

# Public Document Pack



**North East  
Derbyshire  
District Council**

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Date: Tuesday, 23 November 2021

To: **All Members of the Audit & Corporate Governance Scrutiny Committee**

Please attend a meeting of the Audit & Corporate Governance Scrutiny Committee to be held on **Wednesday, 1 December 2021 at 3.00 pm in the Council Chamber**, District Council Offices, Mill Lane, Wingerworth, Chesterfield S42 6NG.

Yours sincerely

A handwritten signature in cursive script that reads "Sarah Steuberg".

**Assistant Director of Governance and Monitoring Officer**

Conservative Group	Labour Group	Liberal Democrat Group
Cllr W Armitage Cllr S Clough Cllr M Roe Cllr K Tait Cllr M E Thacker	Cllr N Barker Cllr P R Kerry Cllr G Morley	Cllr R Shipman

## **AGENDA**

**1 Apologies for Absence**

**2 Declarations of Interest**

Members are requested to declare the existence and nature of any disclosable pecuniary interest and/or other interest, not already on their register of interests, in any item on the agenda and withdraw from the meeting at the appropriate time.

**3 Minutes of Last Meeting (Pages 4 - 7)**

To approve as a correct record and the Chair to sign the Minutes of the Audit and Corporate Governance Scrutiny Committee held on 3 November 2021.

- 4 **Report of the Internal Audit Consortium Manager**
  - a. **Summary of Internal Audit Reports** (Pages 8 - 16)
- 5 **Report of the Information, Engagement and Performance Manager**
  - a. **Performance Management - Quarter 2** (Pages 17 - 48)
- 6 **Report of the Director of Operations and Head of Paid Service**
  - a. **Risk Management** (Pages 49 - 71)
- 7 **Reports of the Assistant Director - Finance and Resources (Section 151 Officer)**
  - a. **Ethical Investments Review** (Pages 72 - 76)
  - b. **Financial Resilience Benchmarking** (Pages 77 - 85)
  - c. **PSAA Contract for External Audit Services** (Pages 86 - 92)
  - d. **Evaluation of Added Value of Audit Committee** (Pages 93 - 99)
- 8 **Report of the Assistant Director of Governance and Monitoring Officer**
  - a. **Committee Work Programme 2021-2022** (Pages 100 - 104)
- 9 **Forward Plan of Executive Decisions**

To consider the Forward Plan of Executive Decisions. The most up-to-date Forward Plan of Executive Decisions can be accessed via the following link:

<https://democracy.ne-derbyshire.gov.uk/mgListPlans.aspx?RPId=1137&RD=0&bcr=1>

- 10 **To consider any other item which the Chair is of the opinion should be considered as a matter of urgency.**
- 11 **Date of Next Meeting**

The next meeting of the Audit and Corporate Governance Scrutiny Committee is scheduled to take place on 12 January 2022.

- 12 **Exclusion of Public**

The Chair to move:-

That the public be excluded from the meeting during the discussion of the following item of business to avoid the disclosure to them of exempt information as defined in Paragraph 7, Part 1 of Schedule 12A to the Local Government Act 1972, (as amended by the Local Government (Access to Information) (Variation)

Order 2006).

- 13 **Report of the Assistant Director of Transformation and Organisation**
- a. **Cybersecurity** (Pages 105 - 142)

## We speak your language

**Polish**  
*Mówimy Twoim językiem*

**Romanian**  
*Vorbim limba dumneavoastră*

**Urdu**  
ہم آپ کی زبان بولتے ہیں

**Chinese**  
我们会说你的语言



North East  
Derbyshire  
District Council



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## **AUDIT & CORPORATE GOVERNANCE SCRUTINY COMMITTEE**

### **MINUTES OF MEETING HELD ON WEDNESDAY, 3 NOVEMBER 2021**

#### **Present:**

Councillor Martin E Thacker MBE JP (Chair) (in the Chair)

Councillor Stephen Clough  
Councillor Nigel Barker  
Councillor Gerry Morley

Councillor William Armitage  
Councillor Pat Kerry

#### **Also Present:**

J Dethick	Assistant Director - Finance and Resources (Section 151 Officer)
J Williams	Internal Audit Consortium Manager
N Calver	Governance Manager
A Bond	Governance Officer

#### **AUD Apologies for Absence**

**49/2**

**1-22** Apologies for absence were received from Mike Norman (Mazars) and Councillor M Roe.

#### **AUD Declarations of Interest**

**50/2**

**1-22** Members were requested to declare the existence and nature of any disclosable pecuniary interest and/or other interest, not already on their register of interest, in any item on the agenda and withdraw from the meeting at the appropriate time.

No declarations were made at this meeting.

#### **AUD Minutes of Last Meeting**

**51/2**

**1-22** RESOLVED – That the Minutes of the meeting of the Audit and Corporate Governance Scrutiny Committee held on 22 September 2021 be approved as a correct record and signed by the Chair.

#### **AUD NEDDC Corporate Debt - 30 September 2021**

**52/2**

**1-22** The Head of Finance presented the report detailing a summary of the corporate debt position at 30 September 2021.

The report also contained details on Housing Benefit Overpayments which had been requested at the previous meeting.

It was clarified that an official error would constitute a mistake that was entirely the fault of the Council.

The Section 151 Officer informed Committee that they would provide official

figures on how much overpayment was not recovered as a result of official errors.

RESOLVED – That the Audit and Corporate Governance Scrutiny Committee noted the report concerning the Council’s corporate debt position as at 30 September 2021.

**AUD 53/2** **MTFP - Budget Monitoring April - September 2021 Q2**

**1-22** The Section 151 Officer presented to Committee a summary of the budget position for the second quarter of 2021/2022 which would be presented to Cabinet at its meeting on 25 November 2021.

RESOLVED – That the Audit and Corporate Governance Scrutiny Committee noted the report concerning the Council’s budget monitoring report for quarter 2 and made any comments that they believed to be appropriate concerning these matters.

**AUD 53/2** **NEDDC Anti-Fraud and Corruption Strategy**

**1-221** The Section 151 Officer presented an updated Anti-Fraud and Corruption Strategy to Committee for consideration.

The profile of Anti-Fraud and Corruption had been raised so that it was now included as part of the Risk Management Process and Committee would receive quarterly updates on this.

It was noted that there were low levels of fraud and corruption at the District Council.

Committee requested that further detail and consideration be given to the mitigation identified on the anti-fraud and corruption strategy action plan.

RESOLVED – That the Audit and Corporate Governance Scrutiny Committee approved the updated Anti-Fraud and Corruption Strategy subject to the amendment that further consideration be given to the mitigation identified on the anti-fraud and corruption strategy action plan.

**AUD 54/2** **Evaluating the Effectiveness of the Audit and Corporate Governance Scrutiny Committee**

**1-22**

The Section 151 Officer presented information on CIPFA’s (Chartered Institute of Public Finance & Accountancy) “Audit Committees Practical Guidance for Local Authorities” and enabled the Committee to undertake a self-assessment.

The Audit and Corporate Governance Scrutiny Committee undertakes a self-assessment every two years.

The Committee answered the self-assessment and reached the following conclusions:

- Committee suggested that the role and purpose of the Audit and Corporate Governance Scrutiny Committee was only partly understood across the organisation.
- It was agreed that the Chair of Committee possessed appropriate knowledge and skills.
- It was agreed that the Committee had good working relationships with key people and organisations.
- It was agreed that adequate secretary and admin support was provided to Committee.
- Committee believed that they were adding value to the organisation but that this had not been formally evaluated. It was agreed that a formal evaluation should be added to the work plan.

The completed self-assessment would be circulated with the Minutes of the meeting.

**RESOLVED –**

1. That the Audit and Corporate Governance Scrutiny Committee noted the CIPFA guidance for Local Authority Audit Committees as detailed at Appendix 1 of the report.
2. That the Audit and Corporate Governance Scrutiny Committee undertook the self-assessment in Appendix 2 of the report.
3. That the completed self-assessment would be reviewed by the Committee and if necessary, an action plan would be presented to a future meeting.

**AUD MTFP - Revised Budget 2021/22**

**55/2**

**1-22**

The Section 151 Officer presented revisions to the 2021/22 budget for Committee to consider.

It was noted that the Covid-19 Pandemic was still having a detrimental impact across the Council's services but this was improving on a weekly basis.

All new growth had been absorbed other than the additional cost of bringing the waste recycling service in-house. The intention would be to fund this additional cost through the resilience fund this year, with any potential underspend being returned to the resilience fund. The ongoing yearly cost of this would need to be found within the MTFP.

A lengthy debate over the budget ensued resulting in Committee requesting that a member from the Growth Directorate be invited to a future meeting of the Committee to address the budget variance.

The Section 151 Officer suggested that they would bring forward an action plan as part of the MTFP to identify areas where savings could be demonstrated.

Committee also raised concerns over a lack of 106 repayments being made to the Council.

It was noted that the Internal Audit Consortium Manager was in the process of

a 106 audit and that this would be brought back to the Committee at a later stage.

RESOLVED – That the Audit and Corporate Governance Scrutiny Committee noted the report concerning the Council’s Medium Term Financial Plan – Revised Budgets 2021/22 and made any comments that they believed to be appropriate concerning the budget to the Council’s Cabinet.

**AUD** **Committee Work Programme 2021-2022**

**56/2**

**1-22**

The Governance Manager presented the Audit and Corporate Governance Scrutiny Committee Work Programme for the remainder of the municipal year 2021/2022.

It was agreed that a review into the impact and value that the Audit and Corporate Governance Scrutiny Committee had on the rest of the Council would be added into the Work Programme for the meeting on the 1st December.

It was agreed that the update on Cyber Security would be included in the meeting on the 1st December.

Committee requested that a member of the Growth Directorate be invited to the meeting on the 12th January.

Members asked for the Section 106 report to be included on the Work Programme for the meeting on the 12th January.

RESOLVED – That the Committee noted and approved the Audit and Corporate Governance Scrutiny Work Programme for the remainder of the 2021/2022 municipal year subject to the amendments outlined above.

**AUD** **Forward Plan of Executive Decisions**

**57/2**

**1-22**

RESOLVED – That the Forward Plan of Executive Decisions be noted.

**AUD** **To consider any other items which the Chair is of the opinion should be considered as a matter of urgency.**

**58/2**

**1-22**

No urgent items were discussed at the meeting.

**AUD** **Date of Next Meeting**

**59/2**

**1-22**

The date of the next meeting was scheduled to take place on 01 December 2021.

**North East Derbyshire District Council**

**Audit and Corporate Governance Scrutiny Committee**

**1st December 2021**

**Summary of Progress on the 2021/22 Internal Audit Plan**

**Report of the Head of the Internal Audit Consortium**

**Classification:** This report is public

**Report By:** Jenny Williams: Head of the Internal Audit Consortium

**Contact Officer:** Jenny.Williams@ne-derbyshire.gov.uk

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**PURPOSE / SUMMARY**

- To present, for members' information, a progress report in respect of the 2021/22 Internal Audit Plan.
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**RECOMMENDATION**

1. That the report be noted.
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**IMPLICATIONS**

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**Finance and Risk:** Yes  No

**Details:**

Internal audit reviews help to ensure that processes and controls are operating effectively thereby contributing to ensuring that value for money is obtained.

On Behalf of the Section 151 Officer

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**Legal (including Data Protection):** Yes  No

**Details:**

The core work of internal audit is derived from the statutory responsibility under the Accounts and Audit Regulations 2015 which requires the Council to “undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking in to account the Public Sector Internal Audit Standards or guidance”.



**Staffing:**    Yes         No   
**Details:**

On behalf of the Head of Paid Service

**DECISION INFORMATION**

<b>Decision Information</b>	
<b>Is the decision a Key Decision?</b> A Key Decision is an executive decision which has a significant impact on two or more District wards or which results in income or expenditure to the Council above the following thresholds:  <b>BDC:</b> Revenue - £75,000 <input type="checkbox"/> Capital - £150,000 <input checked="" type="checkbox"/> <b>NEDDC:</b> Revenue - £100,000 <input type="checkbox"/> Capital - £250,000 <input type="checkbox"/> <input checked="" type="checkbox"/> <i>Please indicate which threshold applies</i>	No
<b>Is the decision subject to Call-In?</b> (Only Key Decisions are subject to Call-In)	No
<b>District Wards Significantly Affected</b>	None
<b>Consultation:</b> Leader / Deputy Leader <input type="checkbox"/> Cabinet / Executive <input type="checkbox"/> SAMT <input type="checkbox"/> Relevant Service Manager <input checked="" type="checkbox"/> Members <input type="checkbox"/> Public <input type="checkbox"/> Other <input type="checkbox"/>	Yes  Details:

<b>Links to Council Ambition (BDC)/Council Plan (NED) priorities or Policy Framework including Climate Change, Equalities, and Economics and Health implications.</b>
Internal audit reviews help to ensure that the Council is delivering high quality, cost effective services.

**REPORT DETAILS**

1    **Background**

- 1.1 The Public Sector Internal Audit Standards require that the Head of the Internal Audit Consortium reports periodically to the Audit and Corporate Governance Scrutiny Committee in respect of performance against the audit plan. Significant risk and control issues should also be reported.

## **2. Report Details**

- 2.1 Appendix 1 is a summary of reports issued between the end of August and the middle of November 2021. The Appendix shows for each report the level of assurance given and the number of recommendations made / agreed where a full response has been received. This provides an overall assessment of the system's ability to meet its objectives and manage risk. The definitions of the assurance levels used can be seen at Appendix 2.
- 2.2 In this period 5 reports have been issued three with substantial assurance and two with reasonable assurance.
- 2.3 Reports are issued as Drafts with five working days being allowed for the submission of any factual changes, after which time the report is designated as a Final Report. Fifteen working days are allowed for the return of the Implementation Plan.
- 2.4 Appendix 3 provides full details of the audits completed and audits in progress in respect of 2021/22.
- 2.5 No fraud has been identified.

## **3 Reasons for Recommendation**

- 3.1 To inform Members of progress on the 2021/22 Internal Audit Plan and to provide details of the Audit Reports issued to date.
- 3.2 To comply with the requirements of the Public Sector Internal Audit Standards.

## **4 Alternative Options and Reasons for Rejection**

- 4.1 Not Applicable

## **DOCUMENT INFORMATION**

<b>Appendix No</b>	<b>Title</b>
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Appendix 1	Summary of Internal Audit reports issued in respect of the 2021/22 Internal Audit Plan between the end of August and the middle of November 2021
Appendix 2	Assurance Definitions
Appendix 3	Progress on the 2021/22 Internal Audit Plan
<b>Background Papers</b> (These are unpublished works which have been relied on to a material extent when preparing the report. They must be listed in the section below. If the report is going to Cabinet (NEDDC) or Executive (BDC) you must provide copies of the background papers)	

## NORTH EAST DERBYSHIRE DISTRICT COUNCIL

### Summary of Internal Audit Reports Issued between the end of August and middle of November 2021

Report Ref No.	Report Title	Scope and Objectives	Assurance Provided	Date		Number of Recommendations	
				Report Issued	Response Due	Made	Accepted
N003	Leisure Operations	To review and assess operational procedures	Substantial	14/09/21	05/10/21	2M	2
N004	Creditors	To ensure that purchase orders are raised and that invoices are paid in a timely and accurate manner	Substantial	28/09/21	19/10/21	0	0
N005	Corporate Targets	To ensure that Corporate Targets are correctly calculated and accurately reported	Substantial	25/10/21	15/11/21	1L	1
N006	Safeguarding	To ensure that there are policies in place, staff are trained and liaison takes place with other key sectors, data is protected	Reasonable	29/10/21	19/11/21	7 (2M 5L)	Note 1
N007	Sundry Debtors	To ensure that invoices are raised in a timely and accurate manner and that debt collection procedures are operating	Reasonable	10/11/21	01/12/2021	4 (2M 2L)	Note 1

H = High Priority M = Medium Priority L = Low Priority

Note 1 Response not due at time of writing report

## Current Assurance Levels

Assurance Level	Definition
<b>Substantial Assurance</b>	There is a sound system of controls in place, designed to achieve the system objectives. Controls are being consistently applied and risks well managed.
<b>Reasonable Assurance</b>	The majority of controls are in place and operating effectively, although some control improvements are required. The system should achieve its objectives. Risks are generally well managed.
<b>Limited Assurance</b>	Certain important controls are either not in place or not operating effectively. There is a risk that the system may not achieve its objectives. Some key risks were not well managed.
<b>Inadequate Assurance</b>	There are fundamental control weaknesses, leaving the system/service open to material errors or abuse and exposes the Council to significant risk. There is little assurance of achieving the desired objectives.

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## Control levels that were used until end March 17

Control Level	Definition
<b>Good</b>	A few minor recommendations (if any).
<b>Satisfactory</b>	Minimal risk; a few areas identified where changes would be beneficial.
<b>Marginal</b>	A number of areas have been identified for improvement.
<b>Unsatisfactory</b>	Unacceptable risks identified, changes should be made.
<b>Unsound</b>	Major risks identified; fundamental improvements are required.

## North East Derbyshire District Council Progress on the Internal Audit Plan 2021/22

	Complete
	In progress

	<b>2021/22 Days</b>
<b>Main Financial Systems</b>	
Main Accounting / Budgetary Control / MTFP	15
Creditor Payments (key controls)	10
Debtors (key controls)	10
Treasury Management	15
Council Tax (key controls)	10
NNDR	20
Housing Benefits	18
Payroll	15
Business Grants	15
<b>Total Main Financial Systems</b>	<b>128</b>
<b>Other Operational Audits</b>	<b>2021/22</b>
Committee Processes	8
Food Hygiene	12
Grounds Maintenance	8
Homelessness	12
Insurance	10
Killamarsh Leisure Centre	13
Section 106	12
<b>Total Operational Areas</b>	<b>75</b>
<b>Rykneld Homes</b>	<b>97</b>

<b>IT Related</b>	
Disaster Recovery	6
IT Transformation Programme / Digital Agenda	8
<b>Total IT</b>	<b>14</b>
	<b>2021/22</b>
<b>Fraud and Corruption</b>	
National Fraud Initiative	5
<b>Total Fraud &amp; Corruption</b>	<b>5</b>
<b>Corporate / Cross Cutting Issues</b>	
Business Continuity	8
Corporate Governance / Assurance Statement	2
Corporate Targets	10
Financial Advice / working groups	12
Safeguarding	8
Ethics	10
Health and Safety	12
Risk Management	7
Transformation Agenda	10
<b>Total Corporate/Cross Cutting Issues</b>	<b>79</b>
<b>Special Investigations / Contingency</b>	<b>43</b>
<b>Apprenticeships / training</b>	<b>30</b>
<b>Audit Committee / Client Liaison</b>	<b>15</b>
<b>Grand Total</b>	<b>486</b>

### Reserve Areas

Taxi Licences

VAT

Sickness absence

Leisure financial

Cemeteries

IT Disposal of old equipment

\*\*\*\*\*Waste Management – requested by NEDDC Audit Cttee to complete this year in respect of new recycling arrangements



## North East Derbyshire Council

### Audit and Corporate Governance Scrutiny Committee

1<sup>st</sup> December 2021

### Council Plan Targets Performance Update July to September 2021

(Q2 – 2021/22)

### Report of the Information, Engagement & Performance Manager

Classification: This report is public

Report By: Kath Drury, Information, Engagement and Performance Manager

Contact Officer: Kath Drury, Information, Engagement and Performance Manager

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#### **PURPOSE / SUMMARY**

To report the Quarter 2 outturns for the Council Plan 2019-2023 targets.

Out of the 80 targets:

- 45 (56%) are on track
  - 5 (6%) have been affected by Covid 19
  - 6 (7%) achieved this quarter and 18 (22%) achieved previously
  - 3 (4%) are overdue
  - 3 (4%) have been placed on alert as they may not achieve their yearly outturn
- 

#### **RECOMMENDATIONS**

1. That quarterly outturns against the Council Plan 2019-2023 targets be noted.
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#### **IMPLICATIONS**

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**Finance and Risk:** Yes  No

**Details:**

On Behalf of the Section 151 Officer

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**Legal (including Data Protection):** Yes  No

**Details:**

On Behalf of the Solicitor to the Council

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**Staffing:** Yes  No

**Details:**

On behalf of the Head of Paid Service

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## DECISION INFORMATION

<b>Decision Information</b>	
<b>Is the decision a Key Decision?</b> A Key Decision is an executive decision which has a significant impact on two or more District wards or which results in income or expenditure to the Council above the following thresholds:  <b>BDC:</b> Revenue - £75,000 <input type="checkbox"/> Capital - £150,000 <input checked="" type="checkbox"/> <b>NEDDC:</b> Revenue - £100,000 <input type="checkbox"/> Capital - £250,000 <input type="checkbox"/> <input checked="" type="checkbox"/> Please indicate which threshold applies	No
<b>Is the decision subject to Call-In?</b> (Only Key Decisions are subject to Call-In)	No
<b>District Wards Significantly Affected</b>	None
<b>Consultation:</b> Leader / Deputy Leader <input type="checkbox"/> Cabinet / Executive <input type="checkbox"/> SAMT <input checked="" type="checkbox"/> Relevant Service Manager <input type="checkbox"/> Members <input type="checkbox"/> Public <input type="checkbox"/> Other <input type="checkbox"/>	Cabinet Members/SMT informed on route via the quarterly performance meeting  Details: Ward Members

**Links to Council Ambition (BDC)/Council Plan (NED) priorities or Policy Framework including Climate Change, Equalities, and Economics and Health implications.**

All

## REPORT DETAILS

### 1 Background

- 1.1 The attached appendix contains the performance outturn as of 30<sup>th</sup> September 2021.

### 2. Details of Proposal or Information

- 2.1 A summary by council plan aim is provided below:

#### 2.2 **Our Economy - Creating a business friendly District that develops skills and jobs**

- 16 targets in total
- 10 targets are on track
- 5 targets have been achieved (3 partially, see note):
  - ECO 04 - *Increase letting of council owned business premises to achieve and maintain a minimum occupancy level of 95%*
  - ECO 09 - *Produce a North East Derbyshire Employment and Skills Strategy by January 2021 and deliver the action plan by March 2024* Note: lead officer recommending specific targets around the action plan.
  - ECO 16 - *Produce a Tourism Strategy by January 2021 and deliver the action plan by March 2024* Note: lead officer recommending specific targets around the action plan.
  - ECO 20 - *Review resources to ensure tourism is a focus of the Economic Development Team by April 2020*
  - ECO 21 - *Produce a Growth Strategy by January 2021 and deliver the action plan by March 2024* Note: lead officer recommending specific targets around the action plan.
- 1 target is on alert as it may not achieve its intended yearly outturn:
  - ECO 32 - *Increase revenue from business centre meeting bookings by 10% each year to maximise the use of these district facilities (Baseline: 2019/20)*

#### 2.3 **Our Environment - Protecting and promoting the character of our District**

- 16 targets in total
- 6 targets are on track
- 2 targets are overdue:
  - ENV 01 - *Adopt a Local Plan and associated policies*
  - ENV 08 - *Develop a Climate Change Communications Strategy by April 2021*
- 1 target is on alert i.e. it may not achieve its intended yearly outturn
  - ENV 17 - *Measure %age of cases of waste crime (Duty of Care and fly-tipping) where sufficient evidence to prosecute has been identified, are progressed to legal services, with a prosecution file, within 60 days (set baseline in 19/20 for 20/21 onwards)*

- 1 target achieved
  - ENV 06 - *Reduce the District Council's carbon emissions by - Reduce the District Council's carbon emissions by - 100 tonnes CO2 in 20/21 - 125 tonnes CO2 in 21/22 - 200 tonnes CO2 in 22/23 - 300 tonnes CO2 in 23/24*
- 6 targets have been achieved previously (ENV 03 ENV 04 ENV 07 ENV 12 ENV 02 ENV 19)

#### 2.4 **Our Residents – Enhancing our residents’ quality of life**

- 26 targets in total
- 17 targets are on track
- 1 target is on alert
  - RES 03 - *Increase participation in leisure activities at leisure centres by 5000 visits per year*
- 4 targets have been affected by Covid 19 (RES 04 05, 28, 30)
- 4 targets have been achieved previously (RES 08,10,11 25)

#### 2.5 **Our Services - Delivering high quality, cost effective services by engaging with residents, partners and Council staff**

- 22 targets in total
- 12 targets are on track
- 1 target is overdue:
  - SER 18 - *Review the Council's Petition Scheme by Annual Council 2020*
- 1 target has been affected by Covid 19 (SER12):
- 8 targets achieved previously (SER 01 SER 07 SER 08 SER 09 SER 10 SER 23 SER 24 SER 26)

2.6 Details have been provided in the appendix for those at exception including Covid19 affected together with a full council target listing.

### **3 Reasons for Recommendation**

3.1 Out of the 80 targets, 45 (56%) are on track, 5 (6%) have been affected by Covid 19, 6 (7%) have been achieved, 3 (4%) are overdue, 3 on alert (4%), and 18 (22%) have been achieved previously.

3.2 This is an information report to keep Members informed of progress against the council plan targets noting achievements and any areas of concern.

### **4 Alternative Options and Reasons for Rejection**






4.1 Not applicable to this report as providing an overview of performance against agreed targets

## DOCUMENT INFORMATION

Appendix No	Title
1	Council Plan Targets Update – Q2 July to September 2021
<b>Background Papers</b> (These are unpublished works which have been relied on to a material extent when preparing the report. They must be listed in the section below. If the report is going to Cabinet (NEDDC) or Executive (BDC) you must provide copies of the background papers)	
All details on the PERFORM system	

**North East Derbyshire District Council  
Council Plan Targets Update – Quarter 2 July to September 2021**

**Status key**

Target Status	Usage
 On Track	The target is progressing well against the intended outcomes and intended date.
 Achieved	The target has been completed
 Alert	The target is six months off the intended completion date and the required outcome may not be achieved
 Overdue	The target has passed its due date for completion.
 Covid - 19 Affected	Performance affected due to Covid 19 Pandemic

**Council plan targets achieved and by exception**

**Achieved**

ECO 04 - Increase letting of council owned business premises to achieve and maintain a minimum occupancy level of 95%	Development <i>Cllr Renwick</i>	Achieved	From the figures obtained to date and as of 30th September 2021 there are 10 empty industrial and Business centre units which equates to 94% occupancy. Although this is slightly short of the 95% target a further unit has gone under offer which will take us to over 95% overall. <u>The lead officer is recommending that this target be marked as completed as a council level target and monitored on a monthly basis as a KPI. To be discussed at the quarterly performance meeting on 19/11/21.</u> Although we will aspire to 100% occupancy it is recommended this target is reduced to say 85% to reflect the greater difficulty in letting the office suites post covid with greater numbers of employees working at home.
ECO 09 - Produce a North East Derbyshire Employment and Skills Strategy by January 2021 and deliver the action plan by March 2024	Development <i>Cllr Renwick</i>	Achieved (partially)	The Strategy was approved earlier in 2021. <u>Lead officer is recommending that this target be marked as completed and that specific KPIs be pulled out of the action plan, monitored and reported on to give a clearer picture of what progress and achievements. To</u>

			<u>be discussed at the quarterly performance meeting on 19/11/21.</u>
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ECO 16 - Produce a Tourism Strategy by January 2021 and deliver the action plan by March 2024	Development <i>Cllr Renwick</i>	Achieved (partially)	The Strategy was approved earlier in 2021. Lead officer recommending that this be marked as completed and the action plan within the tourism strategy is put into perform to measure its outcomes. To be discussed at the quarterly performance meeting on 19/11/21.
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ECO 21 - Produce a Growth Strategy by January 2021 and deliver the action plan by March 2024	Development <i>Cllr Renwick</i>	Achieved (partially)	The Strategy was approved earlier in 2021. <u>Lead officer is recommending that this target be marked as completed and that specific KPIs be pulled out of the action plan, monitored and reported on to give a clearer picture of what progress and achievements. To be discussed at the quarterly performance meeting on 19/11/21.</u>
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ENV 06 - Reduce the District Council's carbon emissions by - 125 tonnes CO2 in 21/22 -	Corporate Resources <i>Cllr Kenyon</i>	Achieved	Through a number of projects such as LED lighting improvements, Eckington Pool Decarbonisation Project, agile/home working (50% of the time), pool cover, CWI installation and renewable electricity tariff, the forecast carbon reduction is in excess of 1000 tonnes per year, achieving the combined 20/21, 21/22, 22/23 target. We are now in the process of reviewing the data and policies to inform a revision to the carbon reduction strategy.
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### Achieved behind target

ECO 20 - Review resources to ensure tourism is a focus of the Economic Development Team by April 2020	Development <i>Cllr Renwick</i>	Achieved behind target	The new tourism role has been agreed, the role job description and person spec has been developed and advertised. There are two interviews planned in for week commencing 8th November 2021.
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## Alert

<p>ECO 32 - Increase revenue from business centre meeting bookings by 10% each year to maximise the use of these district facilities (Baseline: 2019/20)</p>	<p>Development <i>Cllr Renwick</i></p>	<p>Alert</p>	<p>Overall this metric is not achievable as it is not practical to increase usage / revenue by 10% per year, particularly in a post pandemic world. Figures are as follows: 2018/19 - Total revenue £13,491 2019/20 - Total revenue £9,429 2020/21 - Total revenue £225 2021/22 - Total revenue to end Q2 (Sept) £6772 (Target £10,372)</p>
<p>RES 03 - Increase participation in leisure activities at leisure centres by 5000 visits per year</p>	<p>Corporate Resources <i>Cllr Kenyon</i></p>	<p>Alert</p>	<p>Participation has been good during Q2 with 132,733 visits recorded. Closure of the Swimming Pool at Eckington (from Monday 16th August) &amp; Sharley park Sports Hall closure (for vaccination site) have meant reduced numbers for recording so no comparisons have been made against previous years. Note, SPLC sports Hall re-opened from 6th September. The revised target for Leisure based on 80% of original target for 2021/22 to take into account post covid recovery and that full recovery is expected in 2022/23. Due to improvements etc. it not expected that this revised target will be met this year.</p>
<p>ENV 17 - Measure %age of cases of waste crime (Duty of Care and fly-tipping) where sufficient evidence to prosecute has been identified, are progressed to legal services, with a prosecution file, within 60 days (set baseline in 19/20 for 20/21 onwards)</p>	<p>Environment <i>Cllr Cupit</i></p>	<p>Alert</p>	<p>2 legal cases, neither of which had prosecution files prepared within 90 days. Due to an unfilled vacancy and unexpected staff turnover in the Environmental Enforcement Team, processing case files has been impacted. However, a new method of recording and monitoring prosecution case files is also being implemented in Q3 to ensure that timescales are adhered to  Target 100% Actual 0%</p>



## Covid Affected

RES 04 - Deliver a health intervention for 258 new attendees per year	Corporate Resources Cllr Kenyon	Covid Affected	Numbers of referrals beginning to pick up and therefore number of completers also, but still affected by current Covid 19 situation with limited access to GP's and vulnerable client group. Target Q2 - 64 Actual Q2 - 42
RES 05 - Deliver the PALS service to 40 residents per year and report on the socio economic and health benefits	Corporate Resources Cllr Kenyon	Covid affected	PALS service has been COVID affected however the officer is still supporting 3 active clients via the scheme, however the scheme is now taking a whole system approach and has been successful in pulling together a partnership group that will look at improving the Health and Wellbeing of local residents. This has included a funded youth provision supported by Derby County Community Trust, Supporting a youth club in partnership with CX21, Love Exploring launch, Creative consultation launch with YP with a view of the YP developing a community event.
RES 28 - Recruit 8 physical activities champions per year	Corporate Resources Cllr Alan Powell	Covid affected	To date 0 physical activity champions have been recruited due to being COVID affected. During Q2 we have fully re-engaged back into the Clay Cross community and have started to develop a Physical Activity group that will support the recruitment of Physical Activity Champions.
RES 30 - Provide 10 waste, recycling and environmental advice to schools and community events per year	Environment Cllr Cupit	Covid affected	Throughout the July to September no education events have been undertaken due to Covid19 restrictions and schools being on lock-down. However, continued education and awareness raising has been undertaken throughout this period with customers who's burgundy bin collections may have been delayed due to issues of contamination. Given learning priorities at this time and ongoing social distancing requirements, no school events are anticipated in the near future.
SER 12 - Ensure that monthly car parking patrols are undertaken outside schools within the District	Environment Cllr Cupit	Covid affected	Patrols and visits to begin again in October 2021 with the new school year, depending on Covid-19 position

## Overdue

<p>SER 18 - Review the Council's Petition Scheme by Annual Council 2020</p>	<p>Corporate Resources <i>Cllr Mark Foster</i></p>	<p>Overdue</p>	<p>September standards meeting was been cancelled. It will was not ready to bring to the November meeting due to changes in structure within the MOs team. It is hoped that this will be presented in draft to the January meeting of Standards.</p>
<p>ENV 01 - Adopt a Local Plan and associated policies</p>	<p>Environment <i>Cllr Cupit</i></p>	<p>Overdue</p>	<p>It is planned for the final report for the adoption of the Plan to be presented at Full Council on 29th November.</p>
<p>ENV 08 - Develop a Climate Change Communications Strategy by April 2021</p>	<p>Corporate Resources <i>Cllr Powell/ Cllr Kenyon</i></p>	<p>Overdue</p>	<p>Climate Change Strategy being led by Partnership Team. In development. Communications Climate Change Strategy to sync with the wider strategy, on hold until details are available.</p>

## Full Council Plan Target Listing

**Aim: Our Economy - Creating a business friendly District that develops skills and jobs**

Council Plan Target (Target date 31/03/23 unless stated otherwise)	Directorate/ Portfolio Holder	Q2 2021/22 Progress Update
ECO 02 - Process all major planning applications 10% greater than the National Target per annum.	Environment <i>Cllr Cupit</i>	<p style="background-color: yellow; text-align: center;">On track</p> <p>During quarter 2 (2021/2022) 8 major applications were determined with 6 determined within the statutory period. Target 70%. Actual 75%</p> <p>During the current monitoring period April 2020/March 2022 to date 52 major applications have been determined with 44 determined within the statutory period. This represents 84.7%</p>
ECO 03 - Process all minor planning applications 10% greater than the National Target per annum.	Environment <i>Cllr Cupit</i>	<p style="background-color: yellow; text-align: center;">On track</p> <p>During the quarter 68 minor applications were determined. 42 were determined within the statutory period. Target 70% Actual 61.7%</p>
ECO 04 - Increase letting of council owned business premises to achieve and maintain a minimum occupancy level of 95%	Development <i>Cllr Renwick</i>	<p style="background-color: green; text-align: center;">Achieved</p> <p>From the figures obtained to date and as of 30th September 2021 there are 10 empty industrial and Business centre units which equates to 94% occupancy. Although this is slightly short of the 95% target a further unit has gone under offer which will take us to over 95% overall. <u>The lead officer is recommending that this target be marked as completed as a council level target and monitored on a monthly basis as a KPI.</u> Although we will aspire to 100% occupancy it is recommended this target is reduced to say 85% to reflect</p>

Council Plan Target (Target date 31/03/23 unless stated otherwise)	Directorate/ Portfolio Holder	Q2 2021/22 Progress Update	
			the greater difficulty in letting the office suites post covid with greater numbers of employees working at home.
ECO 07 - Deliver 3 engagement events annually to support business	Development <i>Cllr Renwick</i>	On track	A graduate recruitment webinar was co-hosted with RISE that supports businesses in the district recruit graduates. Whilst there were no businesses that attended the event, a recording was made of this and is being used as a resource and is available on the NEDDC website and has been promoted on social media. Previous engagement includes promoting vacancies free of charge at the North Derbyshire Job Fair (26/05/21 and 27/01/21) and a Higher and Degree Level Apprenticeship webinar hosted with the University of Derby and a NED business showcased their apprenticeships - to encourage businesses to consider HADL apprenticeships.
ECO 09 - Produce a North East Derbyshire Employment and Skills Strategy by January 2021 and deliver the action plan by March 2024	Development <i>Cllr Renwick</i>	Achieved (partially)	The Strategy was approved earlier in 2021. <u>Lead officer is recommending that this target be marked as completed and that specific KPIs be pulled out of the action plan, monitored and reported on to give a clearer picture of what progress and achievements.</u>
ECO 13 - Hold 4 events annually to foster effective links with further and higher education establishments	Development <i>Cllr Renwick</i>	On Track	A webinar was held with RISE, which supports both Sheffield Hallam University and the University of Sheffield students into employment via assessment centres. This webinar is available as a resource to support businesses and is available on the NEDDC website and on social media.

Council Plan Target (Target date 31/03/23 unless stated otherwise)	Directorate/ Portfolio Holder	Q2 2021/22 Progress Update	
ECO 15 - Deliver a bi-annual jobs fair to support jobs and skills	Development <i>Cllr Renwick</i>	On track	An actual job fair is being planned to take place in Clay Cross on 25th November with the DWP. An additional Kickstarter hour took place on 12th July 2021 to promote Kickstarter positions in the district and across North East Derbyshire  A further virtual job fair took place on 26th May 2021 with an overall reach of 88,627 engagements on facebook/linked in and twitter. Additional Kickstarter job fair took place on 28/6/21 to encourage young people to apply for Kickstart job placements as there are nearly 2000 across Derbyshire and a low number of applicants for these positions.
ECO 16 - Produce a Tourism Strategy by January 2021 and deliver the action plan by March 2024	Development <i>Cllr Renwick</i>	Achieved (partially)	The Strategy was approved earlier in 2021. Lead officer recommending that this be marked as completed and the action plan within the tourism strategy is put into perform to measure its outcomes. To be discussed at the quarterly performance meeting on 19/11/21.
ECO 20 - Review resources to ensure tourism is a focus of the Economic Development Team by April 2020	Development <i>Cllr Renwick</i>	Achieved behind target	The new tourism role has been agreed, the role job description and person spec has been developed and advertised. There are two interviews planned in for week commencing 8th November
ECO 21 - Produce a Growth Strategy by January 2021 and deliver the action plan by March 2024	Development <i>Cllr Renwick</i>	Achieved	The Strategy was approved earlier in 2021. <u>Lead officer is recommending that this target be marked as completed and that specific KPIs be pulled out of the action plan, monitored</u>

Council Plan Target (Target date 31/03/23 unless stated otherwise)	Directorate/ Portfolio Holder	Q2 2021/22 Progress Update
		<p style="background-color: green; color: white; text-align: center; padding: 5px;">On track</p> <p><u>and reported on to give a clearer picture of what progress and achievements.</u></p>
<p>ECO 25 - Lead on reviews of Town Centres and larger settlements through Government funded programmes such as the One Public Estate, Town Deal and future opportunities</p>	<p>Development <i>Cllr Renwick</i></p>	<p style="background-color: yellow; text-align: center; padding: 5px;">On track</p> <p>Mace have been appointed to support the further development of the OPE reports to develop business cases and a masterplan for Eckington and Killamarsh. This will be the basis of future levelling up bids.</p> <p>The Clay Cross town deal is progressing and Amion have been appointed to develop the Business Cases to be submitted and then draw down the funding. This work will progress over the next 6 months and then be locally assured, via independent consultants (Mace), S151 officer, Town Deal Board and NEDDC Cabinet (as NEDDC is the accountable body for the Town Deal).</p> <p>Work is continuing to progress on the Dronfield Civic space with the final draft report due shortly.</p>
<p>ECO 29 - Reduce the number of complaints in relation to town centre cleanliness</p>	<p>Environment <i>Cllr Cupit</i></p>	<p style="background-color: yellow; text-align: center; padding: 5px;">On track</p> <p>Zero complaints were received in this period (June to September) which is within the baseline (1 per month\3per quarter) target established in 2020\21 period.</p>

Council Plan Target (Target date 31/03/23 unless stated otherwise)	Directorate/ Portfolio Holder	Q2 2021/22 Progress Update
ECO 30 - Establish and deliver NED Weekly Apprenticeship hour	Environment <i>Cllr Cupit</i>	On track Apprenticeship Hour is still not being utilised however one business has been supported with accessing DCC Apprenticeship Levy. Apprenticeship work to be reviewed.
ECO 31 - Implement and manage an annual programme of capital improvements to council owned business premises to attract and retain business clients (Measure by % completion of annual programme)	Development <i>Cllr Renwick</i>	On track Current spend profile on capital projects is:  Urgent asset repairs - 32.88% (£126,901 of £386,000) - 100% of the budget is due to be spent by end of 21/22 financial year Roller shutter door replacement program - 0% (£0 of £42,000) - All doors are programmed and 100% of budget is due to be spent by end of 21/22 financial year Eckington Pool energy efficiency project - 14.18% (£221,886 of £1,565,000) - Project currently in progress, 100% of budget is due to be spent by end of 21/22 financial year Killamarsh Leisure Centre - 3.09% (£61,451 of £1,991,000) - Project is just commencing with 100% of budget to be spent by end of 21/22 financial year  TOTAL SPEND TO END OF SEPTEMBER 2021 £410,338 AGAINST A BUDGET OF £3,984,000. Actual spend will climb dramatically in H2 21/22 due to committed projects.

Council Plan Target (Target date 31/03/23 unless stated otherwise)	Directorate/ Portfolio Holder		Q2 2021/22 Progress Update
ECO 32 - Increase revenue from business centre meeting bookings by 10% each year to maximise the use of these district facilities (Baseline: 2019/20)	Development <i>Cllr Renwick</i>	Alert	Overall this metric is not achievable as it is not practical to increase usage / revenue by 10% per year, particularly in a post pandemic world. Figures are as follows: 2018/19 - Total revenue £13,491 2019/20 - Total revenue £9429 2020/21 - Total revenue £225 2021/22 Total revenue to end Q2 (Sept) £6772
ECO 33 - Support at least 25 businesses each year through effective signposting and advice	Development <i>Cllr Renwick</i>	On Track	A dedicated business advisor based at D2N2 Growth Hub was appointed in February 2021 and has supported over 300 NEDDC businesses since that time. Activity includes Covid support, general growth advice and a rolling programme of free business support workshops. NEDDC officers offer parallel support and advice on skills, business premises, recruitment, apprenticeships etc.

**Aim: Our Environment - Protecting and promoting the character of our District**

Council Plan Target (Target date 31/03/23 unless stated otherwise)	Directorate/ Portfolio Holder		Q2 2021/22 Progress Update
ENV 01 - Adopt a Local Plan and associated policies	Environment <i>Cllr Cupit</i>	Overdue	It is planned for the final report for the adoption of the Plan to be presented at Full Council on 29 <sup>th</sup> November.



ENV 05 - Deliver 2 proactive planning enforcement exercises per year	Environment <i>Cllr Cupit</i>	On track	The Enforcement team is now fully staffed and are working proactively to investigate all outstanding matters.
ENV 06 - Reduce the District Council's carbon emissions by - 125 tonnes CO2 in 21/22 -	Corporate Resources <i>Cllr Kenyon</i>	Achieved	Through a number of projects such as LED lighting improvements, Eckington Pool Decarbonisation Project, agile/home working (50% of the time), pool cover, CWI installation and renewable electricity tariff, the forecast carbon reduction is in excess of 1000 tonnes per year, achieving the combined 20/21, 21/22, 22/23 target. We are now in the process of reviewing the data and policies to inform a revision to the carbon reduction strategy.
ENV 08 - Develop a Climate Change Communications Strategy by April 2021	Corporate Resources <i>Cllr Powell// Cllr Kenyon</i>	Overdue	Climate Change Strategy being led by Partnership Team. In development. Communications Climate Change Strategy to sync with the wider strategy, on hold until details are available.
ENV 09 - Develop and deliver 2 climate change community information events per year	Corporate Resources <i>Cllr Kenyon</i>	On Track	Climate Change Community Information content is part of the NEDDC Meet the Council events, the first of which was held on 27.09.21 in Eckington.
ENV 10 - Deliver 1 climate change training event for Parish Councils per year	Corporate Resources <i>Cllr Kenyon</i>	On Track	The annual session led by the Home Improvement Co-ordinator will be held at the DPLG in March 2022 (Q4).

ENV 13 - Increase the number of fixed penalty notices issued for litter and dog fouling offences by 20% by 2023 (Baseline: 2019/20)	Environment <i>Cllr Cupit</i>	On Track	A new baseline is now being established. In Q1 4 fixed penalty notices issued. On target to meet the objective following resumption of targeted community based patrols.
ENV 14 - Undertake 15 litter picks and Love Where You Live initiatives per year	Environment <i>Cllr Cupit</i>	On Track	On target to meet the objective following resumption of targeted community based patrols.  Target = 15 Actual = 7
ENV 16 - Measure %age of all reports of fly-tipping referred for investigation to be responded to within 3 working days (set baseline in 19/20 for 20/21 onwards)	Environment <i>Cllr Cupit</i>	On Track	Exceeding expected response rate on the year to date, however Q2 was just below the expected outturn due to loss of a key staff member at short notice. Expected to resolve this measure through Q3.  Target 90% Actual 89%
ENV 17 - Measure %age of cases of waste crime (Duty of Care and fly-tipping) where sufficient evidence to prosecute has been identified, are progressed to legal services, with a prosecution file, within 60 days (set baseline in 19/20 for 20/21 onwards)	Environment <i>Cllr Cupit</i>	Alert	2 legal cases, neither of which had prosecution files prepared within 90 days. Due to an unfilled vacancy and unexpected staff turnover in the Environmental Enforcement Team, processing case files has been impacted. However, a new method of recording and monitoring prosecution case files is also being implemented in Q3 to ensure that timescales are adhered to  Target 100% Actual 0%

**Aim: Our Residents - Enhancing our residents' quality of life**

Council Plan Target (Target date 31/03/23 unless stated otherwise)	Directorate/ Portfolio Holder	Q2 2021/22 Progress Update	
RES 01 - Whist maintaining high quality leisure facilities, reduce the annual subsidy of the leisure service year on year.	Corporate Resources <i>Cllr Kenyon</i>	On Track	Participation has been good during Q2 with 132,733 visits recorded. Closure of the Swimming Pool at Eckington (from Monday 16th August) & Sharley park Sports Hall closure (for vaccination site) have meant reduced numbers for recording so no comparisons have been made against previous years. Note, SPLC sports Hall re-opened from 6th September. Works at Eckington are progressing well and the facility is expected to re-open early December. Works at Killamarsh are expected to start from 12th November (on site) with a partial re-opening off April 2022. Financial performance/subsidy reduction will be provided at year end/quarter 4.
RES 02 - Run 12 community initiatives per year	Corporate Resources <i>Cllr Kenyon</i>	On Track	The team have not launched any new initiatives this quarter this has mainly been due to the reintroduction of our existing activities being a priority for this period and due to 6 weeks of the quarter being school holidays. 4 events run to date. The lead officer is fully expecting to meet this target in 2021/22.
RES 03 - Increase participation in leisure activities at leisure centres by 5000 visits per year	Corporate Resources <i>Cllr Kenyon</i>	Alert	Participation has been good during Q2 with 132,733 visits recorded. Closure of the Swimming Pool at Eckington (from Monday 16th August) & Sharley park Sports Hall closure (for vaccination site) have meant reduced numbers for recording so no comparisons have

Council Plan Target (Target date 31/03/23 unless stated otherwise)	Directorate/ Portfolio Holder	Q2 2021/22 Progress Update
		<p>been made against previous years. Note, SPLC sports Hall re-opened from 6th September.</p> <p>The revised target for Leisure based on 80% of original target for 2021/22 to take into account post covid recovery and that full recovery is expected in 2022/23. Due to improvements etc. it not expected that this revised target will be met this year.</p>
RES 04 - Deliver a health intervention for 258 new attendees per year	<p>Corporate Resources</p> <p><i>Cllr Kenyon</i></p>	<p>Covid affected</p> <p>Numbers of referrals beginning to pick up and therefore number of completers also, but still affected by current Covid 19 situation with limited access to GP's and vulnerable client group.</p> <p>Target Q2 - 64</p> <p>Actual Q2 - 42</p>
RES 05 - Deliver the PALS service to 40 residents per year and report on the socio economic and health benefits	<p>Corporate Resources</p> <p><i>Cllr Kenyon</i></p>	<p>Covid affected</p> <p>PALS service has been COVID affected however the officer is still supporting 3 active clients via the scheme, however the scheme is now taking a whole system approach and has been successful in pulling together a partnership group that will look at improving the Health and Wellbeing of local residents.</p> <p>This has included a funded youth provision supported by Derby County Community Trust, Supporting a youth club in partnership with CX21, Love Exploring launch, Creative consultation launch with YP with a view of the YP developing a community event.</p>

Council Plan Target (Target date 31/03/23 unless stated otherwise)	Directorate/ Portfolio Holder	Q2 2021/22 Progress Update
RES 06 - Deliver the 10 week, 560 Lifestyle Programme to at least 12 schools across the District (10,000 students per year)	Corporate Resources <i>Cllr Kenyon</i>	On Track  During this period the team have delivered the 10 week lifestyles programme to 8 primary schools over this period. Due to when the programme commenced we are unable to confirm throughput figures as a of yet due to the programme not yet at completed  14 schools currently delivered to Throughput figures - not yet available
RES 07 - Deliver additional lunch time or after school PE clubs in at least 6 schools per year.	Corporate Resources <i>Cllr Kenyon</i>	On Track  We are currently delivering to 6 primary schools and are back to pre covid delivery.  The throughput of pupils attending these sessions is 2,505 pupils for Q2 of the year. Q1 - 2,468 Q2 - 2,505 Value to date 4,973
RES 09 - Deliver the Corporate Communications Strategy Action Plan by 2023	Corporate Resources <i>Cllr Powell</i>	On track  On target, progressing actions as planned in line with previous update. Investigating direct advertising on the website using Google AdSense
RES 12 - Improve the overall performance and usability of the website by achieving a minimum score of 90% using the Silktide* tool by Dec 2022.	Corporate Resources <i>Cllr Powell</i>	On track  NEDDC currently scores 94 ('Excellent') - for comparison nationally, the top 10 Local Authority websites currently score 97 or above so NEDDC is doing very well. (March 2021)

Council Plan Target (Target date 31/03/23 unless stated otherwise)	Directorate/ Portfolio Holder	Q2 2021/22 Progress Update	
		<p>NEDDC have the Silktide website testing tool and scores for aspects of the websites are:</p> <ul style="list-style-type: none"> <li>• Content 85</li> <li>• Accessibility 92</li> <li>• Usability 86</li> <li>• Marketing 84</li> </ul>	
RES 16 - Ensure home ownership models to equate to 25% of affordable homes requirement on new developments	<p>Development <i>Cllr Powell</i></p>	On track	Home ownership models equate to 73% of all affordable homes to date.
RES 18 - Reduce rough sleeping to zero by 2023	<p>Development <i>Cllr Powell</i></p>	On track	<p>We recorded 4 persons rough sleeping through the course of Q2. All 4 cases have been resolved positively by way of accommodation being offered.</p> <p>In Quarter 2 we opened 66 cases (Full Homelessness Applications)</p> <p>37 prevention cases where people were threatened with homelessness</p> <p>29 relief cases where people were already homeless</p> <p>The National average for cases opened at prevention stage is 55%</p> <p>In Q2 the NEDDC average for cases opened at the prevention stage is 56%. This is compared to 44% of cases being opened at the relief stage. The prevention ratio is still very low compared to pre pandemic levels</p>

Council Plan Target (Target date 31/03/23 unless stated otherwise)	Directorate/ Portfolio Holder		Q2 2021/22 Progress Update
			<p>and ideally this should be in the region of 70%. Expect the balance to reset somewhat over the course of Q3 &amp; Q4.</p> <p>In Q2 we recorded 49 positive outcomes where homelessness or the threat of homelessness was resolved</p> <p>29 positive outcomes at prevention stage 20 positive outcomes at relief stage</p> <p>The prevention and relief cases do not tell the whole story. In Q2 we also opened 133 advice cases. Advice cases are usually opened to register initial enquiries before a full homelessness application is made. These cases will either change to prevention or relief cases, or, they may only serve to capture more basic low level advice where there is no need to trigger a homelessness application.</p>
RES 20 - Create at least 4 apprenticeship opportunities by 2023	Corporate Resources <i>Cllr Foster</i>	On track	We are currently recruiting to two new Apprentice positions (one post is joint with BDC).

Council Plan Target (Target date 31/03/23 unless stated otherwise)	Directorate/ Portfolio Holder		Q2 2021/22 Progress Update
RES 21 - Invest in voluntary and community organisations to assist over 20,000 vulnerable and disadvantaged households per year	Corporate Resources <i>Cllr Foster</i>	On track	Confirmed figures for 20/21 are 18,981 households assisted. 21/22 numbers are expected to increase as the interim COVID-19 measures end.
RES 22 - Re-sign and launch the Armed Forces Covenant and deliver the action plan by 2023	Corporate Resources <i>Cllr Foster</i>	On track	Activity was undertaken to organise the NEDDC Commemorating the Covenant Event in Autumn 2021 for 3rd October 2021 (Q3). Participated in the national Covenant Duty Statutory Guidance consultation on 8th July 2021.
RES 23 - Develop an Older People's Strategy by September 2020 and deliver the Action Plan by 2023	Corporate Resources <i>Cllr Foster</i>	On track	The Digital Connect commission, to support to those aged over 50 to increase their online skills and confidence, commenced on 19th July 2021.
RES 24 - Develop the British Sign Language Action Plan by April 2020 for implementation in full by December 2023	Corporate Resources <i>Cllr Foster</i>	On track	The recent 'Meet the Council' events gave an opportunity to have a BSL signer in attendance and to engage with representatives from the deaf community. Arrangements are being made to have the Leader's Briefing video overlaid with a BSL signer in future. Two BSL videos have been produced, a Q & A style one to explain how to use InterpretersLive! and another on council services to raise awareness.



Council Plan Target (Target date 31/03/23 unless stated otherwise)	Directorate/ Portfolio Holder	Q2 2021/22 Progress Update
RES 26 - Support at least 20 projects per year through the Community Action Grants Fund	Corporate Resources <i>Cllr Foster</i>	On track  5 projects have been awarded a total on £2,999.56, within the quarter, taking to annual total to 12 projects totalling £5,739.81. Regular promotion of successful projects through NEDDC social media is ongoing.
RES 27 - Support at least 4 initiatives per year led by volunteers	Corporate Resources <i>Cllr Powell</i>	On track  In-depth support has continued with Wingerworth Men's Shed Group and SCAMWhere? as well as Dronfield Together. 19 groups were engaged with at the Clay Cross Gala, 4th September 2021.
RES 28 - Recruit 8 physical activities champions per year	Corporate Resources <i>Cllr Alan Powell</i>	Covid affected  To date 0 physical activity champions have been recruited due to being COVID affected. During Q2 we have fully re-engaged back into the Clay Cross community and have started to develop a Physical Activity group that will support the recruitment of Physical Activity Champions.
RES 30 - Provide 10 waste, recycling and environmental advice to schools and community events per year	Environment <i>Cllr Cupit</i>	Covid affected  Throughout the July to September no education events have been undertaken due to Covid19 restrictions and schools being on lock-down. However, continued education and awareness raising has been undertaken throughout this period with customers who's burgundy bin collections may have been delayed due to issues of

Council Plan Target (Target date 31/03/23 unless stated otherwise)	Directorate/ Portfolio Holder	Q2 2021/22 Progress Update	
			contamination. Given learning priorities at this time and ongoing social distancing requirements, no school events are anticipated in the near future.
RES 31 - Support at least 6 school climate change projects per year	Corporate Resources <i>Cllr Kenyon</i>	On Track	The 2021/22 scheme will be open for applications in September 2021.
RES 32 - Monitor performance against the corporate equality objectives and publish information annually	Corporate Resources <i>Cllr Foster</i>	On Track	The office based staff equality refresh programme has been completed. Materials have been produced for the operatives to be delivered via toolbox talks. A refresh is also being considered for Elected Members. Work continues on the BSL Charter Action Plan however some meetings with the British Deaf Association have been pushed back as they need to support the winding up of the Covid hotline. The team continues to support departments with advice especially around complaints and hate incident reports. A light touch review of the Access for All statement, equality monitoring form and guidance is in process also.

**Aim: Our Services - Delivering high quality, cost effective services by engaging with residents, partners and Council staff**

Council Plan Target (Target date 31/03/23 unless stated otherwise)	Directorate/ Portfolio Holder		Q2 2021/22 Progress Update
SER 02 - Deliver 4 employee liaison meetings annually	Corporate Resources <i>Cllr Foster</i>	On track	ELG Group meetings are taking place each quarter
SER 03 - Deliver £2m savings through the Transformation Programme by 2023 <u>Note:</u> Programme 2 started in 2018/19.	Operations <i>Cllr Kenyon</i>	On track	Nov 21- £1.2m (60% of target) of the target achieved up to July 2020 when the approach was changed. Financial efficiencies are now identified through Finance led, annual 'line-by-line' budget reviews and the Transformation outcomes are delivered by 7 strategic projects. A review of the 5% - 10% financial improvements through the Service Plan is complete and an initial review undertaken by Strategic Director Corporate Resources and S151 Officer. Progress on the strategic transformation projects such as the accommodation review, agile working, Eckington Pool and Sharley Parks continues.
SER 04 - Deliver 100 hours leadership training per year	Operations <i>Cllr Foster</i>	On track	A range of internal training has been offered to employees and a significant number of external training has been requested from the corporate training budget

Council Plan Target (Target date 31/03/23 unless stated otherwise)	Directorate/ Portfolio Holder	Q2 2021/22 Progress Update
SER 05 - Ensure that at least 50% of transactions are made through digital channels by Dec 2024	Operations <i>Cllr Kenyon</i>	<p data-bbox="1267 277 2089 400">Digital transactions for Q1 of 2021-22 was 50.48% - Digital transactions for Q2 of 2021-22 is 48.80% Baseline (Q1 2018-19 is 29.98%).</p> <p data-bbox="1267 453 2089 826">Figures continue to increase as planned (2020-21 annual figure was 45.83%). The decrease from Q1 to Q2 appears to be because there has been a significant jump in the number of emails being received by the contact centre (approximately 1500 additional emails). These emails are classed as 'non digital' because they require manual processing, forwarding, follow up and monitoring by the contact centre, therefore require equivalent, if not more resource than a similar face to face enquiry.</p> <p data-bbox="1267 836 2089 954">There has been a reduction in Self Service submissions, due to a reduction in the number of Covid related forms and submissions.</p> <p data-bbox="1267 1007 2089 1125">Planning applications received are now being added to the figures and for Q3 elections data will also be included (voluntary registrations and annual canvass returns).</p> <p data-bbox="1267 1177 2089 1378">Initial analysis from the 2021 Census shows that: England and Wales: 97% of households took part in the Census 88.9% of these households completed online. 56.4% completed using their mobile phone</p>

Council Plan Target (Target date 31/03/23 unless stated otherwise)	Directorate/ Portfolio Holder	Q2 2021/22 Progress Update
		<p>Further work needs to be done to get a percentage of our residents who opted to complete digitally compared to paper but for NEDDC specifically:            24% of households were designated 'paper first' (automatically receive a paper copy) - 43% of those actually completed online rather than completing the paper form            92% of households who were 'digital first' responded online</p> <p>It is clear that the vast majority of residents are able, willing and even prefer to use digital methods for transactions; we need to implement this as much as possible to free up resource to provide more/better quality service to those who choose or need to use non-digital methods.</p> <p>Digital transactions counted are all Self Service, automated telephone and online payments, kiosk payments etc. Non-Digital is calls, face to face, webchat, email, text etc taken by contact centre only (no other reliable stats have been provided).</p>
SER 06 - Provide self-service access to all service areas by 2023	Corporate Resources <i>Cllr Kenyon</i>	<p>On track</p> <p>More service areas as using the internal forms system (ie for staff not customer facing).            All service areas who previously had online forms (downloadable from website or web forms) are now using Self Service for customer facing services/applications. All</p>

Council Plan Target (Target date 31/03/23 unless stated otherwise)	Directorate/ Portfolio Holder	Q2 2021/22 Progress Update
		<p>service areas have access to Self Service but the level of use needs to increase further which can be done through policy changes and a change in culture.</p> <p>Environmental Health and Streetscene, Revenues, HR, Leisure, Communications, Planning, Economic Development, ICT and Governance all use Self Service. The need for COVID-19 related forms and online services still continues for some service areas.</p>
SER 11 - Increase the number of pre-court and court enforcement actions taken by Community Safety	Environment <i>Cllr Powell</i>	<p>On track</p> <p>Community Protection Warning's x 8            Community Protection Notice x 4            Fix penalty notice - 0            Community Protection Warning x 0            Acceptable Behaviour Contract's x 0</p>
SER 12 - Ensure that monthly car parking patrols are undertaken outside schools within the District	Environment <i>Cllr Cupit</i>	<p>Covid affected</p> <p>Patrols and visits to begin again in October 2021 with the new school year, depending on Covid-19 position</p>
SER 13 - Review enforcement services and develop and deliver a 2020-23 Environmental Health Improvement Programme	Environment <i>Cllr Cupit</i>	<p>On Track</p> <p>Review completed and service plan / improvement plan in development</p>

Council Plan Target (Target date 31/03/23 unless stated otherwise)	Directorate/ Portfolio Holder		Q2 2021/22 Progress Update
SER 15 - Deliver 6 Ward walks per year	Corporate Resources	On Track	Ward Walks were being developed with an officer who is no longer working with NED. The MO and her team at NED will pick this up and report back at the next quarter.
SER 16 - Attend 4 Parish Council Meetings per year	Corporate Resources <i>Cllr Foster</i>	On track	A new model code of conduct will be produced and training offered to District Councillors at Council in September. it is considered that we will record this session where possible to offer the recording our to PCs. DPL continues to meet on a quarterly basis to engage with PCs. This objective will be reviewed with the monitoring officer to consider appropriate next steps after corvid.
SER 18 - Review the Council's Petition Scheme by Annual Council 2020	Corporate Resources <i>Cllr Foster</i>	Overdue	September standards meeting was been cancelled. It will was not ready to bring to the November meeting due to changes in structure within the MOs team. It is hoped that this will be presented in draft to the January meeting of Standards.
SER 19 - Achieve a combined recycling and composting rate of 50% by March 2023	Environment <i>Cllr Cupit</i>	On track	<p>Q2 (2021\22) performance is estimated on like Q2 (2019\20 Pre-Covid) performance due to Waste Data Flow information not being available until January 2022. It is estimated 6,030 tonnes of recyclable\compostable waste will be diverted yielding a combined recycling rate of 55% between July and September 2021.</p> <p>Q1 (2021\22) 6,022 tonnes of recyclable\compostable</p>

Council Plan Target (Target date 31/03/23 unless stated otherwise)	Directorate/ Portfolio Holder	Q2 2021/22 Progress Update
		waste was diverted, yielding a recycling rate of 52.6% between April to June and when compared to Q1 (2019\20) has seen an increase of 0.7% informing recycling and composting performance has returned to pre-Covid levels.
SER 20 - Place 2 recycling promotions in NEDi News annually	Environment <i>Cllr Cupit</i>	On track
SER 21 - Undertake Local Environmental Quality Surveys to establish 96% relevant land surveyed meets grade B or higher cleanliness standards in line with Code of Practice for Litter and Refuse	Environment <i>Cllr Cupit</i>	On track
SER 22 - Undertaking cleansing of all District estate roads at least 4 times per year	Environment <i>Cllr Cupit</i>	On track



## North East Derbyshire District Council

### Audit and Corporate Governance Scrutiny Committee

1 December 2021

### Risk Management

### Report of the Managing Director

Classification: This report is public

Report By: Lee Hickin, Managing Director

Contact Officer: Lee Hickin, Managing Director

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#### **PURPOSE / SUMMARY**

- To update Members of the Audit and Corporate Governance Scrutiny Committee of the current position regarding Risk Management arrangements and the Strategic Risk Register as at November 2021.
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#### **RECOMMENDATIONS**

1. That the Audit and Corporate Governance Scrutiny Committee notes the report and Strategic Risk Register as at November 2021 as set out in **Appendix 1.**
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#### **IMPLICATIONS**

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**Finance and Risk:**      Yes       No

**Details:**

There are no additional financial implications arising out of this report. Whilst, where appropriate, additional mitigation measures have been identified and implemented during the course of preparing the Strategic and Operational Risk Registers, the cost of implementing this mitigation will be met from within previously agreed budgets. Risk Management Issues are covered throughout the body of the main report.

On Behalf of the Section 151 Officer

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**Legal (including Data Protection):** Yes  No

**Details:**

There are no legal or data protection issues arising directly out of this report.

On Behalf of the Solicitor to the Council

**Staffing:** Yes  No

**Details:**

There are no human resource issues arising directly out of this report.

On behalf of the Head of Paid Service

## DECISION INFORMATION

Decision Information	
<b>Is the decision a Key Decision?</b> A Key Decision is an executive decision which has a significant impact on two or more District wards or which results in income or expenditure to the Council above the following thresholds:  <b>BDC:</b> Revenue - £75,000 <input type="checkbox"/> Capital - £150,000 <input checked="" type="checkbox"/> <b>NEDDC:</b> Revenue - £100,000 <input type="checkbox"/> Capital - £250,000 <input type="checkbox"/> <input checked="" type="checkbox"/> Please indicate which threshold applies	No
<b>Is the decision subject to Call-In?</b> (Only Key Decisions are subject to Call-In)	No
<b>District Wards Significantly Affected</b>	None
<b>Consultation:</b> Leader / Deputy Leader <input type="checkbox"/> Cabinet / Executive <input checked="" type="checkbox"/> SAMT <input checked="" type="checkbox"/> Relevant Service Manager <input type="checkbox"/> Members <input type="checkbox"/> Public <input type="checkbox"/> Other <input type="checkbox"/>	Yes

**Links to Council Ambition (BDC)/Council Plan (NED) priorities or Policy Framework including Climate Change, Equalities, and Economics and Health implications.**

None.

## REPORT DETAILS

### 1 Background

1.1 Audit and Corporate Governance Scrutiny Committee have previously endorsed the Council's Risk Management Strategy which was then approved by Cabinet in March 2020. The Strategy includes but is not limited to the following;

- The nature of 'risk' both the 'threats' and the 'opportunities'
- The benefits of a robust risk management approach
- The Council's risk appetite
- Risk categorisation – *Operational, Governance, Strategic*
- Project and Partnership risk
- The Council's risk management approach and arrangements including a new 'Risk Management Group'
- Roles and responsibilities including *Senior Risk Officer* and *Senior Information Risk Officer* (SRO and SIRO)

1.2 The Strategy also details the work of a 'Risk Management Group'. This is elected Member led and includes the Councils Senior Risk Officer (SRO), Senior Information Risk Officer (SIRO), S151 Officer, representation from senior management, Internal Audit and Health and Safety. The group provides a comprehensive oversight of risk throughout the organisation and is the conduit to and from the whole organisation in terms of risk management.

1.3 The group 'regularly' and 'consistently' oversee, all of the risk registers ensuring they are up to date and accurate whilst offering challenge to the assessment process itself. It is responsible for risk management reporting to stakeholder groups across the Council, including this Scrutiny Committee and supports the production of the Annual Governance Statement. The group leads on the development and review of all risk related policies, plans and strategies across the Council and oversees and champions the implementation of the Risk Management Strategy and associated action plan including training 'relating to' and the 'embedding of' an effective risk management culture.

#### **Update of the Risk Management Group held on 8 November 2021**

1.4 The Assistant Director, Finance presented the costs associated with Covid-19. In summary these were:

- £42m of grant funding had been received and distributed
- Council tax hardship payments were still being distributed.
- Additional Restrictions Grants – on going
- Government Grant for Covid Enforcement – on going
- £1.4m received towards leisure income which equalled 75% of loss.

- £1.9m Government response grant.
- 1.5 The Information, Engagement and Performance Manager presented the EDPB Data Breach Mitigation Summary. This was a useful tool to use as a checklist/reference in case of breaches. Some ICT areas would require investment to progress. The Information, Engagement and Performance Manager advised that NEDDC were currently considering hybrid mail across the organisation.
- 1.6 Having previously developed and established new risk register templates for *Strategic, Operational, Partnership* and *Project* related risks, the group have overseen their completion by Heads of Service in relation to their own service areas. The templates cover; risk area, threat/opportunity, mitigation and risk ratings.

At the meeting the Assistant Director for Economic Development, Regeneration & Housing Delivery presented the project risks for Clay Cross Town Deal – in summary;

- The risks were fairly high-level at the moment and were being refined as the project progresses. The document was shared with the group through the Risk Management folder on the S drive.
- Any specific risks which may pose a potential problem to NEDDC would be brought to the RMG for discussion.
- The Assistant Director would share the Town Board reports with the RMG every 6 weeks.
- Clay Cross Town Deal would be included on future agendas.

The Assistant Director of Organisation and Transformation presented the project risks for the Sharley Park project.

- 1.5 The Group reviewed the Strategic Risk Register (see Appendix 1). The following are items of note;

The Director of Operations requested that items were dealt with by exception.

The Interim Head of Property Services advised that the Property Operational Risks had been produced and some of these may be appropriate for inclusion on the strategic risk register. The Director of Operations requested that the Interim Head of Property Services cross-reference against the current strategic risk register.

The Joint Assistant Director, Transformation and Organisation advised that leisure risks were being progressed.

The Director of Operations requested that any gaps were filled prior to the next Risk Management Group meeting on 9 February, 2022.

- 1.6 **Audit Recommendation for consideration:** *R1. Climate change should be included on service risk registers and consideration be given to including it on the Strategic Risk Register.*

It was considered that climate change was too large an area to include on the service/strategic risk registers, but could be separated into smaller areas where it was possible to mitigate against risks.

The Head of Operations advised that the Climate Change Strategy was currently being reviewed.

The Internal Audit Manager advised that Chesterfield Borough Council and Derbyshire Dales District Council had both included climate change as a risk. The Internal Audit Manager to share CBC's risk register with the Group. The Director of Operations to consider further following receipt.

1.7 **Insurance Claims / Legal Claims**

The Principal Accountant attended the meeting to provide an overview of insurance/legal claims.

In summary:

- 2020 – 26 insurance claims
- 2021 – 25 claims received to date (mainly vehicle and street scene related, 4 related to Rkyneld Homes).
- 30 claims outstanding - 8 were high value
- 4 claims related to previous employees (Mesothelioma)

The main risk was from a cyber-attack. From July 2022 insurance companies were not expected to insure against cyber-attack. The Joint ICT Infrastructure Manager explained that the risk too insurers was too high. Insurance companies are stating that multi-factor authentication has to be installed on all devices. The Joint ICT Infrastructure Manager was still considering potential options and would report back to a future meeting.

1.8 **Health and Safety Update**

The Health & Safety Advisor advised that the Health and Safety Policy was to be reviewed. As a starting point, a new guidance note template incorporating example risk assessments and detailing relevant legislation, was being formulated to make things easier for managers.

A clear out / tidy up was being planned at Mill Lane with officers being given two months to complete. The Director of Operations stressed that a senior officer must be responsible for checking any documentation being destroyed.

1.9 **Audit Plan**

The Internal Audit Manager advised that outstanding recommendations were being purged.

An audit of the risk management process was planned for later this year.

## **2. Details of Proposal or Information**

- 2.1 To update Members of the Audit and Corporate Governance Scrutiny Committee of the current position regarding Risk Management arrangements and the Strategic Risk Register as at November 2021.

## **3 Reasons for Recommendation**

- 3.1 The Council have in place a robust Risk Management Strategy and action plan which enables the organisation to manage the many and varied risks facing the Council. The approach to managing those risks is applied within decision making processes and is continuous with a structured review process overseen by the Risk Management Group.
- 3.2 The Risk Management Group is elected Member led and includes the Councils Senior Risk Officer (SRO), Senior Information Risk Officer (SIRO), S151 Officer, representation from senior management, Internal Audit and Health and Safety. The group provides a comprehensive oversight of risk throughout the organisation and is now becoming the conduit to and from the whole organisation in terms of risk management. The Risk Management Group is now able to provide risk management reporting to stakeholder groups across the Council and will support the production of the Annual Governance Statement.
- 3.3 The Risk Management Group have made significant progress in ensuring that risk is effectively managed within the organisation. By leading on the development and review of all risk related policies, plans and strategies across the Council, the Risk Management Group will provide consistency of approach and alignment of all service areas in relation to risk management. By overseeing and championing the implementation of the Risk Management Strategy and associated action plan including training 'relating to' and the 'embedding of' an effective risk management culture, the Risk Management Group will be pivotal in the organisations future success.

## **4 Alternative Options and Reasons for Rejection**

Under relevant good practice and to facilitate the development of robust managerial arrangements the Council is required to prepare a Strategic Risk Register as part of its risk management framework. This report is intended for Members and Officers to consider both the Strategic Risk Register, together with the Council's wider framework for managing risk and partnerships. Given the importance of these arrangements for the overall governance of the Council it is necessary to subject them to regular review. The alternative of not providing this is therefore rejected.

## **DOCUMENT INFORMATION**

Appendix No	Title
1	Strategic Risk Register as at 17 November 2021
<b>Background Papers</b> (These are unpublished works which have been relied on to a material extent when preparing the report. They must be listed in the section below. If the report is going to Cabinet (NEDDC) or Executive (BDC) you must provide copies of the background papers)	
Service Area Operational Risk Registers	

## STRATEGIC RISK REGISTER – updated 17/11/21

Area Of Risk (Reference / Date)		Threats / Opportunities			Mitigation / Controls In Place / Actions Undertaken			Potential Further Action / Action Planned / When By Date	
<p><b>STR1</b> <b>Parliamentary uncertainty following the General Election, Government Legislation / impact of referendum vote to leave the EU / adverse external economic climate has an accelerating impact on Council funding, or upon the local economy, to which Council is unable to adopt an appropriate change of Strategic direction. The decision to leave the EU creates significant uncertainties whilst there is a significant programme of legislative change which impacts directly upon local government.</b></p>		<ul style="list-style-type: none"> <li>• Unable to deliver a package of services that both addresses changing national priorities whilst meeting changing local needs and aspirations.</li> <li>• Increases costs or reduces resources available to the Council directly, or to its key partners.</li> <li>• Reduced influence over delivery of local services.</li> <li>• Unable to effectively support local communities.</li> <li>• Increased demands on Council services at a time when Council resource base is reducing.</li> </ul>			<ul style="list-style-type: none"> <li>• Mitigation.</li> <li>• The Council is outward looking and actively works to secure details of proposed change and the approaches that might be adopted to mitigate against associated risks, including working to identify new income streams.</li> <li>• The Council has effective political and managerial arrangements in place to manage change.</li> <li>• Appropriate levels of financial reserves / investment funding are maintained to fund strategic shifts in service delivery.</li> <li>• Effective engagement with staff to ensure they embrace necessary change.</li> </ul>				
STR1	Sept 19	<b>Inherent Risk Score</b> (Likelihood x Impact)	4x4	<b>16</b>	<b>Residual Risk Score</b> (Likelihood x Impact)	3x4	<b>12</b>	Risk Owner / Lead Officer	SAMT / Political Leadership



Area Of Risk (Reference / Date)		Threats / Opportunities			Mitigation / Controls In Place / Actions Undertaken			Potential Further Action / Action Planned / When By Date	
<p><b>STR2</b>  <b>Failure to deliver a balanced budget in line with the MTFP, at a time when the Council's reserves are at an acceptable rather than a robust level, and localism has created significant uncertainties re future funding levels.</b></p>		<ul style="list-style-type: none"> <li>• Impact upon ability to deliver current level of services.</li> <li>• Unable to resource acceptable levels of service.</li> <li>• Significant adverse reputational impact.</li> <li>• The Covid 19 pandemic is putting a significant and unprecedented risk on budget setting</li> </ul>			<ul style="list-style-type: none"> <li>• Mitigation</li> <li>• The Council has effective financial management in place to ensure budget arrangements are robust.</li> <li>• The Council has appropriate managerial arrangements and culture in place to manage any necessary change.</li> <li>• The Council has 'adequate' financial reserves in place to cushion against any loss of income for a period of at least one financial year.</li> <li>• The Council has been closely monitoring the impact of Covid 19 and adjusting the budgets accordingly. The financial impact of the pandemic is recorded as a key risk in budget setting for the MTFP refresh</li> </ul>				
STR2	16/11/ 20	<b>Inherent Risk Score</b> (Likelihood x Impact)	4x4	<b>16</b>	<b>Residual Risk Score</b> (Likelihood x Impact)	3x4	<b>12</b>	Risk Owner / Lead Officer	Political Leadership / S151 Officer/ SAMT

Area Of Risk (Reference / Date)		Threats / Opportunities			Mitigation / Controls In Place / Actions Undertaken			Potential Further Action / Action Planned / When By Date	
<p><b>STR3</b> The Council is affected by a operational service failure which has a major impact upon the local community, this impact being reflected in the Council’s sustainability and reputation. Failure could arise from services – inc Data Protection – failing to adhere to best practice. Resulting in a potential impact upon the Council’s ability to secure its corporate objectives. Given the efficiency measures that have been introduced to date this is considered to be an increasing issue for the Council.</p>		<ul style="list-style-type: none"> <li>• A significant service failure associated with a major impact on the local community.</li> <li>• Deterioration in services to the public, potentially a major impact upon a local resident or a group of local residents.</li> <li>• Significant staff and financial resources required to resolve position, impacting on other services.</li> <li>• A major service has its operating capacity significantly impact and is required to introduce major reform in its approach to service delivery.</li> <li>• Severe reputational damage</li> </ul>			<ul style="list-style-type: none"> <li>• Mitigation</li> <li>• The Council has appropriate managerial arrangements in place supported by staff recruitment and training to ensure these risks are effectively managed.</li> <li>• The Council has a Performance Management Framework in place to help ensure that services are delivered in line with good practice and industry standards. On going monitoring and regular reporting will help ensure that any emerging issues re service performance are effectively identified and resolved at the earliest possible opportunity.</li> </ul>				
STR3	Sept 19	<b>Inherent Risk Score</b> (Likelihood x Impact)	3x5	<b>15</b>	<b>Residual Risk Score</b> (Likelihood x Impact)	2x5	<b>10</b>	Risk Owner / Lead Officer	SAMT
<p><b>STR4</b> Emergency Planning and Business Continuity arrangements fail to meet required standards when</p>		<ul style="list-style-type: none"> <li>• Inability of Council to provide services as a consequence of a severe catastrophic external event (e.g. flooding, major terrorist incident, flu pandemic, fire, cyber crime).</li> </ul>			<ul style="list-style-type: none"> <li>• Mitigation</li> <li>• The Council works in partnership with a range of partners on its Emergency Planning arrangements to ensure that we operate in line with best practice. There is an annual</li> </ul>				

Area Of Risk (Reference / Date)		Threats / Opportunities			Mitigation / Controls In Place / Actions Undertaken			Potential Further Action / Action Planned / When By Date	
tested by flu pandemic, natural disaster (flood), etc. Cyber crime with a loss of data / systems, results in the inability to provide core services and reputational damage.		<ul style="list-style-type: none"> <li>• Failure of IT infrastructure, leading to inability to effectively operate services and to safeguard income streams.</li> <li>• Business Continuity Plans prove ineffective in practice.</li> </ul>			'desktop' scenario to test officers understanding of the arrangements and validate that they are fit for purpose in a realistic 'trial' scenario. <ul style="list-style-type: none"> <li>• All services have Business Continuity plans in place which identify key risks and mitigation. Corporate IT systems have been tested against Industry standards for Business Continuity.</li> <li>• The Council works in partnership with a range of other agencies that should be able to provide support in the event of the Council's own procedures failing to be effective.</li> <li>• The Council has in place industry standard measures to minimise the risk of cyber crime.</li> </ul>				
STR4	Sept 19	<b>Inherent Risk Score</b> (Likelihood x Impact)	5x5	<b>25</b>	<b>Residual Risk Score</b> (Likelihood x Impact)	5x3	<b>15</b>	Risk Owner / Lead Officer	SAMT
<b>STR5</b> Increasing difficulty in recruiting to key posts or in replacing key staff who leave. Staff morale is adversely affected arising from the pace of change, tightening financial		<ul style="list-style-type: none"> <li>• Deterioration in services to the public.</li> <li>• Increasing inefficiencies in service provision.</li> <li>• Weakening of Internal Control arrangements.</li> <li>• Increased pressure on other members of staff.</li> </ul>			<ul style="list-style-type: none"> <li>• Mitigation</li> <li>• The Council has effective communication and working with staff as validated by securing 'silver' accreditation at IIP.</li> <li>• There is sufficient funding to bring in agency staff where required to maintain service performance.</li> </ul>				

Area Of Risk (Reference / Date)		Threats / Opportunities			Mitigation / Controls In Place / Actions Undertaken			Potential Further Action / Action Planned / When By Date	
circumstances or external circumstances.					<ul style="list-style-type: none"> <li>At this stage the problematic areas are those where there are national 'shortages'. In the majority of areas it has proved possible to recruit appropriate replacement staff.</li> <li>Appropriate training budgets are in place to ensure that staff receive necessary training to maintain service quality / continuity.</li> <li>The Council is looking to introduce appropriate apprenticeship / training schemes in order to develop suitable staff.</li> </ul>				
STR5	Sept 19	<b>Inherent Risk Score</b> (Likelihood x Impact)	3x4	<b>12</b>	<b>Residual Risk Score</b> (Likelihood x Impact)	2x4	<b>8</b>	Risk Owner / Lead Officer	SAMT
<b>STR6</b> <b>Delivery of the Council's Agenda is dependent upon effective delivery of both a number of major initiatives / projects and implementing a range of new government reforms whilst achieving financial targets and maintaining service quality, which may overstretch our reduced organisational capacity.</b>		<ul style="list-style-type: none"> <li>New initiatives are not delivered in a cost-effective manner.</li> <li>Failure to maintain / improve services in line with local aspirations.</li> <li>Failure to generate the savings required to balance the budget.</li> <li>Financial savings measures weaken Governance / Internal Control arrangements.</li> <li>Service deterioration / failure arising from capacity issues.</li> </ul>			<ul style="list-style-type: none"> <li>The Council has effective prioritisation and project management arrangements in place to ensure resources are directed at key objectives.</li> <li>The Council has made efforts to ensure effective use of employees by utilising shared services to protect service resilience, by maintaining appropriate training arrangements and by investing in transformational service delivery projects.</li> </ul>				

Area Of Risk (Reference / Date)		Threats / Opportunities			Mitigation / Controls In Place / Actions Undertaken			Potential Further Action / Action Planned / When By Date	
					<ul style="list-style-type: none"> <li>The Council has a robust performance management framework that is intended to highlight emerging issues.</li> </ul>				
STR6	Sept 19	<b>Inherent Risk Score</b> (Likelihood x Impact)	3x4	<b>12</b>	<b>Residual Risk Score</b> (Likelihood x Impact)	2x4	<b>8</b>	Risk Owner / Lead Officer	SAMT
<b>STR7</b> <b>Need to effectively engage with local communities and a range of local partners (inc Shared / Joint services) to deliver cost effective joined up services.</b>		<ul style="list-style-type: none"> <li>Failure to provide effective community leadership.</li> <li>Loss of trust in the Council</li> <li>Inability to deliver good quality cost effective services targeted at local needs.</li> <li>Poor outcomes for local residents, due to failure to engage other agencies.</li> </ul>			<ul style="list-style-type: none"> <li>Mitigation</li> <li>The Council has in place a range of mechanisms designed to secure feedback from local residents including the Performance Framework, a range of consultation events and the role of Elected Members as local champions.</li> <li>The Council has an active Partnerships Team and senior Members / Officers actively engage with other organisations serving the area.</li> <li>The Council's management structures are aligned to our key partnership arrangements.</li> </ul>				
STR7	Sept 19	<b>Inherent Risk Score</b> (Likelihood x Impact)	3x4	<b>12</b>	<b>Residual Risk Score</b> (Likelihood x Impact)	2x4	<b>8</b>	Risk Owner / Lead Officer	SAMT / Political Leadership

Area Of Risk (Reference / Date)		Threats / Opportunities			Mitigation / Controls In Place / Actions Undertaken			Potential Further Action / Action Planned / When By Date	
<b>STR8</b> <b>Governance Arrangements including Performance, Finance and Risk Management need to be maintained in order to continue to operate effectively in a rapidly changing environment.</b>		<ul style="list-style-type: none"> <li>• Adverse Impact upon Service Quality.</li> <li>• Failure to deliver high quality services which address national and local priorities.</li> <li>• Significant adverse reputational impact.</li> </ul>			<ul style="list-style-type: none"> <li>• Mitigation</li> <li>• The Council has appropriate managerial arrangements in place supported by staff recruitment and training to ensure these risks are effectively managed.</li> <li>• The Council has active Standards and Audit Committees which provide independent review of the Governance arrangements in the Council.</li> <li>• The Annual Governance Report sets out an evidence based structured assessment of the operation of the Council's governance arrangements.</li> </ul>				
STR8	Sept 19	<b>Inherent Risk Score</b> (Likelihood x Impact)	3x4	<b>12</b>	<b>Residual Risk Score</b> (Likelihood x Impact)	2x4	<b>8</b>	Risk Owner / Lead Officer	S151 Officer / Monitoring Officer / SAMT
<b>STR9</b> <b>Staff morale / Sickness Levels adversely affected as a result of the pace of change, tightening financial circumstances or external circumstances.</b>		<ul style="list-style-type: none"> <li>• Deterioration in services to the public and loss of productivity.</li> <li>• Loss of key staff / increased sickness levels.</li> <li>• Increased pressure on other members of staff.</li> <li>• Loss of 'goodwill.'</li> </ul>			<ul style="list-style-type: none"> <li>• The Council operates in line with the independent IIP standards and HR 'good practice' to help ensure current staff are well managed and motivated.</li> <li>• The staff has a range of communication mechanisms in place to ensure staff engagement with the Council's agenda.</li> </ul>				

Area Of Risk (Reference / Date)		Threats / Opportunities			Mitigation / Controls In Place / Actions Undertaken			Potential Further Action / Action Planned / When By Date	
					<ul style="list-style-type: none"> <li>The Council has reduced its emphasis of securing savings through vacancy management and seeks to bring in 'agency staff' etc as required.</li> <li>While the Council cannot control external circumstances it has continued to work with staff to mitigate the impact of these on individual employees.</li> </ul>				
STR9	Sept 19	<b>Inherent Risk Score</b> (Likelihood x Impact)	3x4	<b>12</b>	<b>Residual Risk Score</b> (Likelihood x Impact)	3x3	<b>9</b>	Risk Owner / Lead Officer	SAMT
<b>STR10</b> <b>Failure to have in place robust, comprehensive and up to date policies and procedures for safeguarding children and vulnerable adults.</b>		<ul style="list-style-type: none"> <li>Profile of safeguarding is poor</li> <li>Staff and members do not know what safeguarding is and their role within it</li> <li>Staff and members do not know how to spot the signs</li> <li>Staff and members do not know how to report it and to who?</li> <li>Lack of public confidence in Council policies plans and staff</li> <li>Reputational damage</li> <li>Potential significant harm to individuals resulting from abuse and neglect of Children and/or Vulnerable Adults possibly leading to personal harm, injury and death</li> </ul>			<ul style="list-style-type: none"> <li>The Council has in place up to date policies for safeguarding both Children and Vulnerable Adults. These policies are aligned to DCC policies which in turn are in line with legislation, regulation and statutory duties placed on Local Authorities.</li> <li>The Council has in place and maintain systems of working practice to safeguard children and vulnerable adults at Council activities and those who receive Council services.</li> <li>Staff recognised as appropriate to do, are DBS checked</li> <li>All staff receive mandatory safeguarding training</li> </ul>				

Area Of Risk (Reference / Date)		Threats / Opportunities			Mitigation / Controls In Place / Actions Undertaken			Potential Further Action / Action Planned / When By Date	
					<ul style="list-style-type: none"> <li>• Safeguarding is widely promoted and embedded throughout the organisation with all staff being issued with a wallet sized 'safeguarding quick reference guide' which details what to look out for and what to do</li> <li>• The Council has an internal safeguarding group which meets quarterly which has representation from all service areas of the Council.</li> <li>• The Council host and Chair the Countywide Derbyshire Safeguarding Leads Sub Group of the Derbyshire Safeguarding Childrens' Board and Derbyshire Safeguarding Adults Board</li> <li>• The Council are represented on both the Derbyshire Safeguarding Children's Board (DSCB) and the Derbyshire Safeguarding Adults Board ( DSAB)</li> </ul>				
STR10	16/11/ 20	<b>Inherent Risk Score</b> (Likelihood x Impact)	5x4	<b>20</b>	<b>Residual Risk Score</b> (Likelihood x Impact)	4x3	<b>12</b>	Risk Owner / Lead Officer	SAMT / Political Leadership



Area Of Risk (Reference / Date)		Threats / Opportunities			Mitigation / Controls In Place / Actions Undertaken			Potential Further Action / Action Planned / When By Date	
<b>STR11</b> <b>Failure of NEDDC's Local Plan to be found sound at independent examination.</b>		<ul style="list-style-type: none"> <li>• Potential Government intervention</li> <li>• Undermining the local plan</li> <li>• Reputational damage</li> <li>• Loss of control of planning and development</li> </ul>			<ul style="list-style-type: none"> <li>• The Council has successfully avoided Government intervention in the plan-making process.</li> <li>• The Plan has now been through independent examination by the independent Inspector.</li> <li>• The Council has taken all reasonable steps in the preparation of the Plan to ensure that it is based on sound evidence and meets procedural and legal requirements. This has included taking external legal advice, securing an advisory visit with the Planning Inspectorate and engaging consultants to critically review the Publication Draft Plan.</li> <li>• The Inspector has completed her Report and has found the Plan to be sound and able to be adopted.</li> <li>• Main remaining risks are                             <ul style="list-style-type: none"> <li>i) Full Council deciding not to adopt the Plan,</li> <li>ii) JR of Full Council's decision</li> </ul> </li> </ul>				
STR11	Sept 19	<b>Inherent Risk Score</b> (Likelihood x Impact)	2x4	<b>8</b>	<b>Residual Risk Score</b> (Likelihood x Impact)	2x4	<b>8</b>	Risk Owner / Lead Officer	SAMT / Political Leadership

Area Of Risk (Reference / Date)		Threats / Opportunities			Mitigation / Controls In Place / Actions Undertaken			Potential Further Action / Action Planned / When By Date	
<b>STR12</b> <b>Impact of HS2 and the electrification of the MML on environment, heritage, communities and businesses.</b>		<ul style="list-style-type: none"> <li>Without considerable environmental mitigation measures will have a negative impact on the visual amenity of the district, disruption to businesses, home owners and communities. It also has the potential to cause disruption on the roads and stall progress on areas of development due to uncertainty.</li> </ul>			<ul style="list-style-type: none"> <li>Senior management actively engaged with HS2 staff to discuss proactive business mitigation measures.</li> <li>Political leadership working with relevant community groups and agencies lobbying for enhanced mitigation measures.</li> <li>Contributing to the East Midlands HS2 growth strategy and mitigation study</li> <li>Awaiting the outcome of the Government Review and the Integrated Rail Plan</li> </ul>				
STR12	16/11/ 20	<b>Inherent Risk Score</b> (Likelihood x Impact)	4x4	<b>16</b>	<b>Residual Risk Score</b> (Likelihood x Impact)	4x4	<b>16</b>	Risk Owner / Lead Officer	SAMT / Political Leadership
<b>STR13</b> <b>Failure to address the impact of COVID-19 upon the organisation, local economy and community</b>		<ul style="list-style-type: none"> <li>Inability to deliver services or service failure</li> <li>Loss of income to the Council</li> <li>Inability to provide safe working environment resulting in COVID contamination and infection</li> <li>Adverse impact on employee health</li> <li>Inability to change the Councils 'ways of working' to meet the current challenges</li> </ul>			<ul style="list-style-type: none"> <li>The Council plays an active role in the Local Resilience Forum (LRF) and network of sub groups taking part in very frequent meetings and working to effectively and collectively tackle the impact of COVID within the County. This forum includes many agencies across the public sector spectrum including emergency services, NHS, Public Health and others (see strategic risk 6 also)</li> </ul>				

Area Of Risk (Reference / Date)	Threats / Opportunities	Mitigation / Controls In Place / Actions Undertaken	Potential Further Action / Action Planned / When By Date
	<ul style="list-style-type: none"> <li>• Increased Cybersecurity and ICT related risk due to remote working increase</li> <li>• Inability to deliver strategic plans and ambitions</li> <li>• Inability to support local businesses and employers</li> <li>• Inability to support the community and in particular vulnerable people</li> </ul>	<ul style="list-style-type: none"> <li>• The Council has in place effective business continuity and emergency action plans which enabled the effective and efficient deployment and diversification of resources to ensure service resumption, business and community support in the initial response phase of the COVID-19 pandemic</li> <li>• The Council have in place robust recovery plans which include the following;                             <ul style="list-style-type: none"> <li>• Maintaining Financial Control - Development of financial resilience reserves and accessing govt. funding aimed at local authority support, service budget reviews, controlling expenditure, regular fees and charges reviews, furloughing staff as necessary</li> <li>• Workplace Safety – Return to work protocols and risk assessments, regular inspection, social distancing plans, protection and hygiene measures, PPE, staff testing, communication plan, staff related policy reviews, training and briefings, recognition of vulnerable employees</li> </ul> </li> <li>• New Ways of Working – Virtual and remote working capability, digital</li> </ul>	

Area Of Risk (Reference / Date)	Threats / Opportunities	Mitigation / Controls In Place / Actions Undertaken	Potential Further Action / Action Planned / When By Date
		<p>workforce training, digital inclusion plans, remote and homeworking task group, homeworking policy review, website and online services capability review, managing teams remotely guidance</p> <ul style="list-style-type: none"> <li>• ICT and Cybersecurity – Evaluation of remote applications and tools, training and guidance, cybersecurity investment planning</li> <li>• Front Facing Services – Workplace safety as above, public interaction protocols, equipment such as ‘sneeze, screens in place and face masks etc, floor markings and signage, social distancing measures, one way systems in facilities and public areas, NHS test and trace registration and materials in place</li> <li>• Strategy and Plans Review – Risk management, Transformation Programme, Digital, Climate Change, People, Growth, Tourism and Leisure are all strategies currently being reviewed</li> <li>• External Recovery Plans – Aimed at the local economy, business support and survival, includes channelling and distribution of business grants, council tax and business rates</li> </ul>	

Area Of Risk (Reference / Date)		Threats / Opportunities			Mitigation / Controls In Place / Actions Undertaken			Potential Further Action / Action Planned / When By Date	
					support, links to other bodies including; LRF Recovery Sub Group, D2N2 Recovery. There is also a key focus on Communities and the Council's engagement and support with them including Parish Councils, voluntary sector and partners at all levels in the restoration and recovery challenge				
STR13	Nov 20	<b>Inherent Risk Score</b> (Likelihood x Impact)	5x5	<b>25</b>	<b>Residual Risk Score</b> (Likelihood x Impact)	5x3	<b>15</b>	Risk Owner / Lead Officer	SAMT / Political Leadership
<b>STR14</b> <b>Cyber security attack which severely impacts ICT systems and data. E.g. Ransomware attack rendering access to ICT unavailable for some time.</b>		<ul style="list-style-type: none"> <li>• Inability of Council to provide services as a consequence of a severe catastrophic event which renders access to ICT unavailable such as Ransomware attack.</li> <li>• Potential ICO Fines and reputational damage.</li> <li>• Adverse Impact upon Service Quality and income streams.</li> <li>• Failure to deliver high quality services which address national and local priorities.</li> <li>• Potential ICO fines for loss of data</li> <li>• Significant adverse reputational impact.</li> <li>• Significant cost to Council.</li> </ul>			<ul style="list-style-type: none"> <li>• See Operational level activities risk reference ICT1</li> <li>• The Council works in partnership with a range of partners on its Emergency Planning arrangements to ensure that we operate in line with best practice.</li> <li>• All sections have Business Continuity plans in place which identify key risks and mitigation.</li> <li>• Corporate IT systems have been tested against Industry standards for Business Continuity.</li> </ul>			<p>Emergency planning to run Cyber security training events.</p> <p>Improved awareness to Service Managers.</p> <p>Service Managers to review business continuity plans specifically relating to cyber-attack.</p>	

Area Of Risk (Reference / Date)		Threats / Opportunities			Mitigation / Controls In Place / Actions Undertaken			Potential Further Action / Action Planned / When By Date	
STR14	08/02/2021	<b>Inherent Risk Score</b> (Likelihood x Impact)	4x5	<b>20</b>	<b>Residual Risk Score</b> (Likelihood x Impact)	4x4	<b>16</b>	Risk Owner / Lead Officer	SAMT / Political Leadership

Area Of Risk (Reference / Date)		Threats / Opportunities			Mitigation / Controls In Place / Actions Undertaken			Potential Further Action / Action Planned / When By Date	
<b>STR15</b> <b>Illegal dumping of waste on large area of Council owned land at Rotherside Road, Eckington leading to prosecution and/or contamination or water course or risk to human health/environment.</b>		<ul style="list-style-type: none"> <li>• Potential contamination of river Rother</li> <li>• Potential risk to human health/environment from waste</li> <li>• Potential prosecution by the Environment Agency for knowing allowing deposit of waste onto land</li> <li>• Cost of remediation of land potentially substantial</li> </ul>			<ul style="list-style-type: none"> <li>• Council peaceably re-entered site and taken control of site. 16/06/2021</li> <li>• Secure site</li> <li>• Keep Environment Agency informed of Council actions</li> </ul>			<ul style="list-style-type: none"> <li>• Lessons learned to be created August 2021</li> <li>• Site investigation report to be commissioned July 2021</li> <li>• Site remediation works to deal with any risks (timescale dependant on findings above)</li> </ul>	
STR15	22/06/2021	<b>Inherent Risk Score</b> (Likelihood x Impact)			<b>Residual Risk Score</b> (Likelihood x Impact)			Risk Owner / Lead Officer	SAMT / Political Leadership
<b>STR16</b> <b>Northwood JV failure to meet obligations as shareholder and directors of Northwood leading to</b>		<ul style="list-style-type: none"> <li>• Turnover of Council appointed Directors to Northwood instability in Company</li> </ul>			<ul style="list-style-type: none"> <li>• Appoint Directors for a minimum of 3 years</li> <li>• Appoint Officer as Director rather than 2 Councillors (as originally One Councillor and one Officer)</li> </ul>			Discuss with Leadership/Cabinet	

Area Of Risk (Reference / Date)		Threats / Opportunities			Mitigation / Controls In Place / Actions Undertaken			Potential Further Action / Action Planned / When By Date	
failure in meeting company obligations and reduction in profits.		<ul style="list-style-type: none"> <li>Lack of accountability and understanding or business leading to lower/no profits/loss making</li> </ul>			<ul style="list-style-type: none"> <li>Understand key financial and contractual risks</li> </ul>				
STR16	22/06/2021	<b>Inherent Risk Score</b> (Likelihood x Impact)			<b>Residual Risk Score</b> (Likelihood x Impact)			Risk Owner / Lead Officer	SAMT / Political Leadership

## North East Derbyshire District Council

### Audit and Corporate Governance Scrutiny Committee

1 December 2021

<b>Ethical, Social and Governance Investments</b>
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#### Report of the Assistant Director – Finance & Resources (S151 Officer)

Classification: This report is public

Report By: Jayne Dethick – Assistant Director – Finance & Resources  
(S151 Officer)

Contact Officer: as above

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#### PURPOSE/SUMMARY

To update the Audit and Corporate Governance Scrutiny Committee on ethical fund management.

#### RECOMMENDATIONS

That the Audit and Corporate Governance Scrutiny Committee note the update on ethical fund management.

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#### IMPLICATIONS

##### Finance and Risk

Yes ✓ No

Contained within the report

On Behalf of the Section 151 Officer

##### Legal including Data Protection

Yes No ✓

A decision to become an opted in authority must be taken by Council in accordance with Regulation 19 of the Local Audit (Appointing person) Regulations 2015.

On Behalf of the Solicitor to the Council

##### Staffing

Yes No ✓

There are no staffing issues arising directly from this report.



**DECISION INFORMATION**

<p><b>Is the decision a Key Decision?</b>                  A Key Decision is an executive decision which has a significant impact on two or more District wards or which results in income or expenditure to the Council above the following thresholds:  <i>BDC:</i> Revenue - £75,000 <input type="checkbox"/>                  Capital - £150,000 <input type="checkbox"/>  <i>NEDDC:</i> Revenue - £100,000 <input type="checkbox"/>                  Capital - £250,000 <input type="checkbox"/>  <input checked="" type="checkbox"/> Please indicate which threshold applies</p>	<p>N/A</p>
<p><b>Is the decision subject to Call-In?</b>                  (Only Key Decisions are subject to Call-In)</p>	<p>N/A</p>
<p><b>Has the relevant Portfolio Holder been informed</b></p>	<p>N/A</p>
<p><b>District Wards Affected</b></p>	<p>All</p>
<p><b>Links to Corporate Plan priorities or Policy Framework</b></p>	<p>All</p>

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**REPORT DETAILS**

**1 Ethical, Social and Governance (ESG) Investments**

- 1.1 At its meeting in April, the Committee considered a report on ethical fund management and resolved to consider undertaking a further review once the outcome of the results from the Bank of England’s biennial review were available. This reports provides an update on the current position.
- 1.2 The Covid pandemic delayed the start of this work, but in June the Bank of England published their *Climate Biennial Exploratory Scenario (CBES)* to assess the nature and severity of risks faced by the UK financial system as a result of climate change. This will be UK’s first such system-wide assessment of these risks.
- 1.3 This exercise aims to test the resilience of the current business models of the largest banks and insurers, and the financial system to the physical and transition risks from climate change. It includes both banks and insurers for the first time. By testing both banks and insurers using the same scenarios, the CBES will allow the Bank of England to explore the risks presented by climate change across the financial system more fully.

- 1.4 The CBES will explore three different climate policy scenarios, which generate a range of possible future outcomes for global temperatures and the economy, each spanning 30 years. It also identifies two sources of financial risks from climate change to be tested: the risks associated with actions to reduce greenhouse gas emissions known as transition risks; and risks associated with the higher global temperatures likely to result from taking no further policy action known as physical risks.
- 1.5 The financial risks from climate change affect the safety and soundness of firms the Bank of England regulates and the stability of the wider financial system that it oversees. Climate-related financial risks therefore have a direct impact on the delivery of the Bank's prudential policy objectives, as set out in relevant legislation.
- 1.6 The desired outcomes of the CBES are to:
- Measure the financial exposures of participants and the financial system more broadly to climate-related risks.
  - Understand the challenges to participants' business models from these risks; and gauge their likely responses and the implications for the provision of financial services.
  - Assist participants in enhancing their management of climate-related financial risks. This includes embedding these risks in business as usual risk management, engaging counterparties to understand their vulnerability to climate change, and encouraging boards to take a strategic, long-term approach to managing these risks.
- 1.7 The Bank of England intends for their CBES to be a learning exercise. Expertise in modelling climate-related risks is in its infancy, so the exercise is planned to develop the capabilities of both the Bank and the participants. The results will enhance the Bank's understanding of the financial stability implications of climate change and supplement supervisors' knowledge of participants' governance and climate-related risk management. There are no plans at this stage for the exercise to result in regulation or requirements. Participants' submissions are expected to inform the approach to system-wide policy issues, and future policy.
- 1.8 In addition to measuring the financial risks from climate change, the exercise will explore how participants might change their business models to mitigate risk in the scenarios – their 'management actions'. The CBES is also designed to enable the Bank of England to assess participants' present and future planned approaches to managing climate risks. It will also explore risks from climate litigation.
- 1.9 They do not intend to disclose the results of individual firms to reflect the exploratory nature of the exercise. Instead, they intend to disclose system-level results of the financial sector's resilience to climate change, including highlighting the main sources of loss by sector and geography. Results are expected in May 2022.
- 1.10 The financial sector awaits the outcome of the Bank of England's CBES with great interest as these days, it is almost impossible to have a conversation about investing without ESG being mentioned. In the meantime local authorities are beginning to ask themselves how "ESG" they are.

- 1.11 Starting with “Environmental”, many local authorities have now declared a climate emergency. Councils are taking steps to reduce their own carbon emissions within their area and in doing so are helping to achieve the UK’s target of becoming net-zero on all greenhouse gases by 2050. Local authorities have a huge role to play in alleviating the climate crisis by encouraging greener working practices and implementing more energy-efficient measures such as solar panels or low-carbon heating through their own housing stock and through the wider planning process. The proactive approach being adopted by local authorities has led investors to begin to explore how councils can help meet the ESG investment objectives.
- 1.12 Next to “Social”. Local authorities excel at this, providing services with significant social value to its residents. Local authorities also provide and maintain many a range of recreational services such as parks, playgrounds and leisure centres to benefit their communities further.
- 1.13 Last but not least, “Governance” factors are hugely influential in an organisation’s decision-making process and procedures. Local authorities look to uphold the highest standards of conduct, behaviour and prudent use of the public purse, therefore strong governance is essential. Council decisions must be lawful and based on objective and reliable advice if needed so this factor is critical when making investment decisions.
- 1.14 CIPFA has recently consulted on integrating ESG into the Treasury Management Code, raising its profile and highlighting its importance in today’s world. Respondents to the consultation were not in agreement with the enforcement of a new treasury management practice in the Code at this time as there are still so many unknowns so the revised code will make reference to ESG issues instead. Whilst local authorities are not yet legislated to apply ESG’s to investment decisions it is clearly something that all councils need to be considering.
- 1.15 Interestingly, there has been a shift in local authority investing over recent years from traditional investments such as bank and building society deposits to lending to LA peers and registered providers of housing. This shift satisfies the requirement of security, liquidity and yield, as well as upholding an ESG overlay so is a positive move.
- 1.16 One topic that is gaining momentum in the investment world it is that of ESG risks. These are increasingly being analysed alongside traditional financial risks as investors become ever more aware of their impact on outcomes for all businesses, as well as society and the planet, and therefore returns. ESG is fundamental to carrying out not just investment but moving to *responsible investment*.
- 1.17 Local authorities tend to invest in pooled funds rather than directly, essentially outsourcing to fund managers and so when working towards responsible investing it becomes appropriate to ‘engage with the engagers’ and consider each fund managers’ approach to active investment, company engagement and ESG issues.
- 1.18 Responsible investing and assessment of ESG factors is still in its infancy and there are no standardised approaches. Ultimately it is down to each local authority to decide upon its own approach to responsible investment. There have recently been a number of reports highlighting some ESG investments which are not as green and credible as they appeared and very volatile so a robust due diligence framework is essential.

1.19 So where are we currently with ESG and responsible investing? Wherever possible we invest with money market funds that are demonstrating that they are integrating, or are working towards integrating, sustainable investments in their portfolios. We are also investing with more registered providers and local authorities. However, the volatility and credibility of “ESG” investments and the lack of regulation or a standardised approach currently means we still have to prioritise governance and the security of the investment to protect public funds. Our treasury advisors, Arlingclose, have an ‘*ESG and Responsible Investment in Local Authority Treasury Management*’ service which provides an in-depth report designed to assist local authorities incorporate and monitor ESG factors into their treasury investment decisions. In addition, the service includes a series of presentations with fund managers which will look at their engagement and other relevant ESG issues in more detail.

## **2 Reasons for Recommendation**

2.1 Whilst still in their infancy, responsible investing and ESG factors are becoming an increasingly important part of treasury management and investment decision making. .

## **4 Alternative Options and Reasons for Rejection**

4.1 There are no alternative options for consideration.

## **DOCUMENT INFORMATION**

<b>Appendix No</b>	<b>Title</b>
<b>Background Papers</b> (These are unpublished works which have been relied on to a material extent when preparing the report. They must be listed in the section below. If the report is going to Cabinet (NEDDC) or Executive (BDC) you must provide copies of the background papers)	
<b>Report Author</b>	<b>Contact Number</b>
Jayne Dethick – Assistant Director – Finance and Resources (S151 Officer)	01246 217078

## North East Derbyshire District Council

### Audit and Corporate Governance Scrutiny Committee

1 December 2021

#### Financial Resilience Benchmarking

#### Report of the Assistant Director – Finance & Resources (S151 Officer)

Classification: This report is public

Report By: Jayne Dethick – Assistant Director – Finance & Resources  
(S151 Officer)

Contact Officer: as above

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#### PURPOSE/SUMMARY

- To present the Audit and Corporate Governance Scrutiny Committee with benchmarking information on the Council's financial resilience.

#### RECOMMENDATIONS

1. That the Audit and Corporate Governance Scrutiny Committee note the report

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#### IMPLICATIONS

##### Finance and Risk

Yes ✓ No

Contained within the attached report to Council.

On Behalf of the Section 151 Officer

##### Legal including Data Protection

Yes ✓ No

On Behalf of the Solicitor to the Council

##### Staffing

Yes No ✓

There are no staffing issues arising directly from this report.

On Behalf of the Head of Paid Service

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#### DECISION INFORMATION

<p><b>Is the decision a Key Decision?</b>  A Key Decision is an executive decision which has a significant impact on two or more District wards or which results in income or expenditure to the Council above the following thresholds:  BDC: Revenue - £75,000 <input type="checkbox"/>  Capital - £150,000 <input type="checkbox"/>  NEDDC: Revenue - £100,000 <input type="checkbox"/>  Capital - £250,000 <input type="checkbox"/>  <input checked="" type="checkbox"/> Please indicate which threshold applies</p>	N/A
<p><b>Is the decision subject to Call-In?</b>  (Only Key Decisions are subject to Call-In)</p>	N/A
<p><b>Has the relevant Portfolio Holder been informed</b></p>	N/A
<p><b>District Wards Affected</b></p>	All
<p><b>Links to Corporate Plan priorities or Policy Framework</b></p>	All

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## **REPORT DETAILS**

### **1 Financial Resilience Benchmarking**

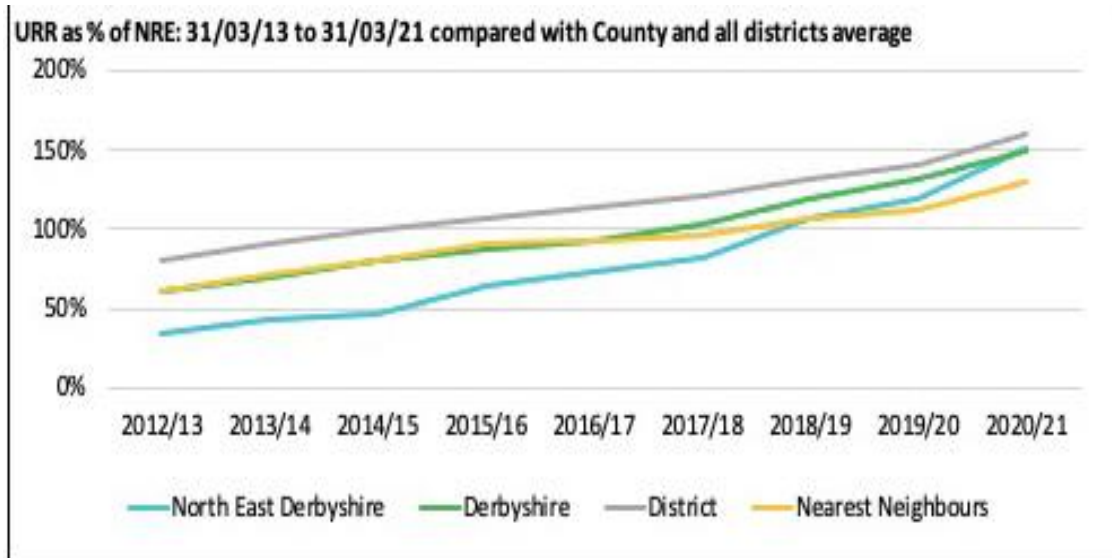
- 1.1 The Committee received a report in July outlining the requirements of CIPFA's Financial Management Code. One of the key areas of focus in the code is Financial Performance Monitoring, demonstrating through benchmarking and other means that the Council's financial resilience is being assessed.
- 1.2 In order to meet this requirement and measure our resilience, a benchmarking tool is being utilised. This allows us to scrutinise our financial health by analysing ourselves against other local authorities through a set of metrics. In order to make this as meaningful as possible, the benchmarking comparators are as far as possible made against "like" Councils.
- 1.3 The metrics focus on three main areas, revenue health, capital health and funding, to draw comparisons and conclusions on our current and estimated future position.

#### **Revenue Health**

- 1.4 Section 25 of the Local Government Act 2003 requires the chief financial officer to report on, amongst other things, the adequacy of proposed usable revenue reserves. This is a key measure of revenue health and is becoming increasingly important at a time of uncertainty and complexity around national funding systems such as business rates and the spending power formulae. Planned use of reserves can be a useful tool for meeting Council aims and ensuring ongoing financial resilience, however unplanned use might point to less than

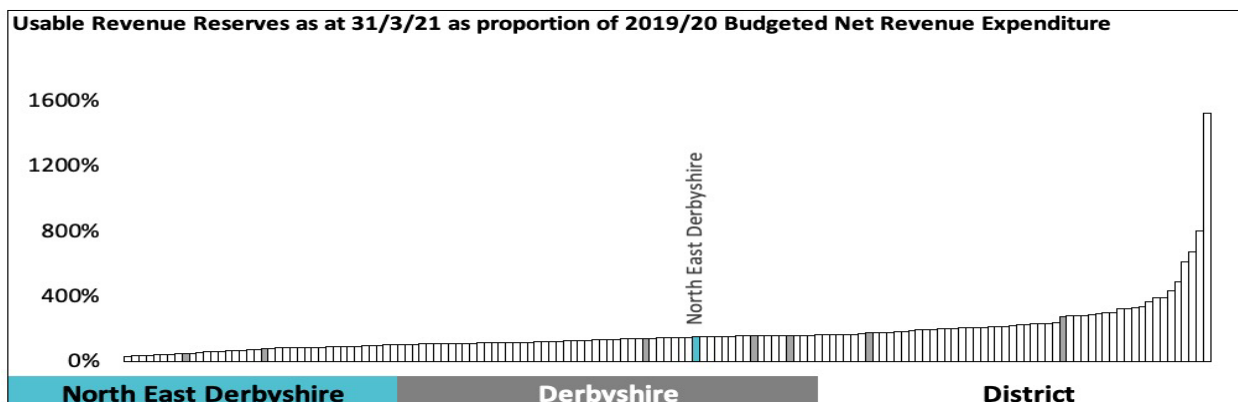
robust financial plans. The benchmarking measures levels of reserves, compared to others and over time, alongside the rate of depletion to form a view on adequacy. Bottom quartile performance for level of reserves and rate of depletion have been found to be a key indicator of poor financial resilience.

**Table 1 – Usable Revenue Reserves (URR) as a percentage of Net Revenue Expenditure (NRE) over time**



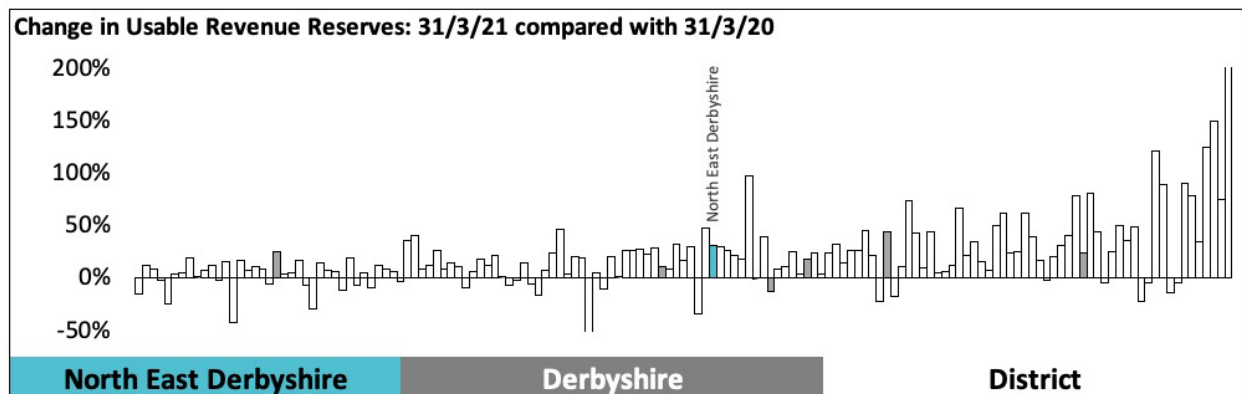
- 1.5 The purpose of Table 1 is to show the proportion of reserves held when compared to the cost of providing services over time. Retaining reserves over 100% demonstrates an ongoing ability to meet liabilities. The higher the percentage the more resilience the local authority has.
- 1.6 The results shows that our position is slightly better than the overall Derbyshire districts position but lower than all districts nationally. We sit just below the top quartile ranking 72/151 nationally and the positive direction of travel over last nine years leads to a healthy position in 2021.
- 1.7 Some caution does need to be exercised with this measure as reserves can fluctuate depending on the timing of receipt and spend of grants, for example 2020/21 was impacted by the large amount of Covid grants.

**Table 2 – Usable Revenue Reserves as a proportion of budget**



- 1.8 The purpose of Table 2 is to show the proportion of reserves held when compared to the cost of providing services in any given financial year. As with Table 1, holding reserves over 100% demonstrates an ability to meet liabilities in that year. Again, the higher the percentage the more financial resilience the local authority has.
- 1.9 The results show that we held sufficient reserves in year to meet our liabilities and our level of reserves are in the median quartile when compared to both Derbyshire and nationally.

**Table 3 – Annual Change in Usable Revenue Reserves**



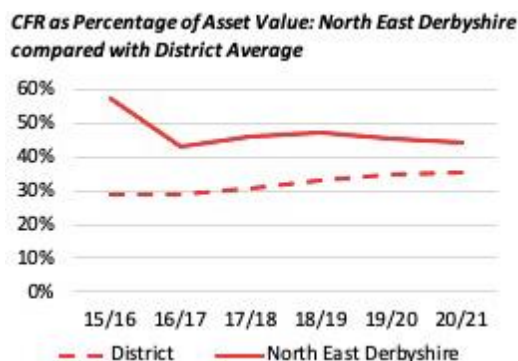
- 1.10 The purpose of Table 3 is to show the movement in reserves over any given financial year. This measures the direction of travel in the level of reserves held and provides an early warning sign that reserves are depleting as they are used to fund budget shortfalls.
- 1.11 The results show that we are in a positive position, having had an annual increase (no unringfenced reserves were required to fund the budget) and this is in line with the majority of other districts.

Capital Health

- 1.12 Capital Health focuses on a local authority’s need to borrow to finance its capital plans and the associated interest costs and its equity levels. High levels of borrowing does not directly correlate to poor capital health, provided the costs of borrowing are sustainable and repayment is properly provided then it is perfectly acceptable and may even lead to additional income yield following scheme development. It should also be noted that borrowing does not always mean external borrowing, many Councils internally borrow from their reserves which is why the Capital Financing Requirement (which measures the need to borrow) is widely used as a measure.
- 1.13 The measurement of capital health focuses on the relationship between levels of borrowing and asset values and trends over time. This also applies to equity and investments.

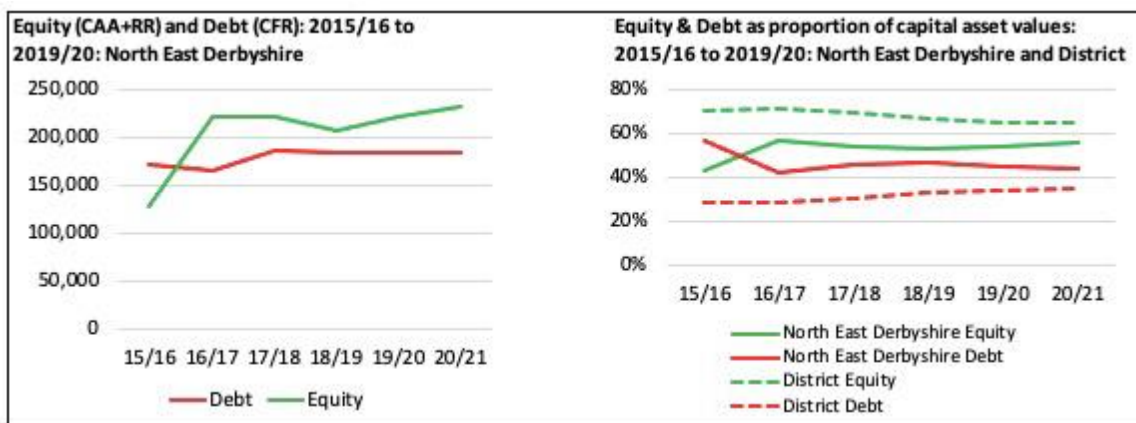


**Table 4 – Capital Financing Requirement (CFR) as a percentage of Asset Values**



1.14 Table 4 measures our requirement to borrow as a percentage of asset values. Our CFR is slightly higher than average, which is common in councils with HRA's. The gearing does decrease over time which is consistent with making a set aside for repayment of HRA debt in the 30 year business plan.

**Table 5 – Equity and Debt ratios**



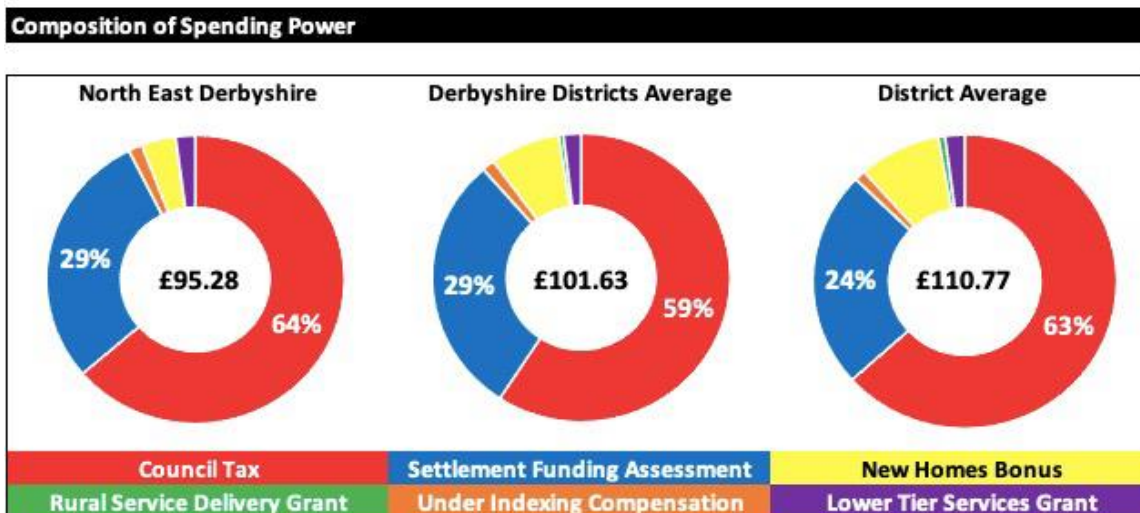
1.15 The purpose of the metrics in Table 5 is to show the relationship between asset values, equity and debt. Equity has increased over time and is reasonably stable which indicates that assets are being looked after and appropriate provision is being made for their repayment. The CFR decreases over time a set aside for repayment of HRA debt is made. Overall our position is healthy and improving.

Funding

1.16 Each year the Government sets out the amount of funding to be set aside for local government – the Spending Review. Through a series of complex formulae and assumptions the Government makes an assessment of the amount each local authority will need to spend in order to deliver its services known as “Core Spending Power”. However, each Council’s actual spending need can vary significantly from the formulae depending on local decisions taken such as setting

of council tax. Table 6 below shows our position compared to other Derbyshire districts and nationally.

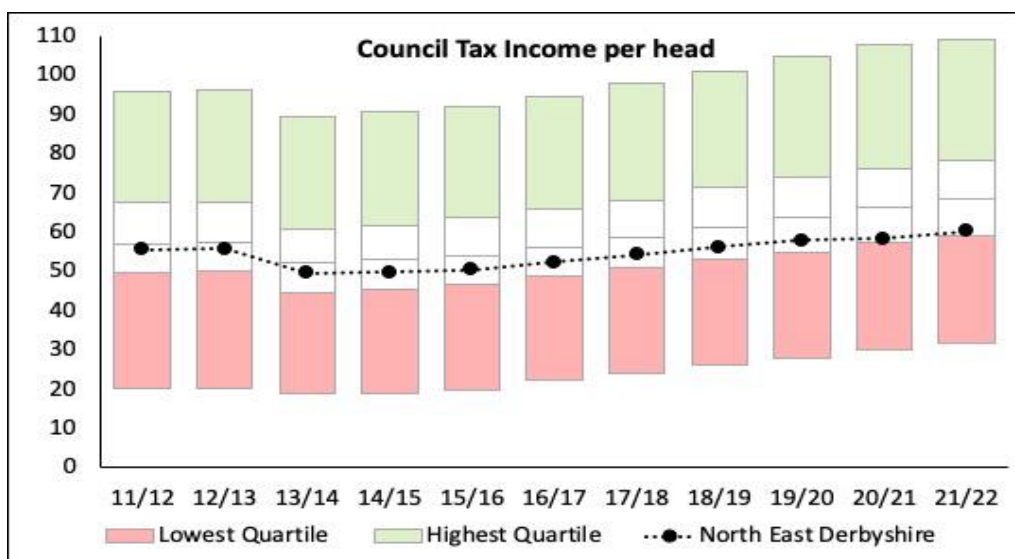
**Table 6 Comparison of Spending Power**



1.17 In Derbyshire the Government’s assessment for spending power per head is lower than the national average and ours is lower still - we are ranked 157/181. Therefore, the current formula for calculating spending power presents a risk to our financial resilience position.

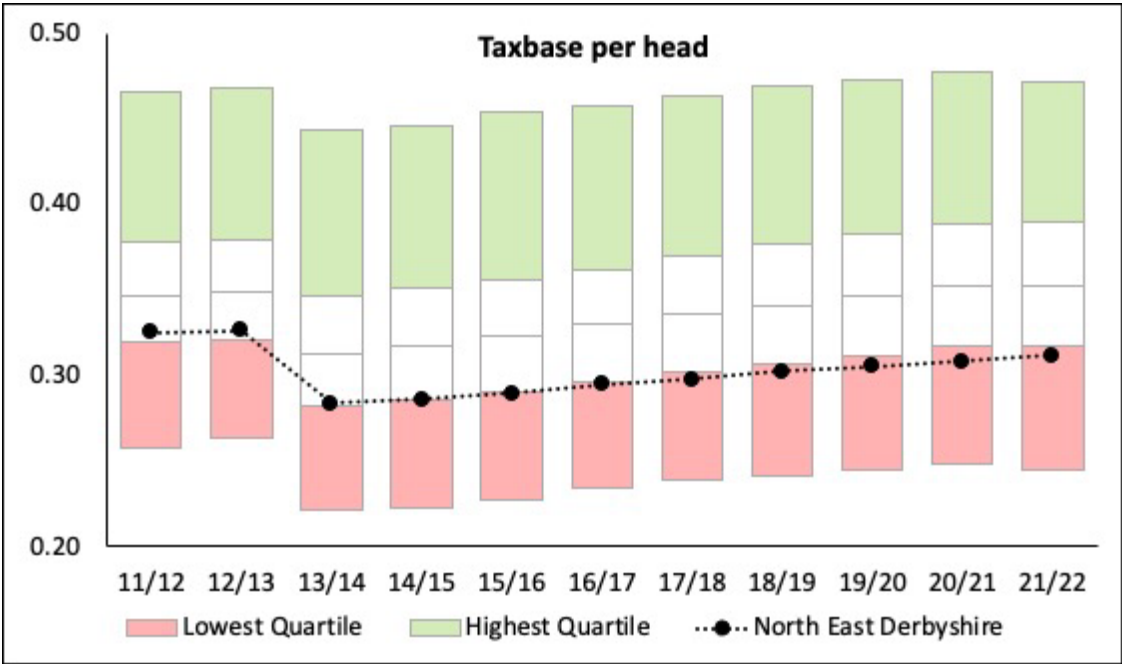
1.18 Council tax income accounts for 62% of spending power nationally (64% in North East Derbyshire) so is a fundamental measure of resilience. Variations in taxbase and Band D’s across the country are significant and a low taxbase and/or a low band D average are financial resilience warning flags.

**Table 7 – Council Tax Income per head comparison**

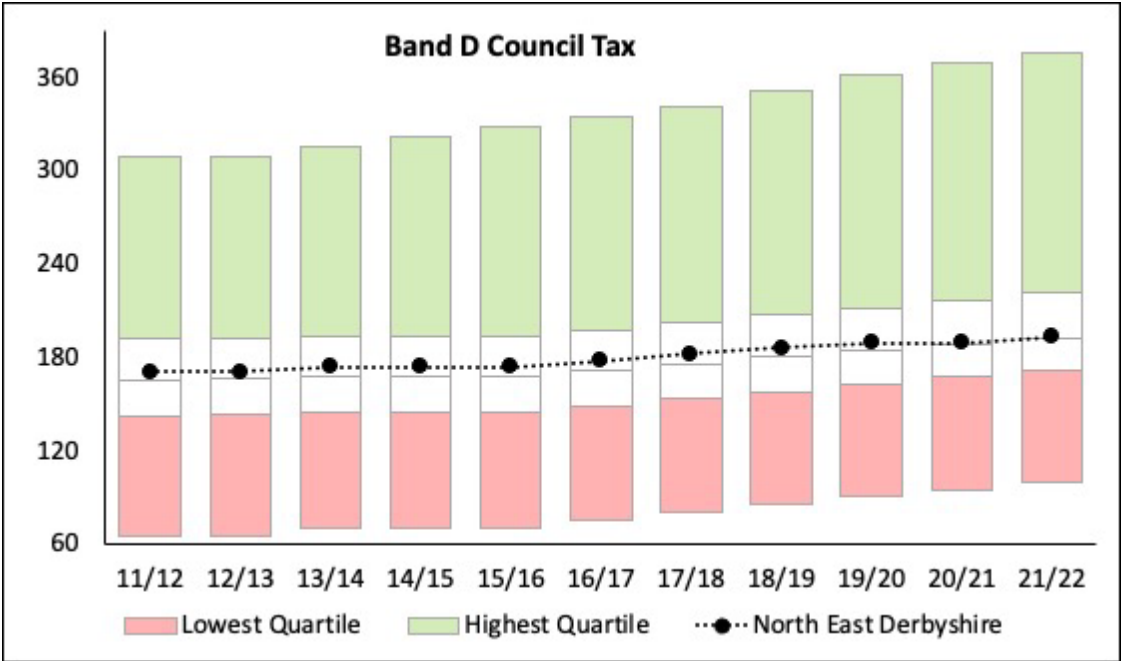


1.19 Table 7 shows that overall our income from council tax is just above lowest quartile, this is largely due to our low taxbase (see Table 8 below) and presents a resilience risk as such a large proportion of our income is generated from council tax.

**Table 8 – Taxbase per head comparison**



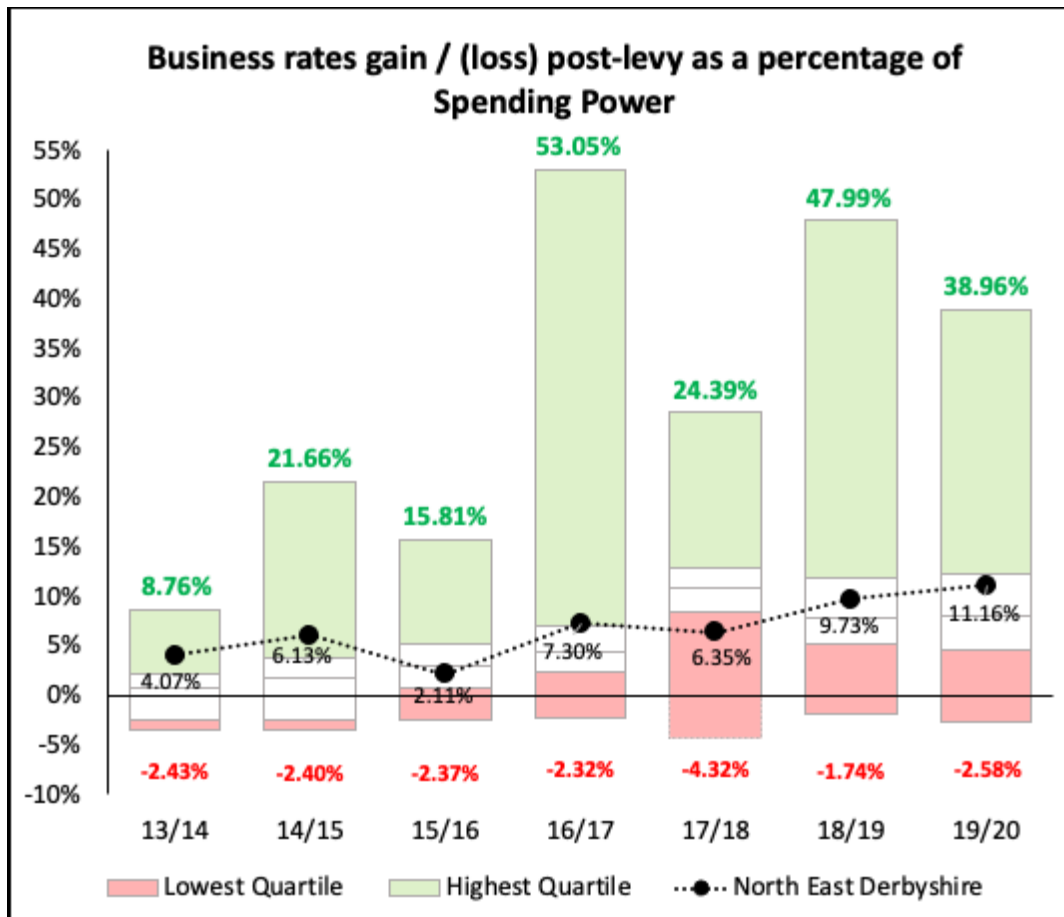
**Table 9 – Band D Council Tax Comparison**



1.20 The taxbase is the start point for calculating the council tax income each year and is based on the number of properties in the district by band then adjusted for council tax discounts. We have a high proportion of low band properties in our district and higher than average council tax discount awards which reduces our taxbase therefore reducing our ability to generate income from council tax. This is demonstrated in Tables 8 and 9 above. Our taxbase is ranked 156/181 and income generated per head is 130/181. This presents a risk to our financial resilience as it does for many other council's with low taxbase/Band D's.

1.21 A proportion of growth from business rates is retained by local authorities and this helps boost the financial resilience of a number of councils including ourselves. It is difficult to establish a median as growth swings significantly but we have had steady growth over the recent years as demonstrated in Table 10 below.

**Table 10 – Business Rates Gain as a percentage of Spending Power**



1.22 The more concerning aspect in table 10 is that despite relatively healthy and consistent growth from business rates the net position as a percentage of spending power is negative putting real pressure on us to make year on year savings just to retain a balance position.

Summary

1.23 The benchmarking results show that our revenue and capital health is healthy and improving, with sufficient revenue reserves to cover our net expenditure requirements and a CFR that is in proportion to our asset values. The real risk to our financial resilience comes from the current national funding assessment, whilst business rates growth generates income to assist, our low taxbase limits our ability to generate additional income through council tax which is a major income source in the current funding regime.

## **2 Reasons for Recommendation**

2.1 Benchmarking is a useful tool to help measure the Council's financial resilience.

## **4 Alternative Options and Reasons for Rejection**

4.1 There are no alternative options for consideration.

---

### **DOCUMENT INFORMATION**

<b>Appendix No</b>	<b>Title</b>
<b>Background Papers</b> (These are unpublished works which have been relied on to a material extent when preparing the report. They must be listed in the section below. If the report is going to Cabinet (NEDDC) or Executive (BDC) you must provide copies of the background papers)	
<b>Report Author</b>	<b>Contact Number</b>
Jayne Dethick – Assistant Director – Finance and Resources (S151 Officer)	01246 217078

## North East Derbyshire District Council

### Audit and Corporate Governance Scrutiny Committee

1 December 2021

<b>North East Derbyshire District Council – Invitation to become an opted in body for external audit appointments</b>
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#### Report of the Assistant Director – Finance & Resources (S151 Officer)

Classification: This report is public

Report By: Jayne Dethick – Assistant Director – Finance & Resources  
(S151 Officer)

Contact Officer: as above

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#### PURPOSE/SUMMARY

- To update the Audit and Corporate Governance Scrutiny Committee on the request to be made to Council on 31 January 2022 to accept Public Sector Appointments' (PSAA) invitation to become an opted in authority for the appointment of external auditors for five consecutive financial years commencing April 2023.

---

#### RECOMMENDATIONS

1. That the Audit and Corporate Governance Scrutiny Committee note the request to Council on 31 January 2022.

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#### IMPLICATIONS

##### Finance and Risk

Yes ✓ No

Contained within the attached report to Council.

On Behalf of the Section 151 Officer

##### Legal including Data Protection

Yes ✓ No

A decision to become an opted in authority must be taken by Council in accordance with Regulation 19 of the Local Audit (Appointing person) Regulations 2015.

On Behalf of the Solicitor to the Council

**Staffing****Yes****No ✓**

There are no staffing issues arising directly from this report.

On Behalf of the Head of Paid Service

**DECISION INFORMATION**

<p><b>Is the decision a Key Decision?</b>  A Key Decision is an executive decision which has a significant impact on two or more District wards or which results in income or expenditure to the Council above the following thresholds:  <i>BDC: Revenue - £75,000</i> <input type="checkbox"/>  <i>Capital - £150,000</i> <input type="checkbox"/>  <i>NEDDC: Revenue - £100,000</i> <input type="checkbox"/>  <i>Capital - £250,000</i> <input type="checkbox"/>  <input checked="" type="checkbox"/> <i>Please indicate which threshold applies</i></p>	N/A
<p><b>Is the decision subject to Call-In?</b>  (Only Key Decisions are subject to Call-In)</p>	N/A
<p><b>Has the relevant Portfolio Holder been informed</b></p>	N/A
<p><b>District Wards Affected</b></p>	All
<p><b>Links to Corporate Plan priorities or Policy Framework</b></p>	All

**REPORT DETAILS****1 PSAA Invitation to become an Opted In Authority**

1.1 The external auditor for the audit of the 2023/24 accounts has to be appointed before the end of December 2022. PSAA has been confirmed in the role of appointing person for the period commencing April 2023 and have invited eligible bodies to opt into their national scheme for auditor appointments. In 2018 98% of eligible bodies made the choice to opt into the national scheme.

1.2 Should the Council choose to opt to join the national scheme, formal acceptance must be received by PSAA by 11 March 2022. The local audit market is challenging and the benefits of opting into the national scheme include:

- transparent and independent auditor appointment via a third party;
- the best opportunity to secure the appointment of a qualified, registered auditor;

- on-going management of any independence issues which may arise;
- access to a specialist PSAA team with significant experience of working within the context of the relevant regulations to appoint auditors, managing contracts with audit firms, and setting and determining audit fees;
- a value for money offer based on minimising PSAA costs and distribution of any surpluses to scheme members
- collective efficiency savings for the sector through undertaking one major procurement as opposed to a multiplicity of smaller procurements;
- avoids the necessity for local bodies to establish an auditor panel and undertake an auditor procurement, enabling time and resources to be deployed on other pressing priorities;
- updates from PSAA to Section 151 officers and Audit Committee Chairs on a range of local audit related matters to inform and support effective auditor-audited body relationships; and

1.4 Council will be asked to formally accept the invitation by PSAA to opt into the national scheme at its meeting on 31 January 2022. Confirmation of the decision to PSAA is required by 11 March 2022.

## **2 Reasons for Recommendation**

2.1 The Council needs to appoint an external auditor by December 2022. Opting into the national scheme provides a sector led, collaborative approach, offering the best value for money and assuring the independence of the auditor appointment.

## **4 Alternative Options and Reasons for Rejection**

4.1 There are no alternative options for consideration.

## **DOCUMENT INFORMATION**

<b>Appendix No</b>	<b>Title</b>
1	Invitation to become an opted in Authority – report to Council 31/1/22
<b>Background Papers</b> (These are unpublished works which have been relied on to a material extent when preparing the report. They must be listed in the section below. If the report is going to Cabinet (NEDDC) or Executive (BDC) you must provide copies of the background papers)	
<b>Report Author</b>	<b>Contact Number</b>
Jayne Dethick – Assistant Director – Finance and Resources (S151 Officer)	01246 217078



**North East Derbyshire District Council**

**Council**

**31 January 2022**

**North East Derbyshire District Council – Invitation to become an opted in body  
for external audit appointments**

**Report of the Portfolio Holder with Responsibility for Finance**

Classification: This report is public

Report By: Jayne Dethick – Assistant Director – Finance & Resources  
(S151 Officer)

Contact Officer: as above

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**PURPOSE/SUMMARY**

- To request the approval of Council to accept Public Sector Audit Appointments (PSAA) invitation to become an opted in authority for the appointment of external auditors for five consecutive financial years commencing April 2023.

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**RECOMMENDATIONS**

1. That the Council accept Public Sector Audit Appointments' invitation to opt in to the national scheme for the appointment of external auditors for five consecutive financial years commencing April 2023.

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**IMPLICATIONS**

**Finance and Risk**

**Yes ✓ No**

There is a risk that current audit fees may rise when the current contract ends. Opting into the national scheme provides maximum opportunity to ensure that fees remain as low as possible whilst ensuring that the quality of audit is maintained by entering into procurement arrangements facilitated by PSAA.

On Behalf of the Section 151 Officer

**Legal including Data Protection**

**Yes ✓ No**

A decision to become an opted in authority must be taken by Council in accordance with Regulation 19 of the Local Audit (Appointing person) Regulations 2015.

On Behalf of the Solicitor to the Council

## Staffing

Yes

No ✓

There are no staffing issues arising directly from this report.

On Behalf of the Head of Paid Service

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## DECISION INFORMATION

<b>Is the decision a Key Decision?</b> A Key Decision is an executive decision which has a significant impact on two or more District wards or which results in income or expenditure to the Council above the following thresholds: <i>BDC: Revenue - £75,000</i> <input type="checkbox"/> <i>Capital - £150,000</i> <input type="checkbox"/> <i>NEDDC: Revenue - £100,000</i> <input type="checkbox"/> <i>Capital - £250,000</i> <input type="checkbox"/> <input checked="" type="checkbox"/> <i>Please indicate which threshold applies</i>	N/A
<b>Is the decision subject to Call-In?</b> (Only Key Decisions are subject to Call-In)	N/A
<b>Has the relevant Portfolio Holder been informed</b>	N/A
<b>District Wards Affected</b>	All
<b>Links to Corporate Plan priorities or Policy Framework</b>	All

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## REPORT DETAILS

### **1 Public Sector Audit Appointments (PSAA) Invitation to become an Opted-In Authority**

- 1.1 In 2016, the Secretary of State specified PSAA as appointing person for principal local government for audits from 2018/19 under the provisions of the Local Audit and Accountability Act 2014 and the Local Audit (Appointing Persons) Regulations 2015. Acting in accordance with this role PSAA were responsible for appointing an auditor and setting fees for local authorities that have chosen to opt into the national scheme. In April 2018, 98% of eligible bodies made the choice to opt in for the five year period.
- 1.2 This five year period is coming to an end and the external auditor for the audit of the 2023/24 accounts has to be appointed before the end of December 2022. PSAA has been confirmed as continuing in the role of appointing person for

the period commencing April 2023 and has once again invited eligible bodies to opt into their national scheme for auditor appointments.

1.3 The Council opted into the national scheme in 2016. The local audit market remains challenging and the benefits of opting into the national scheme again include:

- transparent and independent auditor appointment via a third party;
- the best opportunity to secure the appointment of a qualified, registered auditor;
- on-going management of any independence issues which may arise;
- access to a specialist PSAA team with significant experience of working within the context of the relevant regulations to appoint auditors, managing contracts with audit firms, and setting and determining audit fees;
- a value for money offer based on minimising PSAA costs and distribution of any surpluses to scheme members
- collective efficiency savings for the sector through undertaking one major procurement as opposed to a multiplicity of smaller procurements;
- avoids the necessity for local bodies to establish an auditor panel and undertake an auditor procurement, enabling time and resources to be deployed on other pressing priorities;
- updates from PSAA to Section 151 officers and Audit Committee Chairs on a range of local audit related matters to inform and support effective auditor-audited body relationships; and

1.4 The decision to become an opted in authority must be taken at a meeting of the Council in accordance with the Local Audit (Appointing Persons) Regulations. If the Council decides to become an opted in authority then formal acceptance of PSAA's invitation is by 11 March 2022.

## **2 Reasons for Recommendation**

2.1 The Council needs to appoint an external auditor by December 2022. Opting into the national scheme provides a sector led, collaborative approach, offering the best value for money and assuring the independence of the auditor appointment.

## **4 Alternative Options and Reasons for Rejection**

4.1 There are no alternative options for consideration. Not using the national scheme would require a local procurement exercise which would not benefit from the economies of scale a national procurement exercise would yield.

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## **DOCUMENT INFORMATION**

<b>Appendix No</b>	<b>Title</b>
1	PSAA North Est Derbyshire District Council Invitation

<b>Background Papers</b> (These are unpublished works which have been relied on to a material extent when preparing the report. They must be listed in the section below. If the report is going to Cabinet (NEDDC) or Executive (BDC) you must provide copies of the background papers)	
<b>Report Author</b>	<b>Contact Number</b>
Jayne Dethick – Assistant Director – Finance and Resources (S151 Officer)	01246 217078

## North East Derbyshire District Council

### Audit and Corporate Governance Scrutiny Committee

1 December 2021

<b>Evaluating the Effectiveness of the Audit and Corporate Governance Scrutiny Committee – Added Value</b>
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#### Report of the Assistant Director – Finance & Resources (S151 Officer)

Classification: This report is public

Report By: Jayne Dethick – Assistant Director – Finance & Resources  
(S151 Officer)

Contact Officer: as above

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#### PURPOSE/SUMMARY

- Following on from the self-assessment performed in November, to evaluate whether and how the Committee adds value to the Council.

#### RECOMMENDATIONS

1. That the Audit and Corporate Governance Scrutiny Committee evaluate their added value to the Council to complete the annual self-assessment review

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#### IMPLICATIONS

##### Finance and Risk

**Yes**

**No ✓**

There are no direct financial implications arising from this report.

On Behalf of the Section 151 Officer

##### Legal including Data Protection

**Yes**

**No ✓**

There are no legal implications arising directly from this report.

On Behalf of the Solicitor to the Council

##### Staffing

**Yes**

**No ✓**

There are no staffing issues arising directly from this report.

On Behalf of the Head of Paid Service

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## **DECISION INFORMATION**

<b>Is the decision a Key Decision?</b> A Key Decision is an executive decision which has a significant impact on two or more District wards or which results in income or expenditure to the Council above the following thresholds: <i>BDC: Revenue - £75,000</i> <input type="checkbox"/> <i>Capital - £150,000</i> <input type="checkbox"/> <i>NEDDC: Revenue - £100,000</i> <input type="checkbox"/> <i>Capital - £250,000</i> <input type="checkbox"/> <input checked="" type="checkbox"/> <i>Please indicate which threshold applies</i>	N/A
<b>Is the decision subject to Call-In?</b> (Only Key Decisions are subject to Call-In)	N/A
<b>Has the relevant Portfolio Holder been informed</b>	N/A
<b>District Wards Affected</b>	All
<b>Links to Corporate Plan priorities or Policy Framework</b>	All

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## **REPORT DETAILS**

### **1 Audit Committee Self-Assessment**

- 1.1 At its meeting in November, the Audit and Corporate Governance Scrutiny Committee undertook their self-assessment of good practice as detailed in CIPFA's best practice guidance on the function and operation of audit committees. Following this assessment a further self-evaluation was identified to assess whether and how the Committee and adds value to the organisation.
- 1.2 Appendix E of the CIPFA publication includes a self-assessment tool to facilitate the evaluation at the meeting.

### **2 Reasons for Recommendation**

- 2.1 To facilitate the Audit Committee to undertake a self-assessment on added value in line with CIPFA's best practice guidance.

### **4 Alternative Options and Reasons for Rejection**

- 4.1 There are no alternative options for consideration.

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## **DOCUMENT INFORMATION**

Appendix No	Title
1	Self-Assessment checklist Appendix E – added value of audit committees
<b>Background Papers</b> (These are unpublished works which have been relied on to a material extent when preparing the report. They must be listed in the section below. If the report is going to Cabinet (NEDDC) or Executive (BDC) you must provide copies of the background papers)	
Report Author	Contact Number
Jayne Dethick – Assistant Director – Finance and Resources (S151 Officer)	01246 217078

# Evaluating the effectiveness of the audit committee

## Assessment key

5	Clear evidence is available from a number of sources that the committee is actively supporting improvements across all aspects of this area. The improvements made are clearly identifiable.
4	Clear evidence from some sources that the committee is actively and effectively supporting improvement across some aspects of this area.
3	The committee has had mixed experience in supporting improvement in this area. There is some evidence that demonstrates their impact but there are also significant gaps.
2	There is some evidence that the committee has supported improvements, but the impact of this support is limited.
1	No evidence can be found that the audit committee has supported improvements in this area.

Areas where the audit committee can add value by supporting improvement	Examples of how the audit committee can add value and provide evidence of effectiveness	Self-evaluation, examples, areas of strength and weakness	Overall assessment: 5 – 1 See key above
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Promoting the principles of good governance and their application to decision making	<ul style="list-style-type: none"> <li>■ Supporting the development of a local code of governance</li> <li>■ Providing robust review of the AGS and the assurances underpinning it</li> <li>■ Working with key members/PCC and chief constable to improve their understanding of the AGS and their contribution to it</li> <li>■ Supporting reviews/audits of governance arrangements</li> <li>■ Participating in self-assessments of governance arrangements</li> <li>■ Working with partner audit committees to review governance arrangements in partnerships</li> </ul>		
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Areas where the audit committee can add value by supporting improvement	Examples of how the audit committee can add value and provide evidence of effectiveness	Self-evaluation, examples, areas of strength and weakness	Overall assessment: 5 – 1 See key above
Contributing to the development of an effective control environment	<ul style="list-style-type: none"> <li>■ Actively monitoring the implementation of recommendations from auditors</li> <li>■ Encouraging ownership of the internal control framework by appropriate managers</li> <li>■ Raising significant concerns over controls with appropriate senior managers</li> </ul>		
Supporting the establishment of arrangements for the governance of risk and for effective arrangements to manage risks	<ul style="list-style-type: none"> <li>■ Reviewing risk management arrangements and their effectiveness, eg risk management benchmarking</li> <li>■ Monitoring improvements</li> <li>■ Holding risk owners to account for major/strategic risks</li> </ul>		
Advising on the adequacy of the assurance framework and considering whether assurance is deployed efficiently and effectively	<ul style="list-style-type: none"> <li>■ Specifying its assurance needs, identifying gaps or overlaps in assurance</li> <li>■ Seeking to streamline assurance gathering and reporting</li> <li>■ Reviewing the effectiveness of assurance providers, eg internal audit, risk management, external audit</li> </ul>		
Supporting the quality of the internal audit activity, particularly by underpinning its organisational independence	<ul style="list-style-type: none"> <li>■ Reviewing the audit charter and functional reporting arrangements</li> <li>■ Assessing the effectiveness of internal audit arrangements, providing constructive challenge and supporting improvements</li> <li>■ Actively supporting the quality assurance and improvement programme of internal audit</li> </ul>		

Areas where the audit committee can add value by supporting improvement	Examples of how the audit committee can add value and provide evidence of effectiveness	Self-evaluation, examples, areas of strength and weakness	Overall assessment: 5 – 1 See key above
Aiding the achievement of the authority's goals and objectives through helping to ensure appropriate governance, risk, control and assurance arrangements	<ul style="list-style-type: none"> <li>■ Reviewing how the governance arrangements support the achievement of sustainable outcomes</li> <li>■ Reviewing major projects and programmes to ensure that governance and assurance arrangements are in place</li> <li>■ Reviewing the effectiveness of performance management arrangements</li> </ul>		
Supporting the development of robust arrangements for ensuring value for money	<ul style="list-style-type: none"> <li>■ Ensuring that assurance on value for money arrangements is included in the assurances received by the audit committee</li> <li>■ Considering how performance in value for money is evaluated as part of the AGS</li> </ul>		
Helping the authority to implement the values of good governance, including effective arrangements for countering fraud and corruption risks	<ul style="list-style-type: none"> <li>■ Reviewing arrangements against the standards set out in the <a href="#">Code of Practice on Managing the Risk of Fraud and Corruption</a> (CIPFA, 2014)</li> <li>■ Reviewing fraud risks and the effectiveness of the organisation's strategy to address those risks</li> <li>■ Assessing the effectiveness of ethical governance arrangements for both staff and governors</li> </ul>		

Areas where the audit committee can add value by supporting improvement	Examples of how the audit committee can add value and provide evidence of effectiveness	Self-evaluation, examples, areas of strength and weakness	Overall assessment: 5 – 1 See key above
Promoting effective public reporting to the authority’s stakeholders and local community and measures to improve transparency and accountability	<ul style="list-style-type: none"> <li>■ Improving how the authority discharges its responsibilities for public reporting; for example, better targeting at the audience, plain English</li> <li>■ Reviewing whether decision making through partnership organisations remains transparent and publicly accessible and encourages greater transparency</li> <li>■ Publishing an annual report from the committee</li> </ul>		

## North East Derbyshire District Council

### Audit and Corporate Governance Scrutiny Committee

1 December 2021

### Committee Work Programme 2021/2022

#### Report of the Assistant Director of Governance and Monitoring Officer

Classification: This report is public  
Report By: Nicola Calver  
Contact Officer: Nicola Calver - 01246 217753

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#### **PURPOSE / SUMMARY**

To enable the Audit and Corporate Governance Scrutiny Committee to review the Work Programme for the remainder of the municipal year 2021/2022.

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#### **RECOMMENDATIONS**

1. That the Committee notes and approves the Audit and Corporate Governance Scrutiny Work Programme for the remainder of the 2021/2022 municipal year as set out in the attached **Appendix 1**.
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#### **IMPLICATIONS**

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**Finance and Risk:** Yes  No

**Details:**

Risk - the development of a Work Programme for the Audit and Corporate Governance Scrutiny Committee will provide an appropriate structure to assist and support the Committee's work. This will help to ensure that the Committee continues to operate effectively and that the Council's governance/scrutiny and accountability arrangements remain robust. The Programme is designed to allow the Audit and Corporate Governance Scrutiny Committee to continue its flexible approach to its and consider work the range of matters which are within its remit. There are no financial issues arising from the report.

On Behalf of the Section 151 Officer

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**Legal (including Data Protection):** Yes  No

**Details:**

There are no legal issues or Data Protection matters arising directly from this report.

On Behalf of the Solicitor to the Council

**Staffing:** Yes  No

**Details:**

There are no staffing issues arising from the report.

On behalf of the Head of Paid Service

**DECISION INFORMATION**

Decision Information	
<p><b>Is the decision a Key Decision?</b> A Key Decision is an executive decision which has a significant impact on two or more District wards or which results in income or expenditure to the Council above the following thresholds:</p> <p><b>BDC:</b> Revenue - £75,000 <input type="checkbox"/> Capital - £150,000 <input checked="" type="checkbox"/></p> <p><b>NEDDC:</b> Revenue - £100,000 <input type="checkbox"/> Capital - £250,000 <input type="checkbox"/></p> <p><input checked="" type="checkbox"/> Please indicate which threshold applies</p>	No
<p><b>Is the decision subject to Call-In?</b> (Only Key Decisions are subject to Call-In)</p>	No
<p><b>District Wards Significantly Affected</b></p>	None
<p><b>Consultation:</b> Leader / Deputy Leader <input type="checkbox"/> Cabinet / Executive <input type="checkbox"/> SAMT <input type="checkbox"/> Relevant Service Manager <input type="checkbox"/> Members <input checked="" type="checkbox"/> Public <input type="checkbox"/> Other <input type="checkbox"/></p>	<p>Yes</p> <p>Details: Members of the Audit and Corporate Governance Scrutiny Committee</p>

**Links to Council Ambition (BDC)/Council Plan (NED) priorities or Policy Framework including Climate Change, Equalities, and Economics and Health implications.**

None.

## REPORT DETAILS

### 1 Background

- 1.1 The Audit and Corporate Governance Scrutiny Committee considers a range of financial and governance issues on a regular basis. Given the number of matters that are examined by the Committee it is appropriate that an Annual Work Programme continues to be in place.
- 1.2 The Work Programme is set out in the attached **Appendix 1**. It should be recognised that the work plan is a live document to which matters may be added or removed as appropriate and approved by the Committee, including standing items.
- 1.3 The Work Programme enables Members to give structured consideration as to whether the proposed agenda items are appropriate and serve to meet the objectives of the Committee. That question needs to be considered in the light of the Council's Constitution, Chartered Institute of Public Finance and Accountancy (CIPFA) Guidance on the role of an Audit Committee and established good practice.

### 2. Details of Proposal or Information

- 2.1 To enable the Audit and Corporate Governance Scrutiny Committee to review the Work Programme for the remainder of the municipal year 2021/22.

### 3 Reasons for Recommendation

- 3.1 To enable the Committee to consider the Work Programme for the remainder of the 2021/22 municipal year.

### 4 Alternative Options and Reasons for Rejection

- 4.1 There are no other options proposed.

## DOCUMENT INFORMATION

Appendix No	Title
1	Committee Work Programme 2021/22
<b>Background Papers</b> (These are unpublished works which have been relied on to a material extent when preparing the report. They must be listed in the section below. If the report is going to Cabinet (NEDDC) or Executive (BDC) you must provide copies of the background papers)	
<a href="#">Click here to enter text.</a>	

**AUDIT AND CORPORATE GOVERNANCE SCRUTINY COMMITTEE: PROPOSED  
WORK PROGRAMME**

<b><u>DATE OF MEETING</u></b>	<b><u>ITEM</u></b>
22 September 2021	<ul style="list-style-type: none"> <li>• Summary of Internal Audit Reports</li> <li>• Monitoring the Implementation of Internal Audit Recommendations</li> <li>• Performance Management</li> <li>• Corporate Debt</li> <li>• Financial Monitoring</li> <li>• Internal Audit Consortium Annual Report</li> <li>• External Review of Internal Audit</li> <li>• Annual Statement of Accounts and Going Concern Report 2020-21</li> <li>• Annual Governance Statement and Code of Corporate Governance 2020/21</li> <li>• Audit Completion Report 2020/21</li> <li>• Letter of Representation 2020/21</li> <li>• Risk Management</li> <li>• Report of the External Auditor – Progress report and Technical Update</li> <li>• Review of Work Programme</li> </ul>
03 November 2021	<ul style="list-style-type: none"> <li>• Report of the External Auditor – Progress report and Technical Update</li> <li>• Corporate Debt (including update on Housing Benefit overpayments)</li> <li>• Financial Monitoring Q2</li> <li>• Revised Budgets</li> <li>• Anti Fraud and Corruption Strategy</li> <li>• Evaluate the Effectiveness of the Audit and Corporate Governance Committee</li> <li>• Review of Work Programme</li> </ul>
1 December 2021	<ul style="list-style-type: none"> <li>• Summary of Internal Audit Reports</li> <li>• Monitoring the Implementation of Internal Audit recommendations</li> <li>• Report of the External Auditor – Progress report and Technical Update</li> <li>• Performance Management Q2</li> <li>• Ethical Investments review</li> <li>• Financial Resilience benchmarking</li> <li>• PSAA contract for External Audit Services</li> </ul>

	<ul style="list-style-type: none"> <li>• Impact and value that the audit committee had had on the rest of the Council</li> <li>• Cybersecurity</li> </ul>
12 January 2022	<ul style="list-style-type: none"> <li>• Report of the External Auditor – Progress report and Technical Update</li> <li>• Medium Term Financial Plan 2021/22 – 2025/26</li> <li>• Treasury Management Strategies 2021/22 – 2025/26</li> <li>• Risk Management Q3</li> <li>• Corporate Debt Q3</li> <li>• Discussion with a member of the Growth Directorate</li> <li>• Section 106 Audit</li> <li>• Review of Work Programme</li> </ul>
23 February 2022	<ul style="list-style-type: none"> <li>• Report of the External Auditor – Progress report and Technical Update</li> <li>• Summary of Progress on the Annual Internal Audit Plan</li> <li>• Monitoring the Implementation of Internal Audit Recommendations</li> <li>• Fighting Fraud and Corruption Locally</li> <li>• Report of the External Auditor – Progress report and Technical Update</li> <li>• Performance Management Q3</li> <li>• Proposed Accounting Policies 2021/22</li> <li>• Review of Work Programme</li> <li>•</li> </ul>
11 May 2022	<ul style="list-style-type: none"> <li>• Report of the External Auditor – Audit Plan 2022/23</li> <li>• Report of the External Auditor – Progress report and Technical Update</li> <li>• Summary of Progress on the Annual Internal Audit Plan</li> <li>• Monitoring the Implementation of Internal Audit Recommendations</li> <li>• Internal Audit Plan 2022/23</li> <li>• Performance Management Q4</li> <li>• Risk Management Q4</li> <li>• Corporate Debt Q4</li> <li>• Work Programme</li> </ul>



# Agenda Item 13a

By virtue of paragraph(s) 7 of Part 1 of Schedule 12A of the Local Government Act 1972.

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