

AUDIT AND GOVERNANCE COMMITTEE

Date: Wednesday 4 December 2019
Time: 5.30 pm
Venue: Rennes Room, Civic Centre, Paris Street, Exeter

Members are invited to attend the above meeting to consider the items of business.

If you have an enquiry regarding any items on this agenda, please contact Sharon Sissons, Democratic Services Officer on 01392 265115.

Entry to the Civic Centre can be gained through the Customer Services Centre, Paris Street.

Membership -

Councillors Wardle (Chair), Atkinson (Deputy Chair), Foggin, Hannaford, Henson, D, Mrs Henson, Lamb, Mitchell, M, Pattison, Sheldon and Warwick

Agenda

Part I: Items suggested for discussion with the press and public present

1 **Apologies**

To receive apologies for absence from Committee Members.

2 **Minutes**

To approve and sign the minutes of the meeting held on 18 September 2019.

(Pages 3 -
6)

3 **Declaration of Interests**

Councillors are reminded of the need to declare any discloseable pecuniary interests that relate to business on the agenda and which have not already been included in the register of interests, before any discussion takes place on the item. Unless the interest is sensitive, you must also disclose the nature of the interest. In accordance with the Council's Code of Conduct, you must then leave the room and must not participate in any further discussion on the item. Councillors requiring clarification should seek the advice of the Monitoring Officer prior to the day of the meeting.

4 **Local Government (Access to Information) Act - Exclusion of Press and Public**

It is considered that the Committee would be unlikely to exclude the press and public during the consideration of the items on the agenda, but if it should wish to do so, then the following resolution should be passed:-

RESOLVED that, under Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the meeting for the particular items of

business on the grounds that they involve the likely disclosure of exempt information as defined in the relevant paragraph(s) of Part 1 of Schedule 12A of the Act.

5 Audit Findings Report (ISA 260) - TO FOLLOW

To consider the report of the Council's External Auditor, Grant Thornton.

6 Final Statement of Accounts 2018/19 - TO FOLLOW

To consider the report of the Chief Finance Officer and Deputy Chief Finance Officer.

7 Management Representation Letter - TO FOLLOW

To consider the report of the Chief Finance Officer.

8 Internal Audit Progress Report

To consider the report for the 2nd Quarter 1st July to 30th September 2019 of the Audit Managers. (Pages 7 - 18)

9 Local Government Ombudsman's Annual Review of Complaints 2018-19

To consider the report of the Corporate Manager (Executive Support). (Pages 19 - 26)

10 Report of the Corporate Governance Risk Register Update

To consider the report of the Chief Executive and Growth Director. (Pages 27 - 34)

Date of Next Meeting

The next **Audit and Governance Committee** will be held on Wednesday 11 March 2020 at 5.30 pm

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AUDIT AND GOVERNANCE COMMITTEE

Wednesday 18 September 2019

Present:-

Councillors Foggin, Hannaford, Henson, D, Mrs Henson, Lamb, Mitchell, M, Pattison and Sheldon

Also Present

Chief Finance Officer, Deputy Chief Finance Officer, Audit Manager (HP) and Democratic Services Officer (MD)

Also Present

Geraldine Daly – Key Audit Partner, Grant Thornton

22

APPOINTMENT OF A CHAIR

Councillor Hannaford was appointed as the Chair of the Audit and Governance Committee for this meeting, following a nomination and seconded by Councillor Foggin. The nomination was put to and won by a unanimous vote by the Members.

23

APOLOGIES

Apologies were received from Councillors Wardle, Atkinson and Warwick.

24

MINUTES

The minutes of the meeting held 24 July 2019 were taken as read, approved and signed by the Chair as correct, subject to the following amendment:-

Minute 15 – The Chief Finance Officer would proceed with signing the statement, subject to confirmation about the compliance with the regulatory standards, as set by the Regulator for Housing in England to conform to consumer standards.

25

DECLARATION OF INTERESTS

No declarations of disclosable pecuniary interests were made.

26

EXTERNAL AUDITORS INTERIM FINDINGS REPORT

Geraldine Daly, Key Audit Partner from Grant Thornton, presented the External Auditors interim findings report, informing Members that the audit began in August 2019 following a delay caused by resource issues and that the report provided key messages that the Audit and Governance Members would need to know.

Members were referred to the report, where it was noted that there were a number of audit adjustments that had been agreed with officers and that recommendations based on the audit work had been raised, which would not be adjusted. Geraldine Daly discussed the value for money arrangements at Exeter City Council, which were considered to have satisfactory arrangements and that the procurement issues were no longer a concern and could be removed. She commented on the group accounts and materiality level, highlighting that it would be £1,950,000 for the group amount and £1,800,000 for the Council amount. Materiality for the Council

had been set at 1.8% of the prior year's gross expenditure and it was required that group accounts are prepared, in which the same 1.8% was applied.

Members were referred to the significant audit risk findings and noted that the improper revenue recognition and risk of fraud was not considered to be a significant risk, with there being little incentive for staff to engage in such activity. Issues had been identified with the Management override controls, which would be disclosed at the conclusion of the audit work. No issues had been raised on the land and buildings valuation, and any risks related to price changes in commercial properties across a financial year and how the market was assessed.

The Chief Finance Officer and Geraldine Daly discussed the valuation of the pension fund net liability, which had initially been identified as a significant risk based on the £114 million deficit in the Authority's balance sheet at 31 March 2018. However, audit work since this time had not identified any issues, but discussions with officers would be ongoing.

Members were provided an overview on the potential impact from the McCloud court appeal, which had ruled on age discrimination in judge and firefighter pension schemes and could potentially increase the pension liabilities by £1.629 million and result in an increase in service costs of £132,000 for the 2019/20 year. Officers considered that the ruling was not material for Exeter City Council and would be considered for future years' actuarial valuations. Grant Thornton, who had an obligation to report anything over £50,000, had suggested that the accounts be amended to include the £1.629 million. The Chief Finance Officer explained that the decision had occurred after the accounts had been completed, but the outcome would not impact the tax payer. The £1.629 million figure equated to a change of 0.7% and would not affect the General Fund reserves, however a disclosure note would be added to the Statement of Accounts. A letter of representation would be issued at the end of the audit process to be signed by the Audit and Governance Committee

Members were informed that the liability was controlled by regulations set by Central Government, and when the new regulations come into effect, more information could be disclosed.

Should the amount of errors identified in the accounts go over £1.8 million then an adjustment to the accounts would be made. The Chief Finance Officer confirmed that most other Local Authorities were in the same situation and had not adjusted accounts at this time. He considered that the figure did not warrant a change at this time and should there be any further issues in the future, the accounts would be amended accordingly. Members were satisfied with this recommendation.

Geraldine Daly highlighted the prior period adjustment which was below the level set for material amounts, was in Grant Thornton's view unnecessary and the Council did not need to make an adjustment following an error identified in the 2018/19 financial statements relating to a home improvement loan as it was not a material amount. The Chief Finance Officer stated that it was a matter relating to money that was owed to the Council under the IFRS 9 and was unable to get back. As this impacted on money owed to the Council he felt it appropriate to provide the adjustment on significance grounds, whilst acknowledging the fact that it was below the monetary value of materiality. To avoid any impact on how the accounts were read by the public, he would amend the Management response in the report to provide a clearer explanation.

Geraldine Daly provided an overview on value for money and procurement follow up work, which was considered to be adequate, but had made a recommendation to develop an action plan against which progress and remedial action could be taken.

In response to Members' questions, the Chief Finance Officer and Geraldine Daly explained

- The term 'adjustment' used in the report referred to financial adjustments;
- The valuation of land and buildings, was the land, buildings, plant and equipment owned by the Council. The owned buildings that were commercially leased were re-valued each year;
- There were no concerns for democratic accountability in the governance arrangements for Exeter City Group Limited;
- Grant Thornton were required to remain independent for their audit work and were required to demonstrate this in the report with their fees for transparency;
- The report was marked as 'draft' until it was presented to the Audit and Governance Committee, where it would then be the final version.
- Recommendations on the pension liability would be brought back to Members once they had been completed.

Members thanked the external auditor and requested that the external audit report be provided to Members sooner.

The Audit and Governance Committee noted the External Auditors interim findings report.

27

INTERNAL AUDIT PROGRESS REPORT

The Audit Manager (HP) presented the report on the internal audit work carried out during the period 1 April 2019 to 30 June 2018, advising Members on the overall progress against the Audit Plan, which had been approved by the Audit and Governance Committee on 13 March 2019 and reported on any issues that would require Member consideration. She explained that progress against the annual audit plan was on target, however there would be a reduction in the number of productive audit days, to allow the audit office to attend the agile and flexible working workshops and have an impact on delivering the full plan. Should there be an issues, then the audit plan would be reassessed and reported back to the Audit and Governance Committee.

Members were referred to Appendix A in the report, which detailed the progress of the 2019/20 Audit Plan to date and it was highlighted that that the three reports marked as final, were the Creditors – duplicate payments, Environmental Health – Warm-up grants and Disabled Facilities Grant. The Audit Manager (HP) commented on the progress update for outstanding action completed, noting that the CIL/Section 106 had been completed since the report was published and that an update would be issued to Members.

The Audit Manager referred Members to the action plan, presented in Appendix B, which highlighted the proposed measures to monitor and improve Governance arrangements and noted the changes to the organisational structures and that the Procurement Team was now fully established and the next phase would be to ensure that contract management is an integral part of the procurement cycle.

In response to Members' questions, the Audit Manager (HP) and the Chief Finance Officer explained:-

- There were no concerns for the progress on the audit plan work;
- It was not usual practice to hold a database of data relating to the audit plan work for Members to access. Until work was completed, it was considered to be appropriate to disclose the information ahead of presenting to Members at the Audit and Governance Committee. However Members were welcome to visit the Civic Centre and read reports with the Audit Managers.

The Audit and Governance Committee noted the Internal Audit Report for the first quarter of 2019/20.

28

CORPORATE GOVERNANCE RISK REGISTER SUMMARY PAPER

The Chief Finance Officer presented the report paper which advised the Audit and Governance Committee of the progress on the review of the updated Corporate Risk Register. He explained that updated register would be focussed on strategic risks and remove operational risks. A draft list of strategic risks had been created following ongoing work and would be presented to the Strategic Management Board (SMB) at a meeting in October 2019, and will be presented to Members as a part 1 item at the December Audit and Governance Committee.

The SMB recognised that the risk landscape had become more complex and that effort from both the SMB and Audit and Governance Committee was needed to focus on managing the most significant risks to the council. This approach would avoid time being spent on discussing operational risks that should be managed at a service level. The Chief Finance Officer referred Members to the summary paper, to note the strategic risks identified from the progress work undertaken by the Strategic Management Board and the Council's insurer – Zurich.

In response to questions from Members, the Chief Finance Officer responded that:-

- Homeless sleepers and residents with complex needs would be raised with the Strategic Management Board, to consider if the risk should be included under Counter Terrorism and Community Cohesion;
- Issues of cyber terrorism would be categorised under the risk for Information Governance and Cyber Security;
- The Sport England Delivery Pilot was considered to be a reputational risk , in the event that the Sport England partnership no longer proceeded;
- Risks concerning Brexit would be added for the review by the SMB at the meeting in October to see if it should be included on the risk register. Consideration would be taken on the potential impacts to the care sector and similar areas. Since the work to the register began, the risk likelihood of there being a no deal Brexit, had increased, and would be raised with the SMB.

The Audit and Governance Committee reviewed and noted the updated Corporate Risk Register.

(The meeting commenced at 5.30 pm and closed at 6.46 pm)

Chair

REPORT TO AUDIT & GOVERNANCE COMMITTEE

Date of Meeting: 4 DECEMBER 2019

Report of: AUDIT MANAGERS

Title: INTERNAL AUDIT PROGRESS REPORT 2ND QUARTER 1st JULY TO 30th SEPTEMBER 2019

Is this a Key Decision?

No

Is this an Executive or Council Function? COUNCIL

1. What is the report about?

- 1.1 To report on internal audit work carried out during the period 1st July to 30th September 2019, to advise on overall progress against the Audit Plan and to report any emerging issues requiring consideration.

2. Recommendations:

- 2.1 That the Internal Audit Progress Report for the second quarter of the year 2019/20 be noted.

3. Reasons for the recommendation:

- 3.1 One of the roles of this committee is to review quarterly internal audit reports and the main issues arising and seek assurance from management that action has been taken, where necessary.

4. What are the resource implications including non financial resources.

- 4.1 None

5. Section 151 Officer's comments:

- 5.1 The contents are noted. It is encouraging that there were only two high risk items identified and that quick action has been taken to address the issues.

6. What are the legal aspects?

- 6.1 None identified.

7. Monitoring Officer's comments:

- 7.1 This report raises no issues that cause concern to the Monitoring Officer.

8. Report details:

- 8.1 This Committee is responsible for the implementation and active monitoring of audit processes and actions, which includes performance against the annual audit plan,

reviewing quarterly internal audit progress reports and seeking responses and assurance from management where remedial action has not been agreed or implemented within a reasonable timescale. The 2019/20 Audit Plan was approved at this Committee on 13th March 2019.

The purpose of Internal Audit is to provide an independent and objective review of the adequacy and effectiveness of the Council's arrangements for internal control, risk management and governance. The activities we audit are given an assurance rating as follows:

Substantial Assurance	There is a sound system of internal control designed and operating in a way that gives a reasonable likelihood that the objectives will be met
Satisfactory Assurance	Whilst there is a basically sound system of internal control there are weaknesses which put some of the objectives at risk or there is evidence that the level of non-compliance with some of the controls may put some of the objectives at risk
Limited Assurance	Weaknesses in the system of internal controls are such as to put the objectives at risk or the level of non-compliance puts the objectives at risk.
No assurance	Control is generally weak leaving the system open to error or abuse or significant non-compliance with basic control processes leaves the processes/systems open to error or abuse

8.1 Progress against the plan and work undertaken

Internal Audit's objective is to examine the Council's financial and non-financial systems to check that there are adequate internal controls in place to prevent loss due to frauds, errors and inefficiency, and due attention is paid to corporate governance and risk management.

A summary of progress against the annual audit plan to date is shown at Appendix A, together with the current status of each area for review and the outcomes of the review, where completed.

Progress against the annual audit plan is currently on target, however, it should be noted that due to a number of workshops supporting the implementation of agile and flexible working during quarters two and three, the number of productive audit days will be reduced and could have an impact on our ability to deliver the full plan. As always this will be monitored by the Audit Managers and the plan reassessed as needed. Any significant amendments will be reported to this committee.

I am pleased to report that agreed actions from previous audit reports are being progressed satisfactorily and that there are no instances where remedial action was not agreed by management during this quarter.

8.2. Governance Issues

The Council's annual governance statement (AGS) reported that as a result of the audit work that has been undertaken throughout the year no significant issues have been identified. However, the Council continues to make enhancements and improvements to its governance arrangements and an action plan has been compiled which will be subject to regular monitoring by the Audit and Governance Committee.

An action plan of the issues identified has been included in Appendix B.

9. How does the decision contribute to the Council's Corporate Plan?

9.1 Good governance contributes to the Council's purpose of a "Well Run Council".

10. What risks are there and how can they be reduced?

N/A

11. Equality Act 2010 (The Act)

11.1 Under the Act's Public Sector Equality Duty, decision makers are required to consider the need to:

- eliminate discrimination, harassment, victimisation and any other prohibited conduct;
- advance equality by encouraging participation, removing disadvantage, taking account of disabilities and meeting people's needs; and
- foster good relations between people by tackling prejudice and promoting understanding.

11.2 In order to comply with the general duty authorities must assess the impact on equality of decisions, policies and practices. These duties do not prevent the authority from reducing services where necessary, but they offer a way of developing proposals that consider the impacts on all members of the community.

11.3 In making decisions the authority must take into account the potential impact of that decision in relation to age, disability, race/ethnicity (includes Gypsies and Travellers), sex and gender, gender identity, religion and belief, sexual orientation, pregnant women and new and breastfeeding mothers, marriage and civil partnership status in coming to a decision.

11.4 In recommending this proposal no potential impact has been identified on people with protected characteristics as determined by the Act because: because

11.4.1 The report is for information only

12. Are there any other options?

N/A

Helen Putt/Helen Kelvey
Audit Manager

Local Government (Access to Information) Act 1972 (as amended)

Background papers used in compiling this report:-

None

Contact for enquires:
Democratic Services (Committees)
Room 2.3
01392 265275

EXETER CITY COUNCIL
AUDIT AND GOVERNANCE COMMITTEE

PROGRESS OF 2019/20 AUDIT PLAN TO DATE

Please note that this is a summary of remedial action agreed, as to include all actions agreed from each audit report in detail would result in a lengthy document. Members may request a full copy of any report once finalised or alternatively meet with the Audit Manager to discuss specific audits further.

Audit Review	Report Status	Overall Opinion	Direction of travel since last audit	No. of Findings & Remedial Action Agreed (High Risk only)	Summary (where completed within this quarter)
Planning, Building Control, New Homes Bonus and CIL/Section 106 (Follow-up)	Final	For information only, no opinion issued	N/A	N/A	<p>Note: Verbal Update was provided by the Audit Manager at the last meeting.</p> <p>This report relates to the combined follow-up of the following Internal Audit reports issued during the previous financial year:</p> <ul style="list-style-type: none"> • Planning – June 2018 (Assurance rating: Some improvement required) • Building Control – April 2018 (Assurance rating: Good) • S106 agreements – July 2018 (Assurance rating: Some improvement required) • CIL/S106 – September 2017 (Assurance rating: Some improvement required) <p>It was identified at the pre-audit meeting that a significant number of actions were still outstanding in respect of the previous CIL/S106 action plans.</p> <p>As a result of the above, the scope of this audit was to:</p> <ul style="list-style-type: none"> • for all the above areas - to review progress to date on implementing the agreed recommendations from the last report, identifying all outstanding actions • review the current processing times for minor and major planning applications to see if there has been an improvement since the last audit <p>The follow-up found that following the implementation of additional resources there has been an improvement in the processing times taken for planning applications since</p>

					the last audit and a reduction in the backlog situation.. There are still a few weaknesses in the areas covered by the audits but the introduction of the new computer system (Exacom) by the end of March 2020 should greatly assist officers in maintaining accurate records of S106 and CIL arrangements and in monitoring trigger points and recovering contributions due.
Main Accounting	Q3				
Income Management	Q4				
Procurement	Q4				
Creditors – duplicate payments	Final	Substantial Assurance	↔	High - 0 Medium – 4 Low - 0	Reported 1 st Quarter
VAT	In progress				
Insurance	Deferred to 20/21				Note: Audit deferred to 2020/21 due to restructure and significant staff changes
People Management	In progress				
Environmental Health – Warm-up grants	Final	Satisfactory Assurance	No previous report	High – 0 Medium – 7 Low - 1	Reported 1 st Quarter
Health & Safety	Q4				
Car Parks	Final	Satisfactory Assurance	No comparable previous audit	High – 0 Medium – 6 Low - 0	The City Council operate 32 car parks which provides more than 4,000 parking spaces for the needs of shoppers, residents, visitors and people who work in the City. There is a charge for using the car parks, if the car park users fail to comply with these charges then penalty notices are issued. The issuing of penalty notices/civil parking enforcement is covered under the Traffic Management Action 2004, and Civil Enforcement Officers (CEO's) undertake this role.

					<p>There are two separate teams within Public Realm – Car Parks; CEO – Car Parks Their prime responsibility is undertaking parking enforcement in the car parks.</p> <p>CEO – Response and Cash In Transit (CIT) The Response team deals with travellers, stray dogs, tent removal and anti-social behaviour. The CIT team undertake the cash collection role for both Exeter City Council and Teignbridge District Council. .When resources allow both of these teams will also undertake parking enforcement.</p> <p>The Car Park and Response CEO's often work alone and in some instances experience very hostile environments</p> <p>The overall objective of this audit was to review operational controls in respect of staff safety and the provision of personal protection equipment and to identify improvements where relevant.</p> <p>The scope of the audit included checking:</p> <ul style="list-style-type: none"> • that the correct personal protective equipment (PPE) is being provided • that staff are correctly wearing and/or using the PPE • that operational protocols are sufficient to help protect staff • what improvements are needed to ensure staff are safe <p>Remedial action has been agreed with management for all six medium risk findings identified.</p>
Housing Benefits – Transfer to Universal Credit	Final	Report for information only – no audit opinion issued	N/A	No issues arising	<p>Universal Credit Full Service was rolled out in Exeter from 26 September 2018. From this date the legal gateway for most working age customers to claim Housing Benefit was closed.</p> <p>Further changes were made to the gateway conditions in January 2019 (Severe Disability Premium) and February 2019 (families with more than two children).</p>

					<p>The scope of the audit was to test a sample of current claims in receipt of HB to provide assurance that claims were being handled correctly and that none of the claimants should actually be claiming Universal Credit.</p> <p>There were no issues arising.</p>
NDR	In progress				
Housing Development Company	Q3				
Housing – Mutual Exchanges	Draft				
Civic Ceremonials	Final	Satisfactory Assurance	No previous report	<p>High – 2</p> <p>Medium – 2</p> <p>Low - 0</p>	<p>The Mayoralty Team are responsible for the Council's Civic functions. Each year they organise over 20 civic ceremonies, examples of which are the St George's Parade, Armed Forces Day, Legal Sunday, Lammas Fayre and the Annual Remembrance Day services. Furthermore, they manage the Lord Mayor's Charity and also undertake the administration of the hiring out of the Guildhall 'Main Hall' and 'Jurys Room'</p> <p>The overall objective of this audit was to review the adequacy and effectiveness of the system of internal controls designed to manage and mitigate financial and non-financial risks relating to a selection of their processes as listed below;</p> <ul style="list-style-type: none"> • the Lord Mayor's Charity • the Guildhall booking process • the gift and alcohol stock held at the Guildhall • the employment of casual staff at the Guildhall <p>The sample of Guildhall 'bookings' were selected from 2018 to date.</p> <p>The 'high' risk findings related to Lord Mayor's Charity Trust Deed. The team were not aware of the trust and therefore were unable to confirm that the Council had been complying with the requirements of the Charity Commission. Since the audit further advice from Legal Services and the Finance Team have confirmed that the</p>

					Council submit the required returns to the Charity Commission on an annual basis. Remedial action has been agreed with management for all findings.
Corporate Governance	In progress				
Risk Management	On going				Internal Audit are supporting Executive Support and Zurich with a series of Risk Management workshops for Service Leads throughout November and December.
Business Continuity Management	Q4				Note: likely to be deferred to 2020/21
Information Governance	In progress				
Counter Fraud	In progress				
Partnerships	Q3				
Contract Management	Q3				
Community Grants Awarded	Q4				
External Funding Received	In progress				
Safeguarding	Q4				
Project Management	In progress				
Disabled Facilities Grant	Final	Substantial Assurance		High – 0 Medium – 3 Low - 2	Reported 1 st Quarter

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SIGNIFICANT GOVERNANCE ISSUES PROGRESS REPORT - FROM ANNUAL GOVERNANCE STATEMENT 2018-19

Issue No.	Issue identified	Responsible Officer	Summary of action proposed	Update Sept 2019	Update December 2019	Update March 2020	Notes
No significant governance issues were identified for 2018/19, however, measures to improve Governance arrangements have been proposed and implementation of these measures should be monitored.							
1	The Council continues to make changes to its organisational structures and ways of working as it transforms the way in which services are delivered within the financial constraints of the current economic climate. This has kept the overall risk to the internal control environment high with changes in staff responsibilities and the reduction of available resources.	Audit Manager	This will continue to be monitored as part of the internal audit plan and any issues arising will be reported to the Audit and Governance Committee.	Internal Audit continue to deliver the audit plan and any issues arising relating to this risk will be reported to the A&G Committee.	No further update.		
2	The Council now has a fully functioning Procurement Team in place which is effectively managing Council procurements. The next phase is to ensure that contract management is an integral part of the procurement cycle to ensure that it is undertaken effectively and consistently across the Council's contracts.	Service Lead - Commercial and Procurement	A contract management training plan to be implemented along with contract management guidance to assist contract managers to properly manage contracts by addressing transition management, performance monitoring and by helping to ensure that both parties fulfil their commercial and contractual commitments.	A contract management toolkit had been developed and its use and training will be rolled out in Autumn 2019.	Lack of resource has forced a delay in the delivery of the CM training and official roll out. This will now be January - March 2020. However we have commenced use of the toolkit on some contracts as they have been awarded with one on one training being provided to the Officers involved in Managing those contracts.		

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REPORT TO AUDIT & GOVERNANCE COMMITTEE

Date of Meeting: 4 December 2019

Report of: Corporate Manager (Executive Support)

Title: Local Government Ombudsman's Annual Review of Complaints 2018-19

Is this a Key Decision?

No

Is this an Executive or Council Function?

No

1. What is the report about?

- 1.1. The report explains the role of the Local Government & Social Care Ombudsman (LGO) in investigating and remedying complaints about councils. It also presents the LGO's annual review of complaints about Exeter City Council for the year ending 31 March 2019.

2. Recommendations:

- 2.1. That members note the report and highlight any issues with the complaints referred to in the LGO's annual review.

3. Reasons for the recommendation:

- 3.1. There is a legal duty to communicate to elected members the council's performance in relation to LGO investigations.

4. What are the resource implications including non-financial resources.

- 4.1. There are no resource implications.

5. Section 151 Officer comments:

- 5.1. There was a small financial loss to the Council arising out of the one upheld claim.

6. What are the legal aspects?

- 6.1. There is a duty under section 5(2) of the Local Government and Housing Act 1989 for the council's Monitoring Officer to prepare a formal report to the council where it appears that the authority, or any part of it
 - has acted or is likely to act in such a manner as to constitute maladministration or service failure
 - and where the LGO has conducted an investigation in relation to the matter.

This requirement applies to all Ombudsman complaint decisions, not just those that result in a public report. It is therefore a significant statutory duty that is triggered in most authorities every year following findings of fault by the LGO.

- 6.2. The LGO considers that this duty is satisfactorily discharged if the Monitoring Officer makes a periodic report to the council summarising the findings on all upheld complaints

over a specific period. This may be adequately addressed through an annual report on complaints to members.

- 6.3. Where an investigation has wider implications for council policy or exposes a more significant finding of maladministration, perhaps because of the scale of the fault or injustice, or the number of people affected, the LGO would expect the Monitoring Officer to consider whether the implications of that investigation should be individually reported to members.
- 6.4. In the unlikely event that an authority is minded not to comply with the LGO's recommendations following a finding of maladministration, she would always expect the Monitoring Officer to report this to members under section five of the Act. This is an exceptional and unusual course of action for any authority to take and should be considered at the highest tier of the authority.
- 6.5. The duties set out above in relation to the Local Government and Housing Act 1989 are in addition to, not instead of, the pre-existing duties placed on all authorities in relation to Ombudsman reports under The Local Government Act 1974. Under those provisions, whenever the LGO issues a formal, public report the council is obliged to lay that report before the council for consideration and respond within three months setting out the action taken, or proposed to be taken, in response to the report.

7. Monitoring Officer's comments:

- 7.1. Please see the Monitoring Officers' duty set out in paragraph 6 above.

8. Report details:

- 8.1. The LGO is a service that investigates complaints from the public about councils and some other bodies providing public services in England. The LGO investigates allegations of maladministration that have caused injustice to the complainant. Most council services can be investigated including some areas of housing, planning, council tax and housing benefit.
- 8.2. The LGO will usually only become involved after a council's complaints procedure has been exhausted. If the LGO finds the council acted with fault, which caused the person an injustice, it will recommend a remedy to put things right. The LGO's remedies are aimed at putting the person back in the position they would have been were it not for the fault. Where appropriate it also recommends action to avoid similar issues affecting other people - such as reviewing practice and procedure - and can recommend remedies for other persons affected by faults found in an individual complaint.
- 8.3. Details of the Exeter City Council complaints received and decisions made by the LGO for the year ending 31st March 2019 are set out below. The LGO has not issued any formal public reports, as referred to in paragraphs 6.1 and 6.5 above.

Reference	Category	Decision Date	Decision	Decision Reason	Remedy
18000273	Housing	06 Apr 2018	Insufficient information to proceed and client advised	Incomplete/Invalid	Null
18002761	Benefits & Tax	26 Jun 2018	Referred to tribunal with correct jurisdiction	Closed after initial enquiries	Null
17008748	Planning & Development	12 Jul 2018	No maladministration	Not Upheld	Null
18005865	Planning & Development	28 Aug 2018	Appeal to Minister required not Ombudsman	Closed after initial enquiries	Null
18008270	Planning & Development	28 Aug 2018	Premature Decision - advice given	Referred back for local resolution	Null
18008568	Planning & Development	03 Sep 2018	Premature Decision - advice given	Referred back for local resolution	Null
18009125	Highways & Transport	12 Sep 2018	Premature Decision - advice given	Referred back for local resolution	Null
18006822	Housing	18 Dec 2018	Maladministration and injustice	Upheld	Financial redress: Avoidable distress/ time and trouble
18014560	Adult Care Services	20 Dec 2018	Premature Decision - advice given	Referred back for local resolution	Null
18015019	Planning & Development	18 Mar 2019	Insufficient information to proceed and client advised	Incomplete/Invalid	Null

8.4. Details of the LGO's findings on the one case that was upheld (Ref 18006822) are attached at Annex A. In summary, Mr and Mrs X complained that the Council unreasonably delayed the completion of their 'right to buy' application. The ombudsman found that there was fault by the Council that warranted a remedy (payment of £350) to reflect the additional time and trouble Mr and Mrs X spent pursuing the application and their complaints. Before the involvement of the Ombudsman the council had acknowledged that there had been an unreasonable delay in completing the sale and had offered to pay the complainant's reasonable costs. There is now wider awareness of the procedures for dealing with solar panels in relevant sales of Right to Buy properties.

9. How does the decision contribute to the Council's Corporate Plan?

9.1. Effective handling of complaints and following due process are facets of a well-run council.

10. What risks are there and how can they be reduced?

10.1. No risks identified.

11. What is the impact of the decision on equality and diversity; health and wellbeing; safeguarding children, young people and vulnerable adults, community safety and the environment?

11.1. There is no negative impact.

**Bruce Luxton
Corporate Manager (Executive Support)**

Local Government (Access to Information) Act 1972 (as amended)

Background papers used in compiling this report:-

None

The Ombudsman's final decision

Summary: Mr and Mrs X complain the Council unreasonably delayed the completion of their 'right to buy' application. There was fault by the Council that warrants a remedy to reflect the additional time and trouble Mr and Mrs X spent pursuing the application and their complaints.

The complaint

1. Mr and Mrs X complain the Council unreasonably delayed the completion of their 'right to buy' application. She says when they were due to complete they found the Council had made errors when dealing with their neighbours 'right to buy' application 15 years earlier. There was unreasonable delay putting this right to enable their application to complete and she complains the Council's communication has been poor. They have had to spend additional time dealing with the matter and they have been put to some additional costs

The Ombudsman's role and powers

2. We investigate complaints about 'maladministration' and 'service failure'. In this statement, I have used the word fault to refer to these. We must also consider whether any fault has had an adverse impact on the person making the complaint. I refer to this as 'injustice'. If there has been fault which has caused an injustice, we may suggest a remedy. (*Local Government Act 1974, sections 26(1) and 26A(1), as amended*)
3. If we are satisfied with a council's actions or proposed actions, we can complete our investigation and issue a decision statement. (*Local Government Act 1974, section 30(1B) and 34H(i), as amended*)

How I considered this complaint

4. I spoke to Mrs X and considered the information Mr and Mrs X provided. I asked the Council for information and I considered its response to the complaint. I sent a draft decision to the Council and the complainants for comment. I considered the comments I received before reaching a final decision.

What I found

Right to Buy guidance

5. Once a council receives an application from a tenant to buy their property, they have four weeks to issue a notice confirming the applicants are eligible (RTB2).

They have eight weeks to send the applicant a formal offer letter under Section 125 of the Act (RTB4).

6. If a council fails to meet the timescales, the applicant may serve an initial notice of delay form (RTB6). If they receive no response to this within a month, they may send an 'Operative Notice of Delay' form (RTB8). Once the RTB8 form is sent, a council (as landlord) may need to refund rent paid during the period of delay.

What Happened

7. On 3 January 2017 Mr and Mrs X applied to buy the house they rented from the Council under the 'Right to Buy' scheme.
8. On 10 January the Council confirmed Mr and Mrs X were eligible to buy their property by sending them an RTB2 form.
9. The Council also noted Mr and Mrs X had solar panels on their roof. It stated Mr and Mrs X did not need to do anything until they completed the house purchase. It stated upon completion the Council would cancel its contract on the solar panels and an energy provider would contact them to discuss them signing a new solar panel contract.
10. On 2 February, the Council sent Mr and Mrs X the formal offer notice (RTB4) setting out the discount and price of buying the house.
11. On 4 March, Mr and Mrs X signed and returned forms to confirm they wished to proceed. They provided details of their solicitor.
12. In April Mrs X chased progress. She stated her solicitor had emailed the Council without reply. It appears Mrs X's solicitor emailed the correct email address for customer services. So, it is not clear why the emails were not actioned.
13. Mrs X and her solicitor chased the Council for documents that were needed to enable searches to be carried out. These were not sent until 6 June 2017. The documents included the land registry plan for Mr and Mrs X's house. During this period it appears there was some confusion about what was required from both parties in respect of the solar panel contract.
14. In August, it became clear that the title document for Mr and Mrs X's property contained an error. Mr and Mrs X and their neighbours both have outbuildings alongside their properties. The title plan showed Mr and Mrs X's outbuilding was owned by their neighbour and, as it stood, their neighbour's outbuilding was to be included in the sale of Mr and Mrs X's house.
15. The Council proposed removing both outbuildings from the plan. They suggested that Mr and Mrs X complete on this basis, or withdraw their application, try and resolve the situation and then re-apply later. Mr and Mrs X's solicitor stated this was an error the Council made when registering Mr and Mrs X's neighbour's property. As a result, the Council needed to resolve it before they could complete the purchase.
16. The Council agreed to work to resolve the matter. Mr and Mrs X agreed to wait while the matter was resolved.
17. However, on 24 October Mr and Mrs X complained because the Council had not taken any action to resolve the problem. They had been told a surveyor would be visiting, but this had not happened.
18. The Council responded to the complaint on 14 November. The Council accepted in response to complaints from Mr and Mrs X that the issue of solar panels caused some initial delay. But, the Council felt it would not have significantly

delayed their house purchase. However, it also accepted that the Council had incorrectly recorded of the boundary of their neighbour's property some years ago. This had led to a more significant delay. The Council agreed that its property team would start negotiations with Mr and Mrs X's neighbours to resolve the problem within two weeks.

19. It was not until 7 December that the surveyor wrote to Mr and Mrs X's neighbours and 14 December until the visit took place. It then took until 20 June 2018 for the Council to resolve the issue and correct the issue of the plans and registration of Mr and Mrs X's neighbours' property.
20. In June 2018 Mrs X complained that they had to pay rent for an extended period that could have been paid off her mortgage. She noted the Council had paid the costs her neighbours incurred in order to fix the problem with the plans. However, she felt the Council should make a payment to them to reflect the delay. Mrs X told us that she had to reapply for her mortgage, sign two separate solar panel agreements and they had to engage their solicitors for a longer period. The Council agreed in principle that it would consider covering any increased costs that Mr and Mrs X had occurred because of the delay to the house purchase but it could not pay all of their fees.
21. Mr and Mrs X's house purchase completed on 26 November 2018.

What should have happened

22. The Council responded to Mr and Mrs X's 'right to buy' application and sent an acknowledgement and offer promptly. However, there were two main issues which caused delay in the process. There was accepted confusion over the correct process for dealing with the solar panel contract. This was fault. However, more significantly, during the process, it became clear that there had been fault by the Council some years ago. This was when it sold Mr and Mrs X's neighbour's house to them. There was further fault by the Council when it failed to follow up actions to resolve this problem.
23. I do not consider it is appropriate to seek a payment to reflect rent Mr and Mrs X paid during the sale process. There also does not appear to have been any increase in the solicitor's costs Mr and Mrs X paid for conveyancing. However, it is clear that they were put to some increased costs and some time and trouble that would not have been the case if the Council's errors had not occurred. This warrants a remedy from the Council.

Agreed action

24. To recognise the costs incurred by Mr and Mrs X and to reflect the time, trouble and frustration caused by the avoidable delays, the Council agreed to pay Mr and Mrs X £350.

Final decision

25. I found there was fault by the Council. I have now completed my investigation and closed my file.

Investigator's decision on behalf of the Ombudsman

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REPORT TO AUDIT AND GOVERNANCE COMMITTEE

Date of Meeting: 4 December 2019

Report of: Chief Executive and Growth Director

Title: Corporate Risk Register

Is this a Key Decision?

No

Is this an Executive or council function?

Risk management is a council function.

Risk Management is an important element of the council's Code of Corporate Governance. Regular monitoring of the council's corporate risks helps to ensure that the council's business is conducted in accordance with the law and proper standards, that public money is safeguarded and properly accounted for and used economically, efficiently and effectively.

1. What is the report about?

The report advises the committee of the council's risk management progress and presents the updated Corporate Risk Register (Appendix A).

2. Recommendations:

That the committee reviews the updated Corporate Risk Register.

3. Reasons for the recommendation:

To comply with the council's Risk Management Policy which states that this committee is responsible for monitoring and reviewing the Council's risks and reporting all new and updated risks to the Chief Executive and Growth Director.

4. What are the resource implications including non financial resources.

Directors and Senior Managers, as appropriate, are asked to update the Corporate Risk Register on a quarterly basis. The register is reviewed regularly by the Chief Executive and Growth Director, the Strategic Management Board and the Health and Safety Board. This process is facilitated by Executive Support.

5. Section 151 Officer comments:

The significant financial risks to the council have been consolidated under the risk 'Maintaining the Financial Sustainability of the Council'. I am comfortable at the moment that the mitigations in place and proposed, will reduce the risk to the council. However, continued uncertainty and the high level of savings that remain to be identified require a firm action plan in readiness for the 2021-22 budget.

6. What are the legal aspects?

None identified

7. Monitoring Officer's comments:

The council has a robust system of internal control designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can, therefore, only provide reasonable and not absolute assurance of effectiveness.

There is an ongoing process designed to identify and prioritise risks to the achievement of Council policies, aims and objectives, to evaluate the likelihood and impact of those risks being realised and to manage them efficiently, effectively and economically.

8. Report details:

Review of the Corporate Risk Register

The council has recently undertaken a full review of its Corporate Risk Register. There were two important reasons for doing this:

- The register contained a mixture of strategic and operational risks and Strategic Management and Audit and Governance were discussing risks which could be managed at a service level. This was not a good use of resources.
- The register had, historically, been designated a Part 2 item. Members of the Audit and Governance Committee asked for this to be reviewed and for the register to be reported and discussed under part 1 to ensure openness and transparency.

The Strategic Management Board have worked with the council's insurers, Zurich, to review the Corporate Risk Register. The primary objectives of the review were to:

- Discuss the current approach to the management of the corporate risks including what constitutes a corporate risk and potential improvements to the process
- Identify the most significant risks facing the council, to ensure the Corporate Risk Register reflects the current risk landscape.

As a result of the review, the Strategic Management Board have identified those risks which, if they materialise, could have a significant impact on the city or the council. Each of these risks have been assigned ownership to a member of the Strategic Management Board to ensure strategic accountability and oversight.

The updated Corporate Risk Register can be viewed at Appendix A.

Removal of risks

The number of Corporate Risks has reduced from 22 to 12. A number of risks which were originally on the Corporate Risk Register have now been designated as operational risks and will be managed by Service Leads. These are detailed below:

- Council unable to manage demands placed on it by Universal Credit
- Contract Management is insufficient to ensure a contract is adhered to and managed
- SWW to retrospectively change the status of some surface water sewers to culverted watercourses
- Reduction or loss of current 2018-22 round of Arts Council England National Portfolio funding

- Non-compliance with internal and external procurement regulations
- Council unable to manage demands on it when the Homelessness Reduction Act is introduced
- Increase in number of rough sleepers in the city centre
- Monkerton District Heating Scheme
- Events on council owned land being non-compliant with health and safety legislation and safeguarding requirements
- Council does not comply with its safeguarding responsibilities
- Changes resulting from the implementation of the UK's exit from the EU

Service Leads are currently working with Zurich to identify their key operational risks so that Directorate Operational Risk Registers can be developed and regularly reviewed by Directorate Management Teams. These registers are due for completion by April 2020.

9. How does the decision contribute to the Council's Corporate Plan?

This decision helps to ensure the delivery of the council's purpose 'Well Run Council'.

10. What risks are there and how can they be reduced?

Any risks should be captured in either this document or the operational risk register.

11. What is the impact of the decision on equality and diversity; health and wellbeing; safeguarding children, young people and vulnerable adults, community safety and the environment?

The decision to regularly review the Corporate Risk Register will ensure that any risks or issues identified under the above headings will be identified and managed at a senior level. Most of the risks contained within the Corporate Risk Register would have an impact on one or more of the headings identified above.

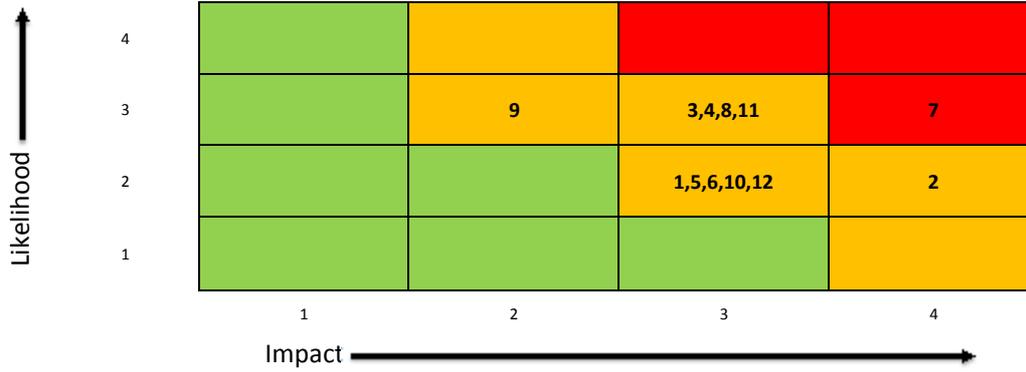
12. Are there any other options?

None.

Chief Executive and Growth Director

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Corporate Risk Register



Risk Ref	Risk Description	Initial Risk Assessment	Residual Risk Assessment	Owner
1	Failure to deliver anticipated benefits of major projects (St Sidwell's Point and Bus & Coach Station)	9	6	Jo Yelland - Director
2	Counter Terrorism and Community Cohesion & Safety	12	8	Jo Yelland - Director
3	Delivery of Sport England Local Delivery Pilot Outcomes	12	9	Jo Yelland - Director
4	Lack of proactive and preventative investment and maintenance of assets	12	9	Dave Bartram - Director
5	Information Governance failure (including Council experiencing a cyber attack)	12	6	Karime Hassan - Chief Executive
6	Insufficient business continuity arrangements to recover critical services effectively	12	6	Karime Hassan - Chief Executive
7	Lack of leadership capacity to effectively deliver additional Council objectives and priorities	16	12	Karime Hassan - Chief Executive
8	Inability to deliver carbon neutral aspirations for Exeter by 2030	12	9	Karime Hassan - Chief Executive
9	Failure to meet Exeter's Housing supply needs as a planning authority and meet strategic 5 years ambitions	12	6	Bindu Arjoon - Director
10	Failure to adapt council workforce to ensure appropriate skills and experience	9	6	Baan Al-Khafaji
11	Maintaining the Financial Sustainability of the Council	16	9	Dave Hodgson - Chief Finance Officer
12	Inability to deliver carbon neutral operations for Exeter City Council by 2022	12	6	Karime Hassan - Chief Executive

Corporate Risk Register

Ref	Risk Title and Description	Date Risk Identified	Risk Owner	Inherent Risk		Existing Mitigations & Controls (What has been done to control the risk?)	Residual Risk			Further Mitigations & Controls to be put into place	Target Implementation Date	Notes	
				Likelihood	Impact		Likelihood	Impact	Risk Score				
1	<p>Failure to deliver anticipated benefits of major projects (St Sidwell's Point and Bus & Coach Station)</p> <p><u>Potential Causes:</u></p> <ul style="list-style-type: none"> - Failure to procure appropriate operator for leisure centre - Adverse weather / other delays typical of such projects <p><u>Potential Impacts:</u></p> <ul style="list-style-type: none"> - Increased costs to Council from project overruns or overruns - Not realising financial and cultural benefits anticipated from project delivery - Damage to Council's reputation and reduced credibility to deliver major projects in future 	October 2017	Jo Yelland - Director	3	3	9	<ul style="list-style-type: none"> - Recruited experienced Project Manager, Quantity Surveyor and delivery team - Established high level Programme Board to oversee progress and delivery - Contractor appointed to build the facility, following a 2 stage collaborative approach in procurement. - Fixed price Design & Build Contract, with a limited amount of Provisional Sums. 	2	3	6	<ul style="list-style-type: none"> - Ongoing reporting of progress and potential issues to Client lead. - Technical Assurance & Audit team being procured to monitor compliance with the Contract, review ongoing performance and positively challenge the build team to help promote the identification and resolution of potential issues / problems. 	Ongoing	TBC
2	<p>Counter Terrorism and Community Cohesion & Safety</p> <p><u>Potential Causes:</u></p> <ul style="list-style-type: none"> - Brexit and the continued political uncertainty and growing divides in the country has increased likelihood of radicalisation and violent extremism across the UK. Whilst the risk level in Devon and Exeter in traditionally low, like all other areas in the country our own local risk level has heightened particularly in relation of extreme right -wing activism. <p><u>Potential Impacts:</u></p> <ul style="list-style-type: none"> - Community unrest and extreme anti-social behaviour incidents commence and escalate leading to public unrest 	June 2019	Jo Yelland - Director	3	4	12	<ul style="list-style-type: none"> - Active leadership within the Exeter Community Safety Partnership at Executive and Senior Manager level - Director participation in Counter Terrorism Briefings - SMB informal relationships with key Community Leaders 	2	4	8	<ul style="list-style-type: none"> - Adoption of Safer Devon Prevent Toolkit and associated of staff training 		TBC
3	<p>Delivery of Sport England Local Delivery Pilot Outcomes</p> <p><u>Potential Causes:</u></p> <ul style="list-style-type: none"> - Not demonstrating year 1 outcomes (such as improving street scenes, increasing number of residents using cycling and walking routes, active school clubs etc.) - Not having appropriate programme management and focus on delivery - Council or main strategic partners restricted by existing policies (H&S etc.) or lack of appetite for certain outcomes - Program delivery dependent upon key individuals (Jo, James, Karime) - Relative inexperience of Council of delivering such programs <p><u>Potential Impacts:</u></p> <ul style="list-style-type: none"> - Significant reputational damage due to national and regional interest in success of program which could damage Exeter CC's status and credibility and undermine future grant / funding opportunities - Gap in health inequalities doesn't get addressed - leading to increased demands on council, and wider public sector services. 	June 2019	Jo Yelland - Director	3	4	12	<ul style="list-style-type: none"> - A Commissioning Model has been adopted for programme delivery with local partners such as Active Devon leading on the implementation of key programmes which integrates into the local system and also promotes sustainability. - Annual outcomes clearly articulated within the programme plan. - Preparations made for 6 monthly assessments with Sport England including external evaluation partner secured to undertake bi-annual process evaluations. - Regular governance reviews to be undertaken to ensure continued engagement and buy-in from critical partners. - Communication strategy covering all stakeholders (especially local communities) being commissioned. 	3	3	9	<ul style="list-style-type: none"> - Pro-active 6 monthly assessments with Sport England - Review of governance and in particular strengthening the role to the Executive Group - Communication strategy covering all stakeholders (especially local communities) being developed 	Oct 2019 Oct 2019	Dec 2019
4	<p>Lack of proactive and preventative investment and maintenance of assets</p> <p><u>Potential Causes:</u></p> <ul style="list-style-type: none"> - Historic budget savings led to under inspection of assets, increased inspections now identifying issues - Asset Maintenance resources removed as budget savings to prevent front line service cuts - Not following asset management best practice by cutting back on routine preventative maintenance and only dealing with the most urgent maintenance cases. <p><u>Potential Impacts:</u></p> <ul style="list-style-type: none"> - Deterioration of assets to unsafe levels leading to closure - Under utilisation (lost income) of both car parks and sports centres - Increased costs in long run (potential need to demolish certain assets) rather than refurbish / redevelop - Current approach is not efficient value for money in long term - Reducing attractiveness of city centre to commerce and tourism 	June 2019	Dave Bartram - Director	4	3	12	<ul style="list-style-type: none"> - All urgent H&S related repairs prioritised and completed as soon as possible - Fire risk assessments undertaken with additional resource in place - Asset Condition Surveys underway to identify maintenance requirements to ensure compliance and to devise work programmes to inform decision making - SMB and Members (incl. new leader) engaged on challenges - Digitised asset registers allowing improved analysis 	3	3	9	<ul style="list-style-type: none"> - Business case being drawn up to articulate challenges. - Development of Asset Management Strategy including funded asset program of inspection and divesting assets that aren't needed. 		TBC
5	<p>Information Governance failure (including Council experiencing a cyber attack)</p> <p><u>Potential Causes:</u></p> <ul style="list-style-type: none"> - Lack of appropriate policies and processes - Staff awareness and understanding of requirements and best practice for managing data effectively - Inadequate cyber defences <p><u>Potential Impacts:</u></p> <ul style="list-style-type: none"> - Disruption to IT systems could result in inability to deliver key services - Sensitive personal, corporate or financial information could be accessed/released unlawfully - Council may not be permitted to access the PSN secure connection - Non-compliance with the General Data Protection Act (GDPR) potentially leading to significant fines 	April 2017	Karime Hassan - Chief Executive	3	4	12	<ul style="list-style-type: none"> - Information Security Policy and Information Security Forum in place - Training for existing staff complete and schedule for new staff in place - Disaster recovery and business continuity policies in place - Regular staff reminders on this issue - Comprehensive IT service from STRATA (company owned by three local authorities) including range of mitigations (firewalls, penetration testing, email and web filtering, anti virus software etc.) - Regular, timely software updating to mitigate new vulnerabilities. 	2	3	6	<ul style="list-style-type: none"> - Consider lessons learnt from Council incidents - Review compliance with automated updates - Review use of third party data storage and security arrangements. - Consider optimal frequency and method for providing assurance to SMB (potential inclusion of monthly STRATA report) 	Ongoing Ongoing February 2020	
6	<p>Insufficient business continuity arrangements to recover critical services effectively</p> <p><u>Potential Causes:</u></p> <ul style="list-style-type: none"> - Critical services not identified - Insufficient plans in place to recover critical services - Lack of testing of plans to ensure arrangements suitable <p><u>Potential Impacts:</u></p> <ul style="list-style-type: none"> - Essential services not recovered in timely fashion - Adverse media and public criticism leading to lack of trust in council - Non compliance with Civil Contingency Plan 	April 2013	Karime Hassan - Chief Executive	3	4	12	<ul style="list-style-type: none"> - List of critical services agreed with SMB - Corporate Business Continuity Plan approved by SMB which sets out roles and responses to certain events (loss of building, loss of ICT etc.) - IT Disaster Recovery plan in place 	2	3	6	<ul style="list-style-type: none"> - Business Continuity plans to be developed for Critical Services - Business Continuity Test Exercise to be carried out - Internal Audit to undertake review of Business Continuity Management 	April 2020 June 2020 Sept 2020	
7	<p>Lack of leadership capacity to effectively deliver additional Council objectives and priorities</p> <p><u>Potential Causes:</u></p> <ul style="list-style-type: none"> - Significant drain on management resources following unanticipated new commitments or changes in political expectations <p><u>Potential Impacts:</u></p> <ul style="list-style-type: none"> - Higher likelihood of potential governance and performance failures due to stretched resources - Limited capacity for leading and delivering change activity impacting upon achievement of councils strategic priorities - Staff morale and burnout if over prolonged period 	June 2019	Karime Hassan - Chief Executive	4	4	16	<ul style="list-style-type: none"> - Experienced and resilient senior management team - Sufficient resourcing in place to deliver existing commitments and corporate plan. - Organisational culture with values set up to deliver - Succession planning / effective deputes - Strong record of bringing in funding to support new initiatives / agenda and additional agenda. 	3	4	12	<ul style="list-style-type: none"> - Support development of political discipline regarding understanding of challenges when embarking on new initiatives and recognition of resourcing levels within the Council. - Encourage more robust peer challenge amongst Members - Review method of celebrating achievements of council - Consider leadership development of tier 3/4 managers to develop strategic capability 		TBC
8	<p>Inability to deliver carbon neutral aspirations for Exeter by 2030</p> <p><u>Potential Causes:</u></p> <ul style="list-style-type: none"> - Financial pressure and economics of carbon reduction - Behavioural challenges over influencing businesses and public - Technical capability to deliver - Lack of control over all stakeholders (businesses, visitors etc.) - Political environment and acceptance of policy changes required - Misalignment with Devon Climate Plan - Failure to engage with resident and business of Exeter to ensure solutions proposed meet real need <p><u>Potential Impacts:</u></p> <ul style="list-style-type: none"> - Reputational - Failure to deliver inclusive growth and retain vibrancy of Exeter as a great place to live - Conflict within Region - Short term changes may not be sustainable 	08.11.19	Karime Hassan - Chief Executive	4	3	12	<ul style="list-style-type: none"> - Strategic partnerships - Appointment of programme director for Exeter City Futures to form collaborative city governance focussed on carbon neutral - 12 Goals defined for the city to provide framework for carbon neutral. Goals reflect priorities of business and residents - Plans in place to develop roadmap for carbon neutral 2030 - Other major public sector organisations have already committed to becoming carbon neutral (e.g. University of Exeter, Devon County Council) 	3	3	9	<ul style="list-style-type: none"> - Articulate a clear transitional vision - Improve national communication positioning Exeter as a leading sustainable City highlighting what we are doing - Improve communications of Council activities to make own operations carbon neutral and showcase as exemplar to other organisations - Ensure wide ranging public engagement activities to ensure all voices are heard and the solution being developed are benefiting the residents and business - Ensure clear alignment with DERG and national climate action plans to ensure Exeter's plan is incorporated 		
9	<p>Failure to meet Exeter's Housing supply needs as a planning authority and meet strategic 5 years ambitions</p> <p><u>Potential Causes:</u></p> <ul style="list-style-type: none"> - Inadequate Land supply - Not granted enough planning permissions - Student development cannot be included in housing supply figures - House builders drop leading - Political / community buy in to developments - GESP not progressing as quickly as possible. Political changes at neighbouring boroughs leaving an unclear position <p><u>Potential Impacts:</u></p> <ul style="list-style-type: none"> - Financial risks with increased appeals, and potentially lost income - Social outcomes - inequality, rising social service costs - significant waiting list - Reputational impact if development on not appropriate location - Risk of losing planning appeals on sites where there are objections in principle. - Vulnerable to developers - not able to protect areas that are identified as residents priorities 	June 2013	Bindu Ajoon - Director	4	3	12	<ul style="list-style-type: none"> - Brownfield opportunities identified - sizeable land supply, less reliance on GESP - Higher density developments within city centre - Social Housing being developed following the lifting of borrowing cap - ambition for 500 homes over 10 years' - Active conversations and negotiations with developers (additional s106) - Appropriately briefing members to ensure robust decision making processes 	3	2	6	<ul style="list-style-type: none"> - Greater Exeter Strategic Partnership being developed - Local plan for Exeter CC also being developed as plan B - Selling positive image of high quality high density brownfield developments - continuing consultations 		2020
10	<p>Failure to adapt council workforce to ensure appropriate skills and experience</p> <p><u>Potential Causes:</u></p> <ul style="list-style-type: none"> - Ageing workforce (half of staff over 50, considerable enough) - Difficulty to recruit into key areas - professional areas (planners, lawyers) - Empowerment, skills and engagement of managers to enable this change <p><u>Potential Impacts:</u></p> <ul style="list-style-type: none"> - Loss of experience - Increased spending on agency workers - Not having cost effective council services delivering the right outcomes - Service disruption - Cost of appeals / challenges across the council services - Increased stress / pressure on workforce. 	June 2019	Baan Al-Khafaji	3	3	9	<ul style="list-style-type: none"> - Market supplement scheme in place - Apprenticeship opportunities for new and existing staff - Employing part qualified staff and training them (internal and external) - procurement, planning etc. - Improvements in metric tracking (age, gender, skills profiles) - Business Partnering model allowing for greater collaboration between service areas and HR. 	2	3	6	<ul style="list-style-type: none"> - Effective use of metrics utilising new system (within 12 months) - Ensure robust implementation of new workforce planning process (local mgmt team led) - Utilising agile program to complement modernisation of work environment - Review of progress against GDR. 		TBC

Ref	Risk Title and Description	Date Risk Identified	Risk Owner	Inherent Risk		Existing Mitigations & Controls (What has been done to control the risk?)	Residual Risk		Further Mitigations & Controls to be put into place	Target Implementation Date	Notes		
				L	I		L	I					
				hood	mpact		Risk Score	Risk Score					
11	<p>Maintaining the Financial Sustainability of the Council</p> <p><u>Potential Causes:</u></p> <ul style="list-style-type: none"> - Fair funding review from central government involving rebaselining of business rates (income loss of £1.8m per annum) and determination of a new formula which could have funding implications. - Inability to deliver £2.4m savings target over two year period - Move to 75% business rate retention rather than government grant increases volatility of income and dependence upon growing local economy and business rates. - Inability to grow Exeter city centre and associated business rates etc. - Policy, regulatory or legislative changes which are not fully funded from central govt. - Failure to realise commercial ambitions of council <p><u>Potential Impacts:</u></p> <ul style="list-style-type: none"> - unable to balance budget - reduced income for council services - larger than anticipated cuts (in year or over longer term) - reduction in reserves - impacts on council services and therefore resident outcomes 	January 2018	Dave Hodgson - Chief Finance Officer	4	4	16	<ul style="list-style-type: none"> - Detailed MTFP assessed and agreed with Members - 5 point savings plan agreed and being implemented with suitable governance arrangements in place. - Budget report in new year and recommendations to members briefing in December 2019. - Significant investment in city centre regeneration (st sidwell's point & bus station) including developing a new vision for the rest of the site which includes mixed use - New Business Development manager appointed to identify and grow commercial opportunities - Strong level of unringfenced general fund reserves to protect against shocks 	3	3	9	<ul style="list-style-type: none"> - Continue to respond to consultations making case for council - Lobby government for relaxation of council tax increase restrictions - Further development of role and scope of business development manager position 	May-20	
12	<p>Inability to deliver carbon neutral operations for Exeter City Council by 2022</p> <p>The Council have committed to make their own operations carbon neutral ahead of 2030 in order to lead the City by example. There is a risk that this is not achieved.</p> <p><u>Potential Causes:</u></p> <ul style="list-style-type: none"> - Failure to establish a clear target and trajectory to reduce carbon impact from Council operations - Failure to communicate and engage with staff at all levels to understand the changes required and to identify solutions - Inability to establish baseline and indicators that can measure progress - Unclear ownership of cross-directorship activity and failure to identify/deliver efficient action - Conflicts between carbon reduction and other strategic priorities e.g. cost savings - Failure to balance need for immediate practical action with need for analysis of baseline - Failure to understand the scale of resources (human and financial) required to deliver change - Financial pressures mean resources are not available <p><u>Potential Impacts:</u></p> <ul style="list-style-type: none"> - Reputational - Carbon reduction targets will become harder as we approach 2030 which mean the financial investment will increase - Central government may mandate changes that are costly to implement and dont meet local needs 	08.11.19	Karime Hassan - Chief Executive	4	3	12	<p>Full Council have agreed to make operations of Exeter City Council carbon neutral</p> <p>Corporate Energy team has already delivered impactful projects linked to energy reduction and renewable energy generation.</p> <p>Passive Haus projects demonstrating commitment to energy efficient council housing stock.</p>	2	3	6	<ul style="list-style-type: none"> - Develop cross-directorship sustainability plan that includes: 1. energy (reduction and generation); 2. mobility (Council fleet and staff travel); 3. Sustainability (air quality, biodiversity, resource management); 4. capability (skills, data, operational processes) - Appointment of Director/Senior Officer to assess cross-directorship sustainability performance and identify areas for improvement as well as tracking and reporting progress on carbon performance - Undertake full review of internal policies and processes that are in conflict with carbon neutral aspirations and highlight opportunities for change - Improve communications of Council activities to make own operations carbon neutral and showcase as exemplar to other organisations 		

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