

Notice of Audit and Governance Committee



Date: Thursday, 26 October 2023 at 6.00 pm

Venue: Committee Room, First Floor, BCP Civic Centre Annex, St Stephen's Rd, Bournemouth BH2 6LL

Membership:

Chairman:

Cllr M Andrews

Vice Chairman:

Cllr E Connolly

Cllr J Beesley
Cllr B Castle
Cllr A Chapmanlaw

Cllr R Herrett
Cllr M Phipps
Cllr J Salmon

Cllr C Weight

All Members of the Audit and Governance Committee are summoned to attend this meeting to consider the items of business set out on the agenda below.

The press and public are welcome to view the live stream of this meeting at the following link:

<https://democracy.bcpCouncil.gov.uk/ieListDocuments.aspx?MIId=5594>

If you would like any further information on the items to be considered at the meeting please contact: Democratic Services on 01202 096660 or email democratic.services@bcpCouncil.gov.uk

Press enquiries should be directed to the Press Office: Tel: 01202 118686 or email press.office@bcpCouncil.gov.uk

This notice and all the papers mentioned within it are available at democracy.bcpCouncil.gov.uk

GRAHAM FARRANT
CHIEF EXECUTIVE

18 October 2023

**DEBATE
NOT HATE**



Available online and
on the Mod.gov app



Maintaining and promoting high standards of conduct

Declaring interests at meetings

Familiarise yourself with the Councillor Code of Conduct which can be found in Part 6 of the Council's Constitution.

Before the meeting, read the agenda and reports to see if the matters to be discussed at the meeting concern your interests



What are the principles of bias and pre-determination and how do they affect my participation in the meeting?

Bias and predetermination are common law concepts. If they affect you, your participation in the meeting may call into question the decision arrived at on the item.

Bias Test

In all the circumstances, would it lead a fair minded and informed observer to conclude that there was a real possibility or a real danger that the decision maker was biased?

Predetermination Test

At the time of making the decision, did the decision maker have a closed mind?

If a councillor appears to be biased or to have predetermined their decision, they must NOT participate in the meeting.

For more information or advice please contact the Monitoring Officer
(susan.zeiss@bcpcouncil.gov.uk)

Selflessness

Councillors should act solely in terms of the public interest

Integrity

Councillors must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves, their family, or their friends. They must declare and resolve any interests and relationships

Objectivity

Councillors must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias

Accountability

Councillors are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this

Openness

Councillors should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing

Honesty & Integrity

Councillors should act with honesty and integrity and should not place themselves in situations where their honesty and integrity may be questioned

Leadership

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

AGENDA

Items to be considered while the meeting is open to the public

1. **Apologies**

To receive any apologies for absence from Councillors.

2. **Substitute Members**

To receive information on any changes in the membership of the Committee.

Note – When a member of a Committee is unable to attend a meeting of a Committee or Sub-Committee, the relevant Political Group Leader (or their nominated representative) may, by notice to the Monitoring Officer (or their nominated representative) prior to the meeting, appoint a substitute member from within the same Political Group. The contact details on the front of this agenda should be used for notifications.

3. **Declarations of Interests**

Councillors are requested to declare any interests on items included in this agenda. Please refer to the workflow on the preceding page for guidance.

Declarations received will be reported at the meeting.

4. **Confirmation of Minutes**

To confirm and sign as a correct record the minutes of the Meeting held on 07 September 2023.

7 - 12

5. **Public Issues**

To receive any public questions, statements or petitions submitted in accordance with the Constitution. Further information on the requirements for submitting these is available to view at the following link:-

<https://democracy.bcpccouncil.gov.uk/ieListMeetings.aspx?CommitteeID=151&info=1&bcr=1>

The deadline for the submission of public questions is 3 clear working days before the meeting.

The deadline for the submission of a statement is midday the working day before the meeting.

The deadline for the submission of a petition is 10 working days before the meeting.

6. **External Auditor – Audit Progress & Sector Update**

Grant Thornton, as the Council's appointed External Auditors, have produced a report (Appendix A) which provides an update to Audit & Governance Committee on their progress to date in delivering their responsibilities.

13 - 30

The report includes an update on their 2021/22 audit work. Key points of

note are:

- **Financial Statements Audit 2021/22** – Grant Thornton are aiming to present a draft Audit Findings Report for 2021/22 to the November meeting of the Audit & Governance Committee and issue their opinion by the end of November 2023.
- **Value for Money 2021/22 & 2022/23** – Regular meetings have been set up with the Chief Executive, Director of Finance and Cabinet Portfolio holder responsible for finance to discuss progress against the recommendations made in their Auditor's Annual Reports for 2021/22 and 2022/23, as well as other recent external reports and emerging issues.

The report also includes a summary of emerging national issues and developments that may be relevant to the Council.

7. Treasury Management Monitoring update for Quarter 2 2023/24

31 - 40

The report sets an economic update with a Quarter 2 performance for 2023/24 which forecasts an underspend of £730k due to the increase in interest rates, an improvement from the £665k reported in Quarter 1. The report also details the Council's borrowing which stood at £258m and investments at £69m.

8. Risk Management – Corporate Risk Register Update

41 - 76

This report updates councillors on the position of the council's Corporate Risk Register. The main updates are as follows:

- CR4 – Loss or disruption to IT Systems and Networks from cyber attack – The score of this risk has been updated;
- CR14 – Continuity of Public Health arrangements for health protection – The risk has been updated and consideration will be given in the next quarter to its continuation as a Corporate Risk
- No new risks were added;
- No risks were removed during the quarter.

Material updates to the risks are summarised at section 8.

9. Appointment of Independent co-opted members to Audit & Governance (A&G) Committee

77 - 82

Although not a legislative requirement, best practice and a '2022 position statement' by the Chartered Institute of Public Finance & Accountancy (CIPFA) endorsed by the Department for Levelling Up, Housing and Communities recommend that audit committees in local government should include at least two co-opted independent members.

Previous BCP Council Audit & Governance (A&G) Committee and Council meetings agreed the in-principle decision to recruit two co-opted independent members to the BCP Council A&G Committee.

A number of local decisions were agreed which enabled a suitable recruitment process, through open advertisement, to the BCP Council A&G Committee.

The recommendations in this report endorse then approve the decisions

made by the selection and recruitment panel, which was Councillors Andrews, Herrett and Chapmanlaw respectively.

Full Council need to approve the appointment of co-opted members to a BCP Council committee.

10. Governance of Corporate Health & Safety and Fire Safety

83 - 90

This report details progress made on the delivery of Health & Safety and Fire Safety governance arrangements for BCP Council and highlights:

- Implementation of the Governance framework continues to be embedded and is working effectively.
- Reporting to the Health and Safety and Fire Safety Board continues on a quarterly basis and has generally good attendance.
- Some operational service issues have arisen, including HSE improvement notices, these have been successfully resolved.

The Corporate H&S Team is currently one FTE advisor short of full establishment.

11. Emergency planning and business continuity annual update

91 - 100

Emergency planning and business continuity are statutory duties for BCP Council. Activity over the reporting period has been about continuing to build capability and put plans in place in line with higher risks, local and national learning, and nationally-driven priorities and workstreams such as planning for a national power outage. This report sets out the activities undertaken to achieve this and also highlights the challenges arising.

12. Internal Audit - 2nd Quarter, 2023/24, Audit Plan Update

101 - 162

This report details progress made on delivery of the 2023/24 Audit Plan for the period July to September (inclusive) 2023. The report highlights that:

- 4 audit assignments have been finalised, including 1 'Partial', 2 'Reasonable' and 1 'Consultancy' audit opinions;
- 27 audit assignments are in progress, including 7 at draft report stage;
- £12.7M of grant expenditure has been certified, as required by the issuing Government department, as meeting grant conditions;
- Internal Audit issued a report on seafront pop-up activity, incorporating 'Bayside' restaurant making 18 recommendations. The Director of Commercial Operations has led on implementing recommendations and has finalised other investigatory work.
- For a breach of Financial Regulation, previously reported to this Committee, an investigation has concluded and the Director of Commercial Operations has taken action in line with the disciplinary policy and procedures;
- Three apprentices have been successfully recruited, however, the resignation of an auditor means that there will be further impact on the delivery of the audit plan;

6 'High' priority audit recommendations have not been implemented by the original target date. Explanations from respective Directors appear reasonable and revised target dates have been agreed.

[NOTE: Should the Committee wish to discuss the detail within the Confidential Appendix of this report, the meeting will be required to move into Confidential (Exempt) Session]

13. Annual Report of Internal Audit Counter Fraud Work and Whistleblowing Referrals 2022/23

163 - 178

This report details counter fraud work carried out by Internal Audit to provide assurance on the Council's response to combating fraud and corruption.

Internal Audit have investigated all allegations of suspected fraud or financial irregularity in a proportionate manner.

Six formal whistleblowing referrals for the Council were received and investigated by Internal Audit during 2022/23.

[NOTE: Should the Committee wish to discuss the detail within the Confidential Appendix of this report, the meeting will be required to move into Confidential (Exempt) Session]

14. Forward Plan - Refresh for the 2023/24 municipal year

179 - 182

This report sets out the list of reports to be considered by the Audit & Governance Committee for the 2023/24 municipal year in order to enable it to fulfil its terms of reference.

No other items of business can be considered unless the Chairman decides the matter is urgent for reasons that must be specified and recorded in the Minutes.

BOURNEMOUTH, CHRISTCHURCH AND POOLE COUNCIL
AUDIT AND GOVERNANCE COMMITTEE

Minutes of the Meeting held on 07 September 2023 at 6.00 pm

Present:-

Cllr M Andrews – Chairman

Cllr E Connolly – Vice-Chairman

Present: Cllr J Beesley, Cllr B Castle, Cllr A Chapmanlaw, Cllr R Herrett,
Cllr M Phipps and Cllr C Weight

Also in Cllr M Cox
attendance:

19. Apologies

There were no apologies for absence on this occasion.

20. Substitute Members

There were no appointed substitutes.

21. Declarations of Interests

Councillor J Beesley declared an interest in Minute No. XX (External Audit – Auditor's Annual Report 2021/22 & 2022/23 (Value for money arrangements report)). Councillor Beesley remained present and made the following statement.

'For transparency, at item 6 on the agenda, the External Auditor has referenced a property owned by a client of mine in his report, although it is not a matter in which I am involved for my client.'

22. Confirmation of Minutes

RESOLVED that the Minutes of the meeting held on 27 July 2023 be confirmed as a correct record.

23. Public Issues

Members were advised that there had been no statements or petitions submitted on this occasion but that two questions had been received from a member of the public.

Question from Alex McKinstry

The report on the Constitution, which backdrops Item 7 on tonight's agenda, looks at rebranding the Corporate and Community O & S Committee, renaming it "the Overview and Scrutiny Board" and increasing its meetings from five to ten in any municipal year. So we are told on page 81 of tonight's reports pack (paragraph 16, third bullet point). But then, in the "proposed

model" on page 88 and in the proposed rewording of the Constitution, Article 6.3.1(a), we are told that meetings will increase to twelve in any municipal year. Can the Chair confirm which is the correct proposed figure - ten or twelve?

Response by the Chair of Audit and Governance Committee, Councillor Andrews

Thank you for question Mr McKinstry. I can confirm that the reference to ten meetings in paragraph 16 to this report is incorrect and that this should read twelve meetings, in line with the remainder of the report.

Question from Alex McKinstry

The same report states that the cost of additional meetings of the Overview and Scrutiny Board, excluding any increase in the Chair's SRA, would be £14,700 per year. But then in paragraph 27 we read that "if the wider changes to committees are introduced", the additional costs would rise to something like £56,000 per year. I'm assuming - though correct me if I'm wrong - that these "wider changes to committees" comprise the proposed changes to the Planning Committee, community engagement, models of governance and Traffic Regulation Order decision-making, all alluded to in paragraph 11 of the report. Can the Chair confirm whether this is correct and can we also have a description of what changes are being considered for these other committees and processes, as this is the first I've heard of them?

Response by the Chair of Audit and Governance Committee, Councillor Andrews

Thank you again for your question Mr McKinstry. The additional costs highlighted in paragraph 27 would support the potential changes to the Planning Committee and traffic regulation order decision-making arrangements. The details of these arrangements have not yet been determined and do not form part of these papers. It would not be appropriate to speculate at this stage on these matters but I can advise that it is the intention that a separate report will be brought to this committee in November for consideration.

24. External Audit - Auditor's Annual Report 2021/22 & 2022/23 (Value for money arrangements report)

The Chairman introduced the report, a copy of which had been circulated to each Member and a copy of which appears as Appendix 'A' to these Minutes in the Minute Book.

Following the introduction from the Chairman the External Auditor provided further background.

Members were advised that the External Auditor, Grant Thornton for BCP Council, is required to consider whether the Council has put in place proper arrangements to secure economy, efficiency and effectiveness its use of resources.

In relation to this Members were advised that auditors are required to report their commentary under specific criteria, namely financial sustainability,

governance and improving economy, efficiency and effectiveness. They are required to report on any significant weaknesses they identify.

Members were informed that the External Auditor had produced a 2021/22 and 2022/23 Annual Report which had identified the following weaknesses:

Criteria	Risk assessment
Financial sustainability	Risks identified relate in the main due to uncertainties in relation to the Councils Medium Term Financial Plans and associated transformation programme and delivery of savings.
Governance	Significant risks identified in Governance in relation to leadership, partnerships and the Transformation programme
Improving economy, efficiency and effectiveness	Risk identified because of the inadequate rating issued by Ofsted in respect of children in care

Five significant weaknesses have been identified and have resulted in 5 key recommendations being made.

A further 13 improvement recommendations have been made. The Council has provided the External Auditor with management responses to all the recommendations.

The External Auditor has made a contextual comment that the May 2023 election has resulted in a change of political administration and an apparent change in financial strategy which will set a new tone from the top and will be an opportunity to address some of the issue raised in their report.

Members of the Audit and Governance Committee discussed the report specifically around the identified weaknesses and the proposed improvements.

RESOLVED that: -

- (a) the findings, recommendations and management comments in relation to the External Auditor's Annual Report 2021/22 and 2022/23 (Value for Money arrangements report) were noted; and**
- (b) the unusual approach of reporting both the 2021/22 and 2022/23 years as an agreed pragmatic approach to resolve and 'catch-up' on recent historic delays within the external audit process was noted.**

Voting: Unanimous

25. Review of the Council's Constitution - Recommendations of the Constitution Review Working Group

The Head of Democratic Services presented a report, a copy of which had been circulated to each Member and a copy of which appears as Appendix 'B' to these Minutes in the Minute Book.

Members were requested to discuss the issues considered by the Constitution Review Working Group and the series of recommendations which had arisen.

In relation to this Members were advised that the recommendations included the proposed changes to the overview and scrutiny arrangements.

Further to this Members were informed that any recommendations arising from the Committee shall be referred to full Council for adoption.

Following the introduction, the Chair of the Constitution Working Group, Councillor Margaret Phipps highlighted the main areas of discussion raised by the Working Group and in proposing the recommendations set out within the report proposed an additional recommendation (a)(ii) as follows: -

- (a)(ii) subject to approval of a(i) above, authority to agree the calendar of meeting dates for the Overview and Scrutiny Board for the remainder of 2023/2024 be delegated by Council to the Overview and Scrutiny Board.*

The Committee discussed the recommendations in detail and in relation to this requested that each of the recommendations be discussed and voted on separately.

In relation to recommendation (c) Members stressed that the presumption was still against the altering of meetings but that the proposal sought to clarify when it may be appropriate to alter the date, time or venue of a meeting of council and the process to be followed.

RESOLVED that: -

- (a) (i) in relation to Issue 1 (Overview and Scrutiny Structure and Arrangements) the proposed amendments to Parts 2, 3, 4 and 7, as set out in Appendix 3 to this report, be approved with an implementation date of 29 September 2023;**
- (ii) subject to approval of a(i) above, authority to agree the calendar of meeting dates for the Overview and Scrutiny Board for the remainder of 2023/2024 be delegated by Council to the Overview and Scrutiny Board.**
- (b) in relation to Issue 2 (salary Sacrifice Scheme for Councillors): -**
 - (i) the proposed amendment to insert a new Section 8 into Part 7 (Scheme of Members' Allowances), as set out in paragraph 35 to this report, be approved;**
 - (ii) the Chief Executive be delegated authority to determine from time-to-time which benefit schemes are to be made available to councillors;**

- (c) in relation to Issue 3 (Schedule of Council Meetings – Change of Date, Time and Venue), the amendment to Part 4D, Procedure Rule 1, as set out in paragraph 39 to this report, be approved; and**
- (d) any necessary and consequential technical and formatting related updates and revisions to the Constitution be made by the Monitoring Officer in accordance with the powers delegated.**

Voting: (a) – (d) Unanimous

The meeting ended at 7.20 pm

CHAIRMAN

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AUDIT AND GOVERNANCE COMMITTEE



Report subject	External Auditor – Audit Progress & Sector Update
Meeting date	26 October 2023
Status	Public Report
Executive summary	<p>Grant Thornton, as the Council's appointed External Auditors, have produced a report (Appendix A) which provides an update to Audit & Governance Committee on their progress to date in delivering their responsibilities.</p> <p>The report includes an update on their 2021/22 audit work. Key points of note are:</p> <ul style="list-style-type: none"> • Financial Statements Audit 2021/22 – Grant Thornton are aiming to present a draft Audit Findings Report for 2021/22 to the November meeting of the Audit & Governance Committee and issue their opinion by the end of November 2023. • Value for Money 2021/22 & 2022/23 – Regular meetings have been set up with the Chief Executive, Director of Finance and Cabinet Portfolio holder responsible for finance to discuss progress against the recommendations made in their Auditor's Annual Reports for 2021/22 and 2022/23, as well as other recent external reports and emerging issues. <p>The report also includes a summary of emerging national issues and developments that may be relevant to the Council.</p>
Recommendations	<p>It is RECOMMENDED that:</p> <p>Audit & Governance Committee notes the External Auditor's progress to date in delivering their responsibilities and the sector update provided.</p>
Reason for recommendations	<p>To update Audit & Governance Committee on the External Auditor's progress to date in delivering their responsibilities.</p> <p>To advise Audit & Governance Committee of emerging national issues and developments that maybe relevant to the Council.</p>
Portfolio Holder(s):	Cllr Mike Cox, Portfolio Holder for Finance
Corporate Director	Ian O'Donnell, Corporate Director for Resources

Report Authors	Nigel Stannard Head of Audit & Management Assurance ☎01202 128784 ✉nigel.stannard@bcpcouncil.gov.uk
Wards	Council-wide
Classification	For Information

Background

1. During 2017, Public Sector Audit Appointments (PSAA) awarded contracts for audit for a five-year period beginning on 1 April 2018. Grant Thornton are the appointed External Auditors for Bournemouth, Christchurch and Poole Council.
2. Grant Thornton, as the Council's External Auditors, have a responsibility to provide regular updates to those charged with governance (Audit & Governance Committee) on progress made in delivering their responsibilities.

External Audit Progress Report

Progress as at October 2023

3. The attached report (Appendix A) details progress made by Grant Thornton in delivering their responsibilities as external auditors.
4. The report includes an update on the following areas for their 2021/22 work, in summary:
 - **Financial Statements Audit 2021/22** – Grant Thornton are aiming to present a draft Audit Findings Report for 2021/22 to the November meeting of the Audit & Governance Committee and issue their opinion by the end of November 2023.
 - **Value for Money 2021/22 & 2022/23** – Regular meetings have been set up with the Chief Executive, Director of Finance and Cabinet Portfolio holder responsible for finance to discuss progress against the recommendations made in their Auditor's Annual Reports for 2021/22 and 2022/23, as well as other recent external reports and emerging issues.

Sector Update

5. The report also includes a summary of emerging national issues and developments that may be relevant to the Council (as a local authority) which includes:
 - About time? Exploring the reasons for delayed publication of audited local authority accounts – Grant Thornton
 - Local government procurement and contract management: Lessons learned - Grant Thornton
 - SEND deficits kept off budgets for another three years – Grant Thornton
 - Stonewall Gold Employer: Grant Thornton's LGBTQIA+ inclusion journey
 - Sustainability: Finance at the heart of decision making - CIPFA

Options Appraisal

6. An options appraisal is not applicable for this report.

Summary of financial implications

7. The proposed 2021/22 BCP Council Audit fee is £213,875.

Summary of legal implications

8. There are no direct legal implications from this report.

Summary of human resources implications

9. There are no direct human resources implications from this report.

Summary of sustainability impact

10. There are no sustainability impact implications from this report.

Summary of public health implications

11. There are public health implications from this report.

Summary of equality implications

12. There are no direct equality implications from this report.

Summary of risk assessment

13. There are no risk implications from this information report.

Background papers

None

Appendices

Appendix A – Grant Thornton – BCP Council – External Audit Progress Report and Sector Update

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Bournemouth, Christchurch and Poole Council

External Audit Progress Report and Sector Update

2021/22 & 2022/23

16 October 2023

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The contents of this report relate only to the matters which have come to our attention, which we believe need to be reported to you as part of our audit planning process. It is not a comprehensive record of all the relevant matters, which may be subject to change, and in particular we cannot be held responsible to you for reporting all of the risks which may affect the Authority or all weaknesses in your internal controls. This report has been prepared solely for your benefit and should not be quoted in whole or in part without our prior written consent. We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

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Introduction

Your key Grant Thornton team members are:

Peter Barber

Key Audit Partner

T 0117 305 7897

E Peter.A.Barber@uk.gt.com

Katie Whybray

Senior Manager

T 0117 305 7601

E Katie.V.Whybray@uk.gt.com

George Amos

In-charge Auditor

T 0117 305 7780

E George.WM.Amos@uk.gt.com

This paper provides the Audit and Governance Committee with a report on progress in delivering our responsibilities as your external auditors.

The paper also includes:

- a summary of emerging national issues and developments that may be relevant to you as a local authority; and
- includes a number of challenge questions in respect of these emerging issues which the Committee may wish to consider (these are a tool to use, if helpful, rather than formal questions requiring responses for audit purposes)

Members of the Audit and Governance Committee can find further useful material on our website, where we have a section dedicated to our work in the public sector. Here you can download copies of our publications <https://www.grantthornton.co.uk/en/services/public-sector-services/>

If you would like further information on any items in this briefing, or would like to register with Grant Thornton to receive regular email updates on issues that are of interest to you, please contact either your Engagement Lead or Engagement Manager.

Progress as at October 2023

2021/22 Financial Statements Audit

Our 2020/21 financial statements audit was not concluded until March 2023. As reported in our 2020/21 Audit Findings Report, we identified scope to significantly improve the quality and timeliness of supporting working papers.

Following discussions with finance officers it was agreed to defer the 2021/22 post-statements financial statements audit to July 2023 to allow finance officers to undertake a further quality assurance process on the draft 2021/22 financial statements.

The Council revisited the draft statements for 2021/22 and undertook a number of adjustments to these given the issues reported as part of the prior year audit. We are therefore auditing the updated accounts and will report any changes from version 1 to version 2 of the accounts made by management as part of our reporting.

Our 2021/22 post-statements audit is now back underway and is progressing well. Whilst issues and errors are still being identified the direction of travel is a positive one, with less issues arising to date than previous years. We have also noticed a marked improvement in the timeliness of responses, which is much appreciated.

We are currently aiming to present a draft Audit Findings Report for 2021/22 to the November meeting of the Audit & Governance Committee and issue our opinion by the end of November 2023.

2021/22 & 2022/23 Value for Money (VFM)

Our Auditor's Annual Report for 2021/22 and 2022/23, summarising the findings from our VFM work at the Council, was presented to the Audit and Governance Committee in September 2023. This report included a number of key recommendations as well as a large number of improvement recommendations, a significant number of which were also reflected in the independent external assurance review presented to the Council's Cabinet in September 2023.

Given the significant of the issues identified within the VFM report, we have set up regular meetings with the Chief Executive, Director of Finance and Cabinet Portfolio holder responsible for finance to discuss progress against our recommendations as well as other recent external reports and emerging issues.

Audit Deliverables

2021/22 Deliverables

Audit Plan

We are required to issue a detailed audit plan to the Audit and Governance Committee setting out our proposed approach in order to give an opinion on the Authority's 2022/23 financial statements and to issue a commentary on the Authority's value for money arrangements in the Auditor's Annual Report

Planned Date

October 2022

Status

Complete

Audit Findings Report

The initial Audit Findings Report will be reported to the November Audit Committee.

November 2023

Not yet due

Auditors Report

This includes the opinion on your financial statements.

November 2023

Not yet due

Auditor's Annual Report

This report communicates the key outputs of the audit, including our commentary on the Authority's value for money arrangements.

September 2023

Complete

Sector Update

Authorities continue to try to achieve greater efficiency in the delivery of public services, whilst facing the challenges to address rising demand, ongoing budget pressures and social inequality.

Our sector update provides you with an up to date summary of emerging national issues and developments to support you. We cover areas which may have an impact on your organisation, the wider local government sector and the public sector as a whole. Links are provided to the detailed report/briefing to allow you to delve further and find out more.

Our public sector team at Grant Thornton also undertake research on service and technical issues. We will bring you the latest research publications in this update. We also include areas of potential interest to start conversations within the organisation and with audit committee members, as well as any accounting and regulatory updates.

- [Grant Thornton Publications](#)
- [Insights from local government sector specialists](#)
- [Reports of interest](#)
- [Accounting and regulatory updates](#)

More information can be found on our dedicated public sector and local government sections on the Grant Thornton website by clicking on the logos below:

Public Sector

Local
government

Delayed publication of audited local authority accounts

In December 2022 there were over 600 local audit opinions outstanding. This means that many stakeholders can't rely on audited accounts to inform decision making – a significant risk for governance and control.

Local authority accounts are becoming increasingly complex as accounting standards evolve and local authorities enter more and more innovative financing arrangements and income generation projects. A significant challenge in managing local audits is the differing needs of various stakeholders. The local government sector, central government and regulators need to agree on the purpose of local audit and find a consensus on improving efficiency in publishing accounts. Grant Thornton has produced a report that explore the reasons for delayed publication of audited local authority accounts.

About time?

Exploring the reasons for delayed publication of audited local authority accounts

March 2023



23

Table 1 below illustrates the declining performance against the target date for publication of audited accounts in recent years.

Table 1 Audited accounts published by target date over the last six years

Financial year	Deadline for publication of unaudited accounts	Target date for publication of audited accounts	% audited accounts published by target date (all firms average)	% audited accounts published by target date (Grant Thornton audits)
2016/17	30 June 2017	30 September 2017	95	97
2017/18	31 May 2018	31 July 2018	87	91
2018/19	31 May 2019	31 July 2019	58	65
2019/20	1 September 2020	30 November 2020	45	54
2020/21	1 August 2021	30 September 2021	9	12
2021/22	1 August 2022	30 November 2022	12	20

Delayed publication of audited local authority accounts

What more can be done?

All key stakeholders in the local audit system will need to continue their efforts to secure improvement and a return to high levels of compliance with timely publication of audited accounts. The report explores several of the causes of delay and steps which might be taken to reduce the incidence of delays.

These steps relate to systems leadership, holding both authorities and auditors to account for their performance, a continued focus on the quality of accounts preparation and audit, and the effective engagement between auditors and audited bodies.

The report makes 20 recommendations for improving timeliness in publishing audited accounts.

The report also sets out a checklist which management and the audit committee should consider. The report recommends DLUHC, CIPFA or the FRC set out expectations for the system as a whole.

[Click here for full report](#)

About time?

Exploring the reasons for delayed publication of audited local authority accounts

March 2023



Local government procurement and contract management-

Background

Local authorities in England spend around £82.4 billion a year on goods and services. More than a third of all UK government spending on goods and services is spent in the local government sector¹. Allowing for capital spending as well, the UK public sector procures around £300 billion a year overall.

We reviewed a large number of reports, inspections and interventions issued by a number of firms, including 53 Annual Auditor Reports issued by Grant Thornton UK LLP. To help build on existing good practice, in this report we highlight some common themes for members and officers to consider:

This report considers a selection of issues we identified under each theme and makes recommendations both to local authorities and, in one case, to central government. The report presents a good practice checklist for local authority members and officers to reflect on.

The analysis sets out five key themes for ensuring good practice:

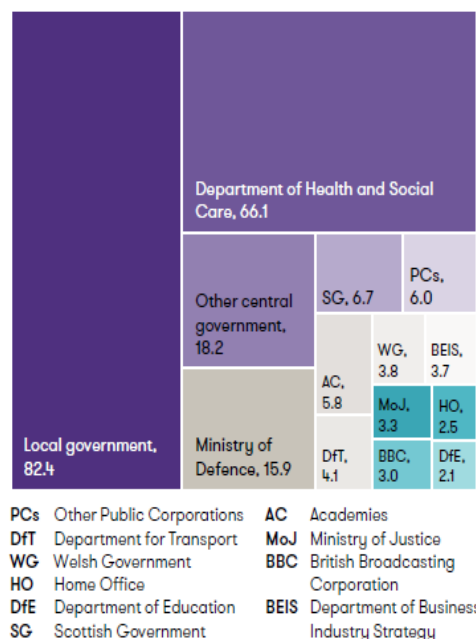
- Strategic planning
- Internal control
- Time, technical expertise, and people
- Commercial awareness
- Contract management

[full report here](#)

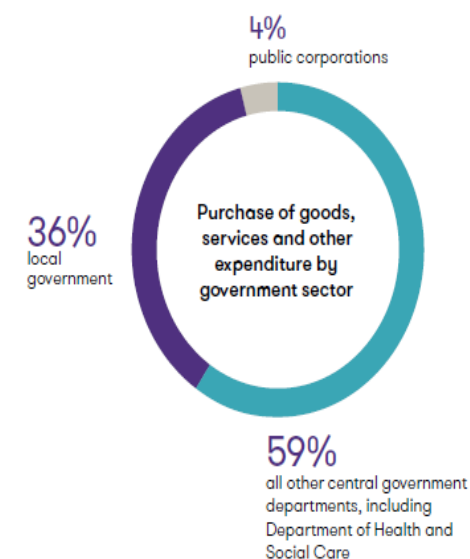
More than a third of all UK government spending on goods and services is spent by local government, so it's important councils have effective arrangements for procurement and contract management

UK public spending

Public spending on goods and services, £ billions – analysis by segment and department²



Goods, services and other expenditure by segment⁴



¹ HM Treasury, Whole of Government Accounts: year ended 31 March 2020, June 2022
² Cabinet Office, Transforming Public Procurement: Government response to consultation, December 2021
³ HM Treasury, Whole of Government Accounts: year ended 31 March 2020, June 2022
⁴ HM Treasury, Whole of Government Accounts: year ended 31 March 2020, June 2022

SEND deficits kept off budgets for another three years

The government has allowed councils to keep deficits on spending for children with special educational needs and disabilities off their balance sheets for a further three years.

The government's local government finance policy statement published on 12th December 2022 says that the statutory override for the Dedicated Schools Grant (DSG) will be extended for the next three years, from 2023-24 to 2025-26.

Councils use the high needs funding block of the DSG to fund Send provision. But for many authorities, the cost of this has been outstripping the amounts provided by tens of millions of pounds, leading to a total deficit estimated at more than £2bn.

26

The statutory override means that any DSG deficits are not included in council's main revenue budgets. Before today's announcement, it had been due to expire in 2023. Last year, Matt Dunkley, chair of the Association of Directors of Children's Services' resources and sustainability policy committee, said: "We think the cumulative high needs block deficits of local authorities are approximately £2.3bn."

In June, the government launched the £85m Delivering Better Value in Send programme, that involves specialist advisors probing 55 councils' financial data to try and cut their DSG deficits. The Chartered Institute of Public Finance and Accountancy, a partner in the programme, said the scheme would provide "project management, change management and financial modelling capacity".

The programme is running alongside the Department for Education's 'safety valve' support scheme that offers bailouts for the councils with the largest Send spending deficits, in return for them implementing stringent reforms.

About 40 councils are expected to receive safety valve funding, meaning that the two programmes together will include about two thirds of councils with responsibility for Send. Also in June, the then children's minister Will Quince wrote a letter to council chief executives warning that a "significant number of councils are "running services that are not sustainable, and instead jeopardise the longevity of that crucial support".

Stonewall Gold Employer: GT's LGBTQIA+ inclusion journey

Background

15 Feb 2023, Stonewall, Europe's largest charity for Lesbian, Gay, Bi, Trans, and Queer (LGBTQIA+) rights, launched its widely anticipated Top 100 Employers List – recognising us for our work in supporting LGBTQIA+ colleagues to be the best versions of themselves at work and awarding us Gold Employer, the highest award.

We're proud to announce that we've ranked among the UK's leading employers from the public, private, and third sectors in the Stonewall Workplace Equality Index (WEI). We've also been recognised as a Gold Employer. Overall, we've ranked 38th in the latest WEI results, and 26th in the private sector, and 9th in the financial services sector.

Sustainability: Finance at the heart of decision making

In November 2022 CIPFA published an article on public sector specific response to climate change. Below is an extract from CIPFA's website:

"Role of the finance profession"

Finance and accounting professionals need to move beyond simply measuring and reporting the impact of climate change, environmental regulation, supply chain pressure and rising energy costs. They must focus on understanding those implications and integrating them into financial management and business planning. The ability to integrate climate risks into overall operational risks is a major challenge. The finance profession will need to be able to collect data from different professions (scientists, valuation experts, biologists, meteorologists etc) and be able to understand but also challenge assumptions and projections. The importance of effective communication to both internal and external stakeholders must not be underestimated. Climate reporting should result in decision makers having all the information necessary to be effective, to measure progress and to hold those responsible to account. Opportunities and risks must be identified and stress tested using various scenarios, including temperature rises of 2C and more. The impact of collapsed ecosystems must not be ignored – from rising sea levels to food scarcity and the mass migration of people whose land is no longer inhabitable. We need honesty, transparency and above all leadership to tackle the climate issues that exist and lie ahead.

Conclusion

The current focus on net zero emissions by 2050 misses the point that climate change is already happening. There is an urgent need for adaptation measures to be introduced that allow the UK to live with higher temperatures, wetter winters and warmer, drier summers. At the moment we are severely under prepared. This is a call for urgent action from government, both at central and local level. The IPCC recommended threshold of limiting temperature rises to 1.5C is set to be broken. Temperature rises above 2.5C will mean ecosystems will collapse which will have severe repercussions on our society as a whole. CIPFA and ICAEW share the view that the finance function has an important role to play in combating climate change. We would like to see the finance profession taking the lead for the public sector in its efforts to tackle climate change".

[Click here for link to the article](#)



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Audit & Governance Committee

Report Subject	Treasury Management Monitoring update for Quarter 2 2023/24
Meeting date	26 October 2023
Status	Public
Executive summary	The report sets an economic update with a Quarter 2 performance for 2023/24 which forecasts an underspend of £730k due to the increase in interest rates, an improvement from the £665k reported in Quarter 1. The report also details the Councils borrowing which stood at £258m and investments at £69m.
Recommendations	It is recommended that Audit & Governance Committee: 1) note the reported activity of the Treasury Management function for April to September 2023
Reasons for recommendations	It is a requirement under the Chartered Institute of Public Finance and Accountancy (CIPFA) Treasury Management Code of Practice that regular monitoring of the Treasury Management function is reported to Members. Council are required to approve any changes to the prudential indicators based on a recommendation from the Audit & Governance Committee.
Portfolio Holder	Councillor Mike Cox, Portfolio Holder for Finance
Corporate Director	Ian O'Donnell, Interim Director of Corporate Resources
Service Director	Adam Richens - Chief Financial Officer
Classification	For information and recommendation
Report author	Matthew Filmer, Assistant Chief Financial Officer ☎ 01202 128503 ✉ matthew.filmer@bcpcouncil.gov.uk

Background Detail

1. Treasury Management is defined as the management of the Council's cash flows, its borrowings and investments, the management of the associated risks and the pursuit of the optimum performance or return consistent with those risks.

2. The Treasury Management function operates in accordance with The Chartered Institute of Public Finance and Accountancy (CIPFA) 'Treasury Management in the Public Services' Code of Practice (2011).
3. The Treasury Management function manages the Council's cash flow by exercising effective cash management and ensuring that the bank balance is as close to nil as possible. The objective is to ensure that bank charges are kept to a minimum whilst maximising interest earned. A sound understanding of the Council's business and cash flow cycles enables funds to be managed efficiently.
4. This report considers the treasury management activities in relation to the Treasury Management Strategy. Also included is a summary of the current economic climate, an overview of the estimated performance of the treasury function, an update on the borrowing strategy, investments and compliance with prudential indicators.

Economic Background (Link Treasury Services)

5. In August 2023, the Bank of England's Monetary Policy Committee (MPC) voted to raise the Bank Rate from 5.00% to 5.25%, a 15 year high. In a surprise move, the following September meeting left the rate unchanged after the Bank of England said price rises were slowing faster than expected.
6. The decision to freeze rates was after the latest UK inflation rate for August fell to 6.7%, down from 6.8% in July. It is the third month in a row that the figure has dropped. Most experts had expected inflation to increase due to a rise in the cost of petrol and diesel, driven by higher oil prices. But a slowdown in rising food prices and a drop in air fares and accommodation costs all helped drive the overall rate of inflation lower.
7. The Bank also retained the hawkish guidance that rates will stay "sufficiently restrictive for sufficiently long". This narrative makes sense as the Bank of England does not want the markets to decide that a peak in rates will be soon followed by rate cuts, which would loosen financial conditions and undermine its attempts to quash inflation. The language also gives the Bank of England the flexibility to respond to new developments. A rebound in services inflation, another surge in wage growth and/or a further leap in oil prices could conceivably force it to raise rates at the next meeting on 2nd November, or even pause in November and raise rates in December.
8. The Bank of England will also now need to consider recent geopolitical risks which are a fresh threat to the global economic recovery. Fears of a wider Middle East conflict poses a risk of higher oil prices, and risks to both inflation and the growth outlook.

Interest Rates

9. Table 1 below, produced by the authority's treasury consultants Link Asset Services, sets out their current projection of interest rates over the medium term.

Table 1: Interest rate projection (Link Treasury Services)

Interest Rate Forecasts								
Bank Rate	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25
Link	5.25%	5.25%	5.25%	5.00%	4.50%	4.00%	3.50%	3.00%
Cap Econ	5.25%	5.25%	5.25%	5.25%	5.25%	4.75%	4.25%	3.75%
5Y PWLB RATE								
Link	5.10%	5.00%	4.90%	4.70%	4.40%	4.20%	4.00%	3.90%
Cap Econ	5.20%	5.10%	4.90%	4.80%	4.60%	4.40%	4.30%	4.10%
10Y PWLB RATE								
Link	5.00%	4.90%	4.80%	4.60%	4.40%	4.20%	4.00%	3.80%
Cap Econ	5.10%	4.80%	4.70%	4.60%	4.50%	4.30%	4.20%	4.10%
25Y PWLB RATE								
Link	5.40%	5.20%	5.10%	4.90%	4.70%	4.40%	4.30%	4.10%
Cap Econ	5.50%	5.10%	5.00%	4.90%	4.80%	4.60%	4.50%	4.40%
50Y PWLB RATE								
Link	5.20%	5.00%	4.90%	4.70%	4.50%	4.20%	4.10%	3.90%
Cap Econ	5.00%	4.90%	4.80%	4.70%	4.60%	4.50%	4.40%	4.30%

Treasury Management Performance 2023/24

10. Table 2 below shows the overall treasury management position for 2023/24. The current forecast is a surplus of £730k on interest receivable budgets reflecting the increase in interest rates. An improvement from the Quarter 1 report which forecasted £665k.

Table 2: Treasury Management performance 2023/24

	Forecast 2023/24 £'000	Budget 2023/24 £'000	Variance 2023/24 £'000
<u>Expenditure</u>			
Interest Paid on Borrowings	3,483	3,483	-
<u>Income</u>			
Investment Interest Received	(4,130)	(3,400)	(730)
Total	(647)	83	(730)

Borrowing

11. Table 3 below shows the closing level of borrowing for the Council's two loans pool.

Table 3: Council Borrowings as at 30 September 2023

Initial Loan Value £'000	Interest Rate	Balance as at 30 Sept 2023 £'000	Maturity Date	General Fund Pool £'000	HRA Pool £'000	Source
Short Term Borrowing						
6,000	5.30%	6,000	05-Oct-2023	6,000	-	City of Edinburgh Council
6,000		6,000		6,000	-	
Long Term Borrowing						
5,000	4.45%	5,000	24-Sep-2030	-	5,000	PWLB
5,000	4.45%	5,000	24-Nov-2031	-	5,000	PWLB
5,000	4.75%	5,000	24-Sep-2032	-	5,000	PWLB
5,000	4.45%	5,000	24-Nov-2032	-	5,000	PWLB
5,000	4.75%	5,000	24-Sep-2033	-	5,000	PWLB
5,000	4.60%	5,000	23-Feb-2035	-	5,000	PWLB
5,000	4.72%	5,000	22-Aug-2036	-	5,000	PWLB
5,000	2.80%	5,000	20-Jun-2041	5,000	-	PWLB
5,000	2.80%	5,000	20-Jun-2041	5,000	-	PWLB
10,000	1.83%	10,000	22-Jul-2046	10,000	-	PWLB
2,500	6.75%	2,500	06-Mar-2056	-	2,500	PWLB
1,500	6.75%	1,500	13-Mar-2057	-	1,500	PWLB
1,500	5.88%	1,500	07-Mar-2058	-	1,500	PWLB
42,488	3.48%	42,488	28-Mar-2062	-	42,488	PWLB
43,908	3.48%	43,908	28-Mar-2062	-	43,908	PWLB
17,000	1.54%	17,000	17-May-2068	17,000	-	PWLB
12,500	1.56%	12,500	16-Aug-2068	12,500	-	PWLB
12,500	1.55%	12,500	16-Aug-2069	12,500	-	PWLB
188,896		188,896		62,000	126,896	
22,625	2.26% + RPI Annually	15,120	17-Oct-2039	15,120	-	Prudential Assurance Co
49,000	2.83%	47,968	24-May-2068	47,968	-	Phoenix Life Limited
266,521		257,984		131,088	126,896	

Investments

12. A full list of investments held by the authority as at 30 September 2023 is shown in Table 4 below.

Table 4: Investment Summary as at 30 September 2023

Investments	Maturity Date	Principal Amount £	Interest %
<u>Fixed Term Deposits</u>			
Goldman Sachs International Bank	17-Oct-2023	12,000,000	4.77%
Lloyds Bank Corporate Markets	03-Nov-2023	10,000,000	5.00%
Lloyds Bank Corporate Markets	17-Nov-2023	4,000,000	5.00%
Close Brothers	17-Nov-2023	10,000,000	5.00%
Lloyds Bank Corporate Markets	01-Dec-2023	8,000,000	5.30%
Goldman Sachs International Bank	07-Dec-2023	11,500,000	5.25%
Standard Chartered Bank	16-Feb-2024	10,000,000	5.82%
Sub Total		65,500,000	
<u>Call Account</u>			
LGIM Sterling Liquidity Fund	instant access	3,075,000	5.35%
Total		68,575,000	

13. The Treasury Management function has achieved returns of 4.82% for the period 1 April 2023 to 30 September 2023 for its combined investment, in line with the SONIA (Sterling Overnight Index Average) overnight rate of 4.72%.

Prudential Indicators and Member Training

14. The Treasury Management Prudential Code Indicators were set as part of the 2022/23 & 2022/23 Treasury Management Strategy. It can be confirmed that all indicators have been complied with during all of 2022/23 and the period 1 April 2022 to 30 September 2023.
15. Reporting to members is to be done quarterly. Specifically, the Chief Finance Officer (CFO) is required to establish procedures to monitor and report performance against all forward-looking prudential indicators at least quarterly. The CFO is expected to establish a measurement and reporting process that highlights significant actual or forecast deviations from the approved indicators. However, monitoring of prudential indicators, including forecast debt and investments, is not required to be taken to Full Council and should be reported

as part of the authority's integrated revenue, capital and balance sheet monitoring;

16. Appendix 1 has been attached to this report showing the Council's new liability benchmark treasury indicator to support the financing risk management of the capital financing requirement.
17. Given new members have joined the Audit & Governance Committee, full training will be given with optional invites to all members. Possible dates will be sent out after this meeting.

Compliance with Policy

18. The Treasury Management activities of the Council are regularly audited both internally and externally to ensure compliance with the Council's Financial Regulations. The recent internal audit in August 2022 rated the Treasury Management function as "Reasonable" assurance which means that there is a sound control framework which is designed to achieve the service objectives, with key controls being consistently applied.
19. The Treasury Management Strategy requires that surplus funds are placed with major financial institutions but that no more than 25% (AA- Rated Institutions) or 20% (A to A- Rated) of the investment holding is placed with any one major financial institution at the time the investment takes place. It can be confirmed that the Treasury Management Strategy has been complied with during all of 2022/23 and the period 1 April 2023 to 30 September 2023.

Summary of Financial/Resource Implications

20. Financial implications are as outlined within the report.

Summary of Legal Implications

21. There are no known legal implications.

Summary of Equalities and Diversity Impact

22. The Treasury Management activity does not directly impact on any of the services provided by the Council or how those services are structured. The success of the function will have an impact on the extent to which sufficient financial resources are available to fund services to all members of the community.

Summary of Risk Assessment

23. The Treasury Management Policy seeks to consider and minimise various risks encountered when investing surplus cash through the money markets. The aim in accordance with the CIPFA Code of Practice for Treasury Management is to place a greater emphasis on the security and liquidity of funds rather than the return gained on investments. The main perceived risks associated with treasury management are discussed below.

Credit Risks

24. Risk that a counterparty will default, fully or partially, on an investment placed with them. There were no counterparty defaults during the year to date, the Council's position is that it will invest the majority of its cash in the main UK Banks

which are considered to be relatively risk adverse and have been heavily protected by the UK Government over the last few years. The strategy is being constantly monitored and may change if UK Bank Long Term ratings fall below acceptable levels.

Liquidity Risks

25. Aims to ensure that the Council has sufficient cash available when it is needed. This was actively managed throughout the year and there are no liquidity issues to report.

Re-financing Risks

26. Managing the exposure to replacing financial instruments (borrowings) as and when they mature. The Council continues to monitor premiums and discounts in relation to redeeming debt early. Only if interest rates result in a discount that will benefit the Council would early redemption be considered.

Interest Rate Risks

27. Exposure to interest rate movements on its borrowings and investments. The Council is protected from rate movements once a loan or investment is agreed as the vast majority of transactions are secured at a fixed rate.

Price Risk

28. Relates to changes in the value of an investment due to variation in price. The Council does not invest in Gilts or any other investments that would lead to a reduction in the principal value repaid on maturity.

Background papers

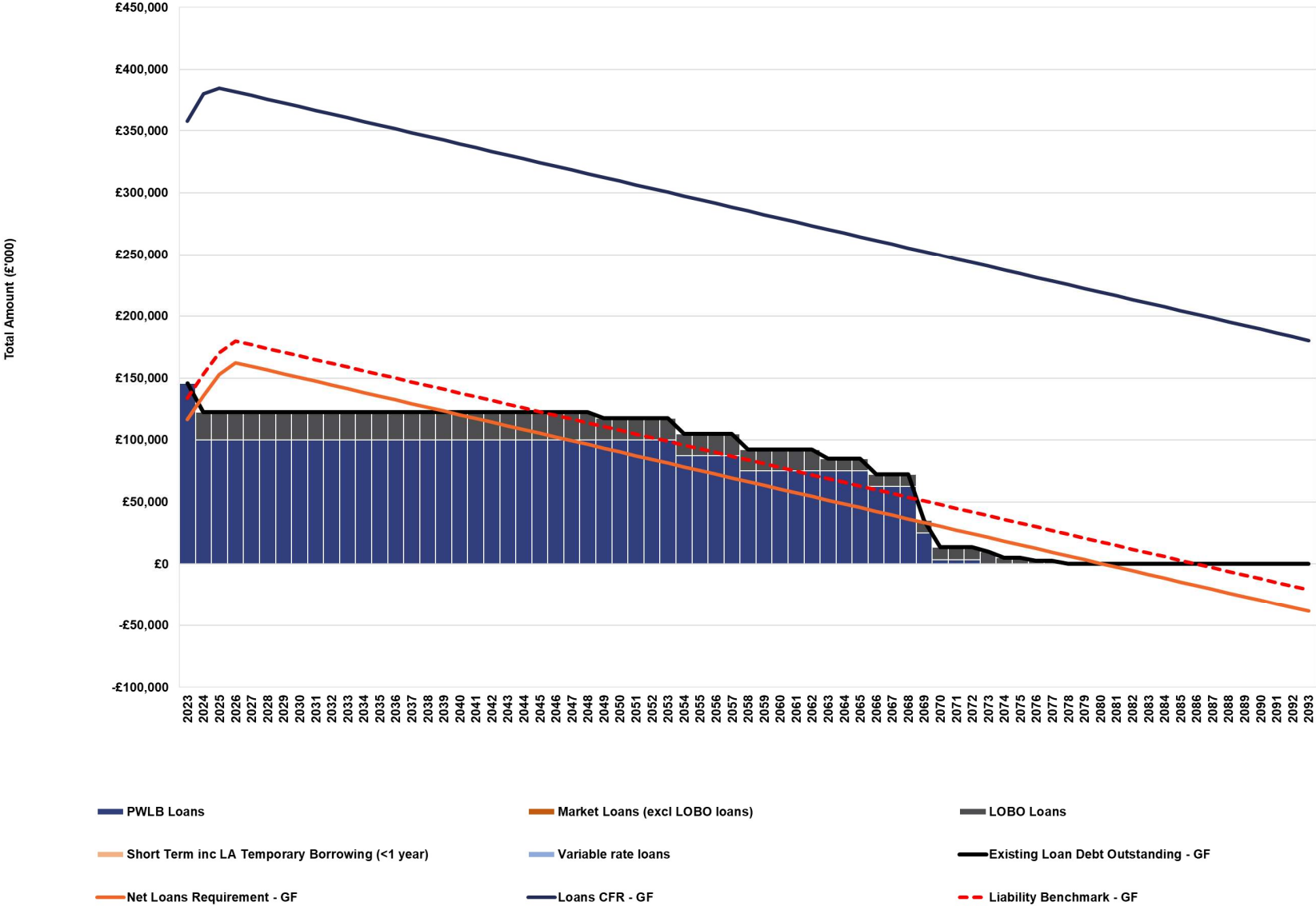
29. Treasury Management report to Full Council on 22 February 2023
<https://democracy.bcpccouncil.gov.uk/documents/g5032/Public%20reports%20pack%2021st-Feb-2023%2019.01%20Council.pdf?T=10>

Appendices

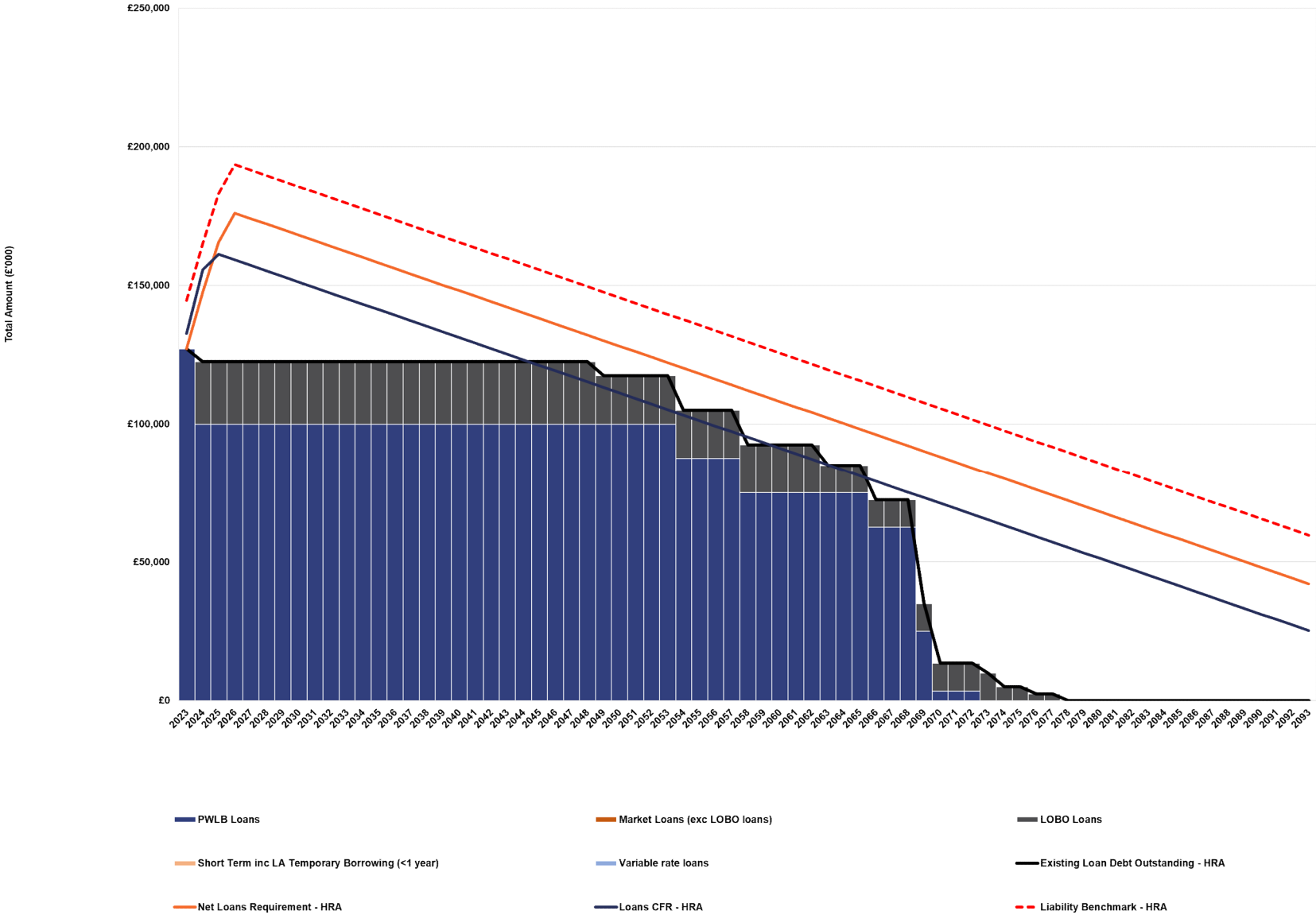
Appendix 1 – BCP Liability Benchmarking

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Appendix 1 - Liability Benchmark - General Fund



Appendix 1 - Liability Benchmark - HRA



AUDIT AND GOVERNANCE COMMITTEE



Report subject	Risk Management – Corporate Risk Register Update
Meeting date	26 October 2023
Status	Public Report
Executive summary	<p>This report updates councillors on the position of the council's Corporate Risk Register. The main updates are as follows:</p> <ul style="list-style-type: none"> • CR4 – Loss or disruption to IT Systems and Networks from cyber attack – The score of this risk has been updated; • CR14 – Continuity of Public Health arrangements for health protection – The risk has been updated and consideration will be given in the next quarter to its continuation as a Corporate Risk • No new risks were added; • No risks were removed during the quarter. <p>Material updates to the risks are summarised at section 8.</p>
Recommendations	<p>It is RECOMMENDED that:</p> <p>Members of the Audit and Governance Committee note the update provided in this report relating to corporate risks.</p>
Reason for recommendations	<p>To provide assurance that corporate risks are being managed effectively and continue the development of the council's arrangements for Risk Management and enhance its governance framework.</p>

Portfolio Holder(s):	Councillor Mike Cox, Portfolio Holder for Finance
Corporate Director	Graham Farrant, Chief Executive
Report Authors	Fiona Manton Risk & Insurance Manager ☎01202 127055 fiona.manton@bcpcouncil.gov.uk
Wards	Council-wide
Classification	For Update and Information

Background

1. Risk can be broadly defined as the possibility that an action, issue or activity (including inaction) will lead to a loss or an undesirable outcome. It follows that Risk Management is about the identification, assessment and prioritisation of risks followed by co-ordinated control of the probability and impact of that risk.
2. In accordance with the Financial Regulations and the Risk Management Policy, the Audit and Governance Committee are specifically responsible for ensuring appropriate and effective risk management processes. In practice, this means that the committee members must assure themselves that the council's Risk Management framework is appropriate and operating effectively. The council's Corporate Risk Register is an important element of this framework and is reviewed and updated on a quarterly basis.
3. In line with the decision-making framework in place for BCP Council it was agreed that effective from day one BCP Council would, as an interim measure, adopt the legacy Bournemouth Risk Management framework. The scoring matrix in this framework was adjusted to reflect the increased remit of the new authority.
4. In addition to the quarterly reviews, in immediate practical terms, the Corporate Management Board (CMB) continues to monitor risks and ensure appropriate and proportionate mitigating actions continue and evolve as risks change.

Corporate Risk Review

5. Members will recall from the previous updates that the Corporate Risk Register was established at the commencement of BCP Council. It has been routinely reviewed on a quarterly basis.
6. Each risk is given a unique identifying number so where risks have been removed from the register the numbers will no longer run sequentially. To assist the committee a table of the full risks is shown at the beginning of Appendix 1.
7. In order to consider the risks sitting just below corporate level, those risks considered as Key Assurance Risks are reviewed. These include Information Governance, Emergency Planning and Business Continuity and Health and Safety and Fire Safety.

Changes in Risk During Quarter 2 – 2023/2024

8. During the quarter, the risks on the risk register have been reviewed and in addition to the updates to each risk, the material updates to the register are as follows:

CR4 – Loss or disruption to IT Systems and Networks from cyber attack – The risk has been updated for the quarter and as part of this update the Net risk score has been increased. This is reflective of the external environment and the reliance on systems.

CR14 – Continuity of Public Health arrangements for health protection – The risk has been updated to reflect the current position. Consideration will be given during the next quarter as to whether this needs to be re-framed around the continuity of health protection statutory responsibilities or whether any residual risk can be managed at a service level.

9. Whilst it may be noted that many of the risk scores have not changed, this is not reflective of management action or inaction. Risks will continue to be influenced by a number of factors including national impacts and operational environment changes. During each quarter risk owners routinely review the allocated scores along with further discussion by CMB.
10. During this quarter in addition to the review of individual risks, the connectivity of risks continues to be considered in relation to the Corporate Risk Register. CMB will continue to be mindful of the accumulation of risk. New risk causes, such as inflation, may impact across several risks and in turn compound the overall risk position for the council in a negative way.
11. As part of the continuing development in terms of the reporting of risk registers, the format of the report for this committee continues to include a section for each risk which outlines the link to the relevant Corporate Objective(s).
12. Full details of the updates for this quarter can be found in Appendix 1.

Changes in Risk Scores – last 12 months

13. In addition to the usual reporting of risk, information on the changes in risk scores was requested for the last 12 months.
14. A summary document is included at Appendix 2 which provides details of each risk and the tracking of the gross, net and target scores over the last 12 months.
15. As set out in paragraph 9 above, it is not unusual for risk scores not to change materially due to both the nature of the risks and the significant number of factors that may determine the scoring.

Dynamic Risk Review Process

16. Recognising the rapidly changing environment and the increasingly complex interaction between some of the corporate risks, a standard agenda item has been added to CMB to add a further layer to the risk review process.
17. This process allows for more dynamic consideration of the immediate responses required to some of the corporate risks, which will help the Corporate Risk Register to be considered, managed and communicated through the organisation.
18. The consideration of the risks in this way will also inform the regular quarterly reviews that continue to take place in a more timely manner, by flagging changes in risk profile ahead of the regular reviews with risk owners, which will continue to take place.
19. As the new Corporate Strategy Framework develops and moves forward the corporate risks will be reviewed in the context of this framework and aligned to the updated Key Objectives.

Service Development

20. In addition to the reviews of corporate risks, the Risk Management Team continues to be engaged in the refresh of service risk registers. This includes engaging with services to understand their current risk arrangements, how these can be improved to deliver a proactive and dynamic Risk Management environment and how the Risk Management

Team can support them in this to deliver a consistent and embedded approach to Risk Management throughout the council. This work is progressing well.

21. As part of the role of the team, continuous “horizon scanning” is undertaken to identify issues that may give rise to risk for the council. When matters are identified, these are raised with the relevant Corporate/Service Director for review and consideration of any necessary action. Examples during this quarter include:
- Routinely reviewing the outcomes of internal audit reports to raise risk issues with the relevant service risk champion to ensure, if appropriate, they are suitably reflected and captured in the service risk register;
 - Circulating information from a risk management perspective on various topics including legislative matters, construction regulations, Health and Safety Executive statistics and other risk related issues;
 - Sharing training opportunities on areas of risk.

Summary of financial implications

22. Financial implications relevant to risks are detailed within the relevant risk registers.

Summary of legal implications

23. There are no direct legal implications from this report.

Summary of human resources implications

24. There are no direct human resources implications from this report.

Summary of sustainability impact

25. There are no direct sustainability implications from this report.

Summary of public health implications

26. There are no direct Public Health implications from this report.

Summary of equality implications

27. There are no direct equality implications from this report.

Summary of risk assessment

28. The risk management implications are set out within the content of this report.

Background papers

Risk Management – Corporate Risk Register Update Report to the Audit and Governance Committee on 27 July 2023

Appendices

Appendix 1 – Corporate Risk Register Update Q2 – 2023/2024

Appendix 2 – Changes in Corporate Risk Scores

Appendix 3 - Risk CR4 - Loss or disruption to IT Systems and Networks from cyber attack - October 2023 Update - Mandatory ICT Training Completion Rates

Audit and Governance Committee – October 2023

Corporate Risk Register – Risk Table

Risk Ref	Risk Title	Risk Status
CR1	Failure to respond to the needs arising from a changing demography.	Risk removed Q4 2022
CR2	Failure to deliver effective safeguarding arrangements for children – Children & Communities	Corporate Risk
CR3	Failure to ensure adequate Information Governance – now Key Assurance – Information governance Board Risk	Risk removed Q2 2020
CR4	Loss or disruption to IT Systems and Networks from cyber attack	Corporate Risk
CR5	Failure to plan effectively for EU Transition	Risk Removed Q2 2020
CR6	Failure to adequately respond to an incident involving the activation of the emergency plan– now Key Assurance – Resilience Governance Board Risk	Risk Removed Q2 2020
CR7	Failure to provide adequate services as a result of an incident requiring a business continuity response– now Key Assurance – Resilience Governance Board	Risk Removed Q2 2020
CR8	Inability to run an election/referendum	Risk Removed Q1 2023
CR9	Failure to maintain a safe and balanced budget for the delivery of services	Corporate Risk
CR10	Failure to deliver effective health and safety to protect staff, councillors including the public	Risk removed Q3 2020
CR11	Ability of the council to function and operate efficiently in the delivery of single services across the area of BCP	Risk removed Q1 2023
CR12	Failure to achieve appropriate outcomes and quality of service for young people	Corporate Risk
CR13	Failure to deliver the transformation programme	Corporate Risk
CR14	Continuity of Public Health arrangements for health protection	Corporate Risk
CR15	Effective people strategy	Corporate Risk
CR16	Blank record	
CR17	Risk to Reputation of Place & Council if summer arrangements are not managed	Risk Removed Q3 2022
CR18	Failure in customer interface	Corporate Risk
CR19	Failure to determine planning applications within statutory timescales, or within agreed extensions of time (EOT)	Corporate Risk
CR20	Adaptation and mitigation of the negative impacts of climate change including sea level rises and weather pattern changes on BCP's communities	Corporate Risk
CR21	Impact of global events causing pressure on BCP Council & increase in service requirements	Corporate Risk
CR22	Failure of local care market to meet increasing demand	Corporate Risk




AUDIT AND GOVERNANCE COMMITTEE

October 2023

CORPORATE RISK REGISTER UPDATE Q2 – 2023/24

1.1 Mitigation actions and significant changes this quarter are detailed below.

1.2 The table below is a key to arrow directions in relation to individual risk scoring.

RISK DIRECTION OF TRAVEL STATUS	
	Risk impact or likelihood has <u>increased</u> since last review.
	Risk impact or likelihood has <u>decreased</u> since last review.
	There is <u>no change</u> to the risk impact or likelihood

Risk CR2 – Failure to deliver effective safeguarding arrangements for children - CHILDREN & COMMUNITIES

Risk Owner – Chief Executive

Links to Corporate Objective(s): Brighter Futures and Connected Communities

Risk Information

Corporate Context

Safeguarding is the responsibility of all members and corporate officers, and this is reflected in the Corporate Safeguarding Strategy which was agreed by Cabinet in September 2019.

All relevant partners have worked across Children's and Adults' Safeguarding and Community Safety Partnerships to establish effective governance arrangements post Local Government Review which meet all required statutory requirements. As a relatively new council covering a population of 400,000, BCP Council must ensure that it is working with all partners in the most effective way to identify, assess and respond to safeguarding and community safety issues, particularly those which cut across children's, adults' and community safety.

Children's Directorate

The pan-Dorset Safeguarding Partnership is now working, and a BCP delivery arm is in place to link the safeguarding partnership closer to the BCP operational safeguarding service.

- BCP had a Special Educational Needs and Disabilities (SEND) inspection in June 2021 which identified significant gaps in services which are being addressed through Written Statement of Action (WSOA).
- BCP had an Ofsted ILACS (inspecting local authority children's services) inspection Dec 2021 and was rated inadequate.

Communities

Key consideration for the Communities directorate in discharging the range of duties provided across a range of services; community safety and domestic abuse in particular.

Key Mitigations & Actions

Children's Directorate

- Focus on the Children's Services improvement journey and WSoA plan to ensure core services are safer for vulnerable children and young people
- The strongest mitigation is to have the capacity to meet the rising demands of need across the services and to have the assurance of the quality of practice through new governance processes
- There is a Children's Services Improvement Board which is chaired by a Department for Education (DfE) Advisor and the Board holds service, council and partners accountable for the delivery of the improvement plan
- There is a SEND Improvement Board which is chaired by a DfE Advisor and the Board holds service, council and partners accountable for the delivery of the improvement plan
- There is an Education Improvement Board which is chaired by the Director of Children's Services and the Board holds service, council and partners accountable for the delivery of the improvement plan
- DfE support is being revised through the delivery of a Statutory Notice to Improve by the Secretary of State and the participation in the Safety Valve programme
- BCP Children's Services has had 3 Monitoring Visits by Ofsted all reporting improvements in service delivery and the DfE Advisor reports cautious optimism on the improvements in the service
- Sector Led Improvement Partner carries out Assurance Auditing as an independent review to assure the service and DfE of the quality of practice
- A Quality Assurance Framework has been embedded into Children's Social Care practice giving the assurance that improvements are being made. Practice Learning Reviews (audits) now evidence practice consistently at 'requires improvement' with an increasing number of 'good' demonstrated. Governance processes introduced in 2022 continue to review practice and give

increasing assurance that children are safeguarded. It is too early to remove this risk currently from the corporate review.

Communities

- Safeguarding processes in place - working in partnership across the council and other key agencies, particularly in regard to risks presented in high-risk domestic abuse cases
- All relevant staff are trained, and referral processes are clear
- The refreshed BCP Community Safety Partnership Board have five strategic groups:
 - Domestic Abuse Strategic Group
 - Violence Reduction Strategic Group
 - Vulnerable Adult & Child Exploitation Group
 - Safer Communities Strategic Group
 - Reducing Harm from Substance Misuse Strategic Group

Near Future Key Actions (next 3-6 months)

- The relevant actions for this risk are set out in the Children's Services Improvement Plan and the WSoA. Progress on delivery of the action is reported to a robustly functioning Children's Services Improvement Board, SEND Board and Education Improvement Board
- Domestic Abuse Strategy approved and being implemented. Community Safety Partnership refreshed and working well with clearly defined structure leads and governance.

Target Date for Action

March 2024

Quarter Update

The council has had 4 Ofsted monitoring visits to date. They have commented on progress being made. Hampshire County Council is the Sector Led Improvement Partner commissioned by the DfE to support children's social care and they are supporting our route out of inadequate.

An inspection of the Pan Dorset Youth Justice Service rated this service as Good in September 2022. Adult Education and Skills service has been Ofsted inspected and given a Good Rating.

The DfE Advisor in his second report about Children's Social Care has lifted his RAG rating of service from RED to AMBER stating that the increasing stability in the service and growing traction from senior managers to the improvement is starting to give this assurance.

Written Statement of Action - Bedford is our Sector Led Improvement Partner supporting our improvement work through the WSOA. DfE have delivered a Statutory Notice to Improve by the Secretary of State and invited BCP to participate in the Safety Valve programme.

The DfE Advisor has now been commissioned to work on the SEND improvement agenda against the Statutory Notice.

Risk Scores

Assessment Level	Impact (I)	Likelihood (L)	Risk Score (IxL)	Risk Matrix	Movement during Quarter	Risk Strategy
Gross Score	4	4	16			Treat
Net Score	4	3	12			
Target Score	4	2	8			

Risk CR4 - Loss or disruption to IT Systems and Networks from cyber attack

Risk Owner – Director IT & IS

Links to Corporate Objective(s): Modern, Accessible, Accountable Council

Risk Information

BCP Council relies heavily on digital technology and online capability, including in the delivery of essential and public-facing services.

The COVID-19 pandemic has emphasised BCP Council's reliance on digital technologies, both through personal communication and through the council's ability to work remotely in support of the local and national response.

While there are huge opportunities and benefits for the council by continuing to actively leverage technology in support of the transformation agenda, our vulnerabilities become greater as we increasingly rely on cyberspace.

A loss or disruption to IT systems, specifically those caused by cyber-attacks, can incapacitate essential networks, for example, by encrypting or destroying data on which vital services depend. Such attacks could cause a variety of real-world harm if services like Social Care, Housing or Place (Highways etc) are impacted.



















Financial loss is the most common impact through both direct loss of funds as well as recovery costs and reputational impacts.

Public confidence may be affected if the council is not able to adequately protect its IT systems and networks against loss or disruption, whether caused accidentally or intentionally.

The UK had the highest number of cybercrime victims per million internet users at 4783 in 2022 – up 40% over 2020 figures.

Key Mitigations & Actions

- BCP Council has strong legacy IT infrastructure and work continues to migrate to a single BCP core infrastructure – this has been greatly improved, for example, by the consolidation of the local and wide area networks and move to a single datacentre in 2022.
- Physical premises security improved through co-locating to a single datacentre.
- Physical data security improved through co-locating to a single datacentre.
- Now utilizing a common central Security Information & Event Management solution.
- Strong encryption enforced on all end-user devices.
- Regular scanning of devices and IT infrastructure alerts us to new threats and vectors.
- Regular patching and upgrades of all supported key systems.
- Dedicated cyber security officers (2).
- Monthly review of key metrics held at board level within IT&IS.
- Mandatory bitesize training provided to ALL staff monthly. Completion levels are low, however (see "Near Future Key Actions" section).
- Multi Factor Authentication enforced to protect data at rest within the council's Microsoft365 environment.
- NCSC (National Cyber Security Centre) recommended password complexity/length criteria introduced to ensure good practice by end-users.
- Restrictions on ability to transfer data out of council applications/datasets to non-secure applications when being accessed through personal devices.
- Utilising appropriate IT resiliency where cost-effective to do so. For example, keys system (D365) hosted in BCP Council's virtual datacentres (Azure) are replicated across two regionally separate datacentres in London and Cardiff.
- The move to Microsoft365 itself has provided much needed additional data resiliency. Providing staff with much more agile, secure access to data held within the ecosystem (Teams, OneDrive, SharePoint).

<p>Near Future Key Actions (next 3-6 months)</p> <p>As we fundamentally redesign and transition the enterprise architecture in partnership with our Strategic Implementation Partner (SIP), we will continue to ensure that the infrastructure is built to leading-edge security standards and that appropriate resiliency is applied where cost effective to do so.</p> <p>User Training will be a priority over the next 3-6 months. The weakest link in a layered security posture is the end-user. This is especially true when staff are busy or rushed, often leading to mistakes or lapses of otherwise good judgement.</p> <p>Currently staff completion rates are low across the entire council for all previously published mandatory courses (see below), with even the most adopted course still only at 50% completion rate.</p> <p>Activity is therefore underway to target specifically those who have not completed these short-form courses to drive up these rates.</p> <p>October 2023 Update - Completion rates are on an upward trend, however, focus is still required on improving uptake significantly. Please see Appendix 3 for completion rate statistics.</p>	<p>Target Date for Action</p> <p>1 April 2024</p>																										
<p>Quarter Update</p> <p>As described above, end-user training remains a key focus with the provision of bite-sized training on the most common and pervasive threats. Despite being well received by many, the course completion rate is still lower than would be liked and therefore effort is currently underway to specifically target non-compliant individuals and Line Managers are now receiving non-compliance reports directly delivered to their mailbox.</p> <p>The net risk score was reviewed during the quarter and the impact score has been increased due to the external environment and reliance of systems.</p>																											
<p>Risk Scores</p> <table><tr><th>Assessment Level</th><th>Impact (I)</th><th>Likelihood (L)</th><th>Risk Score (IxL)</th><th>Risk Matrix</th><th>Movement during Quarter</th><th>Risk Strategy</th></tr><tr><td>Gross Score</td><td>4</td><td>4</td><td>16</td><td></td><td></td><td rowspan="3">Treat</td></tr><tr><td>Net Score</td><td>4</td><td>3</td><td>12</td><td></td><td></td></tr><tr><td>Target Score</td><td>3</td><td>2</td><td>6</td><td></td><td></td></tr></table>		Assessment Level	Impact (I)	Likelihood (L)	Risk Score (IxL)	Risk Matrix	Movement during Quarter	Risk Strategy	Gross Score	4	4	16			Treat	Net Score	4	3	12			Target Score	3	2	6		
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Risk CR9 – Failure to maintain a safe and balanced budget for the delivery of services

Risk Owner – Director of Finance

Links to Corporate Objective(s): Modern, Accessible, Accountable Council

Risk Information

The Council has a legal responsibility to ensure it can balance its budget. As part of this framework, it is not permitted to have negative reserves.

The 2023/24 Budget and Medium-Term Financial Plan (MTFP) covering the period to 31 March 2027 was approved by Council on 21 February 2023. There were three main aspects to this report.

A) 2022/23 Financial Year:

- Requirement to deliver a £10.6m surplus.
- Need to take all necessary steps to avoid drawing down on a capitalisation direction which would enable the transformation investment programme and the Children's services improvement revenue expenditure to be financed by borrowing. Normally borrowing can only be used to finance capital expenditure.

B) 2023/24 Financial Year budget was based on the following:

- 4.99% Council Tax increase (2.99% basic and 2% Social Care Precept) in line with the maximum threshold for upper tier authorities.
- £34m of savings, efficiencies, increases to fees and charges, and service reductions.
- A £30m application of one-off reserves to under-pin the budget as approved (of which £10.6m is being generated via the 2022/23 estimated outturn).
- £1.9m investment into unearmarked reserves to ensure they represent 5% of Net Revenue Expenditure as a minimum in line with good practice.

C) 2024/25 Financial Year:

- The funding gap for 2024/25 is £44.4m excluding any previously assumed savings or efficiencies. This is on the basis that the previously assumed savings were either unidentified against a specific budget line of the council or the public had not been transparently made aware of them or engaged as to their deliverability.

The February 2023 Budget report also highlighted that the council was predicting that it will have negative reserves of £33m as at the 31 March 2024 due to the accumulating deficit on the Dedicated Schools Grant (DSG) as pertaining to the growing annual deficit on the High Needs Block.







Key Mitigations & Actions

- Quarterly budget monitoring reports to Cabinet.
- Monthly budget monitoring information provided to budget holders.
- Regular meetings between Cabinet Members and Senior Officers in respect of the financial strategy and the budget position.
- New Microsoft Dynamics Enterprise Resources System implemented in April 2023 to improve the provision of financial management information underpinned by the principle of self-service.
- The 2023/24 approved budget agreed a recommendation to implement a control to strengthen commissioning, procurement, and contract management arrangements in support of the delivery of third party spend transformation savings.
- Extension by government of the statutory override that allows the council to ignore the deficit on the DSG up until 31 March 2026.
- BCP Council is taking part in a conversation with government around its DSG deficit as part of considering if it could reach a "Safety Valve" agreement.

Near Future Key Actions (next 3-6 months)	Target Date for Action
<ul style="list-style-type: none"> a) MTFP Update Report b) Q2 Budget monitoring report c) MTFP Update Report 	<p>November 2023</p> <p>November 2023</p> <p>December 2023</p>
<p>Update</p> <p>The Council approved a budget for 2023/24 built in line with traditional and conventional approaches to local government finance. The report and associated s25 statement of the Chief Finance Officer set out the key financial risks which will need to be carefully and regularly monitored.</p> <p>Updated activity from April 2023 onwards can be set out as follows.</p> <p>Financial Outturn Report – July 2023 Cabinet:</p> <ul style="list-style-type: none"> • Required £10.6m surplus was achieved. • Council managed to avoid the capitalisation direction in 2022/23 due to a combination of asset sales and Children’s Services managing their improvement expenditure within their quarter 3 forecast. • Part mitigation of the financial risk associated with the working capital loan facility advanced to BCP FuturePlaces Ltd. • DSG funding deficit as at the 31 March 2023 is £35.8m growing to £62.9m on 31 March 2024. Overall position is that the council is now predicted to have negative reserves of circa £22m. <p>MTFP Update Report – July 2023 Cabinet:</p> <ul style="list-style-type: none"> • Budget timetable, process and financial strategy supporting the legal requirement to balance the 2024/25. • Recommendation to Audit and Governance Committee to ask Council to reduce the debt threshold to £755m from £1.334bn - approved by Council 12 September 2023. • Recommendation to Council to dispose of assets which will enable 2024/25 revenue transformation costs to be funded via the Flexible Use of Capital receipts - approved by Council 12 September 2023. • Recommendation to Council to reduce the working capital loan facility to BCP FuturePlaces Ltd to £6m (from £8m) - approved by Council 12 September 2023. <p>Budget Monitoring 2023-24 at Quarter One – September 2023 Cabinet:</p> <ul style="list-style-type: none"> • Forecasting delivery of its 2023/24 activity within the parameters of its original budget after addressing residual unidentified transformation savings of £6.7m by the application of several one-off corporate savings, efficiencies, and additional income. • Emerging in-year service pressures of £4.4m in Operations (£3.4m) and Resources (£1m) Directorates which require mitigation strategies to be presented as part of the Quarter 2 budget monitoring report. • Residential fees 5% higher than budget and home care market difficulties impacting on the Adult Social Care budget and a potential pressure in the cost of care placements in Children’s Services both of which may exert further in-year financial pressure. • Approved the implementation of an expenditure freeze and vacancy management process for the remainder of 2023/24 to support the 2023/24 required in-year mitigation strategies and the balancing of the 2024/25 budget. <p>The Future of BCP FuturePlaces Ltd – September 2023 Cabinet:</p> <ul style="list-style-type: none"> • The closure of FuturePlaces company and the bringing in-house of the development and investment activities of the company. <p>The quarter 2 budget monitoring report to November Cabinet will provide a key update regarding the forecast impact of the in-year mitigation strategies in Operations and Resources.</p>	







The MTFP Update report to November Cabinet will outline progress towards delivery of a balanced, legal budget for 2024/25.

Risk Scores

Assessment Level	Impact (I)	Likelihood (L)	Risk Score (IxL)	Risk Matrix	Movement during Quarter	Risk Strategy
Gross Score	4	4	16			Treat
Net Score	4	3	12			
Target Score	4	2	8			







Risk CR12 – Failure to achieve appropriate outcomes and quality of service for young people	
Risk Owner – Corporate Director of Children's Services	
Links to Corporate Objective(s): Brighter Futures and Connected Communities	
Risk Information <p>Ofsted inspection of BCP Council's Children's Services confirms the safety and quality of services is inadequate which indicates significant risk of the service not providing safe or quality services to children, young people and their families.</p> <p>An improvement plan is in place which is being managed and supported by the newly revised Improvement Board. Senior Leadership Team in Children's Services, the Department for Education (DfE), Chief Executive and Cabinet members are monitoring and enabling progress and keeping accountable officers on task.</p> <p>The likelihood is that demands on Children's Services will increase more than predicted due to post-covid impact and economic issues taking more families into poverty.</p>	
Key Mitigations & Actions <ul style="list-style-type: none"> • Develop robust early help services to drive down demand for Children's Social Care • Development of further placements in-house and efficient commissioning activities to meet needs • Assessments and visiting happens within statutory requirements managed by Quality and Performance structures • The quality of the casework is audited and supported to increase quality of work • Workloads are managed across the directorate to ensure caseload management • Improvement plan is managed at pace with partners • Workforce recruitment and retention strategy to be in place to build and stabilise the workforce 	
Near Future Key Actions (next 3-6 months) <ul style="list-style-type: none"> • Improvement plan in place managed by the Improvement Board • The Special Educational Needs and Disabilities (SEND) action plan which also has an Improvement Board • Intensive work to achieve stronger staff engagement and support • Improvement programme supported by Hampshire County Council (rated outstanding for children's services) through the Sector Led Improvement Programme (SLIP) 	Target Date for Action <p>There is no target date for this risk as it is considered a continuous intrinsic risk</p>
Quarter Update <p>The council has had 4 Ofsted monitoring visits. They have commented on progress being made. Hampshire County Council has been confirmed as the Sector-Led Partner commissioned by the DfE to support Children's Social Care and they are supporting our route out of inadequate.</p> <p>Written Statement of Action (WSOA) - Bedford has agreed to be our Sector-Led Partner to support our WSOA. DfE support is being revised through the delivery of a Statutory Notice to Improve by the Secretary of State and the participation in the Safety Valve programme</p> <p>The DfE Advisor has now been commissioned to work on the SEND improvement agenda against the Statutory Notice.</p>	

Risk Scores

Assessment Level	Impact (I)	Likelihood (L)	Risk Score (IxL)	Risk Matrix	Movement during Quarter	Risk Strategy
Gross Score	4	3	12			Threat
Net Score	4	3	12			
Target Score	4	2	8			

Risk CR13 - Failure to deliver the transformation programme	
Risk Owner – Director IT & Programmes	
Links to Corporate Objective(s): Modern, Accessible, Accountable Council	
Risk Information <p>The future efficiency and effectiveness of the council, our reputation as a service provider and our ability to continue to deliver a balanced financial position within the Medium Term Financial Plan horizon are fundamentally linked to the delivery of our transformation objectives. Delivering a programme with the complexity, scale and pace as set out by the council will be challenging on a number of levels including: effectively engaging the organisation in the vision of the future; committing to the achievement of challenging benefits realisation targets; ensuring the appropriate level of funding to support the resources required to deliver the programme.</p>	
Key Mitigations & Actions <ul style="list-style-type: none"> • Strong programme governance and engagement with key stakeholders during the design and implementation of all required changes. • Identification of funding sources and the development of a Financial Strategy to support the programme. • Clear identification and specification of our requirements while working with our Strategic Implementation Partner. • Robust and effective procurement process to identify and engage the right suppliers to support application consolidation and service redesign. • Effective programme management and performance monitoring of the delivery. 	
Near Future Key Actions (next 3-6 months) <p>The programme, its governance architecture and all workstreams have completed vision and validate, construct and deploy has largely been completed for Dynamics Finance & Operations (F&O), with the construct phase in action for Dynamics Customer Engagement (CE). There is very strong coordination of all workstreams and effective integration between the Strategic Implementation Partner and BCP teams working across the programme. The benefits are being constantly reviewed and reinforced across all aspects of the programme.</p>	Target Date for Action <p>1 April 2024</p>
Quarter Update <p>Progress since April 2023:</p> <p>The Data platform and Master Data Management software which forms part of the Data & Insights technology is now live and beginning to be used across the council.</p> <p>Implementation of Dynamics F&O which completely replaces our finance and human resources systems with a single system is now live across the council with smaller releases planned later in the year. Change management activity continues to engage and support all managers and budget holders across the council in using and adopting the new ways of working.</p> <p>Funding for the implementation of the Customer Digital Front Door (Dynamics CE) had been agreed and the development sprints will continue until the New Year (2024).</p>	

Risk Scores

Assessment Level	Impact (I)	Likelihood (L)	Risk Score (IxL)	Risk Matrix	Movement during Quarter	Risk Strategy
Gross Score	4	4	16			Treat
Net Score	4	3	12			
Target Score	4	1	4			

Risk CR14 – Continuity of Public Health arrangements for health protection

Risk Owner – Chief Executive

Links to Corporate Objective(s): Connected Communities, Fulfilled Lives and Modern, Accessible, Accountable Council

Risk Information

Under the Living with COVID strategy announced in February 2022 there is no longer a requirement for local outbreak management plans. COVID-19 is now being considered like any other respiratory virus, with general public health guidance for settings replacing the previous test and trace approach. WHO declared the pandemic officially over in summer 2023. There remains an underlying infection rate due to COVID-19, with prevalence cycling between 1 and 3% in the population currently.

Key Mitigations & Actions

- Seasonal vaccination for COVID-19 and flu is underway, starting with highest risk groups
- General guidance on symptoms and what to do remains in place via [COVID-19 symptoms and what to do - NHS \(www.nhs.uk\)](https://www.nhs.uk/conditions/covid-19/symptoms/)
- UK Health Security Agency continues to risk assess outbreaks in higher risk settings like care homes and provides information on infection prevention and control measures routinely
- There is no longer a local public health day response team in place, due to Contain Outbreak Management Fund funding now finishing

Near Future Key Actions (next 3-6 months)

The prevalence of COVID infection locally is cycling between 1 and 3% on a regular basis, in a change to the previous pattern of large waves of infection. There are currently no significant health protection incidents being managed on a regional basis due to COVID-19. The public health team has returned to a business as usual model, with UK Health Security Agency leading on health protection work in our region. The current focus of work for the health protection network is to undertake a baseline assessment of health protection risks, and our ability as a system to respond, working closely with NHS Dorset and other partners. This work was due to go to Joint Public Health Board, 12 October 2023.





Target Date for Action

October 2023 – seek decision as to whether to close this risk down.

Quarter Update







Risk considered lower due to mitigations in place, and declaration that pandemic considered over by global health agencies.

Risk Scores

Assessment Level	Impact (I)	Likelihood (L)	Risk Score (IxL)	Risk Matrix	Movement during Quarter	Risk Strategy
Gross Score	4	4	16			Treat
Net Score	3	3	9			
Target Score	-	-	-			




Risk CR15 – Effective People Strategy	
Risk Owner – Director of People and Culture	
Links to Corporate Objective(s): Modern, Accessible, Accountable Council	
Risk Information <p>The council's first People Strategy was developed and launched during 2019/2020 - immediately prior to the impact of the Covid-19 pandemic. A significant amount of the anticipated work within the strategy was impacted by the need to refocus on the support and wellbeing of the workforce during the response to the pandemic. Now that we have emerged from the full response phase of the pandemic, we have shifted our focus to rechecking the key elements of the strategy against the changed workforce/workplace and the wider transformation programme objectives, including a very strong focus on the identification and development of the culture for the council and its translation into a performance management framework for the organisation and its people. The initial strategy also came to the end of its natural 4 year cycle and a refreshed strategy focusing on the needs of the organisation and future ambitions for our people has been developed.</p> <p>The previous decision to defer the implementation of the Pay and Reward programme has meant that the organisation is exposing itself to increased risks with regard to equal pay for longer than had been anticipated or planned for. This risk remains very real and present in addition to the significant difficulties in staff morale that this decision has had.</p> <p>In conjunction with the increase in the cost of living, as well as the enhanced mobility around many employment models as a result of the pandemic, the council is experiencing difficulties in many areas (severe in some services) around recruiting and/or retaining experienced staff.</p>	
Key Mitigations & Actions <ul style="list-style-type: none"> • This year's staff engagement survey has been undertaken to highlight those areas of most concern to colleagues and this highlights the areas we can focus our efforts to try and address. • Clear correlation between the key themes of the People Strategy and the design and implementation of the transformation programme. The new Human Resources Target Operating Model, if implemented, will align the team to effectively continue the delivery of the People Strategy over the coming years. 	
Near Future Key Actions (next 3-6 months) <p>Ongoing implementation of the delivery action plans against the new People Strategy to mitigate the risks outlined above.</p> <p>Progress the Pay and Reward project towards implementation at the earliest opportunity so as to eradicate equal pay risk.</p>	Target Date for Action <p>1 April 2024</p>
Quarter Update <p>The impact of the deferment of the Pay and Reward programme continues to cause significant pay and morale issues for the organisation. The trade unions have expressed concerns with the proposals put forward which we are continuing to try and work through but should this fail, then significant risk for the organisation could follow in trying to implement alternative options.</p>	

Risk Scores

Assessment Level	Impact (I)	Likelihood (L)	Risk Score (IxL)	Risk Matrix	Movement during Quarter	Risk Strategy
Gross Score	4	4	16			Treat
Net Score	4	4	16			
Target Score	2	1	2			

Risk CR18 – Failure in customer interface	
Risk Owner – Director Customer & Business Delivery	
Links to Corporate Objective(s): Connected Communities and Modern, Accessible and Accountable Council	
Risk Information <p>While full-scale transformation of the council is underway, there is a risk that our current customer service capabilities, capacity, systems and processes fail to provide the level of responsiveness that our communities and residents expect. This risk is specifically focused on the short-term capabilities of the council.</p> <p>Full baselining and data monitoring of the corporate Customer Contact Centre is now possible with the significant upgrade to the council's legacy telephony arrangements having been undertaken during the Covid pandemic. Data is now available across all telephone contact lines within the corporate Customer Contact Centre, but there remains much less robust data in respect of the lines that continue to be managed within services. This reflects the current fragmented customer contact picture, which the transformation process is designed to simplify through the introduction of new customer contact technology and the consolidation of customer contact staff (as far as practicably possible) into a single council front door.</p>	
Key Mitigations & Actions <ul style="list-style-type: none"> Temporary funding for 2022/23 ended in March which resulted in a reduction of approximately 20 staff that had been used to improve call response performance. Call response times have fallen back as a consequence. Call handling performance data is available to monitor performance on a line-by-line basis, which can support the allocation of available staff resources. The implementation of the council's target operating model along with streamlined technology and processes is anticipated to mitigate the loss of temporary funding, but it is anticipated that there will be pressure on capacity in the interim. 	
Near Future Key Actions (next 3-6 months) <p>Work is ongoing to optimise current call handling processes and website information to support more effective digital services and reductions in call volumes. This work will also place the service in a better position to take on additional customer contact activity as part of the council's transformation programme.</p> <p>A new council website is currently being developed which will address identified weaknesses in the legacy website, and which will provide a more effective platform for the launch of new digital self-serve solutions for customers. The launch date for the new website will be confirmed following user acceptance testing during October/November 2023.</p> <p>A new telephony system will be implemented that provides greater functionality that will allow customer services staff to interact with customers via a variety of new channels eg, webchat, Whatsapp etc</p> <p>Service redesign will continue with the aim of establishing improved customer journeys which are as digitally enabled as possible. This work will lead to reduced telephone contact over time so improvements will emerge incrementally.</p>	Target Date for Action <p>March 2024</p> <p>December 2023</p> <p>December 2023</p> <p>March 2024</p>
Quarter Update <p>Call handling performance remains challenging following the loss of temporary additional capacity in 2022/23. However, every effort continues to be made to distribute capacity effectively in accordance with service demand and priorities and maintain acceptable call response times. The impact and opportunities offered by the new telephony system and website are expected to improve the situation as customer behaviour changes over time, but that is not anticipated to happen immediately.</p>	

Risk Scores

Assessment Level	Impact (I)	Likelihood (L)	Risk Score (IxL)	Risk Matrix	Movement during Quarter	Risk Strategy
Gross Score	4	3	12		↔	Treat
Net Score	3	3	9		↔	
Target Score	2	1	2		↔	

Risk CR19 – Failure to determine planning applications within statutory timescales, or within agreed extensions of time (EOT)**Risk Owner** – Chief Operations Officer**Links to Corporate Objective(s):** Dynamic Places and Modern, Accessible and Accountable Council**Risk Information**

The risks associated with CR19 relate both to the reputation of the council and being put into special measures by the government if performance falls below 60% for major planning applications and 70% for non-major planning applications. The Planning Service is presently performing as follows:

Category	Government Intervention level	2021/2022	2022/2023
Majors	60%	83%	83%
Minors	70%	79%	78%
Others	70%	85%	87%

As can be shown from the above statistics, there is no risk of the council being put into 'special measures' as a result of planning applications performance. The performance since 2021/22 has consistently been at a reasonable level, well above intervention by government. It is recognised that the above statistics include use of Extensions of Times as per government guidelines. Whilst this is accepted at government level and can be a pragmatic way of engaging with customers to resolve issues, the council wants to ensure the Planning Service performance moves to making decisions within the statutory timeframes.

The weekly Planning Performance Strategic Co-ordinating Group (SCG) and Tactical Coordinating Group (TCG) monitor performance and identify any trends in downward performance, putting interventions in place. A recent example of this has identified that all but one performance criteria are exceeding the government target, with performance of minor applications in the Poole area dipping below the necessary level. This was due to operational issues with signing applications off. Additional sign-off support was utilised from across the officer team and the performance is now improving.

Key Mitigations & Actions

- A Planning Improvement Board continues to monitor performance and to ensure mitigations are on track.
- A weekly Emergency Planning approach has been introduced in summer 2023 to monitor and manage the planning caseload backlog. This approach has begun to have a positive impact on the older cases being dealt with.
- A temporary senior officer has been appointed to assume responsibility for managing this backlog of older cases. These cases are being systematically reviewed and the backlog of cases 'over-time' has reduced from 564 on 29/5/23 to 438 on 25/9/23.

Near Future Key Actions (next 3-6 months)

The targeted approach using the weekly Strategic Co-ordinating Group and Tactical Coordinating Group will continue to be used for the remainder of the calendar year, when the incoming Director of Planning and Destination will review the approach. The Planning Improvement Board will also continue to meet in order to monitor and scrutinise performance.

Overview and Scrutiny Board will be considering a Planning Performance Progress Report at their meeting on 13 November 2023.




Target Date for Action

December 2023

Quarter Update

The Emergency Planning approach to monitor and manage the caseload backlog will continue to target a reduction in outstanding cases, the results of which will be monitored and reported.

Risk Scores

Assessment Level	Impact (I)	Likelihood (L)	Risk Score (IxL)	Risk Matrix	Movement during Quarter	Risk Strategy
Gross Score	3	4	12		↔	Treat
Net Score	3	3	9		↔	
Target Score	3	2	6		↔	

Risk CR20 – Adaptation and mitigation of the negative impacts of climate change including sea level rises and weather pattern changes on BCP's communities

Risk Owner – Corporate Director of Resources

Links to Corporate Objective(s): Sustainable Environment

Risk Information

A detailed risk assessment is being developed and agreed but the information below represents a summary of this draft document.

The International Panel on Climate Change's 5th report has robustly concluded that climate change is unequivocally real and caused by human activity such as the burning of fossil fuels and destruction of habitats releasing greenhouse gases in unprecedented levels and limiting the earth's ability to reabsorb them.

The UK Government has committed to achieving 'net zero' greenhouse gas emissions by 2050, and a challenge of this scale will require transformative change to the UK economy. BCP Council has declared a climate and ecological emergency committing the council and region to decarbonising the economy and society by 2030 and 2050 respectively.

There are a number of departments across BCP Council that are central to the response to climate change. However, the all-encompassing nature of achieving net zero means that all council bodies, including departments and arms-length bodies, have a role to play. In order to be more resilient to the threat posed by climate change, in addition to meeting the challenges of achieving net zero, it is vital that all of BCP and its organisations effectively manage climate change risks.

Climate change risks should not be considered in isolation and should be clearly integrated into the strategy of an organisation. It is vital for organisations to recognise that the potential impacts of climate change are not only to do with the physical effects on people and the environment, but also to do with the effects of the transition to a changing climate and the adaptation and mitigation work involved. Similarly, the impacts of climate change should not only be considered as long-term risks.

Physical risks:

- **Acute:** The physical risks of climate change can affect organisations in different ways. Specific weather-related events such as floods will have a significant impact on infrastructure, causing damage to buildings and wide-scale disruption to service delivery.
- **Chronic:** Meanwhile, the more gradual impact of rising temperatures, such as sea level rise and coastal change, will pose risks to certain communities and organisations, and changes in temperature and rainfall will place additional pressures on infrastructure.
- **Indirect:** As well as direct damage costs, both acute and chronic physical risks can also lead to indirect economic and social impacts through supply chain disruptions, subsequent impacts from infrastructure damage (for example, lack of transport, communication, manufacturing) or market shifts (such as increases in insurance premiums, changes in the need for government support, consumer attitudinal and expectation changes).

Key Mitigations & Actions

Physical risks mitigations in place:

- **Acute:** Some service areas have well established strategies and plans which seek to incorporate climate change projections to ensure service and business continuity such as Flood and Coastal Erosion Risk Management and Transport. However without quantified local climate change risks, no standard way of developing adaptation plans and no centrally agreed risk profile that we need to mitigate or adapt to, there is likely to be large variance in the completeness of responses across the organisation.
- **Chronic:** As strategies and plans are not currently mandated to include climate risk planning there is no consistent or regular way of ensuring their completeness or relevance. As such we cannot be confident of the severity of the risk we currently face and whether existing emergency

management and resilience forums can scale to the extent of the physical risks of extreme weather events predicted by climate change into the future.

- **Indirect:** it is currently unknown the extent to which our supply chains, the broader economic environment or our local market are vulnerable to climate change.

Near Future Key Actions (next 3-6 months)

Target Date for Action

- Quantify/qualify climate risk through a climate change risk assessment across key thematic/service areas such as Environment, Flood & Coastal Risk, Transport, Business, Health, Homes, Buildings
- Ensure councillors and senior officers are aware of the Climate Risk, understand its consequences and are actively engaged in mitigation and adaptation planning
- Integrate risk and vulnerabilities into Service Plans, Business Continuity Plans and Health Plans to identify vulnerable and sensitive receptors
- Act to reduce exposure, severity and the vulnerabilities of sensitive receptors within services and the region
- Ensure the Local Resilience Forum understands the severity and likelihood of climate risks and has plans for all eventualities
- Enhance our sustainable procurement policy to ensure it incorporates the risk of supply chain disruption from climate change
- Working with the business community, we have initiated a Local Climate Partnership with significant and strategic organisations to identify measures that can provide greater business resilience in relation to energy security and price volatility by developing a Local Area Energy Plan (LAEP).
- Review existing plans and strategies to ensure consistency with the climate declarations, make changes where appropriate and consensus allows
- Develop a climate policy, and climate strategy that will make explicit the transformation required and the impact to other policies, strategies, plans and programmes

Q4 2023-2024

Q3 2023

Q4 2023-2024

Q4 2022-2030

Q4 2023

Q4 2023-2024

Q4 2023-2024

Q4 2023-2024

Q1-Q3 2024-2025

Quarter Update




BCP Council has declared a climate and ecological emergency committing the council and region to decarbonising the economy and society by 2030 and 2050 respectively. To achieve these targets a sustained long-term programme of investment, resourcing, projects and partnership working is required if the council is to meet the targets as set out. An annual council report is produced to report on the work the council has undertaken throughout the calendar year.

To date in the quarter the following activities are underway:

- In the final phases of supporting the Local Plan team to ensure sustainability and climate agendas are sufficiently covered in the new Local Plan
- Continuing with the development and implementation of a Climate Change strategy and policy to set the direction and guidelines for climate action across the council
- Refreshed the climate action plan to ensure its comprehensive nature and that it can get BCP Council and the BCP area to Net Zero in the required timeframes
- Re-established the governance and management control structure to ensure better transparency and accountability: the Place Overview and Scrutiny Committee will focus exclusively on climate and ecology; we have launched a pilot of the Climate Action Network to test the approach in ASC;
- Have developed business cases for many of our high energy use buildings to increase energy efficiency and generate renewable energy which will come to Corporate Management Board for approval in November 2023
- A supplier has been procured for the Local Area Energy Plan, which will identify supply and demand options for energy infrastructure and use to help the BCP area get to Net Zero by 2050

- Through the Asset Disposal Register, we are identifying properties and assets that will be expensive and hard to retrofit which can be sold to reduce emissions and generate capital receipts for the council
- SALIX funded energy saving schemes delivery nearing completion saving an estimated 250t GHGe per annum and further projects commissioned via the Salix recycling fund
- Have supported the new corporate strategy to ensure sustainability is at the heart of the vision and actions for the new administration's term, including developing a strategy and action plan to ensure ambitions can be turned into reality
- Have supported the emerging tree and woodland strategy to ensure opportunities to increase tree canopy cover and provide equal benefits to residents throughout the BCP area
- Applications have been successfully made to the Green Futures Fund to cover energy efficiency works in Two Rivers Meet Leisure Centre and Russell-Cotes Museum
- Working with Poole Harbour Commissioners, RNLI, Sunseeker and Bournemouth University to develop a joint decarbonisation plan for the port area and associated business clusters which aims to deliver the "greenest port in the UK" upon successful delivery - an application to InnovateUK is underway
- Held 2 councillor training sessions on Climate as part of the induction process for the new cohort of councillors
- Participating in the multi-agency 'expert' group contributing to the drafting of the Local Nature Recovery Strategy
- Supported a bid by the Greenspace and Conservation team to DEFRA's Landscape Recovery Fund for the Stour Valley project that centres on river restoration and nature recovery.
- Launched the Home Upgrade Grant2, in partnership with Dorset Council, that will provide grant-funded measures to energy inefficient homes in the BCP/Dorset Council areas
- Worked with Communities team and providers to deliver energy-saving assistance to low-income households under the Household Support Fund and Shared Prosperity Fund

Risk Scores

Assessment Level	Impact (I)	Likelihood (L)	Risk Score (IxL)	Risk Matrix	Movement during Quarter	Risk Strategy
Gross Score	4	4	16		↔	Treat
Net Score	4	4	16		↔	
Target Score	2	4	8		↔	

Risk CR21 – Impact of global events causing pressure on BCP Council & increase in service requirements**Risk Owner** – Chief Operations Officer**Links to Corporate Objective(s):** Modern, Accessible and Accountable Council**Risk Information**

Several global conflicts have required a humanitarian response/offer of refuge to those fleeing and in each case the UK government has set out its policy for accommodating and resettling refugees in every local authority area. The schemes in operation are:

- UK Refugee Resettlement (UKRS - previously known as the Gateway Scheme/Syrian Resettlement scheme)
- Afghan Resettlement (ACRS/ARAP)
- Homes for Ukraine/ Ukraine Family scheme

In addition to these schemes the Home Office also accommodates all who arrive and apply for asylum in the UK, and if granted refugee status these households require access to accommodation and support with community integration. Due to the exponential increase in the volume of asylum seekers arriving in the UK, the government has become reliant on contingency accommodation (nightly let hotels). BCP currently has hotels who are contracted by the Home Office to provide this accommodation while those housed await their asylum decision.

Risks related to asylum and refugee resettlement include:

- Lack of required support for those seeking asylum and those who are already refugees
- Safeguarding risks to asylum seekers/refugees as well as to staff or the public not being mitigated
- Pressure on the BCP housing market which is already inhospitable and unable to meet demand of BCP families
- Pressure on Primary, Secondary and Community NHS services from these cohorts of new patients
- Pressure on social care services (notably Children's Services as a result of Unaccompanied Asylum Seeking Children)
- Pressure on Homelessness services as asylum seekers receive positive decisions on their applications and are given notice to vacate their Home Office funded hotel accommodation
- Pressure on schools to provide education and related support to refugee children
- A detrimental impact on the tourism economy in BCP, as hotels in use are a significant portion of the available rooms (impact anticipated more in summer months)
- Concerns around community cohesion and tensions in relation to asylum and refugee resettlement
- Increase in activity of extremist groups







Key Mitigations & Actions

- Multi-agency partnership working and governance framework in place, communication channels in place e.g. briefings, webpages, dedicated staff team established, links with government agencies
- Strategic leadership from BCP in relation to asylum accommodation and refugee resettlement, identifying need for collaboration with all stakeholders and progressing with impact assessment for the council and its partners of asylum and refugee resettlement
- Additional grant funded resource recruited to manage this new programme and case manage households now resident in the BCP area and enable proactive preventative support
- Engagement with the Home Office and their contracted providers to discuss and deliver dispersed asylum accommodation in the community
- Work with the voluntary and community sector (VCS) to address gaps in support required across all schemes




<ul style="list-style-type: none"> • Appropriate use of tariff incomes to incentivize hosting sustainment and access to move-on accommodation for Ukrainian refugees • Participation in Local Authority Housing Fund programme (government grant funded) to mitigate the risk of homelessness for Ukrainian and Afghan refugees while adding to housing portfolio of BCP Council longer term • Lobbying on the pressures being experienced by local authorities, to Ministers and the Home Office 	
Near Future Key Actions (next 3-6 months)	
Review staffing resources and anticipated capacity needed into financial year 2024/2025 and beyond	30 November 2023
Maintain dynamic impact assessment for BCP Council and stakeholders of asylum accommodation and across all UK Resettlement programmes; amending or adding required data to monitor needs and using this to inform services procured as well as to inform discussions with central government	Ongoing
Delivery of housing units as agreed within Local Authority Housing Fund Programme	31 March 2024
Continue to build on prevention agenda and positive move-on to minimize impact on homeless presentations	Ongoing
Work with South West Strategic Migration Partnership to identify demands from and needs of refugees exiting asylum estate	December 2024
Quarter Update	
<p>The Home Office retains the same amount of hotel accommodation in the borough to house asylum seeking individuals. BCP has lead a strategic group in raising concerns about the volume and concentration of asylum accommodation in the borough and the impact this has on healthcare systems, social care, the VCS, communities and tourism.</p> <p>The national plan for equitable asylum dispersal in the community has been slow in delivery and the Home Office contracted provider Clearsprings Ready Homes continues to endeavour to procure units of accommodation in the private rented sector to be able to re-accommodate those in hotels. The local housing market does not have suitable affordable units to meet the demand alongside that of all others in housing need.</p> <p>Government policy on maximizing hotel use without bringing new hotels online could see the number of bed spaces in BCP in existing hotels increase by 30-40%. This is a national policy and concerns raised about existing pressures have not altered maximisation decisions.</p> <p>Streamlined asylum processing is also now impacting councils who host contingency hotels, as a large volume of asylum applicants are receiving their refugee status and being given notice to vacate the Home Office hotels, leading to an increase in homeless presentations and related temporary accommodation placements (currently 14, 12 of which are non-statutory placements).</p> <p>Following the closure of the Afghan bridging hotel BCP has 5 families who remain in temporary accommodation, awaiting an offer of a Local Authority Housing Fund property to meet/discharge a statutory homelessness duty. BCP Council has committed to ongoing assistance in resettling UKRS and Afghan households with wraparound support. Support provision remains contracted out to ICN.</p> <p>As at October 2023, approximately 353 families have arrived in the BCP area through the Homes for Ukraine scheme with new arrivals slowing significantly. This includes 635 individuals (218 children including 2 unaccompanied minors).</p> <p>Use of tariff funding continues to financially assist hosts to continue to accommodate their guests as well as for use to incentivize move-on into the private rented sector.</p>	

There have been 201 households leaving the scheme (includes return to Ukraine, move-on into own accommodation etc.) Prevention of homelessness and use of temporary accommodation has been prioritized (offer of interim accommodation being a rematch on the scheme where suitable).

Risk Scores

Assessment Level	Impact (I)	Likelihood (L)	Risk Score (IxL)	Risk Matrix	Movement during Quarter	Risk Strategy
Gross Score	3	3	9			Treat
Net Score	3	2	6			
Target Score	3	1	3			

Risk CR22 – Failure of local care market to meet increasing demand	
Risk Owner – Director of Adult Social Care, Director of Commissioning for People	
Links to Corporate Objective(s): Fulfilled Lives	
<p>Risk Information</p> <p>Adult Social Care:</p> <p>Despite additional care capacity it is challenging to identify sufficient care resource to meet the continuing high demand for hospital discharge and demand within the community. The capacity shortfall in the care sector is further exacerbated by the increased needs of individuals leaving hospital.</p> <p>Workforce capacity within the local care market is also a national issue. This was exacerbated by Covid, staff seeking alternative employment and recruitment difficulties and the trend of staff leaving the care sector continues.</p> <p>The lack of market capacity impacts timely hospital discharge, drives up the cost of care placements and limits choice for individuals.</p> <p>This situation has seen a great improvement since January 2023 with the Homecare Framework able to provide the capacity to meet the demand, thus the waiting list has reduced from 3407 hrs waiting to be sourced in April 2022 to 1059 hrs in April 2023. In addition, the Rapid Response services, and the increase in reablement capacity have positively impacted in the timely discharges from hospital. The challenge remains with securing care homes placements within the BCP ceiling rates. Robust mechanisms are in place with the Brokerage Team to challenge these rates from the Market.</p>	
<p>Key Mitigations & Actions</p> <ul style="list-style-type: none"> Contract Monitoring and the Service Improvement Team provide personalised support to providers and provide an early insight into any escalating challenges which specific providers may be facing Review of Protected Hours policy to ensure optimum flow through the system and capacity is released in an efficient way to support discharges Additional capacity added through rapid response has been re-purposed to become Discharge to Assess (D2A) community resource to enhance timely discharges from hospital Further development of Reablement Service (bedded and community) to reduce need for long term care following period of ill health/injury Care home strategy and extra care housing strategies have been developed and Homecare strategy and review of Homecare operation model in progress Embedded practice for pre-placement checklists for care home placements are business as usual Review of Proud to Care (P2C) initiative to support the wider workforce Free childcare for BCP framework domiciliary care providers is available in school holidays Free parking permits for BCP framework providers have been issued for use in difficult parking areas across the BCP Council area and free bike hire is available to care staff as an alternative to driving 	
<p>Near Future Key Actions (next 3-6 months)</p> <ul style="list-style-type: none"> Maintain focus on supporting providers to recruit and retain workforce 	<p>Target Date for Action</p> <p>December 2023 October 2023</p>

<ul style="list-style-type: none"> Continue voluntary sector funding Community Action Network and sector to provide support at emergency departments and community hospital sites Review reablement capacity and performance with a view to increasing the numbers receiving reablement 						January 2024
Quarter Update October 2023 update: Capacity within the home care market has generally remained stable since the last update, but demand has increased for support to those with more complex needs. This also applies to the capacity of the care homes within the BCP area to meet challenging behaviour needs, and for those that can do so, the costs are much greater than allowed for by the council's fees framework. Work with the Integrated Care System partners to review and transform the recovery and prevention model is ongoing and plans for the winter have been prepared but there are concerns that budget constraints may impact on the ability of the council to fulfil its responsibilities if costs continue to rise.						
Risk Scores						
Assessment Level	Impact (I)	Likelihood (L)	Risk Score (IxL)	Risk Matrix	Movement during Quarter	Risk Strategy
Gross Score	4	3	12		↔	Treat
Net Score	4	2	8		↔	
Target Score	3	2	6		↔	

CHANGE IN CORPORATE RISK SCORES FROM Q03: 2022-23 TO Q02: 2023-24

CR2: Failure to deliver effective safeguarding arrangements for children - Children & Communities					
	Q03:22-23	Q04:22-23	Q01:23-24	Q02:23-24	Direction of Travel
Gross					↔
Net					↔
Target					↔

CR4: Loss or disruption to IT Systems and Networks from cyber attack					
	Q03:22-23	Q04:22-23	Q01:23-24	Q02:23-24	Direction of Travel
Gross					↑
Net					↑
Target					↑

CR9: Failure to maintain a safe and balanced budget for the delivery of services					
	Q03:22-23	Q04:22-23	Q01:23-24	Q02:23-24	Direction of Travel
Gross					↔
Net					↔
Target					↔

CR12: Failure to achieve appropriate outcomes and quality of service for young people					
	Q03:22-23	Q04:22-23	Q01:23-24	Q02:23-24	Direction of Travel
Gross					↔
Net					↔
Target					↔

CR13: Failure to deliver the transformation programme					
	Q03:22-23	Q04:22-23	Q01:23-24	Q02:23-24	Direction of Travel
Gross					↔
Net					↔
Target					↔

CR14: Continuity of Public Health arrangements for health protection					
	Q03:22-23	Q04:22-23	Q01:23-24	Q02:23-24	Direction of Travel
Gross					↔
Net					↔
Target	-	-	-	-	Unknown

CR15: Effective People Strategy					
	Q03:22-23	Q04:22-23	Q01:23-24	Q02:23-24	Direction of Travel
Gross					↔
Net					↑
Target					↔

CR18: Failure in customer interface					
	Q03:22-23	Q04:22-23	Q01:23-24	Q02:23-24	Direction of Travel
Gross					↔
Net					↔
Target					↔

CR19: Failure to determine planning applications within statutory timescales, or within agreed extensions of time (EOT)					
	Q03:22-23	Q04:22-23	Q01:23-24	Q02:23-24	Direction of Travel
Gross					↔
Net					↔
Target					↔

CR20: Adaption and mitigation of the negative impacts of climate change including sea level rises and weather pattern changes on BCP's communities					
	Q03:22-23	Q04:22-23	Q01:23-24	Q02:23-24	Direction of Travel
Gross					↔
Net					↔
Target					↔

CR21: Impact of global events causing pressure on BCP Council & increase in service requirements					
	Q03:22-23	Q04:22-23	Q01:23-24	Q02:23-24	Direction of Travel
Gross					↔
Net					↔
Target					↔

CR22: Failure of local care market to meet increasing demand					
	Q03:22-23	Q04:22-23	Q01:23-24	Q02:23-24	Direction of Travel
Gross					↓
Net					↓
Target					↓

Risk CR4 - Loss or disruption to IT Systems and Networks from cyber attack

October 2023 Update - Mandatory ICT Training Completion Rates:

Course	Publish Date	Complete - Users	Complete - Percentage	Not Complete - Users	Not Complete - Percentage
BCP2023 - Personal cyber part 1 v1.0	2023/10/02	1551	28.16%	3957	71.84%
BCP2023 - AI v1.0	2023/08/01	2704	49.09%	2804	50.91%
Think first v1.0	2023/07/04	2894	52.54%	2614	47.46%
GDPR Data Protection v1.0	2023/06/05	3047	55.32%	2461	44.68%
BCP 2023 - May Best practices v1.0	2023/04/28	3225	58.55%	2283	41.45%
BCP 2023 - Cyber Attack v1.0	2023/03/22	3336	60.57%	2172	39.43%
BCP 2023 - Scams v1.1	2023/01/13	2903	52.71%	2605	47.29%
BCP 2023 - insider threats2 v1.1	2023/01/12	2944	53.45%	2564	46.55%
BCP 2022: cyber-criminal use the information v1.0	2022/10/20	3615	65.63%	1893	34.37%
BCP 2022: cyber-Security the essentials v1.0	2022/10/20	3546	64.38%	1962	35.62%
2022 - Danger of Public WiFi v1.0	2022/09/22	2812	63.69%	1603	36.31%
BCP 2022 Social Engineering course v1.0	2022/04/08	2934	66.46%	1481	33.54%
BCP 2022 Password Safety course v1.0	2022/04/08	2501	56.65%	1914	43.35%
BCP 2022 Remote Working course v1.0	2022/04/08	2603	58.96%	1812	41.04%
BCP 2022 Physical Security course v1.0	2022/04/08	2416	54.72%	1999	45.28%
BCP 2022 Essential Phishing Awareness course v1.1	2022/04/08	2734	61.93%	1681	38.07%
BCP 2022 Malicious Software course v1.0	2022/04/08	2393	54.2%	2022	45.8%

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AUDIT AND GOVERNANCE COMMITTEE

Report subject	Appointment of Independent co-opted members to Audit & Governance (A&G) Committee
Meeting date	26 October 2023
Status	Public Report
Executive summary	<p>Although not a legislative requirement, best practice and a '2022 position statement' by the Chartered Institute of Public Finance & Accountancy (CIPFA) endorsed by the Department for Levelling Up, Housing and Communities recommend that audit committees in local government should include at least two co-opted independent members.</p> <p>Previous BCP Council Audit & Governance (A&G) Committee and Council meetings agreed the in-principle decision to recruit two co-opted independent members to the BCP Council A&G Committee.</p> <p>A number of local decisions were agreed which enabled a suitable recruitment process, through open advertisement, to the BCP Council A&G Committee.</p> <p>The recommendations in this report endorse then approve the decisions made by the selection and recruitment panel, which was Councillors Andrews, Herrett and Chapmanlaw respectively.</p> <p>Full Council need to approve the appointment of co-opted members to a BCP Council committee.</p>
Recommendations	<p>It is RECOMMENDED that :</p> <ol style="list-style-type: none"> 1. A&G Committee endorse the decisions made by the selection and recruiting panel to appoint two co-opted independent members to the BCP Council A&G Committee. 2. That full Council approve the appointment of two co-opted independent members to the A&G Committee for a period which will end on 31 March 2026.
Reason for recommendations	<p>Best practice suggests the appointment of two independent member(s) to local Authority audit committees, to enhance the effectiveness and knowledge base of such Committees.</p> <p>Legislation is likely to follow, in England, which will require local authorities to include two independent members when forming their audit committees.</p>
Portfolio Holder(s):	Cllr Mike Cox, Portfolio Holder for Finance
Corporate Director	Ian O'Donnell, Corporate Director for Resources

Report Authors	Nigel Stannard Head of Audit & Management Assurance ☎01202 128784 ✉ nigel.stannard@bcpcouncil.gov.uk
Wards	Council-wide
Classification	For Decision

Background

- Many local authorities include independent members on their audit committees (or similar) as this is seen as strengthening the internal control and governance of the authority. Independent members with appropriate skills and experience can supplement those of elected members and improve the effectiveness of such committees.
- Released in 2022, a 'position statement' by the Chartered Institute of Public Finance and Accountancy (CIPFA), endorsed by the Department for Levelling Up, Housing & Communities, the Home Office and other public sector bodies, recommends that audit committees in local government (and police bodies) should include at least two co-opted independent members to provide appropriate technical expertise.
- In time many commentators suggest this requirement will be established in legislation in England, as it already is in Wales.
- At the meeting of the Audit & Governance Committee on 27 July 2023 the following was agreed:
RESOLVED that
 - Two independent members be co-opted to the BCP Council Audit and Governance Committee;
 - The term of appointment be for an initial period ending at the close of the municipal year 2025/26 on 31 March 2026 with an option thereafter for a further two years if mutually agreed;
 - An initial allowance of £1,084 per annum for each independent member is agreed with this initial figure subject to review by the Council's Independent Remuneration Panel, with any changes being backdated should this be recommended and agreed by the Remuneration Panel;
 - A selection and recruitment panel be created, comprising of the Chair of the Audit and Governance Committee and two other Audit and Governance Committee elected Members (supported by the Head of Audit and Management Assurance);
 - Following the recruitment process, a report from the recruitment panel be presented to the next available Audit and Governance Committee, outlining the process and the panel's recommendations. This report to be endorsed by the Audit and Governance Committee and a formal recommendation agreed for consideration by full Council;
 - In accordance with BCP Council policies, Audit and Governance Committee delegate to the Head of Audit and Management Assurance, in consultation with the Chair of Audit and Governance Committee, any changes to the role profile and person specification required and the operational details associated with recruitment, shortlisting and interviews.

Voting: Unanimous

Independent member(s) a reminder

5. Independent members are non-councillors who are suitably qualified with experience in the area of audit/governance and bring specialist knowledge and insight to the workings and deliberations of the committee to inter alia provide:
 - An effective independent assurance of the adequacy of the risk management framework.
 - Independent review of the Council's financial and non-financial performance.
 - Independent challenge to, and assurance over, the Council's internal control environment.
6. Independent members would **not** have a vote in the same way as an elected councillor of the committee and will be part of the committee in an advisory and consultative manner.
7. Independent members would have 'co-opted' legislative status under the power to co-opt in the Local Government Act 1972 and further described under section 13 of the Local Government & Housing Act 1989. Co-opted members can be elected Chair and have similar rights (to elected members) to access information and they would have obligations under the Code of Conduct for Members.
8. The agreed role description, skills, competencies and person specification is attached as Appendix A for information. This was constructed using template suggestions from best practice guidance and other local authorities. It contains specific best practice definitions and eligibility criteria for individuals to be reasonably considered independent, in the context of this role.

The recruitment and selection process

9. A communication strategy was agreed to advertise the roles including BCP Council website and social media platforms. BCP area business community social media platforms and (business) opt in newsletter facilities were also used to advertise the roles.
10. The advertisements went live on 16 August and closed on 10 September.
11. Interviews were held on 19 September and 26 September. The interview panel comprised Councillor Marcus Andrews, Chair of A&G Committee, Councillor Richard Herrett and Councillor Adrian Chapmanlaw.
12. The interview panel asked the same core 8 questions to each candidate and scored answers independently, from each other, using a 5 point scoring system. The panel then discussed scoring, no moderation of scoring was required as independent scores were similar and the overall ranking of candidates was unanimously the same.
13. Two excellent candidates were therefore successfully identified as suitable co-opted independent members subject to this A&G Committee approval and endorsement by Council.
14. The two candidates have both agreed to the role but are clear the process requires approval by A&G Committee and endorsement by Council before formal on-boarding and next steps can take place.
15. The panel also unanimously agreed a third individual possessed all the skills and attributes required of a suitable co-opted independent member. The Chair of the panel asked the Head of Audit & Management Assurance to make contact with this individual to ask, should the opportunity arise, whether the Council may contact them in future. The individual was contacted and they have confirmed they would be willing to support the Council should an opportunity arise.

On-boarding and next steps

16. Subject to this committee and then Council endorsement the more detailed on-boarding and next steps can begin, including:
 - Creation of bpcouncil.gov.uk email accounts, to safely and securely share data.
 - Access to relevant systems including ModGov to read committee reports.
 - Proportionate training and induction.
 - Set up of payment of allowance, via 1/12th a month transfer.
 - Agree and sign up to appropriate members code of conduct.
 - Make appropriate declarations of interest.
17. The A&G Chair has invited the two proposed candidates to the A&G Committee on 26 October 2023 to observe the meeting, as any member of the public can and prior to A&G Committee endorsement and full Council approval.

Summary of financial implications

18. The full year cost would initially be circa £2,200. Should the independent remuneration panel adjust the fee in line with benchmarking results the fee may potentially rise to circa £5,000 per municipal year.
19. No specific budget exists within BCP Council for this allowance. However the Head of Audit & Management Assurance has limited but sufficient flexibility to absorb this relatively small additional cost within existing budgets on an ongoing basis, so no additional budget allocation is required.

Summary of legal implications

20. There is currently no statutory requirement for an independent person to be appointed to the Audit Committee in England.
21. A council's audit committee is established further to the Local Government Acts 1972 and 2000 and its purpose is to give assurance to elected Members and the public about the governance, financial reporting and performance of the Council.
22. The decision in principle to appoint an independent member(s) to the Audit and Governance Committee is for Council to approve, the actual appointment will also need to be endorsed by Council.
23. Independent members would have 'co-opted' legislative status under the power to co-opt in the Local Government Act 1972 and further described under section 13 of the Local Government & Housing Act 1989.

Summary of human resources implications

24. Independent member(s) will need to agree to comply with the Council's Code of Conduct for Members, which sets out standards of behaviour expected from all members. Additionally, they will be required to complete a Declaration of Interests form on an annual basis.

Summary of sustainability impact

25. There are no direct sustainability impact implications from this report.

Summary of public health implications

26. There are no direct public health implications from this report.

Summary of equality implications

27. Applications for the position(s) of Independent member(s) to the Audit Committee will be open to all residents over the age of 18 in BCP Council and will be carried out in accordance with the Council's duties under the Equality Act 2010.

Summary of risk assessment

28. Subject to adequate vetting procedures and adherence to the Person Specification, this initiative should augment the Audit and Governance Committee's independence, provide additional expertise, and provide an opportunity for the community to play an enhanced role in the governance of the Council.

Background papers

CIPFA Publication 2022 - Audit committees: practical guidance for local authorities and police

Appointment of Independent co-opted members to Audit & Governance (A&G) Committee – Meeting 27 July 2023

Appendices

None

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AUDIT AND GOVERNANCE COMMITTEE



Report subject	Governance of Corporate Health & Safety and Fire Safety
Meeting date	26 October 2023
Status	Public Report
Executive summary	<p>This report details progress made on the delivery of Health & Safety and Fire Safety governance arrangements for BCP Council and highlights:</p> <ul style="list-style-type: none"> • Implementation of the Governance framework continues to be embedded and is working effectively. • Reporting to the Health and Safety and Fire Safety Board continues on a quarterly basis and has generally good attendance. • Some operational service issues have arisen, including HSE improvement notices, these have been successfully resolved. • The Corporate H&S Team is currently one FTE advisor short of full establishment.
Recommendations	<p>It is RECOMMENDED that:</p> <p>(a) Audit and Governance Committee notes the continued progress in implementing the Health and Safety and Fire Safety governance arrangements and the operational updates.</p> <p>(b) Health & Safety and Fire Safety ongoing governance arrangements updates continue to be reported annually to the Audit and Governance Committee.</p>
Reason for recommendations	<p>An update was requested by the Audit & Governance Committee for twelve months after the October 2022 meeting to provide continued reassurance that Health & Safety and Fire Safety Governance arrangements continue to be implemented to an acceptable standard.</p> <p>The Audit & Governance Committee terms of reference include the following in the 'Other functions' section - To consider arrangements for health and safety and fire safety.</p>

Portfolio Holder(s):	Councillor Mike Cox
Corporate Director(s):	Health & Safety – Ian O'Donnell, Corporate Director for Resources Fire Safety – Jess Gibbons, Chief Operations Officer
Report Authors	Rebecca Lawry (Health and Safety Manager) Phillip Lawrence (Fire Safety Manager)
Wards	All
Classification	For decision

Background

1. The service provided by the Corporate Health & Safety and Fire Safety teams is to ensure competent, specialist and risk-based advice and guidance is afforded to the Council to enable it to carry out its statutory duties. These duties fall under legislative framework of the Health & Safety at Work etc Act 1974 and the Regulatory Reform (Fire Safety) Order 2005 and assist in promoting a positive safety culture throughout the Council.
2. The BCP Council Health, Safety and Welfare Policy (reviewed October 2023) and the Fire Safety Policy (reviewed April 2023) set out the roles and responsibilities that place the Health & Safety and Fire Safety Board at the centre of strategic oversight and performance monitoring.
3. The BCP Council Health and Safety and Fire Safety Governance framework details the governance arrangements, including the Health and Safety and Fire Safety Board, Directorate Health and Safety and Fire Safety meetings and the Safety Supporters Forum.

Ongoing Governance arrangements

4. Health & Safety and Fire safety Board meetings, chaired by the Chief Executive or the Corporate Director of Wellbeing, continue quarterly, with members attending remotely via Microsoft Teams or in person. Attendance at these meetings by Directors (or their representative) since the time of the last report to this Committee has been good.
5. Most Directorates hold quarterly Health & Safety and Fire Safety meetings via Microsoft Teams. These meetings remain critical to the Health and Safety and Fire safety governance. The few areas that do not have a meeting in place have been asked to address the issue.
6. The Safety Supporters Forum, comprising of representatives from Directorates, Corporate Health & Safety, Corporate Fire Safety and Union representatives, commenced in December 2020 and has met quarterly since. The forum provides a means for consultation with all employees as per statutory requirements. Colleagues can share best practices and issues at the workplace and operational level and provide communication tools between employees and the Board. A Microsoft Teams channel facilitates communication between attendees.
7. A Microsoft Teams channel has been established to allow appointed and trained Local Fire Safety co-ordinators a forum to discuss and share best practices across premises and Service Directorates concerning Fire Safety.

Reporting to the Board

8. Quarterly health and safety and fire safety reports are submitted at each Board meeting, providing information on such matters as audit programme planning, policy and governance implementation, formation of council H&S procedures, staff training and communications, Fire Risk Assessments, significant accident and incidents, contact with enforcement bodies and accident and near-miss data for health and safety and fire incidents.
9. A Corporate Health & Safety and Fire Safety Risk Register is established and reviewed at the Board meetings. This risk register contains Directorate high-level risks that need further mitigation measures to reduce the current risk level. These are raised at the Board to agree on necessary risk reduction measures.

Operational updates

Health and Safety

Resource

10. The Corporate Health & Safety (H&S) team continue to sit within the Resources Directorate, under Finance, with Internal Audit, Emergency Planning and Insurance & Risk Management, all reporting to the Head of Audit and Management Assurance.
11. The BCP Council Corporate H&S team comprises of one Manager, four Advisors and one Training and Business Support Officer. Over the last year two Advisor posts have been vacant for periods of time and one is now vacant again. These vacancies have impacted on the speed of delivery of some objectives, particularly the proactive audit programme, and will continue to do so over the remaining part of the year.

Corporate work

12. Staffing resource issues has affected the development of a Corporate H&S inspection (audit) plan, visiting Council owned and operated buildings and other assets to ensure compliance with policies. The inspection program will focus on ensuring that new and updated policies and procedures are being operationally embedded into working practices, particularly in higher risk areas.
13. The maintained schools audit has been rewritten and renamed Safer School Inspection. The document covers all aspects of safety including premises management, art, design and technology. The team will be working closely with Facilities Management to assist in compliance, in particular, for water quality and asbestos management.
14. Implementation of a health surveillance program for workers exposed to identified occupational hazards is ongoing. Working with colleagues in People and Culture, initial work has been undertaken to identify the numbers from each Directorate who may be affected. Work can then proceed with identifying which role profiles necessitate health surveillance and link this to Dynamics F&O. This will ensure a more robust process exists to capture colleagues at pre-employment stage and throughout their career with the council.
15. A training plan has been developed that covers all essential H&S training, requiring delivery from external training providers. The portfolio has recently been expanded to include Water Awareness and Safety for colleagues working within 3 metres of the water's edge.
16. The team have continued to provide the Events team with support in the form of attendance at the monthly Safety Advisory Group (SAG) meetings, review of event documentation and site walkarounds of major events.

Corporate systems

17. Work to establish a single supplier for the lone working device or telephone app. solution for colleagues in higher risk service areas has been completed using a procurement framework. The team are working with key stakeholders to ensure that lone working risk assessments are completed, new users are identified, existing users are transitioned efficiently to the new supplier, redundant devices returned and payments ceased.
18. The Incident and near-miss Reporting System is undergoing further enhancements. These include a back-office function to allow quicker analysis and reporting on all service areas by the team. The addition of an Adverse Event option will cover reports of Violent and Threatening behaviour, Verbal Abuse and medical conditions.
19. Development of the Cautionary Contact System (CCS) by our inhouse IT team remains in progress. Feedback from the initial user acceptance testing (UAT) has been returned for review and incorporation. Legacy systems continue to be used until the new system goes live (anticipated early 2024). These legacy systems are 'safe' but are administratively cumbersome.

Policies and procedures

20. A light review has been made to the Health, Safety and Welfare Policy. A full review is planned so that the Policy is more reflective of the modern council that we are aspiring to be.
21. In line with the Health and Safety Executive's Management Standards the team have been working closely with HR and the Policy and Research teams to produce an organisational stress risk assessment. The assessment covers six key areas of work design that, if poorly managed, are associated with poor health, lower productivity and increased accident and sickness absence rates.
22. Following an Improvement Notices issued by the Health & Safety Executive (HSE) to BCP Council (October 2022) in relation to noise, vibration, health surveillance and manual handling, improvements were made to our associated Procedures and forms. The improvement notices were complied with and have been formally removed by the HSE.

Health and Safety Executive (HSE) interventions

23. As part of the national sector plan, HSE Inspectors visited a maintained school in December 2022 to review their arrangements for the management of asbestos. Material breaches were found and a Fee for Intervention paid. HSE have announced that further visits to schools will continue from October 2023, building upon their findings from previous inspections.
24. An HSE Inspector made an unannounced visit to a construction site at Bournemouth West. An Improvement Notice was issued for failure to adequately control the exposure of employees to substances hazardous to health. The improvement notice has been complied with and has been formally removed by the HSE.
25. The HSE visited Nuffield Household Waste and Recycling Centre (HWRC). The arrangements for the manual handling of white goods, equipment servicing, transport, colleague training, pyrotechnic storage and security were some of the aspects inspected. Minor points raised included the segregation and compatibility of storage for hazardous substances, labelling of non-notified asbestos bags and face fit testing of respiratory protective equipment for those handling it. There will be no further action.

26. An anonymous complaint was made to HSE concerning balls leaving the confines of Queen's Park golf course. After BCP Council providing information, the HSE closed the complaint, satisfied that control measures are being suitably applied.

Fire Safety

Service Delivery

27. The Fire Safety team for BCP Council comprises one full-time Fire Safety Manager, one full-time and one part-time (3 days per week) Fire Safety Advisor, 2.6 FTEs in total. The Corporate Fire Safety team continues delivering the service from within the Facilities Management (FM) service team, falling within the Customer, Arts and Property Directorate.
28. Following an acute reduction in resources previously reported. The Corporate Fire Safety team's complement was restored in November 2022 and has been unaffected. The team commenced a recovery program based upon a prioritised program of work to maximise productivity, focusing on Fire Risk Assessment completion.
29. The summer of 2023 repeated many events throughout BCP, which started in 2022. The Fire Safety team provided support through the established Safety Advisory Group (SAG), event site visits and liaison with partner agencies, including our enforcing authority, Dorset and Wiltshire Fire and Rescue Service (DWFRS). The Fire Safety team fully supported the Bournemouth Air Festival 2023 (BAF) event.
30. The Fire Safety team maintained contact with operational service areas. Resources have been allocated to specific high-risk areas to understand the day-to-day practice better. The knowledge gained continues to result in improved support and advice the corporate team offers. Advice is given to all Directorates and schools on many different aspects, including risk assessments.
31. Support continues to Local Authority maintained schools on localised fire safety arrangements and mitigation plans following their Fire Risk Assessments or subsequent reviews.

Legislative Update

32. On 28 April 2022, the Building Safety Bill received Royal Assent to become the Building Safety Act 2022. The Building Safety Act 2022 is significant legislation. Section 156 of the Act came into force in England on 1 October 2023. It amends the Regulatory Reform (Fire Safety) Order, 2005, by adding to the existing duties of Responsible Persons under the Order. Section 156 also focuses explicitly on fire safety compliance and places essential responsibilities on organisations. These responsibilities apply to all non-domestic premises, such as where people work, visit or stay, workplaces, and the non-domestic parts of multi-occupied residential buildings (e.g. communal corridors, stairways, plant rooms). The requirements do not apply to individual domestic premises. Its primary goal is to ensure the safety of occupants and minimise the risk of fire incidents.
33. Section 156 of the Building Safety Act 2022 has been thoroughly reviewed, BCP Council's Fire Safety support functions (Corporate Team and Housing support) commitment to fire safety has been and continues to be unwavering. Proactive measures have been taken to ensure BCP Council facilities have the necessary fire safety systems and protocols. BCP Council fire risk assessments are conducted diligently, following the Publicly Available Specification number 79 proforma (PAS 79-1 2020 Fire Risk Assessment - Part 1 Premises other than housing and PAS 79-2 2020 Fire Risk Assessment - Part 2 Housing code of practice), recognised within the fire safety industry as a suitable template to conduct a suitable and sufficient Fire Risk Assessment. Fire safety arrangements

are detailed within these Fire Risk assessments, and all hazards are identified. All the requirements within section 156 about completing a suitable and sufficient Fire Risk are met. Additionally, BCP Council continues investing in suitable fire detection systems, ensuring facilities are well-equipped to handle fire incidents effectively.

34. Working parties continue to meet and discuss the evolution and implementation of this legislation to prepare BCP Council for the changes the legislation shall require. Updates surrounding relevant legislative changes and their cumulative impact on BCP Council continue to be provided to the Health & Safety and Fire Safety Board.

Information, Instruction and Training

35. The appointment and training of persons to undertake the Local Fire Safety Co-ordinator role continues. Service Directors appoint this role, and in most cases, this is not a new appointment as individuals are already undertaking the associated duties required to appropriately identify and mitigate local-level fire safety risks and provide direct liaison with the Corporate Fire Safety team.
36. The Corporate Fire Safety team delivers training specific to the Local Fire Safety Co-ordinator role within BCP Council, and all guidance is available via either the team or BCP Council intranet and is reviewed periodically or as required.

Policies and Procedures

37. The Fire Safety Policy has received its annual review, requiring only minor amendments. Several procedures have been created and reviewed, along with supplementary guidance materials to assist with fire safety management arrangements.

Summary of financial implications

38. The 2023-24 budget for the Health & Safety Team is £284,400, and for the Fire Safety Team is £127,100. The H&S Budget includes £74,000 which is the corporate training budget for all mandatory and safe levels training across the Council, covering training such as manual handling, conflict resolution, asbestos and legionella awareness and duty to manage, emergency first aid, fire warden duties and others.
39. An underspend of about £35,000 is forecast in the Health & Safety team representing the period an advisor has and will not been in post. No material under or overspends is projected in the Fire Safety team.
40. No financial implications are arising from the specific recommendations of this report.
41. There are potential financial risks associated with inadequate or non-compliant Health, Safety and Welfare or Fire Safety practices that could lead to financial penalties and losses. The governance arrangements outlined in this report will help to mitigate these.

Summary of legal implications

42. No legal implications are arising from the specific recommendations of this report.
43. The Council is legally obliged to have adequate Health and Fire Safety arrangements in place, and the current governance arrangements support demonstrating compliance with these obligations.

Summary of human resource implications

- 44. No human resource implications are arising from the specific recommendations of this report.
- 45. Where necessary, HR is contacted to ensure that HR implications of any H&S management actions are considered.

Summary of environmental impact

- 46. There are no environmental impacts arising from the specific recommendations of this report.

Summary of public health implications

- 47. There are no public health implications arising from the specific recommendations of this report.

Summary of equality implications

- 48. No equality implications are arising from the specific recommendations of this report.
- 49. Where necessary, the Corporate H&S team work alongside HR to ensure that both equality and H&S aspects are considered to ensure that equality aspects, such as disability, are suitably actioned.

Summary of risk assessment

- 50. Failure to report annually would leave the Committee unaware of continuing governance arrangements. This failure increases the risk of ongoing governance falling below acceptable standards.
- 51. Annual reporting to this Committee is considered appropriate. However, there should remain the option for exception reporting if relevant officers or members are concerned that governance arrangements may have been compromised.

Background papers:

- 52. [Health, Safety and Welfare Policy \(internal link only for Councillors and officers\)](#)
- 53. [Fire Safety Policy \(internal link only for Councillors and officers\)](#)

Appendices

None

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AUDIT AND GOVERNANCE COMMITTEE

Report subject	Emergency planning and business continuity annual update
Meeting date	26 October 2023
Status	Public Report
Executive summary	Emergency planning and business continuity are statutory duties for BCP Council. Activity over the reporting period has been about continuing to build capability and put plans in place in line with higher risks, local and national learning, and nationally-driven priorities and workstreams such as planning for a national power outage. This report sets out the activities undertaken to achieve this and also highlights the challenges arising.
Recommendations	<p>It is RECOMMENDED that Audit and Governance Committee:</p> <ul style="list-style-type: none"> a) Note the emergency planning and business continuity activity that has taken place during the monitoring period b) Note the ongoing issues with delivering the business continuity management programme c) Note the current issues within the Emergency Planning Team regarding resource and the impact this will have on service delivery d) Note the current resilience position locally and nationally and the implications of this.
Reason for recommendations	It is a statutory requirement for BCP Council to have effective emergency planning and business continuity planning and arrangements in place in accordance with the Civil Contingencies Act 2004 and to therefore ensure it can provide assistance to the communities of the BCP Council area in the event of disruption.
Portfolio Holder(s):	Cllr Vikki Slade
Corporate Director	Ian O'Donnell, Corporate Director for Resources
Report Authors	Alyson Whitley, Emergency Planning and Resilience Manager alyson.whitley@bcpcouncil.gov.uk
Wards	Council-wide
Classification	For update and information

Background

1. This report provides an update on the emergency planning and business continuity arrangements in place across BCP Council and related activity during the period of this annual monitoring report from November 2022 to October 2023.
2. It is a statutory requirement for BCP Council to have effective emergency planning and business continuity arrangements in place in accordance with the duties placed on BCP Council as a category 1 responder under the Civil Contingencies Act 2004 (CCA). The fundamental elements of this are:
 - plan and prepare
 - test, validate and exercise plans (to make sure they work)
 - train and exercise staff (specialist response staff and all staff)
 - maintain plans and arrangements (to ensure they are up to date)
 - respond and recover from incidents when they occur
 - debrief and learn - then feed this back into planning and preparation.
3. As part of the council's statutory duties it has to come together under the multi-agency partnership of the Local Resilience Forum (LRF) to plan, prepare and train for emergencies. The LRF is not a legal entity; it is a partnership comprising the category 1 and category 2 responder organisations that operate within the footprint of Dorset LRF which is coterminous with the Dorset Police boundary. LRF members have to plan together to be able to use their collective resources in the most effective way in the event of an emergency. BCP Council is a constituent, accountable member of the partnership. LRF planning and activity should therefore not be seen as something separate and discrete to BCP Council. The council has a duty to ensure that it is fully engaged in both the development of multi-agency emergency plans and planning and, in the event of an emergency, responding alongside partner agencies, drawing on the full range of council resources to deliver both aspects.
4. Dorset LRF has a dedicated team funded by LRF partner agencies to facilitate multi-agency planning in line with the requirements of the CCA. This is called the Dorset Civil Contingencies Unit (CCU). The team currently has no legal responsibilities under the CCA. The accountability remains with the category 1 and 2 responder organisations who essentially pay the CCU to assist with delivering these CCA multi-agency planning responsibilities.
5. Within BCP Council emergency planning and business continuity are council wide responsibilities with all services having a role to play in planning and preparation and responding when an incident occurs.
6. In summary, there are two modes of activity: planning and preparation and response and recovery and these are carried out at two different levels, BCP Council (single agency) and Dorset LRF (multi agency). The BCP Council Emergency Planning and Resilience Team supports the council in driving resilience work forward in both modes and at both levels and acts as the everyday interface with the LRF partnership.

Resilience Overview and National Update

7. There are a number of factors that are increasing the spotlight on resilience and intensifying scrutiny of how organisations are meeting their statutory duties. In addition to this, they are bringing new requirements and workload. These factors are:
 - COVID-19 - learning from the response to this and the renewed focus on planning and preparation. The pandemic was a wake-up call in response to the 'it will never happen' attitude that has pervaded.

- LRF and BCP Council capability gaps – known gaps in planning, training etc identified through risk and capability assessment, incident response etc
 - Public inquiries including COVID-19, Manchester Arena and Grenfell and the significant recommendations arising from these
 - National Resilience Framework (2022) – the Government’s framework and vision for resilience going forward with a whole-of-society approach ([The UK Government Resilience Framework \(HTML\) - GOV.UK \(www.gov.uk\)](#)) This means additional work with parish and town councils and communities as well as business to drive the uptake of home emergency plans, community emergency plans and business continuity plans. There are also pilots looking at the concept of a Chief Resilience Officer, equivalent in rank to a Chief Constable or local authority chief executive, as a full-time dedicated officer leading each LRF who will be accountable to executive local democratic leaders. The aim of this would be to ensure effective delivery of resilience activity including integrating resilience into wider local delivery and levelling up as it is generally seen quite separately to most other service delivery.
 - The five-yearly review of the Civil Contingencies Act and the increased focus on external assurance and publicly demonstrating an organisation’s preparedness in line with the CCA.
 - Martyn’s Law/ the Protect Duty arising from the Manchester Arena attack whereby all public accessible venues over a legally specified capacity will need to have contingency plans in place and ensure staff are trained.
 - New national and local workstreams e.g. various counter terrorism workstreams which involve humanitarian assistance, water safety
 - Climate change – a chronic risk on the National Security and Risk Assessment, the omni-present focus on this in the public domain and the increased frequency of severe weather and issues that will ensue
 - New national catastrophic impacts workstream acknowledging the increasingly complex and interrelated nature of incidents when they occur and the systemic impacts that arise as result. This covers risks such as a national power outage.
 - Increase in likelihood of the majority of risks assessed on the National Security and Risk Assessment 2022. Risk assessment is the first duty under the CCA and this underpins the work of emergency planning.
8. In line with the requirements of the council’s statutory duties under the CCA there is a need to ensure that all those with a role in responding are trained and familiar with their roles. The turnover in staff across the council continues to impact all three duty levels (Gold, Silver and Bronze) and work has been underway to recruit internally and train new or incoming staff to ensure that the duty and command structure arrangements remain robust.
9. All three duty levels attended a new mandatory training course late last year on decision making in emergencies. The training was delivered by a barrister who has significant experience in emergency response and public inquiries. A one-day tactical emergency management training course was delivered by external trainers in September to the newer cohort of council Duty Silvers. Staff also continue to attend a range of multi-agency training delivered through the LRF training programme. As is now a requirement of LRFs following a recommendation from the Manchester Arena attack public inquiry, a record of all training is kept and presented to the LRF Executive Board with a charge for non attendance having been introduced. BCP Council is looking at its attendance as it had the second-highest non-attendance figure amongst LRF partners for the year in the recent reporting.

10. In February the Emergency Planning and Resilience Manager delivered an awareness raising session to the Senior Leadership Network. Awareness amongst managers and staff of the council's and their responsibilities is an issue that arises during internal debriefs to incidents and this was to address this.
11. The Emergency Planning Team is the council's corporate team of professional emergency planning and business continuity specialists. They act as facilitators and enablers driving resilience planning and compliance forward. At full complement the team consists of 5 team members. Three members of the team have recently resigned leaving a significant resourcing gap. This gap is being addressed by restructuring the team to better reflect the sensitive and challenging nature and demands of the role and the considerable volume of work required to be undertaken. Whilst the higher grades should be better equipped to meet the demands of the role and require less training and development, this restructuring still leaves a capacity gap within the team to be able to deliver the volume of work required despite rigorous prioritisation. New staff are not likely to be in post until the new year. This will impact on service delivery.
12. As resource becomes more stretched across the council, the engagement from services in the planning side of emergency planning and business continuity is becoming more and more pressured. Resilience activity is often seen as an 'add on' to the day job rather than being seen as part of it and this intensifies when services are under significant pressure. This means that it is harder to progress work and that the timeframes for completing work are becoming longer. This leads to gaps in plans and capability. It also means that staff do not engage in training and exercising. The overall resilience of the council as a result is reduced.
13. Emergency planning and business continuity were removed from the corporate risk register last year and a new risk register held by the Corporate Resilience Board has been established to capture relevant risks. Each risk is allocated to a Board member and the risk register is reviewed at each Board meeting. Current risks on the register include:
 - Failure of the agreed BCP Council resilience governance framework to effectively deliver aims and objectives
 - Lack of suitably trained and aware staff to carry out specialist emergency response roles. More general recruitment and retention issues in operational business as usual teams exacerbate the more specialist roles.
 - Inability to collate vulnerable people and establishment data and map it in a timely fashion to support incident response
 - Lack of a properly resourced and equipped resilient coordination centre
 - Lack of resilient telecommunications.

Emergency Response

14. The main incident response in the reporting period was the oil spill in Poole Harbour in late March originating from the Perenco site. This was a challenging response as the incident site actually sits within the Dorset Council area but most of the media and public attention was focused on BCP Council given the association with Poole Harbour. The lead agency was in fact Poole Harbour Commissioners. A major incident was declared in response to the incident and the Local Resilience Forum emergency response was stood up for a couple of weeks to co-ordinate the multi-agency response. This then transferred responsibility to the LRF Recovery Co-ordinating Group (RCG) which still continues to sit six months after the event albeit with a much-reduced frequency. This group is looking at aspects of recovery such as the remediation and clean up, cost recovery and understanding the potential longer-term environmental impacts of the oil spill. An external company has been commissioned to deliver a report looking at this. It is due to report on its initial findings in the near future with a longer-term piece of work to follow as it may take another couple of years to fully understand the longer-term environmental position.

15. The oil spill was a significant incident and enabled BCP Council to give a good test to its response plans and arrangements. These stood up to the situation with lots of positive feedback from BCP Council colleagues who were involved but also lots of learning. The warning and informing element of the response was particularly complex and BCP Council embedded a Comms Officer within PHC to support them with the communication strategy and messaging in relation to the incident. BCP Council chaired the economic recovery sub-group set up to focus on the business impact and assist with cost recovery claims. This sub-group stood down after a few meetings as all the issues had been dealt with.
16. Separate internal and multi-agency debriefs into the response have been completed with debrief reports being produced containing a series of recommendations for future preparation and response.
17. In line with 'the polluter pays' principle in pollution incidents, BCP Council has submitted a claim to Perenco for recovery of officer time and assets deployed in response to the oil spill.
18. There was also a near miss back in December 2022 when we came very close to drinking water supplies being disrupted and unavailable. This would have seen about 25,000 properties in an area of BCP Council having to use alternative water supplies (i.e. bottled water) or having 'boil notices' issued literally a couple of days before Christmas. In these instances the council is required to work with the water companies to assist with water distribution sites and also ensuring that water supplies reach the most vulnerable taking into account any deprivation issues. Emergency Planning worked with Bournemouth Water and a range of council colleagues to identify appropriate water distribution sites and consider vulnerability issues.
19. The preparation also entailed cross border working with Dorset Council and Hampshire County Council as the area affected was not just confined to BCP Council, but it was most effective to work collaboratively to identify sites that would provide the easiest possible access to a bottled water distribution site for all our affected residents. This would potentially have meant non BCP residents coming to a BCP located site or vice versa.
20. Thankfully it did not come to pass but the quick-time planning work in preparation provided valuable learning. Southern Water in Hampshire also experienced some significant water loss issues around the same time and so the BCP Council experience, along with that of Hampshire, has provided some really good learning that is being built into a short BCP Council water loss document that highlights issues and considerations. An LRF loss of water working group that will look more specifically at alternative water provision and how this can be planned for and carried out is just getting underway with participation from BCP Council Emergency Planning. The freeze-thaw conditions that were seen last December created a range of water loss issues throughout the country and it is an issue that could be seen more frequently with changing weather patterns.
21. The other significant incident for BCP Council during the reporting period was the tragic death of two young people in the sea in Bournemouth in May. This was not actually an emergency in terms of civil contingencies, but it did necessitate a very rapid, co-ordinated response by a range of agencies. BCP Council applied its emergency planning principles to the situation and convened an internal Incident Management Team (IMT) following the incident to coordinate the ongoing response and follow up to the incident. A debrief has been held with a report and recommendations to be taken to the Corporate Resilience Board.
22. An important area of learning arising from recent incident responses is in relation to staff welfare for those directly involved or affected by the incident. This support applies not only to emergency response but also far more broadly in day-to-day council activity. TrIM (Trauma Incident Management) support is used very widely by the emergency services and voluntary agencies to support their staff following traumatic incidents and is a

recognised standard in this field. A range of support is available to BCP Council staff through the employee assistance programme, but this does not include TrIM. A TrIM support offer has been under development co-ordinated by the HR Wellbeing Manager. A small cohort of staff have been trained with the intention of introducing a pilot programme.

Emergency Planning Update

23. Key emergency planning development and activity has been progressing in the following areas:

- Exercise Mighty Oak – this was a three-day national exercise involving government that looked at how the country would respond to a national power outage. Staff from BCP Council took part in all three days. The exercise was held at Police headquarters in Winfrith with no access to technology or the external world to try to replicate what it would be like responding in this particular scenario with no power. Some of the exercise had to be scaled back as it took place three days after the oil spill in Poole Harbour and so certain elements had to be pared back to enable the emergency response to continue alongside participation in the live exercise. The exercise had taken several months of intense activity to plan and therefore LRF partners were keen to participate despite the ongoing circumstances. Following on from this an LRF working group has been established to take forward the learning from the exercise and subsequent planning. Likewise, an internal BCP Council pan-organisational working group is being established. A national power outage is deemed by the UK Government to be a catastrophic risk (low likelihood but extreme impact) given the systemic failure of power, utilities and disruption to all aspects of life that would ensue and the prolonged period of recovery that would follow as a result.
- As part of Exercise Mighty Oak, BCP Council also undertook a test of its message cascade system. This is the manual process by which a message would be cascaded throughout the organisation in the event of a significant issue arising from an emergency or disruption which affects the council's operations such as the closure of the civic centre or a cyber attack affecting the use of corporate IT. The test overall was a success with most managers able to reach the majority of their staff. The test brought the cascade to life and made it real for people. This means that staff better understand what is required and the practicalities of implementing a message cascade as a result. It served to highlight gaps in arrangements and in the business continuity planning behind these arrangements. It also demonstrated the value of testing and exercising and familiarising staff with plans.
- Alongside work planning for a national power outage there was a focus in December and January on planning for and raising awareness of the potential for rolling power outages during the period of peak power demand (usually for a period of weeks following Christmas). This would be due to the demand for electricity being greater than the country's ability to generate it and demand reduction measures would need to be brought in. This could lead to the electricity supply to households being turned off for three-hour periods on a rolling programme. The public would generally be given 24-hours' notice, but it could happen with no notice in the way a power cut may occur. There was considerable focus on this last year as a result of the war in the Ukraine, but it is in fact an ever-present risk with a national code publicly available that outlines the approach. [Electricity supply emergency code \(ESEC\) \(publishing.service.gov.uk\)](https://publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/100000/electricity-supply-emergency-code.pdf) Staff were asked to consider the impacts of rolling power outages from a service delivery perspective as well as a personal resilience one.
- A new corporate cyber response plan had been drafted that would be used in the event of an actual or suspected cyber attack which has had or has the potential to

have an adverse effect on the organisation. This was validated through an internal tabletop exercise in November 2022. The plan was updated following the exercise with learning and has been adopted by the Corporate Resilience Board.

- Bournemouth Airport sits within the footprint of BCP Council and the council has a responsibility to support the humanitarian response to an incident occurring at the airport. It therefore has to work with the airport to plan and prepare how it would work alongside agencies such as the police to support what are known as a Survivors Reception Centre and Friends and Family Reception Centre. These would be established at the airport following a significant incident at the airport such as an air crash to support and gain information from those who had experienced the incident. The airport has a legal requirement to test these plans as a condition of its licence to operate issued by the Civil Aviation Authority. This was postponed due to COVID but had to take place by March 2023. A live exercise was held at the airport one evening in February. Colleagues from Adult Social Care, Children's Social Care, Housing and Emergency Planning all participated in the exercise. This provided a useful opportunity for colleagues to familiarise themselves with their role should the plans be invoked as well as validating the arrangements. A considerable amount of learning was gathered from the exercise and a small working group has been working over the past few months to incorporate the learning into a new plan. The new plan will need to be tested again and another live exercise is looking to be scheduled for winter 2024/25.
- An emergency plan for the coordination of an evacuation of the islands of Poole Harbour has been worked on during 2022/23 following recommendations from previous exercises and incidents. This was adopted by the LRF earlier this year. Although the islands are located within the Dorset Council area, the evacuees would be brought to Poole and therefore BCP Council would be coordinating the humanitarian response alongside a range of partners. A multi-agency tabletop exercise was held in July to validate the plan. Some additional learning has been collated from the debrief and the plan is being updated.
- A further multi-agency tabletop exercise was also held to explore the evacuation of the Studland peninsular. A wildfire broke out there in August 2022 and the National Trust was keen to work with partner agencies to look at exercising a more significant version of this incident to inform the pulling together of a plan. BCP Council was involved in the incident response in 2022 and also in the exercise as an incident and evacuation of the peninsular did and would have a significant impact on the BCP Council area.
- Wildfires are a significant and ongoing risk with the potential for the risk to worsen in future as a result of climate change. The UK is now seeing wildfires occurring that are categorised as being of the same intensity as those occurring in parts of Europe. A BCP Council wildfire response plan has been drafted by Emergency Planning and is currently out for consultation with colleagues across the council. A lot of work has been ongoing across the council in relation to wildfire response and mitigation measures. The LRF wildfire response plan is also undergoing review in light of new guidance from the Association of Chief Fire Officers following a review of the wildfires across the UK in the preceding 12 months.
- LRF Human Aspects Coordinator – within emergency planning the term human aspects is widely used and means 'those activities aimed at addressing the needs of people affected by emergencies; the provision of psychological and social aftercare and support in the short, medium and the long term'. (Eyre et al, 2007). This may include survivors of an incident, the family and friends of survivors and the deceased, those responding to the emergency, and the community living and working in the area affected. Local authorities are deemed to be the lead planner and coordinator of human aspects planning and response

along with the lead for recovery. The human aspects area of work and the associated plans have been identified as a gap across Dorset LRF and been highlighted on the LRF risk register. As a result, BCP Council Emergency Planning made a funding bid to Dorset LRF for a one-year post to fund a staff member to address this capability gap. The funding has been approved and recruitment to the post is getting underway. The post will sit within and be line managed the BCP Council Emergency Planning and Resilience Team but deliver a work programme on behalf of the LRF and not BCP Council workstreams.

- LRF Community Resilience Post - The UK Government Resilience Framework (2022) commits to a whole-of-society approach to resilience so that individuals, businesses and organisations all play a part in building resilience across the UK. Local authorities are the lead on community resilience work and Dorset Council and BCP Council agreed to make a funding bid for an 18-month post using LRF funding to recruit a Community Resilience Liaison Officer. An officer started in role in February, hosted by Dorset Council, and has been engaged in a wide range of activity with parish and town councils and community groups. This has mainly been in the Dorset Council area to date with a programme being put in place to start greater engagement across the BCP Council area working with parish and town councils, ward councillors and community and networks groups. Links for instance have been made with the children's outreach coordinator at AFC Bournemouth. Dorset Prepared, which is the community resilience branding of Dorset LRF, hosted a stand for the four days of the Bournemouth Air Festival led by the LRF Community Resilience Liaison Officer with support from partners. This was to promote personal and community resilience, the idea of home emergency plans and home emergency grab bags in case of evacuation, and community emergency plans and community emergency hubs. This is an area where there is still a considerable amount of work still to be done.
- An internal working group has been established under the Director Commercial Operations who has the PROTECT brief to look at and prepare for the introduction of Martyn's Law. Emergency Planning is a key contributor to this group. The draft Bill was introduced in July of this year but it has not yet been passed as legislation and the final requirements and scope are not yet finalised. It is expected to become law in December 2023/January 2024.
- A new LRF working group co-chaired by BCP Council and Dorset Council has been established to look at the identification of the vulnerable and data sharing around this in response to an incident and how we can better plan and prepare for this. It is an area that all partners are required to consider as part of planning but can be very difficult in reality in incident response.
- Dorset LRF will be running a 2-day live exercise, Exercise Eleos, in October 2024. Live exercises take a considerable amount of planning and a planning group has been meeting since June to co-ordinate the work. The exercise scenario will be based on the risk of coastal flooding across the Dorset LRF area and both councils will be setting up and running a reception centre to practise their arrangements. It will also look at the human aspects of response and longer-term recovery from a significant flooding event.

Business Continuity Update

24. The main focus of business continuity activity continues to the completion of service level BIAs (business impact analysis) and from this service level business continuity response plans. The original deadline was 31st October 2022 with this having been extended several times. This has been flagged by Internal Audit (see section below) as it remains an outstanding item on the Corporate Resilience Board.

25. During the reporting period there has been a number of notable business continuity issues:
- The discovery of a malware issue which caused disruption to the Planning service.
 - A third-party service failure which resulted in a loss of Careline services as well as the out of hours customer service. A co-ordinated corporate response was established to manage the impact of this.
 - The loss of Customer Service daytime telephony.
26. All three of these issues have been reviewed with learning identified which will be fed back into service level business continuity planning. Emergency Planning facilitated a debrief of the out of hours issues and a report with recommendations will be presented to the Corporate Resilience Board in due course.
27. All three incidents highlighted the need for robust business continuity plans and staff awareness in order to recognise the scale of the disruption.

Internal Audit

28. Internal Audit has undertaken its periodic review of corporate emergency planning and business continuity arrangements as a key assurance function. The outcome is a reasonable assurance opinion which means that whilst there is basically a sound control framework in place, there are weaknesses which may put the service objective at risk. To this end Internal Audit made two medium and one low priority recommendations to address the issues identified. These were in relation to the fact that:
- not all services have completed business impact analyses and business continuity plans in line with the corporate deadline and this deadline continues to be extended.
 - there is not a corporate programme of testing and exercising of plans in place.
 - there are gaps in the BCP Resilience Forum representation with not all services having a nominated Service Representative with Responsibility for Resilience and there are gaps in their attendance.
29. The recommendations are being looked at and appropriate action considered. Given the current reduced resource in the Emergency Planning Team, supporting delivery of a corporate training and exercising programme will remain challenging.

Summary of financial implications

30. There are no direct financial implications of this report. The council's Emergency Planning and Resilience Team has an operating budget of £257,200 for 2023/24. This budget provides the funding for 5 staff as well as standby and call out payments for the 24/7/365 pool of Emergency Planning Duty Officers (Bronze). Gold and Silver duty holders are not paid to be on call or if called out, this having been evaluated within the pay and grading of their core roles. There is also a £72,900 budget for the council's contribution to the Dorset CCU as described in paragraph 4.

Summary of legal implications

31. Failure to have in place effective emergency planning or business continuity planning and arrangements may result in the council not meeting its statutory requirements under the Civil Contingencies Act.

Summary of human resources implications

32. There are no direct human resources implications from this report.

Summary of sustainability impact

33. There is no direct sustainability impact from this report. However, it should be noted that the frequency of emergencies related to severe weather, be it extreme heat, drought, wildfires, storms or flooding, is likely to increase over coming years as a result of climate change. Having seen the range of extreme and intense weather-related incidents experienced around the globe in the past year, the council needs to ensure it is well prepared to respond to the consequences of these through its emergency planning and preparedness alongside any mitigation and adaption measures through its climate change programme.

Summary of public health implications

34. There are no direct public health implications from this report. Having emergency and business continuity plans in place in line with the council's statutory duties means that it will be better placed to respond to public health emergencies or public health consequences of incidents as and when they occur.

Summary of equality implications

35. There are no direct equality implications from this report.

Summary of risk assessment

36. Failure to have in place effective emergency planning and business continuity arrangements could result in the council not being able to effectively respond to an emergency affecting Bournemouth, Christchurch and Poole or not being able to deliver critical services in the event of disruption.

37. As the organisation faces further resourcing challenges with a reducing workforce the engagement from services in planning for emergencies and business continuity becomes more and more limited as it is not seen as an immediate risk or challenge compared to everyday activity. It also means that the timescales required to complete planning activity are very much increased.

38. There is a business continuity risk to the organisation in terms of succession planning arising from the considerable loss of knowledge and experience when staff leave.

Background papers

None

Appendices

There are no appendices to this report.

AUDIT AND GOVERNANCE COMMITTEE



Report subject	Internal Audit - 2nd Quarter, 2023/24, Audit Plan Update
Meeting date	26 October 2023
Status	Public Report
Executive summary	<p>This report details progress made on delivery of the 2023/24 Audit Plan for the period July to September (inclusive) 2023. The report highlights that:</p> <ul style="list-style-type: none"> • 4 audit assignments have been finalised, including 1 'Partial', 2 'Reasonable' and 1 'Consultancy' audit opinions; • 27 audit assignments are in progress, including 7 at draft report stage; • £12.7M of grant expenditure has been certified, as required by the issuing Government department, as meeting grant conditions; • Internal Audit issued a report on seafront pop-up activity, incorporating 'Bayside' restaurant making 18 recommendations. The Director of Commercial Operations has led on implementing recommendations and has finalised other investigatory work. • For a breach of Financial Regulation, previously reported to this Committee, an investigation has concluded and the Director of Commercial Operations has taken action in line with the disciplinary policy and procedures; • Three apprentices have been successfully recruited, however, the resignation of an auditor means that there will be further impact on the delivery of the audit plan; • 6 'High' priority audit recommendations have not been implemented by the original target date. Explanations from respective Directors appear reasonable and revised target dates have been agreed.
Recommendations	<p>It is RECOMMENDED that:</p> <ul style="list-style-type: none"> a) Audit & Governance Committee note progress made and issues arising on the delivery of the 2023/24 Internal Audit Plan. b) Note the explanations provided (Appendix 3) and determine, in the case of High Priority recommendations not implemented by the initially agreed target date, if further explanation and assurance from the Service / Corporate Director is required.

Reason for recommendations	To communicate progress on the delivery of the 2023/24 Internal Audit Plan. To ensure Audit & Governance Committee are fully informed of the significant issues arising from the work of Internal Audit during the quarter.
Portfolio Holder(s):	Cllr Mike Cox, Finance
Corporate Director	Ian O'Donnell, Corporate Director Resources
Report Authors	Nigel Stannard Head of Audit & Management Assurance ☎01202 128784 ✉ nigel.stannard@bcpcouncil.gov.uk
Wards	Council-wide
Classification	For Decision and Information

Background

1. This report details Internal Audit's progress against the 2023/24 Audit Plan for the period July 2023 to September 2023 inclusive and reports the audit opinion of the assignments completed during this period.
2. The report also provides an update on significant issues arising and implementation of internal audit recommendations by management.
3. Some audit fieldwork has 'straddled' both the 2022/23 and 2023/24 Audit Plan years, these audits are shown with the following description '2022/23/24'.

Delivery of the 2023/24 Internal Audit Plan – Quarter 2 review

4. Four audit assignments have been fully completed in this quarter of 2023/24 (Jul-Sep 23) as outlined below.

2023/24 Audits Completed

	Service Area	Audit & Scope	Assurance Opinion	Recommendations		
				High	Med	Low
1	Corporate Parenting	Care Leaver's Offer Care experienced young people have been offered the assistance they are entitled to	Partial	1	2	0
2	Housing & Communities	BCP Homes Governance Review – review of arrangements in the following key assurance function areas: ➤ Asset Management	Reasonable	1	5	0

		<ul style="list-style-type: none"> ➤ Financial Management ➤ Business Resilience ➤ Human Resources ➤ ICT ➤ Procurement ➤ Business Planning & Performance Management ➤ Risk Management ➤ Information Governance ➤ Health & Safety ➤ Project & Programme Management 				
3	Planning & Destination	Planning Contributions <ul style="list-style-type: none"> ➤ Contributions are consistent, fair and/or sufficient ➤ The Council collects payments when due ➤ Records are complete, accurate and/or timely ➤ Refunds 	Reasonable	0	7	5
4	Children's Services	Performance Management & Governance <ul style="list-style-type: none"> ➤ To confirm that assurance can be taken from the CS Governance Framework for high-risk areas and are monitored effectively 	Consultancy	-	-	-
Total Recommendations				2	14	5

Key:

- **Substantial Assurance** - There is a sound control framework which is designed to achieve the service objectives, with key controls being consistently applied.
- **Reasonable Assurance** - Whilst there is basically a sound control framework, there are some weaknesses which may put service objectives at risk.
- **Partial Assurance** - There are weaknesses in the control framework which are putting service objectives at risk.
- **Minimal Assurance** - The control framework is generally poor and as such service objectives are at significant risk.
- **KFS** – Key Financial System
- **KAF** – Key Assurance Function

5. There was one 'Partial' assurance audit reports issued during the quarter as follows:

Corporate Parenting – Care Leaver's Offer

Three recommendations (1 high and 2 medium) were made in this Audit Report which resulted in a 'Partial Assurance' audit opinion. The following issues were found:

- There is no high-level overview of whether individual Care Leavers have been offered appropriate services to meet their needs and whether outcomes have been met (high)

- The range of services which make up the Council's Care Leaver Offer is not currently available on the Council website (medium)
- Pathway Plans for Care Experienced Young People are not being updated as regularly as required (medium)

7. There were no 'Minimal' assurance audit reports issued during the quarter.

8. The status of other audits in progress (Jul-Sep 2023) is outlined below:

2023/24 Audits In Progress

	Service Area	Audit	Progress
1	Finance	Council Tax Data Analytics	Draft Report
2	IT & Programmes	Disaster Recovery	Draft Report
3	People & Culture	Scheme of Delegation Compliance	Draft Report
4	Finance	Business Continuity (Core KAF)	Draft Report
5	Commissioning	Brokerage & Contracts	Draft Report
6	Finance	Council Tax (KFS)	Draft Report
7	Operations	Council Wholly / Partly-Owned Entities Governance Self-Assessment	Draft Report
8	Finance	NNDR (KFS)	Fieldwork
9	Schools (Education & Skills)	Christchurch Infants School	Fieldwork
10	Schools (Education & Skills)	Mudeford Juniors	Fieldwork
11	Schools (Education & Skills)	Mudeford Infants	Fieldwork
12	Adult Social Care	Managing Other People's Money	Fieldwork
13	Environment	Bereavement Services Income	Fieldwork
14	Children's Services	Agency Staffing	Fieldwork
15	Finance	Financial Assessment (KFS)	Fieldwork
16	Adult Social Care	Health & Safety and Fire Safety (KAF)	Fieldwork
17	Safeguarding & Early Help	Section 17	Fieldwork
18	People & Culture	HR (Core KAF)	Fieldwork
19	Adult Social Care	Hospital Discharge Service	Fieldwork
20	IT & Programmes	Network Security (PSN/Cyber)	Fieldwork
21	Finance	Financial Management (Core KAF)	Scoping
22	Finance	Main Accounting (KFS)	Scoping
23	Housing & Community	Housing Tenancy (Counter Fraud)	Scoping
24	People & Culture	Payroll (KFS)	Scoping

25	Customer, Arts & Property	Business Planning & Performance Management – Customer Services (KAF)	Scoping
26	Finance	Treasury Management (KFS)	Scoping
27	Finance	Treasury Management (Counter Fraud)	Scoping

2023/24 Audits Planned for Quarter 3 (Oct-Dec 23) - Provisional

	Service Area	Audit
1	Commercial Operations	Seafront Recruitment
2	People & Culture	Employee Additional Payments Review
3	Children's Services	Risk Management (KAF)
4	IT & Programmes	Project Management (Core KAF)
5	Schools (Education & Skills)	St Katherines Church of England School
6	Infrastructure	Road Safety
7	Finance	Asset Management (Estates)(Core KAF)
8	Education & Skills	Schools Admissions (Counter Fraud)
9	Finance	Creditors (KFS)
10	Commissioning	Procurement (Core KAF)
11	Education & Skills	Pupil Premium Grant
12	Infrastructure	Delivery of Regeneration
13	Planning & Destination	Developer Contributions - Management of Spend
14	Law & Governance	Information Governance (Core KAF)
15	Finance	IR 35 Compliance
16	Environment	SEND Passenger Transport

9. The 2023/24 audit plan is kept under review to ensure that any emerging higher risks are considered along with available resource. No additional planned changes have been made to the 2023/24 audit plan during this quarter.

Significant Issues Arising and Other Work

Grant certification work

10. During the quarter, work was undertaken to certify grant and external funding schemes totalling approximately £12.7 million as required by the grant funding conditions. The grants include:

- a. Aspire;
- b. Supporting Families;
- c. Various Department for Transport grants;
- d. Disabled Facilities Grant;
- e. Early Education Funding

Review of Pop-up/Temporary activities incorporating Bayside restaurant

11. At the 27 July meeting of A&G Committee the following brief update was given:

Commercial Operations – Seafront : Review of Pop-Up/ Temporary Activities
Incorporating Bayside Restaurant

Eighteen recommendations were made. Due to the nature of the review, assurance ratings were given across the sixteen agreed scope areas as follows - Minimal (3), Partial (11), and Reasonable (1) (utilising the agreed assurance ratings adopted by Internal Audit in line with the agreed Audit Charter).

It should be noted that the investigation found no evidence of fraud.

The final investigation report has only recently been issued and service management are in the process of implementing the agreed recommendations and considering any further actions that may be necessary. Once any further management actions are determined, A&G committee will receive a further update which will include a summary of the issues found and how the implementation of recommendations has progressed.

12. The Executive Summary from the Internal Audit report is shown at Appendix 1.

13. The full Internal Audit report contains exempt information as set out in the Access to Information Procedure rules:

The report contains information that meets the definitions at:

9.2.1. information relating to any individual;

9.2.2. information which is likely to reveal the identity of an individual;

9.2.3. information relating to the financial or business affairs of any particular person (including the authority holding that information);

The full Internal Audit report is provided at Appendix 2, should Councillors wish to ask questions about the full report the Committee will need to move into a Part 2 session excluding the press and public.

14. The final audit investigation report was issued on 12 June 2023 and contained eighteen recommendations. A summary of the recommendations is shown below:

- The overarching approach for pop-up restaurants and activities should be formally documented.
- Formal consideration should be given to the creation of an overarching Pop-Ups Programme.
- Consideration should be given to making appropriate reference to pop-ups and inclusion of supporting high-level actions in Service and Team Plans.
- All future pop-up activities should be informed by a business case, financial assessment, risk assessment and an issue log.
- Consideration should be given to completing formal Officer Decision Record forms for all future decisions to undertake pop-ups and events.
- Arrangements should be put in place to ensure that Licence applications are sufficiently focussed and detailed to allow key stakeholders to make a pragmatic assessment of likely effects on legal duties including prevention of public disturbance, public nuisance and harm to children.

- Detailed financial analysis should be undertaken of contractors involved in pop-up activities.
 - Formal consideration should be given to aggregating activities into larger packages where possible and appropriate to do so to increase the number of potential providers and potentially offer better value for money for the Council through greater competition.
 - Where potential conflicts of interests are declared, detail should be provided on how these are to be managed and whether the individuals or their organisations currently or will potentially transact with the Council.
 - Contractual arrangements should ensure an appropriate balance of risk and reward.
 - Sufficient time should be allowed to ensure Legal Agreements with suppliers are drafted and signed-off as far in advance of operation as possible.
 - Stock control procedures and processes should be determined in advance and sufficient time should be allowed between infrastructure installation and commencement of trading to ensure they function as expected.
 - Budget codes and cost centres should be reviewed and disaggregated to ensure that arrangements better align to activity and financial performance of individual pop-up activities and events can be more readily measured.
 - Officers should be reminded that Purchase Orders should be raised at the point of order and not on receipt of invoice.
 - Formal lessons learned exercises should be undertaken for each pop-up 'project' and the outcome documented and disseminated appropriately.
 - Process / responsibility for responding to FOI and other information requests should be formally agreed to ensure they're dealt with as efficiently and effectively as possible and with due regard to transparency principles.
 - Sufficient time should be allowed for planning future pop-ups and events projects to ensure that risks and challenges are fully considered, and alternative options are explored and evaluated.
 - For future in-house or hybrid operations, sufficient time should be allowed for staff training and systems set-up following installation of infrastructure.
15. The audit investigation concluded that there was no evidence of fraud, although various shortcomings were identified in terms of how the project was developed and that learning has led to a range of actions required for improvement.
16. The findings and learnings from this audit report have been taken seriously by the Service area as well as the organisation as a whole and the Director of Commercial Operations is committed to ensuring the improvements and changes to practices required are delivered upon.
17. The Director of Commercial Operations has instigated a number of actions to ensure the recommendations are understood by staff and are acted upon, and to directly respond to the audit report recommendations, some examples of the improvements that have been made so far are:
- Training delivered to staff on financial regulations and procurement processes, this is due to be refreshed in the coming months.

- Staff understand the Officer Decision Record process, including when these are required and how to complete them and Officer Decision Records are now firmly established as standard practice.
 - A review of the Seafront Strategy is underway, this will consider the fit of Pop-ups to the strategic direction and intent of BCP Council and will help inform the response to a number of the recommendations from the audit report.
 - Staff understand the income generation requirements for commercial services, staff now ensure that all resource required to deliver and support the service is taken into account when setting fees to ensure at least full cost recovery is achieved.
 - Teams are now carrying out regular reviews of services, reviewing performance and operations to ensure triggers for pausing or ending a service are identified as early as possible.
 - Teams are owning the review of the operation and delivery of seasonal, temporary or one-off services and activities, these reviews take place during the operation as well as a more detailed review on completion of the service, this includes a lessons learned log. For the 2023 seafront pop-ups offer, this review is underway, once finalised, the findings and learnings will be disseminated to wider teams and staff and will feed into the Seafront Strategy review. An early learning identified from this review is that moving forward, planning permission is required to have been obtained, where required, for any pop-up offer.
 - Declaration of interest forms submitted by staff, and where required mitigations have been put into place.
18. Staff now take responsibility for undertaking their own mandatory training, this is monitored by the Head of Service and is supported by additional guidance around corporate processes and procedures. Dates for refresher, face to face, training sessions where examples specific to Commercial Operation will be discussed are in the process of being arranged.
19. As part of the response to the Seafront Pop-up and Bayside Restaurant internal audit report findings, at the request of the Chief Operations Officer, an independent Code of Conduct, disciplinary investigation has been undertaken in relation to one member of BCP Council staff in connection to Bayside Restaurant, the focus of the investigation was to consider four areas of concern which have been summarised below:
- A declaration of interests form had been signed declaring a close personal interest with an organisation, yet there were no measures taken to distance the staff member involved from the procurement process
 - The audit report highlights concerns relating to the contract award and the subsequent financial performance. Appropriate scrutiny was not applied to the financial forecast provided and the figures provided were unrealistic.
 - The absence of a formal decision record does not facilitate transparency and public justification and had the potential to be construed as masking improper influence over procurement decisions.
 - Limited risk assessment undertaken in procurement process.

20. The HR team sought to procure an external investigator to oversee this disciplinary investigation, four external consultants were approached by the Council in relation to this piece of work but none of them were able to commit to undertaking this work for a variety of reasons including a potential identified conflict of interest, the requirement for specific knowledge relating to internal local government procurement processes and the perceived complexities of the case.
21. The disciplinary investigation was therefore undertaken by an independent BCP Council Service Director who gathered evidence from a number of individuals as well as undertaking a desk-based review of documentation.
22. The conclusion of the investigation was that 'despite the fact that lessons can be learnt, which are comprehensively detailed in the audit report, it is the conclusion of this investigation that a specific disciplinary focus on the staff member investigated is not warranted, that the allegations are not substantiated and that the involvement they had does not constitute misconduct'.

Updated information on previous reported breach of Financial Regulations

23. As part of the July 2023 Annual Breaches & Waivers report to Audit & Governance Committee, a breach (Br3) of £39,125 in respect of a wellbeing experience project funded by European Regional Development Funding (ERDF – Aspire). A further £9,120 was subsequently incurred in the same manner as the reported breach, bringing the total breach to £48,245.
24. Also, as part of the July 2023 Annual Breaches & Waivers report to Audit & Governance Committee report, a breach (Br11) of £425,000 was reported, as follows, in relation to a project in the Destination & Culture directorate, which has now been restructured and forms part of the Commercial Operations Directorate:

Br11, Destination & Culture, £425,000 (rounded) A Procurement Decision Record (PDR) was appropriately created for an initial £25,000 to commission a strategy and action plan for the project. A commissioning officer wrongly assumed this PDR then covered further work associated with delivering the strategy and action plan, and further purchase orders were raised over a period of about 9 months. The Head of Service is currently investigating the detail of this breach, supported by the new Director of Commercial Operations. A further update will be presented to the A&G Committee when this investigation has been concluded and the outcomes are clear. In the interim the Head of Audit & Management Assurance was asked by the Director, and has delivered, a training and awareness session covering BCP Council Financial Regulations and Public Contract Regulations 2015 requirements for commissioners within the new Commercial Operations Directorate.
25. An independent Code of Conduct, disciplinary investigation, by an officer from another service area, has concluded that officers in Destination and Culture acted in good faith but did not undertake appropriate training, diligence and self-awareness of Council policies and procedures before commissioning and procuring services from third parties resulting in the reported breach of Financial Regulations. The investigation also concluded that there was insufficient supervision and lack of clear management oversight which consequently missed opportunities to minimise the size and span of the eventual breach. The Director of Commercial Operations has taken action in line with the disciplinary policy and procedures.
26. The Director of Commercial Operations and the Head of Service has provided training to staff to ensure the staff member connected to this breach as well as staff across the service have the required knowledge and awareness of the financial regulations and Council processes. This training is due to be refreshed in the coming months.

Internal Audit Team capacity and apprentice update

27. At the previous quarterly update in July 2023 Committee, the Internal Audit team were carrying a number of vacancies. Since then, we have successfully recruited three apprentices who are now in post and commencing their Level 4 Chartered Institute of Internal Auditors Internal Audit Practitioner apprenticeship this month. One senior Auditor has since resigned and is leaving BCP Council in November. This reduces the 2023/24 audit plan by approximately 110 days, approximately 70 of which are direct core audit days. If left unfilled, this would result in 260 days, 160 direct core days in future years. Management are currently considering how this will be managed for 2023/24 and in subsequent years, given the context of expenditure controls and vacancy management arrangements, previous difficulty in recruiting experienced audit staff and ultimately the impact on the Chief Internal Auditor to be able to provide assurance through the annual report. Once this has been decided, the Audit Plan for the remainder of the year will be reviewed and, if necessary, audits deleted from the plan on a risk basis. If this is the case, the CIA will need to proactively seek other assurance sources to be able to produce the annual statement.

Implementation of Internal Audit Recommendations

28. It is a requirement of the Audit Charter that all High Priority recommendations that have not been implemented by the initially agreed target date will be reported to the Audit & Governance Committee. This is to ensure the Committee is fully appraised of the speed of implementation to resolve, by priority, the most significant weaknesses in systems and controls identified.
29. There were 6 recommendations across 4 audits which met the criteria, they are shown in detail in Appendix 3.
30. It should be noted that the first 3 recommendations on the schedule are shown for a second time as the agreed revised date has passed. Consequently, Internal Audit have required a more detailed explanation as to why this was the case, shown in the Explanation from Director column.
31. For the remaining 3, Internal Audit have received assurance that work is on-going to address the risks highlighted by the recommendations and reasonable explanations, explaining delays, have been received. Audit & Governance Committee are asked to review Appendix 2, along with the explanations and the revised timescales. Relevant Directors can be asked for further explanations as required, explanations can be in written or verbal form, as the Committee deems appropriate for each individual circumstance.
32. All remaining High Priority recommendations followed up during the period (in line with the agreed action plan) were found to have been satisfactorily implemented by management.
33. The Audit Charter also requires any management proposed revisions to the implementation dates of Medium Priority recommendations to be agreed by the Chief Internal Auditor, who will report to Audit & Governance Committee any such requests considered unreasonable. There are no such instances this quarter.

Options Appraisal

34. An options appraisal is not applicable for this report.

Summary of financial implications

35. The BCP Internal Audit Team budgeted cost for 2023/24 is £742,600 (subject to any final pay awards) which is inclusive of all direct costs including supplies & services but does not include the apportionment of central support costs (which are budgeted in aggregate and apportioned to services as a separate exercise). The budget cost above is inclusive of the Head of Audit & Management Assurance who manages other teams.
36. The vacancies highlighted in paragraph 27, will result in an underspend against the budget for this financial year. Depending on a range of factors, such as vacancy clearance and recruitment timing, the underspend will be between £20,000 and £30,000. Adding this underspend to those previously explained and reported in the first part of the financial year will likely lead to an aggregate underspend of about £50,000. This figure has been included in the outturn projections in the latest corporate budget monitoring report.

Summary of legal implications

37. This report gives a source of assurance on the adequacy and effectiveness of the risk, control, and governance systems in place.

Summary of human resources implications

38. The BCP Internal Audit Team currently consists of 14.3 FTE. This includes 3.0 FTE apprentices to cover 2.0 FTE formal establishment vacancies as per the July 2023 audit report. The FTE count will reduce by 1.0 FTE in November due to a known vacancy arising as an auditor will leave for an external opportunity.

Summary of sustainability impact

39. There are no direct sustainability impact implications from this report.

Summary of public health implications

40. There are no direct public health implications from this report.

Summary of equality implications

41. There are no direct equality implications from this report.

Summary of risk assessment

42. The risk implications are set out in the content of this report.

Background papers

None

Appendices

Appendix 1 - Executive Summary Internal Audit report - Review of Pop-Up / temporary activities incorporating Bayside restaurant

Appendix 2 – **Confidential & Redated** – Full Internal Audit report - Review of Pop-Up / temporary activities incorporating Bayside restaurant

Appendix 3 - High Priority recommendations – original target date for implementation not met

Appendix 1 – Executive Summary Internal Audit report – Review of Pop-Up / temporary activities incorporating Bayside restaurant

INTERNAL AUDIT REPORT Seafront: Review of Pop-Up / Temporary Activities Incorporating Bayside Restaurant – 2022/23/24



A. Executive Summary

The objectives of this review were to determine and assess adequacy of governance, oversight and operational arrangements relating to pop-up / temporary activities on the Seafront and Bayside Restaurant in particular.

In total we have made 18 recommendations, 16 Medium Priority and two Low Priority. A summary of recommendations can be found in Appendix E.

Area of Scope	Key Findings	Assurance Rating
1. Timeline and key decisions taken		
1.1 Produce Bayside Restaurant project timeline including officer key decisions		N/A
2. Fit with Seafront Strategy and associated action plans, programmes and projects		
2.1 Determine overall strategy for use of pop-up restaurants and activities on Seafront	There is no pop-ups strategy in place nor other formal articulation of the Seafront pop-ups approach and only scant mention in the Seafront Strategy.	Partial
2.2 Review how pop-up restaurants and activities fit with Seafront Strategy and/or other relevant strategies	Pop-ups are mentioned in the Seafront Strategy in relation to specific 'character areas' but there is no articulation of the overarching approach.	Partial
2.3 Identify and review associated service / project / programme / action plans	There is no overarching pop-ups programme nor associated plan in place. Service Plan makes no mention of pop-ups and only passing reference in the [REDACTED] Service Plan.	Partial
3. Business planning, risk assessment and associated approvals process		
3.1 Determine overall business planning arrangements for pop-up restaurants and activities	There are no formal business plans or project plans in place for individual pop-ups.	Minimal
3.2 Review overall adequacy of Bayside Restaurant business case	No formal business case was in place for Bayside. Reliance was placed on financial modelling information provided by the third party operator, [REDACTED].	Minimal

Area of Scope	Key Findings	Assurance Rating
3.3 Review Bayside Restaurant business case financial assessment	<p>Of the four scenarios modelled by [REDACTED], the most likely case was only projected to return a profit of c.£36k, not accounting for profit sharing and apparent overstatement of takeaway income which would reduce the Council's share of projected net profit to c.£6k.</p> <p>In June 2022 abortive costs of not going ahead with Bayside were estimated at up to £80k, whereas in March 2022 they were expected to be "up to £25k" with cancellation of the venture presented as "Maybe the most pragmatic option".</p>	Partial
3.4 Review Bayside Restaurant business case risk identification, sensitivity analysis and plans for ongoing risk and issue management	<p>Limited risk assessment was carried out as part of the Procurement Waivers process.</p> <p>No formal arrangements were put in place for ongoing risk and issue management.</p> <p>The widely held view amongst staff that Bayside was undertaken at councillors' insistence is not reflected in correspondence between [REDACTED] and [REDACTED].</p>	Partial
3.5 Review Bayside Restaurant business case approval and ongoing governance arrangements including roles and responsibilities, reporting and escalation of issues arising.	<p>Decision making arrangements have been difficult to determine with no clearly documented formal decision record beyond the limited detail contained within Procurement Waivers.</p> <p>The ultimate definitive decision to proceed with Bayside appears to have been made by [REDACTED] in June 2022.</p> <p>Officers and third party contractors felt that, even where they raised concerns, these were dismissed on the basis that Bayside was a trial and it was what councillors and/or the Council wanted. Many interviewees also reported that the aims and objectives of the restaurant were unclear from the outset.</p>	Partial
4. Procurement and contract management arrangements		
4.1 Determine overall process for procurement and contract management for seafront pop-ups including compliance with Financial Regulations	<p>Separate contracts were put in place with the Bayside and Air Festival events and catering providers despite the two suppliers essentially being a 'package'.</p> <p>Aggregate expenditure by Destination & Culture with [REDACTED] is significant, more than £350k non-tendered spend having been incurred since April 2019.</p> <p>It is not clear that consideration has been given to aggregating any of this work to make it more attractive to the market and ensure value for money is obtained.</p> <p>Quotations had not been obtained in the recent past for Air Festival Hospitality provision (of which Bayside was arranged as an extension) due to the absence of alternative suitable providers, however, this assertion cannot be evidenced in the absence of market testing.</p> <p>Whilst not comprehensively reviewed, sample testing suggests that other pop-up food outlets have been tendered in accordance with Financial Regulations.</p>	Partial

Area of Scope	Key Findings	Assurance Rating
4.2 Review procurement arrangements for Bayside Restaurant including specification, award process and contract design	Contract design was weighted heavily in favour of the third party operators with payment of a fixed fee plus profit share and no liability for losses. Waivers were signed by [REDACTED] despite having declared a close personal relationship with the Directors of the operating company. The [REDACTED] made a similar declaration and was found to have had significant involvement in the Bayside decision.	Partial
4.3 Review Bayside Restaurant contract management arrangements	Bayside was framed as a 'trial' of a mixed management model, but there was little meaningful management oversight during operation. Insufficient time was allowed between infrastructure installation and opening to allow contract monitoring and performance management arrangements to be put in place.	Partial
5. Financial and performance management arrangements		
5.1 Review calculation of expected outturn for Bayside Restaurant to confirm accuracy and completeness	Arrangements appear reasonable. The final outturn figure was calculated to be a £173.5k net loss.	Reasonable
5.2 Determine process for financial and performance management of seafront pop-up restaurants and activities with specific focus on Bayside Restaurant	Budget codes and cost centres are aggregated at too high a level and do not always align to activity. Financial monitoring is undertaken at a high level which masks individual pop-up / event performance and risks poor performance going unnoticed and unchecked. Sample testing identified instances of poor financial management practice including miscoding and purchase orders having been raised retrospectively following receipt of invoice.	Partial
6. Closedown and lessons learned		
6.1 Review lessons learned from previous pop-up projects including Bayside Restaurant	No formal lessons learned exercises have been undertaken for pop-up projects including Bayside. Lessons were not learned from a failed similar 'upmarket' undertaking at West Cliff earlier in 2022.	Minimal
6.2 Review Bayside Restaurant end of contract arrangements including equipment and stock	Insufficient set-up time and subsequent system issues meant that stock controls were largely non-existent throughout the operating period. There is no obvious evidence of over-ordering, excessive wastage or theft of stock, however, in the absence of robust stock controls, reasonable assurance cannot be given. There was significant expenditure on front of house staffing, arrangements for which appear to have been insufficiently flexible to adapt to fluctuating demand.	Partial

Appendix 3 - Table showing High Priority recommendations where the original target date for implementation was not met

Recommendation	Original Target Date	Explanation from Director	Revised Target Date	Internal Audit Comments
Education & Skills - Alternative Provision (AP) 2022/23				
The adequacy of placement monitoring should be reviewed in order to be able to confirm that a young person placed in Alternative Provision is receiving an equivalent education to that of mainstream schools.	30/5/23	Children placed at Alternative Education Provision (AEP) schools who are identified as at risk or who are not successfully engaging with their placement are reviewed in detail with the AEP on a termly basis. Weekly reports are received from any unregistered AEP regarding children placed with them. Whilst it is recognised this is not sufficient, given current capacity limitations the approach to prioritise has been chosen whilst a service review is underway. EHCP for SEND placements in Alternative Provision are reviewed on an annual basis. Inclusion Service placements are reviewed on at least an annual basis. Review processes to be further developed through AP review and service redesign process.	31/12/23	Full service redesign is underway to address the risk. Interim actions to be in place to prioritise children identified as risk or non-engaging.
Children's Services – Capital Programme 2021/22				
<p>The Children's Service Capital Programme Strategy should be updated to ensure it considers the following:</p> <ul style="list-style-type: none"> • Aims & objectives. • Roles, responsibilities and accountabilities. • How it links to the Council's Big Plan and other relevant corporate strategies. • Governance arrangements, including oversight of the Capital Programme Board linking into the corporate capital and reporting processes • Links to policies such as condition survey, including frequency and grading criteria used and impact on budget setting process, Capital Project Methodology. • How it links to the SEND Strategy and any other additional funding received. 	30/6/22	Restructure paper for Children's Capital has been considered by Children's SLT and passed to CMB. Once accepted we can begin the recruitment work to implement the new structure. Request has been made through the Delivering Better Value Project for a project manager to support mapping the procurement and commissioning of additional SEND sufficiency for EOI through acceptance, planning, legal, commissioning to build and populating with SEND Children and Young People.	31/12/23	Improvement project underway to address the risks.

Recommendation	Original Target Date	Explanation from Director	Revised Target Date	Internal Audit Comments
<p>The Service should ensure that the following improvements to the programme governance arrangements are made:</p> <ul style="list-style-type: none"> • Determination of a Programme Manager responsible for the delivery of the Children's Services Capital Programme. • Implement a standard capital project methodology which should include a business case / feasibility study, a project gateway process and a clear approval process. • Formalisation for the commissioning of project managers. • Clarifying the Team / Board responsible for receiving regular capital programme and project updates and in what format. 	30/6/22	<p>Delays with the work to restructure the team mean that interim arrangements for the management of schemes are continuing. The restructure was considered by Children's SLT in August 2023 and includes provision for a Programme Manager, School Project Manager and Assistant roles and a SEND Capital Lead. The roles that make up the team evaluated in July 2023. It is planned that the new structure will be implemented as soon as the formal approval of the structure and HR activities are complete. Awaiting SLT approval of revised budget which now included On Costs. Then will be passed to CMB for approval. Recruitment can then commence.</p>	31/12/23	Improvement project underway to address the risks.
IT & Programmes – IT Infrastructure & Hardware Procurement & Asset Management				
<p>The ICT asset register should be reviewed to ensure the serial numbers within it are accurate and complete.</p> <p>Whilst this is being done, all other data should be reviewed to confirm accuracy and completeness.</p>	30/9/23	<p>Records have been reviewed and duplication of records identified and corrected. Serial numbers have been checked against Intune and SCCM to identify correct devices where possible to do so remotely. Kit known to have been disposed of previously decommissioned in Assist.</p> <p>User allocations have been checked and completed with the exception of Tablets where a change is necessary to the Assist system to correct the upload of User accounts (scheduled for w/c 23/10/23)</p> <p>Quarterly reviews will be carried out to ensure consistency of data in future.</p>	31/11/23	Actions are underway to implement the recommendations.
<p>The configuration of System Centre Configuration Manager (SCCM) should be reviewed to ensure that all active and inactive assets are reported correctly. After this, data used by SCCM should be reviewed to ensure it is correct and that no duplicate data exists.</p> <p>SCCM should also be reconciled to the ICT asset register on a regular basis.</p>	30/9/23	<p>Review has been taken of data in SCCM to identify inconsistencies. Work is being carried out to correct errors in SCCM. A large number of devices that are in Assist but not in SCCM are new kit still stored by XMA in their warehouse awaiting call off so would not be picked up by SCCM.</p> <p>Ongoing reviews will be carried out by Service Delivery team at regular periods (quarterly) to ensure consistency.</p>	31/11/23	Actions are underway to implement the recommendations.

Recommendation	Original Target Date	Explanation from Director	Revised Target Date	Internal Audit Comments
Adult Social Care – Brokerage Procurement				
Ensure Booking forms and/or letter of agreements are in place for all parties involved in a timely manner. Ensure signed copies are retained.	30/9/23	Due to the timing of the recommendation target date, an update will be provided at the next A&G Committee if necessary.	To be agreed if necessary	An update will be provided at the next A&G Committee if necessary.


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By virtue of paragraph(s) 1,2,3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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AUDIT AND GOVERNANCE COMMITTEE

Report subject	Annual Report of Internal Audit Counter Fraud Work and Whistleblowing Referrals 2022/23
Meeting date	26 October 2023
Status	Public Report
Executive summary	<p>This report details counter fraud work carried out by Internal Audit to provide assurance on the Council's response to combating fraud and corruption.</p> <p>Internal Audit have investigated all allegations of suspected fraud or financial irregularity in a proportionate manner.</p> <p>Six formal whistleblowing referrals for the Council were received and investigated by Internal Audit during 2022/23.</p>
Recommendations	<p>It is RECOMMENDED that:</p> <p>a) the counter fraud work & investigations carried out by Internal Audit during 2022/23 be noted;</p> <p>b) the whistleblowing referrals received during 2022/23 be noted.</p>
Reason for recommendations	To enable the Audit & Governance Committee to consider the effectiveness of the Council's governance arrangements surrounding counter fraud and corruption including whistleblowing.
Portfolio Holder(s):	Cllr Mike Cox, Portfolio Holder for Finance
Corporate Director	Ian O'Donnell, Corporate Director for Resources
Report Authors	<p>Nigel Stannard</p> <p>Head of Audit & Management Assurance</p> <p> nigel.stannard@bcpcouncil.gov.uk</p>
Wards	Council-wide
Classification	For Decision and Information

Background

1. The purpose of this report is to inform the Audit & Governance Committee of counter fraud work undertaken by Internal Audit during the 2022/23 financial year for the Council.

2. This report also provides a summary of the number, nature and outcome of specific investigations and formal whistleblowing referrals received for the Council during the 2022/23 financial year.

Internal Audit Counter Fraud Work 2022/23

3. Internal Audit have carried out the following work to provide assurance on the Council's response to combating fraud & corruption:

Strategic

- The BCP Council's Corporate Fraud Risk Register was reviewed and updated during the year.
- The BCP Council Anti-Fraud & Corruption, Whistleblowing, Declaration of Interests, Gifts & Hospitality, and the Regulation of Investigatory Powers Act (RIPA) & Investigatory Powers Act (IPA) policies were reviewed and updated in the year as part of the annual evolution process. All have been assessed as performing effectively during 2022/23. These policies are subject to an annual evolutionary review and approval by the Audit & Governance Committee. *NOTE Links to these documents are at the end of this report under Appendices.*
- Internal Audit's investigation case management system was migrated to the Microsoft dynamics environment to provide future resilience and allow for dynamic reporting via Microsoft's PowerBI tool.

Culture

- Monitored general employee fraud awareness through completion of the BCP Council mandatory e-learning modules which covered fraud prevention, bribery and whistleblowing. The table below show the number of courses that have been completed over the last three years and the current year to September 2023:

2020	2021	2022	2023 (Jan-Sep)
527	1671	1822	1424

These figures show that a large number of existing employees, in addition to new employees, have completed the e-learning in the last three years. Human Resources are currently promoting the use of the new learning management system (SkillGate) to further improve completion of all corporate mandatory training (including the fraud awareness module) by the end of 2023.

- Fraud awareness sessions were provided to specific officers and senior management teams as required during the year.

Deterrence

- Corporate fraud communications were published in the year to promote fraud awareness and give guidance to staff on counter fraud policy/procedures.
- Issued specific 'Fraud Alerts' to relevant service areas (including schools) throughout the year. These alerts come from a variety of sources including the Council's bank, local authority sector groups and central government entities.

Prevention & Detection

- Participated in the National Fraud Initiative (NFI) data matching exercises during 2022/23, outcomes to report to date are as follows:
 - 307 Blue Badges have been cancelled as a result of matches against deceased national records.
 - 537 concessionary travel passes have been cancelled as a result of matches against deceased national records. Work is still ongoing to review the remaining matches.
 - Several matches of employees to company directors have resulted in reminders being issued to some officers of the need to declare potential declarations of interests.

- Work has been postponed on the duplicate creditor payment matches due to prioritising the implementation of the new finance and human resources system. An update will be provided to this committee of any findings in this area.
 - Council Tax Single Person Discounts match – Internal Audit have recently commenced work on this area as part of a pilot to increase council tax yield. To date 15 discounts with a total value of approximately £10k have been removed. Further resource to progress these savings using Internal Audit Practitioner Apprentices will soon be in place.
- Seven high risk fraud areas were reviewed as part of the 2022/23 Audit Plan as detailed in the table below:

Fraud Risk Area	Outcome & Recommendations
Identity Fraud	Reasonable assurance audit opinion. An improvement to officer training and guidance, to assist them with identifying fake physical or electronic identity documents, was recommended.
Grant Award	Reasonable assurance audit opinion. Improvements to processes and controls covering grant award, payments and use of expenditure were recommended across several service directorates.
Declaration of Interests (councillors),	Reasonable assurance audit opinion. Improvements to the process for ensuring interests are promptly declared and register records are fully detailed were recommended.
Right to Buy	Reasonable assurance audit opinion. An improvement to ensure a consistent application process was in operation across the housing service was recommended.
Housing Tenancy Data Matching	Reasonable assurance audit opinion. An improvement to ensure regular internal and external data matching exercises to detect potential housing tenancy fraud was recommended.
Criminal Finances Act Requirements	Substantial assurance audit opinion. No formal recommendations were made.
Anti-Money Laundering Requirements	Reasonable assurance audit opinion. Improvements to the anti-money laundering e-learning module and the corporate fraud risk register were recommended.

- As part of the 2023/24 Audit Plan the following high-level fraud risk areas are planned to be reviewed; contract award, schools admissions, anti-bribery requirements, Regulation of Investigatory Powers Act and Investigatory Powers Act requirements, treasury management payments, housing tenancy, and homecare/residential care payments.

Investigations

- Internal Audit have investigated all allegations of suspected fraud or financial irregularity in a proportionate manner. Details of investigations that have been led or carried out by Internal Audit during 2022/23 are detailed in Appendix A. This appendix involves exempt information and is submitted as a confidential paper to this report. An additional list of all thefts of Council equipment reported to the Insurance Team has also been included in Appendix A.

NOTE - Human Resources are responsible for supporting management with investigations into potential staff misconduct for matters which are non-financial related.

Corporate Counter Fraud Work

- During 2022/23 Internal Audit have provided specialist investigative resource to support Management with high risk fraud areas.
Note - Single Fraud Investigation Service (DWP) are responsible for taking action regarding Housing Benefit fraud and BCP Revenues and Benefits or the Stour Valley and Poole Partnership (depending on legacy council locality) are responsible for taking action on Council Tax and NDR fraud.
- Work was carried out with BCP Housing teams to assist in the validation of all Right to Buy and Housing Tenancy Applications. The results of this work are detailed below.

Fraud Risk Area	Total 22/23	Total 21/22	Total 20/21
Right to Buy Checks	36	80	75
Applications withdrawn	1	3	1
Cases Refused	0	0	0
Housing Application Checks*	822	691	953
Nominations withdrawn	1	7	24

*This check is carried out at the point of nomination to a property i.e. at the stage of being offered a property. The Housing Service carry out a similar check at the application stage and it has been agreed for 2023/24 onwards that Internal Audit will provide an advisory/sample check service only for this fraud risk area.

- Work has also been carried out to assist with the investigation of Blue Badge and Housing Tenancy fraud referrals as detailed below:

Fraud Risk Area	Total 22/23	Total 21/22	Total 20/21
Blue Badge Referrals	25	21	9
Badges recovered	1	0	0
Warning letters issued	1	3	3
Housing Tenancy Referrals	32	49	36
Property recovered	1	1	1
Property succession refused	1	0	0

COVID Grant Verification and Investigation Work

- Some residual assurance work was carried on Covid-19 grants as required by government guidance and/or requirements using government promoted tools e.g. Spotlight for business trading status and the NFI for bank account validation and trading status.
- Two referrals were received during the year regarding Covid grants to individuals or companies that were alleged to be erroneous or fraudulent. After investigation no further action was required on the basis the grant recipients met all government criteria for the grant award.

Local Government Transparent Code 2015

9. The Transparency Code requires the annual publication of data relating to the Council's counter fraud work. The table below reproduces the information published on the Council's website (for information).

Mandatory Publication Level	2022/23	2021/22	2020/21
Number of occasions that powers have been used under the Prevention of Social Housing Fraud (Power to Require Information) (England) Regulations 2014, or similar powers.	0	1	0
Total number (absolute and full time equivalent) of employees undertaking investigations and prosecutions of fraud.	Headcount 4 FTE 2	Headcount 5 FTE 2.1	Headcount 6 FTE 2.2
Total number (absolute and full time equivalent) of professionally accredited counter fraud specialists	Headcount 2 FTE 1.25	Headcount 3 FTE 1.35	Headcount 4 FTE 1.45
Total amount spent by the authority on the investigation and prosecution of fraud. (aggregate salaries + on-costs)	£96,139	£110,712	£115,501
Total number of fraud cases investigated.	176	206	132

10. The 176 total cases investigated in 2022/23 is broken down by type in the table below along with a comparison to the previous year 2021/22:

Investigation Type – Fraud, financial irregularity or whistleblowing	2022/23	2021/22
Council Tax Discount – public tip off, usually anonymous	67	69
Housing Tenancy - public tip off, usually anonymous	34	46
Blue Badges - public tip off, usually anonymous	25	18
Internal Audit led investigations (confidential Appendix A)	22	35
Fraud referrals not related to BCP Council (after initial investigation)	12	17
Unpaid Non Domestic Rates - public tip off, usually anonymous	5	6
Housing Applications - public tip off, usually anonymous	4	6
Direct Payments misuse - public tip off, usually anonymous	0	2
Other miscellaneous	7	7
TOTAL	176	206

Counter Fraud Best Practice

11. An annual assessment has been carried out to review the Council's arrangements on managing the risk of fraud and corruption using a tool provided by CIPFA.
12. The current assessment outcome (93%) states: *"The organisation is meeting the standard set out in the CIPFA Code of Practice on Managing the Risk of Fraud and Corruption. The leadership has acknowledged its responsibilities for managing the risks and it has robust arrangements in place to identify and manage risks. It has a counter fraud strategy, backed up by the resources and arrangements in place to carry it out. The organisation is proactive in managing fraud and corruption risks and responds effectively. Stakeholders can be confident in the approach taken by the organisation and meeting the standards of the counter fraud code contributes to good governance. Whilst no organisation is 'fraud proof,' the organisation has taken robust steps to ensure its resilience. This high level of performance should be acknowledged within the organisation's annual governance report."*

13. To further improve arrangements an action plan is in place which considers best practice contained in this CIPFA assessment and also the “Fighting Fraud and Corruption Locally 2020” updated counter fraud and corruption strategy for local government.
14. The counter fraud resource available during 2022/23 has enabled the Council to achieve its goal of continually improving its resilience to fraud (as stated in the Anti-Fraud & Corruption Policy).

Whistleblowing Referrals 2022/23

15. A Whistleblowing Policy exists to ensure qualifying individuals are able to raise concerns they may have safely, without fear of harassment or victimisation. There are certain types of disclosure covered by a Whistleblowing Policy which are specified in the Public Interest Disclosure Act 1998.
16. The Council's Whistleblowing Policy, approved annually by this Committee, requires a summary of the number, nature and outcome of Whistleblowing referrals investigated in the year to be presented to this Committee.
17. Six formal whistleblowing referrals were received and fully investigated during the last financial year (April 2022 - March 2023), details are included in Appendix A. All these cases were resolved in line with the Whistleblowing Policy.
18. Use of the BCP Whistleblowing Policy is promoted through reminders in 'Fraud Bulletins' to all staff, briefings at officer meetings and as part of the Fraud Prevention e-learning module on the Council's intranet.
19. The Policy will continue to be subject to annual evolution and annual approval by this Committee.

Options Appraisal

20. An options appraisal is not applicable for this report.

Summary of financial implications

21. The Fighting Fraud & Corruption Locally 2020 strategy states “Every £1 that a local authority loses to fraud is £1 that it cannot spend on supporting the community”.
22. It is recognised that fraud against the Council harms residents and taxpayers of Bournemouth, Christchurch and Poole and for that reason fraud and corruption will not be tolerated.
23. The total amount spent by the Council on the investigation and prosecution of fraud is summarised in the Local Government Transparency Code 2015 table in paragraph 9 above.

Summary of legal implications

24. There are no direct legal implications from this report.

Summary of human resources implications

25. There are no direct human resource implications from this report.

Summary of sustainability impact

26. There are no direct environmental implications from this report.

Summary of public health implications

27. There are no direct public health implications from this report.

Summary of equality implications

28. There are no direct equality implications from this report.

Summary of risk assessment

29. The risk implications are set out in the content of this report.

Background papers

None

Appendices

Appendix A – Internal Audit Investigations and Thefts of Council Equipment reported to Insurance Team 2022/23 (Confidential)

BCP Council Anti-Fraud & Corruption Policy

[Internal access](#)

[External access](#)

BCP Whistleblowing Policy

[Internal access](#)

[External access](#)

BCP Declaration of Interests, Gifts & Hospitality (for officers)

[Internal access](#)

BCP RIPA and IPA Policy

[Internal Access](#)

[External access](#)

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By virtue of paragraph(s) 1 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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AUDIT AND GOVERNANCE COMMITTEE

Report subject	Forward Plan - Refresh for the 2023/24 municipal year
Meeting date	26 October 2023
Status	Public Report
Executive summary	This report sets out the list of reports to be considered by the Audit & Governance Committee for the 2023/24 municipal year in order to enable it to fulfil its terms of reference.
Recommendations	<p>It is RECOMMENDED that:</p> <p>The Audit & Governance Committee approves the Forward Plan set out at Appendix A.</p>
Reason for recommendations	To ensure that Audit & Governance Committee are fully informed of the reports to be considered during 2023/24.
Portfolio Holder(s):	Cllr Mike Cox, Portfolio Holder for Finance
Corporate Director	Ian O'Donnell, Corporate Director for Resources
Report Authors	<p>Nigel Stannard Head of Audit & Management Assurance ☎01202 128784 ✉ nigel.stannard@bcpcouncil.gov.uk</p>
Wards	Council-wide
Classification	For Recommendation Decision

Background

1. Good practice dictates that a forward plan should be agreed which sets out the reports to be considered by the Audit & Governance Committee over the next 12 months.

The Forward Plan

2. The Forward Plan for 2023/24, as set out at Appendix A, has been produced to set out proposals for the forward management of reports to be considered by the Audit & Governance Committee in order to enable it to fulfil its terms of reference.

3. The Audit & Governance Committee should note that the plan does not preclude extraordinary items being brought before the Committee in consultation with the Chair and Vice Chair as necessary and appropriate, thus ensuring that Audit & Governance Committee business is consistent with the terms of reference.
4. Topics requiring this Committee's consideration within its terms of reference can be added at any time in the year or as they arise. These topics are generally shown in the 'Ad Hoc/Other Reports' or 'Presentations' sections of the Forward Plan, Appendix A, and depending on their nature are usually added to a meeting marked 'extra'. These additional reports/presentations are made available to the public with the meeting minutes.

Options Appraisal

5. An options appraisal is not applicable for this report.

Summary of financial implications

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

Summary of legal implications

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

Summary of human resources implications

8. There are no direct human resource implications from this report.

Summary of sustainability impact

9. There are no direct sustainability impact implications from this report.

Summary of public health implications

10. There are no public health implications from this report.

Summary of equality implications

11. There are no direct equality implications from this report.

Summary of risk assessment

12. Development and agreement of the Forward Plan by the Audit & Governance Committee enables it to fulfil its terms of reference.

Background papers

None

Appendices

Appendix A – Audit & Governance Committee – Forward Plan 2023/24

Audit & Governance Committee – Forward Plan 2023/24

REPORT	27 JUL 2023	7 SEP 2023 (extra)	26 OCT 2023	30 NOV 2023 (extra)	11 JAN 2024	7 MAR 2024 (extra)	11 APR 2024
ANNUAL REPORTS							
Statement of Accounts 2021/22 & 2022/23				As required depending on External Audit timetable			
Annual Governance Statement 2022/23 and Annual Review of Local Code of Governance (¹ update on Action Plan only)	✓				✓ ₁		
Chief Internal Auditor's Annual Opinion Report 2022/23	✓						
Annual Breaches & approved Waivers of Financial Regulations Report 2022/23	✓						
Annual Review of Declarations of Interests, Gifts & Hospitality by Officers 2022/23	✓						
Use of Regulation of Investigatory Powers Act and Investigatory Powers Act Annual Report 2022/23	✓						
Annual Report of Internal Audit Counter Fraud Work and Whistleblowing Referrals 2022/23			✓				
Emergency Planning & Business Continuity Update			✓				
Health & Safety and Fire Safety Update			✓				
Treasury Management Strategy Refresh/Approval for next financial year					✓		
Assurance Framework & Internal Audit Planning Consultation					✓		
Information Governance Update							✓
Internal Audit Charter & Audit Plan for next financial year							✓
ANNUAL OR PERIODIC POLICY UPDATES							
Annual evolution of Policies for 2024/25: - Whistleblowing - Anti-Fraud and Corruption - Declaration of Interests, Gifts & Hospitality - Regulation of Investigatory Powers Act (RIPA) and Investigatory Powers Act (IPA)						✓	
Financial Regulations - annual evolution for 2024/25.						✓	
QUARTERLY / HALF YEARLY REPORTS							
Internal Audit - Quarterly Audit Plan Update	✓		✓		✓		✓
Risk Management – Corporate Risk Register Update	✓		✓		✓		✓
Forward Plan (refresh)	✓		✓		✓		✓
Treasury Management Quarterly Monitoring Report	✓		✓		✓		
AD HOC / OTHER REPORTS							
Appointment of Independent member(s) to Audit & Governance Committee	✓		✓				
Review of the Council's Constitution		✓		As required follow ing agreed working party or committee recommendations			
PRESENTATIONS (rather than formal reports)							
Treasury management training and awareness				Separate virtual session planned			
EXTERNAL AUDITS REPORTS							
External Auditor – Audit Plan 2022/23 (² 2023/24)				✓			✓ ₂
External Auditor – Audit Findings Report 2021/22 (³ 2022/23)				✓	As required depending on agreed timetable and national issues ³		
External Auditor – Auditors Annual Report 2021/22 (⁴ 2022/23)		✓		As required depending on agreed timetable and national issues ⁴			
External Auditor – Audit Progress & Sector Update			✓		✓		✓

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