENT CHECKLIST

Please confirm you have provided the following documents or that they are not applicable (N/A).

--	--

IDENTIFICATION DOCUMENT	YES / NO / NOT APPLICABLE (N/A)
Certificate of Incorporation :	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
Copy of Annual Accounts :	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
Extract from Companies House /FCA Register :	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
Entry from Municipal Yearbook or from the London Councils directory website (if applicant is a local authority) :	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
Evidence of Identity of Shareholders owning 25% shares or more :	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
Evidence of Identity of Directors :	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
Evidence of Identity of any other individuals (such as a trustee, beneficiaries, settlors, partners, owners of an unincorporated entity or any other person exercising control) :	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
Copy of constitutional documents (such as memorandum and articles of association) :	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A

Evidence of Registration with the Charity Commission :	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
Evidence of FCA Authorisation :	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
Written confirmation on company letter head that the person named as a contact at Section A, No.2 of this form is authorised to act on behalf of the applicant :	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
If The applicant is a UK listed company, evidence of that listing :	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
Register of Shareholders :	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
Register of Directors :	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
Certificate of 'good standing' (required for non-UK companies only) :	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A

Note that the identification required for any individuals referred to in this form is a form of photographic ID plus proof of address (which may not be more than 3 months old).

Note that we prefer to see original documents. Please use special delivery to send original documents to ensure they are not lost in the post. If you cannot send original documents, you can send certified copies. People who can certify documents are:

- A director, manager or bank counter staff of a bank or an authorised credit or financial institution.
- An Embassy, consulate, or high commission officer in the country of issue.
- A qualified lawyer or attorney, registered with the relevant national professional body in the jurisdiction of country of issue.
- A qualified accountant, registered with the relevant national professional body in the jurisdiction of country of issue.
- A notary public, a member of the judiciary, a senior civil servant, or a serving police officer in the jurisdiction of country of issue.

Please note that individuals within the above categories in most countries are acceptable but exceptions may apply. The person giving the certification should provide the certification directly on the copy of the document, providing the following information:

- Sign and date the copy document (printing his/her name clearly in capitals).
- Clearly indicate his/her position or capacity.
- Provide his/her contact details, including the name and address of the company/institution that they represent.
- The certifier must state that it is a true copy of the original document.

Appendix 11A

KYC & Risk Assessment Form - Internal

Part A – Standard KYC form to be completed in ALL situations

This form is intended for you to record your completed KYC checks. Once completed, retain a copy on file.

➤ Date of completion of this form:	
------------------------------------	--

➤ Your name:	
➤ Name of scheme / project:	
➤ Name of the entity / individual whose identity you have checked:	
➤ Address of entity individual whose identity you have checked:	
➤ Have you checked the identity yourself or relied on an entry in our KYC Matrix (Appendix 12 of the AML Procedures)? If you relied on the Matrix, state the date on which the KYC was carried out according to the Matrix. You then do not need to complete the remainder of this form.	
➤ Have you checked the identity yourself or relied on a third party's KYC? If you relied on a third party you must obtain their prior written consent, the MRLO's written consent and the documents referred to in para. 2.17 of the AML Procedures. Confirm that this has been done and attach a copy of both consents along with copies of the third party's KYC and documents evidencing the arrangements referred to in 2.17.	
➤ Date of birth of any individual whose identity you have checked:	
➤ Company / FCA number of any registered company whose identity you have checked:	
➤ Details of any entity you have checked who is not an individual or company. State type of entity and any registered number or constitutional details.	
➤ Confirm that you have checked that the potential recoverable grant/loan recipient does not appear on the HM Treasury sanctions list:	
➤ Is the party a PEP or associated with a PEP?	

➤ Is the party from a high risk jurisdiction?	
➤ Have you identified the source of funds? If state no, speak to the MRLO before proceeding.	
➤ Any other red flags?	
➤ Have you investigated the identity of any ultimate beneficial owners where this is required by Appendix 8. These are any living individuals (or entities in the case of trusts) who own a 25% share or more or otherwise have control over 25% or more in any company, trust or partnership. If answered “Yes”, complete a second KYC form for each individual / entity you have investigated.	
➤ Have you investigated the identity of any directors / persons you are dealing with in connection with the transaction where this is required by Appendix 8? If answered “Yes”, complete a second KYC form for each individual / entity you have investigated.	
➤ Do any of the situations set out in para. 2.24 of the AML Procedures apply, meaning it is a high risk matter to which enhanced due diligence applies? These situations are set out in the AML Procedures.	
➤ Are you satisfied that there are no issues of concern raised by the documents provided or information you have seen as part of your KYC due diligence? If answered “Yes”, complete the Part B form.	
➤ What identification documents have you seen? Annex copies.	
➤ Confirm that you have seen all of the documentation required by Appendices 8 and 9. If you cannot confirm this, speak to MLRO about whether alternative	

<p>documentation can be accepted; if it can be accepted, explain what it is and attach evidence of the MLRO's consent to that alternative evidence.</p>	
<p>➤ Have you seen original identification documents? If "No", ensure that the documents have been certified, in accordance with para. 2.18.</p>	
<p>➤ If you have not seen original or properly certified copies of the documentation required by Appendices 8 and 9, explain what KYC has been done. You may be able to proceed with alternative documentation if MRLO consents; you must attach evidence of the MRLO's consent and an explanation of the circumstances.</p>	
<p>I confirm that I am satisfied that I understand the structure and ownership of the potential loan / recoverable grant recipient.</p>	
<p>Signature:</p>	
<p>Print Name:</p>	
<p>Date:</p>	

Appendix 11B

<p align="center"><u>KYC & Risk Assessment Form – Internal</u></p> <p>Part B – Additional KYC form to be completed where additional information is required</p> <p>Once completed, please retain a copy on file</p>	
<p>➤ Why is additional KYC information required?</p>	

<ul style="list-style-type: none"> ➤ Confirm that you have carried out an additional Online Check and annex a copy. 	
<ul style="list-style-type: none"> ➤ Name any additional companies you have investigated along with their registered address and company number. 	
<ul style="list-style-type: none"> ➤ What identification requirements have you obtained in respect of any additional companies you have investigated? 	
<ul style="list-style-type: none"> ➤ Name any additional individuals you have investigated along with their address and date of birth (this should include all PEPs associated with the company). 	
<p>PEPs – the following are required:</p> <ul style="list-style-type: none"> ➤ Approval form (from senior management); ➤ Identify source of wealth; ➤ Conduct enhanced ongoing monitoring of the business relationship with that person. 	
<ul style="list-style-type: none"> ➤ Confirm you have obtained a corporate structure where the transaction involves a group of entities. 	
<ul style="list-style-type: none"> ➤ Confirm you have investigated all relevant entities within the group. 	
<ul style="list-style-type: none"> ➤ Confirm you have obtained written confirmation from the MLRO that you can proceed with the transaction. 	
<ul style="list-style-type: none"> ➤ Confirm that, in the case of an ongoing transaction, you will review the KYC and reconsider the risk assessment every 6 	

months.	
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Part C – Reminder of situations where additional KYC is required

The situations which trigger a requirement for additional KYC are:

- You doubt the documentary evidence supplied, for example, if an address on a driving licence and an address on a utility bill do not match and the potential recipient cannot explain this discrepancy.
- There is no face to face contact with the loan / recoverable grant recipient.
- Dealings are being undertaken on behalf of third parties (for example, the recoverable grant or loan recipient does not deal with you direct and acts only through an agent).
- Any aspect of the proposed transaction, for example, the source of funds for a transaction. Examples of what may be suspicious are in section 3 of the AML Procedures.
- The transaction includes any high net worth individual. This is because high net worth individuals are a more likely target for criminals seeking to launder money.
- The transaction includes a PEP.
- The transaction involves a non-UK company or you are concerned that the company structure is unduly complex.

Appendix 12. **KYC Matrix**

This is intended to be a table identifying all the KYC information which BCKLWN hold on loan and recoverable grant recipients to avoid duplication of KYC due diligence. Once completed for the relevant transaction, please retain a copy on the file and give a copy to the Officer in Charge of Keeping Records.

Name of loan/recoverable grant recipient	Address of loan/recoverable grant recipient	Registered number or date of birth	Details of identification documents received	Date KYC completed	Location of KYC	Contact at BCKLWN

146

Appendix 13. Frequently Asked Questions

1. What is Money Laundering?

The Financial Action Task Force (FATF) – an inter-governmental body that sets standards for combating money laundering, provides the following definition for money laundering:

“Money laundering is the processing of these criminal proceeds to disguise their illegal origin. This process is of critical importance, as it enables the criminal to enjoy these profits without jeopardising their source.”

In a broader sense, other illegal activities to look out for involve handling proceeds of crime and terrorism financing.

Money laundering takes various forms. In the UK, the Joint Money Laundering Steering Group (JMLSG) lists the usual forms that include:

- trying to turn money raised through criminal activity into ‘clean’ money (that is, classic money laundering);
- handling the benefit of acquisitive crimes such as theft, fraud and tax evasion;
- handling stolen goods;
- being directly involved with any criminal or terrorist property, or entering into arrangements to facilitate the laundering of criminal or terrorist property; and
- criminals investing the proceeds of their crimes in the whole range of financial products.

Terrorist financing is the process by which terrorists fund their operations to perform terrorist acts. Terrorists need financial support to carry out their activities and to achieve their goals. There is little difference between terrorists and other

criminals in their abuse of the financial system. While different from money laundering, terrorists often exploit similar weaknesses in the financial system.

More details of what money laundering involves and what sorts of things you should look out for are set out in the AML Policy and Procedures.

2. What is the Legislation?

- Please see section 5 of the AML Policy.

To combat money laundering, the Proceeds of Crime Act 2002 introduced the following high-level offences:

- Failure to report – up to five years in prison, or a fine or both
- Tipping off – up to 5 years, or a fine or both and
- Assistance – up to 14 years in prison, or a fine or both.

3. What do I have to do?

You have to:

- Make sure you carry out proper KYC checks against potential recoverable grant and loan recipients before entering into any loans or recoverable grants. You need to follow the process in the AML procedures. A flow chart explaining the process is at Appendix 3b.
- Make sure you carry out proper Customer Due Diligence against customers making cash payments in excess of £1,000. You need to follow the process in the AML procedures. A flow chart explaining the process is at Appendix 3a.
- Make sure you report any suspicions of money laundering to the MLRO. Details of what sort of things may give rise to suspicion are at section 3 of our AML Procedures. Section 3 also explains how you need to make any reports to the MLRO.
- Keep records of your KYC checks and recoverable grant, loan transactions and cash payments in excess of £1,000. Section 4 of the

AML Procedures explains what you need to do. Ensure all documents relating to the KYC checks are kept on file and a copy of the completed KYC Matrix is given to the Officer in Charge of Keeping Records.

- You should read the AML Policy and Procedures in full as it sets out in detail the steps you need to take to comply with the legislation. The AML Policy and Procedures also has proforma documents for obtaining KYC and for making any MLRO reports.

4. What KYC documents do I need?

There are different requirements depending on the type of entity or individual you are dealing with. The requirements are set out in Appendix 8 of our AML Procedures.

In some situations you also need to provide additional KYC documentation. These situations are explained in our AML Procedures (see paragraph 2.24 of our AML Procedures). If one of these situations applies you also need to obtain the documentation set out in Appendix 9 of our AML Procedures.

5. How do I obtain KYC information

You should ensure that the KYC questionnaire at Appendix 10 of our AML Procedures is sent to prospective loan or recoverable grant recipients before the transaction commences. If this has not been done, send out the questionnaire as soon as possible. Once you receive the information back from the relevant prospective loan/recoverable grant recipient you should check what you have received against the requirements in Appendices 8 and 9 of the AML Procedures and then complete the form at Appendix 11a and 11b of our AML Procedures. Please see the AML Procedures and the Flow Chart at Appendix 3a for more information.

6. *What do I do if I have concerns about the KYC process or I suspect money laundering?*

You must report this to your MLRO immediately. If the concern is that there is suspected money laundering, there is a specific form you can use to make this report (see Appendix 6 of our AML Procedures). You must not tell anybody you have reported this other than your immediate line manager. In particular, you must not tell the prospective recoverable grant or loan recipient / customer making the cash payment in excess of £1000 that you have made this report. You can then discuss with your MLRO and line manager what your next steps should be. Section 3 of the AML Procedures gives more information about what you need you do if you have a concern.

7. *Who is the Money Laundering Reporting Officer (MLRO)?*

The current Money Laundering Reporting Officer is the Assistant Director Resources (S151 Officer) – Michelle Drewery – michelle.drewery@west-norfolk.gov.uk

8. *What if the MLRO is unavailable?*

If the MLRO is unavailable you can contact the current Deputy MLRO, who is the Senior Internal Auditor – Jamie Hay – Jamie.hay@west-norfolk.gov.uk

Acronym	Full Term
AML	Anti-Money Laundering
CDD	Customer Due Diligence
DMLRO	Deputy Money Laundering Reporting Officer
EEA	European Economic Area
FATF	Financial Action Task Force
FCA	Financial Conduct Authority
HMRC	His Majesty's Revenue & Customs
ICAEW	Institute of Chartered Accountants of England & Wales
KYC	Know Your Customer
LATCs	Local Authority Trading Companies
MLR	Money Laundering Regulations
MLRO	Money Laundering Reporting Officer
NCA	National Crime Agency
NOC	Nominated Officer for Compliance
OCKR	Officer in Charge of Keeping Records
PEP	Politically Exposed Person
POCA	Proceeds of Crime Act 2002
ROE	Register of Overseas Entities (ROE) at Companies House
RPs	Registered Providers of Social Housing
UBO	Ultimate Beneficial Owner

Pre-Screening Equality Impact Assessment

Borough Council of
King's Lynn & West Norfolk



Name of policy/service/function	Anti-Money Laundering Policy				
Is this a new or existing policy/service/function?	Existing Policy				
<p>Brief summary/description of the main aims of the policy/service/function being screened.</p> <p>Please state if this policy/service is rigidly constrained by statutory obligations</p>	<p>Regulated Authorities must have provisions in place relating to Money Laundering, as a Local Authority we are not legally obliged to apply the provisions of the Money Laundering Regulations 2007. However, as a responsible public body, the Borough Council who do not undertake any such regulated activities should employ policies and procedures which reflect the essence of the UK's anti-terrorist financing, and anti-money laundering regimes. Such legislation has been considered by professional bodies, resulting in best practice Guidance being issued that requires local authorities to establish internal procedures to prevent the use of their services for money laundering.</p>				
Question	Answer				
<p>1. Is there any reason to believe that the policy/service/function could have a specific impact on people from one or more of the following groups according to their different protected characteristic, for example, because they have particular needs, experiences, issues or priorities or in terms of ability to access the service?</p> <p>Please tick the relevant box for each group.</p> <p>NB. Equality neutral means no negative impact on any group.</p>		Positive	Negative	Neutral	Unsure
	Age			X	
	Disability			X	
	Gender			X	
	Gender Re-assignment			X	
	Marriage/civil partnership			X	
	Pregnancy & maternity			X	
	Race			X	
	Religion or belief			X	
	Sexual orientation			X	

REPORT TO CABINET

Open/Exempt		Would any decisions proposed:			
Any especially affected Wards	Mandatory/ Discretionary/ Operational	Be entirely within Cabinet's powers to decide		YES/ NO	
		Need to be recommendations to Council		YES /NO	
		Is it a Key Decision		YES /NO	
Lead Member: Cllr Terry Parish, Leader E-mail: cldr.terry.parish@west-norfolk.gov.uk		Other Cabinet Members consulted:			
		Other Members consulted: Cllr Alexandra Ware, Director of two Council companies			
Lead Officer: Alexa Baker, Monitoring Officer E-mail: alexa.baker@west-norfolk.gov.uk Direct Dial: 01553 616270		Other Officers consulted: Michelle Drewery, Section 151 Officer			
Financial Implications YES/ NO	Policy/ Personnel Implications YES /NO	Statutory Implications YES/ NO	Equal Impact Assessment YES /NO If YES: Pre-screening/ Full Assessment	Risk Management Implications YES/ NO	Environmental Considerations YES /NO
If not for publication, the paragraph(s) of Schedule 12A of the 1972 Local Government Act considered to justify that is (are) paragraph(s)					

Date of meeting: 5 MARCH 2024

Subject: Indemnity for Members and Officers appointed to Outside Bodies, including the Council's wholly owned companies

Summary

This report proposes the granting of indemnities to Members and officers to cover any loss, damages, costs or legal expenses which they may be ordered to pay or may reasonably incur arising from their action or failure to act during the course of their appointment to an outside body, including the Council's wholly owned companies.

An indemnity is a promise to be responsible for another's loss in advance of any such loss occurring. It is proposed that the indemnity be subject to specified exclusions, including any fraud, dishonesty, deliberate wrongdoing or recklessness, or a convicted criminal offence on the part of the Councillor or Officer

The aim for providing the indemnity is that officers and Members are assured that, by supporting the Council by participating in outside bodies or its wholly owned companies, they will not render themselves personally liable in relation to any claims that may be made against them. Whilst insurance is in place to cover these duties, such insurance is provided by a third party with detailed exclusions and limitations. If, for any reason outside the Council's control, the insurance company decided that cover was not payable under the insurance policy, the Council's indemnity would apply.

Recommendation

Cabinet resolves:

1. An indemnity is granted to Members and officers, both current and former, who are or have been appointed by the Council to an outside body, including the Council's wholly owned companies, in the form set out in Appendix 1.
2. The section 151 officer in consultation with the Portfolio Holder for Finance is authorised to make changes from time to time provided, they are non-material, with reference to the content of this report.
3. The Chief Executive, or in the event of their absence or a conflict arising, the Monitoring Officer, in consultation with the Leader, or in the event of their absence or a conflict arising, the Deputy Leader, is authorised to determine on a case-by-case basis whether an exclusion under the indemnity applies.

Reason for Decision

To provide assurance to Members and officers who are asked to take on the responsibility of acting on an outside body, including the Council's wholly owned companies, that they will not be personally liable for any financial loss they may suffer as a consequence of carrying out their duties.

1 Background

- 1.1 The council periodically nominates Members and officers as council representatives to a number of outside bodies, including the Council's wholly owned companies.
- 1.2 Members and officers play an active role in the affairs of the body in question. For example, a company director owes a duty to the company which they are a director of and must always act in the best interest of that company.
- 1.3 In certain, very limited circumstances (which is not known to have previously occurred in this Council), the officers or Members may become personally liable for claims against themselves in their personal capacity in relation to their alleged actions or inactions, or may be alleged to be responsible for claims against the bodies on which they serve.
- 1.4 Council Members or officers appointed to act as directors, trustees or similar positions on outside bodies are exposed to different risks arising mainly from their role and nature of the body for which they act. In the case of a limited company, they may be personally liable for the company's business liabilities and be fined, prosecuted, or disqualified as a company director if they do not discharge their directors' responsibilities. Officers and Members are increasingly concerned about the personal liability that may be attached to them from performing their duties.

- 1.5 It is not in the council's interests to deter potentially suitable candidates agreeing to their appointment to outside bodies because of concerns over possible personal liabilities. This report therefore recommends that an indemnity be granted in the terms sets out in Appendix 1 to address such concerns.
- 1.6 Although there is a statutory form of protection under section 265 of the Public Health Act 1875 for councillors and local authority officers, this relates to actions taken whilst acting under the direction of the Council, for example entering a contract approved by Cabinet. This will not necessarily extend to work carried out on outside bodies, as not every single act taken by an officer or Member on the outside body is specifically authorised by the Council.
- 1.7 Insurance is in place in relation to officers and Members acting on outside bodies, including the Council's wholly owned companies, however such insurance is provided by a third party with detailed exclusions and limitations. If, for a reason outside the Council's control, the insurance company decided that cover was not payable under the insurance policy, the Council's indemnity will serve to provide assurance in advance of a loss event occurring that a Member or officer would not be left personally liable.

2 Options Considered

- 2.1 Members and officers representing the Council on outside bodies or appointed as directors of the Council's wholly owned companies have expressed concern in regard to carrying out roles which give rise to personal liability over and above the exercise of their other responsibilities. The Council does not wish to deter Members or officers from carrying out these roles either presently or in the future. If a Member or officer refused to act in the capacity of a company director or appointee to an outside body, the Council may not be able to make such appointments which may result in Council companies and outside bodies being inquorate and unable to conduct business.

3 Policy/Personnel Implications

- 3.1 There are no policy implications.

4 Financial Implications

- 4.1 It is expected that claims against this indemnity will be very rare. It is not possible to estimate the average annual cost of the indemnity. In most years it would be expected that the actual call on the indemnity would be nil but, in theory, it would be possible for substantial claims to be made on it at any time.
- 4.2 It is important to note that the granting of indemnities does not in itself create new risks. The indemnities specified in the report are for

activities that council officers and members already carry out and the Council is already insured against these risks.

- 4.3 Where the Council is not able to recover against its insurance policy, this will mean the Council will have to self-fund the indemnity. In these circumstances, were it not for the indemnity, that cost would have fallen on the Member or officer concerned.

5 Personnel Implications

- 5.1 None.

6 Environmental Considerations

- 6.4 None

7 Statutory Considerations

- 7.1 The Local Authorities (Indemnities for Members and Officers) Order 2004 applies to any indemnity provided by the Council.

8 Equality Impact Assessment (EIA)

(Pre-screening report template attached)

No direct impact.

9 Risk Management Implications

- 9.1 By taking on an appointment on an outside body, an officer or Member is taking on the responsibility of potentially having a claim instigated against them by virtue of their position on that outside body. Members and officers will be provided with training and advice in relation to their roles where relevant and risk of personal liability will be mitigated by ensuring appropriate professional advice is taken whilst acting in the capacity of a company director on a Council owned company.
- 9.2 The Council, by way of the Shareholder Committee is responsible for the oversight of the business conducted by the council's wholly owned companies. Scrutiny of the operations of the Council's wholly owned companies will mitigate the potential risk of error or omission which could give rise to a claim against a company director.
- 9.3 The Board of the council companies may consult with their legal representatives on any matter they have concerns about.

10 Declarations of Interest / Dispensations Granted

None

11 Background Papers

None



Indemnity for Councillors and Officers appointed to Outside Bodies, including the Council's wholly owned companies

Definitions

In this indemnity, the following terms shall mean:

Cabinet: the executive of the Council in accordance with section 9C of the Local Government Act 2000

Council: the Borough Council of King's Lynn and West Norfolk

Councillor: current and former elected members of the Council

Monitoring Officer: the officer appointed by the Council in accordance with section 5 of the Local Government and Housing Act 1989

Officer: current and former employees of the Council, including officers seconded from other authorities, those engaged on a self-employed basis including through a company, those engaged through an agency and consultants acting on behalf of the Council

Outside Body: means the Council's wholly owned companies and any external organisation, group, board or body, whether incorporated or not, to which the Council has made an appointment of a Councillor and/or Officer by way of a decision of a Council body included within the Council's constitution, a cabinet member or officer delegated decision or by way of a decision under the Council's scheme of delegation within its constitution.

Indemnity

1. The Council will, subject to the conditions and limitations below, indemnify all Councillors and Officers of the Council against any loss, damages, costs or legal expenses which any such Councillor or Officer may be ordered to pay or may reasonably incur or has incurred arising from their action or failure to act during the course of their appointment to an Outside Body.
2. The Council will, subject to the conditions and limitations below, not itself make any claim against a Councillor or Officer for any loss, damage, costs or legal expenses, directly or indirectly arising from any neglect, act, error or omission committed by a Councillor or Officer during the course of their appointment to an Outside Body.
3. This indemnity shall apply retrospectively to any act or failure to act which may have occurred before the date this indemnity was approved by Cabinet and it shall continue to apply after the appointment of a Councillor or Officer to the relevant Outside Body has ceased with respect to any action or failure to act during the course of that appointment.



Conditions and Limitations

4. This indemnity will only be provided in relation to any action of, or failure to act, by the Councillor or Officer, which—
 - (a) is or has been authorised by the Council; or
 - (b) forms part of, or arises from, any powers conferred, or duties placed, upon that Councillor or Officer, as a consequence of their appointment to an Outside Body

For example, if a Councillor is appointed as an observer to a body, and subsequently occasioned loss is caused because the Councillor acted as a member of that body, then that loss would not be covered by this indemnity, because the Council only authorised the Councillor to be an observer.
5. This indemnity will not be provided where the loss, damages, costs or legal expenses has been directly or indirectly caused by or arises from:
 - (a) Fraud, dishonesty, deliberate wrongdoing or recklessness, or a convicted criminal offence on the part of the Councillor or Officer
 - (b) Any action, neglect, error or omission by the Councillor or Officer otherwise than in the course of their appointment to an Outside Body.
 - (c) A complaint raised against a Councillor for failure to comply with the Councillor Code of Conduct
 - (d) A complaint raised against an Officer for failure to comply with the Officer Code of Conduct
6. This indemnity will apply to a Councillor or Officer's costs of defending any criminal proceedings brought against them where such proceedings meet the conditions and limitations of this indemnity. However, if a Councillor or Officer is convicted of that criminal offence and that conviction is not overturned on appeal, the Councillor or Officer in question shall reimburse the Council (or the Council's insurer as the case may be) for any sums expended by the Council or the insurer in relation to those proceedings.
7. The Councillor or Officer must have acted in good faith and reasonably believed that, where relevant, the act or omission complained of was within their power and remit as the Council's appointee to the Outside Body.
8. The indemnity shall only extend to actual loss, damages, costs or legal expenses incurred. The indemnity does not cover any loss, damages, costs or legal expenses incurred for which the Councillor or Officer can obtain re-imburement from any other source, including insurance, whether taken out by the Council, councillor or Officer, or by any other person or organisation.



9. The indemnity is subject to the employee or member notifying the Monitoring Officer as soon as reasonably practicable of any claim or liability being made or intimated against them, and of any reasonably apparent circumstances arising which may give rise to a claim.
10. The loss, damages, costs or legal expenses incurred at the volition of the Councillor or Officer must be directly connected to the alleged liability, foreseeable and reasonable to the alleged liability in order to be covered by this indemnity. For example, if a claim is being made that a Councillor or Officer must personally satisfy a financial guarantee of £1,000 given by an Outside Body, the indemnity would not cover the Councillor or Officer taking mortgage advice on their own property.
11. This indemnity will not apply if a Councillor or Officer, without the express permission of the Council or the Monitoring Officer, admits liability or negotiates or attempts to negotiate a settlement of any claim or liability falling within the scope of the indemnity.
12. The indemnity shall not extend to any loss, damages, costs or legal expenses directly or indirectly arising from any motor vehicle claims when the Councillor or Officer is using their own private vehicle whilst on business for the Outside Body.
13. The indemnified Councillor or Officer must agree to the Council or its insurer being added as a defendant or interested party to any proceedings brought against the Councillor or Officer, unless an express provision of the law or Court Order prohibits this.
14. This indemnity is subject to the Councillor or Officer agreeing that in the event of a payment being made by the Council or its insurer under this indemnity, the Council or its insurer shall be subrogated all rights and remedies of the indemnified Councillor or Officer against any third party in respect of the loss, damages, costs or legal expenses to the extent of the amount paid by the Council or its insurer. The indemnified Councillor or Officer shall assist the Council or its insurer as may be reasonably required in the enforcement of such rights and remedies.
15. This indemnity is without prejudice to the rights of the Council to take disciplinary action against an Officer in respect of any act or failure to act.
16. The Councillor or Officer shall be required to co-operate with and assist the Council in the conduct of any legal proceedings to which the indemnity relates including, where required, giving evidence.

REPORT TO CABINET

Open/Exempt		Would any decisions proposed:			
Any especially affected Wards	Mandatory/ Discretionary/ Operational	Be entirely within Cabinet’s powers to decide		YES/NO	
		Need to be recommendations to Council		YES/NO	
		Is it a Key Decision		YES/NO	
Lead Member: Cllr Terry Parish, Leader E-mail: cldr.terry.parish@west-norfolk.gov.uk		Other Cabinet Members consulted:			
		Other Members consulted: King’s Lynn Area Consultative Committee			
Lead Officer: Alexa Baker, Monitoring Officer E-mail: alexa.baker@west-norfolk.gov.uk Direct Dial: 01553 616270		Other Officers consulted: Lorraine Gore, Chief Executive, Michelle Drewery, Section 151 Officer			
Financial Implications YES/NO	Policy/ Personnel Implications YES/NO	Statutory Implications YES/NO	Equal Impact Assessment YES/NO If YES: Pre-screening/ Full Assessment	Risk Management Implications YES/NO	Environmental Considerations YES/NO
If not for publication, the paragraph(s) of Schedule 12A of the 1972 Local Government Act considered to justify that is (are) paragraph(s)					

Date of meeting: 5 MARCH 2024

Subject: Revising King’s Lynn Advisory and Consultative Committee into a decision making body

Summary

The Council has included within its Corporate Strategy for 2023 – 2027 the following:

Bring forward proposals to enable the King’s Lynn Advisory and Consultative Committee (KLACC) to become a decision-making body.

KLACC has been consulted at two public meetings on these proposals.

A draft Terms of Reference for an Area Committee (Appendix 1) is attached.

Recommendation

Cabinet resolves:

1. That a new executive Area Committee constituted pursuant to section 9E of the Local Government Act 2000 be established, to be known as the ‘King’s Lynn Area Committee (“KLAC”)
2. The terms of reference at Appendix 1 be adopted for KLAC.

Reason for Decision

To deliver the Council’s Corporate Strategy.

1 Background

- 1.1 The Council established the King's Lynn Advisory and Consultative Committee (KLACC) to provide a forum in which matters affecting the unparished areas of King's Lynn could be discussed. KLACC also acts as a consultative forum on various matters and can make recommendations to Cabinet on proposed highway improvement schemes within the area.
- 1.2 KLACC consists of 14 Councillors representing the 8 wards of the unparished areas of Kings Lynn. The legal status of KLACC is that of an advisory committee and therefore does not have any decision-making powers. The current KLACC Terms of Reference:

Terms of Reference and Operational Model

Role

The role of the Committee is to:

Enable Borough Councillors from the unparished area of King's Lynn to meet together to discuss issues of mutual interest which have implications beyond the boundaries of individual wards. Recent examples might include the proposed Saddlebow Incinerator.

To act as a consultative forum on issues affecting the whole or the majority of the unparished area of King's Lynn. Recent examples might include the most appropriate location for the Parkour equipment, and planning applications for major developments.

To act as a consultative forum on the funding raised by, and utilisation of the King's Lynn Special Expenses, and to offer input on priorities for this expenditure and if appropriate the level of funds to be raised.

To encourage community engagement within King's Lynn.

Within the deadlines of the Scheme and in a timely fashion to feed into the Council's budget process, make recommendations to Cabinet on proposed highway improvement schemes, which have been supported by a business case and are within the unparished areas of King's Lynn and West Lynn, for match funding through the County Council's Parish Partnership Programme, or similar parish funding schemes.

- The Committee will meet on a quarterly basis and be supported by Democratic Services and a senior officer. The King's Lynn Area Advisory Committee will continue to operate after 1st May 2015 in its current format for a period of 4 years.

Membership

All of the Borough Councillors representing the unparished area of King's Lynn.

The Committee shall appoint its own Chairman and Vice-Chairman.

Other Bodies

It is not intended that the Committee should usurp or replace the role or responsibility for individual Councillors. In particular to address matters which relate to their individual ward.

2 Options Considered

- 2.1 The Council has set out to revise KLACC into a decision-making body as part of its Corporate Strategy.
- 2.2 KLACC Members were consulted with on two occasions, on 11 January 2024 and 13 February 2024.
- 2.3 At the KLACC meeting of 11 January, options for the legal status of a decision-making body were discussed. The two options were:
 - a. A free-standing non-executive (ie. A Full Council function) committee. The Committee would have terms of reference setting out the remit in which it could act, set by Full Council. The Committee would need to be politically proportional and therefore it would not be possible to have a decision-making body solely made up of ward members from unparished areas of King's Lynn, unless Groups were willing to give up seats to enable this.
 - b. An executive Area Committee. This would be a Committee established by Cabinet, but legislation requires that membership be made up of only members from the area it covers. Setting a new body up as executive function will have increased alignment with current decision-making powers which sat with Cabinet.
- 2.4 The KLACC members agreed that an executive Area committee was the preferred option.
- 2.5 KLACC's views on the following key areas as sought:
 - a. The remit and decision-making powers of the newly created body; and
 - b. The name of the newly created body

The remit and decision-making powers of the newly created body;

- 2.6 KLACC Members approved, in substance, the terms of reference at Appendix 1, which sets out the remit and decision making powers.
- 2.7 This includes authorising the spend of allocated budget, within defined parameters and always subject to the Council's policy framework and overall budget.
- 2.8 Within the current budget and the proposed 2024/2025 budget there are two reserves which can be allocated to a new decision-making body. The first, which sits at £10,800.00, has already been approved to be allocated to KLACC and relates to the income generated through Covid from the use of the South Lynn Community Centre. The second, which sits at £35,500.00, has a current allocation towards Fairstead and South Lynn community centres.

- 2.9 Once the allocated reserves are exhausted, the only remaining funding (excepting a specific Full Council budget allocation in future years) for the new body would be in connection with special expenses. This would either result from a) specific items currently charged to special expenses for King's Lynn being stripped out, leaving surplus for other expenses or b) increased income from the community centres rendering a surplus of special expenses which the decision-making body could allocate elsewhere. The setting of special expenses would remain a Full Council function.
- 2.10 KLACC Members approved the inclusion of a new enhanced role of monitoring special expenses throughout the year, which would include areas of underspend and overspend and directing corrective action and enabling proposals to be formulated for special expenses for the following year, where possible.
- 2.11 Submitting bids for relevant funding applications has been delegated to the new body in the terms of reference, subject to the Chief Executive's approval of the officer time and resource to support the new body.

The name of the newly created body

- 2.12 KLACC Members resolved on naming the new body the King's Lynn Area Committee 'KLAC'.

3 Policy/Personnel Implications

There will be personnel implications with officers supporting KLAC with their enhanced decision-making powers, including submitting bids for funding, however the terms of reference contain a provision that require the Chief Executive, as head of paid service, to approve the officer resource to ensure this remains within the available capacities.

4 Financial Implications

There are currently two reserves that will be allocated to KLAC. A £10,800 reserve related to income generated through COVID from the use of the South Lynn Community Centre 6 and the second £35,500 currently allocated towards Fairstead and South Lynn Community Centers. The creation of an executive area committee would enable the committee to apply for funding such as Community Infrastructure Levy and Shared Prosperity Funding for projects specific to King's Lynn. Future budget allocation would be approved through Full Council and/or the budget monitoring process.

5 Policy Implications

Decisions of KLAC would have to be taken in accordance with the Council's approved policy framework.

6 Environmental Considerations

None

7 Statutory Considerations

Section 9E of the Local Government Act 2000 provides the power for Cabinet to set up an Area Committee.

8 Equality Impact Assessment (EIA)

(Pre-screening report template attached)

No direct impact.

9 Risk Management Implications

Decisions of the new KLAC will be subject to call-in and can be scrutinised before their consideration by KLAC.

10 Declarations of Interest / Dispensations Granted

Cllr Rust is the Chair of KLACC.

11 Background Papers

None



TERMS OF REFERENCE OF THE KINGS LYNN AREA COMMITTEE (“KLAC”)

1. Definitions

Approved Resource	Officer resource approved by the chief executive of the Council
Area	Means the delineated area lined red on the map attached as Appendix A
Budget	Means the annual budget approved by the Council
Cabinet	Means the executive of the Council within the meaning of the Local Government Act 2000
Corporate Strategy	Means the current corporate strategy adopted by the Council
Council	Borough Council of King's Lynn and West Norfolk
KLAC	King's Lynn Area Committee
King's Lynn Special Expenses	Means special expenses allocation to King's Lynn in pursuance of sections 34 and 35 of the Local Government Finance Act 1992
Member	An elected Councillor
Financial Year	Means 1 April to 31 March
SLT	the Senior Leadership Team of the Council

2. Status

2.1 The King's Lynn Area Committee (“KLAC”) is an executive area committee constituted pursuant to section 9E of the Local Government Act 2000 and established by Cabinet on 5 March 2024.

2.2 The decisions of KLAC will be executive decisions subject to call-in under the Council's constitution.



2.3 KLAC is established to discharge the functions set out within these terms of reference within the Area.

3. Composition & Operation

3.1 KLAC shall comprise of all ward Members from the Area.

3.2 All KLAC Members shall have voting rights.

3.3 KLAC does not have to be politically proportionate as it is an area committee.

3.4 KLAC shall be supported by a member of SLT and an officer from democratic services. KLAC may invite other senior officers and/or Cabinet Members to attend meetings where relevant to an agenda item.

3.5 Quorum is four voting Members.

3.6 Meetings of KLAC shall be held no less than 6 times per annum.

4. Functions

The functions of KLAC will be as follows:

4.1 To determine the spend of any Budget allocated to KLAC. Such decisions are to be made in accordance with clause 5.

4.2 To authorise the submission of applications for funding for the Area, for example Community Infrastructure Levy funding or the County Council's Parish Partnership Programme, with the operational use of Approved Resource to prepare and submit funding applications.

4.3 To determine where surplus funding raised in connection with King's Lynn Special Expenses should be utilised within the Area. Such decisions are to be made in accordance with clause 5.



- 4.4 To provide recommendations to Cabinet on new priorities for King's Lynn Special Expenses.
- 4.5 To monitor expenditure against King's Lynn Special Expenses including itemised special expenses and contingency reserve throughout the Financial Year.
- 4.6 Enable Members from the unparished area of King's Lynn to meet together to discuss issues of mutual interest which have implications beyond the boundaries of individual wards.
- 4.7 To act as a consultative forum on issues affecting the whole or the majority of the unparished area of King's Lynn including planning applications for major developments.
- 4.8 To encourage and carry out community engagement within King's Lynn residents, with Approved Resource where necessary.
- 4.9 To makes decisions in accordance with the Council's approved budget and policy framework.

5 **Funding Decisions**

- 5.1 Decisions under 4.1 and 4.3 above can be taken to authorise capital or revenue spend on or connected to the use of South Lynn Community Centre and/or Fairstead Community Centre.
- 5.2 Other decisions under clause 4 to for spending within the Area or to authorise an application for funding shall be taken in accordance with the scoring criteria at 5.3.
- 5.3 Projects with the most points utilising the following criteria may be approved by KLAC:

5.3.1 **Project Need (up to 30 points)**

Considering the following non-exhaustive list:

- The relevance to the priorities in the Corporate Strategy or other Council policy
- The current lack of facilities in the area



- The last time the relevant ward received funding through KLAC or another public body
- The strength of the outputs and outcomes to the ward and/or Area

5.3.2 **Project Feasibility (up to 30 points)**

Considering the following non-exhaustive list:

- The strength of the business case submitted to support the project
- Availability of match funding
- The proposed timeline for delivery of the project

5.3.3 **Community Engagement (up to 20 points)**

Considering the following non-exhaustive list:

- Evidence of community involvement in project planning
- Support from local stakeholders and residents
- Strategies for capturing ongoing community engagement

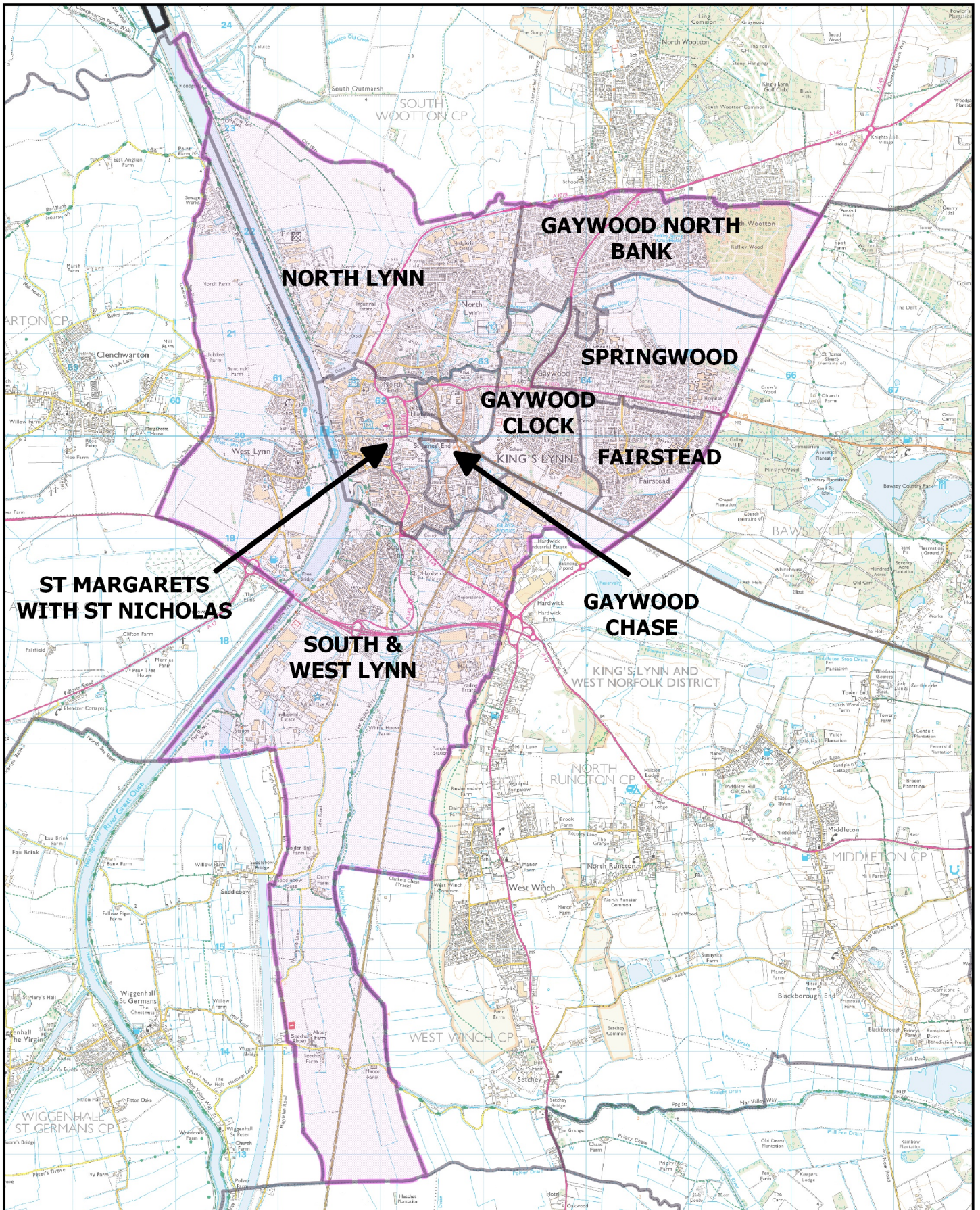
5.3.4 **Innovation and Sustainability (up to 20 points)**

Considering the following non-exhaustive list:

- Consideration of long term environmental and economic sustainability
- Alignment with the Council's climate change strategy and action plan
- Potential for future growth and adaptability.

6 **Review**

KLAC will review these Terms of Reference annually and make any recommendations for change to Cabinet.



**Borough Council of
King's Lynn &
West Norfolk**
Tel. 01553 616200



1:50,000