



BROMSGROVE DISTRICT COUNCIL

MEETING OF THE AUDIT, STANDARDS AND GOVERNANCE COMMITTEE

THURSDAY 13TH OCTOBER 2022

AT 6.00 P.M.

PARKSIDE SUITE - PARKSIDE

MEMBERS: Councillors L. C. R. Mallett (Chairman), P. J. Whittaker, A. J. B. Beaumont, R. E. Jenkins, J. E. King, A. D. Kriss (Vice-Chairman), M. Middleton, C. J. Spencer and K. J. Van Der Plank

AGENDA

1. **Apologies for Absence and Named Substitutes**
2. **Declarations of Interest and Whipping Arrangements**

To invite Councillors to declare any Disclosable Pecuniary interests or Other Disclosable Interests they may have in items on the agenda, and to confirm the nature of those interests.
3. **To confirm the accuracy of the minutes of the Audit, Standards and Governance Committee meeting held on 21st July 2022 (Pages 1 - 8)**
4. **Standards Regime - Monitoring Officers' Report (Pages 9 - 14)**
5. **Annual Review from the Local Government Ombudsman (Pages 15 - 24)**
6. **Grant Thornton - Sector Update**

Report to follow.

7. **Internal Audit - Progress Report** (Pages 25 - 54)
8. **Financial Savings Monitoring Report** (Pages 55 - 62)
9. **Risk Update (Q1 & Q2)** (Pages 63 - 70)
10. **Risk Champion - Verbal Update Report (Councillor A. B. Beaumont)**
11. **Audit, Standards and Governance Committee Work Programme** (Pages 71 - 72)

K. DICKS
Chief Executive

Parkside
Market Street
BROMSGROVE
Worcestershire
B61 8DA

5th October 2022

If you have any queries on this Agenda please contact
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GUIDANCE ON FACE-TO-FACE MEETINGS

At the current time, seating at the meeting will be placed in such a way as to achieve as much space as possible for social distancing to help protect meeting participants.

If you have any questions regarding the agenda or attached papers, please do not hesitate to contact the officer named above.

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Members of the public who still have access to lateral flow tests (LFTs) are encouraged to take a test on the day of the meeting. Meeting attendees who

do not have access to LFTs are encouraged not to attend a Committee if they have any of the following common symptoms of Covid-19 on the day of the meeting; a high temperature, a new and continuous cough or a loss of smell and / or taste.

Notes:

Although this is a public meeting, there are circumstances when Council might have to move into closed session to consider exempt or confidential information. For agenda items that are exempt, the public are excluded and for any such items the live stream will be suspended and that part of the meeting will not be recorded.



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- Meeting Agendas
- Meeting Minutes
- The Council's Constitution

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Audit, Standards and Governance Committee
21st July 2022

BROMSGROVE DISTRICT COUNCIL

MEETING OF THE AUDIT, STANDARDS AND GOVERNANCE COMMITTEE

21ST JULY 2022, AT 6.00 P.M.

PRESENT: Councillors A. J. B. Beaumont, J. E. King, A. D. Kriss (Vice-Chairman, in the Chair), M. Middleton and C. J. Spencer

Observers: Neil Preece (via Microsoft Teams), Councillor G. N. Denaro (via Microsoft Teams), Councillor K. J. May and Councillor M. Thompson

Officers: Mr P. Carpenter, Mr. A. Bromage (via Microsoft Teams), Ms. C. Flanagan, Ms M. Howell (via Microsoft Teams) and Ms. A. Scarce (via Microsoft Teams)

1/2022

ELECTION OF CHAIRMAN

A nomination for the position of Chairman was received in respect of Councillor L. C. R. Mallett. As Councillor Mallett was not present, it was confirmed that he was in agreement to being nominated as Chairman.

RESOLVED that Councillor L. C. R. Mallett be elected Chairman of the Committee for the ensuing municipal year.

2/2022

ELECTION OF VICE-CHAIRMAN

A nomination for the position of Vice Chairman was received in respect of Councillor A. Kriss.

RESOLVED that Councillor A. Kriss be elected Vice Chairman of the Committee for the ensuing municipal year.

In the absence of the Chairman, Councillor Kriss, as Vice Chairman chaired the meeting.

3/2022

APOLOGIES FOR ABSENCE AND NAMED SUBSTITUTES

Apologies for absence were received from Councillors L. Mallett, K. Van der Plank and P. Whittaker. There were no named substitutes.

4/2022

DECLARATIONS OF INTEREST AND WHIPPING ARRANGEMENTS

There were no declarations of interest nor of any party whip.

5/2022

TO CONFIRM THE ACCURACY OF THE MINUTES OF THE AUDIT, STANDARDS AND GOVERNANCE COMMITTEE MEETING HELD ON 12TH APRIL 2022

The minutes of the Audit, Standards and Governance Committee held on 12th April 2022 were submitted.

RESOLVED that the minutes of the Audit, Standards and Governance Committee meeting held on 12th April 2022 be approved as a correct record.

6/2022

STANDARDS REGIME - MONITORING OFFICERS' REPORT

The Principal Solicitor presented the Monitoring Officer's report and in doing so highlighted the following:

- There had been no new complaints, however one remained live.
- The Constitution Review Working Group continued to meet regularly as did the Member Development Steering Group, who had agreed that Cyber Security training should be provided to Members in 2022/23.
- Member training in respect of Carbon Literacy and Member Safety had taken place and a session in respect of Safeguarding was due to take place in August.

Following presentation of the report Members made the following comments:

- The carbon literacy training had been excellent.
- Whether a record of those attending the training sessions was kept – officers confirm that this was done.
- The length of time taken to complete investigations in respect of Member complaints. The Principal Solicitor explained that in the interest of justice it was important that the investigations were carried out properly and that the length of time taken would vary due to this.

RESOLVED that the Monitoring Officer's Report be noted.

7/2022

GENERAL DISPENSATIONS REPORT

Prior to presenting the General Dispensations Report, the Principal Solicitor reported that she had received a written request from Councillor M. Thompson for a dispensation, as was admissible and explained within the report. Councillor M. Thompson was in attendance at the meeting to put forward his request and respond to any questions from Members prior to a decision being made. The dispensation requested was in respect of Councillor Thompson's employment at Bromsgrove School and the Heat Network (and the proposal to build it within the

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grounds of the school), which came under his portfolio. He provided detail around his position at the school and assured Members that he had no involvement within his role at the school in this matter. Specific reference was made to him responding to a question at Council, and whilst there was no issue at the moment, he anticipated that this could be problematic in the future and would therefore like to formally request a dispensation in order for him to be able to take part in any future discussions on this matter.

The Vice Chairman asked the Deputy Monitoring Officer for her view and she suggested that it was a matter for Members to consider, along with the other dispensations detailed within the report.

Councillor Thompson confirmed that he had no involvement with the school's executive body who would make any decisions in respect of the heat network. Member were satisfied with the position and were minded to agree the request.

RESOLVED that

- 1) any Individual Member Dispensations (IMDs) and Outside Body Appointments dispensations requested by Members up to the point of the meeting, and as advised by the Monitoring Officer at the meeting, be granted under section 33 (2) of the Localism Act 2011, to allow those Member(s) to participate in and vote at Council and Committee meetings in the individual circumstances detailed;
- 2) the Audit, Standards and Governance Committee grant a dispensation under Section 33 (2) of the Localism Act 2011 to allow Members to address Council and Committees in circumstances where a member of the public may elect to speak;
- 3) subject to the caveat set out in paragraph 4.9 of this report in relation to setting the Council's Budget, the Audit, Standards and Committee grants dispensations under Section 33 (2) of the Localism Act 2011 to allow all Members to participate in and vote at Council and Committee meetings when considering the setting of:
 - a) the Budget;
 - b) Council Tax;
 - c) Members' Allowances; and
 - d) Non-Domestic Rates – Discretionary Rate Relief Policy and Guidance affecting properties within the District;
 - e) it be noted that all dispensations granted by the Committee take effect on receipt of a written request from Members for such a dispensation and where Members may have a Disclosable Pecuniary Interest in the matter under consideration, which would otherwise preclude such participation and voting; and

- f) it be noted that the dispensations referred to at resolutions (1), (2) and (3) will remain valid until the first meeting of the Audit, Governance and Standards Committee following the next District Council Elections in 2023 unless amended by the Committee prior to that date.

8/2022

RIPA REPORT 2022/23

The Principal Solicitor apologised for the delay in circulating the actual RIPA policy, which highlighted as background papers within the report. She explained that legislation required the refresh of the policy on an annual basis. The Principal Solicitor provided an update in respect of a local authority's powers which were at the lower end of the scale and changes in legislation had resulted in further restrictions on their use, which were detailed under paragraph 2.3 of the report.

The regime was overseen by the Investigatory Powers Commissioner's Office and included inspections of organisations by an Inspector appointed by the Commissioner, usually every three years. Since the changes introduced in 2012 the Council had not exercised its powers under RIPA. The Surveillance Commissioner has noted that in recent years authorities like this Council had granted far fewer RIPA authorisations and some had granted none at all. At the time of the Council's last physical inspection, in 2015, RIPA powers had not been exercised by the Council since 2012. In 2018, a further three years on, during which no RIPA activity had been undertaken, an Inspector on behalf of the Surveillance Commissioner conducted a remote, light-touch review. A further inspection was undertaken in January 2022, which was done remotely via video and a desk top exercise. The findings of that inspection were attached to the report and the Principal Solicitor provided a summary of the findings and recommendations within it. Members were also advised of other changes which had taken place since the Committee considered the last report in 2021 and were provided with details of refresher training which had also taken place.

Following the presentation of the report Members discussed how it might be useful for them to receive any relevant updates throughout the year rather than just reviewing the policy on an annual basis. Officers agreed, where relevant, to provide updates to future meetings.

RESOLVED that

- a) the Council's RIPA Policy as updated and reviewed by endorsed;
and
- b) the update on RIPA activity as detailed within the report be noted.

9/2022

GRANT THORNTON - HOUSING BENEFIT 2020/21 CERTIFICATION LETTER

Mr. N. Preece, Grant Thornton presented the report and reminded Members that this was work which was done by Grant Thornton every year in the certification of the Council's Housing Benefit subsidy claim to the Department of Work and Pensions (DWP). by Grant Thornton LLP. The Certification Letter from Grant Thornton to the Executive Director for Resources, concluded that the workbook completion undertaken by Officers at the Council was to a good quality and which endorsed the testing conclusions reached. It was also highlighted that there were a number of issues identified, and that additional testing needed to occur. It was noted that there were challenging and complicated regulations to be followed and due to the impact of Covid-19 it had been agreed with the DWP to extend the deadline for completion of the work this year.

A number of issues had been identified and these were highlighted within the letter. Members were advised that although the values were very small any difference in monetary value was classified as a 'fail' and needed to be reviewed. However, overall, it was a good news story as the number of errors had reduced and the officers work was excellent.

The Committee thanked officers for their hard work in what had been a very challenging time for all concerned.

RESOLVED that the Grant Thornton Certification Work Report 2020/21 be noted.

10/2022

INTERNAL AUDIT PLAN 2022/2023

The Committee received a report from Mr. A. Bromage, the Head of Worcestershire Internal Audit Shared Service, in respect of the Internal Audit Plan for 2022/2023. This was a risk-based plan which considered the adequacy of the Council's risk management, performance management and other assurance processes as well as organisational objectives and priorities. This was based upon the risk priorities per the corporate and service risk registers. Mr. Bromage highlighted the following areas within the report:

- The adequacy of the resource allocation.
- The changing internal environment and ongoing transformational work being undertaken.
- Internal and external audit findings in respect of the financial systems and their inclusion as audit areas, as it is considered certain risks remain in these areas.
- The flexibility of the plan and the balanced approach taken, with progress being monitored and reviewed regularly.
- If the plan were to be amended in the future this would be done in consultation with the Interim Section 151 Officer and brought back to this Committee.

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The Interim Section 151 Officer commented that the biggest threat currently was that of cyber security, which was a challenge faced by all councils. The insurance market had taken a strong view of this, and it was important that it was covered.

Members discussed a number of areas in more detail, and it was noted that Climate Change was not included and the implications of this were questioned. The interim Section 151 Officer advised that the Corporate Management Team were currently working on a Climate Change Action Plan, which it was hoped would be considered by Cabinet in the Autumn.

RESOLVED that the 2022/23 Internal Audit Plan be approved.

11/2022

INTERNAL AUDIT ANNUAL REPORT & AUDIT OPINION 2021/22

Mr. A. Bromage, Head of Internal Audit Shared Service Worcestershire explained that this report was a summary of looking back over the last year's work and provided commentary on Internal Audit's plan delivery for the period 1st April 2021 to 31st March 2022 against the performance indicators agreed for the service and further information on other aspects of the service delivery. Outcomes were shared with the External Auditors to ensure there was no duplication of work.

It was explained that Appendix 1 of the report provided details of what work had been delivered and it was noted that there had been more reports than originally planned. Appendix 2 provided information in respect of the key performance indicators and the level of assurance for those areas audited. It was noted that 4 reviews had limited or no assurance with potential risks to be addressed and 10 had moderate or above assurance. Mr. Bromage explained that the action plan that was in place to address those areas with no or limited assurance.

Appendix 3 was the Audit Opinion and Commentary for 2021/22 and Mr. Bromage made particular reference to paragraph 1.1, the overall governance conclusion and paragraph 3.9 within the Audit Opinion. There was no doubt that the biggest challenges faced had been working through the new finance system which had created risk hotspots, together with the significant loss of experienced staff. It was noted that there had been a number of implementation issues, particularly with regards to cash receipting which had caused problems matching income to the appropriate invoice, a solution was currently being tested and would be implemented if shown to be effective shortly.

The Interim Section 151 Officer provided a more detailed update in respect of the new finance system and the work being carried out to address the problems. He had been working closely with both the Internal and External Auditors throughout the process and hoped that a final fix would be tested in the coming weeks and prove to be successful. An update in respect of staffing was also provided and it was noted that the Team was now fully staffed with a wider skill set than had been the case the previous year. Work was being carried out to ensure quarterly

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monitoring took place again and a more normal service could be provided.

Members acknowledged and appreciated all the difficulties which the Finance Team had faced in recent months and thanked officers for the comprehensive report. It was noted that updates for Committee in respect of the new system and the fixes highlighted would be useful and the Interim Section 151 Officer agreed to provide these when available.

The Leader was invited to speak, and she reiterated the Committee's thanks to the Interim Section 151 Officer and the Team for all their hard work in what had been a difficult and challenging time.

RESOLVED that the Internal Audit Annual Report and Audit Opinion 2021/22 be noted.

12/2022

RISK REGISTER UPDATE

The Interim Section 151 Officer presented the report and in so doing highlighted the background information as detailed in paragraphs 3.1, 3.2 and 3.3. It was noted that on 16th March 2022, the Corporate Management Team (CMT) had acknowledged that there was a risk management system in place, and there were areas of good practice, however this was not uniform across the Council and the embedding of effective risk management needed to be driven and led by senior management and cascaded down throughout the Councils. A number of recommendations had therefore been put in place to address this issue.

A clear definition of Corporate Risk had also been recommended by the Risk Group and approved by CMT –

“For a **Risk** to move from being **Departmental** in nature to being **Corporate** in nature that it ***must have significant impact on Councils finances, be cross departmental in nature and/or result in Serious reputational damage.*** The Officer Risk Board will vet departmental risks using this definition to move then to Corporate Risks at their quarterly meetings.”

The Interim Section 151 Officer also provided detail around the 4Risk System which had been procured in order for the Council to manage its risks. Data had been provided within the report in respect of risk management at a departmental level together with steps which had been taken to ensure all controls and assurances were properly monitored and assured.

Following presentation of the report Members thanked The Interim Section 151 Officer and were pleased to see the clear definition of risk which had been included. It was noted that the larger projects that were coming up for the Council needed to be monitored appropriately.

The Interim Section 151 Officer explained to Members that risk champions had been appointed and trained for each area and played in pro-active role

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in cascading down information to other officers. This reduced the burden of providing specific training for every officer.

RESOLVED that

- a) the revised definition of a corporate risk be agreed;
- b) the present list of corporate risks be noted; and
- c) the use of the Risk Management Framework used by Zurich be agreed.

13/2022

ANNUAL APPOINTMENT OF RISK CHAMPION

Following a brief discussion Members agreed that this item would be deferred to the next meeting of the Audit, Standards and Governance Committee. In the meantime, Councillor A. Beaumont kindly agreed to continue in the role.

14/2022

AUDIT, STANDARDS AND GOVERNANCE COMMITTEE WORK PROGRAMME

During consideration of the work programme the Principal Solicitor advised Members that the Annual Review from the Local Government Ombudsman had been issued this week and therefore a report on it would need to be included on the work programme for the next meeting of the committees in October.

It was noted that the appointment of the Risk Champion as discussed earlier in the meeting also needed to be added to the October meeting agenda.

RESOLVED that subject to the pre-amble above the Work Programme be noted.

The meeting closed at 7.30 p.m.

Chairman

Audit, Standards & Governance Committee 2022

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MONITORING OFFICER'S REPORT

Relevant Portfolio Holder	Councillor Geoff Denaro – Portfolio Holder for Finance and Governance
Portfolio Holder Consulted	Yes
Relevant Head of Service	Yes
Report Author Claire Felton	Job Title: Head of Legal, Democratic and Property Services Contact email: c.felton@bromsgroveandredditch.gov.uk
Wards Affected	N/A
Ward Councillor(s) consulted	N/A
Relevant Strategic Purpose(s)	An Effective and Sustainable Council
Non-Key Decision	
If you have any questions about this report, please contact the report author in advance of the meeting.	

1. RECOMMENDATIONS

The Audit, Standards and Governance Committee is asked to RESOLVE that:-

1) subject to Members' comments, the report be noted

2. BACKGROUND

- 2.1 This report sets out the position in relation to key standards regime matters which are of relevance to the Audit, Standards and Governance Committee since the last update provided at the meeting of the Committee in July 2022.
- 2.2 It has been proposed that a report of this nature be presented to each meeting of the Committee to ensure that Members are kept updated with any relevant standards matters.
- 2.3 Any further updates arising after publication of this report, including any relevant standards issues raised by Parish Councils, will be reported verbally by Officers at the meeting.

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3. FINANCIAL IMPLICATIONS

- 3.1 There are no financial implications arising out of this report.

4. LEGAL IMPLICATIONS

- 4.1 Chapter 7 of Part 1 of the Localism Act 2011 ('the Act') places a requirement on authorities to promote and maintain high standards of conduct by Members and co-opted (with voting rights) Members of an authority. The Act also requires the authority to have in place arrangements under which allegations that either a district or parish councillor has breached his or her Code of Conduct can be investigated, together with arrangements under which decisions on such allegations can be made.

5. STRATEGIC PURPOSES - IMPLICATIONS

Relevant Strategic Purpose

- 5.1 It is important to ensure that the Council manages standards regime matters in an appropriate manner. The issues detailed in this report help to ensure that there is an effective and sustainable Council.

Climate Change Implications

- 5.2 There are no specific climate change implications

6. OTHER IMPLICATIONS

Equalities and Diversity Implications

- 6.1 There are no direct implications arising out of this report. Details of the Council's arrangements for managing standards complaints under the Localism Act 2011 are available on the Council's website and from the Monitoring Officer on request.

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Operational Implications

6.2 Member Complaints

Since the last meeting of the Committee the Monitoring Officer has received one member to member complaint. This has been resolved as the matter did not result in a breach of the code.

In respect of the complaint that was reported at the last meeting of the Committee, whilst the investigation has now concluded this matter is with the Monitoring Officer for further consideration and remains ongoing.

The New Normal

6.4 Since 7th May 2021, elected Members have needed to attend formal Committee meetings in person. These rules do not apply to informal meetings, such as Scrutiny Task Groups or Member training and consequently a lot of informal and private meetings continue to take place remotely.

6.6 The Constitution Review Working Group continues to meet regularly with the next meeting due to take place in October 2022. Any recommendations arising from meetings of this group will be reported to Council for Members' consideration.

6.7 A Member Development Steering Group meeting is due to take place on 31st October 2022.

Arrangements Following the Death of Her Majesty Queen Elizabeth II

6.8 Following the announcement of the death of Her Majesty Queen Elizabeth II, it was agreed that as a mark of respect, all meetings and training sessions that were due to take place during the period of national mourning be cancelled. Following consultation with group leaders a decision was also taken not to publish committee agenda packs during the mourning period and this meant that some other meetings scheduled to take place in late September were postponed. All postponed meetings have now been rescheduled.

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Member Training

6.9 Since the last meeting of the Committee the following training has been arranged for Members:

- Carbon Literacy Training, a further opportunity for Members to attend carbon literacy training took place on 26th September 2022.

7. RISK MANAGEMENT

7.1 The main risks associated with the details included in this report are:

- Risk of challenge to Council decisions; and
- Risk of complaints about elected Members.

8. APPENDICES and BACKGROUND PAPERS

No appendices.

Chapter 7 of the Localism Act 2011.

9. REPORT SIGN OFF

Department	Name and Job Title	Date
Portfolio Holder	Councillor Geoff Denaro – Portfolio Holder for Governance	30/09/2022
Lead Director / Head of Service	Claire Felton - Head of Legal, Equalities and Democratic Services and Monitoring Officer	30/09/2022
Financial Services	N/A	
Legal Services	Claire Felton - Head of Legal, Equalities and Democratic Services and Monitoring Officer	30/09/2022

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Annual Review Letter of Local Government & Social Care Ombudsman

Relevant Portfolio Holder	Councillor Geoff Denaro
Portfolio Holder Consulted	Yes
Relevant Head of Service	
Report Author	Job Title: Clare Flanagan / Aksa Khan Contact email: aksa.khan@bromsgroveandredditch.gov.uk Contact Tel: 01527 64252 Extn: 2912
Wards Affected	All
Ward Councillor(s) consulted	n/a
Relevant Strategic Purpose(s)	
Key Decision / Non-Key Decision	n/a
If you have any questions about this report, please contact the report author in advance of the meeting.	

1. RECOMMENDATIONS

The Committee is asked to RESOLVE that, subject to Members' comments, the report be noted.

2. BACKGROUND

- 2.1 The purpose of this report is to inform the committee of the Local Government Ombudsman's Annual Review Letter, which sets out the statistics for complaints made against the Council for the period ending 31st March 2022.
- 2.2 This year's report also covers the previous year during the pandemic, 2020 / 2021.
- 2.3 The aim of the Annual Review Letter is to provide councils with information which will help them assess their performance in handling complaints and to learn from them.
- 2.4 For the period ending on 31 March 2021, the LGO:
- Received: 7** complaints against the Council relating to:
- | | |
|-------------------------|---|
| Benefits & Tax: | 4 |
| Planning & Development: | 3 |
- Decided: 9**
- | | |
|-----------------|---|
| Benefits & Tax: | 3 |
|-----------------|---|

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Planning & Development: 5
Environmental / Public Protection/ Regulation: 1

Of these 9 decided cases, 4 were closed after initial enquiries, 2 complaints were not upheld, 2 were “premature” and referred back for local resolution, which is required by law before the Ombudsman will consider a matter. One complaint was upheld. However, the Ombudsman’s finding was that although there was some fault on the Council’s part, no injustice had been caused to the complainant as a result of it and so no action was required to be taken.

2.5 For the period ending 31 March 2022, the LGO:

Received: 18 complaints relating to the Council:

Planning & Development:	10
Benefits & Tax:	4
Environmental / Public Protection / Regulation	2
Housing	1

Decided: 15

Planning & Development	8
Benefits & Tax	3
Environmental / Public Protection / Regulation	2
Corporate & Other Services	1
Housing	1

Of these decided cases, 6 complaints were found not to warrant investigation; 5 were decided to be premature complaints – that is, the council had not had the opportunity to conduct its own investigation; and one matter had been appealed to Tribunal, which removed it from the Ombudsman’s remit.

A finding of service failure [termed ‘fault’] which adversely affected the complainant [termed ‘injustice’] was found in 3 cases. Recommendations to remedy these were as follows :

Housing (1 case): This was as a result of delays in a dealing with a complaint by Bromsgrove District Housing Trust [BDHT] acting on behalf of the Council. Errors were acknowledged by BDHT and the recommended actions were taken, including a payment of £150 to the complainant.

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Benefits & Tax: (1 case) Delay in dealing with the complaint were found to have caused frustration and anxiety to the complainant. The recommended actions were to provide a written apology and make a payment of £200 to remedy the fault.

Environmental Services: (1 case) A complaint against the handling of a complaint by Worcester Regulatory Services [WRS] on behalf of the Council was upheld. Training was recommended by the Ombudsman along with an apology and a payment of £100.

- 2.6 Ombudsman guidance provides that where findings of maladministration/ fault in regard to routine mistakes and service failures occurs and the authority has agreed to remedy the complaints by implementing the recommendations made following the investigation, the duty to report to members is satisfactorily discharged if the Monitoring Officer makes a periodic report to members summarising the findings on upheld complaints over a specific period. In a small authority this may be adequately addressed through an annual report.

The Ombudsman's Annual Review Letter is issued in mid-July, too late for inclusion in the July meeting of the Committee, where it was added to the work programme for inclusion in the October meetings of the Committee.

- 2.7 Only where an investigation has wider implications for council policy or exposes a more significant finding of maladministration, perhaps because of the scale of fault or injustice, or the number of people affected, the LGO would expect the Monitoring Officer to consider whether the implications of that investigation should be individually reported to members.

- 2.8 The Council continues to have a strong focus on providing good customer service and includes having processes in place to respond to complaints from customers. A review of our complaints processes is currently underway but inevitably there will always be some cases where customers are not satisfied and refer matters to the Ombudsman. The Council cooperates fully with Ombudsman enquiries and investigations. There is a nominated link officer for the Ombudsman to manage their contact with the Council and prior to the pandemic, routinely attended conferences organised by the LGO.

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3. FINANCIAL IMPLICATIONS

- 3.1 The financial implications detailed in this report have been met from existing budgets.

4. LEGAL IMPLICATIONS

- 4.1 The Local Government Ombudsman powers are contained in the Local Government Act 1974 as amended by the Local Government and Public Involvement in Health Act 2007.

The main activity of the LGO is the investigation of complaints, which are limited to complaints from members of the public.

5. STRATEGIC PURPOSES – IMPLICATIONS

Relevant Strategic Purpose

- 5.1 An Effective and Sustainable Council

Climate Change Implications

- 5.2 The green thread runs through the Council plan. Please explain if the action proposed has any climate change implications. Please consult with the Climate Change Officer.

6. OTHER IMPLICATIONS

Equalities and Diversity Implications

- 6.1 In terms of customer implications, providing good customer service is of significant importance to the Council and the statistics in the review will assist officers in the monitoring of complaint handling and resolution.

Operational Implications

- 6.2 In terms of customer implications, providing good customer service is of significant importance to the Council and the

Audit, Standards & Governance Committee 2022

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statistics in the review will assist officers in the monitoring of complaint handling and resolution.

7. RISK MANAGEMENT

7.1 The main risks associated with the details included in this report are those linked to poor standards of complaint handling. The effects of not handling complaints efficiently can include poor customer service, increased customer dissatisfaction, increased numbers of complaints and damage to the Council's reputation.

7.2 These risks are being managed as follows: through the Council's Customer services strategy which aims to promote good customer service throughout the Council and includes a defined procedure for responding to complaints before they reach the stage of being referred to the Ombudsman.

8. APPENDICES and BACKGROUND PAPERS

Appendix 1 Annual Review Letter 2022

Audit, Standards & Governance Committee 2022

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9. REPORT SIGN OFF

Department	Name and Job Title	Date
Portfolio Holder	Cllr Geoff Denaro	30/09/2022
Lead Director / Head of Service	Claire Felton	27/09/2022
Financial Services	Michelle Howell	30/09/2022
Legal Services	Aksa Khan	30/09/2022
Policy Team (if equalities implications apply)	n/a	
Climate Change Officer (if climate change implications apply)	n/a	

20 July 2022

By email

Mr Dicks
Chief Executive
Bromsgrove District Council

Dear Mr Dicks

Annual Review letter 2022

I write to you with your annual summary of complaint statistics from the Local Government and Social Care Ombudsman for the year ending 31 March 2022. The information offers valuable insight about your organisation's approach to complaints. As such, I have sought to share this letter with the Leader of your Council and Chair of the appropriate Scrutiny Committee, to encourage effective ownership and oversight of complaint outcomes, which offer such valuable opportunities to learn and improve.

Complaint statistics

Our statistics focus on three key areas that help to assess your organisation's commitment to putting things right when they go wrong:

Complaints upheld - We uphold complaints when we find fault in an organisation's actions, including where the organisation accepted fault before we investigated. We include the total number of investigations completed to provide important context for the statistic.

Compliance with recommendations - We recommend ways for organisations to put things right when faults have caused injustice and monitor their compliance with our recommendations. Failure to comply is rare and a compliance rate below 100% is a cause for concern.

Satisfactory remedy provided by the authority - In these cases, the organisation upheld the complaint and we agreed with how it offered to put things right. We encourage the early resolution of complaints and credit organisations that accept fault and find appropriate ways to put things right.

Finally, we compare the three key annual statistics for your organisation with similar authorities to provide an average marker of performance. We do this for County Councils, District Councils, Metropolitan Boroughs, Unitary Councils, and London Boroughs.

Your annual data, and a copy of this letter, will be uploaded to our interactive map, [Your council's performance](#), on 27 July 2022. This useful tool places all our data and information about councils in one place. You can find the detail of the decisions we have made about your Council, read the public reports we have issued, and view the service improvements your Council has agreed to make as a result of our investigations, as well as previous annual review letters.

Supporting complaint and service improvement

I know your organisation, like ours, will have been through a period of adaptation as the restrictions imposed by the pandemic lifted. While some pre-pandemic practices returned, many new ways of working are here to stay. It is my continued view that complaint functions have been under-resourced in recent years, a trend only exacerbated by the challenges of the pandemic. Through the lens of this recent upheaval and adjustment, I urge you to consider how your organisation prioritises complaints, particularly in terms of capacity and visibility. Properly resourced complaint functions that are well-connected and valued by service areas, management teams and elected members are capable of providing valuable insight about an organisation's performance, detecting early warning signs of problems and offering opportunities to improve service delivery.

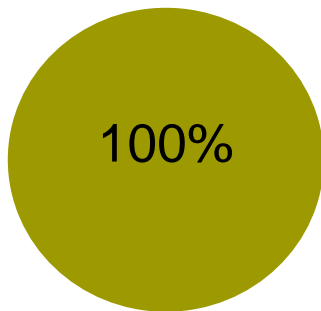
I want to support your organisation to harness the value of complaints and we continue to develop our programme of support. Significantly, we are working in partnership with the Housing Ombudsman Service to develop a joint complaint handling code. We are aiming to consolidate our approaches and therefore simplify guidance to enable organisations to provide an effective, quality response to each and every complaint. We will keep you informed as this work develops, and expect that, once launched, we will assess your compliance with the code during our investigations and report your performance via this letter.

An already established tool we have for supporting improvements in local complaint handling is our successful training programme. We adapted our courses during the Covid-19 pandemic to an online format and successfully delivered 122 online workshops during the year, reaching more than 1,600 people. To find out more visit www.lgo.org.uk/training.

Yours sincerely,

Michael King
Local Government and Social Care Ombudsman
Chair, Commission for Local Administration in England

Complaints upheld



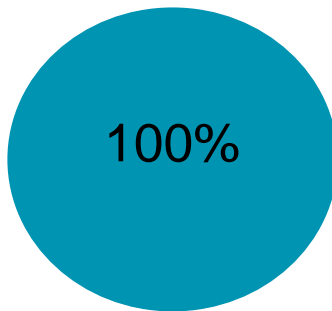
100% of complaints we investigated were upheld.

This compares to an average of **51%** in similar organisations.

3
upheld decisions

Statistics are based on a total of **3** investigations for the period between 1 April 2021 to 31 March 2022

Compliance with Ombudsman recommendations



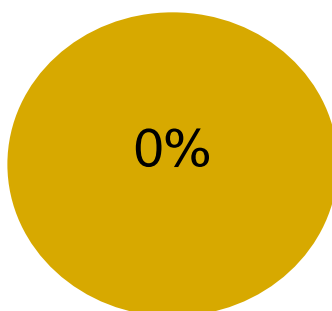
In **100%** of cases we were satisfied the organisation had successfully implemented our recommendations.

This compares to an average of **100%** in similar organisations.

Statistics are based on a total of **2** compliance outcomes for the period between 1 April 2021 to 31 March 2022

- Failure to comply with our recommendations is rare. An organisation with a compliance rate below 100% should scrutinise those complaints where it failed to comply and identify any learning.

Satisfactory remedy provided by the organisation



In **0%** of upheld cases we found the organisation had provided a satisfactory remedy before the complaint reached the Ombudsman.

This compares to an average of **20%** in similar organisations.

0
satisfactory remedy decisions

Statistics are based on a total of **3** upheld decisions for the period between 1 April 2021 to 31 March 2022

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Date: 13th October 2022

AUDIT, STANDARDS AND GOVERNANCE COMMITTEE

THE INTERNAL AUDIT PROGRESS REPORT

Relevant Portfolio Holder	Councillor Geoff Denaro
Portfolio Holder Consulted	Yes
Relevant Head of Service	Peter Carpenter, s151 Officer
Report Author	Job Title: Head of Internal Audit Shared Service Worcestershire Internal Audit Shared Service Contact email: andy.bromage@worcester.gov.uk Contact Tel: 01905 722051
Wards Affected	All Wards
Ward Councillor(s) consulted	No
Relevant Strategic Purpose(s)	Good Governance & Risk Management underpins all the Strategic Purposes.
Non-Key Decision	
If you have any questions about this report, please contact the report author in advance of the meeting.	

1. RECOMMENDATIONS

The Audit, Standards and Governance Committee recommend:-

1) the report is noted.

2. BACKGROUND

The involvement of Member's in progress monitoring is considered an important facet of good corporate governance, contributing to the internal control assurance given in the Council's Annual Governance Statement.

This section of the report provides commentary on Internal Audit's performance for the period 01st April 2022 to 31st August 2022.

Summary Dashboard 2022/23:

Total reviews planned for 2022/23	12 (minimum)
Reviews finalised to date for 2022/23:	1
Assurance of 'moderate' or below:	N/a
Reviews awaiting final sign off:	1
Reviews ongoing:	2
Reviews to commence (Q3):	6
Number of 'High' Priority recommendations reported:	0
Satisfied 'High' priority recommendations to date:	0
Plan delivery to August 2022:	25%

Since the last progress report presented to the Committee, one report has been finalised, one report is at clearance/draft report stage and two reviews are ongoing.

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Follow Up outcomes are reported when appropriate and by exception.

All 'limited' or below assurance reviews go before CMT for full consideration.

2022/23 AUDITS TAKING PLACE AS AT 31st AUGUST 2022

A rolling programme of testing has been undertaken during quarters 1 and 2 for Debtors, Creditors and Payroll. This is set to continue during quarter 3 and the results reported during quarter 4.

The reviews that have been finalised since the last committee:

- GIS and Gazetteer Phase 1 (Critical Friend)

The reviews that are at draft report or clearance stage are:

- Fuel usage across the fleet

Reviews that had commenced and at planning and testing stages included:

- Transformation Team Utilisation
- Workshop Licensing Compliance

As the above are classified as 'on going' the assurance and outcome of the reviews will be reported at Committee on completion.

Critical review audits are designed to add value to an evolving Service area. Depending on the transformation that a Service is experiencing at the time of a scheduled review a decision is made regarding the audit approach. Where there is significant change taking place due to transformation, restructuring, significant legislative updates or a comparison required a critical review approach will be used. To assist the service area to move forwards challenge areas will be identified using audit review techniques. The percentage of critical reviews will be confirmed as part of the overall outturn figure for the audit programme. The outturn from the reviews will be reported in summary format as part of the regular reporting.

Internal Audit are continuing to consider new processes emerging from the changing working arrangements that have been necessary to continue to provide Bromsgrove residents with services post pandemic. Plan flexibility is continuing to be required to include and provide assurance on potential areas of change.

Follow up reviews are an integral part of the audit process. There is a rolling programme of review that is undertaken to ensure that there is progress with the implementation of the agreed action plans. The outcomes of the follow up

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reviews are reported in full so the general direction of travel and the risk exposure can be considered by Committee. An escalation process involving CMT and SMT is in place to ensure more effective use of resource regarding follow up to reduce the number of revisits necessary to confirm the recommendations have been satisfied.

3.4 AUDIT DAYS

Appendix 1 provides a summary of delivery. At the 31st August 2022 a total of 58 days had been delivered against an overall target of 230 days for the year.

Appendix 2 shows the indicative plan for the year and the progress made to deliver it.

Appendix 3 provides copies of the reports that have been completed and final reports for 2022/23 issued since the previous progress report presented to Committee.

3.5 OTHER KEY AUDIT WORK

Much internal audit work is carried out “behind the scenes” but is not always the subject of a formal report. Productive audit time is accurately recorded against the service or function as appropriate. Examples include:

- Governance for example assisting with the Annual Government Statement
- Risk management
- Transformation review providing support as a ‘critical appraisal’
- Dissemination of information regarding potential fraud cases likely to affect the Council
- Drawing managers’ attention to specific audit or risk issues
- Audit advice and commentary
- Internal audit recommendations: follow up review to analyse progress
- Day to day audit support and advice for example control implications, etc.
- Networking with audit colleagues in other Councils on professional points of practice
- National Fraud Initiative coordination of uploads.
- Investigations

National Fraud Initiative

- 3.6 NFI data set uploads were completed by the end of December 2021. The next major upload of data sets is during October & November 2022. WIASS continue to provide advice and assistance regarding the process.

Monitoring

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- 3.7 To ensure the delivery of the 2022/23 plan and any revision required there continues to be close and continual monitoring of the plan delivery, forecasted requirements of resource – v – actual delivery, and where necessary, additional resource will be secured to assist with the overall Service demands. The Head of Internal Audit Shared Service remains confident his team will be able to provide the required coverage for the year to ensure an internal audit opinion can be reached using reviews from the authority's core financial systems, as well as other systems which have been deemed to be 'high' and 'medium' risk. Changes to the plan will be discussed with the s151 Officer and reported to Committee.

4. FINANCIAL IMPLICATIONS

- 4.1 There are no direct financial implications arising out of this report.

5. LEGAL IMPLICATIONS

- 5.1 The Council is required under Regulation 6 of the Accounts and Audit Regulations 2018 to "maintain in accordance with proper practices an adequate and effective system of internal audit of its accounting records and of its system of internal control".

6. STRATEGIC PURPOSES - IMPLICATIONS

Relevant Strategic Purpose

- 6.1 Good governance along with risk management underpin all the Corporate strategic purposes. This report provides an independent assurance over certain aspects of the Council's operations.

Climate Change Implications

- 6.2 The actions proposed do not have a direct impact on climate change implications.

7. OTHER IMPLICATIONS

Equalities and Diversity Implications

- 7.1 There are no implications arising out of this report.

Operational Implications

Date: 13th October 2022

AUDIT, STANDARDS AND GOVERNANCE COMMITTEE

7.2 There are no new operational implications arising from this report.

8. RISK MANAGEMENT

8.1 The main risks associated with the details included in this report are to:

- Insufficiently complete the planned programme of audit work within the financial year leading to an inability to produce an annual opinion; and,
- a continuous provision of an internal audit service is not maintained.

9. APPENDICES and BACKGROUND PAPERS

Appendix 1 ~ 2022/23 Internal Audit Plan summary of delivery

Appendix 2 ~ 2022/23 Plan progress

Appendix 3 ~ 2022/23 Finalised audit reports including definitions.

Date: 13th October 2022

AUDIT, STANDARDS AND GOVERNANCE COMMITTEE

APPENDIX 1

Delivery against Internal Audit Plan for 2022/23 1st April 2022 to 31st August 2022

Audit Area	Original 2022/23 Plan Days	Days used to 31 st August 2022
Core Financial Systems (see note 1)	77	8
Corporate Audits	42	16
Other Systems Audits (see note 2)	75	22
SUB TOTAL	194	46
Audit Management Meetings/ Corporate Meetings / Reading/ Annual Plans, Reports and Audit Committee Support	36	12
Other chargeable (see note 3)	0	0
SUB TOTAL	36	12
TOTAL	230	58

Audit days used are rounded to the nearest whole.

Note 1: Core Financial Systems are audited predominantly in quarters 3 and 4 to maximise the assurance provided for Annual Governance Statement and Statement of Accounts but not interfere with year-end. A rolling programme continues regarding Debtors, Creditors and Payroll to maximise coverage and sample size. The overall results will be reported during Q4.

Note 2: Several budgets in this section are 'on demand' (e.g. consultancy, investigations) so the requirements can fluctuate throughout the quarters potentially resulting in unallocated days.

Note 3: 'Other chargeable' days equate to times where there has been, for example, significant disruption to the IT provision resulting in lost productivity.

BROMSGROVE DISTRICT COUNCIL

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APPENDIX 2

2022/23 Internal Audit Plan

Audit Area	Corporate Link (Corporate Priority / Strategic Purpose)	Risk Register Reference	Indicative Date of Delivery 2022/23	Current Position	Estimated Resource 2022/23
FINANCIAL					
Debtors (note 1)	Enabling	Lack of robust financial accounting and monitoring arrangement	Q1 to Q4	Rolling programme	14*
Main Ledger/Budget Monitor/Bank Rec (note 1)	Enabling	Lack of robust financial accounting and monitoring arrangement	Q3 – Q4		17*
Creditors (note 1)	Enabling	Lack of robust financial accounting and monitoring arrangement	Q1 to Q4	Rolling Programme	14*
Treasury Management (incl. Asset & Acquisitions)	Enabling	Lack of robust financial accounting and monitoring arrangement	Q2		6*
Council Tax	Enabling	Lack of robust financial accounting and monitoring arrangement	Q3 – Q4		8*
Benefits	Enabling	Lack of robust financial accounting and monitoring arrangement	Q3 – Q4		10*
NNDR	Enabling	Lack of robust financial accounting and monitoring arrangement	Q3 – Q4		8*
Sub Total					77

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Audit Area	Corporate Link (Corporate Priority / Strategic Purpose)	Risk Register Reference	Indicative Date of Delivery 2022/23	Current Position	Estimated Resource 2022/23
CORPORATE					
IT Audit (Cyber essentials)	Fundamental to strategic purpose delivery	N/a	Q3 - Q4		15*
Risk Management (Action Plan implementation) (note 2)	Fundamental to strategic purpose delivery	S151	Q3 - Q4		10*
GIS & Gazetteer – Phase 1	Fundamental to strategic purpose delivery	HoS	Q1	Final Report issued 16/08/2022	10*
Transformational Team Utilisation	Fundamental to strategic purpose delivery	HoS	Q1 - Q2	Testing in Progress	7*
Disabled Facility Grants	Enabling	N/a	Q3	Liaison with County underway	0
Sub Total					42
SERVICE DELIVERY					
Environmental & Housing Property Services					
Workshop Licensing Compliance	Statutory and Regulatory Requirement	HoS	Q2	Testing in Progress	15
Fuel Usage across the fleet (note 3)	Enabling	HoS	Q2	Awaiting final sign off	(10)
Planning, Regeneration & Leisure					
Leisure Strategy	Help me run a successful business	HoS	Q3 - Q4		6

BROMSGROVE DISTRICT COUNCIL

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Audit Area	Corporate Link (Corporate Priority / Strategic Purpose)	Risk Register Reference	Indicative Date of Delivery 2022/23	Current Position	Estimated Resource 2022/23
Worcester Regulatory Services					
	Statutory and Regulatory Requirement	HoS	Q2-Q3	Planning	12
Sub TOTAL					33
Other Operational Work					
Advisory, Consultancy & Contingency	Operational support	N/a	Q1 to Q4	Ongoing	10
Fraud & Investigations incl. NFI	Operational support	N/a	Q1 to Q4	Ongoing	10
Completion of prior year's audits	Operational support	N/a	Q1 to Q4	Ongoing	8
Report Follow Up (all areas)	Operational support	N/a	Q1 to Q4	Ongoing	10
Statement of Internal Control	Operational support	N/a	Q1 & Q4	Q1 completed	4*
Sub TOTAL					42
Audit Management Meetings	Operational support	N/a	Q1 to Q4	Ongoing	36
Corporate Meetings / Reading	Operational support	N/a	Q1 to Q4		
Annual Plans, Reports & Committee Support	Operational support	N/a	Q1 to Q4		
Sub TOTAL					36
TOTAL CHARGEABLE					230

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AUDIT, STANDARDS AND GOVERNANCE COMMITTEE

Explanatory Notes:

*As part of the increasing joint and shared service working between Bromsgrove District Council and Redditch Borough Council the audit budgets and areas will feature in the internal audit plans and be consolidated to deliver a single piece of work covering both Councils. Where practically possible the days will be split equally between the plans. Weighting will, however, be applied if it is considered the focus of the work will major on one Council.

The customer journey will be considered overall as part of the service audits.

Note 1: New financial system therefore audit budget increase.

Note 2: Risk management relaunch reviewing ongoing progress against action plan and reporting.

Note 3: There was no budget included in the plan for this additional piece of work.

Appendices A & B are indicated below and are applied to all reports.

Appendix A
Definition of Audit Opinion Levels of Assurance

Opinion	Definition
Full Assurance	<p>The system of internal control meets the organisation's objectives; all of the expected system controls tested are in place and are operating effectively.</p> <p>No specific follow up review will be undertaken; follow up will be undertaken as part of the next planned review of the system.</p>
Significant Assurance	<p>There is a generally sound system of internal control in place designed to meet the organisation's objectives. However isolated weaknesses in the design of controls or inconsistent application of controls in a small number of areas put the achievement of a limited number of system objectives at risk.</p> <p>Follow up of medium priority recommendations only will be undertaken after 6 months; follow up of low priority recommendations will be undertaken as part of the next planned review of the system.</p>
Moderate Assurance	<p>The system of control is generally sound however some of the expected controls are not in place and / or are not operating effectively therefore increasing the risk that the system will not meet its objectives. Assurance can only be given over the effectiveness of controls within some areas of the system.</p> <p>Follow up of high and medium priority recommendations only will be undertaken after 6 months; follow up of low priority recommendations will be undertaken as part of the next planned review of the system.</p>
Limited Assurance	<p>Weaknesses in the design and / or inconsistent application of controls put the achievement of the organisation's objectives at risk in many of the areas reviewed. Assurance is limited to the few areas of the system where controls are in place and are operating effectively.</p> <p>Follow up of high and medium priority recommendations only will be undertaken after 6 months; follow up of low priority recommendations will be undertaken as part of the next planned review of the system.</p>
No Assurance	<p>No assurance can be given on the system of internal control as significant weaknesses in the design and / or operation of key controls could result or have resulted in failure to achieve the organisation's objectives in the area reviewed.</p> <p>Follow up of high and medium priority recommendations only will be undertaken after 6 months; follow up of low priority recommendations will be undertaken as part of the next planned review of the system.</p>

Appendix B
Definition of Priority of Recommendations

Priority	Definition
High	Control weakness that has or is likely to have a significant impact upon the achievement of key system, function or process objectives. Immediate implementation of the agreed recommendation is essential in order to provide satisfactory control of the serious risk(s) the system is exposed to.
Medium	Control weakness that has or is likely to have a medium impact upon the achievement of key system, function or process objectives. Implementation of the agreed recommendation within 3 to 6 months is important in order to provide satisfactory control of the risk(s) the system is exposed to.
Low	Control weakness that has a low impact upon the achievement of key system, function or process objectives. Implementation of the agreed recommendation is desirable as it will improve overall control within the system.

2022/23 Audit Report.

Finalised report since the last Committee sitting.

Worcestershire Internal Audit Shared Service



Bromsgrove
District Council
www.bromsgrove.gov.uk

Final Internal Audit Report

Critical Review - GIS and Gazetteer (Land Charge Project) 2022/23

Tuesday 16th August 2022

Distribution:

To: Head of Transformation, Organisational Development and Digital Strategy

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2. Audit Scope and objective 15

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4. Detailed Findings and Recommendations 18

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APPENDIX A..... 21

1. Introduction

- 1.1. The Critical Review of the GIS and Gazetteer Project Phase 1 was carried out in accordance with the Worcestershire Internal Audit Shared Service Audit Plan for Redditch Borough Council for 2022/23 approved by the Governance and Standards Committee on 28th July 2022 and for Bromsgrove District Council approved by the Standards and Governance Committee on 21st July 2022. The review was a Critical Review to analyse, evaluate and challenge the completed GIS and Gazetteer Project Phase 1 as project managed by Redditch Borough Council and Bromsgrove District Council.
- 1.2. This review relates to the strategic purposes of:
- Run & Grow a Successful Business
 - Finding somewhere to live

- Aspiration, work & financial independence
- Living independent, active and Healthy lives
- Communities which are safe, well maintained & green

1.3. There were no risks on the corporate or service risk register entries that related to this review.

1.4. This review was undertaken during the months of May and June 2022.

2. Audit Scope and objective

2.1. This review was undertaken to identify lessons learnt and areas of good practice after the successful completion of the GIS and Gazetteer Project Phase 1.

2.2. The scope covered:

- Project planning
- Officer engagement/collaboration
- Overview and management of the project
- Barriers faced and how these were overcome

2.3. The review covered the journey taken from when phase 1 of the project was initiated to the point of implementation.

2.4. This review did not cover the GIS Gazetteer system itself except in so far as it relates to the above.

3. Critical Review Overview and Executive Summary

- 3.1. As this is a critical review there is no level of assurance given.
- 3.2. During the review the auditor had meetings with various officers involved in the implementation of the project across both Redditch Borough Council and Bromsgrove District Council to gain an understanding on the processes, areas which made the project a success and to reflect on areas of identified weaknesses which were lessons learnt for future improvements in project management. *(See SWOT analysis in Appendix A – page 9 below)*
- 3.3. Officers both in the Project Board and the Stakeholders Board as well as officers involved in the project implementation were consulted in order to provide a rounded picture and to gain a full understanding on the controls/monitoring in place throughout the project. This included talking to officers involved in the project from Business Transformation, IT services, System admin, Planning, Legal and Land charges.
- 3.4. From these discussions a SWOT analysis was compiled as part of the testing sample to identify success factors and what the lessons learnt were when looking back at the implementation of the GIS and Gazetteer project phase 1. *(The lessons learnt can be read in Section 4 below)*
- 3.5. It Should be noted that although there were some weaknesses and threats identified as part of the audit findings, overall the project was a big success for both Bromsgrove District Council and Redditch Borough Council as the Government have rewarded each authority for the hard work with an incentive. This was the first joint authority that implemented the project, it has been used as exemplar to help other authorities including Worcester City Council and Tewksbury Borough Council with the implementation of their GIS/Gazetteer project.
- 3.6. The review found success factors in the following areas:

Project Delivery

- Met the project guidelines
- Achieved within both budget and timescales provided
- No staff turnover and good resource was in place.
- Due to the backing by Central Government, all barriers encountered were able to be removed by the project board.

- The project was delivered during uncertain times with Covid-19 and when the workforce had no choice but to work from home and be creative about new ways of working.
- The panel received regularly updated highlight reports at each meeting throughout the project.
- The first joint authority to successfully implement the project nationally.

Communication

- There was good communication within the Project Board and within the Stakeholder Board.
- Officers felt that there was good communication between team leader level and staff on the ground.
- There was clear and transparent communication between all members of the project and all officers had an opportunity to raise concerns and come up with solutions to issues.
- It was a good opportunity for officers who normally work independently to be part of a team.
- Services found the project to be a good way to build bridges with other services and step out of the norm with the collaboration between different services and working with officers from different experience backgrounds.
- Having a diverse project board was seen to be working well.

Project Management

- Overall staff felt the project was well managed.
- The project empowered staff to get on with the job and not feel micro-managed.
- There was a good work ethic as once the project manager changed to systems, everything was liaised at a central point of contact and delegation was sorted by IT.

Training

- There were seminars delivered for free by Her Majesty Land Registry (HMLR) which gave a good boost in the preparation of the project.

3.7. There were some lessons learnt that audit have highlighted for management to consider in future Business Improvement/projects documented in Section 4 below.

4. Detailed Findings and Recommendations

The challenges identified during the review have been set out in the table below along with the related risks and management action plan.

Ref.	Current Position
1	<p>Project Delivery: -</p> <ul style="list-style-type: none">• Members of staff involved in the project must be made to feel that their ideas are valued at all levels to ensure that moral is not impacted.• It was identified that project work often goes back to a project board for discussions and approvals but tended to not have a project leader that took total responsibility during the project implementation from the start to the end, therefore consideration needs to be made for the use of a sole project lead who drives the bus from the start of a project to the very end and takes full ownership.• The project lead needs to have a full understanding of the system(s) being used and processes prior to commencing a project. If the project lead has a knowledge gap, it can lead to delays in the implementation and possibly have financial/resource implications, as well as a lack of confidence/buy-in and respect from other officers.• Appropriate pre-project planning needs to take place to identify what actions/fixes are required, to prevent unknown barriers occurring during the project, which as a result would lead into a risk of project delays and financial implications.• Work needs to continue with officers who are not strategic in the authority to gain more buy in to new processes and business improvements.• If business improvement is to continue, there needs to be clear transparency to help officers understand the reasons why the business improvements are taking place and allow officers to understand the reward as a result.

	<ul style="list-style-type: none"> As officers since the pandemic are working more agile and there has been a move to not using printers, there needs to be a review to determine if all archived data can be moved electronically for file storage which in turn will allow quicker access to historical records. Members of staff on the ground need a clear expectation regarding the deadlines of when a piece of work is required to be completed to allow better planning. To consider a better way of strategizing how long it would take to unpick a problem and set the expectation to staff on providing a better and clear understanding on how big the project is.
2	<p>Culture: -</p> <ul style="list-style-type: none"> If business improvements are to continue, there needs to be consistency in the approach being undertaken both operationally and strategically to push the change in culture and help staff embrace the positivity of new ways of working, otherwise there could be a loss in momentum. One of the driving factors was the incentive by the Government to get full support and buy in, so there needs to be a driving force and promotion in the decision making and strategy to get buy in from staff without waiting on incentives. To continue to develop on the big driving force from a strategic level to have better managerial decisions and continue to have better data and information. To continue the shift from paper documents to full digitalisation.
3	<p>Communication: -</p> <ul style="list-style-type: none"> To get the best out of the project, there needs to be consistent and clear communication being fed down from the Project board to the Stakeholder board. There needs to be clear and consistent levels of transparency with staff at all levels involved in the project, to ensure that the authority is doing all that they can to allow staff to gain a full picture into how the project will impact their future once the project has been implemented I.E is there a risk with job security, how it will impact day-to-day work, will it make staff lives easier or add more pressure. Staff on the ground at times felt uncertain about how the changes would impact their job role and this had an impact on their morale, therefore whilst it is accepted there may have been an element of protection involved, there needs to be an appropriate sounding board in place to allow questions to be asked and allow staff to fully understand the outcomes.

4	<p>Training: -</p> <ul style="list-style-type: none">Members of staff involved in the project felt that they had to pick up the project without any training or understanding, therefore discussions need to take place to understand what type of barriers may exist because of this at the start of the project in relation to training and system understanding.
<p>Management Comments: -</p> <p>Responsible Officer: - Head of Transformation, Organisational Development and Digital Strategy</p> <ul style="list-style-type: none">There are some valuable learning points resulting from this critical review that will be incorporated into future projects and change initiatives. Discussions will take place with relevant officers and CMT to aid with the future development of projects/business improvement processes. This will be an ongoing process to ensure maximum benefit is gained from the learning points above, including:Ensuring that a single project management lead is put in place at the start of projects.Reviewing if the project lead needs specialist technical knowledge to successfully deliver outcomes.Ensuring that project plans are regularly reviewed to incorporate learning as the project progresses. Issues and their impact should be reflected in project plans.The milestones and delivery deadlines need to be clearly articulated in the project plan and this needs to be shared with the wider project team.Consideration needs to be given to any training needs of project leads prior to implementation.A second phase of this project is planned for late 2022 that will look to exploit the successful changes implemented in phase one.	

5. Independence and Ethics:

- WIASS confirms that in relation to this review there were no significant facts or matters that impacted on our independence as Internal Auditors that we are required to report.
- WIASS conforms with the Institute of Internal Auditors Public Sector Internal Audit Standards as amended and confirms that we are independent and able to express an objective opinion in relation to this review.

- WIASS confirm that policies and procedures have been implemented to meet the IIA Ethical Standards.
- Prior to and at the time of the audit no non-audit or audit related services have been undertaken for the Council within this area of review.

Head of Internal Audit Shared Services

APPENDIX A

SWOT Analysis of the GIS and Gazetteer project – Phase 1

Strengths

The review highlighted a lot of success factors and strengths including: -

Project Delivery

- Met the project guidelines.
- Achieved within both budget and timescales provided.
- The project had a good momentum.
- Overall, there was good rapport throughout the project.
- No staff turnover and good resource in place.
- Initially the project board helped with resourcing issues and brought in new members of staff on temporary contracts, which of those who stayed until the end of the contract have been able to be TUPE across to another service and remain an employee at present.
- As the project was underway, it came to a point where staff started to become passionate over the project and getting the job delivered on-time and within budget.
- Because of the type of Project, barriers were dealt with quickly within the project board.
- Made the authority look at the data they hold and how it is being held.
- As the project was underway, there was overall good Morale and motivation to get the job done.
- The first joint authority to complete the project and this is one of the reasons it has been used an exemplar.
- The project was delivered during uncertain times with COVID and the team did really well to continue the project when sent home.
- Covid provided some issues, but the teams worked well using mobile phones to communicate before MS teams was implemented.

Communication

- There were thanks from Director Level and Chief Execs for the work done by those involved in the project, which was a morale boost.
- Good communication within the project board.
- Good communication within the stakeholder board.
- Officers found that there was good communication between Team leader and staff on the ground throughout the project.
- Communication was transparent, as each meeting was used as a platform to allow honest conversations and direct questions to be carried out to help staff buy in and iron out any barriers.
- Having a Diverse project board worked well.
- Staff engagement, able to get staff to work out of SILO's and enabled a positive working ethic.
- Great team work and collaboration as everyone worked together and staff felt worthy during the project.
- Planning was extremely helpful with getting information across and provided good communication to services throughout.
- There were always officers available to talk to for support and staff always made the time if required.
- Staff on the ground in planning had fortnightly meetings with the team leader to provide and get updates.

Project reporting

- There was Highlight reports presented to each relevant section of the project.
- Each meeting there would be an updated version of the report.
- There was good detail behind the project for services to support the change.

Project management

- When the GIS Officer. was hired, it was then led by IT which felt was better.
- The work ethic improved when GIS Officer was in place and when the Government announced the incentives.
- The project was well managed.
- The project was not micro-managed which made staff feel empowered.
- There was a project board with HOS and managers
- There was a stakeholder board with members from services and Team leaders.
- There was a good work ethic as once the project manager changed to systems, everything was at liaised at a central point of contact and delegation was sorted by IT.

- A very good support team and HMLR, they were very approachable, got to know them, they came over.
- First shared service to do this. Shared service was a very big thing.

Training offered

- There was Seminars delivered for free from the HMLR which gave a good insight to the project.
- Seminars allowed the project leader to truly understand the project and push staff to get behind it.

Weaknesses

The project had areas of vulnerability/barriers in the controls, which could be improved upon further including: -

Project Delivery

- There were barriers in place prior to the Government incentive announcement from some Heads of Services to buy in.
- The project had 2 project leads. Initially it was run by Land Charges and changed midway during the project from land charges to a unique and defined GIS role. Whilst it is accepted that IT delivering the project was better overall, it did cause some initial barriers and impacted morale.
- HLMR came in in 2015 to discuss the upcoming project, so although it was delivered within the timeframe, it could have been started earlier, but it took time to get an officer to take responsibility and then it came to a point where they needed a GIS officer lead.
- They did not get complete buy in from all staff/managers until the Government Incentive was announced.
- A Major barrier was the concept of working together in a departmental basis, services were not adopting a corporate approach. Operation management does not identify it or consider it as an issue but needs addressing for the project to work correctly.
- Whilst the project did come together, there were times where Departments were found to be slow at replying.
- Staff on the ground found it difficult at times to juggle between the project and their day-to-day job. (resourcing)

Communication

- Duration of the Meetings in place were felt to go on longer than required. (i.e 15 minutes turned into 1hr).
- Initially there was a barrier with the language used between services and some of the terminology.
- There were stages within the project where officers did not like change, but this did improve as people received more engagement.
- Since the project, it was found that officers have stepped back into independent working.

- Sometimes the service felt left behind as didn't know what was happening behind the scenes. Better clarity at points would have been good.
- Whilst Land Charges were the officers responsible for the land charges registry through uniform, historically there was miscommunication at times during the project which left the service morale feeling low.
- There were times where items were not decided, so this caused frustration for those at ground level who had questions.
- Communication at times was not cascaded from the project board properly to stakeholders.
- Whilst there was good engagement between officers, there were some worries that were unable to be answered during most of the project relating to job security (Land Charges) and what would happen after the project was implemented.

Project Management

- As a joint council, RBC was ahead of BDC with the paperwork as BDC was holding a lot of old documentation, which needed to put on the TLC system.
- At times there was a lack of corporate thinking, in relation to how the project was self-funding and would provide major cost benefits.
- The Project lead tried to ease nerves, but staff were at times worried about job security and the grey areas.
- There was concern that staff and the project manager had no training or knowledge of the systems.
- It took until the Government financial reward for the ball to start rolling and more staff to invest time and energy.
- No training on the systems before expectation to implement changes.
- There was no system admin for TLC, so no one knew the back-office system, so it was hard for systems and the project lead to learn the system and get to know the Macros and lots of reading was needed and became very time consuming.
- It would have been better if land charges person should have been on the project board.
- it took time for those on ground level to understand who was on the project board.

Storage of data

- It was found that the authority could improve more with its house keeping with manual files, as people still ask for old information and it was a struggle during the project to locate some items and took officers time to look through all the archives to locate it.

Team Morale

- Day-to-day there was some frustrations like with any job, some stress factors with the communication and bugs found.

Opportunities

From the Strengths, there was opportunities that came out during/after the project including: -

Project Delivery

- From the work carried out, it has provided an advantage through the level of automation introduced which can provide steppingstones for system improvements in the future.
- The project when first looked into several years ago.

Communication & Supporting others

- Because Redditch and Bromsgrove were the first shared authority to complete the project within the timeframes and got good feedback, they have been able to help other authorities including Worcester City Council and Tewksbury. As part of this they have given consultation in the best process to undertake and also advised taking part in the Seminars delivered for free by HMLR.
- The delivery of the project was seen as a good way to get officers to work in a collaborative and included multiple services including Legal, Land Charges, Planning, Tree Ops, IT, Business Transformation and more.
- Training opportunities were provided through Seminars which were free of charge and enabled empowerment through the learning delivered to the project leader and land charge team.

Collaboration and joint projects

- It has encouraged services to work and collaborate on more unified ventures together.
- It has enabled collaboration to take place between multiple Authorities.
- It has enabled services to talk about business improvements under the same umbrella, which is not often the case.

Processes and Cost Savings

- It has provided opportunities for better Transformation and making cost savings and provide a better service.
- Forced the authority to look at the way information is being held and the processes that were undertaken and also start to plant the seed for further developments in the future.

Council Reputation

- It will allow Confidence from the public to grow with the way the Authority holds the publics information.
- It shows confidence that Redditch and Bromsgrove are capable of delivering within budget and on time.

Threats

From the weaknesses gathered as part of the SWOT analysis, the following threats and areas of risk was identified, which has been filtered into the Lessons learnt found in Section 4: -

Project Delivery: -

- During discussions there was a barrier created where services were told that they cannot implement updates to the new system until the self-funding issue is resolved, meaning that the council had to have the money available.
- It was found that a lot of projects in RBC/BDC go back to a board, but there is not one individual that drives the bus and lead the project throughout, which means often projects are delivered without a true project owner.
- The project lead did not understand the system before working on the project, so this could have caused project delays.
- If the data was not accurate, would the public lose confidence.
- There was a change in project lead within the scope of the project, which may have impacted morale and the empowerment one may feel.

Culture and Ethics: -

- Although the project was a success the culture has not changed, and staff are starting to revert back to pre-project culture of independent working. This could cause barriers in the future.
- Phase 1 did not change the perception or confidence, and this is a big lesson that needs to be learnt.
- Staff feel that ideas are not being embraced and at times been shut down, as it does not sound good at CMT etc.

Communication: -

- Job Security
- Staff in the land charge team were worried about Loss of jobs.
- Was a grey area as land charges were not involved in discussions with the project team and did not know if their questions were asked or answered, had no idea how the process change would impact the service.

Data cleansing: -

- They had issues with the data behind the land charges, it was to do with the requirements of the land registry and data integrity was extremely high, they had to get 99% and above accuracy and if this was not set up correctly, it could have caused a threat of delays.

- Data was not set up in the correct format initially.
- When looked at the system during the initial period, the system had been set up in the way RBC/BDC department wanted it to work, but the data itself and the processes behind that were not automated, so it took time to identify the first stage.

REPORT SIGN OFF

Department	Name and Job Title	Date
Portfolio Holder		
Lead Director / Head of Service		
Financial Services		
Legal Services		
Policy Team (if equalities implications apply)		
Climate Change Officer (if climate change implications apply)		

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Financial Savings Monitoring Report

Relevant Portfolio Holder		Councillor Denaro – Portfolio Holder for Finance and Governance
Portfolio Holder Consulted		Yes
Relevant Head of Service		Michelle Howell
Report Author	Job Title: Head of Finance & Customer Services Contact email: michelle.howell@bromsgroveandredditch.gov.uk Contact Tel:	
Wards Affected		All
Ward Councillor(s) consulted		No
Relevant Strategic Purpose(s)		All
Key Decision / Non-Key Decision		
If you have any questions about this report, please contact the report author in advance of the meeting.		
This report contains exempt information as defined in Paragraph(s) of Part I of Schedule 12A to the Local Government Act 1972, as amended		

1. RECOMMENDATIONS

The Audit, Standards and Governance **RECOMMEND** that:

- 1) **Progress on 2022/23 Departmental Savings be noted.**
- 2) **Progress on Efficiency Savings be reported back to this Committee following allocations part of Quarter 2 2022/23 monitoring.**

2. BACKGROUND

- 2.1 As part of the 2022/23 budget, which was agreed at Council in February 2022, there were several savings options approved to deliver the balanced budget for the year. These amounted to £176k of Departmental Savings. In addition, a further £478k of existing efficiency savings were carried forward from the 2021/22 financial year. These savings require allocation to departmental budgets. Both sets of savings are shown in Appendix A.
- 2.2 The Quarter 1 Finance and Performance Monitoring report was on the Cabinet Agenda for the 14th September. The rescheduled Cabinet on the 12th October will now contain that item.
- 2.3 The financial section of the report sets out progress against budget. The £12.1m original revenue budget included in the table below is the budget that was approved by Council in March 2022. The projected

outturn figure at Q1 is a £53k overspend. This includes “absorption” of the £477k of non-allocated savings and efficiency targets.

Department	2022/23 Full Year Budget	2022/23 Q1 Actuals	2022/23 Adjusted Forecast Outturn	Adjusted Forecast Outturn Variance (Under) / Over spend
Regulatory Client	228,063	47,650	228,063	0
Business Transformation & Organisational Development	1,857,867	122,569	1,700,896	(156,971)
Chief Executive	1,797,361	160,086	1,794,068	(3,293)
Community & Housing GF Services	1,093,315	(238,605)	1,013,142	(80,173)
Environmental Services	3,438,085	(2,182,290)	3,395,910	(42,175)
Financial & Customer Services	1,406,322	96,809	1,319,284	(87,038)
Legal, Democratic & Property Services	1,146,850	11,538	1,142,616	(4,235)
Planning, Regeneration & Leisure Services	1,578,027	339,446	1,527,845	(50,182)
Cross cutting savings and efficiency targets	(477,890)	0	0	477,890
Net Expenditure before Corporate Financing	12,068,000	(1,642,797)	12,121,824	53,824

- 2.4 The monitoring report summarises the detailed position in each services area. These are shown in Appendix B. However, in overall terms the Cross Cutting and Efficiency savings can be absorbed by allocation of vacancy and efficiencies across the Service department. These allocations are being confirmed and will be fully allocated in the Quarter 2 Monitoring which will be presented to Cabinet in November.
- 2.5 Departmental Savings are shown to be on track for delivery as per the data contained in Appendix A.

3. FINANCIAL IMPLICATIONS

- 3.1 The two sets of savings have significant financial implications.
- 3.2 The Departmental Savings totalling £175k is on track for delivery
- 3.3 The £477k Cross Cutting savings has not yet been properly allocated and therefore signifies a risk to the authority. However, as part of the Quarter1 monitoring, a method of allocation has been agreed by Officers and this will be reflected in the Quarter 2 Monitoring which will be reviewed by Cabinet in November.

4. LEGAL IMPLICATIONS

- 4.1 There are no direct legal implications arising as a result of this report.

5. STRATEGIC PURPOSES - IMPLICATIONS

Relevant Strategic Purpose

- 5.1 The Strategic purposes are included in the Council's Corporate Plan and guides the Council's approach to budget making ensuring we focus on the issues and what are most important for the borough and our communities. Our Financial monitoring and strategies are integrated within all our Strategic Purposes.

Climate Change Implications

- 5.2 The green thread runs through the Council Plan. 2022/23 savings options which had implications on climate change would have been addressed at that time.

6. OTHER IMPLICATIONS

Equalities and Diversity Implications

- 6.1 There are no direct equalities implications arising as a result of this report. Any implications will have been dealt with as part of the 2022/23 Budget process.

Operational Implications

- 6.2 Operational implications will have been dealt with as part of the 2022/23 Budget process.

7. RISK MANAGEMENT

- 7.1 Non delivery of savings options, depending on their financial magnitude can have either a small or significant affect on the Council's finances. As such mitigations need to be in place to deal changes to what was agreed by Council in February 2022.

8. APPENDICES and BACKGROUND PAPERS

Appendix A – Bromsgrove Savings Monitoring 2022/23
Appendix B – Q1 Revenue Monitoring Narrative

9. REPORT SIGN OFF

Department	Name and Job Title	Date
Portfolio Holder		
Lead Director / Head of Service		
Financial Services		
Legal Services		
Policy Team (if equalities implications apply)		
Climate Change Officer (if climate change implications apply)		

Appendix A – Bromsgrove Savings Monitoring 2022/23

Department	Strategic Purpose	Description of saving	2021-22 £'000	2022-23 £'000	2023-24 £'000	RAG status (Red, Amber Green)	Comments
Corporate Administration / Central Post Opening	Enabling of the Authority	Non recruitment to vacancy post - Shared Service Rctg Reduction	-19	-19	-20	green	This has been actioned via main salaries.
Reg Client	Communities which are safe, well maintained and green	Additional WRS Hosting Charge	-10	-10	-10	green	Additional WRS Hosting Charge - Agreed at WRS Board Nov 21 and implemented
Environmental Services	Communities which are Safe, Well Maintained and Green	Increase to promotional budget to support increased income generation.	-10	-10	-10	green	
Environmental Services	Communities which are Safe, Well Maintained and Green	Bromsgrove District Council Race Teams Review	-30	-30	-30	Green	Environmental Services overall is showing a £42k underspend for Quarter 1
Environmental Services	Communities which are Safe, Well Maintained and Green	Bulky waste income	-10	-10	-10	green	Developing a combined team with bin deliveries that covers both REC and BDC. This will deliver efficiencies and more commercial opportunities. On Track as per Q1 Monitoring.
Environmental Services	Communities which are Safe, Well Maintained and Green	Savings from vacant post not required	-52	-51	-50	Green	This was the removal of one of environmental services TL roles - grade 9
Environmental Services	Communities which are Safe, Well Maintained and Green	Savings from vacant post not required	27	26	26	Green	This is the impact of the above change across both Councils.
Lifeline	Living independent, active & healthy	Future income generation options	-20	-20	-20	Green	Lifeline is showing delivery to budget in the Q1 monitoring.
Financial services	Enabling of the Authority	Life insurance scheme saving	-35	-35	-35	Green	Actioned on DBS 26.01.22. Overall financial services showing an £87k underspend at Q1.
Corporate Administration / Central Post Opening	Enabling of the Authority	Reduction in consumables eg paper and reduction of MFDs in print contact	-14	-14	-14	Green	This is being monitored as cross Council but Agile Working significantly helps delivery.
Democratic Services	Enabling the Authority	Services restructure	-3	-3	-3	Green	Actioned via main salaries
TOTAL			-176	-175	-175		
Unallocated Savings							
Corporate Services	Enabling Services	Efficiency Savings	-316	-416	-336	amber	Are allocating from Vacancies as per Q1 Monitoring as per paragraph 2.4 of the main report.
Corporate Services	Enabling Services	Salary Vacancy target - 2%	-162	-162	-162	amber	Are allocating from Vacancies as per Q1 Monitoring as per paragraph 2.4 of the main report.
			-478	-578	-498		
			-554	-733	-673		

Appendix B - Q1 Revenue Monitoring Narrative

Business Transformation & Organisational Development – £157k underspend

Within Business Transformation & Organisational Development there are underspends within two areas:

- Human Resources (£43k underspend) - the forecast underspend is predominantly due to vacancies. Following the installation of a new HR software package, recruitment is underway to recruit to vacant posts within the service.
- ICT (£114k underspend) - the forecast underspend is due to anticipated efficiencies across ICT expenditure budgets.

Chief Executive - £3k underspend

There is a small underspend forecast within the Chief Executive area.

Community and Housing General Fund Services - £80k underspend

Within Community and Housing General Fund Services there are two services in particular that have a significant forecast outturn variance against budget:

- Housing Strategy & Enabling (£45k underspend) – This is mainly as a result of vacancies within the team.
- Community Safety/CCTV (£35k underspend) – This is mainly as a result of vacancies within the team.

Environmental Services - £42k underspend

Within Environmental Services there are two service areas with forecast underspends against budget:

- Engineering & Design (£32k underspend) – the forecast underspend is mainly as a result of vacancies within the team.
- Place Teams (£10k underspend) – the forecast underspend is due to small budget efficiencies within the team.

Finance & Customer Services - £87k underspend

Within Finance & Customer Services the forecast underspend is as a result of vacancies across the service. This will continue to be reviewed in light of pressures within the service, with further updates provided during 2022/23.

Legal, Democratic and Property Services - £4k underspend

Within Legal, Democratic and Property Services there overall forecast underspend has arisen largely due to two service areas with forecast outturn variances against budget:

- Democratic Services & Member Support (£23k underspend) - the forecast underspend is mainly as a result of vacancies within the team at the start of the financial year, which have now been recruited to.
- Elections (£20k overspend) - the forecast cost of elections is slightly in excess of budget but is offset by the anticipated underspend as detailed above.

Planning, Regeneration and Leisure Services - £50k underspend

There is a forecast underspend totalling £50k within this service which comprises of:

- An underspend totalling £36k within Development Services as a result of anticipated budget efficiencies. This will be kept under review throughout the financial year.
- An underspend totalling £14k within Parks, Open Spaces and Events mainly as a result of a vacancy, however this will be reviewed throughout the financial year.

Cross cutting savings and efficiency targets - £478k to be delivered

There is a forecast overspend due to organisational efficiency targets that have not been allocated to service areas and cross council savings and efficiency initiatives. It is important to note however that forecast underspends within other service areas, as detailed in this report, will help to achieve this target, however there is still an element to be delivered. This will be kept under review as we progress through the financial year.

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Quarterly Risk Update

Relevant Portfolio Holder	Councillor – Geoff Denaro Portfolio Holder for Finance and Governance
Portfolio Holder Consulted	Yes
Relevant Head of Service	Pete Carpenter
Report Author	Job Title: Acting Director of Finance Contact email:peter.carpenter@bromsgroveandredditch.gov.uk
Wards Affected	All
Ward Councillor(s) consulted	No
Relevant Strategic Purpose(s)	All
Non-Key Decision	
If you have any questions about this report, please contact the report author in advance of the meeting.	
This report contains exempt information as defined in Paragraph(s) of Part I of Schedule 12A to the Local Government Act 1972, as amended	

1. **SUMMARY**

This report sets out Council activity to identify, monitor and mitigate risk.

2. **RECOMMENDATIONS**

Audit, Standards and Governance Committee are asked to:

- Note the present list of Corporate Risks.
- Note the progress made on the Action Plan approved by CMT on the 16th March 2022.

3. **KEY ISSUES**

Background

- 3.1 In 2018/19, an audit of Risk Management provided an assurance level of limited assurance due to weaknesses in the design and inconsistent application of controls. As a result of the audit, a review was commissioned and undertaken by Zurich Municipal to consider the Council's risk management arrangements and to advise of any recommendations. In response to the Zurich review a Risk Management Strategy was produced for both Bromsgrove District Council and Redditch Borough Council.

- 3.2 A follow-up review was carried out by Internal Audit in March 2021 (Final Report June 2021) with the purpose of identifying what progress had been made against the Risk Management Strategies. At that time there was a lack of evidence that the actions within the Risk Management Strategies had been fully completed and embedded within the Councils and therefore no assurance could be given.
- 3.3 CMT that acknowledged that the embedding of effective risk management needed to be driven and led by senior management and cascaded down throughout the Council. It recommended that:
- An initial Officer Risk Board to take place on in the first week of April 2022. This happened on the 8th April. Two further rounds of the Officer Board have now taken place on the 22nd June and the 21st September to embed processes.
 - Each department nominate a representative to a Risk Board. These representatives meet on a quarterly basis and report back to management teams.
 - Each department to complete an updated Risk Register by Wednesday 6th April. This Report is the second update of the Risk Register following that initial re-baselining on the 6th April.
 - That the Audit Committee, who both met in the week commencing the 11th April, be verbally updated on Progress. The Audit Committee reviewed Risk Registers in July and this Report is the second round of updates being reported to embed that process. These reports have also been presented to Cabinet.
 - CMT be updated at their meeting on 13th April on progress and ongoing on progress. CMT were presented with an initial draft Corporate Risk Register for approval, and further updates were presented to Cabinet at the end of June and the end of September to embed the overall process.
 - That updated reports are prepared for next cycle of Audit Committees. This cycle is in October 2022 and is the second series of updates.
 - That the Officer Group update the Risk Register and formally report for CMT on a quarterly basis. These quarterly updates happened on the 29th June and the 28th September

The Definition of a Corporate Risk

- 3.4 The definition of a Corporate Risk remains unchanged. The Officer Risk Board review at their quarterly meetings risks that should be raised to Corporate Risks and those that should be reduced to Departmental Risks. This definition is below:

“For a **Risk** to move from being **Departmental** in nature to being **Corporate** in nature that it ***must have significant impact on Councils finances, be cross departmental in nature and/or result in Serious***

reputational damage. The Officer Risk Board will vet departmental risks using this definition to move then to Corporate Risks at their quarterly meetings.”

- 3.5 At the June Officer Risk Board it was agreed that “Green” Departmental Risks should be taken off this list if they have been to two consecutive meetings and mitigating actions have been fully put into place for them.

The 4Risk System

- 3.6 The Council have reviewed the use of the 4Risk system to manage its risks. It was the view of the Officer Risk Board, and endorsed by CMT, that this was fit for purpose but like any system it needed to be properly completed and updated. The Officer Risk Board reviews this on a quarterly basis.

The baseline Departmental Risks are included in the following table – this was prior to any Risk Board meetings in April which started to actively challenge, mitigate and remove/add where relevant Risks.

Original Baseline April 2022

Service Area	Red	Amber	Green	Total
Customer Access and Financial Support	12	20	13	45
Finance	0	0	4	4
Environmental Services	0	2	11	13
Leisure & Cultural Services	0	3	3	6
Legal, Equalities and Democratic Services	0	0	7	7
ICT	2	4	5	11
Planning Services	0	1	1	2
Housing	0	4	5	9
Community Services	1	1	5	7
HR	0	0	1	1
Total	15	35	55	105

- 3.7 The Report presented in July saw the overall number of Departmental Risks reduce from 105 to 82. This included a significant reclassification of those Risks categorised as Red from 15 to 2.

Agenda Item 9

BROMSGROVE DISTRICT COUNCIL

**Audit, Standards and Governance Committee
2022**

13th Oct

Service Area	Red	Amber	Green	Total
Customer Access and Financial Support	0	6	12	18
Finance	0	2	2	4
Environmental Services	0	2	11	13
Leisure & Cultural Services	0	3	3	6
Legal, Equalities, Democratic Services & Property	0	3	9	12
ICT	2	6	2	10
Planning Services	0	2	1	3
Housing	0	3	4	7
Community Services	0	2	6	8
HR	0	0	1	1
Total	2	29	51	82

The two departmental red risks were:

- ICT 7 - Failure to identify, maintain and test adequate disaster recovery arrangements
- ICT 11 - System functionality to manage records

3.8 The Update as at the end of September sees that Departmental total reduce to 75

Service Area	Red	Amber	Green	Total
Customer Access and Financial Support	1	5	13	19
Finance	0	2	2	4
Environmental Services	0	1	11	12
Leisure & Cultural Services	0	1	0	1
Legal, Equalities, Democratic Services & Property	1	1	10	12
ICT	2	4	4	10
Planning Services	0	1	0	1
Housing	0	2	5	7
Community Services	0	2	6	8
HR	0	0	1	1
Total	4	19	52	75

Red Departmental Risks are now

- REV7 - Revenues - Performance Indicator data is not robust
- LED13 - Legal – Bromsgrove Leisure Contracts

- **ICT7 - IT - Failure to identify, maintain and test adequate disaster recovery arrangements**
- **ICT11 - IT – System functionality to manage records**

The Bromsgrove Leisure Centre Risk is due to the present state of the Economy and the linkages to income levels.











3.9 This report sets out the revised listing, following departmental reviews submitted to Risk Board on the 21st September. All items have been reviewed by Risk Champions and respective DMT's in each Service Area – as per the requirements of the last two Risk Boards. Risks are being reviewed departmentally on a monthly basis now across all services (with one exception in August). Service representatives continue to challenge individual items, which is on the data in the following Tabs underneath each Risk, to ensure that all controls and assurances are properly monitored and assured:

- Existing Controls,
- Action Required,
- Assurance Record.

3.10 Worcester Regulatory Service (WRS) were at the meeting for the first time on the 21st September. They highlighted that a complete Risk List is provided to their Board twice a year. A Departmental Risk has been raised as LED14 as Bromsgrove are the host for WRS and as such if for any reasons contracts do not cover liabilities, which is very unlikely, Bromsgrove would be liable to fund any difference.

Corporate Risks

3.11 The Officer Risk Board reviewed the risks in the above table at their meetings on the 8th April and 22nd June and the 21st September using the new definition of "Corporate Risks". The table below sets out the updated Corporate Risk Register that the Risk Board took to CMT and gained their approval. There is one additional Corporate Risk added, which is the delivery of Levelling UP, UK Shared Prosperity Fund and Towns Fund Projects due to resource implications and the requirement to spend all funding before April 2025 and April 2026 respectively.

Risk Ref	Risk Title	Risk Status
 COR 9	Non Compliance with Health and Safety Legislation	Open
 COR 10	Decisions made to address financial pressures and implement new projects that are not informed by robust data and evidence	Open
 COR 14	Non adherence with Statutory Inspection Policy	Open
 COR 15	Impact from Changes to Partner Funding Arrangements	Open
 COR 16	Management of Contracts	Open
 COR 17	Resolution of the Approved Budget Position	Open
 COR 18	Protection from Cyber Attack	Open
 COR 19	Adequqate Workforce Planning	Open
 COR 20	Financial Provision Rectification	Open
 COR 21	BROMSGROVE DC Being placed into special measures due to quality of planning application decisions	Open
 COR 22	Delivery of Levlling Up, Towns Fund, UK SPF Initiatives	Open

The Risk Management Framework

3.12 In 2019, the Council commissioned work with Zurich on Risk Management. A Risk Management Framework was created although this was not approved by CMT at the time. This Risk Management Framework is attached as Appendix B. This Framework was approved for use at the meeting of CMT on the 13th April. The Board's next task is to design Risk Training based on its content to managers.

4. Legal Implications

4.1 No Legal implications have been identified.

5. Financial Implications

5.1 The Council spend significant sums insuring itself and must also hold Reserves to mitigate the costs of risks should they happen. A comprehensive Risk Management approach ensures risk and its consequences, including financial ones, are minimised.

6. Strategic Purpose Implications

Relevant Strategic Purpose

6.1 A comprehensive Risk Management approach ensures **Risk and its Consequences** are minimised for the Council.

Climate Change Implications

6.2 The green thread runs through the Council plan. This includes risks linked to activities and actions that link to our climate.

7. Other Implications

Customer / Equalities and Diversity Implications

7.1 If risks are not mitigated it can lead to events that have Customer/Equalities and Diversity implications for the Council.

Operational Implications

7.2 Risks are inherent in almost all the Councils operational activities and therefore significant risks need to be identified, monitored and mitigated.

8. RISK MANAGEMENT

8.1 This report is about Risk Management.

9. APPENDENCES

None

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9. REPORT SIGN OFF

Department	Name and Job Title	Date
Portfolio Holder		
Lead Director / Head of Service		
Financial Services		
Legal Services		
Policy Team (if equalities implications apply)		
Climate Change Officer (if climate change implications apply)		

AUDIT, STANDARDS & GOVERNANCE COMMITTEE

WORK PROGRAMME 2022/23

October 2022

- Standards Regime - Monitoring Officer's Report
- Annual Review from the Local Government Ombudsman
- Grant Thornton – External Audit Plan 2022-2023*
- Grant Thornton – Progress Report *
- Grant Thornton – Sector Update
- Internal Audit – Progress Report
- Treasury Outturn Report*
- Financial Savings Monitoring Report
- Quarterly Risk Update (Q1 & Q2)
- Update from the Risk Champion
- Audit, Standards and Governance Committee Work Programme

January 2023

- Standards Regime - Monitoring Officer's Report
- External Audit – Progress / Action Plan Update Report
- Internal Audit – Progress Report
- Statement of Accounts 2020/2021
- Financial Savings Monitoring Report
- Overall Risk and Corporate Governance Report
- Risk Champion's Verbal Update
- Audit, Standards and Governance Committee Work Programme

March 2023

- Standards Regime - Monitoring Officer's Report
- Audit, Standards and Governance Committee – Annual Report 2022 - 2023
- Grant Thornton – Audit Plan 2023-2024
- Internal Audit - Draft Audit Plan
- Statement of Accounts 2021/2022
- Risk Champion's Verbal Update
- Audit, Standards and Governance Committee Work Programme

*postponed

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