

## **AUDIT AND GOVERNANCE COMMITTEE**

Date: Wednesday 19 March 2025  
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 Liz Smith, Democratic Services Officer on 01392 265 425.

Entry to the Civic Centre can be gained through the rear entrance, located at the rear of the Customer Services Centre, Paris Street.

### *Membership –*

Councillors Wardle (Chair), Jobson (Deputy Chair), Atkinson, Begley, Ketchin, Knott, Miller-Boam, Mitchell, M, Moore, Palmer, Patrick and Williams, M

### 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 12 February 2025.

(Pages 5 -  
8)

**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 Act 1972 - Exclusion of Press and Public**

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

**RECOMMENDED** that, under Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the meeting for the consideration of the particular item(s) on the grounds that it (they) involve(s) the likely disclosure of exempt information as defined in the relevant paragraphs of Part 1, Schedule 12A of the Act

**Or**

**RESOLVED** that, under Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the meeting during consideration of items XX and XX on the grounds that they involve the likely disclosure of exempt information as defined in paragraphs 1, 2, 3 and 4 of Part I, Schedule 12A of the Act.

- |    |   |                   |
|----|---|-------------------|
| 5  | <b>Internal Audit Plan 2025/26</b><br>To consider the report of the Audit Managers.   | (Pages 9 - 30)    |
| 6  | <b>Internal Audit Progress Report</b><br>To consider the report of the Audit Managers.  | (Pages 31 - 50)   |
| 7  | <b>Response to Limited Assurance Audit Report</b><br>To receive the report of the Strategic Director for Corporate Resources. | (Pages 51 - 78)   |
| 8  | <b>Review of Corporate Risk Register</b><br>To consider the report of the Strategic Director for Corporate Resources.         | (Pages 79 - 110)  |
| 9  | <b>Local Government Ombudsman Annual Review of Complaints</b><br>To receive the report of the Monitoring Officer.             | (Pages 111 - 128) |
| 10 | <b>Code of Corporate Governance 2025/26</b><br>To receive the report of the Strategic Director for Corporate Resources.       | (Pages 129 - 144) |
| 11 | <b>Regulation of Investigatory Powers Act 2000 update</b><br>To receive the report of the Monitoring Officer.                 | (Pages 145 - 180) |
| 12 | <b>Corporate Net Zero Risk Register</b><br>To receive the report of the Net Zero Project Manager.                             | (Pages 181 - 190) |
| 13 | <b>Governance Sounding Board</b><br>To determine membership of the Governance Sounding Board.                                 |                   |

## **Part II: Items suggested for discussion with the press and public excluded**

### **Date of Next Meeting**

The next **Audit and Governance Committee** will be held on Thursday 17 April 2025 at 5.30 pm

Find out more about Exeter City Council by looking at our website <http://www.exeter.gov.uk> . This will give you the dates of all future Committee meetings and tell you how you can ask a question at a Scrutiny Committee meeting. Alternatively, contact the Democratic Services Officer (Committees) on 01392 265107 for further information.

**Individual reports on this agenda can be produced in large print on request to Democratic Services (Committees) on 01392 265425**

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## **AUDIT AND GOVERNANCE COMMITTEE**

Wednesday 12 February 2025

### **Present:**

Councillors Jobson, Begley, Knott, Miller-Boam, Mitchell, M, Moore and Williams, M

### **Also Present:**

Chief Executive, Strategic Director for Corporate Resources, Head of Service - Finance, Head of Legal and Democratic Services & Monitoring Officer and Democratic Services Officer (LS)

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### **APOLOGIES**

Apologies were received from Councillors and Wardle, Atkinson, Ketchin, Patrick and Palmer.

The Committee noted their condolences to the Chair, Councillor Wardle.

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### **MINUTES**

The minutes of the meeting held 27 November 2024 were taken as read, approved and signed by the Chair as correct.

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### **DECLARATION OF INTERESTS**

No declarations of disclosable pecuniary interests were made.

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### **AUDIT FINDINGS REPORT FOR EXETER CITY COUNCIL 2023/24**

The Director, Public Sector Audit of Grant Thornton presented the Audit Findings Report for 2023/24 making the following points:

- it was intended to issue an opinion by the end of February;
- the opinion issued would be an unqualified one;
- there were some areas of work ongoing but this was a small number as most work had been concluded;
- there had been work on significant risks including management override, land, buildings and pension liabilities; and
- some recommendations had been made but these were not material and would not affect the opinion.

The Director, Public Sector Audit of Grant Thornton and Strategic Director for Corporate Resources responded to questions from Members' in the following terms:

- that there were 10 super-users and whilst this was not unusually high some had finance roles therefore segregation of duty potentially could be an issue;
- the solution would be to have no instances of those with a finance role being a super-user;
- it was for officers to assess whether this posed an acceptable level of risk;
- the pensions adjustment would be updated but was not material;
- value of land and buildings was potentially not market value but replacement cost value and independent valuations would be made upon any disposal;

- housing stock would be allocated a value for similar properties in the area following spot checks;
- MRP showed charge on third party loans and there was a policy based on the annuity rates which would see charges increase in later years therefore this was an expected increase;
- MRP increase reflected the end of 2022/23 position with less interest and more repayment as voluntary repayment of debt was utilised to reduce the balance and 2024/25 capital finance requirement reduced due to ECL write-off; and
- officers were informed annually of the need to declare any interests they may have.

The Audit and Governance committee unanimously received and considered the Audit Findings Report for Exeter City Council 2023/24.

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### **AUDITOR'S ANNUAL REPORT ON EXETER CITY COUNCIL 2023/24**

The Director, Public Sector Audit of Grant Thornton presented the Auditor's Annual Report on Exeter City Council 2023/24 making the following points:

- that there were three key areas, being Financial Sustainability, Governance and Improving economy, efficiency and effectiveness as set out on page 56 of the agenda pack;
- there were no significant weaknesses in arrangements to ensure the Council managed risk to its financial sustainability;
- there were significant weaknesses in Governance with ECL and contract monitoring identified;
- there was a significant weakness in Improving economy, efficiency and effectiveness but that work had begun on this;
- the key recommendations could be seen on pages 58 to 60, 2 of which had been reported in previous years;
- with regards to recommendation 4, there was evidence that discussion had taken place but were not reflected in the final contract;
- recommendation 5 was in reference to procurement issues where payments has been made but a contract was not in place; and
- there was an improvement recommendation on page 82 in relation to the level of savings and the management comment regarding risk to services could also be seen.

The Strategic Director for Corporate Resources spoke on the report making the following points:

- counter-fraud would be handled by SWAP and this had begun on 1 April 2024;
- counter-fraud information could now be found on the website but SWAP collect statistics, monitor and investigate;
- the issue had been that the outsourcing of audit had taken place with no lead immediately identified within the Council for counter-fraud;
- the Head of Service, Finance was now the lead for counter-fraud strategy, coordinating and communicating any responses as required which would be reflected in the next audit plan; and
- there was a procurement waivers report in the Scrutiny Bulletin but this would in future be presented to the Audit and Governance Committee.

The Strategic Director for Corporate Resources and the Director, Public Sector Audit, of Grant Thornton responded to Members' questions in the following terms:

- the counter-fraud strategy was up to date and would be reviewed every two years although this may be undertaken sooner to reflect the changes within SWAP;
- the constitution review would include looking at independent people on Audit and Governance Committee;
- partnerships were not defined in audit terms but would be expected to include but not be limited to group companies, other Local Authorities, the NHS and Sport England;
- audit would only look at partnerships should they be challenged and look to test whether the Council could explain them;
- a procurement report would now be presented to the Audit and Governance committee; and
- arrangements would be made and training given.

The Audit and Governance Committee noted the Auditor's Annual Report 2023/24 following a unanimous vote.

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### **AUDITOR'S ANNUAL REPORT - VALUE FOR MONEY**

The Strategic Director for Corporate Resources presented the report making the following points:

- that this was the Council's response to the recommendations made by Grant Thornton held within their report;
- the recommendation was for agreement to bring a six-monthly report to the Audit and Governance Committee; and
- historically the Council had delivered 80% of savings which had this been implemented would have meant £4.2 million of savings needed rather than £3.5 million as seen.

The Strategic Director for Corporate Resources responded to a question from a Member stating that the year of recommendations referred to could be identified in future and that the Business Centre review would look at all options and consider whether its intention when set up had been met.

Councillor Moore proposed an addition to the recommendations which following discussion was deemed unnecessary and withdrawn.

The Chair, seconded by Councillor Mitchell, moved the recommendations as set out in the report and following a unanimous vote were **CARRIED**.

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### **MANAGEMENT LETTER OF REPRESENTATION**

The Strategic Director for Corporate Resources presented the Management Letter of Representation explaining that this was a standard letter to the external auditor from the Council. The Strategic Director for Corporate Resources directed Members to an additional line which had been added regarding asset transfer in relation to Exeter City Living.

The Audit and Governance Committee agreed to approve and sign the Management Letter of Representation 2023/24.

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### **FINAL STATEMENT OF ACCOUNTS**

The Head of Service, Finance presented the report on the Final Statement of Accounts making the following points:

- that the findings set out in the report mirror the findings as set out in the earlier external Audit Findings Report;
- that there were minor changes to the disclosure reports but no changes to the accounts; and
- that delegated powers were sought in the recommendation as set out in the report.

The Head of Service, Finance, Strategic Director for Corporate Resources and Chief Executive responded to Members' questions in the following terms:

- £18 million was borrowed against St Sidwell's Point and the New Homes Bonus had been set aside to repay debt and a larger loan had been taken at a lower interest rate. This included Riverside and had a reducing balance;
- the update on page 126 in relation to the Live and Move Programme was expanded to better explain progress with a new Wonford Community and Learning Centre;
- the change in the number of staff in some pay bands was due to incremental pay increases resulting from the annual pay award; and
- Sport England grants formed part of the Council's accounts therefore were audited by Grant Thornton.

The Chair moved the recommendation, which was seconded by Councillor Knott, voted upon and CARRIED unanimously.

**RESOLVED** that the Audit and Governance Committee give delegated powers to the Strategic Director Corporate Resources and Chair of Audit and Governance Committee to approve the Statement of Accounts for 2023/24 upon the conclusion of the audit and to report back to this committee any significant findings, if any are identified in the remainder of the audit.

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**MINISTRY OF HOUSING, COMMUNITIES AND LOCAL GOVERNMENT - OPEN CONSULTATION: STRENGTHENING THE STANDARDS AND CONDUCT FRAMEWORK FOR LOCAL AUTHORITIES IN ENGLAND**

The Monitoring Officer presented the report and brought Members' attention to the consultation which ended on 26 February 2025 and encouraged Members to take part and make representations as they saw fit.

The Monitoring Officer responded to Members' question in the following terms:

- Members' could respond individually or collectively;
- Officers could also respond individually or collectively; and
- the Council's constitution could be looked at in light of the consultation but changes could not be implemented until legislation was in place.

Councillor Moore suggested that the committee may wish to respond as a whole but upon discussion it was not deemed that there was sufficient time to do so.

The Audit and Governance committee noted the report.

(The meeting commenced at 5.30 pm and closed at 6.49 pm)

Chair

## **REPORT TO AUDIT AND GOVERNANCE COMMITTEE**

Date of Meeting: **19 March 2025**

Report of: **Head of Internal Audit, Assistant Director SWAP**

Title: **INTERNAL AUDIT PLAN AND INTERNAL AUDIT CHARTER AND MANDATE FOR THE YEAR ENDED 31 MARCH 2026**

Is this a Key Decision?

No

### **Is this an Executive or Council Function?**

Council

#### **1. What is the report about?**

1.1 The report sets out the proposed Internal Audit Plan for 2025/26 as well as the Internal Audit Charter and Mandate.

#### **2. Recommendations:**

2.1 That the 2025/26 Internal Audit Plan and Internal Audit Charter and Mandate are both reviewed and approved.

#### **3. Reasons for the recommendation:**

3.1 It is a requirement for the committee to approve the Internal Audit Plan and the Internal Audit Charter and Mandate.

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

4.1 None

#### **5. Section 151 Officer comments:**

5.1 This is the first year of SWAP consulting and proposing the internal audit plan from the start of the year. SWAP have consulted with members of the Audit & Governance Committee and SMB. The proposed plan has been developed taking those views into account.

## **6. What are the legal aspects?**

6.1 Internal Audit is a statutory requirement in accordance with the broad requirements of section 151 of the Local Government Act 1972 which requires that, inter alia, '...every local authority shall make arrangements for the proper administration of their financial affairs'. More particularly, the role of Internal Audit is set out in the Accounts and Audit (England) Regulations 2015. Regulation 3 requires a local authority to have '...a sound system of internal control which facilitates the effective exercise of its functions and the achievement of its aims and objectives, ensures that the financial and operational management of the authority is effective and includes effective arrangements for the management of risk'. Regulation 5 sets out the provisions concerning the role of Internal Audit and states that '[a] relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance'

## **7. Monitoring Officer's comments:**

7.1 Internal audit is an essential function '...providing risk-based and objective assurance, advice and insight' as stated in the Institute for Internal Auditors' 2017 Mission Statement.

The Mission Statement goes provides a definition of the role of internal audit and states that the fundamental purpose, nature and scope of internal audit is to provide '...an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluating and improving the effectiveness of risk management, control and governance processes'.

By working with services across the Council, Internal Audit works to ensure that Council objectives are met and that risks are well managed.

## **8. Report details:**

- 8.1 In line with our professional standards SWAP needs to establish a risk based plan to determine the priorities of the Internal Audit activity, based on sufficient and appropriate coverage of key business objectives and associated risks. This risk based plan must take account of the requirement to provide an annual audit opinion on the effectiveness of the Council's Governance, risk management and internal control environment.
- 8.2 The outcomes of each of the audits in our planned programme of work will provide senior management and Members with assurance that the council is adequately managing its current risks.

## **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 Equalities 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 The report is for information only.

## **12. Carbon Footprint (Environmental) Implications:**

12.1 No direct carbon/environmental impacts arising from the recommendations.

## **13. Are there any other options?**

N/A

Author: Lisa Fryer, Assistant Director SWAP

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

Background papers used in compiling this report:-

None

Contact for enquires:  
Democratic Services (Committees)  
Room 4.36  
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# **Exeter City Council**

## **Internal Audit Plan & Charter and Mandate**

### **2025/26**

Page 13

## The Internal Audit Plan: Summary

The internal audit plan is a summary of the proposed audit coverage that the internal audit team will deliver throughout the 2025/26 financial year.

Delivery of an internal audit programme of work that provides sufficient and appropriate coverage will enable us to provide a well-informed and comprehensive year-end annual internal audit opinion.

### Introduction and Objective of the Internal Audit Plan

Internal audit provides an independent and objective opinion on the council's risk management, governance, and control environment by evaluating its effectiveness.

Prior to the start of each financial year, SWAP, in conjunction with senior management, prepares a proposed plan of audit work. The aim of our planning process and subsequent plan is to put us in a position to provide a well-informed and comprehensive annual audit opinion, based on sufficient and appropriate coverage of key business objectives, associated risks, and risk management processes.

The outcomes of each of the audits in our planned programme of work will provide senior management and Members with assurance that the council is adequately managing its current risks.

Internal audit is only one source of assurance. The outcomes of internal audit reviews should be considered alongside other sources, as part of the 'three lines of defence' assurance model. Key findings from our internal audit work should also be considered in conjunction with the Authority's Annual Governance Statement (AGS).

The council's senior management and the Audit and Governance Committee are responsible for confirming that the proposed audit plan is sufficient and appropriate to provide independent assurance against the key risks faced by the organisation.



## The Internal Audit Plan: Approach

To develop an appropriate risk-based audit plan, SWAP has consulted senior management and reviewed key documentation to obtain an understanding of the organisation's strategies, key business objectives, associated risks, and risk management processes.

### Approach to Internal Audit Planning 2025/26

The factors considered in putting together the 2025/26 internal audit plan have been set out below:



The above factors are used to identify the areas of highest risk across the Council, in line with our risk-based approach.

## The Internal Audit Plan: Risk Assessment

A documented risk assessment, prior to developing an internal audit plan, ensures that sufficient and appropriate areas are identified for consideration.

### Internal Audit Annual Risk Assessment

Our 2025/26 internal audit programme of work is based on a documented risk assessment, which SWAP will re-visit regularly. The risk assessment includes coverage against the Council's corporate/operational risks and priorities and the wider national issues affecting local government. Below we have set out a summary of the outcomes of the risk assessment for East Devon District Council:



## The Internal Audit Plan: Risk Assessment

Following our SWAP Risk Assessment above, we have set out how the proposed 2025/26 presented in Appendix A provides coverage of the Authority's key corporate objectives and risks, as well as our core areas of recommended audit coverage.

Internal audit is only one source of assurance and should be considered in this context.

### Internal Audit Coverage in 2025/26

In line with our professional standards SWAP needs to establish a risk based plan to determine the priorities of the Internal Audit activity, based on sufficient and appropriate coverage of key business objectives and associated risks. This risk based plan must take into account the requirement to provide an annual audit opinion on the effectiveness of the Council's governance, risk management and internal control environment.

The draft plan produced was discussed with the council's Senior Management Team. This meeting was key to agreeing a programme of work reflective of the new corporate plan goals and strategic risks. This approach ensures that resources are directed to the areas where internal audit can offer the most value and insight. We have set out the proposed plan in **Appendix A**.

Internal audit coverage can never be absolute and responsibility for risk management, governance and internal control arrangements will always sit with management. As such, we cannot provide complete assurance over any area, and equally cannot provide any guarantee against material errors, loss or fraud.



# The Internal Audit Plan: Risk Assessment

SWAP Internal Audit Services is a public sector, not-for-profit partnership, owned by the public sector partners that it serves. The SWAP Partnership now includes public sector partners throughout the UK.

As a company, SWAP has adopted the following values, which we ask our clients to assess us against following every piece of work that we do:

- Candid
- Relevant
- Inclusive
- Innovative
- Dedicated

## Your Internal Audit Service

### Conformance with Public Sector Internal Audit Standards

SWAP work is completed to comply with the International Professional Practices Framework of the Institute of Internal Auditors, further guided by interpretation provided by the Public Sector Internal Audit Standards (PSIAS) and the CIPFA Local Government Application Note.

At least every five years, SWAP is subject to an External Quality Assessment of Internal Audit Activity. The last of these was carried out in November 2024 which confirmed conformance with the Public Sector Internal Audit Standards.

The Global Institute of Internal Auditors has recently reviewed the Global Internal Audit Standards, which set out the requirements for internal audit practice. The new Standards took effect on 9 January 2025. SWAP is developing a plan to ensure compliance with these new standards.

### Conflicts of Interest

We are not aware of any conflicts of interest within Exeter City Council that would present an impairment to our independence or objectivity. Furthermore, we are satisfied that we will conform with our IIA Code of Ethics in relation to Integrity, Objectivity, Confidentiality, & Competency.

### Consultancy Engagements

As part of our internal audit service, we may accept proposed consultancy engagements, based on the engagement's potential to improve management of risk, add value and improve the organisation's operations. Consultancy work that is accepted, will contribute to our annual opinion and will be included in our plan of work.

### Approach to Fraud

Internal audit may assess the adequacy of the arrangements to prevent and detect irregularities, fraud and corruption. We have dedicated counter-fraud resources available to undertake specific investigations if required. However, the primary responsibility for preventing and detecting corruption, fraud and irregularities rests with management who should institute adequate systems of internal control, including clear objectives, segregation of duties and proper authorisation procedures.





## The Internal Audit Plan: Approach

### Internal Audit Charter

Annually we provide you with our Internal Audit Charter, for your approval, that reflects the role and responsibilities, of us as internal auditors within your organisation. Our Charter typically accompanies our internal audit risk-based plan detailing the planning approach we are proposing for the year ahead.

The updated Global Internal Audit Standards requires chief audit executives to develop and maintain an Internal Audit Charter. The Internal Audit Charter must set out the internal audit functions covering:

- Purpose;
- Commitment to adhere to the Global Internal Audit Standards;
- Mandate, including the scope and types of services to be provided, and the organisation's responsibilities and expectations regarding management's support of the internal audit function; and
- Organisational position and reporting relationships.

Our updated Internal Audit Charter and Mandate for the Committee to consider and approve can be found at **Appendix B**.

## The Internal Audit Plan: SWAP

Over and above our internal audit service delivery, SWAP will look to add value throughout the year wherever possible. This will include:

- Benchmarking and sharing of best practice between our public-sector Partners
- Regular newsletters and bulletins containing emerging issues and significant risks identified across the SWAP partnership
- Communication of fraud alerts received both regionally and nationally
- Member training sessions

### Our Reporting

We report a summary of internal audit activity to senior management and the Audit and Governance Committee quarterly. This reporting will include any significant risk and control issues (including fraud risks), governance issues and other matters that require the attention of senior management and/or the Audit Committee. We will also report any response from management to a risk we have highlighted that, in our view, may be unacceptable to the organisation.

### Internal Audit Performance:

As part of our regular reporting to senior management and the Audit and Governance Committee, we will report on internal audit performance. The following performance targets will be used to measure the performance of our audit activity:

| Performance Measure   | Performance Target |
|---|--------------------|
| <b><u>Delivery of Annual Internal Audit Plan</u></b><br>Completed at year end   | >90%               |
| <b><u>Quality of Audit Work</u></b><br>Overall Client Satisfaction<br><i>(did our audit work meet or exceed expectations, when looking at our Communication, Auditor Professionalism and Competence, and Value to the Organisation)</i> | >95%               |
| <b><u>Outcomes from Audit Work</u></b><br>Value to the Organisation<br><i>(client view of whether our audit work met or exceeded expectations, in terms of value to their area)</i>   | >95%               |



Readers should note that the audit titles and high-level scopes included below are only indicative at this stage for planning our resources. At the start of each audit, we hold an initial discussion with management to agree the specific terms of reference for the piece of work, including the objective and scope for the review.

| Audit   | Planned Quarter | Rationale   | Link to Strategic Risk                                     | Strategic Directorate |
|---|-----------------|---|--|-----------------------|
| <b>Assurance Reviews</b>                                  |                 |   |  |                       |
| Ethical Governance  | Q1              | Covering both members and officers gifts/hospitality & declarations of interest.                            |  | Corporate Resources   |
| Emergency Planning  | Q1              | Important function not audited in recent years.   |  | Community Services    |
| Community Safety/Anti Social Behaviour                    | Q1              | Links to People new corporate priority.   | Delivering housing & building great neighbourhoods         | Community Services    |
| Planning – Biodiversity net gain                          | Q1              | Links to new corporate priorities Homes and Sustainable Environment   | Delivery of net zero carbon city                           | Place                 |
| Medium Term Financial Plan                                | Q2              | Key financial control. Consider methodology followed including assessment of priorities.                    | Maintaining the financial stability of the Council.        | Corporate Resources   |
| Fraud Risk Assessment                                     | Q2              | Work with Council to assess fraud risks. This can then be used to inform future plans                       | Maintaining the financial stability of the Council         | Corporate Resources   |
| Contract Register   | Q2              | Key to managing contractual arrangements.   | Maintaining the financial stability of the Council         | Corporate Resources   |
| Health & Safety of Property Portfolio (including housing) | Q2              | Consider overall monitoring arrangements that ensure key checks are being undertaken.                       | Maintaining the Council's Property & Infrastructure assets | Corporate Resources   |
| Private Sector Housing                                    | Q2              | Links to Homes new corporate priority.  |  | People                |
| Social Housing Decarbonisation Grant                      | Q2              | Certification is a grant requirement.   | Maintaining the Council's Property & Infrastructure assets | Corporate Resources   |
| Risk Management   | Q3              | Deferred from 24/25 to allow corporate refresh to be undertaken.  |  | Corporate Resources   |
| Housing Rents & Arrears                                   | Q3              | Rent arrears have been increasing. Consider including recharge policy and condition of properties returned. |  | People                |
| Leisure Services  | Q3              | New operating model in place for leisure. Consider cost neutral methodology.                                | Progress towards a healthy & active city                   | Community Services    |

| Audit  | Planned Quarter | Rationale  | Link to Strategic Risk                                     | Strategic Directorate |
|--|-----------------|--|--|-----------------------|
| Debt Management                              | Q4              | Advisory review in 24/25, high organisational risk reported. Schedule assurance work in 25/26.           | Maintaining the financial stability of the Council         | Corporate Resources   |
| Records Management                           | Q4              | Consider roles & responsibilities, policies, Information Asset Register, document retention.             | Progressing the Corporate customer & digital strategy      | People                |
| Waste Management                             | Q4              | Working with a consultant currently, schedule once outcomes agreed. Links to new priority Local Economy. | Delivering housing & building great neighbourhoods         | Community Services    |
| <b>Follow-up Reviews</b>                     |                 |  |  |                       |
| Corporate Governance                         | Q2              | 23/24 Limited assurance  |  | Corporate Resources   |
| Maintenance & Capital Programme of Works     | Q3              | 24/25 Limited assurance  | Maintaining the Council's Property & Infrastructure assets | Corporate Resources   |
| CIL Governance                               | Q3              | 24/25 Limited assurance  | Delivering housing & building great neighbourhoods         | Place                 |
| Creditors                                    | Q3              | 24/25 Limited assurance  | Maintaining the financial stability of the Council         | Corporate Resources   |
| Fraud Baseline Assessment Follow-up          | Q4              | Determine progress against the road map agreed in 24/25.   | Maintaining the financial stability of the Council         | Corporate Resources   |
| Follow-up Contingency                        | All             | To allow follow-up work of additional 24/25 limited assurance reviews                                    |  |                       |
| <b>Other Areas of Internal Audit Support</b> |                 |  |  |                       |
| Head of Internal Audit Role                  | All             | Including planning, meetings with management, client support and attending Audit Committee.              |  |                       |
| Action Tracking                              | All             | Monitoring and reporting in relation to internal audit actions   |  |                       |
| Ad hoc Fraud advice & support                | All             | Including member training, confidential reporting and other advisory matters                             |  |                       |

## Purpose

SWAP Internal Audit Services creates, protects, and sustains value by providing the audit committee and management with independent, risk-based, and objective assurance, advice, insight, and foresight, that meets rigorous professional standards.

The internal audit function enhances:

- Successful achievement of its objectives.
- Governance, risk management, and control processes.
- Decision-making and oversight.
- Reputation and credibility with its stakeholders.
- Ability to serve the public interest.

The internal audit function is most effective when:

- Internal auditing is performed by competent professionals in conformance with the Institute of Internal Auditors Global Internal Audit Standards which are set in the public interest.
- The internal audit function is independently positioned with direct accountability to the audit committee.
- Internal auditors are free from undue influence and committed to making objective assessments.

## Commitment to Adherence to the Professional Standards

The Accounts and Audit (England) Regulations, state that: *“A relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account the public sector internal auditing standards or guidance.”*

The internal audit function will adhere to the mandatory elements of The Institute of Internal Auditors' International Professional Practices Framework, which are the Global Internal Audit Standards and Topical Requirements subject to the Application Note for UK Public Sector Internal Audit. The chief audit executive will report annually to the partner audit committee and senior management regarding the internal audit function's conformance with the Standards, which will be assessed through a quality assurance and improvement , managed and monitored by the SWAP senior management team and the SWAP board.

## Mandate

### Authority

The audit committee grants the internal audit function the mandate to provide the audit committee and senior management with objective assurance, advice, insight, and foresight.

The internal audit function's authority is created by its direct reporting relationship to the audit committee. Such authority allows for unrestricted access to the audit committee.

The audit committee authorises the internal audit function to:

- Have full and unrestricted access to all functions, data, records, information, physical property, and personnel pertinent to carrying out internal audit responsibilities. Internal auditors are accountable for confidentiality and safeguarding records and information.
- Allocate resources, set frequencies, select subjects, determine scopes of work, apply techniques, and issue communications to accomplish the function's objectives.
- Obtain assistance from the necessary personnel of the Partner and other specialized services from within or outside the Partner organisation to complete internal audit services.

***Independence, Organisational Position, and Reporting Relationships***

The chief audit executive will be positioned at a level in the organization that enables internal audit services and responsibilities to be performed without interference from management, thereby establishing the independence of the internal audit function. The chief audit executive will report functionally to the audit committee and administratively (for example, day-to-day operations) to the [chief executive officer or equivalent/senior officer e.g., section 151 Officer]. This positioning provides the authority and status to bring matters directly to senior management and escalate matters to the audit committee, when necessary, without interference and supports the internal auditors' ability to maintain objectivity.

The chief audit executive will confirm to the audit committee, at least annually, the organisational independence of the internal audit function. If the governance structure does not support organisational independence, the chief audit executive will document the characteristics of the governance structure limiting independence and any safeguards employed to achieve the principle of independence. The chief audit executive will disclose to the audit committee any interference internal auditors encounter related to the scope, performance, or communication of internal audit work and results. The disclosure will include communicating the implications of such interference on the internal audit function's effectiveness and ability to fulfill its mandate.

**Changes to the Mandate and Charter**

Circumstances may justify a follow-up discussion between the chief audit executive, audit committee, and senior management on the internal audit mandate or other aspects of the internal audit charter. Such circumstances may include but are not limited to:

- A significant change in the Global Internal Audit Standards.
- A significant acquisition or reorganisation within the organisation.
- Significant changes in the chief audit executive, audit committee, and/or senior management.
- Significant changes to the organisation's strategies, objectives, risk profile, or the environment in which the organisation operates.
- New laws or regulations that may affect the nature and/or scope of internal audit services.

**Audit Committee Oversight**

To establish, maintain, and ensure that the internal audit function has sufficient authority to fulfill its duties, the audit committee will:

- Discuss with the chief audit executive and senior management the appropriate authority, role, responsibilities, scope, and services (assurance and/or advisory) of the internal audit function.
- Ensure the chief audit executive has unrestricted access to, communicates, and interacts directly with the audit committee, including in private meetings without senior management present.
- Ensure arrangements are in place to notify the chief audit executive of all suspected or detected fraud, corruption, or impropriety.
- Discuss with the chief audit executive and senior management other topics that should be included in the internal audit charter.
- Participate in discussions with the chief audit executive and senior management about the “essential conditions,” described in the Global Internal Audit Standards in the UK Public Sector, which establish the foundation that enables an effective internal audit function.
- Approve the internal audit function’s charter, which includes the internal audit mandate and the scope and types of internal audit services.
- Review the internal audit charter [annually] with the chief audit executive to consider changes affecting the organisation, such as the employment of a new chief audit executive / head of internal audit or changes in the type, severity, and interdependencies of risks to the organisation; and approve the internal audit charter [annually].
- Approve the risk-based internal audit plan.
- Collaborate with senior management to determine the budgets, qualifications, and competencies the organisation expects in a chief audit executive, as described in the Global Internal Audit Standards in the UK Public Sector.
- Review the chief audit executive’s performance, provide feedback to the SWAP CEO, plus senior management, and the organisation’s CEO.
- Receive communications from the chief audit executive about the internal audit function including its performance relative to its plan.
- Ensure a quality assurance and improvement program has been established.
- Review of the results of the quality assurance and improvement program annually.
- Make appropriate inquiries of management and the chief audit executive to determine whether scope or resource limitations are inappropriate.

**Chief Audit Executive Roles and Responsibilities*****Ethics and Professionalism***

The chief audit executive will ensure that internal auditors:

- Conform with the Global Internal Audit Standards in the UK Public Sector, including the principles of Ethics and Professionalism: integrity, objectivity, competency, due professional care, and confidentiality.
- Understand, respect, meet, and contribute to the legitimate and ethical expectations of the Partner organisation and be able to recognize conduct that is contrary to those expectations.
- Encourage and promote an ethics-based culture in the organisation.
- Report organisational behavior that is inconsistent with the organisation's ethical expectations, as described in applicable policies and procedures.

**Objectivity**

The chief audit executive will ensure that the internal audit function remains free from all conditions that threaten the ability of internal auditors to carry out their responsibilities in an unbiased manner, including matters of engagement selection, scope, procedures, frequency, timing, and communication. If the chief audit executive determines that objectivity may be impaired in fact or appearance, the details of the impairment will be disclosed to appropriate parties.

Internal auditors will maintain an unbiased mental attitude that allows them to perform engagements objectively such that they believe in their work product, do not compromise quality, and do not subordinate their judgment on audit matters to others, either in fact or appearance.

Internal auditors will have no direct operational responsibility or authority over any of the activities they review. Accordingly, internal auditors will not implement internal controls, develop procedures, install systems, or engage in other activities that may impair their judgment, including:

- Assessing specific operations for which they had responsibility within the previous year.
- Performing operational duties for the Partner organisation or its affiliates.
- Initiating or approving transactions external to the internal audit function.
- Directing the activities of any Partner organisation's employee that is not employed by the internal audit function, except to the extent that such employees have been appropriately assigned to internal audit teams or to assist internal auditors.

Internal auditors will:

- Disclose impairments of independence or objectivity, in fact or appearance, to appropriate parties and at least annually, such as the chief audit executive, audit committee, management, or others.
- Exhibit professional objectivity in gathering, evaluating, and communicating information.
- Make balanced assessments of all available and relevant facts and circumstances.
- Take necessary precautions to avoid conflicts of interest, bias, and undue influence.

**Managing the Internal Audit Function**

The chief audit executive has the responsibility to:

- At least annually, submit a risk-based internal audit plan to the audit committee and senior management for review and approval.
- Communicate the impact of resource limitations on the internal audit plan to the audit committee and senior management.
- Review and adjust the internal audit plan, as necessary, in response to changes in the Partner organisation's business, risks, operations, programs, systems, and controls.
- Communicate with the audit committee and senior management if there are significant interim changes to the internal audit plan.
- Ensure internal audit engagements are performed, documented, and communicated in accordance with the Global Internal Audit Standards in the UK Public Sector.
- Follow up on engagement findings and confirm the implementation of recommendations or action plans and communicate the results of internal audit services to the audit committee and senior management [annually] and for each engagement as appropriate.
- Ensure the internal audit function collectively possesses or obtains the knowledge, skills, and other competencies needed to meet the requirements of the Global Internal Audit Standards in the UK Public Sector and fulfill the internal audit mandate.
- Identify and consider trends and emerging issues that could impact the Partner organisation and communicate to the audit committee and senior management as appropriate.
- Consider emerging trends and successful practices in internal auditing.
- Establish and ensure adherence to methodologies designed to guide the internal audit function.
- Ensure adherence to the Partner organisation's relevant policies and procedures unless such policies and procedures conflict with the internal audit charter or the Global Internal Audit Standards in the UK Public Sector. Any such conflicts will be resolved or documented and communicated to the audit committee and senior management.
- Coordinate activities and consider relying upon the work of other internal and external providers of assurance and advisory services. If the chief audit executive cannot achieve an appropriate level of coordination, the issue must be communicated to senior management and if necessary escalated to the audit committee.

**Communication with the Audit Committee and Senior Management**

The chief audit executive will report [annually] to the audit committee and senior management regarding:

- The internal audit function's mandate.
- The internal audit plan and performance relative to its plan.



- Significant revisions to the internal audit plan.
- Potential impairments to independence, including relevant disclosures as applicable.
- Results from the quality assurance and improvement programme, which include the internal audit function's conformance with The IIA's Global Internal Audit Standards in the UK Public Sector and action plans to address the internal audit function's deficiencies and opportunities for improvement.
- Significant risk exposures and control issues, including fraud risks, governance issues, and other areas of focus for the audit committee.
- Results of assurance and advisory services.
- Management's responses to risk that the internal audit function determines may be unacceptable or acceptance of a risk that is beyond the Partner organisation's risk appetite.
- Clarification over the responsibility to complete a fraud risk assessment, and presentation of this where responsibility belongs to SWAP.

### Quality Assurance and Improvement

The SWAP senior leadership team in collaboration with the chief audit executive / will develop, implement, and maintain a quality assurance and improvement program that covers all aspects of the internal audit function. The programme will include external and internal assessments of the internal audit function's conformance with the Global Internal Audit Standards in the UK Public Sector, as well as performance measurement to assess the internal audit function's progress toward the achievement of its objectives and promotion of continuous improvement. The program also will assess, if applicable, compliance with laws and/or regulations relevant to internal auditing. Also, if applicable, the assessment will include plans to address the internal audit function's deficiencies and opportunities for improvement.

Annually, the chief audit executive will communicate with the audit committee and senior management about the internal audit function's quality assurance and improvement program, including the results of internal assessments (ongoing monitoring and periodic self-assessments) and external assessments. External assessments will be completed at least once every five years by a qualified, independent assessor or assessment team from outside both SWAP and the Partner Organisation; qualifications must include at least one assessor holding an active Certified Internal Auditor® credential.

### Scope and Types of Internal Audit Services

The scope of internal audit services covers the entire breadth of the organization, including all the Partner organisation's activities, assets, and personnel. The scope of internal audit activities also encompasses but is not limited to objective examinations of evidence to provide independent assurance and advisory services to the audit committee and management on the adequacy and effectiveness of governance, risk management, and control processes for the Partner organisation. The nature and scope of advisory services may be agreed with the party requesting the service, provided the internal audit function does not assume management responsibility. Opportunities for improving the efficiency of governance, risk management, and control processes may be identified



during advisory engagements. These opportunities will be communicated to the appropriate level of management.

Internal audit engagements may include evaluating whether:

- Risks relating to the achievement of the Partner Organisation’s strategic objectives are appropriately identified and managed.
- The actions of the Partner organisation’s officers, directors, management, employees, and contractors comply with the Partner organisation’s policies, procedures, and applicable laws, regulations, and governance standards.
- The results of operations and programs are consistent with established goals and objectives.
- Operations and programs are being carried out effectively and efficiently.
- Established processes and systems enable compliance with the policies, procedures, laws, and regulations that could significantly impact the Partner organisation.
- The integrity of information and the means used to identify, measure, analyze, classify, and report such information is reliable.
- Resources and assets are acquired economically, used efficiently and sustainably, and protected adequately.

Approval/Signatures

*L.H. Fryer.*

20/02/2025

Chief Audit Executive

Date

Audit Committee Chair

*Moya Moore*

20/02/2025

Executive Director of Operations (SWAP)

Date

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## **REPORT TO AUDIT AND GOVERNANCE COMMITTEE**

Date of Meeting: **19 March 2025**

Report of: **Head of Internal Audit, Assistant Director SWAP**

Title: **INTERNAL AUDIT PROGRESS REPORT FOR THE YEAR ENDED 31 MARCH 2025 – FEBRUARY 2024**

### **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 2024/25 internal audit work carried out to the end of February 2025. To advise on overall progress against the Audit Plan and to highlight areas where improvements in governance, risk or internal controls have been agreed.

#### **2. Recommendations:**

2.1 That the Internal Audit Progress Report to the end of February 2025 be noted.

#### **3. Reasons for the recommendation:**

3.1 One of the roles of this committee is to review delivery of the internal audit plan as well as 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 comments:**

5.1 The Council joined South West Audit Partnership (SWAP) from 1st April 2024 and now provide the Internal audit service for the Council and this report is the third quarterly update provided by SWAP. It is pleasing to note that 92% of the audit plan is now in progress and that audit work remains on target to deliver the programme of agreed audits.

## **6. What are the legal aspects?**

6.1 Internal Audit is a statutory requirement in accordance with the broad requirements of section 151 of the Local Government Act 1972 which requires that, inter alia, '...every local authority shall make arrangements for the proper administration of their financial affairs'. More particularly, the role of Internal Audit is set out in the Accounts and Audit (England) Regulations 2015. Regulation 3 requires a local authority to have '...a sound system of internal control which facilitates the effective exercise of its functions and the achievement of its aims and objectives, ensures that the financial and operational management of the authority is effective and includes effective arrangements for the management of risk'. Regulation 5 sets out the provisions concerning the role of Internal Audit and states that '[a] relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance'

## **7. Monitoring Officer's comments:**

7.1 Internal audit is an essential function '...providing risk-based and objective assurance, advice and insight' as stated in the Institute for Internal Auditors' 2017 Mission Statement.

The Mission Statement goes provides a definition of the role of internal audit and states that the fundamental purpose, nature and scope of internal audit is to provide '...an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluating and improving the effectiveness of risk management, control and governance processes'.

By working with services across the Council, Internal Audit works to ensure that Council objectives are met and that risks are well managed.

## **8. Report details:**

8.1 This Committee receives quarterly internal audit progress reports. This allows progress against the agreed plan and the main issues arising to be monitored, seeking assurance from management that action has been taken, where necessary. The 2024/25 Audit Plan was approved at this Committee on 6th March 2024. The purpose of internal audit is to provide an independent, objective assurance and consulting service designed to add value and improve the Council's operations. The mission of internal audit is to enhance and protect organisational value by providing risk based and objective assurance, advice, and insight. The internal audit Service helps the Council accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of governance, risk management, and control processes.

## **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 Equalities 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 The report is for information only.

## **12. Carbon Footprint (Environmental) Implications:**

12.1 No direct carbon/environmental impacts arising from the recommendations.

## **13. Are there any other options?**

N/A

Author: Lisa Fryer, Assistant Director SWAP

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

Background papers used in compiling this report:-

None

Contact for enquires:  
Democratic Services (Committees)  
Room 4.36  
01392 265275

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# Exeter City Council

## Report of Internal Audit Activity

### Progress Report – end February 2025

Year Ended 31 March 2025

## The Headlines



### 2024/25 Reviews completed in the period

- Three assurance audits finalised
- One assurance audit at draft report stage



### Progress to date

- Reasonable progress YTD
- 92% of planned audits are complete, at draft report stage, or in progress



### High Organisational Risk

- A high organisational risk has been reported as part of the debt management advisory review.



### Action plan monitoring

- We monitor the council’s implementation of agreed actions
- The council has 63 active agreed actions



### Plan changes in the year

SMB have reviewed the plan to ensure that it continues to focus on the highest risks and priorities. Higher priority audits have replaced five reviews as a result.



### Range of innovations and enhancements made to our internal audit process throughout the year

SWAP has set up a monitoring system for actions agreed within audit reports to allow managers to view and update their agreed audit actions. Training has been provided as part of the implementation process. Monitoring reports will enable management and members to review progress being made.

## Internal Audit Assurance Work 2024/25

|                  | Feb      | YTD       |
|------------------|----------|-----------|
| Substantial      | 0        | 1         |
| Reasonable       | 0        | 2         |
| Limited          | 3        | 5         |
| No Assurance     | 0        | 0         |
| Follow-up        | 3        | 4         |
| Grants           | 1        | 2         |
| Advisory & Other | 2        | 2         |
| <b>Total</b>     | <b>9</b> | <b>16</b> |

## Internal Audit Agreed Actions 2024/25

|              | Feb       | YTD       |
|--------------|-----------|-----------|
| Priority 1   | 5         | 6         |
| Priority 2   | 22        | 37        |
| Priority 3   | 9         | 18        |
| <b>Total</b> | <b>36</b> | <b>61</b> |



# Summary

As part of our rolling plan reports, we will detail progress against the approved plan and any updates in scope and coverage.

We will also provide details of any significant risks that we have identified in our work, along with the progress of mitigating significant risks previously identified through audit activity.

The contacts at SWAP in connection with this report are:

**Lisa Fryer**  
Assistant Director  
[lisa.fryer@swapaudit.co.uk](mailto:lisa.fryer@swapaudit.co.uk)

**David Hill**  
Chief Executive  
[rich.clarke@swapaudit.co.uk](mailto:rich.clarke@swapaudit.co.uk)



## Introduction

The Audit and Governance Committee approved the 2024/25 Internal Audit Plan in March 2024. This report sets out our progress against that plan. **Appendix E** summarises our progress and includes new audits that we have added to the plan.

Each completed assignment includes its respective assurance opinion rating together with the number and relative ranking of actions we have agreed with management.

We have applied the assurance opinion ratings in accordance with the SWAP Audit Framework Definitions detailed in **Appendix A**.

To assist the Committee in its important monitoring and scrutiny role, **Appendix B** summarises our key findings from No and Limited assurance opinion audits.

Where there are control weaknesses that we believe pose a high organisational risk to the council, we draw these findings to the Committee’s attention. Due to the significance of the findings relating to our debt management advisory review a high organisational risk has been reported. Refer to **Appendix C** for further details.

It is important that the council implements agreed actions to address the control weaknesses set out in our reports. To give the Audit and Governance Committee a level of assurance that this is happening, we conduct regular action tracking. The council’s current position is summarised in **Appendix D**.

# Internal Audit Progress Update

Our audit plan coverage assessment is designed to provide an indication of whether we have provided sufficient, independent assurance to monitor the organisation's risk profile effectively.

The internal audit plan agreed is based on our risk-based approach to help ensure that resources are focused where internal audit can offer the most value and insight. A key source of information is the Council's strategic risk register.



## Internal Audit Plan coverage of strategic risks

The table below maps our completed and planned audits against the council's strategic risks. As the year builds and more work is completed, coverage across key risk areas will increase. 'Reasonable' coverage reflects the delivery of planned assurance levels. This table only includes audits that are part of the H1 2024/25 Internal Audit Plan. Audits that have not yet started are shown in italic font.

| Table Key | Reasonable internal audit coverage 2024/25 | Partial internal audit coverage 2024/25 | No internal audit coverage 2024/25 |
|-----------|--|---|------------------------------------|
|-----------|--|---|------------------------------------|

| No | Strategic Risk  | Risk Score | Coverage   |
|----|---|------------|--|
| 1  | Delivering the key challenges in the Net Zero Carbon City section of the Corporate Plan               | High       | <i>Reasonable Assurance in 23/24</i>   |
| 2  | Making progress towards a Healthy and Active City   | Medium     | <i>Leisure - Reasonable Assurance in 23/24</i>   |
| 3  | Adapting the council workforce to ensure appropriate skills and experience (future proof workforce)   | Medium     | Occupational Health Services   |
| 4  | Maintaining the Financial Stability of the Council  | Medium     | Budget Monitoring, Creditors, Housing Benefit Decisions, Debt Management, Council Tax arrears, payroll, Fraud baseline |
| 5  | Maintaining the Council's Property and Infrastructure Assets  | High       | Corporate Property Assets, Disabled Facilities Grant, HRA Repairs & Maintenance  |
| 6  | Delivering Housing and Building Great Neighbourhoods and Communities                                  | High       | CIL governance, S106 governance, temporary accommodation   |
| 7  | Maintaining a thriving Culture & Heritage Sector  | Low        |  |
| 8  | Delivering against the key challenges in the 'Prosperous Local Economy' section of the Corporate Plan | Medium     |  |
| 9  | Progressing the design and delivery of a corporate Customer and Digital Strategy                      | Medium     | Covered by Strata  |



### SWAP Monitoring

#### **Action Tracking**

It is important that the council implements agreed actions to address the issues set out in our reports. To give the Audit and Governance Committee a level of assurance that this is happening, we conduct regular action tracking. The agreed actions are for audits from 2023/24 and 2024/25. We recognise that it can take longer to implement actions than planned, and sometimes target timescales need changing. The council's current position is summarised in **Appendix D**.

The council has 63 active agreed actions, 14 of which has been assessed by services as being complete.

We conduct follow-ups for all No and Limited assurance audits. These reviews assess whether the council has completed agreed actions. Where we have performed a follow-up and concluded that actions are outstanding, we continue to monitor those actions. Once the action owner informs us that they have completed an action, we obtain supporting evidence to show this and then remove the action from our monitoring record.

#### **Fraud Referrals Received through the SWAP confidential reporting inbox**

SWAP operates a confidential reporting line that enables individuals to report a fraud confidentially. The following summarises referrals received over a seven month period to the beginning of February 2025.

| Type of Referral                       | Number received |
|--|-----------------|
| Council Tax – discounts and reductions | 13              |
| Council Tax and Benefits               | 2               |
| Housing Benefit                        | 3               |
| Benefits                               | 1               |
| Social Housing                         | 4               |
| Business rates                         | 1               |
| Other                                  | 2               |

All referrals received via the reporting line are forwarded to an appropriate contact within the Council for review and to take action as appropriate.

## Internal Audit Progress Update

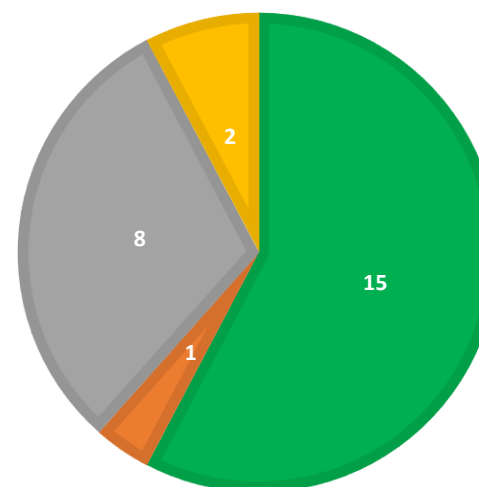
We need adequate audit coverage to provide our annual opinion.



Year to Date Progress

### 2024/25 PLAN PROGRESS

■ Complete ■ Reporting ■ In progress ■ Not started



Good progress has been made this year with all audit work now started with the exception of two reviews. Initial meetings have been scheduled for both of these and work will start during March.

It is expected that all work will be completed ahead of reporting the annual opinion to committee in June/July.

## Appendix A: SWAP Audit Framework and Definitions

### Audit Assurance Definitions

|                    |  |
|--------------------|--|
| <b>No</b>          | The review identified fundamental gaps, weaknesses, or non-compliance, which require immediate action. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited. |
| <b>Limited</b>     | The review identified significant gaps, weaknesses, or instances of non-compliance. The system of governance, risk management and control requires improvement to effectively manage risks to the achievement of objectives in the area audited.             |
| <b>Reasonable</b>  | The review highlighted a generally sound system of governance, risk management and control in place. We identified some issues, non-compliance or scope for improvement which may put at risk the achievement of objectives in the area audited.             |
| <b>Substantial</b> | The review confirmed a sound system of governance, risk management and control, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.                                    |

### Organisational Risk Assessment Definitions

| Assessment    | Organisational Risk & Reporting Implications  |
|---------------|---|
| <b>High</b>   | Our audit work includes areas that we consider have a high organisational risk and potential significant impact.<br><br>Both senior management and the Audit Committee should consider key audit conclusions and resulting outcomes.  |
| <b>Medium</b> | Our audit work includes areas that we consider have a medium organisational risk and potential impact.<br><br>The key audit conclusions and resulting outcomes warrant further discussion and attention at senior management level.   |
| <b>Low</b>    | Our audit work includes areas that we consider have a medium organisational risk and potential impact.<br><br>We believe the key audit conclusions and any resulting outcomes still merit attention but could be addressed by service management in their area of responsibility. |

### Categorisation of Actions

In addition to the organisational risk assessment it is important to know how important the individual management actions are. Each action has been given a priority rating with the following definitions:

|                   |   |
|-------------------|---|
| <b>Priority 1</b> | Findings that are fundamental to the integrity of the service's business processes and require the immediate attention of management. |
| <b>Priority 2</b> | Important findings that need to be resolved by management.  |
| <b>Priority 3</b> | Finding that requires attention.  |


## Appendix B: No and Limited Assurance Audits

### Occupational Health Services – Final Report – February 2025



**Audit Objective** To establish whether the council has effective contract management, budget management and data protection controls for the Occupational Health service.

#### Executive Summary

|  | Assurance Opinion   | Management Actions |    | Organisational Risk Assessment  | Low |
|---|---|--------------------|----|---|-----|
|   | The review identified significant gaps, weaknesses, or instances of non-compliance. The system of governance, risk management and control require improvement to effectively manage risks to the achievement of objectives in the area audited. | Priority 1         | 1  | Our audit work includes areas that we consider have a low organisational risk and potential impact.   |     |
|   |   | Priority 2         | 11 |   |     |
|   |   | Priority 3         | 5  | We believe the key audit conclusions and any resulting outcomes still merit attention but could be addressed by service management in their area of responsibility. |     |
|   |   | Total              | 17 |   |     |

#### Key Conclusions

|  |  |
|--|--|
|  | Our sample testing indicates that managers are not asking employees to provide documented consent when referring them to Occupational Health, despite a consent form being readily available. HR has instructed services to complete consent forms and is introducing central checking to ensure compliance.           |
|  | The provider has not been meeting most contract performance indicators for over a year. While the council has raised performance concerns, this has not resulted in service improvements. The council has renewed this contract several times without formally assessing alternative market options.                   |
|  | There are no documented procedures setting out how the referral process should work. HR does not have full oversight over referrals because some services self-refer to Occupational Health without engaging them. This limits HR's ability to effectively manage the service and keep within budget.                  |
|  | We found differences in the activity lists submitted by the provider, as well as 32 potentially duplicated charges in invoices. The council should investigate these with the provider and where relevant reclaim any overcharges from them.   |
|  | We identified several lower priority issues, including the contract not being recorded in the published contract register, HR only raising commitments once the invoice has already been received, the budget being static despite consistent overspending in recent years, and documents not being saved to HR files. |

#### Audit Scope

- We reviewed the risks that:
- ineffective internal processes and/or contract management contributes to the council receiving a poor-quality service, meaning it does not achieve value for money.
  - contract expenditure is not controlled, causing pressure on wider service budgets
  - Personal data is not stored or communicated safely resulting in data breaches
- To do this we assessed the following areas:
- Internal policies and procedures
  - Contract management
  - Budget management
  - Data protection processes
- Data from the periods below have been used for this audit:
- Budget reports from 2022/23 to date
  - Occupational Health invoices from April to August 2024

#### Further Information

We have assessed this as a low organisational risk because the value of the Occupational Health contract is relatively low and overspends in recent years have been offset by other underspends in HR. While we found several issues during the audit, they can largely be resolved by HR.

HR has agreed to complete 17 actions by 31 December 2025. One action has already been completed.

## Appendix B: No and Limited Assurance Audits

### CIL and S106 (Governance Arrangements for CIL Receipts) Final Report – November 2024



**Audit Objective** To review the current governance arrangements in place for the use of CIL receipts.

#### Executive Summary



#### Assurance Opinion

The review identified significant gaps, weaknesses, or instances of non-compliance. The system of governance, risk management, and control requires improvement to effectively manage risks to the achievement of objectives.

#### Management Actions

|              |          |
|--------------|----------|
| Priority 1   | 1        |
| Priority 2   | 6        |
| Priority 3   | 0        |
| <b>Total</b> | <b>7</b> |

#### Organisational Risk Assessment

**Medium**

Our audit work includes areas that we consider have a medium organisational risk and potential impact.

The key audit conclusions and resulting outcomes warrant further discussion and attention at senior management level.

#### Key Conclusions



There is no overarching governance framework for the comprehensive prioritisation of CIL receipts. Some good practices have been seen for smaller projects through the city grants and ward grants; however, this does not extend to the larger neighbourhood projects or the strategic infrastructure projects, which are greater in value.



There is no one committee or panel with responsibility for assessing, recommending and monitoring project proposals funded from CIL receipts.



An expressions of interest form, or application form is not required, and there is no clear process or set of criteria, for the identification, assessment and prioritisation of larger neighbourhood projects, or strategic infrastructure projects.



There is a lack of formal, consistent, monitoring and reporting on projects funded through CIL receipts. This creates a gap in oversight and accountability for the use of these funds.



The Exacom system is not fully utilised to monitor infrastructure spend and project delivery, due to some gaps in financial data. These gaps are also hindering a full reconciliation from being undertaken between Exacom and efinancials, the council's finance system.

#### Audit Scope

The review focused on the governance arrangements for the use of CIL receipts, which the council has identified as an area of concern. The council is currently in negotiations with the Planning Advisory Service to seek assistance with improving its governance arrangements for developer contributions.

We provided the council with good examples of governance frameworks for CIL, which will support them in developing their own arrangements.

#### Next Steps

The council has recently met with the Planning Advisory Service, and key stakeholders will be coming together to go through a self-assessment to improve the governance of its developer contributions. The council should use the results of this self-assessment, along with the findings reported within this audit review, to establish a governance framework with details of the governance and administrative procedures needed to facilitate the allocation of CIL monies received from developer contributions.




## Appendix B: No and Limited Assurance Audits

### Council Tax Arrears Recovery– Final Report – February 2025



**Audit Objective** To assess the effectiveness of the Council's procedures for identifying, monitoring and collecting Council Tax arrears.

#### Executive Summary

|  | Assurance Opinion   |  | Management Actions |   | Organisational Risk Assessment  | Medium |
|---|---|--|--------------------|---|---|--------|
|   | The review identified significant gaps, weaknesses, or instances of non-compliance. The system of governance, risk management and control require improvement to effectively manage risks to the achievement of objectives in the area audited. |  | Priority 1         | 0 | Our audit work includes areas that we consider have a medium organisational risk and potential impact.<br><br>The key audit conclusions and resulting outcomes warrant further discussion and attention at senior management level. |        |
|   |   |  | Priority 2         | 3 |   |        |
|   |   |  | Priority 3         | 1 |   |        |
|   |   |  | Total              | 4 |   |        |

#### Key Conclusions

|  |  |  |
|--|--|--|
|  | From a sample of 12 council tax liabilities written off, nine had been processed on the customer account without being appropriately authorised by the relevant officer.   | <p>The council highlighted its arrears recovery process as an area of concern. The scope of the audit was to review controls relating to the identification, monitoring and collection of Council Tax arrears.</p> <p>To do this we assessed the following controls:</p> <ul style="list-style-type: none"> <li>• Policies and procedures</li> <li>• Payment options</li> <li>• Collection and recovery timetable</li> <li>• Recovery methods</li> <li>• Account Suppression</li> <li>• Write-offs</li> </ul> <p>Due to us not receiving the relevant data, we were unable to complete an analysis of accounts in arrears where Council Tax Support had also been awarded.</p> |
|  | The council's Debt Collection Policy, covering the recovery of council tax, was last reviewed in 2015 and so is overdue a refresh. In addition, this version does not clearly set out the council's approach to billing, recovery and enforcement. |  |
|  | Members are not provided with regular updates on performance in relation to the collection of in-year liabilities and historic council tax arrears.  |  |
|  | An income and expenditure analysis had not been undertaken for nine of the 10 accounts reviewed, where a customer has experienced financial difficulties. This was not in line with the council's debt collection policy.                          |  |

#### Further Information

Officers have already made progress with changes to the debt collection policy and the write off procedures, and have also agreed to complete all actions by December 2025.



# Appendix C: Advisory Reviews

## Sundry Debtors – Final Report – January 2025



**Audit Objective** To assess the council's sundry debt collection processes.

### Executive Summary

| Advisory | Assurance Opinion            | Management Actions |   | Organisational Risk Assessment   | High |
|----------|------------------------------|--------------------|---|--|------|
|          | This was an advisory review. | Priority 1         | 3 | Our audit work includes areas that we consider have a high organisational risk and potential significant impact. |      |
|          |                              | Priority 2         | 2 |  |      |
|          |                              | Priority 3         | 3 | Both senior management and the Audit Committee should consider key audit conclusions and resulting outcomes.     |      |
|          |                              | Total              | 8 |  |      |

### Key Conclusions

|  |   |
|--|---|
|  | Our officer survey and sample testing showed there are varying levels of debt recovery action across service areas. Several service areas reported they do not have dedicated debt recovery officers and that they do not take recovery action regularly.   |
|  | There are three separate debt procedure documents published on the intranet. None of them provide detailed instructions of the recovery steps services should follow beyond automatic reminders. The procedure documents have not been reviewed since 2019. |
|  | The council's write-off authorisation protocols are restrictive, which may deter write-off even when this is the most appropriate action. Write-off guidance and templates need updating.   |
|  | Not all service areas receive monthly debt reports. Suppressed debt reports are not issued despite this being a policy requirement.   |
|  | Automatic reminder letters are being issued in accordance with procedures. While the control framework needs strengthening, the council's outstanding sundry debt has reduced from a reported £5.43m to £3.84m since the start of 2024/25.                  |

### Audit Scope

We reviewed the risk that ineffective debt management results in loss of income for the council, increasing pressure on service budgets.

To do this we assessed the following controls:

- Policies and procedures are current and are published
- Officers comply with the council's sundry debt collection policy
- Management is regularly advised of the current debt position for their service areas(s)
- Expert advice is available to assist with debt collection
- Cancellation of invoices and write offs are approved in accordance with published guidance.

We reviewed a sample of 15 debts raised since January 2024. There were no recent sundry debt write-offs to review. Due to time constraints we did not evaluate cancelled invoices.

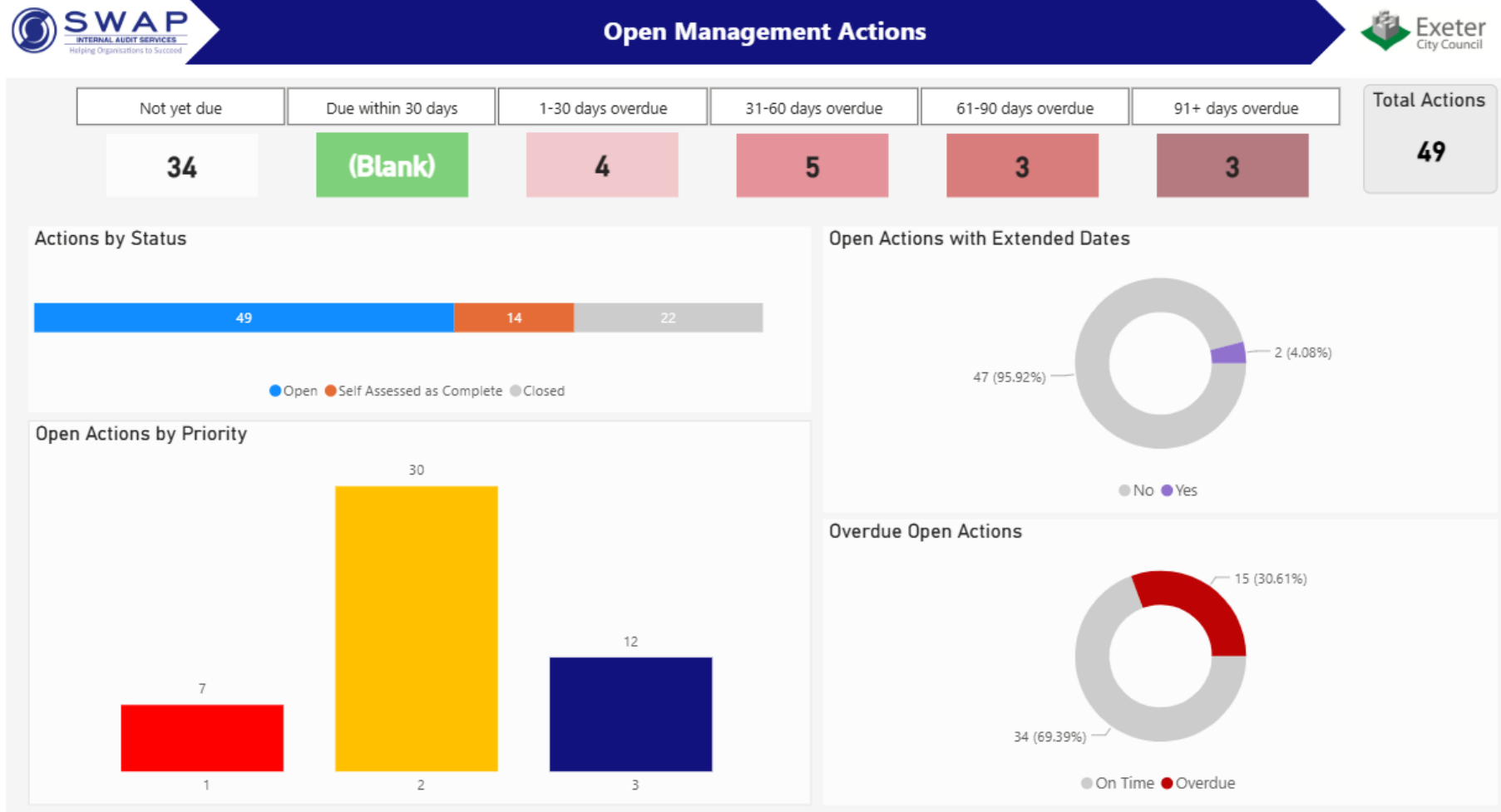
### Further Information

On 24 October 2024, the ASH system had £3.84m of outstanding sundry debt. We analysed ASH data, and our key findings are summarised in Appendix 1.

We added value in this review by comparing the council's debt recovery and write-off procedures against five other SWAP partner councils.

Finance has agreed to complete 8 actions by 31 December 2025. Responsibility for most of the agreed actions has been allocated to posts that are currently vacant. When the new Income Collection team is resourced, Finance will prepare a new corporate debt recovery and update write-off procedures. Services will then be asked to review their outstanding debts. Finance expects to implement an updated finance system with a new accounts receivable module in 2025.

## Appendix D: Monitoring of Agreed Actions



The dashboard above summarises the council's position as of 19 February 2025. Occupational Health Services have yet to be added (these would all fall as not yet due).

## Appendix E: Summary of Internal Audit Work

| Audit Type | Audit   | Status   | Assurance Opinion | Total Actions                                   | 1 = Major      | ↔  | 3 = Medium |
|------------|---|----------|-------------------|---|----------------|----|------------|
|            |   |          |                   |   | Recommendation |    |            |
|            |   |          |                   |   | 1              | 2  | 3          |
| Complete   |   |          |                   |   |                |    |            |
| Assurance  | Corporate Property Assets Maintenance & Capital Programme | Final    | Limited           | 8   | 1              | 6  | 1          |
| Assurance  | Creditors   | Final    | Limited           | 7   | 0              | 4  | 3          |
| Assurance  | Waterways   | Final    | Reasonable        | 6   | 0              | 3  | 3          |
| Assurance  | Housing Benefit Decisions                                 | Final    | Reasonable        | 2   | 0              | 1  | 1          |
| Grant      | Disabled Facilities Grant                                 | Final    | Substantial       | 2   | 0              | 1  | 1          |
| Follow-up  | CIL & S106 Agreements Follow-up                           | Final    | N/A               | All 13 agreed actions implemented               |                |    |            |
| Assurance  | Governance Arrangements for CIL Receipts                  | Final    | Limited           | 7   | 1              | 6  | 0          |
| Assurance  | Council Tax Arrears                                       | Final    | Limited           | 4   | 0              | 3  | 1          |
| Assurance  | NEW Occupational Health Services                          | Final    | Limited           | 17  | 1              | 11 | 5          |
| Advisory   | Debt Management   | Final    | N/A               | 8   | 3              | 2  | 3          |
| Follow-up  | Trade Waste Income (23/24)                                | Complete | N/A               | Action tracking complete                        |                |    |            |
| Follow-up  | Corporate Credit Card (23/24)                             | Complete | N/A               | Action tracking complete                        |                |    |            |
| Follow-up  | VAT (23/24)   | Complete | N/A               | Action tracking complete                        |                |    |            |
| Grant      | NEW Social Housing Decarbonisation Grant                  | Final    | Certified         |   |                |    |            |
| Advisory   | NFI   | Complete | N/A               | Initial support for this data matching exercise |                |    |            |
|            |   |          |                   |   |                |    |            |

## Appendix E: Summary of Internal Audit Work

| Audit Type      | Audit   | Status      | Assurance Opinion | Total Actions                   | 1 = Major      | ↔ | 3 = Medium |
|-----------------|---|-------------|-------------------|---------------------------------|----------------|---|------------|
|                 |   |             |                   |                                 | Recommendation |   |            |
|                 |   |             |                   |                                 | 1              | 2 | 3          |
| Reporting       |   |             |                   |                                 |                |   |            |
| Assurance       | Housing Revenue Account Repairs & Maintenance   | Draft       |                   |                                 |                |   |            |
| In progress     |   |             |                   |                                 |                |   |            |
| Assurance       | <b>NEW</b> Budget Management  | In progress |                   |                                 |                |   |            |
| Assurance       | Communication Strategy  | In progress |                   |                                 |                |   |            |
| Assurance       | Temporary Accommodation   | In progress |                   |                                 |                |   |            |
| Assurance       | <b>NEW</b> S106 Governance Arrangements   | In progress |                   |                                 |                |   |            |
| Proactive Fraud | Fraud Baseline Assessment   | In progress |                   |                                 |                |   |            |
| Assurance       | Payroll   | In progress |                   |                                 |                |   |            |
| Follow-up       | Taxi Licensing (23/24)  | In progress |                   |                                 |                |   |            |
| Follow-up       | Sundry Debtors (23/24)  | In progress |                   |                                 |                |   |            |
| Advisory        | <b>NEW</b> Introduction of Action Plan tracking to enable monitoring the implementation of agreed actions | Ongoing     |                   |                                 |                |   |            |
| Advisory        | Fraud advice and support including confidential reporting   | Ongoing     |                   |                                 |                |   |            |
| Not started     |   |             |                   |                                 |                |   |            |
| Assurance       | Procurement   | Not Started |                   | Initial Meeting Scheduled 27/02 |                |   |            |
| Assurance       | Health and Safety   | Not Started |                   | Initial Meeting Scheduled 05/03 |                |   |            |
|                 |   |             |                   |                                 |                |   |            |

## Appendix E: Summary of Internal Audit Work

| Audit Type | Audit                   | Status   | Assurance Opinion  | Total Actions | 1 = Major      | ↔ | 3 = Medium |
|------------|-------------------------|----------|--|---------------|----------------|---|------------|
|            |                         |          |  |               | Recommendation |   |            |
|            |                         |          |  |               | 1              | 2 | 3          |
| Deferred   |                         |          |  |               |                |   |            |
| Assurance  | People Management       | Deferred | Request from SMB to defer as review currently ongoing. To schedule in 25/26. To replace with <b>occupational health services</b> .   |               |                |   |            |
| Assurance  | Risk Management         | Deferred | Request from SMB to defer as much work currently ongoing in this area. To schedule in 25/26. Replaced with <b>budget management</b> .  |               |                |   |            |
| Assurance  | Contract Management     | Deferred | Agreed with S151 to defer. Contract Management has received good coverage in recent years. Resources will focus on procurement in 24/25 given new regulations to be implemented in February. |               |                |   |            |
| Assurance  | Net Zero/Climate Change | Deferred | Request from SMB to defer as audited regularly including recent audit in 23/24 (satisfactory assurance). Replaced with <b>CIL</b> audit.   |               |                |   |            |
| Assurance  | Main Accounting         | Deferred | Request to defer as delays to new system implementation.   |               |                |   |            |

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## REPORT TO AUDIT AND GOVERNANCE COMMITTEE

Date of Meeting: 19 March 2025

Report of: Strategic Director Corporate Resources

Title: Limited Assurance Audit Reports

### Is this a Key Decision?

No

### Is this an Executive or Council Function?

Council

#### 1. What is the report about?

- 1.1 This report presents the recommendations and actions plans in relation to recent limited assurance audits and progress being made.

#### 2. Recommendations:

- 2.1 That the Audit and Governance Committee note the content of the audit reports contained at Appendix A and the actions that will be taken in response to the recommendations.

#### 3. Reasons for the recommendation:

- 3.1 To provide assurance to the Audit and Governance Committee that the council has plans to address audits with limited assurance and that progress is being made.

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

- 4.1 The Strategic Management Board has taken ownership of the recommendations contained in audits with limited assurances. Delivery of the agreed actions will result in resources implications, but this will be managed through Directorate work plans.

#### 5. Section 151 Officer Comments:

- 5.1 Members should note the progress that has been made or actions agreed in relation to limited assurance audits. Progress will continue to be reported as the Council seeks to strengthen its processes.

#### 6. What are the legal aspects?

- 6.1 The Council has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness. This is known as the Best Value duty. The duty requires the Council to make arrangements that ensure services are delivered in a cost-effective manner while

meeting the needs of the community. In discharging this overall responsibility, the council is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, including arrangements for the management of risk. The Council has approved and adopted a Code of Corporate Governance, which is consistent with the principles of Delivering Good Governance in Local Government (CIPFA/Solace 2016).

## **7. Monitoring Officer's Comments:**

This report sets out the actions that will be taken in response to the recommendations of recent limited assurance audits. It is important that implementation of agreed action plans are closely monitored and reported back to Members to provide reassurance that improvements are being made.

## **8. Report Details:**

### **8.1 Limited Assurance Definition**

SWAP's definition of limited audit assurance is where the review identified significant gaps, weaknesses or instances of non-compliance. The system of governance, risk management and control require improvement to effectively manage risks to the achievement of objectives in the area audited.

### **8.2 The progress report of Internal Audit Activity to the end of February 2025 reports four limited assurance audits:**

- Occupational Health Services
- CIL and Section 106 (Governance arrangements for CIL receipts)
- Council Tax Arrears Recovery
- Sundry Debtors

### **8.3 Management have agreed action plans for each of the findings of the audits, please refer to Appendix A, B, C and D respectively.**

### **8.4 Occupational Health Services Update**

The audit was commissioned by the Strategic Director, People and Communities due to unexplained overspends indicating increased use of Occupational Health Services. The request was for an urgent audit in case the spend indicated any increased issues with staff health and wellbeing. The audit highlights significant issues in the contract monitoring and delivery; referral system and process and governance weaknesses. The Director has agreed a remedial action plan which has been incorporated into the HR Improvement plan and the newly appointed Head of Service for HR, Workforce and OD is accountable to the Director for delivering the action plan as set out in the report.

### **8.5 CIL and Section 106 Update**

Following the SWAP Internal Audit, a Task and Finish Group has been established to develop a comprehensive governance framework for CIL and S106 receipts. The



group is working towards an August 2025 implementation deadline for the full framework.

In the interim, the following measures are proposed to be implemented to address governance weaknesses:

- Interim CIL Governance Panel – A cross-service officer panel (City Development, Finance, Legal) is reviewing and prioritising CIL allocations.
- Review of Existing CIL Commitments – An audit of historic allocations is underway to assess deliverability and alignment with strategic priorities.
- Enhanced Reporting – Quarterly reports on CIL receipts and expenditures are being introduced to improve oversight and transparency.
- Stakeholder Consultation – Early engagement with councillors and key partners has commenced to ensure a more transparent allocation process.

The next milestone is a report to SMB in April/May, which will refine governance principles before seeking Executive approval.

## **8.6 Council Tax Arrears Recovery Update**

Significant progress has been made by the Council Tax Team addressing the findings raised in the Council Tax Arrears Recovery audit.

A new process has been implemented in relation to council tax debts ensuring approval is received before they are written off, whilst a review of the Council's write-off thresholds should be completed by September 25.

A draft Council Tax and Non-domestic Rates (Business Rates) recovery policy is due to be submitted to Senior Management in April for their approval.

## **8.7 Sundry Debtors Update**

Members should be aware that the audit of this area was specifically requested by management and did not form part of the annual audit plan. Senior management decided early last year to move the function of income collection from the Revenues and Benefits service area across to the Accountancy Service area. An internal audit review was requested to assess the basepoint and to help inform priorities for the team.

A new Income Collection Team has been factored into the restructure of Accountancy Services, which has resulted in four posts to be recruited to; Income Collection Manager, two Income Collection Officers and an apprenticeship role. This team will be responsible for sundry debtor income collection and the recovery of overpaid housing benefits. Interviews are being held week commencing 10 March.

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

- 9.1 Remediation of audits with limited assurance contributes to the Council's purposes of a 'Well Run Council'.

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

- 10.1 Audits with limited assurance indicate areas considered to present an organisation risk and potential significant impact. Management agrees action plans with the auditors to mitigate and reduce risks.

## **11. Equality Act 2010 (The Act)**

- 11.1 Under the Act's Public Sector Equalities 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. Carbon Footprint (Environmental) Implications:**

- 12.1 No direct carbon/environmental impacts arising from the recommendations.

## **13. Are there any other options?**

Not applicable

### **Strategic Director Corporate Resources**

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

Background papers used in compiling this report:

None

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

## Audit Findings & Management Action Plan – February 2025

|  |  |                |         |                |         |                     |                    |  |  |           |                   |  |  |
|--|--|----------------|---------|----------------|---------|---------------------|--------------------|--|--|-----------|-------------------|--|--|
| <div>Finding</div> <div><b><u>The council has not conducted a market review to establish if the current supplier presents the best available option.</u></b></div> <div><p>The council has a long relationship with the current supplier but has opted to enter into a new annual contract each year. While there have been informal reviews, officers told us there has never been a thorough assessment of alternative providers in the market.</p><p>This means the council could be missing potential opportunities such as:</p><ul style="list-style-type: none"><li>• procuring the service for a longer timeframe, preventing the need to renew the contract every year and potentially secure greater value for money; and</li><li>• identifying alternative suppliers who may be able to provide the service at either at lower cost or higher quality.</li></ul></div> | <div>Action</div> <div><p>The Head of Service HR will commission a full market review to establish the optimal options for this service going forward.</p><p>We acknowledge that it will not be possible to complete this assessment before the next contract renewal, but this will be done for the 2026/27 contract.</p></div> <div><table><tr><td>Priority</td><td>2</td><td>SWAP Reference</td><td>AP#5880</td></tr><tr><td>Responsible Officer</td><td colspan="3">Head of Service HR</td></tr><tr><td>Timescale</td><td colspan="3">30 September 2025</td></tr></table></div>        | Priority       | 2       | SWAP Reference | AP#5880 | Responsible Officer | Head of Service HR |  |  | Timescale | 30 September 2025 |  |  |
| Priority   | 2  | SWAP Reference | AP#5880 |                |         |                     |                    |  |  |           |                   |  |  |
| Responsible Officer  | Head of Service HR   |                |         |                |         |                     |                    |  |  |           |                   |  |  |
| Timescale  | 30 September 2025  |                |         |                |         |                     |                    |  |  |           |                   |  |  |
| <div>Finding</div> <div><b><u>The provider is not meeting most of the contract Key Performance Indicators (KPIs).</u></b></div> <div><p>The contract includes limited options the council can use to manage the supplier's performance. The contract does not include any service penalties. There are also no bonuses to incentivise the provider.</p><p>The 2023/24 performance report shows that the contractor failed to meet five of the six contract KPIs for that period. Four of these KPIs were significantly below target. The two 2024/25 performance reports show some improvement, but the supplier is still only meeting one KPI.</p><p>Council officers met with the provider to raise performance concerns earlier in 2024/25. However, this has not yet resulted in any significant improvement in service.</p></div>   | <div>Action</div> <div><p>The Head of Service HR will ensure that the service seeks explanation from the provider for their current performance levels, and request they provide a plan showing how they will improve performance.</p><p>If necessary, this should be done through the contract's dispute resolution process.</p></div> <div><table><tr><td>Priority</td><td>2</td><td>SWAP Reference</td><td>AP#5808</td></tr><tr><td>Responsible Officer</td><td colspan="3">Head of Service HR</td></tr><tr><td>Timescale</td><td colspan="3">30 September 2025</td></tr></table></div> | Priority       | 2       | SWAP Reference | AP#5808 | Responsible Officer | Head of Service HR |  |  | Timescale | 30 September 2025 |  |  |
| Priority   | 2  | SWAP Reference | AP#5808 |                |         |                     |                    |  |  |           |                   |  |  |
| Responsible Officer  | Head of Service HR   |                |         |                |         |                     |                    |  |  |           |                   |  |  |
| Timescale  | 30 September 2025  |                |         |                |         |                     |                    |  |  |           |                   |  |  |

| Finding   | Action  |                |         |                |         |                     |   |  |  |           |               |  |  |
|---|---|----------------|---------|----------------|---------|---------------------|---|--|--|-----------|---------------|--|--|
| <p><b><u>The HR service has not maintained records showing there has been appropriate authorisation to enter into the contract.</u></b></p> <p>The Occupational Health Service contract lasts for a year and is re-procured annually.</p> <p>The Delegation to Officers &amp; Deputies set out in the Constitution states that Directors and Corporate Managers (now Head of Service) have the authority to enter into agreements or contracts to fulfil service functions. The Procurement and Contract Procedures explain that ‘the responsible officer with budget responsibilities in the service area’ is responsible for maintaining records for audit purposes.</p> <p>Officers told us the annual decision to renew the contract each year is based on a verbal discussion with the Head of Service, and that this is not recorded.</p> | <p>The Strategic Director People and Communities should ensure that the decision to enter the contract is taken by an appropriate officer, and that the decision is suitably recorded.</p> <table><tr><td>Priority</td><td>2</td><td>SWAP Reference</td><td>AP#5688</td></tr><tr><td>Responsible Officer</td><td colspan="3">Strategic Director People and Communities</td></tr><tr><td>Timescale</td><td colspan="3">31 March 2025</td></tr></table> | Priority       | 2       | SWAP Reference | AP#5688 | Responsible Officer | Strategic Director People and Communities |  |  | Timescale | 31 March 2025 |  |  |
| Priority  | 2   | SWAP Reference | AP#5688 |                |         |                     |   |  |  |           |               |  |  |
| Responsible Officer   | Strategic Director People and Communities   |                |         |                |         |                     |   |  |  |           |               |  |  |
| Timescale   | 31 March 2025   |                |         |                |         |                     |   |  |  |           |               |  |  |

| Finding   | Action   |   |                    |         |
|---|--|---|--------------------|---------|
| <p><b><u>Contract management responsibility has not been allocated to a suitable officer.</u></b></p> <p>While the contract has a named responsible officer, we are advised that this is based on a historic arrangement and this officer no longer has HR responsibilities. In practice, this officer has limited involvement and oversight of the contract.</p> | <p>Going forward the Head of Service HR will have overall responsibility for this contract. The new Head of Service HR will be named in the next contract.</p> |   |                    |         |
|   | Priority   | 2 | SWAP Reference     | AP#5687 |
|   | Responsible Officer  |   | Head of Service HR |         |
|   | Timescale  |   | 31 March 2025      |         |

| Finding   | Action  |                |         |                |         |                     |                  |  |  |           |               |  |  |
|---|---|----------------|---------|----------------|---------|---------------------|------------------|--|--|-----------|---------------|--|--|
| <p><b><u>The contract has not been added to the contract register.</u></b></p> <p>The contract has not been added to the council’s contract register. Officers indicated this was because the contract has not been subject to a formal tendering process involving the Procurement team.</p> <p>The Local Government Transparency Code requires the council to publish details of all contracts with a value exceeding £5,000.</p> | <p>HR has sent the Procurement team a list of HR contracts, including the Occupational Health contract, so Procurement can add them to the contract register. The Procurement Lead will publish the updated contract register on the council’s website in April 2025.</p> <table><tr><td>Priority</td><td>3</td><td>SWAP Reference</td><td>AP#5587</td></tr><tr><td>Responsible Officer</td><td colspan="3">Procurement Lead</td></tr><tr><td>Timescale</td><td colspan="3">30 April 2025</td></tr></table> | Priority       | 3       | SWAP Reference | AP#5587 | Responsible Officer | Procurement Lead |  |  | Timescale | 30 April 2025 |  |  |
| Priority  | 3   | SWAP Reference | AP#5587 |                |         |                     |                  |  |  |           |               |  |  |
| Responsible Officer   | Procurement Lead  |                |         |                |         |                     |                  |  |  |           |               |  |  |
| Timescale   | 30 April 2025   |                |         |                |         |                     |                  |  |  |           |               |  |  |

| Finding  | Action   |                |         |                |         |                     |                    |  |  |           |              |  |  |
|--|--|----------------|---------|----------------|---------|---------------------|--------------------|--|--|-----------|--------------|--|--|
| <p><b><u>HR do not have any documented procedural notes that cover the processes they should follow when dealing with pre-employment or management health referrals.</u></b></p> <p>Through discussions with HR staff and testing of 10 medical referrals, we identified inconsistencies in the referral process. Examples of this include:</p> <ul style="list-style-type: none"><li>pre-employment screening forms - the HR element of these forms is not always completed, so it is not clear whether the forms have been reviewed before referral to the provider</li><li>management referrals to the provider - all employees should agree to the sharing of their information with the provider, but our testing indicates managers do not consistently do this</li><li>Direct referrals – some services bypass HR by directly referring to Occupational Health</li><li>Follow-up – HR Business Partners (HRBPs) are aware of follow-up referrals, but this information is not being passed to HR Admin for them to update their database</li></ul> <p>Without defined standards HR cannot enforce a consistent process.</p> | <p>The Head of Service HR will arrange for HR to produce a procedure as part of the Occupational Health Review in line with the HR Improvement Plan. The procedure will set out:</p> <ul style="list-style-type: none"><li>Who is responsible for what part of the process</li><li>What forms should be completed and where in the process including approval to share personal information to comply with data protection</li><li>Sending, receiving, and disposing of information in a secure manner</li><li>Where information should be saved and in what format</li><li>System access, who has access to view the health referrals and how these access rights are regularly reviewed</li><li>How long information should be saved and how this will be safely disposed of (Retention and Disposal Policy)</li><li>Where the provider is making recommendations, who and how checks that the adaptations have been implemented are carried out.</li></ul> <table><tr><td>Priority</td><td>2</td><td>SWAP Reference</td><td>AP#5857</td></tr><tr><td>Responsible Officer</td><td colspan="3">Head of Service HR</td></tr><tr><td>Timescale</td><td colspan="3">31 July 2025</td></tr></table> | Priority       | 2       | SWAP Reference | AP#5857 | Responsible Officer | Head of Service HR |  |  | Timescale | 31 July 2025 |  |  |
| Priority   | 2  | SWAP Reference | AP#5857 |                |         |                     |                    |  |  |           |              |  |  |
| Responsible Officer  | Head of Service HR   |                |         |                |         |                     |                    |  |  |           |              |  |  |
| Timescale  | 31 July 2025   |                |         |                |         |                     |                    |  |  |           |              |  |  |
| Finding  | Action   |                |         |                |         |                     |                    |  |  |           |              |  |  |
| <p><b><u>HR does not have full oversight of all referrals.</u></b></p> <p>HR Admin use a database to monitor the receipt of various documents, medical referrals being one of these.</p> <p>Based upon information provided and conducting sample testing, it is a useful tool to monitor the referrals issued to the provider and their responses.</p> <p>However, HR Admin are not being notified of referrals submitted to the provider directly by other service areas. This limits the effectiveness of the database because the HR Admin team can only monitor and chase outstanding referrals they have been informed of.</p>   | <p>As part of the HR Improvement Plan, the Head of Service HR will consider introducing a requirement that the provider only accept referrals sent to them by HR.</p> <p>The Head of Service HR will also consider adding this requirement to any future contracts to reduce or stop line managers bypassing HR.</p> <p>The Head of Service HR will provide service areas with clear instructions requiring them to notify HR of all medical referrals to the provider.</p> <table><tr><td>Priority</td><td>2</td><td>SWAP Reference</td><td>AP#5870</td></tr><tr><td>Responsible Officer</td><td colspan="3">Head of Service HR</td></tr><tr><td>Timescale</td><td colspan="3">31 July 2025</td></tr></table>   | Priority       | 2       | SWAP Reference | AP#5870 | Responsible Officer | Head of Service HR |  |  | Timescale | 31 July 2025 |  |  |
| Priority   | 2  | SWAP Reference | AP#5870 |                |         |                     |                    |  |  |           |              |  |  |
| Responsible Officer  | Head of Service HR   |                |         |                |         |                     |                    |  |  |           |              |  |  |
| Timescale  | 31 July 2025   |                |         |                |         |                     |                    |  |  |           |              |  |  |

| Finding   | Action   |   |                    |         |
|---|--|---|--------------------|---------|
| <p><b><u>Managers do not always obtain documented consent to share employee’s personal information with the provider.</u></b></p> <p>Managers must complete an occupational health referral form in order to refer an employee to Occupational Health.</p> <p>Separate to this, the employee must complete the Occupational Health referral acceptance form stating whether they agree or disagree for their details to be passed to the provider to arrange an assessment appointment.</p> <p>Our testing indicates the consent form is not being completed for all management referrals. Multiple HR officers also told us they were unaware of the consent form. This may be a breach of the ECC HR GDPR Privacy Notice.</p> | <p>HR Business Partners have now told their respective service areas that all employees must consent to their information through the referral acceptance form before the manager completes the occupational health referral form.</p> <p>HR Admin will introduce checks to ensure that consent forms are completed before submitting the referrals to the provider.</p> |   |                    |         |
|   | Priority   | 1 | SWAP Reference     | AP#5871 |
|   | Responsible Officer  |   | Head of Service HR |         |
|   | Timescale  |   | 31 July 2025       |         |

| Finding  | Action  |   |                    |         |
|--|---|---|--------------------|---------|
| <p><b><u>Provider referrals are not being sent securely.</u></b></p> <p>Officers told that us that they send referrals and information to the provider using the normal Outlook system. Personal data should be sent using a secure method.</p> <p>Despite there being a contractual requirement for the provider to send reports to the council using encrypted email, officers told us the provider only started happening in December 2024.</p> | <p>As part of the HR Improvement Plan, the Head of Service HR will ensure the council has and uses a secure means of submitting information to the provider. This could be achieved by using Mimecast.</p> <p>HR will communicate the need to use secure communication methods to all relevant staff.</p> |   |                    |         |
|  | Priority  | 2 | SWAP Reference     | AP#5872 |
|  | Responsible Officer   |   | Head of Service HR |         |
|  | Timescale   |   | 31 July 2025       |         |

| Finding   | Action  |                |         |                |         |                     |                    |  |  |           |                   |  |  |
|---|---|----------------|---------|----------------|---------|---------------------|--------------------|--|--|-----------|-------------------|--|--|
| <p><b><u>The referrals recorded on the HR Admin database do not match to the referrals detailed on the provider’s invoices.</u></b></p> <p>We identified the following anomalies by comparing the HR Admin database to the provider’s invoices for April to August 2024:</p> <ul style="list-style-type: none"><li>• 5 entries on the HR Admin database that do not appear on any of the providers invoices</li><li>• 132 entries on the provider’s invoices do not appear on the HR Admin database*</li><li>• 32 potential duplicated payments to the provider as the document supporting the invoice shows:<ul style="list-style-type: none"><li>• The same employee receiving more than one audiometry screening tests on the same day (19)</li><li>• The same employee receiving more than one audiometry screening tests but on different days (2)</li><li>• The same employee receiving both a hand-arm vibration OHP screening and a hand-arm vibration screening on the same day (11)</li></ul></li></ul> <p>*82 of these entries are for audiology and hand-arm vibration testing, where the service area sends screening requests directly to the provider, bypassing the HR Admin team.</p> <p>Without a comprehensive checking process, erroneous payments could be made.</p> | <p>As part of the HR Improvement Plan, the Head of Service HR should introduce a method by which HR checks the accuracy of invoices before submitting the invoice for payment.</p> <p>This may include a reconciliation between HR referral records and records sent by the provider.</p> <table><tr><td>Priority</td><td>2</td><td>SWAP Reference</td><td>AP#5866</td></tr><tr><td>Responsible Officer</td><td colspan="3">Head of Service HR</td></tr><tr><td>Timescale</td><td colspan="3">30 September 2025</td></tr></table> | Priority       | 2       | SWAP Reference | AP#5866 | Responsible Officer | Head of Service HR |  |  | Timescale | 30 September 2025 |  |  |
| Priority  | 2   | SWAP Reference | AP#5866 |                |         |                     |                    |  |  |           |                   |  |  |
| Responsible Officer   | Head of Service HR  |                |         |                |         |                     |                    |  |  |           |                   |  |  |
| Timescale   | 30 September 2025   |                |         |                |         |                     |                    |  |  |           |                   |  |  |

|   |   |                |         |                |         |                     |                    |  |  |           |              |  |  |
|---|---|----------------|---------|----------------|---------|---------------------|--------------------|--|--|-----------|--------------|--|--|
| <div>Finding</div> <div><b><u>We found inconsistencies in supporting documents sent by the provider.</u></b></div> <div>Each month the provider sends the council two lists alongside the monthly invoice:<ul style="list-style-type: none"><li>The NAMES list shows the referred employee, the service they received and when they received it.</li><li>The ACTIVITY list summarises the referrals by service type. The ACTIVITY list is used to calculate the invoice charge.</li></ul>We compared these documents and found they did not reconcile for four of the first five months of 2024/25. We found an extra 13 entries in the NAMES lists compared to the ACTIVITY lists. No narrative was included to explain the differences.</div> <div>We also found that, while the ACTIVITY list reflects the schedule of charges included in the contract, the service descriptions on the NAMES list do not always agree to the description quoted on the ACTIVITY list. This makes it more difficult to confirm the provider has raised the correct charges.</div> | <div>Action</div> <div>The Head of Service HR will review SWAP’s finding and, if necessary, follow these up with the provider.</div> <div>The Head of Service HR will also ask the provider to ensure that service descriptions on the NAMES and ACTIVITY lists are consistent going forward.</div> <table><tr><td>Priority</td><td>2</td><td>SWAP Reference</td><td>AP#5925</td></tr><tr><td>Responsible Officer</td><td colspan="3">Head of Service HR</td></tr><tr><td>Timescale</td><td colspan="3">31 May 2025</td></tr></table>   | Priority       | 2       | SWAP Reference | AP#5925 | Responsible Officer | Head of Service HR |  |  | Timescale | 31 May 2025  |  |  |
| Priority  | 2   | SWAP Reference | AP#5925 |                |         |                     |                    |  |  |           |              |  |  |
| Responsible Officer   | Head of Service HR  |                |         |                |         |                     |                    |  |  |           |              |  |  |
| Timescale   | 31 May 2025   |                |         |                |         |                     |                    |  |  |           |              |  |  |
| <div>Finding</div> <div><b><u>The council is incurring avoidable medical inspection costs due to employees failing to either attend or promptly cancel appointments.</u></b></div> <div>The sample testing has identified that the council has incurred costs of £1,681 where individuals have either not attended their appointments (12 employees) or failed to give the necessary 2 working day notice to cancel their appointment (4 employees).</div> <div>Extrapolating this figure for the full year would give a cost of £4,035, 27% of the £15,000 budget for 2024/25.</div>   | <div>Action</div> <div>As part of the HR Improvement Plan, the Head of Service HR will try to determine why so many employees fail to attend their appointments/do not give adequate notice to cancel their appointment. The Head of Service HR will also consider recharging the costs of missed appointment to the respective service area where there is no valid reason.</div> <table><tr><td>Priority</td><td>2</td><td>SWAP Reference</td><td>AP#5882</td></tr><tr><td>Responsible Officer</td><td colspan="3">Head of Service HR</td></tr><tr><td>Timescale</td><td colspan="3">31 July 2025</td></tr></table> | Priority       | 2       | SWAP Reference | AP#5882 | Responsible Officer | Head of Service HR |  |  | Timescale | 31 July 2025 |  |  |
| Priority  | 2   | SWAP Reference | AP#5882 |                |         |                     |                    |  |  |           |              |  |  |
| Responsible Officer   | Head of Service HR  |                |         |                |         |                     |                    |  |  |           |              |  |  |
| Timescale   | 31 July 2025  |                |         |                |         |                     |                    |  |  |           |              |  |  |
| <div>Finding</div> <div><b><u>The processing of the provider invoices does not comply with the council’s procurement procedure.</u></b></div> <div>We found that HR are raising orders in eProcurement and adding a commitment to eFinancials when they receive the invoice, rather than at the point of engaging the supplier.</div> <div>This approach does not comply with the council’s Procurement regulations.</div>  | <div>Action</div> <div>The Head of Service HR should discuss this with Procurement team and, if necessary agree an exemption from the Procurement regulations.</div> <table><tr><td>Priority</td><td>3</td><td>SWAP Reference</td><td>AP#5867</td></tr><tr><td>Responsible Officer</td><td colspan="3">Head of Service HR</td></tr><tr><td>Timescale</td><td colspan="3">31 July 2025</td></tr></table>   | Priority       | 3       | SWAP Reference | AP#5867 | Responsible Officer | Head of Service HR |  |  | Timescale | 31 July 2025 |  |  |
| Priority  | 3   | SWAP Reference | AP#5867 |                |         |                     |                    |  |  |           |              |  |  |
| Responsible Officer   | Head of Service HR  |                |         |                |         |                     |                    |  |  |           |              |  |  |
| Timescale   | 31 July 2025  |                |         |                |         |                     |                    |  |  |           |              |  |  |



|  |   |                |         |                |         |                     |                    |  |  |           |                  |  |  |
|--|---|----------------|---------|----------------|---------|---------------------|--------------------|--|--|-----------|------------------|--|--|
| <b>Finding</b><br><u><b>The medical inspection budget has been static for three years despite overspends each year.</b></u><br><br>The budget for this service has been £15k since 2022/23. It has been overspent every year since, including in 2024/25, which has not ended yet. This indicates the budget is not sufficient for the increased number of medical inspections undertaken.<br><br>We have been advised that these overspends were netted off by other underspends in the HR budget in 2022/23 and 2023/24. However, the budget should be adjusted to reflect actual anticipated costs. Should they wish to, HR can apply for an increase in this budget. | <b>Action</b><br><br>The Head of Service HR will consider raising a business case that the medical inspection budget be increased for 2026/267 to account for the additional inspections being conducted, pending efficiencies and savings achieved through the HR Improvement Plan. <table><tr><td>Priority</td><td>3</td><td>SWAP Reference</td><td>AP#5841</td></tr><tr><td>Responsible Officer</td><td colspan="3">Head of Service HR</td></tr><tr><td>Timescale</td><td colspan="3">31 December 2025</td></tr></table> | Priority       | 3       | SWAP Reference | AP#5841 | Responsible Officer | Head of Service HR |  |  | Timescale | 31 December 2025 |  |  |
| Priority   | 3   | SWAP Reference | AP#5841 |                |         |                     |                    |  |  |           |                  |  |  |
| Responsible Officer  | Head of Service HR  |                |         |                |         |                     |                    |  |  |           |                  |  |  |
| Timescale  | 31 December 2025  |                |         |                |         |                     |                    |  |  |           |                  |  |  |
| <b>Finding</b><br><u><b>Medical referral documents are not always saved to the employees electronic personnel file in EDRM.</b></u><br><br>Whilst sample testing the 10 referrals, we noted that relevant documents are not always being saved to the individuals EDRM record.<br><br>If documents are not saved promptly, the council may not maintain a full audit trail of activity.  | <b>Action</b><br><br>We highlighted the missing records to the HR Admin team, and they have now been saved to EDRM.<br><br>The Head of Service HR has reminded all staff of the need to save employee information within the appropriate section of EDRM in a prompt manner. <table><tr><td>Priority</td><td>3</td><td>SWAP Reference</td><td>AP#5873</td></tr><tr><td>Responsible Officer</td><td colspan="3">Complete</td></tr><tr><td>Timescale</td><td colspan="3">Complete</td></tr></table>                           | Priority       | 3       | SWAP Reference | AP#5873 | Responsible Officer | Complete           |  |  | Timescale | Complete         |  |  |
| Priority   | 3   | SWAP Reference | AP#5873 |                |         |                     |                    |  |  |           |                  |  |  |
| Responsible Officer  | Complete  |                |         |                |         |                     |                    |  |  |           |                  |  |  |
| Timescale  | Complete  |                |         |                |         |                     |                    |  |  |           |                  |  |  |
| <b>Finding</b><br><u><b>The disposal period set against HR documents in the EDRM system is not known by HR staff.</b></u><br><br>The Council’s Retention and Disposal Policy requires HR to keep records of employee medical reports for a period of 75 years from birth.<br><br>When questioned, HR staff could not confirm how this is achieved, or whether retention rules exist in EDRM.   | <b>Action</b><br><br>As part of the HR Improvement Plan, the Head of Service HR will seek assurance from Strata that all HR documents stored in EDRM are set up so that they are only disposed of after the period(s) stated in the Retention and Disposal Policy. <table><tr><td>Priority</td><td>2</td><td>SWAP Reference</td><td>AP#5874</td></tr><tr><td>Responsible Officer</td><td colspan="3">Head of Service HR</td></tr><tr><td>Timescale</td><td colspan="3">31 December 2025</td></tr></table>                   | Priority       | 2       | SWAP Reference | AP#5874 | Responsible Officer | Head of Service HR |  |  | Timescale | 31 December 2025 |  |  |
| Priority   | 2   | SWAP Reference | AP#5874 |                |         |                     |                    |  |  |           |                  |  |  |
| Responsible Officer  | Head of Service HR  |                |         |                |         |                     |                    |  |  |           |                  |  |  |
| Timescale  | 31 December 2025  |                |         |                |         |                     |                    |  |  |           |                  |  |  |

| Finding  | Action   |                |         |                |         |                     |                    |  |  |           |              |  |  |
|--|--|----------------|---------|----------------|---------|---------------------|--------------------|--|--|-----------|--------------|--|--|
| <p><b><u>The referral process requires at least 7 emails to be sent from the point of the manager referral to the employee being notified of their appointment date.</u></b></p> <p>We have been advised that the current process is as follows;</p> <ul style="list-style-type: none"><li>• Line manager emails the management referral request to the HRBP</li><li>• HRBP, if in agreement, emails the HR Admin team to submit the referral to the provider</li><li>• HR Admin team email the provider</li><li>• HR Admin team email both the HRBP and line manager to confirm referral sent</li><li>• The provider email HR Admin with an appointment date/time</li><li>• HR Admin email the HRBP the details</li></ul> | <p>As part of the HR Improvement Plan, the Head of Service HR will review this process with the aim of making it more time efficient.</p> <table><tr><td>Priority</td><td>3</td><td>SWAP Reference</td><td>AP#5869</td></tr><tr><td>Responsible Officer</td><td colspan="3">Head of Service HR</td></tr><tr><td>Timescale</td><td colspan="3">31 July 2025</td></tr></table> | Priority       | 3       | SWAP Reference | AP#5869 | Responsible Officer | Head of Service HR |  |  | Timescale | 31 July 2025 |  |  |
| Priority   | 3  | SWAP Reference | AP#5869 |                |         |                     |                    |  |  |           |              |  |  |
| Responsible Officer  | Head of Service HR   |                |         |                |         |                     |                    |  |  |           |              |  |  |
| Timescale  | 31 July 2025   |                |         |                |         |                     |                    |  |  |           |              |  |  |



## Audit Findings & Management Action Plan

### Finding 1.

#### **There is no overarching governance framework for the comprehensive prioritisation of Community Infrastructure Levy (CIL) receipts**

Although decisions on CIL expenditure are made through the democratic process, the absence of an overarching governance framework for the prioritisation of CIL receipts poses a risk of inconsistent decision-making and potential non-compliance with legislative requirements. The lack of a structured framework may also lead to ambiguity and lack of transparency in the allocation and expenditure of CIL funds.

Such a framework should include the following areas:

- Engagement with stakeholders: Internally and externally (strategic CIL: stakeholders, neighbourhood CIL: community)
- Application process, with key information requested to support the application
- Specific criteria that must be met
- Project scoring and prioritisation
- Panel with authority to make recommendations on CIL spend

The level of governance set out in the framework should be proportionate to the value of CIL funds granted.

### Action

Develop and implement a comprehensive governance framework for the use of CIL receipts, outlining clear decision-making processes, compliance requirements, and expenditure guidelines. This framework should promote transparency, consistency, and accountability in the allocation and utilisation of CIL funds.

|                     |                                     |                |         |
|---------------------|-------------------------------------|----------------|---------|
| Priority            | 1                                   | SWAP Reference | AP#5020 |
| Responsible Officer | Assistant Service Lead (Local Plan) |                |         |
| Timescale           | 31 August 2025                      |                |         |



## Finding 2.

### There is no one committee or panel with responsibility for assessing, recommending and monitoring project proposals funded from CIL receipts.

Currently, there is no dedicated committee or panel responsible for the assessment, recommendation and monitoring of project proposals funded by CIL receipts. The only funding that is decided by a panel is that awarded under city grants.

We were informed that there is an informal Member Working Party, whose main role included receiving and reaching judgements on requests for CIL spend, and to consider and prioritise CIL spend commitments.

The membership for the working party was only made up of Members from the lead party and it last met in November 2022. However, the Member Working Party was not constitutionally established and from the information provided by the council, there is little evidence that the Working Party operated as per its terms of reference.

## Action

Establish a formal, dedicated cross-party panel to assess and monitor project proposals funded by CIL receipts. This panel would make recommendations on CIL expenditure to the Executive.

Clearly and formally define the responsibilities of this panel in a terms of reference which is in alignment with the CIL regulations and guidelines.

|                     |                                     |                |         |
|---------------------|-------------------------------------|----------------|---------|
| Priority            | 2                                   | SWAP Reference | AP#5166 |
| Responsible Officer | Assistant Service Lead (Local Plan) |                |         |
| Timescale           | 31 August 2025                      |                |         |

## Finding 3a.

### There is no clear process or set of criteria for the identification, assessment and prioritisation of strategic infrastructure projects in terms of CIL expenditure.

There is no clear process or set of criteria for the identification, assessment and prioritisation (e.g. through a matrix) of strategic infrastructure projects. Having this in place would ensure that funding is only provided to projects that support development and growth in the city.

An appropriate CIL assessment prioritisation matrix should include:

- Strategic fit with corporate and local plan objectives.
- Relationship with strategic development impact
- A business plan
- Other sources of funding
- Partnership working
- Delivery time frames
- Risk.

## Action

Develop and implement a comprehensive scheme identification, assessment and prioritisation process and set of criteria for strategic infrastructure and larger neighbourhood projects, including the creation of a scoring matrix to prioritise projects based on their alignment with development and growth objectives for the city.

|                     |                                     |                |         |
|---------------------|-------------------------------------|----------------|---------|
| Priority            | 2                                   | SWAP Reference | AP#5170 |
| Responsible Officer | Assistant Service Lead (Local Plan) |                |         |
| Timescale           | 31 August 2025                      |                |         |



**Finding 3b.**

**There is no clear process or set of criteria for the identification, assessment and prioritisation of larger neighbourhood CIL projects in terms of CIL expenditure.**

Whilst the smaller organisations funded through the ward grants or city grants have to demonstrate their adherence to a set of criteria, there is no clear process or set of criteria for the identification, assessment and prioritisation (e.g. through a matrix) of larger neighbourhood CIL projects. Having this in place would ensure that funding is only provided to projects that support development and growth in the city.

An appropriate CIL assessment prioritisation matrix should include:

- Fit with corporate objectives.
- Relationship with local neighbourhood development impact
- A business plan
- Other sources of funding
- Partnership working
- Community engagement/local support
- Delivery time frames
- Risk

Greater understanding also needs to be developed in the local St James community regarding the availability of local CIL receipts. It is understood that the now disbanded St James Neighbourhood Forum made a local decision to pool neighbourhood CIL receipts into the city-wide CIL regime. This needs greater explanation locally.

**Action**

This is linked to Finding 3a. above, with the same action, responsible officer and timescale for completion.

**Finding 4.**

**An expressions of interest form or application form is not required for all projects or schemes funded through CIL receipts.**

We have observed that there is inconsistency in the requirement for an expressions of interest form or application form to be completed for projects or schemes funded through CIL receipts.

Whilst the smaller ward and city grants require an application form, the remainder of the projects funded through the Neighbourhood CIL, and those funded through the Strategic Infrastructure CIL, do not need to do this.

This affects the transparency and fairness of the process.

**Action**

The council should standardise the process for all projects and schemes funded through CIL receipts, by requiring completion of an expressions of interest or application form. Separate application forms could be established for higher cost, strategic infrastructure projects and smaller neighbourhood CIL projects to ensure process is proportionate to project value. This will ensure consistency, transparency, and fairness in the application process.

|                            |                                     |                       |         |
|----------------------------|-------------------------------------|-----------------------|---------|
| <b>Priority</b>            | <b>2</b>                            | <b>SWAP Reference</b> | AP#5174 |
| <b>Responsible Officer</b> | Assistant Service Lead (Local Plan) |                       |         |
| <b>Timescale</b>           | 31 August 2025                      |                       |         |



## Finding 5.

### There is a lack of formal monitoring and reporting on projects funded through CIL receipts

Formal monitoring and reporting on projects funded through CIL receipts is lacking in some areas. This creates a gap in oversight and accountability for the use of these funds.

Some monitoring and evaluation has been introduced for the small grants funded through the Neighbourhood CIL. In addition, the requirement for progress reports to be provided was set out in the agreement with the Devon Community Foundation for the Wellbeing Exeter project and this is repeated in the new agreement with CoLab. However, the progress reports provided by the Devon Community Foundation did not clearly show an assessment of the achievement against the outcomes, as per the agreement.

The information on projects monitored through the capital programme and funded by CIL receipts is also lacking. Currently only spend is monitored and not the progress of the project itself.

## Action

Implement a formal monitoring and reporting framework for all projects funded through CIL receipts. This should include regular progress reports that assess achievement against outcomes, and cover project progress, budget, risks, and issues. This should be proportionate to the value of the funding.

Ensure that this reporting is integrated into the council's governance structures for effective oversight and accountability.

|                     |                                     |                |         |
|---------------------|-------------------------------------|----------------|---------|
| Priority            | 2                                   | SWAP Reference | AP#5173 |
| Responsible Officer | Assistant Service Lead (Local Plan) |                |         |
| Timescale           | 31 August 2025                      |                |         |

## Finding 6.

### The Exacom system is not fully utilised to monitor infrastructure spend and project delivery.

The council has recently implemented a system, called Exacom, which has the capability to store, monitor and manage developer contributions data, as well as infrastructure spend and project delivery information. Although Exacom is being used to monitor CIL and s106 contributions, it is not currently fully utilised to monitor project delivery.

There are currently some gaps in the financial data within the system; however, this requires considerable time and resource to input and keep up to date. The CIL admin fee could, however, be used to pay for this.

## Action

1. Assess the gaps in financial data within the Exacom system and prioritise the data that needs to be input and updated.
2. Allocate resources to ensure the completion of inputting and updating the financial data in the Exacom system to fully utilise its capabilities.
3. Explore the possibility of utilising the CIL admin fee to support the effort of inputting and updating financial data in the Exacom system.

|                     |                                     |                |         |
|---------------------|-------------------------------------|----------------|---------|
| Priority            | 2                                   | SWAP Reference | AP#5100 |
| Responsible Officer | Assistant Service Lead (Local Plan) |                |         |
| Timescale           | 31 August 2025                      |                |         |



Finding 7.

**There is no full reconciliation undertaken between Exacom and efinancials for both CIL and s106 payments.**

Although monitoring is undertaken to ensure raised invoices are paid, there is currently no comprehensive reconciliation process in place between Exacom and efinancials for CIL payments. This lack of reconciliation increases the risk of errors and discrepancies in the financial records. It is important to establish a robust reconciliation process to ensure the accuracy and integrity of the financial data related to these payments. This will also apply to s106 payments.

Action

Establish a formal reconciliation procedure between Exacom and efinancials for CIL payments. This should include regular reviews and cross-verification of records to mitigate the risk of errors and discrepancies. This will also be established for s106 payments.

Priority

2

SWAP Reference

AP#5014

Responsible Officer

Assistant Service Lead (Local Plan)

Timescale

31 August 2025

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## Audit Findings & Management Action Plan

| Finding 1.   | Action   |   |                                 |         |
|--|--|---|---------------------------------|---------|
| <p><b><u>Write offs have not been appropriately authorised before being processed.</u></b></p> <p>Write offs are currently prepared on a monthly basis and referred to the relevant officer and Member, where appropriate, for authorisation.</p> <p>As there is frequently a delay in response to the write off requests, or a response is not received, the liability is often written off to the customer account before the form is returned to the Council Tax Team.</p> <p>We tested 12 council tax liabilities that had been written off and found that nine of the 12 had been processed on the customer account without being appropriately authorised by the relevant officer.</p> | <p>A robust process has already been implemented by the Council Tax Team to ensure that once a write off has been prepared, it is not actioned on the customer account until the relevant authorisation is obtained.</p> <p>In addition to this, a review is underway of the write off thresholds and authorising officers within the Financial Regulations which, once approved, will improve the timeliness of authorisation within the write off process.</p> |   |                                 |         |
|  | Priority   | 2 | SWAP Reference                  | AP#5755 |
|  | Responsible Officer  |   | Head of Service, Finance        |         |
|  | Timescale  |   | 30 <sup>th</sup> September 2025 |         |

## Finding 2.

### **There are no performance indicators in place to monitor the pursuit and collection of both current and historic council tax arrears.**

The Revenues Lead produces performance data detailing the in-year collection rate and historic council tax arrears and this is shared with the Head of Service, Finance. However, the newly combined Strategic Scrutiny and Customer Focus Scrutiny Committees, who are responsible for performance, are not provided with regular updates on the performance made against this or any other performance indicators.

The council's external auditors, Grant Thornton, have reported that the council does not have any performance management framework in place in which to monitor the performance of its services and their contribution to the achievement of its corporate objectives.

In June 2023, the council commissioned support from consultants, Red Quadrant, to work with the management team and service leads to review the existing corporate plan and performance measures, and to develop a new framework. The council is now in the process of taking this forward and revising its corporate plan. This will inform the creation of a new corporate performance framework.

## Action

Once the council has established its corporate performance management framework, consideration will be given to what performance data on the collection of council tax arrears, both in-year and historic, should be reported to the Strategic Scrutiny and Customer Focus Scrutiny Committees.

|                     |                                |                |         |
|---------------------|--------------------------------|----------------|---------|
| Priority            | 2                              | SWAP Reference | AP#4458 |
| Responsible Officer | Head of Service, Finance       |                |         |
| Timescale           | 31 <sup>st</sup> December 2025 |                |         |

## Finding 3.

### **Overdue review of Debt Collection Policy**

The council's Debt Collection Policy, which provides guidelines for the recovery of Rent, Council Tax, Housing Benefit Overpayments, Former Tenancy Arrears and Housing Rechargeable Repairs, has not been reviewed since December 2015.

In addition, the policy does not clearly set out the council's approach to billing, recovery and enforcement.

The policy itself states that it will be reviewed annually to ensure it is fit for purpose and updated at the time relevant legislation changes.

**\*It is worth noting that in a recent Sundry Debtor audit, we identified that the other existing debt recovery policies also required a review, which the council has agreed to implement. This has been reported separately in that audit review.**

## Action

The Revenues Lead has drafted a new Council Tax and Non-Domestic Rates Recovery policy, which will be approved by senior management. This new policy incorporates guidelines for billing, recovery and enforcement and will be reviewed every two years.

|                     |                             |                |         |
|---------------------|-----------------------------|----------------|---------|
| Priority            | 2                           | SWAP Reference | AP#4450 |
| Responsible Officer | Revenues Lead               |                |         |
| Timescale           | 30 <sup>th</sup> April 2025 |                |         |

## Finding 4.

### Income and expenditure analysis not carried out in all cases for repayment plans.

Page 2 of the Debt Collection Policy - Prevention of Debt notes that '*an income and expenditure analysis will be carried out as standard...*' when a repayment arrangement is established.

Of the 10 accounts reviewed with repayment arrangements in place, only one was noted to have had an income and expenditure analysis carried out.

## Action

An income and expenditure analysis should be completed and noted on customers' accounts in all instances of where a payment arrangement has been put in place. Officers will be reminded of this requirement.

|                     |                             |                |         |
|---------------------|-----------------------------|----------------|---------|
| Priority            | 3                           | SWAP Reference | AP#5597 |
| Responsible Officer | Revenues Lead               |                |         |
| Timescale           | 30 <sup>th</sup> April 2025 |                |         |

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## Audit Findings & Management Action Plan – January 2025

| Finding   | Action   |                |         |                |         |                     |                           |  |  |           |             |  |  |
|---|--|----------------|---------|----------------|---------|---------------------|---------------------------|--|--|-----------|-------------|--|--|
| <p><b><u>The council has three separate debt procedure documents. These documents have not been reviewed for over five years and do not include all necessary information.</u></b></p> <p>There are 3 different debt policies and procedures on the intranet. These are: Corporate Debt Policy, Debt Collection Policy, and Debt Collection Responsibilities.</p> <p>We reviewed these documents and found that:</p> <ul style="list-style-type: none"><li>• They have not been reviewed since June 2019.</li><li>• They have no documented owner or review frequency.</li><li>• They have not been approved by members.</li><li>• They do not make clear what debt recovery action services should take once the two automatic reminder letters have been issued. There are no defined thresholds for further actions (e.g. referral to central debt team, referral to enforcement agents or Legal team).</li><li>• They do not reflect a Financial Regulations requirement to refer any debts over 60 days old to the Director of Finance so forward action can be determined.</li><li>• They do not provide clear guidance on whether and when debts should be written off.</li><li>• They do not set out the thresholds for debts that are uneconomic to pursue.</li><li>• They do not explain how officers should handle credit balances on debtor accounts.</li><li>• They do not mention any Legal assistance that could be provided to help collect debts.</li></ul> <p>We also reviewed equivalent policies from some of our partner councils for examples of good practice. Some of these policies:</p> <ul style="list-style-type: none"><li>• Included an overview of the standard debt collection process, including defined timescales for each stage of the process.</li><li>• Included clear summaries showing whether services, Finance or senior managers are responsible for each stage of the process.</li><li>• Included information about approved exceptions to the standard process (e.g. collection of council tax or business rate debt), removing the need for local procedures. Some policies had specific policies setting out the process for different types of debt.</li><li>• Set out how the council will follow Breathing Space legislation.</li><li>• Included guidance on treatment of credit notes and credit balances.</li></ul> | <p>The council will a new Corporate Debt Recovery Policy to replace these documents.</p> <p>The new Policy will:</p> <ul style="list-style-type: none"><li>• have a recorded owner and review frequency</li><li>• clearly set out the debt collection process, with responsibilities and timescales for each stage of the process, as well as a defined stage of escalation (as per Financial Regulations)</li><li>• include a threshold and guidance on debts that are uneconomic to pursue</li><li>• clarify write-off processes and authorisation requirements</li><li>• be approved by SMB and members</li></ul> <p>Once complete, Finance will communicate the new Policy to all services.</p> <table><tr><td>Priority</td><td>1</td><td>SWAP Reference</td><td>AP#5362</td></tr><tr><td>Responsible Officer</td><td colspan="3">Income Collection Manager</td></tr><tr><td>Timescale</td><td colspan="3">1 July 2025</td></tr></table> | Priority       | 1       | SWAP Reference | AP#5362 | Responsible Officer | Income Collection Manager |  |  | Timescale | 1 July 2025 |  |  |
| Priority  | 1  | SWAP Reference | AP#5362 |                |         |                     |                           |  |  |           |             |  |  |
| Responsible Officer   | Income Collection Manager  |                |         |                |         |                     |                           |  |  |           |             |  |  |
| Timescale   | 1 July 2025  |                |         |                |         |                     |                           |  |  |           |             |  |  |

| Finding  | Action  |                |         |                |         |                     |                           |  |  |           |                  |  |  |
|--|---|----------------|---------|----------------|---------|---------------------|---------------------------|--|--|-----------|------------------|--|--|
| <p><b><u>The council’s write-off authorisation protocols are restrictive. Current write-off guidance does not mirror the Financial Regulations or clarify where write-off requests must be sent.</u></b></p> <p>The Financial Regulations set out the following authorisation requirements for write-offs:</p> <ul style="list-style-type: none"><li>Deputy Section 151 Officer or Principal Accountant Corporate can authorise write-off of small balances (up to £50) where most of a debt has been recovered and it is too costly to pursue the balance.</li><li>The Section 151 Officer can authorise write-off of any debt that is irrecoverable because the debtor is bankrupt or in liquidation.</li><li>The Section 151 Officer, in conjunction with the Monitoring Officer and relevant Director/Corporate Manager can approve any write-off up to a limit of £500.</li><li>Any write-off request exceeding £500 must also be approved by the Portfolio Holder or other appropriate Executive Member with portfolio.</li></ul> <p>In comparison:</p> <ul style="list-style-type: none"><li>East Devon District Council allows Directors and Assistant Directors to write-off debts up to £10k without consultation.</li><li>Teignbridge District Council allows their CFO to write-off up to £10k before requiring member approval.</li><li>SWAP unitary partners (Somerset, Dorset, Herefordshire, Wiltshire) follow a range of approaches, but generally allow specified senior officers at different levels of the organisation to write-off up to £10k independently.</li></ul> <p>The Debt Collection Responsibilities document provides a brief description of the officers and members that can authorise write-offs, but it does not give a comprehensive list of the situations when a lesser level of authorisation is acceptable.</p> <p>Whilst the sundry debtor write-off form clearly states what information must be supplied, it does not state where it must be sent for the actual write-off to be processed.</p> | <p>The council will seek to amend its write-off rules to increase authorisation limits for Directors. This will require both approval by Strategic Management Board and members.</p> <p>Finance will update the Debt Collection Responsibilities document to reflect the full write-off authorisation requirements.</p> <p>Finance will update the write-off form to show that, once the necessary authorisations have been obtained, it should be sent to the Income Collection team for processing.</p> <table><tr><td>Priority</td><td>1</td><td>SWAP Reference</td><td>AP#5507</td></tr><tr><td>Responsible Officer</td><td colspan="3">Head of Service - Finance</td></tr><tr><td>Timescale</td><td colspan="3">1 September 2025</td></tr></table> | Priority       | 1       | SWAP Reference | AP#5507 | Responsible Officer | Head of Service - Finance |  |  | Timescale | 1 September 2025 |  |  |
| Priority   | 1   | SWAP Reference | AP#5507 |                |         |                     |                           |  |  |           |                  |  |  |
| Responsible Officer  | Head of Service - Finance   |                |         |                |         |                     |                           |  |  |           |                  |  |  |
| Timescale  | 1 September 2025  |                |         |                |         |                     |                           |  |  |           |                  |  |  |

| Finding  | Action  |                |         |                |         |                     |                           |  |  |           |                   |  |  |
|--|---|----------------|---------|----------------|---------|---------------------|---------------------------|--|--|-----------|-------------------|--|--|
| <p><b><u>There are varying levels of debt recovery activity across service areas.</u></b></p> <p>We surveyed 16 Heads of Service or their immediate reports to obtain information about how they approach debt recovery. We received 9 full responses. From this exercise we found that:</p> <ul style="list-style-type: none"><li>• 5 services do not have any designated debt recovery officers</li><li>• 5 services do not conduct debt recovery on a regular basis</li><li>• 2 services reported they lacked understanding of the procedures they should follow, after the departure of the Income Collection Officer</li><li>• 2 services reported they were unaware of the process to follow when a debtor has been made bankrupt or is in liquidation</li><li>• There are varying numbers of reminders being issued before services take the next recovery action.</li><li>• 2 services have established their own recovery procedures, but they are not documented</li><li>• While we were advised seven services maintain records of debt recovery action taken, this is not being consistently captured on ASH.</li><li>• 1 Head of Service advised they have not been notified of their service debts.</li></ul> <p>We analysed an ASH Outstanding Invoice Report generated on 24 October 2024. This shows there are 5,036 recorded debts with a total value of £3.84m. The Report includes the last date a recorded recovery action took place for each debt. We found that the average time since the last recorded debt recovery activity for the council was 973 days (2.67 years). This suggests recovery activity is irregular, or services are not recording their activity on ASH as required.</p> <p>We reviewed a sample of 15 debts to check services have followed the debt recovery procedures. We found issues on each sample which reflect the survey findings note above.</p> <p>The council is expecting to implement a new accounts receivable module in 2025. As part of implementation, ASH data will be migrated to the new system. Therefore, this is an opportune time to review and remove insignificant, longstanding, or irrecoverable debts.</p> | <p>Following review of the debt recovery policy and write-off limits, Finance will send Directors and Head of Service an Outstanding Invoice Report showing the current position for their cost centres.</p> <p>Directors and Heads of Service should then instigate a review their outstanding sundry debts and establish what debts are realistically recoverable. They should consider writing off debts where:</p> <ul style="list-style-type: none"><li>• They consider the debt to be irrecoverable</li><li>• The debtor no longer exists</li><li>• The debt falls outside of the statute of limitations of six years and there is no active instalment plan or charging order</li><li>• Most of the debt has been repaid, a small balance remains but there is no instalment plan in place</li><li>• The debt is uneconomical to further pursue and there no instalment plan is in place</li></ul> <p>Any write-offs should be approved in line with existing procedures.</p> <table><tr><td>Priority</td><td>1</td><td>SWAP Reference</td><td>AP#5541</td></tr><tr><td>Responsible Officer</td><td colspan="3">Income Collection Manager</td></tr><tr><td>Timescale</td><td colspan="3">30 September 2025</td></tr></table> | Priority       | 1       | SWAP Reference | AP#5541 | Responsible Officer | Income Collection Manager |  |  | Timescale | 30 September 2025 |  |  |
| Priority   | 1   | SWAP Reference | AP#5541 |                |         |                     |                           |  |  |           |                   |  |  |
| Responsible Officer  | Income Collection Manager   |                |         |                |         |                     |                           |  |  |           |                   |  |  |
| Timescale  | 30 September 2025   |                |         |                |         |                     |                           |  |  |           |                   |  |  |

|  |  |                |         |                |         |                     |                           |  |  |           |             |  |  |
|--|--|----------------|---------|----------------|---------|---------------------|---------------------------|--|--|-----------|-------------|--|--|
| <b>Finding</b>   | <b>Action</b>  |                |         |                |         |                     |                           |  |  |           |             |  |  |
| <b><u>Not all services receive monthly debt reports. The Income Collection team does not issue suppressed debt reports.</u></b>  | The Income Collection team will issue monthly sundry debt reports at directorate level.  |                |         |                |         |                     |                           |  |  |           |             |  |  |
| The Income Collection team issue Outstanding Invoice Reports every month for 29 cost centres, based on a pre-existing list of recipients. However, there are 91 cost centres in Ash with active sundry debts. Therefore, there is no reporting to services for 62 cost centres. Our analysis suggests 53% of all debts are on codes for which there are no regular monitoring reports. These debts have a value of £1.131m, 29% of total debt recorded on ASH. | These reports will also be issued to Directors and Heads of Service so they can monitor and challenge collection rates.  |                |         |                |         |                     |                           |  |  |           |             |  |  |
| The ASH system allows reporting at two higher levels than cost centre: directorate and management unit. Issuing reports at either of these levels would ensure full coverage of codes and reduce the number of reports the Income Collection team generates.   | The Income Collection team should issue suppressed debt reports at the same level.   |                |         |                |         |                     |                           |  |  |           |             |  |  |
| One of the council's current debt policies states that the central team will issue suppressed debt reports. The Income Collection team told us they do not issue these reports.  |  |                |         |                |         |                     |                           |  |  |           |             |  |  |
|  | <table><tr><td>Priority</td><td>2</td><td>SWAP Reference</td><td>AP#5444</td></tr><tr><td>Responsible Officer</td><td colspan="3">Income Collection Manager</td></tr><tr><td>Timescale</td><td colspan="3">1 July 2025</td></tr></table> | Priority       | 2       | SWAP Reference | AP#5444 | Responsible Officer | Income Collection Manager |  |  | Timescale | 1 July 2025 |  |  |
| Priority   | 2  | SWAP Reference | AP#5444 |                |         |                     |                           |  |  |           |             |  |  |
| Responsible Officer  | Income Collection Manager  |                |         |                |         |                     |                           |  |  |           |             |  |  |
| Timescale  | 1 July 2025  |                |         |                |         |                     |                           |  |  |           |             |  |  |
| <b>Finding</b>   | <b>Action</b>  |                |         |                |         |                     |                           |  |  |           |             |  |  |
| <b><u>Legal advice or support is not readily available to assist with the collection of sundry debts.</u></b>  | Finance should work with the Head of Legal and Democratic Services to establish the circumstances in which it is appropriate for services to refer debt cases to Legal for support.  |                |         |                |         |                     |                           |  |  |           |             |  |  |
| None of the three debt policies indicate that any Legal advice or support is available to service areas to support them with recovery.   | Finance should then incorporate this into the Corporate Debt Policy recommended under AP#5362.   |                |         |                |         |                     |                           |  |  |           |             |  |  |
| However, one service area told us that they are referring debts to Legal for their assistance in recovering monies owed to the council.  | Legal Services is expecting to appoint an officer whose role will be to assist services with debt recovery.  |                |         |                |         |                     |                           |  |  |           |             |  |  |
|  | <table><tr><td>Priority</td><td>2</td><td>SWAP Reference</td><td>AP#5484</td></tr><tr><td>Responsible Officer</td><td colspan="3">Income Collection Manager</td></tr><tr><td>Timescale</td><td colspan="3">1 July 2025</td></tr></table> | Priority       | 2       | SWAP Reference | AP#5484 | Responsible Officer | Income Collection Manager |  |  | Timescale | 1 July 2025 |  |  |
| Priority   | 2  | SWAP Reference | AP#5484 |                |         |                     |                           |  |  |           |             |  |  |
| Responsible Officer  | Income Collection Manager  |                |         |                |         |                     |                           |  |  |           |             |  |  |
| Timescale  | 1 July 2025  |                |         |                |         |                     |                           |  |  |           |             |  |  |



| Finding   | Action  |                |         |                |         |                     |                              |  |  |           |                  |  |  |
|---|---|----------------|---------|----------------|---------|---------------------|------------------------------|--|--|-----------|------------------|--|--|
| <p><b><u>There is limited corporate level sundry debt reporting and no sundry debt trend analysis.</u></b></p> <p>The Senior Management Board and Executive receive a breakdown of the council’s sundry debt position through the revenue budget monitoring report. While this report provides a breakdown of total sundry debt by age, it does not show the total debt by directorate, and generally there is limited commentary to explain the position. The Income Collection team advised that they do not conduct any trend analysis of sundry debts.</p> <p>This could make it more difficult for senior management or members to provide targeted challenge, and for the council to focus its debt collection efforts in the right places.</p> | <p>The council will consider reporting the sundry debt level for each directorate to Senior Management Board (SMB) and members through the revenue budget monitoring report. If possible, the council will also include quarter-by-quarter trend analysis, and explanations for any significant increases in directorate sundry debt levels.</p> <p>This may not be possible until the new financial management system has been implemented.</p> <table><tr><td>Priority</td><td>3</td><td>SWAP Reference</td><td>AP#5449</td></tr><tr><td>Responsible Officer</td><td colspan="3">Accountancy Services Manager</td></tr><tr><td>Timescale</td><td colspan="3">31 December 2025</td></tr></table> | Priority       | 3       | SWAP Reference | AP#5449 | Responsible Officer | Accountancy Services Manager |  |  | Timescale | 31 December 2025 |  |  |
| Priority  | 3   | SWAP Reference | AP#5449 |                |         |                     |                              |  |  |           |                  |  |  |
| Responsible Officer   | Accountancy Services Manager  |                |         |                |         |                     |                              |  |  |           |                  |  |  |
| Timescale   | 31 December 2025  |                |         |                |         |                     |                              |  |  |           |                  |  |  |

| Finding  | Action  |                |         |          |   |                |         |                     |                           |  |  |           |             |  |  |
|--|---|----------------|---------|----------|---|----------------|---------|---------------------|---------------------------|--|--|-----------|-------------|--|--|
| <p><b><u>There is no process to monitor the performance of enforcement agents collecting sundry debts.</u></b></p> <p>Following discussion with the Income Collection team, we found that:</p> <ul style="list-style-type: none"><li>• They do not receive any performance reports from the enforcement agents showing their performance in collecting sundry debts.</li><li>• Access to the respective portals is limited to one officer in the team.</li><li>• This officer has not been trained on how to use these portals for monitoring purposes</li><li>• The team has not seen the service level agreement with the enforcement agents, so they are unaware of the agreed levels of service.</li></ul> | <p>SWAP has sent the service level agreement to the Income Collection team.</p> <p>The Income Collection team should seek guidance from the former Income Collection Officer on how to use the system to monitor recovery action.</p> <p>The Income Collection team should also contact the enforcement agents to request portal access for additional officers.</p> <table><tr><td>Priority</td><td>3</td><td>SWAP Reference</td><td>AP#5482</td></tr><tr><td>Responsible Officer</td><td colspan="3">Income Collection Manager</td></tr><tr><td>Timescale</td><td colspan="3">1 July 2025</td></tr></table> |                |         | Priority | 3 | SWAP Reference | AP#5482 | Responsible Officer | Income Collection Manager |  |  | Timescale | 1 July 2025 |  |  |
| Priority   | 3   | SWAP Reference | AP#5482 |          |   |                |         |                     |                           |  |  |           |             |  |  |
| Responsible Officer  | Income Collection Manager   |                |         |          |   |                |         |                     |                           |  |  |           |             |  |  |
| Timescale  | 1 July 2025   |                |         |          |   |                |         |                     |                           |  |  |           |             |  |  |

| Finding   | Action  |   |                               |         |
|---|---|---|-------------------------------|---------|
| <p><b><u>Most ASH system users, including officers who receive monthly debtor reports, have not accessed ASH in the last 6 months. Three officers have duplicate accounts.</u></b></p> <p>We obtained a report of all ASH system users. This shows there are 204 active ASH accounts. Of these, 29 accounts have never been accessed, and 77 have not been accessed for over six months.</p> <p>We compared the system user list to the list of officers who receive monthly debtors reports. We found 7 of those officers do not have access to ASH. We also found that 6 of the report recipients have not logged into the system in the last 6 months.</p> <p>We also found that there are 3 officers with active duplicate accounts. This was addressed during the audit.</p> | <p>Finance will:</p> <ul style="list-style-type: none"><li>• issue a request to Heads of Service to confirm if any officers in their areas of responsibility require ASH accounts</li><li>• review and close any accounts that have been created but never accessed</li></ul> |   |                               |         |
|   | Priority  | 3 | SWAP Reference                | AP#5555 |
|   | Responsible Officer   |   | Insurance and Systems Manager |         |
|   | Timescale   |   | 1 July 2025                   |         |

## REPORT TO AUDIT & GOVERNANCE

Date of Meeting: 19<sup>th</sup> March 2025

Report of: Strategic Director of Corporate Resources

Title: Review of the 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?

1.1 The Audit and Governance Committee is responsible for:

- i) considering the Corporate Risk Register and recommending its approval to Executive
- ii) monitoring effectiveness of risk management throughout the Council and progress made against the Corporate Risk Register actions.

1.2 This report advises the Audit and Governance Committee of the council's risk management progress and presents the revised Corporate Risk Register (**Appendix A**), which has been linked to the Council's Strategic Priorities.

#### 2. Recommendations:

2.1 That the Audit and Governance Committee:

- considers the council's Corporate Risk Register (**Appendix A**) and recommends its approval to Executive.

#### 3. Reasons for the recommendation:

3.1 To ensure that the risks associated with meeting the Council's Strategic Priorities are properly considered, managed, and monitored.

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

4.1 The Executive, Strategic Directors and Heads of Service, as appropriate, are asked to review the Corporate Risk Register on a quarterly basis. The register is reviewed quarterly by the Strategic Management Board.

4.2 Any actions agreed to mitigate the risks identified in the Corporate Risk Register may result in some resource implication. These would be subject to a specific report and the resource implications would be considered in that report.

## 5. Section 151 Officer comments:

5.1 SMB and the Executive have produced the register based on the Council's Strategic Priorities. A summary page (Appendix B) has been added setting out the level of intervention required and the impact of failing to address the risk. The risk in relation to finance has been updated to reflect the fact that a balanced budget has been set for 2025-26. This does not mitigate the longer term associated risks but carries the risk forward.

## 6. What are the legal aspects?

6.1 Risk Management is an essential management tool to manage, assess and prioritise risks. Members will note the content of this report and the updated Corporate Risk Register at Appendix A which identifies risks so that they can be understood and managed proactively.



## 7. Monitoring Officer's comments:

7.1 There is no specific regulatory requirement to keep a risk register. However, it is a standard way to monitor and assess risk. The risk register identifies the overall risks to the Council in order that this can be understood and managed proactively, optimising success by identifying and addressing risks.

## 8. Report details:

8.1 In response to a review of the Corporate Risk Register by the Council's insurers, Zurich, the Strategic Management Board agreed that the Corporate Risk Register should be presented to Executive to provide assurance that the appropriate mitigations are in place. The council's Audit & Governance Committee will continue to have a role in ensuring that the council has a robust process in place for identifying and mitigating risks.

8.2 Each risk is assessed against the following matrix, assessing the likelihood and impact before and after mitigation.

|   |   |   |   |    |    |
|---|---|---|---|----|----|
| <br>Likelihood | 4 | 4   | 8 | 12 | 16 |
|   | 3 | 3   | 6 | 9  | 12 |
|   | 2 | 2   | 4 | 6  | 8  |
|   | 1 | 1   | 2 | 3  | 4  |
|   |   | 1   | 2 | 3  | 4  |
|   |   | Impact  |   |    |    |

8.3 The Risk Register includes a summary document (**Appendix B**), which enables Members to see the scope of the corporate risks in one straightforward table. This table is presented below for ease of reference.

| Corporate Plan Alignment Area             | Risk Description   | Risk Scoring |          |             |
|---|--|--------------|----------|-------------|
|   |  | Inherent     | Residual | Target Date |
| Net Zero Carbon City                      | Delivering against the key challenges in the Net Zero Carbon City section of the Corporate Plan                  | 16           | 16       | Apr-30      |
| Healthy and Active City                   | Making progress towards a Healthy and Active City  | 12           | 6        | Mar- 2025   |
| Leading a Well-run Council                | Adapting the council workforce to ensure appropriate skills and experience (Developing a future proof workforce) | 9            | 6        | Sep-25      |
| Leading a Well-run Council                | Maintaining the Financial Sustainability of the Council  | 16           | 8        | Feb-25      |
| Leading a Well-run Council                | Maintaining the Council's Property and Infrastructure Assets   | 16           | 12       | Feb-26      |
| Housing and Building Great Neighbourhoods | Delivering Housing and Building Great Neighbourhoods and Communities   | 16           | 16       | On going    |
| Thriving Culture and Heritage             | Maintaining a thriving Culture and Heritage sector   | 9            | 2        | Jun 25]     |
| Prosperous Local Economy                  | Delivering against the key challenges in the 'Prosperous Local Economy' section of the Corporate Plan.           | 12           | 9        | Mar 25      |
| Leading a Well-run Council                | Progressing the design and delivery of a corporate Customer and Digital Strategy                                 | 16           | 8        | Mar-26      |

8.4 Alongside each risk on the summary page, there is a table, which sets out an assessment of the resources required to manage the risks under the themes of Time, Financial, People and Assets. This will allow for an assessment of the resources required to mitigate each risk to an acceptable level allowing members to determine if the resources required are deliverable and achievable.

8.5 In addition, the summary page includes an assessment of how the risks will affect a range of drivers.

8.6 The two tables use Very high, High, Medium, Low and Very Low to assess the resources required and the risk drivers.

8.7 The Final Column will assess the Council's risk appetite, whether it is open to risk, more cautious or even risk averse. These two tables help to inform the final risk scores presented in the register.

## Further development of the Corporate Risk Register

8.8 The Strategic Management Board has been working with risk experts from the Council's insurers Zurich to review the current corporate risks. This work will continue alongside the work currently underway with Executive Members to review the council's Corporate Plan. Updates to the register will be reported to Audit and Governance Committee and Executive.

8.9 In addition, training and support will be provided to officers and Members to help build resilience and ensure that emerging as well as existing strategic risks are kept under close review.

## **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?**

10.1 N/A

## **11. Equality Act 2010 (The Act)**

11.1 Under the Act's Public Sector Equalities 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 the report is for information only.

## **12. Carbon Footprint (Environmental) Implications:**

12.1 No direct carbon/environmental impacts arising from the recommendations.

12.2 Actions to mitigate the risks identified in the Corporate Risk Register may result in some future impact, however, any actions proposed would be subject to a specific report and the impacts would be considered in that report.

### **13. Are there any other options?**

13.1 N/A

#### **Strategic Director of Corporate Resources, Dave Hodgson**

Author: Lorraine Betts, Executive Office 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 4.36  
01392 265275

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| Ref | Date Risk Identified | Risk Owner | Inherent Risk |        |            | Mitigations & Controls | Residual Risk |        |            | Tracking notes and monitoring | Target Date |
|     |                      |            | L'hood        | Impact | Risk Score |                        | L'hood        | Impact | Risk Score |                               |             |

|   |   |  |  |  |  |  |  |  |  |  |  |
|---|---|--|--|--|--|--|--|--|--|--|--|
| 1 | <b>Delivering against the key challenges in the Net Zero Carbon City section of the Corporate Plan</b>  |  |  |  |  |  |  |  |  |  |  |
|   | <p><b>Challenges:</b></p> <ul style="list-style-type: none"> <li>GHG emissions in Exeter were on a downward trajectory with emissions down by a third from 2008 to 2019. This reduction is largely due to the reduction in the carbon intensity of the national electricity grid. There has been a 64% reduction in emission from the power sector (with most generation plant located outside Exeter) between 2007 and 2019. It is concerning that emissions from buildings and transport are exceeding targets set for 2020 and the lack of progress in these sectors, combined with growth in the city, will potentially lead to increases in emissions. Significant work to reduce emissions from buildings and transport will be required to deliver Net Zero for the City.</li> <li>Limited resources available for city wide net zero activity.</li> <li>A reliance on government funding to reduce city wide carbon emissions.</li> <li>The need for city wide partnership working to deliver the Net Zero Exeter 2030 Plan</li> <li>Cost of living challenges (for both businesses and residents) impacting the speed of change</li> </ul> <p><b>Potential Impacts:</b></p> <ul style="list-style-type: none"> <li>Exeter does not meet its citywide target of becoming Net Zero by 2030.</li> </ul> |  |  |  |  |  |  |  |  |  |  |

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|     |   |  | L'hood        | Impact | Risk Score |   | L'hood        | Impact | Risk Score    |  |             |
|     | November 2019<br>Feb 2025 Updated by Strategic Director Place | PH - Climate, Ecological Change & Communities Officer Lead: Strategic Director for Place | 4             | 4      | 16         | We are working with the University of Exeter and Devon County Council to support their work in this area and focusing on reducing city wide carbon emissions. Our internal carbon net zero plan is now the subject of a separate risk register presented half yearly to the Audit & Governance Committee by the Project Manager for Net Zero. | 4             | 4      | 16            | With future updates presented every 6 months to Strategic Scrutiny on activity and progress. Exeter Energy Ltd (1Energy) presented an overview of the proposed Exeter Energy Network (EEN) to members. 1Energyhas consulted on proposals for an Energy Centre, located at Grace Road Field, Water Lane. Executive has agreed in principle, to the disposal of land at Grace Road Field to build the Energy Centre. A final decision will be made once the 1Energy's planning application has been determined. The City Council has received a report from the University which evaluates the measures needed to achieve Net Zero and estimates the costs for each service under different scenarios. The report and the City Council's response will be presented to Strategic Scrutiny, following consideration by Executive. A bid for PSDS funding for the Riverside Leisure Centre has been submitted. | Apr-30      |

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|     |                      |            | L'hood        | Impact | Risk Score |                        | L'hood        | Impact | Risk Score    |                               |             |

|   |  |
|---|--|
| 2 | <b>Making progress towards a Healthy and Active City</b>   |
|   | <p><b>Challenges</b></p> <ul style="list-style-type: none"> <li>• Entrenched health inequalities in priority neighbourhoods.</li> <li>• Cost of living crisis impacting on the ability of people to participate in paid for sport and physical activity including membership/fees at council leisure centres.</li> <li>• Securing long term funding for Wellbeing Exeter with its proven ability to positively enable sustainable increases in physical activity amongst communities facing the biggest barriers and poorest health outcomes.</li> <li>• Rising energy, maintenance and staffing costs of leisure centres.</li> <li>• Achieving a balance between membership and running costs of leisure centres to achieve the Council ambition of providing a high-quality leisure service accessible and relevant to individuals and families on low incomes and culturally diverse communities.</li> <li>• Delivering planned financial and operational outcomes of St Sidwell's Point Swimming Pool and Leisure Centre.</li> <li>• Securing capital and revenue funding for the plan to create a Community Health and Wellbeing Hub at Wonford.</li> </ul> <p><b>Potential Impacts</b></p> <ul style="list-style-type: none"> <li>• Inability to achieve the strategic ambition of maintaining high-quality, city-wide, cost neutral built leisure facilities.</li> <li>• Increasing subsidies for leisure services impacting on other service provision.</li> <li>• Closure of some leisure centres reducing access to facilities for current users.</li> <li>• Wellbeing Exeter closes and systemic asset-based community development across priority neighbourhoods ends, and vulnerable communities feel let down by the council.</li> </ul> |

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|---------|---|---|---|---|----|--|---|---|---|---|------------|
| Page 88 | May 2023<br>Feb 2025<br>Updated by Strategic Director Place | Portfolio Holder for Leisure and Physical Activity. Officer Leads: Strategic Director, People & Communities and Strategic Director for Place. | 4 | 3 | 12 | Wellbeing Exeter Case for Change published in 2023 with a more targeted and flexible model.<br><br>Funding secured for 24/25 through a combination of Sport England Grant and ECC Neighbourhood CIL funding.<br><br>Successful implementation of new operating model for leisure reducing management and staffing costs resulting in reduction of deficit(subsidy) to @ £1.2m<br><br>Marketing of ECC leisure membership delivering increases in membership @11,000. | 3 | 2 | 6 | Further review of culture and leisure operating models to be undertaken during 2025 by Head of Service.<br><br>Further funding from Sport England confirmed to 2027 through a new Place Partnership. This will support ongoing programmes for Live & Move, Wellbeing Exeter and Active Travel. Capital funding application to Sport England submitted for Wonford Community & Wellbeing Hub. Planning application was approved in February.<br><br>Match funding agreed for Wellbeing Exeter for 25/26/ and 26/27 at November 5 <sup>th</sup> Executive.<br><br>Public consultation on the Newtown Community Transformation scheme was completed in February. Following an evaluation a report on next steps will be presented at Strategic Scrutiny. | March 2025 |
|---------|---|---|---|---|----|--|---|---|---|---|------------|

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|     |                      |            | L'hood        | Impact | Risk Score |                        | L'hood        | Impact | Risk Score    |  |             |
|     |                      |            |               |        |            |                        |               |        |               | Officers are reviewing the ExeCard discount scheme for Leisure Services, for roll out during the new FY. |             |

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|     |                      |            | L'hood        | Impact | Risk Score |                        | L'hood        | Impact | Risk Score |                               |             |

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|---|--|--|--|--|--|--|--|--|--|--|--|
| 3 | <b>Adapting the council workforce to ensure appropriate skills and experience (Developing a future proof workforce)</b>  |  |  |  |  |  |  |  |  |  |  |
|   | <p><u>Challenges</u></p> <p>AI, robotics and digitisation technologies require acquisition of new knowledge, skills and competencies and with an aging workforce whose demographics is not reflective of the diversity of the city's population; some national shortages of some professional roles and a growing trend to more remote and hybrid working the council needs a new approach to workforce development, recruitment and retention.</p> <p><u>Potential Impacts</u></p> <ul style="list-style-type: none"> <li>• Workforce and service delivery models not meeting the needs of customers leading to poor outcomes and inefficient, unaffordable services.</li> <li>• High levels of agency and consultancy spending.</li> <li>• Low staff morale and poor recruitment and retention</li> <li>• Loss of reputation of the Council</li> </ul> |  |  |  |  |  |  |  |  |  |  |

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|     |                      |            | L'hood        | Impact | Risk Score |                        | L'hood        | Impact | Risk Score |                               |             |

|         |   |   |   |   |   |   |   |   |   |   |            |
|---------|---|---|---|---|---|---|---|---|---|---|------------|
| Page 91 | August 2024 risk updated by Strategic Director People | Deputy Leader, Officer Lead: Strategic Director, People and Communities | 3 | 3 | 9 | Market supplement scheme in place   | 2 | 3 | 6 | Strategic Director appointed with responsibility for OD, HR and customer and digital transformation.  | March 2026 |
|         |   |   |   |   |   | Apprenticeship opportunities for new and existing staff   |   |   |   | A new permanent Head of Service HR and OD started 24/2 2025. Current Interim Head supporting induction and handover of HR Improvement Plan until 31/3/2025.   |            |
|         |   |   |   |   |   | Senior Leadership restructure created new Strategic Director for People   |   |   |   | Delivery of HR Improvement Plan key objective for new HoS   |            |
|         |   |   |   |   |   | A review of pay structure will be completed by December 2024.   |   |   |   | Successful negotiations with Strata completed to bring forward replacement of current ITrent (HR and payroll system) with enhances cloud-based functionality agreed to underpin HR and OD transformation programme. Funding agreed in budget to deliver this work in 25/26. |            |
|         |   |   |   |   |   | External review of HR and OD functions and a mini-Peer Review into Equality, Diversity and Inclusion both completed by June 2024 providing a clear route map for organisational transformation a route map for total transformation |   |   |   | Technical review of ITrent completed and set of recommendations currently being costed with the aim of a joint  |            |
|         |   |   |   |   |   | Recommendations are being taken forward into a transformation plan: outcomes  |   |   |   |   |            |

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|     |                      |            | L'hood        | Impact | Risk Score |                        | L'hood        | Impact | Risk Score |                               |             |

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|--|--|--|--|--|--|--|--|--|--|--|--|
|  |  |  |  |  |  | will include a new operating mode for HR and OD functions better aligned to supporting the business needs and leading on policy and people development. Improved management information to enable effective performance monitoring on a wide range of people data, mandatory training and team and staff performance. A workforce development strategy underpinned by a skills audit and analysis to enable succession planning and future recruitment, retention and training strategies. |  |  |  | improvement plan being delivered in q1 25/26.<br><br>Proposed review of pay structure abandoned as mini review on critical roles offered no evidence that this impacts on recruitment and in the light of Devolution/ LGR White paper. |  |
|--|--|--|--|--|--|--|--|--|--|--|--|



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| Ref | Date Risk Identified | Risk Owner | Inherent Risk |        |            | Mitigations & Controls | Residual Risk |        |            | Tracking notes and monitoring | Target Date |
|     |                      |            | L'hood        | Impact | Risk Score |                        | L'hood        | Impact | Risk Score |                               |             |

|   |  |
|---|--|
| 4 | <b>Maintaining the Financial Sustainability of the Council</b>   |
|   | <p><u>Challenges:</u></p> <ul style="list-style-type: none"> <li>- Inability to deliver £5.7m savings target over four year period (to 2028-29);</li> <li>- Inability to obtain and maintain Business Rates income at levels currently generated;</li> <li>- Policy, regulatory or legislative changes which are not fully funded from central govt;</li> <li>- Impact of high inflation, high interest rates and other external economic factors;</li> <li>- Potential for Local Government Finance redistribution (including a reset of Business Rates);</li> </ul> <p><u>Potential Impacts:</u></p> <ul style="list-style-type: none"> <li>- Significant reductions required to Statutory Services, which become unable to function legally;</li> <li>- Unable to balance budget, Government intervention required;</li> <li>- Larger than anticipated reductions (in year or over longer term).</li> <li>- Reduction in reserves below minimum level;</li> <li>- Impacts on council services and therefore resident outcomes.</li> </ul> |

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| Ref | Date Risk Identified | Risk Owner  | Inherent Risk |        |            | Mitigations & Controls   | Residual Risk |        |               | Tracking notes and monitoring  | Target Date |
|     |                      |   | L'hood        | Impact | Risk Score |  | L'hood        | Impact | Risk Score    |  |             |
|     | January 2018         | Leader of the Council<br>Officer Lead:<br>Strategic Director<br>Corporate Resources | 4             | 4      | 16         | Detailed MTFP assessed and agreed with Members;<br>- One Exeter plan agreed and being implemented with suitable governance arrangements in place;<br>- Budget for 2025 - 26 agreed;<br>- Significant investment in city centre regeneration;<br>- Appropriate level of unringfenced general fund reserves to protect against shocks;<br>- Identify and bid for alternative sources of funding;<br>- Lobby government for relaxation of council tax increase restrictions;<br>- The Council has a clear strategy to address the savings required. | 2             | 4      | 8             | Feb-25<br>2025-26 Budget balanced and approved;<br>MTFP approved for period to 2028-29;<br>Minimum Reserves approved . | Feb-26      |

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| Ref | Date Risk Identified | Risk Owner | Inherent Risk |        |            | Mitigations & Controls | Residual Risk |        |               | Tracking notes and monitoring | Target Date |
|     |                      |            | L'hood        | Impact | Risk Score |                        | L'hood        | Impact | Risk Score    |                               |             |

|   |  |
|---|--|
| 5 | Maintaining the Council's Property and Infrastructure Assets |
|---|--|

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| Ref | Date Risk Identified | Risk Owner | Inherent Risk |        |            | Mitigations & Controls | Residual Risk |        |            | Tracking notes and monitoring | Target Date |
|     |                      |            | L'hood        | Impact | Risk Score |                        | L'hood        | Impact | Risk Score |                               |             |

### Challenges:

- Council owns 100 operational properties and 600 Commercial Properties as well as 28 Bridges, 50 Parks, 90 Play Areas Footpaths, Highways, walls and a River, Canal and other watercourses
- Shortages of materials and labour causing delay and increased costs across the capital programme
- Interest Rate rises causing the cost of borrowing to rise significantly
- Additional Borrowing adds pressure to the financial stability of the Council.

### Potential impacts:

- Increased costs to Council
- Sheer number of assets extremely high for a District Council, potential to cause significant financial harm
- Delay in all projects, predominantly the condition survey projects and HRA programme, leading to prolonged periods of buildings being below the standard the Council is aiming for

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| Ref | Date Risk Identified | Risk Owner | Inherent Risk |        |            | Mitigations & Controls | Residual Risk |        |               | Tracking notes and monitoring | Target Date |
|     |                      |            | L'hood        | Impact | Risk Score |                        | L'hood        | Impact | Risk Score    |                               |             |

|             |                               |   |   |    |  |   |   |    |  |        |
|-------------|-------------------------------|---|---|----|--|---|---|----|--|--------|
| August 2021 | Leader of the Council Officer | 4 | 4 | 16 | <ul style="list-style-type: none"> <li>Consider Programme of Asset rationalisation, where maintenance costs are uneconomic;</li> <li>Identify alternative sources of funding to reduce reliance on borrowing;</li> <li>Commercial Properties mainly let on a full repairing lease basis</li> <li>Reviewed existing capital programme to defer and remove schemes.</li> <li>Change of emphasis to internally borrow in the short term to offset interest rate rises.</li> </ul> | 4 | 3 | 12 | <p>The two property maintenance teams have now been merged under one Head of Service. This will allow a review of resources to take place and the sharing of good practice.</p> <p>Significant review of assets condition being undertaken and a review of both Asset Management Plans will take place (GF &amp; HRA).</p> <p>New approaches to GF Maintenance being explored.</p> <p>Head of Commercial Assets appointed.</p> | Feb 26 |
|-------------|-------------------------------|---|---|----|--|---|---|----|--|--------|

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|     |                      |            | L'hood        | Impact | Risk Score |                        | L'hood        | Impact | Risk Score    |                               |             |

|   |   |  |  |  |  |  |  |  |  |  |  |
|---|---|--|--|--|--|--|--|--|--|--|--|
| 6 | <b>Delivering Housing and Building Great Neighbourhoods and Communities</b>   |  |  |  |  |  |  |  |  |  |  |
|   | <p><u>Challenges:</u></p> <ul style="list-style-type: none"> <li>- brownfield first approach is the most sustainable option, and aligns with government policy but most sites are currently unviable and developers are unwilling to invest, resulting in sites being stalled</li> <li>- inadequate infrastructure funding for brownfield land regeneration</li> <li>- lack of specialist staff resources to support the work</li> <li>- inability to address complex land assembly and infrastructure challenges</li> <li>- significant abnormal costs associated with this type of programme</li> <li>- low land/property values and lack of investment appetite (especially BtR sector)</li> <li>- Significant local community opposition to development</li> </ul> <p><u>Potential impacts:</u></p> <ul style="list-style-type: none"> <li>- significant loss of income to fund services/infrastructure (CIL; S106; NHB; Council Tax; Business Rates) and inability to secure external funding from government</li> <li>- increased traffic congestion and net-zero not achieved by 2030</li> <li>- Exeter Plan found unsound resulting in city housing needs not being met and exacerbating the Devon Housing Crisis, especially in terms of affordable housing; lack of 5-year housing supply resulting in loss of planning control/sub-optimal development and loss of green space/special characteristics of Exeter.</li> <li>- new neighbourhoods not created, existing communities become unbalanced and suffer from lack of infrastructure/services, and economy of the city is stalled</li> <li>- active travel and accessible city aspirations not met</li> <li>- unsustainable development and new homes do not meet Garden City principles</li> <li>- housing built on greenfield sites</li> </ul> |  |  |  |  |  |  |  |  |  |  |

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|         |               |  |   |   |    |   |   |   |    |  |          |
|---------|---------------|--|---|---|----|---|---|---|----|--|----------|
| Page 99 | November 2021 | Leader of the Council Officer Lead: Strategic Director for Place | 4 | 4 | 16 | Access to government funding programmes (Brownfield Land Release Fund; Garden Communities; One Public Estate; New Development Corporations Competition Fund) is supporting Liveable Exeter and Council Owned Building projects<br>- Project management capacity brought in<br>- Preparation of business cases, feasibility studies, development frameworks for strategic sites (E.g. Marsh Barton, Southgate, Water Lane, red Cow & City Point)<br>- Acquiring land and property using CPO powers and dispose of land to enable infrastructure.<br>- Use of CIL and S106 funding to support infrastructure provision.<br>- Through the Exeter Design Quality Partnership adopt an | 4 | 4 | 16 | A preferred bidder to develop Mary Arches car park has been approved, and pre-application discussions on a residential development have commenced. Bids to develop Clifton Hill have been received and evaluated. The Executive/Council will decide on a preferred bidder in the Spring. The Council Owned Building programme providing new council houses for tenants is continuing with Hamlin Gardens due completed and occupied and Vaughan Road (Phase 1) due for completion in the summer.<br><br>Consultation on the Exeter Plan publication version (Regulation 19) ended in January, and the plan including all representations will be sent to the Planning Inspectorate for Examination in June.<br><br>An outline planning application for Water Lane (South), comprising over | On going |
|---------|---------------|--|---|---|----|---|---|---|----|--|----------|

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|     |                      |            | L'hood        | Impact | Risk Score |                        | L'hood        | Impact | Risk Score |                               |             |

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|--|--|--|--|--|--|---|--|--|--|--|--|
|  |  |  |  |  |  | <p>enabling and collaborative culture with developers and landowners, instilling confidence in the planning process.</p> <ul style="list-style-type: none"> <li>- Enhanced Member Training to improve quality of decision making in planning.</li> <li>- Exeter Place Partnership established to bring together the city's institutions to take ownership of the city vision and aspirations and to work collectively on obstacles to delivery</li> </ul> |  |  |  | <p>1,000 homes has been approved, subject to a S106 agreement. Officers will be commissioning a new study looking at delivery options for the City Point site.</p> <p>The City Council hosted a Developers Forum in the Guildhall in January, as part of the EDQP.</p> |  |
|--|--|--|--|--|--|---|--|--|--|--|--|



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|     |                      |            |               |        |            | Review Month:          |               |        | February 2025 |                               |             |
|-----|----------------------|------------|---------------|--------|------------|------------------------|---------------|--------|---------------|-------------------------------|-------------|
| Ref | Date Risk Identified | Risk Owner | Inherent Risk |        |            | Mitigations & Controls | Residual Risk |        |               | Tracking notes and monitoring | Target Date |
|     |                      |            | L'hood        | Impact | Risk Score |                        | L'hood        | Impact | Risk Score    |                               |             |

|   |   |
|---|---|
| 7 | <b>Maintaining a thriving Culture and Heritage sector</b>   |
|   | <p><u>Potential Causes:</u></p> <ul style="list-style-type: none"> <li>• A need to balance cultural ambition with the national funding picture and local financial challenges</li> <li>• A need to support Visit Exeter as a vital mechanism for promotion of events, business and cultural offer.</li> </ul> <p>Ensuring culture is relevant to all of Exeter's communities</p> <p><u>Potential Impacts:</u></p> <ul style="list-style-type: none"> <li>• Loss of NPO funding</li> <li>• Loss of wider impact of cultural regeneration of the city.</li> <li>• Inability to support night time economy</li> <li>• Inability to support cultural sector</li> <li>• Inability to deliver services including RAMM, Corn Exchange, Red Coats, Custom House, Underground Passages, Box Office</li> <li>• Non-renewal of UNESCO status</li> <li>• Reputational impact locally, nationally and internationally</li> </ul> |

# Corporate Risk Register

## APPENDIX A

|     |                      |            |               |        |            | Review Month:          |               |        |            | February 2025                 |             |
|-----|----------------------|------------|---------------|--------|------------|------------------------|---------------|--------|------------|-------------------------------|-------------|
| Ref | Date Risk Identified | Risk Owner | Inherent Risk |        |            | Mitigations & Controls | Residual Risk |        |            | Tracking notes and monitoring | Target Date |
|     |                      |            | L'hood        | Impact | Risk Score |                        | L'hood        | Impact | Risk Score |                               |             |

|  |  |  |   |   |   |   |   |   |   |   |           |
|--|--|--|---|---|---|---|---|---|---|---|-----------|
|  | May 2023                                     | Deputy Leader                              | 3 | 3 | 9 | Strong relationship with Arts Council England and stakeholders.<br>New five-year Cultural Strategy being developed with tangible deliveries.<br>Significant cultural assets owned and run by the cultural sector.<br>UNESCO City of Literature status awarded and monitored.<br>Funding agreed with ACE until 2026 with Exeter's National Portfolio Organisations | 1 | 2 | 2 | A review of Cultural Services, starting with the RAMM, has commenced. Officers are preparing a bid for the new round of NPO funding to be submitted in June. The scope for the new Cultural Strategy for the city to be discussed with key partners and stakeholders during next quarter, leading to work commencing to draft a new strategy and undertake consultation, following publication of the Council's new Corporate Plan. Following publication of the Historic Places Panel report, officers are preparing an action plan to be discussed with Historic England. | June 2025 |
|  | Feb 2025 Updated by Strategic Director Place | Officer Lead: Strategic Director for Place |   |   |   |   |   |   |   |   |           |

# Corporate Risk Register

## APPENDIX A

|     |                      |            |               |        |            | Review Month:          |               |        | February 2025 |                               |             |
|-----|----------------------|------------|---------------|--------|------------|------------------------|---------------|--------|---------------|-------------------------------|-------------|
| Ref | Date Risk Identified | Risk Owner | Inherent Risk |        |            | Mitigations & Controls | Residual Risk |        |               | Tracking notes and monitoring | Target Date |
|     |                      |            | L'hood        | Impact | Risk Score |                        | L'hood        | Impact | Risk Score    |                               |             |

|   |   |  |  |  |  |  |  |  |  |  |  |
|---|---|--|--|--|--|--|--|--|--|--|--|
| 8 | <b>Delivering against the key challenges in the 'Prosperous Local Economy' section of the Corporate Plan.</b>   |  |  |  |  |  |  |  |  |  |  |
|   | <p><u>Key challenges:</u></p> <ul style="list-style-type: none"> <li>• Retention and recruitment, with some difficult-to-fill vacancies, which is stifling business growth.</li> <li>• A rise in residents becoming economically inactive, particularly those in the 50+ age groups.</li> <li>• Matching the learning and skills opportunities for residents with current and future job opportunities.</li> <li>• Low levels of graduate retention from the University of Exeter.</li> <li>• Levels of aspiration amongst our young people and limited awareness of opportunities.</li> <li>• If there is an unsuccessful InExeter BID vote November 2024, its impact on the city centre business community.</li> <li>• Following previous budget reductions and the discretionary services review implemented in April 2023, there is no longer an economic development service or skills function. There are no officer resource or budget to progress this corporate priority.</li> </ul> <p><u>Potential Impacts:</u></p> <ul style="list-style-type: none"> <li>• Exeter's economic base is weakened.</li> <li>• A rise in Universal Credit claimants Residents of Exeter.</li> <li>• A slowdown of businesses opening up and surviving in Exeter.</li> <li>• Vacancy rates in the city centre increase.</li> <li>• The look and feel of the city centre declines.</li> </ul> |  |  |  |  |  |  |  |  |  |  |

# Corporate Risk Register

## APPENDIX A

|     |                      |            |               |        |            | Review Month:          |               |        |            | February 2025                 |             |
|-----|----------------------|------------|---------------|--------|------------|------------------------|---------------|--------|------------|-------------------------------|-------------|
| Ref | Date Risk Identified | Risk Owner | Inherent Risk |        |            | Mitigations & Controls | Residual Risk |        |            | Tracking notes and monitoring | Target Date |
|     |                      |            | L'hood        | Impact | Risk Score |                        | L'hood        | Impact | Risk Score |                               |             |

|  |          |  |   |   |    |  |   |   |   |  |        |
|--|----------|--|---|---|----|--|---|---|---|--|--------|
|  | May 2023 | Deputy Leader<br>Officer Lead:<br>Strategic<br>Director for<br>Place | 3 | 4 | 12 | Partnership work with the University and Exeter College to take on more of a leading role in this area.<br>New focus on the city centre economy.<br>Close working with InExeter and other key partners, especially in relation to the city centre.<br>Projects delivered through UKSPF to support people gaining news skills, the business community and new business start-ups. | 3 | 3 | 9 | Initial engagement with businesses and members on a new City Centre Strategy, undertaken in July and November 2024. InExeter BID vote was successful. Further guidance awaited on joint working with DCC on new Growth Plans. SMB exploring the scope for an Economic Growth Prospectus for Exeter. Joint working with the University to boost innovation in the city. A one-year extension to the UKPSF funding programme will be administered by the DT CCA, with funding allocations for existing projects awaited. | Mar 25 |
|--|----------|--|---|---|----|--|---|---|---|--|--------|

# Corporate Risk Register

## APPENDIX A

|     |                      |            |               |        |            | Review Month:          |               |        | February 2025 |                               |             |
|-----|----------------------|------------|---------------|--------|------------|------------------------|---------------|--------|---------------|-------------------------------|-------------|
| Ref | Date Risk Identified | Risk Owner | Inherent Risk |        |            | Mitigations & Controls | Residual Risk |        |               | Tracking notes and monitoring | Target Date |
|     |                      |            | L'hood        | Impact | Risk Score |                        | L'hood        | Impact | Risk Score    |                               |             |

|   |  |
|---|--|
| 9 | <p><b>Progressing the design and delivery of a corporate Customer and Digital Strategy</b></p> <p><u>Challenges</u></p> <ul style="list-style-type: none"> <li>• Digital technology continues to change the way people live, connect and work and this shift has been expedited by the Covid-19 pandemic. Digital technology continues to evolve at a rapid pace and for many have become an essential part of everyday life.</li> <li>• People expect easy access to joined-up information and efficient, secure services in the palm of our hand; increasingly expecting to interact with organisations wherever they like, whenever they like, on whichever device they have and on whatever channel they choose.</li> <li>• With customer behaviour changing faster than ever, the task of digital transformation demands significant changes to people, processes and technology. Our key challenges are the pace and scale of transformation needed in business processes; functional and organisational structures; culture; skills and resources within the Council and within and between Strata and our partner councils.</li> <li>• We are currently lagging many other Councils in our development of digital services and how we engage with our customers to improve and develop them. We have identified this as a priority to address in the One Exeter programme.</li> </ul> <p><u>Potential Impacts</u></p> <ul style="list-style-type: none"> <li>• Failure to agree and implement the required level of organisational change will impact on the ability of the Council to deliver a balanced MTFP which requires transformational change in how services are delivered.</li> <li>• Workforce and service delivery models not meeting the needs of customers leading to poor outcomes and inefficient, unaffordable services.</li> <li>• High levels of agency and consultancy spending.</li> <li>• Low staff morale and poor recruitment and retention</li> </ul> |
|---|--|

# Corporate Risk Register

## APPENDIX A

|     |                      |            |               |        |            | Review Month:          |               |        |            | February 2025                 |             |
|-----|----------------------|------------|---------------|--------|------------|------------------------|---------------|--------|------------|-------------------------------|-------------|
| Ref | Date Risk Identified | Risk Owner | Inherent Risk |        |            | Mitigations & Controls | Residual Risk |        |            | Tracking notes and monitoring | Target Date |
|     |                      |            | L'hood        | Impact | Risk Score |                        | L'hood        | Impact | Risk Score |                               |             |

- Loss of reputation of the Council

**April 2024: New risk: Cyber Security:** There is increased global concern about the use of AI and emerging technologies for malign purposes. Whilst there are no specific new threats nationally or regionally in relation to Local Government and we have no specific concerns about current systems and processes, Strata Directors have requested the company to undertake a risk awareness and management workshop with the Directors of all 3 Councils to provide assurances that there is sufficient capability and capacity to understand and mitigate risks and respond should a "never event" occur. This process is due to complete in October 2024 and until this process has been completed and assurances /action plans adopted this issue will remain on the Corporate Risk Register.

# Corporate Risk Register

## APPENDIX A

|     |                      |            |               |        |            | Review Month:          |               |        |            | February 2025                 |             |
|-----|----------------------|------------|---------------|--------|------------|------------------------|---------------|--------|------------|-------------------------------|-------------|
| Ref | Date Risk Identified | Risk Owner | Inherent Risk |        |            | Mitigations & Controls | Residual Risk |        |            | Tracking notes and monitoring | Target Date |
|     |                      |            | L'hood        | Impact | Risk Score |                        | L'hood        | Impact | Risk Score |                               |             |

|  |  |   |   |   |    |  |   |   |   |   |        |
|--|--|---|---|---|----|--|---|---|---|---|--------|
|  | May 2023 updated by Strategic Director August 2024 | Leader of the Council Officer Lead: Director for People and Communities | 4 | 4 | 16 | <p>Improved control of ICT Business Change Requests resulting in better use of valuable Strata resources.</p> <p>Customer Digital Strategy approved by Council in November 2023 sets clear direction around 10 outcome goals.</p> <p>June 2024 successful implementation and roll out of Microsoft 365 and the uses of Teams for improved communication and collaboration. New member SharePoint site designed and delivered.</p> <p>One Exeter a single integrated transformation programme across the Council, with strong leadership from SMB and the Extended Leadership Team,</p> | 2 | 4 | 8 | <p>New Telephony System under implementation foundations for delivery of CDS in place. Report on progress to date being prepared for Executive along with a detailed delivery plan for 25/26.</p> <p>Phase one of roll out of new laptops completed and full roll out plan under development..</p> <p>Due to new Cyber Security risk a Gov Cyber Assessment Framework is being undertaken, further workshops planned with ELT and results of phishing exercise undertaken in February currently being analysis and staff breaching policy individually targeted for training.</p> | Mar-26 |
|--|--|---|---|---|----|--|---|---|---|---|--------|

Corporate Risk Register

APPENDIX A

|     |                      |            |               |        |            | Review Month:   |               |        | February 2025 |                               |             |
|-----|----------------------|------------|---------------|--------|------------|---|---------------|--------|---------------|-------------------------------|-------------|
| Ref | Date Risk Identified | Risk Owner | Inherent Risk |        |            | Mitigations & Controls  | Residual Risk |        |               | Tracking notes and monitoring | Target Date |
|     |                      |            | L'hood        | Impact | Risk Score |   | L'hood        | Impact | Risk Score    |                               |             |
|     |                      |            |               |        |            | refocused on fewer but more strategic organisational change programmes. |               |        |               |                               |             |



## Corporate Risk Register – Summary

## APPENDIX B

| Corporate Plan Alignment Area             | Risk Description   | Risk Scoring |          |             |
|---|--|--------------|----------|-------------|
|   |  | Inherent     | Residual | Target Date |
| Net Zero Carbon City                      | Delivering against the key challenges in the Net Zero Carbon City section of the Corporate Plan                  | 16           | 16       | Apr-30      |
| Healthy and Active City                   | Making progress towards a Healthy and Active City  | 12           | 6        | Mar- 2025   |
| Leading a Well-run Council                | Adapting the council workforce to ensure appropriate skills and experience (Developing a future proof workforce) | 9            | 6        | Sep-25      |
| Leading a Well-run Council                | Maintaining the Financial Sustainability of the Council  | 16           | 8        | Feb-25      |
| Leading a Well-run Council                | Maintaining the Council's Property and Infrastructure Assets   | 16           | 12       | Feb-26      |
| Housing and Building Great Neighbourhoods | Delivering Housing and Building Great Neighbourhoods and Communities   | 16           | 16       | On going    |
| Thriving Culture and Heritage             | Maintaining a thriving Culture and Heritage sector   | 9            | 2        | Jun 25      |
| Prosperous Local Economy                  | Delivering against the key challenges in the 'Prosperous Local Economy' section of the Corporate Plan.           | 12           | 9        | Mar 25      |
| Leading a Well-run Council                | Progressing the design and delivery of a corporate Customer and Digital Strategy                                 | 16           | 8        | Mar-26      |

| Internal  |    |   |    |
|-----------|----|---|----|
| Resources |    |   |    |
| T         | F  | P | A  |
| H         | H  | H | H  |
| M         | M  | H | H  |
| M         | H  | L | VL |
| H         | L  | H | VL |
| VH        | VH | H | VH |
| VH        | H  | M | L  |
| M         | H  | H | M  |
| L         | L  | L | L  |
| H         | H  | H | H  |

| External                  |     |     |    |      |      |
|---------------------------|-----|-----|----|------|------|
| Risk Drivers for Appetite |     |     |    |      |      |
| F                         | Rep | Reg | L  | Comp | Comm |
| L                         | VH  | VL  | VL | L    | H    |
| L                         | VH  | L   | L  | L    | H    |
| VH                        | VH  | M   | M  | M    | VH   |
| VH                        | VH  | VH  | VH | VH   | VH   |
| VH                        | H   | H   | VH | VH   | VH   |
| H                         | VH  | H   | H  | H    | VH   |
| H                         | M   | H   | L  | L    | M    |
| VH                        | H   | M   | L  | L    | VH   |
| H                         | M   | M   | L  | L    | M    |

| Risk Appetite Rating |
|----------------------|
| Cautious (M)         |
| Open to Risk (H)     |
| Open to Risk (H)     |
| Cautious (M)         |
| Cautious (M)         |
| Open to Risk (H)     |
| Cautious (M)         |
| Open to Risk (H)     |
| Open to Risk (H)     |

## Key

| Resources                 |              |
|---------------------------|--------------|
| T                         | Time         |
| F                         | Financial    |
| P                         | People       |
| A                         | Assets       |
| Risk Drivers for Appetite |              |
| F                         | Financial    |
| Rep                       | Reputational |
| Reg                       | Regulatory   |
| L                         | Legal        |
| Comp                      | Compliance   |
| Comm                      | Community    |
| Risk Appetite Rating      |              |
| VL                        | Very Low     |
| L                         | Low          |
| M                         | Medium       |
| H                         | High         |
| VH                        | Very High    |

## REPORT TO AUDIT & GOVERNANCE COMMITTEE

**Date of Meeting: 19 March 2025**

**Report of: Head of Legal & Democratic Services and Monitoring Officer**

**Title: Local Government Ombudsman's Annual Review of Complaints 2023-24**

**Is this a Key Decision?**

No

**Is this an Executive or Council Function?**

Neither. This report is for consideration by the Council's Audit & Governance Committee.

### **1. What is the report about?**

- 1.1. The report explains the role of the Local Government & Social Care Ombudsman (LGO) in investigating and making recommendations concerning complaints about local authorities. It also presents the LGO's annual review of complaints about Exeter City Council for the year ending 31 March 2024.

### **2. Recommendations:**

- 2.1. That Members note the content of this report and the complaints considered by the LGO.

### **3. Reasons for the recommendation:**

- 3.1. The Monitoring Officer is required 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 was a compensation payment of £200 arising out of one of the two upheld complaints (22 014 000).

### **5. Section 151 Officer comments:**

- 5.1 Other than  
the small amount of compensation to be noted, there are no further financial considerations for Council.

### **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 (Audit and Governance Committee) on all Ombudsman complaint decisions.
- 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, hence this report.

- 6.3. On limited occasions, the LGO can also issue a '*Formal Public Report*' if a local authority, or any part of it:
- has acted or is likely to act in such a manner as to constitute maladministration or service failure perhaps because of the scale of the fault or injustice, or the number of people affected; and
  - where the LGO has conducted an investigation in relation to the matter.
- 6.4. Under the provisions of The Local Government Act 1974, 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. The LGO has not issued any Formal Public Reports in relation to Exeter City Council.
- 6.5. In the unlikely event that an authority is minded not to comply with the LGO's recommendations following a finding of maladministration, the Ombudsman would expect the Monitoring Officer to report this to members under section 5 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.

## **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 investigates complaints from the public about councils and some other bodies providing public services in England. The LGO investigates alleged or apparent maladministration or service failure that have caused injustice to the complainant. Most council services can be investigated including planning, council tax and housing benefit and some areas of housing. Maladministration in broad terms might include:
- flaws in policies or decision making;
  - poor administrative practice;
  - failure to adhere to or consider properly statutory guidelines;
  - failing to consider properly the exceptional circumstances of an individual or a situation;
  - not properly considering statutory powers or duties; and
  - failing to give an adequate service.
- 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 had the fault not occurred. 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 complaints received by the LGO about Exeter City Council, and the decisions made by the LGO on those complaints, for the year ending 31<sup>st</sup> March 2024 are set out in the attached document. Members will note that:
- The Ombudsman made decisions on 7 cases;
  - 2 of those cases were closed after initial enquiries;
  - 2 cases were referred back to the council for local resolution;

- 1 case was not upheld; and
- 2 cases were upheld. A copy of the Ombudsman's Final Decision Notices for these two cases are included in the attached document (References 22014000 and 23014448).

**8.4.** To assess how the council's performance compares with other councils, the Ombudsman compares three key annual statistics with similar authorities to provide an average marker of performance. This is included in the attached document but is of limited value in view of the low numbers of cases.

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

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

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

10.1. No risks identified.

## **11. Equality Act 2010 (The Act)**

11.1 Under the Act's Public Sector Equalities 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
- 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 the report addresses the findings of the LGO and does not, of itself, have a negative impact on people with protected characteristics.

## **12. Carbon Footprint (Environmental) Implications:**

12.1 Not applicable

## **13. Are there any other options?**

13.1 Not applicable.

**Simon Copper**  
**Head of Legal & Democratic Services and Monitoring Officer**

**Local Government (Access to Information) Act 1972 (as amended)**  
**Background papers used in compiling this report:**

None

**Summary of complaints statistics from the Local Government and Social Care Ombudsman year ending 31/03/2024**

| Reference | Authority           | Category  | Decided    | Decision                           | Decision Reason   | Remedy  | Improvement recommendations |
|-----------|---------------------|---|------------|------------------------------------|---|---|-----------------------------|
| 22014000  | Exeter City Council | Housing   | 08/09/2023 | Upheld                             | fault & injustice to the complainant                        | Improved body in jurisdiction remedy, Financial redress: Avoidable distress/time and trouble, Provide services to person affected | N/A                         |
| 23001359  | Exeter City Council | Housing   | 02/05/2023 | Referred back for local resolution | Premature Decision - advice given                           | N/A   | N/A                         |
| 23003990  | Exeter City Council | Corporate & Other Services                              | 28/11/2023 | Not Upheld                         | no fault  | N/A   | N/A                         |
| 23006930  | Exeter City Council | Planning & Development                                  | 11/09/2023 | Closed after initial enquiries     | Not warranted by alleged fault                              | N/A   | N/A                         |
| 23010891  | Exeter City Council | Corporate & Other Services                              | 16/11/2023 | Closed after initial enquiries     | Not warranted by alleged fault                              | N/A   | N/A                         |
| 23012514  | Exeter City Council | Environmental Services & Public Protection & Regulation | 22/11/2023 | Referred back for local resolution | Premature Decision - advice given                           | N/A   | N/A                         |
| 23014448  | Exeter City Council | Highways & Transport                                    | 18/01/2024 | Upheld                             | Injustice remedied during organisations complaint processes | N/A   | N/A                         |

## Decision Notices

# Exeter City Council (22 014 000)

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Category : [Housing](#) > [Allocations](#)

Decision : **Upheld**

Decision date : **07 Sep 2023**

## The Ombudsman's final decision:

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**Summary: Ms X complains the Council's decision regarding her housing allocation priority was wrong. She says her overcrowded accommodation has affected her physically and mentally. We found fault by the Council. It has agreed our recommended remedy.**

### The complaint

---

1. The complainant, whom I shall refer to as Ms X, complains the Council failed to properly assess her housing priority from August 2019. As a result she says has been living in overcrowded and unsuitable accommodation with her teenage son for 3 ½ years. She says this has significantly affected her health and wellbeing.

### 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 an organisation’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 have discussed the complaint with Ms X and considered the complaint and the information she provided. I have made enquiries of the Council and considered the comments and documents the Council provided. Ms X and the Council had opportunity to comment on my draft decision. I considered

## What I found

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### Legislation and guidance

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5. Every local housing authority must publish an allocations scheme that sets out how it prioritises applicants, and its procedures for allocating housing. All allocations must be made in strict accordance with the published scheme. (Housing Act 1996, section 166A(1) & (14))
6. An allocations scheme must give reasonable preference to applicants in the following categories:
  - homeless people; people in insanitary, overcrowded or
  - unsatisfactory housing; people who need to move on
  - medical or welfare grounds;

people who need to move to avoid hardship to themselves or others; (Housing Act 1996, section 166A(3).)

## The Council's housing allocations policy (January 2021)

---

7. The Council's housing allocation policy is set out in the Devon Home Choice Policy Document. Devon Home Choice is a partnership of 10 local authorities and housing associations. Each local authority assesses the applications from residents living in its area or wishing to move to the area.
8. The policy places applicants into priority bands. Band A is the highest priority and band E the lowest. The three higher bands relevant to this complaint are as described as follows:
9. Band A (Emergency Housing need) – the applicant's need for housing is assessed as so exceptional that they take priority over all other applicants.
10. Band B (High Housing need) – where it is not possible and appropriate to find private rented accommodation for households assessed as homeless, in priority need and unintentionally homeless, local authorities in Devon will place applicants in Band B. One of the categories included in this banding is severe overcrowding, where applicants, who in their principle home:
  - currently lack 2 or more bedrooms given the size of their household, or
  - have been assessed by the Environmental Health Team of a Devon local authority as a category 1 hazard, due to overcrowding in accordance with the Housing Health and Safety Rating System introduced by the Housing Act 2004.
11. Band C (Medium Housing Need) - the categories included in this banding are:
  - Medium health/ wellbeing need.
  - Applicants who currently lack 1 bedroom given the size of their household.
12. The policy states that the Council will apply the start date of a higher band following a change in circumstances based on the date the Council receives the request for assessment of the change in circumstances.

## What happened

---

13. The information that follows is not a detailed chronology of all that happened but is a summary of the key points relevant to this complaint.

14. Ms X visited the Council for housing advice in August 2019. The Council gave her a written note which showed it advised her to complete the Devon Home Choice (DHC) application form. It also said that it may assess her as priority band C due to lacking a bedroom. However, it stated that “this was not a quick solution”, referring to bidding and receiving an offer. It suggested she should look for affordable private accommodation.
15. Ms X completed the DHC application form. She said that she lived in a privately rented studio at with her son who was aged 14. She also said that:
  - she had no bedrooms, and it was an open area with no privacy.
  - she slept in the same bed as her son. She said that she wanted to have a bedroom for him and for herself.
  - her health and wellbeing and that of her son was not made worse by her current home and she did not have any mobility issues.
16. The Council confirmed it registered Ms X as an applicant from August 2019. It said her priority band was C, and she could bid for three properties on the DHC website each week.
17. Ms X made some bids and in 2020, the Council offered her two properties. However, Ms X refused both offers.
18. In early 2021 the Council offered a further property. However, Ms X refused this because she said it needed a lot of work and money spending on it.
19. The Council’s notes on its system show that Ms X contacted the Council in May 2021. She said that she was dissatisfied with the Council’s decision on her priority banding. In her view, she should be band B. She asked the Council’s environmental health officer to visit her to see her accommodation.
20. The Council’s notes show an officer sent an email to the environmental health team. However, I have not seen evidence that the Council took any action following this.
21. In August 2021 the Devon Home Choice policy was revised regarding band B priority (severe overcrowding). Paragraph 3.5.3.1, where an Environmental Health Team had assessed a category 1 hazard, “due to overcrowding” was revised to state “due to lacking 2 bedrooms”. However, the corresponding appendix at paragraph 5.3.giving a definition of overcrowding, was not revised to include “due to lacking two bedrooms”.
22. In February 2022 Ms X contacted the Council and requested a review of its decision on her priority banding. She said that she had no privacy in her home because it was open plan and there was not enough space. She said she

slept in the same bed as her son for many years and this had affected her physical and mental health. She provided a letter from her GP confirming her health conditions.

23. The Council replied in March 2022. It said that Ms X's banding was C from 2019. It said that Ms X had only bid for 52 properties in the period from August 2019. She had also turned down two offers in 2020. The Council explained that she could bid for up to 3 properties per week and it suggested she may wish to increase the number of bids she made.
24. Ms X replied she had requested a review, not for the Council to tell her which band she was in. She said her health had deteriorated.
25. Later in March 2022 a housing advice agency wrote on Ms X's behalf to support her appeal against band C priority. It said that the Council decided Ms X was lacking one bedroom. However, it considered that Ms X was legally overcrowded according to sections 324-326 of the Housing Act 1985. It also considered that the "room standard" was contravened where two people of the opposite sex must not sleep in the same room. The advice agency stated that the Council's own policy referred to Band B being applied in cases of severe overcrowding. In its view the Council should backdate band B to reflect the time Ms X should have had this.
26. In May 2022 the Council replied to Ms X that it had reviewed her priority banding. It apologised for the delay responding. The Council noted that the housing advisor considered that Ms X's circumstances should be based on severe overcrowding rather than the current assessment of overcrowding. It referred to the DHC policy (version 9.3 January 2021) regarding overcrowding. It said that the policy stated in appendix 1, regarding definitions:

5.32 The Severe Overcrowding category (Band B) includes applicants who:

- currently lack 2 or more bedrooms-given the size of their household, or
- are lacking 1 bedroom but have 2 children that lack a bedroom. For example a couple with 4 same sex children in a 2 bed home, or a single parent with 2 children under 10 in a 1 bed home, or
- have been assessed by the Environmental Health team of a Devon local authority as a Category 1 hazard due to overcrowding.

5.3.3 Where a household is assessed as lacking 1 bedroom given their household size, they will be placed medium housing need band (Band C). As stated above,

where there are 2 children who are lacking a bedroom, applications will be placed in Band B.

27. The Council confirmed that having considered the information Ms X sent and the DHC policy, it considered she was overcrowded and lacked one bedroom. Therefore, the original banding of band C was correct.
28. When she received the Council's response, Ms X asked its environmental health team to assess her accommodation regarding overcrowding.
29. In May 2022 the Council carried out a Housing Health and Safety Rating System (HHSRS) assessment of Ms X's home. It wrote advising it had considered "Crowding and space" hazards and the level of risk posed. It said it took into account the occupants, the accommodation available and the impact on educational attainment and privacy. It said it found that there was category 1 hazard (B). This was due to the lack of privacy in the open plan space. It said it had advised the Council's home choice team.
30. The Council wrote to advise Ms X that it had increased her band to Band B from 23 May 2022. It said this was as "a result of severe overcrowding (category 1 hazard: lacking one bedroom: Low Health and Wellbeing Need.
31. Ms X appealed against the start date of 23 May 2022. She it should start in August 2019 because her circumstances had been the same since then.
32. In early July 2022 the Council replied that it had reviewed Ms X's banding and considered the correct start date was 23 May 2022 because this was when the council received the environmental health officer assessment.
33. Ms X complained in July 2022. She said that she had spoken to the Council many times questioning the priority band C. She argued that the reviewing officer had ignored the fact that she had been in the same at since August 2019. She said that Council had ignored the rules of the scheme and had taken far too long to agree a higher band.
34. The Council replied to Ms X's complaint in August 2022. It said it had reviewed how it had administered her application to ensure it was correct. However, it apologised it had found that it had awarded band B in error. This was because it had interpreted the DHC policy incorrectly. It said that Ms X's band should have remained band C. It explained that the environmental health team had awarded a category one hazard due to her lacking one bedroom, not lacking two. For severe overcrowding according to the DHC policy 3.5.3.1 severe overcrowding included those who had "been assessed by the environmental health team of a Devon local authority as a category one hazard due to

lacking two bedrooms in accordance with the Housing Health and Safety Rating System introduced by the Housing Act 2004". The Council revised Ms X's band to band C.

35. In September 2022 the DHC Policy was revised to correct the definition of severe overcrowding at paragraph 5.3, and bringing it into line with the priority Band B criteria at paragraph 3.5.3.1. it now included "and lacking two bedrooms" following a category one hazard assessment by the environmental health team.

36. Ms X complained further about the Council's decision. She said the environmental health officer's report clearly stated that she and her son needed a bedroom. She asked how the Council found she lacked only one bedroom. In her view she currently lacked two bedrooms. Therefore, she considered she met the band B terms according to the DHC policy. She also complained about the Council's delay in awarding her priority.

37. The Council replied that it considered its decision that Band C applied to Ms X was correct. It said "There is no question that the open-space layout of your home is suitable to meet your current bedroom and private space need." It said that her home was only suitable for single person occupancy. Therefore, her need was for an extra bedroom. The environmental health officer's assessment confirmed Ms X's home was overcrowded and a category one hazard. The Council's environmental health officer accepted that the open plan nature of home affected Ms X's and her son's ability to relax, study and sleep. But the officer did not assess there was "severe overcrowding" due to a lack of 2 bedrooms. If there had been a third person in the flat and therefore two further bedrooms were required in addition to the sleeping space that currently existed in the home, this would be severe overcrowding, on the basis of a lack of two bedrooms. However, this was not the case and it considered the correct banding was band C.

38. The Council responded to Ms X's complaint about the delay in reaching the correct banding. It said that its responses were within statutory timescales. However, it apologised regarding notifying her of the wrong banding. It said it would carry out refresher training for officers. It accepted it had delayed dealing with her complaint and offered £75 as a gesture of goodwill.

39. Ms X did not accept the Council's offer of £75 and complained further that  
o the environmental health officer's assessment was that she was hazard band B, category one rating. The DHC policy at 3.5.3 shows and the and therefore it was definitely severe overcrowding.

- The Council's stage one response said "there is no question that the open-space layout of your home is suitable to meet your current bedroom and private space need" but the environmental health officer said there is no privacy for either tenant as bedroom kitchen and lounge are one open space. Ms X did not have any privacy and had to share a bed with her son.
- The DHC policy said that for their household they should have two bedrooms, it did not refer to a sleeping space, it referred to separate bedrooms.
- She asserted, and the housing advice agency supported her view, that she was severely overcrowded. She had stated that she had zero bedrooms on her housing application.
- She said her health was affected and she was suffering from frequent falls. She supplied a doctor letter to support this.

40. In November 2022 the Council responded to Mr X's complaint. It said that while the Council's assessment of band C was technically correct, it had reviewed her file and it would now reinstate her priority band B and backdate it to an earlier date. It offered to backdate priority band B to May 2021.
41. It said that it had previously considered the environmental health assessment and DHC policy and decided she was priority band C in accordance this. This had been on the basis that her home was a habitable, lettable unit and could be reasonably considered suitable for single person occupancy. Therefore, two person occupancy meant overcrowding by one bed need only. The Council agreed that the current policy wording relating to "bedroom" was somewhat specific, and failed to take account of the question whether the property provided adequate sleeping spaces for a household in her situation.
42. The Council said having reviewed the environmental health assessment, it had agreed to exercise discretion and reinstate to band B. It noted Ms X's housing circumstances were causing her additional issues which were not explicitly covered by existing policy, and the environmental health report. The Council said it would backdate her band B to May 2021 because this is when she first made a request for an environmental health assessment. This was on the understanding that her circumstances then were at least equivalent to what they were now. But it did not agree to backdate to August 2019 as Ms X requested. It said this was because there was a lack of evidence of professional assessment of any impact on her health and well-being due to her living circumstances from that date.

## Analysis

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43. Based on the information I have seen, I have not found fault in the Council's decision making that Ms X's correct banding is band C according to the policy and information that the Council received. I note Ms X considers her property has no bedroom and therefore she has a lack of two bedrooms, so should be recognised as severely overcrowded or Band B. But the Council notes that the studio is suitable for a single person, as its open plan living space includes space for sleeping. I do not find fault with the Council's consideration of this.
44. However, the Council has used its discretion to award band B, having considered all the circumstances. It has agreed to back date this to May 2021 as this is when Ms X asked the Council to carry out the HHSRS assessment.
45. Ms X does not accept this and says the Council should backdate priority band B to August 2019. This is because she says her circumstances were the same throughout. She also says that when she visited the Council in August 2019, she explained her circumstances, but it did not carry out an HHSRS assessment. She says the Council was the expert and should have known to assess her, and it should not have been up to her to know and request this.
46. I have considered whether the Council should have backdated band B further than May 2021. I do not consider there is sufficient evidence Ms X raised matters that would require the Council to consider an environmental health assessment.
47. There was fault by the Council in its communications with Ms X. It incorrectly raised her banding for a short period in error. It also referred to the policy criteria for severe overcrowding but did not note that this did not include the requirement for a lack of two bedrooms. I consider this raised Ms X's expectations.
48. The Council was also at fault in failing to respond to Ms X's request in May 2021 for an assessment by the environmental health. The Council appears to have made a request for this to be carried out, but no action was taken. This meant that Ms X had to wait a further year for the Council to complete the assessment.
49. On the basis that if the Council had carried out an earlier assessment in May 2021 and this had led to the current discretionary decision to award band B, Ms X could potentially have lost out on offers of accommodation.



50. I asked the Council whether Ms X would have been offered any of the properties that she bid for from May 2021. The Council has confirmed it would have offered four properties to Ms X. However, it states that these offers would still be subject to landlord checks. The Council did actually make an offer in January 2023, but Ms X did not respond to this.
51. I have considered the offers that could have been made. I do not consider that the first property would likely have been offered to Ms X in any case as it is unlikely the Council would have made the discretionary decision to award band B by that date.
52. I consider there is doubt about whether the three other properties that could potentially have been offered, would have resulted in a formal offer after checks. In addition, I note that Ms X has refused several offers. Taking all the above into account, I consider there is some uncertainty here and I have recommended a remedy for this.

## Agreed action

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53. Within one month of my decision, I recommended that the Council should
- apply the backdated band B priority to May 2021 that it has already offered. Ms X.
  - Pay £200 to Ms X in view of the frustration and uncertainty caused by its delays and errors in responding to her housing allocation priority queries.
54. The Council should provide us with evidence it has complied with the above actions.

## Final decision

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55. I found fault by the Council which it has agreed to remedy. I have completed my investigation and closed the complaint.

## Exeter City Council (23 014 448)

Category : [Transport and highways](#) > [Other](#)

Decision : **Upheld**

Decision date : **18 Jan 2024**

### The Ombudsman's final decision:

**Summary: We will not investigate this complaint about the behaviour of a Council parking officer because we are satisfied with the steps the Council has taken and further investigation would not lead to a different outcome.**

### The complaint

1. Mr Y complained a Council parking officer behaved in an intimidating and rude way towards him while issuing a parking ticket to the neighbour. Mr Y says he felt upset and fearful following the incident.

### 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 provide a free service but must use public money carefully. We may decide not to start or continue with an investigation if we are satisfied with the actions an organisation has taken or proposes to take. (Local Government Act 1974, section 24A(7), as amended)
3. We must also consider whether any fault has had an adverse impact on the person making the complaint, which we call 'injustice'. We provide a free service but must use public money carefully. We do not start or continue an

investigation if we decide we could not add to any previous investigation by the organisation, or further investigation would not lead to a different outcome. (Local Government Act 1974, section 24A(6), as amended, section 34(B))

## How I considered this complaint

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4. I considered information Mr Y provided and the Ombudsman's Assessment Code.

## My assessment

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5. Mr Y complained to the Council in November 2023 about the behaviour of a parking officer who Mr Y says behaved in an intimidating and rude manner towards Mr Y and his neighbour while issuing the neighbour with a Penalty Charge Notice. The Council responded, apologising for Mr Y's experience and said the officer involved had been spoken to about the standards expected.
6. This is a proportionate and suitable remedy following such an incident as it seeks not only to apologise to Mr Y, but also to ensure the officer involved is reminded of the behaviour expected. This remedy is in line with our Guidance on Remedies and so I am satisfied with the steps the Council has taken and it is unlikely the Ombudsman would be able to add to the original investigation or that an investigation we may carry out would lead to a different outcome. Consequently, we will not investigate this complaint.

## Final decision

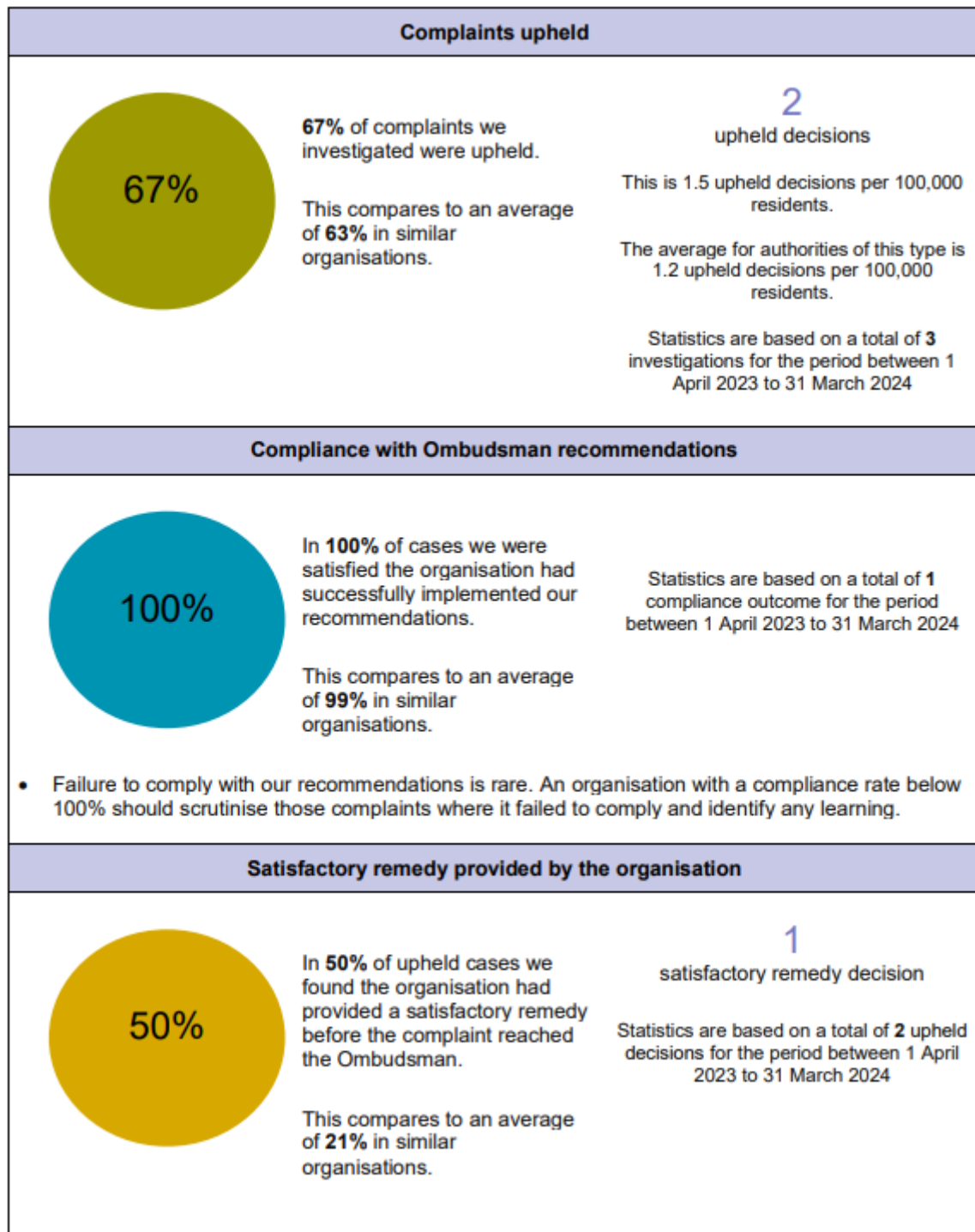
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7. We will not investigate Mr Y's complaint because we are satisfied with the steps the Council has taken and further investigation would not lead to a different outcome.

**Investigator's decision on behalf of the Ombudsman**

## Annex D

### Ombudsman Summary for Period Ending 31/03/2024



## **REPORT TO AUDIT & GOVERNANCE COMMITTEE**

**Date of Meeting: 19 March 2025**

**Report of: Strategic Director for Corporate Resources**

**Title: CODE OF CORPORATE GOVERNANCE – 2025/26**

**Is this a Key Decision?**

No

**Is this an Executive or Council Function?**

Council

### **1. What is the report about?**

- 1.1 The report sets out the proposed Code of Corporate Governance to reflect the updated principles of Delivering Good Governance in Local Government (CIPFA/Solace 2016).

### **2. Recommendations:**

It is recommended that:

- 2.1 Audit and Governance Committee supports, and Council approves the Code of Corporate Governance for 2025/26.

### **3. Reasons for the recommendation:**

- 3.1 The Council is required to prepare and publish an Annual Governance Statement by Regulation 4 of the Accounts and Audit (England) Regulations 2011. It reports on the Council's performance against the Code of Corporate Governance. It is best practice to review and update the Code annually.

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

- 4.1 There are no resource implications contained within the report.

### **5. Section 151 Officer comments:**

- 5.1 The production of the Code of Corporate Governance is considered best practice. However the requirement to produce an Annual Governance Statement, which reports on the Council's performance with reference to the Code is a statutory requirement.

## **6. What are the legal aspects?**

- 6.1 The CIPFA/SOLACE framework 'Delivering Good Governance in Local Government' provides guidance on good governance practices. The Code of Corporate Governance is designed to reflect its principles.

## **7. Monitoring Officer's comments:**

- 7.1 The Code of Corporate Governance sets out the principles of good governance and what arrangements it has in place to ensure that the Council conducts its business in accordance with the law and proper standards, and that public money is safeguarded, properly accounted for and used economically, efficiently and effectively in accordance with the Council's duty to secure continuous improvement in the way that it exercises its functions.
- 7.2 The Accounts and Audit Regulations 2015 require local authorities to review at least annually the effectiveness of its systems of internal control. The Council fulfils this requirement by performing the review in accordance with the CIPFA/SOLACE framework.

## **8. Report details:**

- 8.1 The Code of Corporate Governance is required to be updated annually. The updated Code is attached at Appendix A.
- 8.2 The code has been updated to reflect the new principles set by CIPFA/SOLACE and the opportunity has been taken to present it more in line with the Annual Governance Statement that reports on the Council's performance. The Code has also been updated to reflect the new Management Structure and the Internal Audit Service being provided by South West Audit Partnership. A comprehensive review of the Constitution will be undertaken this year and this will be reflected in next year's Code.

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

- 9.1 This is a statutory requirement and does not contribute directly to the Council's Corporate Plan.

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

- 10.1 There are no direct risks associated with this report

## **EQUALITY ACT 2010 (THE ACT)**

- 11.1 Under the Act's Public Sector Equalities 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 sets out a framework that does not directly impact on people.

### **CARBON FOOTPRINT (ENVIRONMENTAL) IMPLICATIONS:**

- 12.1 No direct carbon/environmental impacts arising from the recommendations.

### **13. Are there any other options?**

- 13.1 Not applicable

### **Strategic Director of Corporate Resources**

#### **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

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## Code of Corporate Governance

### Scope of Responsibility

Exeter City Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently, and effectively. The Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging this overall responsibility, the Council is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, including arrangements for the management of risk.

The Council has approved and adopted a Code of Corporate Governance, which is consistent with the principles of Delivering Good Governance in Local Government (CIPFA/Solace 2016). This statement explains how Exeter City Council has complied with the code and also meets the requirements of the Accounts and Audit (England) Regulations 2015, paragraph 4(3), which required all relevant bodies to prepare an Annual Governance Statement.

The Code of Governance sets out the seven principles of good governance and the arrangements the Council has put in place to meet each of these principles:

1. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the law.
2. Ensuring openness and comprehensive stakeholder engagement.
3. Defining outcomes in terms of sustainable economic, social and environmental benefits.
4. Determining interventions necessary to optimise the achievement of the intended outcomes.
5. Developing the Council's capacity. Including the capability of its leadership and individuals within it.
6. Managing risk and performance through robust internal control and strong public financial management.
7. Implementing good practices in transparency, reporting and audit to deliver effective accountability.

A copy of the Council's code is available on our website.

## Code of Corporate Governance

### The Purpose of the Governance Framework

The governance framework comprises the systems, processes, culture and values, by which the authority is directed and controlled together with activities through which it accounts to, engages with and leads the community. It enables the authority to monitor the achievement of its purposes and to consider whether those purposes have led to the delivery of appropriate, cost-effective services.

The Council's system of internal control is a significant part of that framework and is 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.

The governance framework has been in place at Exeter City Council for the year ended 31 March 2025 and up to the date of the approval of the annual statement of accounts.

### The Governance Framework

The Council's Governance Framework addresses the way the Council is controlled and managed, both strategically and operationally, and how it will deliver its services. The Framework recognises that the Council's business is focused upon its corporate priorities and seeks to facilitate delivery to our local communities of the goals set out in the Council's Corporate Plan 2022-26. The structures and processes, risk management and other internal control systems, such as standards of conduct, form part of this Framework, which is about managing the barriers to achieving the Council's objectives.

The local Code of Corporate Governance is reviewed annually through the Audit and Governance Committee and was last reviewed and recommended for approval by Council on 24 July 2024. Members and senior officers are responsible for putting in place proper arrangements for the governance of the Council's affairs and the stewardship of the resources at its disposal. This task is managed by the Strategic Management Board (SMB) which comprises the Chief Executive and Strategic Directors including the Section 151 Officer.

The Council has designed systems and processes to regulate, monitor and control its activities in order to achieve its vision and objectives. The Code of Corporate Governance sets out the controls in full.

## Code of Corporate Governance

### The key elements of the Governance Framework

#### Role of Governance Arrangements

The Council operates Executive governance arrangements, which consist of Executive and Scrutiny function. All Executive members have been allocated a specific portfolio and are responsible for driving forward the Council's key strategic aims.

The Council has a constitution which sets out how the Authority operates, how decisions are made and the procedures which are followed to ensure that decisions are efficient, transparent, and accountable to local people. This was approved in (insert date) and will be kept under review throughout the year.

#### Role of the Council

##### Council

- Comprises 39 elected Members (Councillors)
- Approves the Council's Corporate Strategy, Policy and Budgetary Framework
- Approves the Constitution
- Appoints to Committees, Sub-Committees and Outside Bodies

#### Role of Executive

##### Executive

- The Executive is responsible for most of the day to day decisions of the Council which are not delegated to officers. It is made up of the Leader of the Council and Portfolio Holders who have responsibilities for various service areas. It develops policies and strategies for approval by Council, exercises overall control of resources within the Council's policies and budget, and recommends the level of council tax to the Council. It also considers any matters specifically referred by a Scrutiny Committee

The Executive now regularly considers strategic risk registers, performance, complaints and other items which make up the governance framework. Scrutiny Committee are sighted on the Executive's work plan and may consider as appropriate. The Executive provides strategic leadership to the authority and is held to account by the Council's Scrutiny Committees.

## Code of Corporate Governance

### Role of Scrutiny

#### Scrutiny

- Not a decision-making body but seek to influence policies and decisions prior to them being made
- Have the ability to challenge/review decisions by calling them in
- Can investigate issues of public importance

The role that Scrutiny can play in holding an authority's decision-makers to account makes it fundamentally important to the successful functioning of local democracy. Effective scrutiny helps secure the efficient delivery of public services and drives improvements within the authority itself.

### Role of Audit and Governance Committee

#### Audit & Governance

- To provide independent assurance to the Council on the adequacy and effectiveness of the governance arrangements, risk management framework and internal control environment
- Approves the Annual Governance Statement and the Statement of Accounts
- To promote high standards of member conduct

The Committee meets with the external and internal auditor to discuss findings in the Annual Audit Management Letter and Reports and the Committee is responsible for ensuring that the Council's system for internal control is sound by reviewing control mechanisms, and guidelines (both internal and external) as well as adherence to these, ensuring continued probity and good governance of the Council's operations.

## Code of Corporate Governance

### Role of Management

The Authority has two layers of management and its management teams each play an important role in maintaining the governance framework.

#### Strategic Management Board (SMB)

- Implements policy and budgetary framework set by Council and provides advice to Committees of the Council on the development of future policy, procedure and budgetary issues
- Oversees the delivery of the Council's Corporate Strategy and implementation of Council Policy
- Oversees the implementation of audit recommendations to improve weaknesses in controls in a timely manner

#### Operational Management Board (OMB)

- Responsible for developing, maintaining and implementing the Council's governance risk and control framework
- Contribute to the effective corporate management and governance of the Council
- Responsible for ensuring audit recommendations to improve weaknesses in controls are actioned in a timely manner

The Strategic management Board ("SMB") comprising the Chief Executive and Strategic Directors meet weekly and focus on strategic issues, projects and programs and the health of the organisation.

The Operational Management Board ("OMB") comprises all service managers and they meet monthly to consider operational service issues and ensure compliance with corporate matters, such as performance, risk registers, compliance.

The Extended Leadership Team ("ELT") comprising SMB and OMB meet regularly and focus on both the Council's strategic direction, leadership and organisational development.

All Strategic Directors meet with the Heads of Service in their respective Directorates to consider specific service matters regularly.

## Code of Corporate Governance

### Role of Statutory Officers

#### Head of Paid Service

- Overall Corporate management and operational responsibility for the Council, including overall management responsibility for all employees
- The Head of Paid Service will determine how the Council's functions are discharged, the Council's structure, the number and grade of officers required to discharge those functions
- The provision of professional advice to all parties in the decision making process and responsibility for a system of record keeping for all the council's decisions
- Proper Officer for Access to Information

#### Section 151 Officer

- Accountable for developing and maintaining the Council's governance, risks and control framework
- Ensuring lawfulness and financial prudence of decision making and the administration of financial affairs
- Providing advice to all Councillors' on the scope of powers and authority to take decisions, maladministration, financial impropriety, probity and budget and policy framework issues
- Support and advise Councillors in their respective roles
- Contributes to the effective corporate management and governance of the Council

#### Monitoring Officer (MO)

- Monitoring, reviewing and maintaining the Constitution
- Ensuring lawfulness and fairness of decision making
- Supporting the Audit & Governance Committee by conducting investigations and/or undertaking other action in respect of matters referred by the Committee
- Advising whether decisions are in accordance with the Constitution
- Providing advice to all Councillors on the scope of powers and authority to take decisions, maladministration, financial impropriety, probity and budget and policy framework issues
- Support and advise Councillors in their respective roles
- Contribute to the effective corporate management and governance of the Council

## Code of Corporate Governance

The three statutory officers; the Head of Paid Service (the Chief Executive), the Monitoring Officer (Head of Service – Legal & Democratic) and Section 151 Officer (Strategic Director for Corporate Resources) fulfil the statutory duties associated with their roles as detailed above.

The Council's financial management arrangements conform to the governance requirements as set out in the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2016).

The Council formally reviews its Financial Procedure Rules on a regular basis. On-going updates are implemented as part of the regular reviews of the Constitution.

### Role of Southwest Audit Partnership

#### Internal Audit (South West Audit Partnership)

- Provides independent assurance and opinion on the adequacy and effectiveness of the Council's risk management and control framework
- Delivers an annual program of risk-based audit activity, including counter fraud and investigation activity and makes recommendations for the improvement in the management of risk and control

The Southwest Audit partnership is responsible for monitoring the quality and effectiveness of systems of internal control. The Council has delegated its Internal Audit function to Southwest Audit partnership. Internal Audit undertakes its work in accordance with the CIPFA Code of Practice for Internal Audit in the United Kingdom and the Public Sector Internal Audit Standards.

A risk model is used to formulate an annual audit work plan, progress against which is reviewed each quarter by Senior Leadership Team and the Audit & Governance Committee. The reporting process for Internal Audit requires a report of each audit to be submitted to the relevant Director and Service Lead as well as the Section 151 Officer.

The reports include an independent opinion on the adequacy of the applicable internal controls, audit findings and recommendations for improvements with an agreed timescale for implementation.

Progress against recommendations is followed up by Internal Audit and reported to Audit and Governance Committee at each meeting throughout the year.

## Code of Corporate Governance

The Internal Audit Annual Report 2023/24 was considered by the Audit and Standards Committee in July 2024. Internal Audit's opinion overall, based on all Internal Audit work during the year is that Satisfactory Assurance can be given over the adequacy and effectiveness of the Council's control environment for 2023/24.

### Role of External Audit

The current external auditors are Grant Thornton. External Auditors audit the financial statements and provide an audit opinion on whether the financial statements of the Council give a true and fair view of the financial position as at 31 March 2024 and of the income and expenditure for the year then ended. An unqualified opinion was issued in February 2025.

External auditors also consider whether the Council has put in place proper arrangements to secure economy, efficiency, effectiveness on its use of resources.

This Annual Governance Statement for 2023/24 is the latest accountability statement for governance.

### Role of Risk Management

A robust risk management framework is an integral part of operational service delivery and the decision-making process. The Council has a Performance and Risk Management Framework in place which provides visibility and assurance that there is a robust approach to managing performance and risk. An up to date and regularly reviewed Risk Management Policy and Strategy is maintained. This requires that both Directorate and Strategic Risk Registers are maintained with appropriate action plans to mitigate and manage identified risks. The strategic risk registers are reviewed and updated at the SMB Team as appropriate.

Responsibility for assessing the adequacy of the risk management process sits with the Audit and Governance Committee. Review of the risks and the implementation of mitigating controls included in the Corporate Risk Register (CRR) is undertaken by the Executive as owners of the CRR, this is done on a quarterly basis. The Council's Strategic Management Board (SMB) are responsible for constantly reviewing the risks being posed to the Council

Heads of Service monitor risks at operational level and feedback any issues to their Strategic Director. Any significant risks, at operational level, that could impact the Council corporately are escalated to the CRR. The administrative support for the CRR process is provided by the Executive Office Manager.

To ensure that risk is considered when decisions are made, all reports presented to Members must include a risk assessment of the actions or implications within the report. This assessment also covers legal and financial considerations. Risk assessments are also put in place as part of the Council's Project Management process.



## Code of Corporate Governance

The Strategic Risk Register is reported to the Executive to ensure those agreeing and implementing policy decisions, do so in knowledge of the context of the risks being faced by the Council.

### Review of effectiveness

The Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by:

- ✓ The work of the Strategic Management Board who have responsibility for the development and maintenance of the governance environment.
- ✓ The work of Executive who are responsible for considering overall financial and performance management and receive comprehensive reports throughout the year.
- ✓ The work of Customer Focus and Strategic Scrutiny Committees who monitor the overall financial performance of the Council.
- ✓ The work of the Audit & Governance Committee who monitor the standards of conduct of Members, effectiveness of risk management, the work of Internal Audit and the system of internal control.
- ✓ The Section 151 Officer who is responsible for delivering and overseeing the financial management of the Council.
- ✓ The Monitoring Officer who provides assurance that the Council has complied with its statutory and regulatory obligations.
- ✓ Annual reviews of the Council's key financial and non-financial systems by Internal Audit against known and evolving risks which are reported on a quarterly basis to the Audit & Governance Committee.
- ✓ Annual reviews of the Council's financial accounts and records by the External Auditors leading to their opinion as published in the year-end statements.
- ✓ Ongoing reviews of strategic and operational risks in each service area and the conduct of risk analysis and management in respect of major projects undertaken by the Council.
- ✓ Reviews and, where appropriate, updates of the Council's Constitution including Financial Regulations and Standing Orders
- ✓ Comments made by other review agencies and inspectorates.

### Financial Management Arrangements

The Council's financial management arrangements conform with the governance requirements of the CIPFA "Statement on the Role of the Chief Financial Officer in Local Government" (2010) as set out in the "Application Note to Delivering Good Governance in Local Government: Framework" and with the CIPFA Statement on the Role of the Head of Internal Audit in Public Service Organisations. The Section 151 Officer is a member of the Council's Strategic Management Board.

## Code of Corporate Governance

### Internal Audit

The Internal Audit Service is provided by South West Audit Partnership and is managed and delivered in accordance with the Public Sector Internal Audit Standards (PSIAS) which were introduced in April 2013. It is a requirement of the standards that an independent external review of Internal Audit's compliance with PSIAS is undertaken every five years. This external review was completed in December 2024 when the external assessor concluded that:

"It is our overall opinion that SWAP **generally conforms** to the Public Sector Internal Audit Standards (PSIAS), including the *Definition of Internal Auditing*, the *Code of Ethics* and the *Standards*."

Based on the assurance work undertaken by Internal Audit, the Audit Manager has provided an opinion on the adequacy of the control environment as part of the Annual Internal Audit Report which concluded that the key systems are operating soundly and that there are no fundamental breakdowns of controls resulting in material discrepancy.

### External Audit

The Council's external auditor (Grant Thornton) has not yet issued a certificate of completion in respect of 2020/21, although all necessary audit work has been completed. With regards to 2021/22, 2022/23 and 2023/24 again Grant Thornton has not yet issued a certificate of completion, but all work has been completed and an audit opinion has been issued for each year.

### Corporate Complaints

During 2023-24, 23 corporate complaints were received compared to 14 in 2022-23. Of the 23 complaints received, 17 were dealt with at Stage 1, 6 were dealt with at stage 2 and there are no complaints waiting to be resolved. There were multiple complaints in the year relating to the same issues, which contributed to the increase.

### Performance Management

Performance management of individual services, for example building control, planning and waste management has been developed in our Power BI dashboards. The scope of these dashboards continues to expand and the reports enable accessible, visible data and analytics to support managers in monitoring performance. A review of the priorities and objectives in the corporate plan will be undertaken shortly following the

appointment of the new Chief Executive. When completed a performance framework will be introduced to enable reporting and monitoring of performance across key areas of the council.

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## **REPORT TO AUDIT AND GOVERNANCE**

Date of Meeting: 19 March 2025

Report of: Head of Legal and Democratic Services & Monitoring Officer

Title: Update on the use of investigatory powers and the Regulation of Investigatory Powers Act 2000 Joint Policy and Procedure.

### **Is this a Key Decision?**

No

### **Is this an Executive or Council Function?**

Neither. This report is for consideration by the Council's Audit and governance Committee.

### **1. What is the report about?**

This report provides an update on the application of the Regulation of Investigatory Powers Act 2000 (RIPA) and the Investigatory Powers Act 2016. The legislation concerns the use by local authorities of covert methods of surveillance and information gathering to assist in the detection and prevention of crime in relation to the Council's functions.

A copy of the Council's policy, 'Regulation of Investigatory Powers Act 2000 Joint Policy and Procedure' (update February 2025) is attached to this report.

The Investigatory Powers Commissioner's Office (IPCO) is responsible for the oversight of covert surveillance by public authorities in the United Kingdom.

### **2. Recommendations:**

2.1 That Members consider this report and in particular note that the powers of surveillance under the Regulation of Investigatory Powers Act 2000 have not been exercised for the period 1 April 2023 to 31 March 2024;

2.2 That Audit and Governance Committee recommend to Council that the attached updated Council policy, the 'Regulation of Investigatory Powers Act 2000 Joint Policy and Procedure' is noted and approved.

### **3. Reasons for the recommendation:**

3.1 To ensure that Members are aware of the Council's policy and the extent to which statutory powers of surveillance have been used by Exeter City Council.

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

There are no resource implications raised by this report.

### **5. Section 151 Officer comments:**

5.1 There are no financial implications contained in the report.

## **6. What are the legal aspects?**

6.1 Members will note the report details set out at paragraph 8 below together with the Council's policy attached to this report.

## **7. Monitoring Officer's comments:**

7.1 The use of covert surveillance methods is a sensitive issue. Its use is strictly regulated in order to uphold the right of individuals concerning respect for their private and family life, home and correspondence as set out in Article 8 of the European Convention on Human Rights and applied in domestic law through the Human Rights Act 1998. The legislation concerning powers of covert surveillance is primarily set out in the Regulation of Investigatory Powers Act 2000 which sets out strict criteria which must be satisfied in order for interference with the Article 8 rights to be justified as a matter of law. The use of the statutory powers is carefully supervised and must only be applied in accordance with statutory provisions.

## **8. Report details:**

This report provides an update to Members concerning the Council's use of the powers of covert surveillance under the Regulation of Investigatory Powers Act 2000 (RIPA) for the period 1 April 2023 to 31 March 2024. Members will note that the Council has not exercised these powers for this period.

Members will also note the attached 'Regulation of Investigatory Powers Act 2000 Joint Policy and Procedure'. The policy was last reviewed in May 2023. It has been updated to reflect the new appointment to the post of Senior Responsible Officer (Simon Copper: Head of Legal & Democratic Services and Monitoring Officer). In addition to the existing Authorising Officer (Matthew Hall: Team Lead - ECL, Contracts and Licensing) an additional Authorising Officer has been appointed (Danny Damarell: Team Lead - Housing and Litigation). The post of RIPA Co-ordinating Officer is to be filled. The post was previously held by a member of the internal audit team. This came to an end when the internal audit function was transferred to the South West Audit Partnership in 2024.

Local authorities have the power, subject to stringent safeguards, to use powers of directed covert surveillance, Covert Human Intelligence Sources and to intercept communications data.

The provisions of the European Convention on Human Rights were incorporated into domestic law by the Human Rights Act 1998 which incorporated the Convention rights from October 2000.

Members will note the protection afforded by Article 8(1) of the European Convention on Human Rights that '[e]veryone has the right to respect for his private and family life, his home and his correspondence'. This is a qualified and not an absolute right. Article 8(2) provides the following qualification to Article 8(1):

'There shall be no interference by a public authority with the exercise of this right except such as is in accordance with the law and is necessary in a democratic society in the interests of national security, public safety or the economic well-being of the country, for the

prevention of disorder or crime, for the protection of health or morals, or for the protection of the rights and freedoms of others’.

In order to comply with Article 8 of the Convention, the Regulation of Investigatory Powers Act 2000 (RIPA 2000) and subsequently the Investigatory Powers Act 2016 were established to govern the use of directed surveillance, the use of covert human intelligence sources (CHIS) and the interception of communications by public bodies, including local authorities, in the UK.

The use of such powers is regulated by statute so that such actions must be authorised by a statutorily authorised person. The use of covert directed surveillance can only take place provided authorisation is secured. This is a robust two-stage process. Initially, the authorisation must be granted by a designated Authorising Officer within the Council. The Authorising Officer must be satisfied that the surveillance is necessary for the purposes of preventing or detecting crime and that the surveillance is proportionate to what is sought to be achieved by carrying it out. Additionally, local authorities are only able to authorise directed surveillance for the purpose of preventing or detecting conduct which would constitute an offence punishable whether on summary conviction or indictment by a maximum term of at least six months imprisonment. The authorisation must specify the nature of the surveillance and the circumstances under which it will be conducted. Once the internal authorisation is obtained, the local authority must seek judicial approval. This requires the presentation of the authorisation to a magistrate who will review the application to ensure it meets the requisite legal requirements. The magistrate must be satisfied that the surveillance is necessary and proportionate, and that it meets the seriousness threshold, which generally requires that the crime being investigated is punishable by a maximum term of at least six months imprisonment. The process ensures that the use of covert directed surveillance by local authorities is subject to stringent oversight with the aim of safeguarding the Article 8 rights of individuals.

The provisions related to CHIS concern the use of individuals who establish or maintain personal relationships for the covert purpose of obtaining information. Similar grounds are set out in RIPA concerning the use of CHIS. The authorisation of the use of CHIS must be necessary for the purpose of preventing and detecting crime and that the authorised conduct or use must be proportionate to what is sought to be achieved by that conduct and use. Arrangements for managing and controlling the CHIS must also be in place.

The Investigatory Powers Act 2016 (IPA 2016) has largely replaced RIPA 2000 in areas such as the interception and acquisition of communications data. IPA 2016 provides the statutory basis for the acquisition of communications data.

The Investigatory Powers Commissioner plays a central role in authorising the interception or release of communications data to local authorities under the IPA 2016. The Commissioner can grant authorisations to obtain communications data if it is deemed necessary and proportionate for specific purposes, such as preventing or detecting crime. In practice, the Office for Communications Data Authorisations (OCDA) handles these applications on behalf of the Commissioner. The OCDA plays a central role in overseeing and granting authorisations for obtaining communications data. The OCDA handles requests from public authorities (and law enforcement agencies) for access to communications data.

It is responsible for ensuring that the requests meet the necessary and proportionate criteria. The Investigatory Powers Commissioner may authorise the acquisition of communications data if it is necessary for purposes such as national security, preventing or detecting serious crime, or public safety. The National Anti-Fraud Network (NAFN) acts as a 'gatekeeper' for local authorities seeking to acquire communications data. Local authorities must access the OCDA via the NAFN, which provides advice and ensures compliance with the legal requirements. Specifically, local authorities do not authorise their own applications. This process is designed to ensure that the acquisition of communications data is conducted lawfully and proportionately, and with the statutory oversight of the Investigatory Powers Commissioner.

The Investigatory Powers Commissioner's Office has oversight functions in relation to covert surveillance, covert human intelligence sources and the use of acquisition and use of communications data, including auditing, inspecting, and investigating the exercise of statutory functions by public authorities. This ensures compliance with legal requirements and safeguards to protect privacy in accordance with the Article 8 convention right set out above.

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

The updates in this report contribute to the corporate objective of 'leading a well-run Council' by providing a policy on investigatory powers and controlling the use of covert surveillance and other forms of investigatory powers and having a policy to control these activities. This ensures that the Council complies with the strategic priority of upholding good governance.

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

The purpose of the policy is designed to give effect to legislation safeguarding privacy rights of individuals. By complying with the policy, the risk of non-compliance with the legislation is reduced.

## **11. Equality Act 2010 (The Act)**

11.1 Under the Act's Public Sector Equalities 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 individuals with protected characteristics as determined by the Act because the policy applies equally to all individuals.

## **12. Carbon Footprint (Environmental) Implications:**

12.1 No direct carbon/environmental impacts arising from the recommendations.

## **13. Are there any other options?**

13.1 No. In order to comply with the statutory provisions, it is necessary to have a policy in place and to report to Members on the use of surveillance powers

Director: Dave Hodgson (Strategic Director for Corporate Resources and Section 151 Officer)

Author: Simon Copper (Head of Legal and Democratic Services & Monitoring Officer)

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

Background papers used in compiling this report:

None

Contact for enquires:  
Democratic Services (Committees)  
Room 4.36  
01392 265275

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## **Regulation of Investigatory Powers Act 2000**

### **Joint Policy and Procedure**

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## Introduction

The Regulation of Investigatory Powers Act 2000 (RIPA) means that formal authorisation from a senior officer must be obtained before carrying out certain surveillance, monitoring and other evidence-gathering activities. The Council may not carry out any other types of surveillance at all.

It is important to remember that RIPA must always be complied with, regardless of whether the information obtained is to be used as evidence in court proceedings. Failure to comply with RIPA doesn't just mean that the evidence cannot be used in court; it means that the whole procedure is illegal and that the officers concerned do not benefit from the above protection.

### 1. What is this document for and why is it needed?

1.1 Councils' are allowed and required to carry out investigations in relation to their duties. Such investigations may require surveillance or information gathering of a covert nature.

1.2 **Article 8** of the European Convention on Human Rights provides:

**Article 8.1:** Everyone has the right to respect for his private and family life, his home and his correspondence.

**Article 8.2:** There shall be no interference by a public authority with the exercise of this right except such as is in accordance with the law and is necessary in a democratic society:

- In the interests of national security,
- Public safety or the economic well-being of the country,
- For the prevention of disorder or crime,
- For the protection of health or morals, or for the protection of rights and freedoms of others.

1.3 This right is not absolute, it is a qualified right. This means that in certain circumstances the Council *may* interfere with the right if the interference is:

- in accordance with the law
- necessary, and
- proportionate

1.4 Covert Surveillance and information gathering may constitute an interference with the right to respect for private and family life. To ensure that such an action is not unlawful under the Human Rights Act 1998, the Council needs to meet the requirements of the Regulation of Investigatory Powers Act 2000 (RIPA).

1.5 In simple terms, RIPA requires the Council to have in place procedures to ensure that when required, surveillance is necessary and is properly authorised. Surveillance is usually a last resort that an investigator will use to prove or disprove an allegation. RIPA sets out a statutory mechanism for authorising covert surveillance and the use of covert human intelligence sources (see below). RIPA seeks to ensure that any interference with an individual's rights under Article 8 is necessary and proportionate and that, therefore, there is a balance between public interest and an individual's human rights. Covert surveillance will only be undertaken where there is no reasonable and effective alternative means of achieving the desired objective.

### 2. What is meant by necessary?

- 2.1 It is essential to consider whether an investigation requiring surveillance or information gathering can be done overtly rather than covertly. What would the result be if you carried out the investigation overtly?
- 2.2 If an investigation can be reasonably carried out by any means other than by using covert surveillance, then the use of covert surveillance is not necessary.
- 2.3 It must then be considered whether it is necessary to conduct covert surveillance or use covert human intelligence sources in the circumstances of the particular case for the purpose of preventing or detecting crime where the offence is punishable by imprisonment of a term of six months or more.

### **3. What is meant by proportionate?**

- 3.1 Proportionality is a key concept of RIPA. Any authorisation to carry out surveillance should demonstrate how an Authorising Officer has reached the conclusion that the activity is proportionate to what it seeks to achieve; including an explanation of the reasons why the method, tactic or technique proposed is not disproportionate (i.e. 'a sledgehammer to crack a nut'). Proportionality is not only about balancing the effectiveness of covert methods over overt methods but of explaining why the particular covert method, technique or tactic is the least intrusive. It is insufficient to make a simple assertion or to say that the 'seriousness' of the crime justifies any or every method available. This critical judgment can only properly be reached once all other aspects of an authorisation have been fully considered.

You should make clear that the following elements of proportionality have been fully considered:

- balancing the size and scope of the operation against the gravity and extent of the perceived mischief
- explaining how and why the methods to be adopted will cause the least possible intrusion on the target and others
- that the activity is an appropriate use of the legislation and the only reasonable way, having considered all others, of obtaining the necessary result, and
- providing evidence of other methods considered and why they were not implemented

The Authorising Officer should set out, in their own words, why they believe (RIPA) the activity is necessary and proportionate. Simply saying it is necessary is insufficient.

- 3.2 The use of surveillance must be designed to do no more than meet the objective in question; it must not be unfair or arbitrary, and the impact on the individual (or group of people) concerned must not be too severe. In deciding whether the use or action is proportionate, the risk of intrusion into the privacy of persons other than those who are the object of the investigation must be considered, and the measures proposed to minimise such intrusion must be properly assessed. You must be satisfied that, on balance, the principle of the subject's right to privacy is outweighed by the purpose of the investigation. Clearly, the more serious the matter being investigated, the more likely that surveillance will be proportionate.
- 3.3 The proportionality test will also require you to consider whether there are any other appropriate means of obtaining the information and whether there is a risk of collateral intrusion. The least intrusive method will be proportionate. Some of the things you may also wish to consider in terms of proportionality are whether covert surveillance is the only option, what other options have been considered, the intended length of the investigation, the number of officers to be deployed in the investigation.

- 3.4 The activity will not be proportionate if it is excessive in the circumstances of the case or if the information which is sought could reasonably be obtained by other less intrusive means.

#### **4. What is covered by the Regulation of Investigatory Powers Act 2000?**

- 4.1 The main purpose of the Regulation of Investigatory Powers Act 2000 is to ensure that the relevant investigatory powers are used in accordance with human rights. The Act sets out these powers in more detail. Part II of the Act sets out the powers available to local authorities.
- 4.2 The Council is able to carry out investigations using covert surveillance and/or by using a covert human intelligence source under RIPA following the formal authorisation procedures and codes of practice as set out in this document. RIPA applies to the Council's core functions.
- 4.3 Please ask the RIPA Co-ordinating Officer for advice if you are unsure as to whether RIPA will apply.
- 4.4 RIPA not only covers the surveillance of members of the public but could also cover the observation of staff and members as part of an internal investigation.

#### **5. Why do we need to follow these rules?**

- 5.1 Following the requirements of RIPA and acting in accordance with this Policy, will protect the Council against potential challenges to its decisions and procedures. Not following the procedures specified in this document could also lead to a complaint of maladministration or a complaint to the independent Tribunal set up under RIPA, details of which are to be found at the end of this document.
- 5.2 The Council is also regularly inspected by a representative of the Investigatory Powers Commissioner's Office (IPCO) to ensure that all relevant legislation is complied with.

#### **6. What is the relevant legislation?**

- The Regulation of Investigatory Powers Act 2000
  - The Regulation of Investigatory Powers (Directed Surveillance and Covert Human Intelligence Sources) Order 2010
  - Protection of Freedom Act 2012
  - Investigatory Powers Act 2016 (initiated the oversight role of the Investigatory Powers Commissioner)
- 6.1 Authorisation may only be granted if it is necessary for the reason permitted by RIPA. For local authorities the only statutory reason is **for the purposes of preventing or detecting a criminal offence where that offence is punishable (whether on summary or indictment) by a minimum term of at least 6 months imprisonment.**
- 6.2 This means that directed surveillance cannot be used for minor offences.

#### **7. What is the Council's Policy on RIPA?**

- 7.1 This document is the Council's policy on RIPA. As such, it should be adhered to unless it is in conflict with either of the Government Codes of Practice which have been made under RIPA. The Codes of Practice are admissible as evidence in court and **must** be complied with.
- 7.2 Copies of the Codes of Practice are available on the [Home Office website](#): These are:



- Covert Surveillance Code Of Practice
- Covert Human Intelligence Sources Code Of Practice

## **8. When will this document be reviewed?**

- 8.1 This document shall be subject to review every two years. An earlier review may take place should circumstances in the law so require it. Minor amendments may be made by the Monitoring Officer from time to time.

## **9. Who is responsible for reviewing this document and the use of RIPA?**

- 9.1 The Council's **Audit and Governance Committee** is responsible for the overview of the RIPA policy and the Councils' use of RIPA. The Committee will not be involved in making decisions on specific authorisations.
- 9.2 The RIPA Co-ordinating Officer is responsible for the RIPA Policy, the Central Register of authorisations, and for making regular reports on the use of RIPA to the Councils Audit and Governance Committee.

## **10. How do I find out more?**

- 10.1 General guidance on RIPA may be found on the [Home Office website](#):
- 10.2 Please contact the Council's Monitoring Officer if you require any further advice on RIPA, this document or any of the related legislative provisions.

## Surveillance

### 11. What is Surveillance?

#### 11.1 “Surveillance” includes

- monitoring, observing, listening to persons, watching or following their movements, listening to their conversations and other such activities or communications
- recording anything mentioned above in the course of authorised surveillance
- surveillance, by or with, the assistance of appropriate surveillance device(s)
- the interception of a communication in the course of its transmission by means of a postal service or telecommunication system if it is one sent by, or intended for, a person who has consented to the interception of the communication.

#### 11.2 Surveillance can be overt or covert.

#### 11.3 Overt Surveillance

Overt Surveillance is that which is not covert, the definition of which follows in section 12.1.

Overt surveillance does **not** require authorisation under RIPA.

### 12. What is Covert Surveillance?

#### 12.1 “Covert Surveillance” means surveillance which is carried out in a manner calculated to ensure that the persons subject to the surveillance are unaware that it is or may be taking place.

**Covert surveillance does require authorisation under RIPA.**

#### 12.2 RIPA regulates two types of covert surveillance:

- Directed Surveillance, and
- Intrusive Surveillance;

#### 12.3 RIPA also regulates the use of Covert Human Intelligence Sources (see section 13)

#### 12.4 Directed Surveillance

Directed surveillance is defined as surveillance which is:

- covert,
- not intrusive (see definition below)
- undertaken for the purposes of a specific investigation or specific operation;
- carried out in such a manner as is likely to result in the obtaining of private information about a person (whether or not that person is the target of the investigation or operation); and
- undertaken in a planned manner, and not as an immediate response to events or circumstances.

#### 12.5 Use of the internet and social networking sites may potentially fall within the definition of covert directed surveillance. This is likely to result in the breaching of an individual's Article 8 rights under the Human Rights Act (the right to privacy).

12.6 The Chief Surveillance Commissioner has made specific reference to the increasing use of Social networking sites as a method of gathering intelligence and has stated in the Annual report:

‘Although there remains a significant debate as to how anything made publically available in this medium can be considered private, my commissioners remain of the view that the repeat viewing of individual ‘open source’ sites for the purpose of intelligence gathering and data collation should be considered within the context of the protection that RIPA affords to such activity.

There is a fine line between general observation, systematic observation and research and it is unwise to rely on a perception of a person’s reasonable expectations or their ability to control their personal data.’

12.7 The Council’s policy in relation to the use of social media for the gathering of evidence to assist in its enforcement activities is set out below:

- officers must not ‘friend’ individuals on social networks or set up fake profiles
- officers should not use their own private accounts to view the social networking accounts of other individuals
- officers viewing an individual’s profile on a social networking site should do so only once in order to obtain evidence to support refute their investigation
- further viewing of open profiles on social networking sites to gather evidence or to monitor an individual’s status, must only take place once RIPA authorization has been granted and approved by a Magistrate
- officers should be aware that it may not be possible to verify the accuracy of information on social networking sites and, if such information is to be used as evidence, steps must be taken to ensure its validity.

#### 12.8 Intrusive surveillance

Intrusive surveillance is surveillance of any activities on any **residential premises** or in any private vehicle by a person (other than a Covert Human Intelligence Source) on those premises or in that vehicle or is carried out by means of a surveillance device on the premises or in the vehicle or which provides information of the same quality and details as if it was on the premises or in the vehicle

12.9 However, directed surveillance authorisation may be granted for parts of residential premises, such as gardens or driveways which can be observed from the public highway. Further guidance on this point may be obtained from the Council’s Monitoring Officer.

12.10 It is important to get this right because:

#### **COUNCIL OFFICERS CANNOT CARRY OUT INTRUSIVE SURVEILLANCE**

#### 12.11 Interference with property

Under RIPA, local authorities can not authorise any ‘interference with property’ activities. However, it may be necessary to conduct a minor trespass in order to conduct the covert surveillance which may have a civil liability implication for the Council. It is important that if such matters are considered appropriate legal advice is taken beforehand.

### 13. What are Covert Human Intelligence Sources?

13.1 The term Covert Human Intelligence Sources (CHIS) is used to describe people who are more commonly known as informants or officers working “undercover”.

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13.2 This does not include members of the public who volunteer information to the Council as part of their normal civic duties or to contact numbers set up to receive information.

13.3 A person is a CHIS if he/she:

- establishes or maintains a covert personal or other relationship for the purposes of:
- obtaining information; or
- providing access to information to another person; or
- discloses information obtained by the use or existence of that covert relationship

13.4 RIPA authorisation is required for using a CHIS.

13.5 There are special rules for using juvenile or vulnerable persons as a CHIS, and only the Chief Executive can authorise such surveillance.

13.6 Further advice should be sought from the Council's Monitoring Officer in such cases.

#### **14. How can I obtain communications data?**

14.1 Local authorities can carry out interception of communications in a restricted number of circumstances.

These are:

##### **14.2 In the course of normal business practice**

The Councils are permitted without authorisation under RIPA to lawfully intercept its employees' e-mail or telephone communications and monitor their internet access for the purposes of prevention or detection of crime or the detection of unauthorised use of these systems.

The Councils' policies on use of the internet and e-mail are set out on the Council's intranet.

##### **14.3 Interception with the consent of both parties.**

Such interception does not require RIPA authorisation, but should be properly recorded.

##### **14.4 Interception with the consent of only one of the parties.**

Such interception would require RIPA authorisation because it would fall within the definition of surveillance (either directed or using a CHIS). The main type of interception envisaged here is the recording of telephone calls where either the caller or the receiver has given consent to the recording.

Where as part of an already authorised Directed Surveillance or use of a CHIS a telephone conversation is to be recorded by the Officer or the CHIS then no special or additional authorisation is required.

##### **14.5 Interception without the consent of either of the parties**

The recording of telephone calls between two parties when neither party is aware of the recording **CANNOT BE UNDERTAKEN**, except under a Warrant granted by the Secretary of State under Part 1 of RIPA. Such warrants are only granted by the Secretary of State and it is not envisaged that such activity would fall within the remit of local authority investigations.

## Procedures

### 15. What is the procedure for obtaining authorisation under RIPA?

15.1 Directed surveillance and the use of a CHIS can only be lawfully carried out if properly authorised, and in strict accordance with the terms of the authorisation.

15.2 All directed surveillance and use of a CHIS operations shall be:

- Applied for in writing
- Authorised by a magistrates court
- Monitored
- Renewed by a magistrates court (when necessary)
- Cease when no longer authorised

15.3 All the above actions will be carried out in accordance with this document and the relevant Codes of Practice and will be recorded on the Standard Forms listed below:

15.4 The Standard Forms are available from the [Home Office web-site](#).

#### 15.5 Directed Surveillance

- Application for directed surveillance authorisation
- Review of directed surveillance authorisation
- Application for cancellation of directed surveillance authorisation
- Application for renewal of directed surveillance authorisation

#### 15.6 Use of a Source

- Application for conduct-use of a CHIS authorisation
- Review of use of a CHIS authorisation
- Application for renewal of use of a CHIS authorisation
- Application for cancellation of conduct-use of a CHIS authorisation

15.7 Copies of all these documents will be retained and kept on the investigation file as part of the evidence to show that the information gained by directed surveillance or the use of a CHIS has been obtained legally.

15.8 This document provides guidance on the Procedures required to be undertaken by the Investigating Officer and the Authorising Officer for the different stages specified above.

## **The Senior Responsible Officer's Duties**

### **16. Who is the Senior Responsible Officer?**

16.1 The Councils' Senior Responsible Officer is listed in the annex to this document.

### **17. What are my duties?**

In accordance with the recommendations of the Codes of Practice, you are responsible for the following areas:-

- The integrity of the process in place within the Council for the management of Covert Human Intelligence Sources and Directed Surveillance.
- Annual retrospective quality assurance review of all RIPA investigations undertaken
- Compliance with Part II of RIPA and the Codes of Practice.
- Oversight of the reporting of errors to the relevant oversight Commissioner and the identification of both the cause(s) of errors and the implementation of processes to minimise repetition of errors.
- Engagement with the OSC inspectors when they conduct their inspections.
- Oversight of the implementation of any post-inspection action plan approved by the relevant oversight Commissioner.
- Ensuring that all Authorising Officers are of an appropriate standard in light of any recommendations in the inspection reports by the Office of the Surveillance Commissioner.

## **The Investigating Officer's Duties under RIPA.**

### **The Application**

**The application for authorisation is the responsibility of the Investigating Officer.**

#### **18. What do I need to do?**

18.1 You will need to consider:

- Whether covert surveillance is needed.
- Whether directed surveillance or use of a CHIS is needed.
- Whether directed surveillance or use of a CHIS is necessary for statutory reasons.
- Whether directed surveillance or use of a CHIS is proportionate.
- The risk of collateral intrusion.
- Safety and welfare arrangements (use of Source only).

These are discussed in more detail below.

#### **19. What do I need to consider?**

##### **19.1 Whether covert surveillance is needed**

Consideration must be given as to whether covert surveillance is needed. You are advised to discuss the need to undertake directed surveillance or the use of a CHIS with your line manager before seeking authorisation. All options for the use of overt means **must** be fully explored. Remember: if the investigation can be carried out by overt means, then covert surveillance is not necessary.

##### **19.2 Whether directed surveillance or use of a CHIS is needed**

You must establish which type of "surveillance" is required for the investigation or operation having regard to the guidance contained in this document. The type of surveillance you require affects which application forms you need to complete. Additional considerations are needed for using a CHIS. Further detail is found below. Combined authorisations for both directed surveillance and the use of a CHIS may be applied for where appropriate.

**Remember that sometimes the use of 'Social Media' may amount to a directed surveillance. If you are thinking of doing this, then please contact the Council's Monitoring officer for advice as to whether you require a RIPA authorisation.**

##### **19.3 Whether directed surveillance or use of a CHIS is necessary for the statutory reason**

Authorisation may only be granted if it is necessary for the reason permitted by RIPA.

For local authorities the only statutory reason is **for the purposes of preventing or detecting a criminal offence where that offence is punishable (whether on summary or indictment) by a minimum term of at least 6 months imprisonment.**

You must set out this ground in your application form and provide details of the reasons why it is necessary to use covert surveillance.

##### **19.4 Whether directed surveillance or use of a CHIS is proportionate**

You must consider why it is proportionate to use covert methods to collect evidence. Please see the definitions set out on page 2 "what is proportionate?" Remember, the use of covert

methods must do no more than meet your objective. The proportionality test will also require you to consider whether there are any other appropriate means of obtaining the information and whether there is a risk of collateral intrusion (see consideration below). The least intrusive method will be proportionate. The following aspects of proportionality must be considered and evidenced:-

- (a) Balancing the size and scope of the proposed activity against the gravity and extent of the perceived crime or offence
- (b) Explaining how and why the methods to be adopted will cause the least possible intrusion on the target and others
- (c) Considering whether the activity is an appropriate use of the legislation and a reasonable way, having considered all reasonable alternatives, of obtaining the necessary result
- (d) Evidencing, as far as reasonably practicable, what other methods have been considered and why these were not implemented.

#### **19.5 The risk of collateral intrusion**

Collateral intrusion is the risk of intrusion into the privacy of persons other than the target. You are required to assess the risk of collateral intrusion. Details of any potential collateral intrusion should be specified. Measures must be taken wherever practicable to avoid or minimise collateral intrusion and a plan should be included in your application specifying how the potential for collateral intrusions will be minimised. You should give as much detail as possible, insufficient information may lead to the rejection of the application.

#### **19.6 Surveillance from private premises**

It is preferable for surveillance to be carried out from a public place, such as a public highway. However, there may be circumstances where private premises may be required for the carrying out of surveillance. In which case, it is essential that you obtain the consent of the owner and/or occupier of the premises prior to authorisation being sought.

You should seek further guidance from the Council's Monitoring Officer on this point.

#### **19.7 Safety and welfare arrangements – use of a CHIS**

Before authorising the use of a CHIS you must ensure that a risk assessment is carried out to determine the risks to the CHIS of any tasking and the likely consequences should the role of the CHIS become known. The ongoing safety and welfare of the CHIS, after the cancellation of the authorization, should also be considered at the outset.

Details must also be included setting out the arrangements for the safety of the CHIS, this should include:

- (a) The name of the Officer who has day to day responsibility for:
  - Dealing with the CHIS.
  - Directing the day to day activities of the CHIS.
  - Recording the information supplied by the CHIS.
  - The CHIS's security and welfare.
- (b) The name of the Officer responsible for recording and monitoring the use made of the CHIS.
- (c) Arrangements for ensuring the security of the records which identify the CHIS.
- (d) Records relating to the CHIS meet the requirements of the Statutory Instrument: The Regulation of Investigatory Powers (Source Records) Regulations 2000



(SI 2000 No. 2725) – please see either the [Home Office website](#) or the [Office of Public Sector Information website](#).

## **20. How do I apply?**

20.1 All applications must be made in writing on the standard forms provided by the Home Office.

20.2 The relevant forms are:

- An application for directed surveillance authorisation, and/or
- An application for use of a CHIS.

20.3 The considerations set out above, form part of the application form.

20.4 The application form must be fully completed and passed to the Authorising Officer. The annex to this document contains details of the Council's Authorising Officers.

**NB. All authorisations and renewals must have the prior approval of the Magistrates' before they take effect.**

## **21. What if authorisation is urgent?**

21.1 The 2012 Home Office Guidance states that in most emergency situations where the police have power to act, then they are able to authorise activity under RIPA without prior JP approval. Therefore local councils may need to work with the police if faced with an emergency.

NB. Urgent authorisation may not be necessary if, under section 26(2) of the Act, an officer suddenly sees something relevant to his duties and takes an immediate note, observation of follow-up activity (within reason).

## **Monitoring**

## **22. How long will an authorisation last for?**

22.1 The authorisation for Directed Surveillance will last for **three months** from the date of authorisation unless renewed.

22.2 The authorisation for use of a CHIS will last for **12 months** from the date of authorisation (i.e. date of Magistrates' Order) unless renewed.

22.3 Review dates for the authorisation will be set by the Authorising Officer.

## **23. I now have my authority for surveillance, what else I should be aware of?**

23.1 It will be the responsibility of the Investigating Officer to ensure that any Directed Surveillance or use of a CHIS is only undertaken under an appropriate and valid authorisation. It is also important for you to ensure that those undertaking the surveillance have read the authorization and understand exactly what has been authorised.

23.2 During the surveillance, you should ensure:

- Surveillance is carried out in accordance with the approval
- Collateral intrusion is minimised as far as possible
- Intrusive surveillance is not carried out
- All information obtained is recorded contemporaneously or as soon as possible thereafter

23.3 During the use of a CHIS, you should also ensure that the CHIS is aware that:

- Only the tasks authorised are carried out
- Third party collateral intrusion is minimised as far as possible
- Intrusive surveillance is not carried out
- Entrapment is not committed
- They must regularly report to you

23.4 You should also be mindful of the date when authorisations and renewals will cease to have effect. Please see the notes on Renewals and Cancellation below.

## **24. What do I do if circumstances change during the investigation?**

24.1 You must inform the Authorising Officer if the investigation unexpectedly interferes with the privacy of individuals who are not covered by the authorisation or if there is another change in circumstances usually brought about by unforeseen action.

24.2 When the original authorisation may not be sufficient, consideration should be given to whether the authorisation needs to be amended and re-authorised (for minor amendments only) or whether it should be cancelled and a new authorisation obtained. The relevant forms should be used.

24.3 Particular care should be taken when using a CHIS to ensure that authorisation is sufficient. It is difficult to predict what might occur each time a meeting with a CHIS takes place. If unforeseen action takes place, the occurrence should be recorded as soon as possible after the event and the sufficiency of the authorisation must be considered.

24.4 You must bring to the attention of the Authorising Officer any concerns about the personal circumstances of the CHIS in relation to: the validity of the risk assessment; the conduct of the CHIS; the safety and welfare of the CHIS.

## **Renewals**

## **25. Why are renewals important?**

25.1 Surveillance must cease unless a renewal has been applied for and approved. Renewals must be authorised prior to the expiry of the original authorisation but will run from the date and time of expiry of the original authorisation.

## **26. What should I do?**

26.1 If it appears that the directed surveillance or use of a CHIS is needed beyond the authorisation date, you must seek a renewal of the authorisation.

26.2 You must consider whether covert methods are still necessary and proportionate.

26.3 An application for renewal for either Directed Surveillance and/or use of CHIS should be made on the relevant form provided by the Home Office at [www.homeoffice.gov.uk](http://www.homeoffice.gov.uk) and passed to the Authorising Officer for consideration.

**NB. All authorisations and renewals must have the prior approval of the Magistrates' before they take effect.**

## **Cancellations**

## **27. Why are cancellations important?**

27.1 All authorisations, including renewals, must be cancelled if the reason why Directed Surveillance or use of a CHIS was required no longer exists or is no longer proportionate. This will occur in most instances when the purpose for which surveillance was required has been achieved and officers must be mindful of the need to cancel any authorisation which has been issued. A cancellation should be issued at the expiry date if not before.

## **28. How do I cancel an authorisation?**

28.1 To cancel an authorisation, you should complete the Cancellation of Authorisation form provided by the Home Office at [www.homeoffice.gov.uk](http://www.homeoffice.gov.uk) and submit it to the Authorising Officer for endorsement.

## Authorising Officer Responsibilities under RIPA

### The Approval

#### 29. Who are the Authorising Officers?

- 29.1 The Council's Authorising Officers are listed in the annex to this document.
- 29.2 If the investigation may involve the acquisition of confidential or religious material, or require an authorisation for using juveniles or vulnerable persons as sources, the Authorising Officer is, by law, the Chief Executive (or in his absence the Deputy Chief Executive).
- 29.3 Authorising Officers should not be responsible for authorising investigations or operations in which they are directly involved. If this is the case, the application form for authorisation should be noted to this effect.

**NB. All authorisations and renewals must have the prior approval of the Magistrates' before they take effect.**

#### 30. What are my responsibilities?

- 30.1 Responsibility for authorising the carrying out of directed surveillance or using a CHIS rests with the Authorising Officer and requires the personal authority of the Authorising Officer.
- 30.2 You must be satisfied that a defensible case can be made for surveillance. Authorisation is a safeguard against the abuse of power by public authorities. Full consideration of necessity and proportionality will make the action less vulnerable to challenge under the Human Rights Act 1998.

#### 31. What do I need to consider?

- 31.1 You are required to consider the application for authorisation in relation to the following:

**Is the directed surveillance or use of a CHIS necessary?**

- 31.2 **Firstly**, you must consider whether it is necessary to carry out the investigation by covert methods. This is an important consideration and must be recorded on the form. Please see "what is meant by necessary?" on Pages 1 and 2 of the Policy.
- 31.3 **Secondly**, as authorisation may only be granted if it is necessary for the reason permitted by RIPA. You should consider, having regard to the outline of the case provided by the Investigating Officer, whether authorisation is necessary for the purposes of preventing and detecting crime or of preventing disorder

**Is the directed surveillance or use of a CHIS proportionate?**

- 31.4 This involves balancing the intrusiveness of the activity on the target and others who may be affected by it (see "consideration: risk of collateral intrusion" below) against the need for the activity in operational terms. Please refer to "what is proportionate?" on page 2 of this Policy.

**Consideration: The risk of collateral intrusion**

- 31.5 You must take into account the risk of interfering with the privacy of persons other than the target (collateral intrusion). Full details of potential collateral intrusion and the steps to be taken to minimise such intrusion must be included in the form. If there are insufficient details further information should be sought. Collateral intrusion forms part of the proportionality test

and is therefore very important. Remember: the least intrusive method should be chosen otherwise the surveillance activity will not be proportionate.

#### **Consideration: confidential material**

- 31.6 In cases where through the use of directed surveillance or the use of a CHIS it is likely that knowledge of confidential information will be acquired, authorisation may only be granted by the Chief Executive.
- 31.7 Confidential information consists of matters subject to legal privilege, confidential personal information or confidential journalistic material.
- 31.8 Authorisation involving the acquisition of confidential information should only be given in exceptional and compelling circumstances having full regard to the proportionality issues involved.
- 31.9 Further details about the type of information covered under this category are to be found in the Chapter 3 of the relevant Code of Practice. Further advice may be sought from the Council's Monitoring Officer.

#### **Consideration: Safety and welfare arrangements of a CHIS**

31.10 When authorising the conduct or use of a CHIS, you must be satisfied:

- That the conduct and/or use of the CHIS is proportionate to what is sought to be achieved;
- That arrangements exist for the management and oversight of the CHIS, particularly the health and safety of the CHIS including:
  - Identifying the person who will have day to day responsibility for dealing with the CHIS
  - Security and welfare arrangements of the CHIS both during and after the investigation/operation.
  - Monitoring and recording the information supplied by the CHIS
  - Ensuring records disclosing the identity of the CHIS will not be made available to persons except where there is a need for access to them
  - Records relating to the CHIS meet the requirements of the Statutory Instrument: The Regulation of Investigatory Powers (Source Records) Regulations 2000 (SI 2000 No. 2725) – please see either the [Home Office website](#) or the [Office of Public Sector Information website](#).

#### **Consideration: local community**

31.11 You should consider whether there any particular sensitivities in the local community where surveillance will be taking place.

**Having taken all these factors into consideration, you may either authorise the application or refuse it.**

### **32. What do I do if I have refused the application?**

32.1 You must complete the form and give your reasons for refusal. Then follow the procedures below ("I have completed the form what do I do with it?")

### **33. What do I do if I have approved the application?**

33.1 You need to follow the rest of the procedure set out below.

- 33.2 Regular review should be undertaken to assess the need for surveillance or use of a CHIS to continue and whether it is still proportionate. Where the surveillance or use of a CHIS provides access to confidential information or involves collateral intrusion, review should be more frequent.
- 33.3 You will therefore need to consider a Review Date(s). Both types of authorisation require you to specify a date when the authorisation should be reviewed (the Review Date) and the frequency of the review thereafter. This must be stated on the form.

#### **34. What do I do if the authorisation is urgent?**

- 34.1 The 2012 Home Office Guidance states that in most emergency situations where the police have power to act, then they are able to authorise activity under RIPA without prior JP approval. Therefore local councils may need to work with the police if faced with an emergency.

NB. Urgent authorisation may not be necessary if, under section 26(2) of the Act, an officer suddenly sees something relevant to his duties and takes an immediate note, observation of follow-up activity (within reason).

#### **35. What is the procedure for applying for Judicial Approval**

- 35.1 Following approval by you as the authorising officer the first stage of the process is for you to contact Her Majesty's Courts and Tribunals Service (HMCTS) administration team at the magistrates' court to arrange a hearing.
- 35.2 You will need to provide the JP with a copy of the original RIPA authorisation or notice and the supporting documents setting out the case. This forms the basis of the application to the JP and should contain all information that is relied upon. For communications data requests the RIPA authorisation or notice may seek to acquire consequential acquisition of specific subscriber information. The necessity and proportionality of acquiring consequential acquisition will be assessed by the JP as part of his consideration
- 35.3 The original RIPA authorisation or notice should be shown to the JP but should be retained by you so that it is available for inspection by the Commissioners' offices and in the event of any legal challenge or investigations by the Investigatory Powers Tribunal (IPT). However, the court may wish to take a copy. In addition, you need to provide the JP with a partially completed judicial application/order form at Annex B.
- 35.3 Although you are required to provide a brief summary of the circumstances of the case on the judicial application form, this is supplementary to and does not replace the need to supply the original RIPA authorisation as well.
- 35.4 The order section of this form will be completed by the JP and will be the official record of the JP's decision. You will need to obtain judicial approval for all initial RIPA authorisations/applications and renewals and you will need to retain a copy of the judicial application/order form after it has been signed by the JP. There is no requirement for the JP to consider either cancellations or internal reviews.

#### **Arranging a Hearing**

- 35.5 You will need to contact HMCTS administration as soon as possible to request a hearing. On the rare occasions where out of hours access to a JP is required then it will be for you to make local arrangements with the relevant HMCTS legal staff. In these cases you will need to provide two partially completed judicial application/order forms so that one can be retained by the JP. You should also provide the court with a copy of the signed judicial application/order form the next working day.

35.6 In most emergency situations where the police have power to act, then they are able to authorise activity under RIPA without prior JP approval. No RIPA authority is required in immediate response to events or situations where it is not reasonably practicable to obtain it (for instance when criminal activity is observed during routine duties and officers conceal themselves to observe what is happening).

35.7 Where renewals are timetabled to fall outside of court hours, for example during a holiday period, it is your responsibility to ensure that the renewal is completed ahead of the deadline. Out of hours procedures are for emergencies and should not be used because a renewal has not been processed in time.

### **Attending a Hearing**

35.8 The hearing is a 'legal proceeding' and therefore local authority officers need to be formally designated to appear, be sworn in and present evidence or provide information as required by the JP.

35.9 The hearing will be in private and heard by a single JP who will read and consider the RIPA authorisation or notice and the judicial application/order form. He/she may have questions to clarify points or require additional reassurance on particular matters.

35.10 You will want to consider who is best able to answer the JP's questions on the policy and practice of conducting covert operations and detail of the case itself. It is envisaged that the case investigator will be able to fulfil this role. The investigator will know the most about the investigation and will have determined that use of a covert technique is required in order to progress a particular case. You may consider it appropriate for the SPoC (single point of contact) to attend for applications for CD RIPA authorisations or notices. This does not, however, remove or reduce in any way the duty of you as the authorising officer to determine whether the tests of necessity and proportionality have been met. Similarly, it does not remove or reduce the need for the forms and supporting papers that the authorising officer has considered and which are provided to the JP to make the case.

35.11 All application for judicial approval should be referred to Legal services who will advise on who should be presenting RIPA cases to JPs under section 223 of the Local Government Act 1972.

### **Decision**

35.12 The JP will consider whether he or she is satisfied that at the time the authorisation was granted or renewed or the notice was given or renewed, there were reasonable grounds for believing that the authorisation or notice was necessary and proportionate. They will also consider whether there continues to be reasonable grounds. In addition they must be satisfied that the person who granted the authorisation or gave the notice was an appropriate designated person within the local authority and the authorisation was made in accordance with any applicable legal restrictions, for example that the crime threshold for directed surveillance has been met.

35.13 **The forms and supporting papers must by themselves make the case. It is not sufficient for the local authority to provide oral evidence where this is not reflected or supported in the papers provided.** The JP may note on the form any additional information he or she has received during the course of the hearing but information fundamental to the case should not be submitted in this manner.

35.14 If more information is required to determine whether the authorisation or notice has met the tests then the JP will refuse the authorisation. If an application is refused you will need to consider whether they can reapply, for example, if there was information to support the application which was available to you, but not included in the papers provided at the hearing.

35.15 The JP will record his/her decision on the order section of the judicial application/order form. HMCTS administration will retain a copy of the local authority RIPA authorisation or notice and the judicial application/order form. This information will be retained securely.

35.16 The local authority will need to provide a copy of the order to the communications the SPoC (Single Point of Contact) for all CD requests. SPoCs must not acquire the CD requested, either via the CSP or automated systems until the JP has signed the order approving the grant.

## **Outcomes**

35.17 Following their consideration of the case the JP will complete the order section of the judicial application/order form (see form at Annex B) recording their decision. The various outcomes are detailed below:

35.18 The JP may decide to:

- **Approve the Grant or renewal of an authorisation or notice**  
The grant or renewal of the RIPA authorisation or notice will then take effect and you may proceed to use the technique in that particular case.  
In relation to CD, you will be responsible for providing a copy of the order to the SPoC.
- **Refuse to approve the grant or renewal of an authorisation or notice**  
The RIPA authorisation or notice will not take effect and you may not use the technique in that case. Where an application has been refused you may wish to consider the reasons for that refusal. For example, a technical error in the form may be remedied without you going through the internal authorisation process again. You may then wish to reapply for judicial approval once those steps have been taken.
- **Refuse to approve the grant or renewal and quash the authorisation or notice**  
This applies where a magistrates' court refuses to approve the grant, giving or renewal of an authorisation or notice and decides to quash the original authorisation or notice.  
The court must not exercise its power to quash that authorisation or notice unless the applicant has had at least 2 business days from the date of the refusal in which to make representations.

## **Complaints/Judicial Review**

35.19 There is no complaint route for a judicial decision unless it was made in bad faith. Any complaints should be addressed to the Magistrates' Advisory Committee.

35.20 A local authority may only appeal a JP decision on a point of law by judicial review. If such a concern arises, the local authority should consult their legal advisers.

35.21 The IPT will continue to investigate complaints by individuals about the use of RIPA techniques by public bodies, including local authorities. If, following a complaint to them, the IPT does find fault with a RIPA authorisation or notice it has the power to quash the JP's order which approved the grant or renewal of the authorisation or notice.

## **36. What do I do with the completed forms?**

36.1 You must send the completed application form(s) to the RIPA Co-ordinating Officer as soon as you are able. This includes any forms in which you have refused authorisation. You should retain a copy of the form and send a further copy to the relevant Investigating Officer for retention on the investigation file. The investigation officer should be advised that it is their



responsibility to ensure that those undertaking the surveillance read the authorization to understand exactly what has been authorised.

## **Monitoring**

### **37. How long will an authorisation last for?**

- 37.1 The authorisation for **Directed Surveillance** will last for **three months** from the date of authorisation unless renewed.
- 37.2 The authorisation for use of a **CHIS** will last for **12 months** from the date of authorisation unless renewed.
- 37.3 It is important to set a review date which gives the opportunity to cancel if the authorisation is no longer required. If the surveillance is still required, set another review date (see below)

### **38. I have now given the authority for surveillance, what should I do next?**

- 38.1 After authorisation the Authorising Officer is responsible for continuing to oversee the progress of the investigation. You must ensure that whatever was authorised does actually happen, and that actions do not exceed the boundaries of the authorisation.
- 38.2 Progress of the investigation or operation should be reviewed in accordance with the review dates set by the authorisation using the relevant review form. In any case, as soon as the investigation or operation objectives have been achieved the authority should be cancelled.
- 38.3 You will regularly monitor the surveillance to ensure:
- Surveillance is being carried out in accordance with the authority given
  - There is still a need for the approved surveillance or use of the CHIS
  - The surveillance is achieving the intended results
  - The risks of collateral intrusion are still minimal
  - The risks associated with the surveillance or use of the CHIS are within an acceptable level
  - The security and/or welfare of the CHIS has not been jeopardised. You must consider any concerns raised by the Investigating Officer relating to the personal circumstances of the CHIS.
- 38.4 You should record the outcome of such monitoring and take whatever action is appropriate.

## **Renewals**

### **39. Why are renewals important?**

- 39.1 Surveillance must cease unless a renewal has been applied for and approved.

**NB. All authorisations and renewals must have the prior approval of the Magistrates' before they take effect.**

### **40. What are my responsibilities in respect of renewals?**

- 40.1 You may renew an authorisation if it is necessary for the authorisation to continue for the purpose for which it was given.

40.2 You must consider the application for renewal in relation to the original purpose for which authorisation was granted, taking into account any change in circumstances. You should be satisfied that:

- There is a need to renew the authorisation (applying the test of necessity)
- That such a renewal is likely to contribute to the investigation or operation (it is proportionate to the aim)
- That the information could not be reasonably obtained by other less intrusive means.
- The risk of collateral intrusion is minimal – you should consider what collateral intrusion has occurred
- The risks associated with the use of a CHIS have not increased beyond an acceptable level

40.3 The outcome of a consideration for renewal may lead to:

- Approval
- A new application
- Refusal

### **Approval**

40.4 If you decide to approve a renewal you will need to provide details of why in your opinion you believe the renewal is justified, and state the date and time when the renewed authorisation will commence and expire on the application form.

40.5 The maximum time that renewal of authorisation can be approved for, is three months at a time for directed surveillance and 12 months for the use of a CHIS, but you may consider shorter periods if this is more appropriate to the circumstances.

40.6 You should also set Review Dates and continue to monitor the progress of the investigation or operation.

### **A new application for authorisation**

40.7 Minor amendments can be made by way of review. However, if significant changes are required e.g. if the reason for requiring the authorisation has changed from the purpose for which it was originally granted, then the outstanding authorisation should be cancelled and new authorisation sought by way of a new application. You will need to note the refusal to renew the application on the renewal form setting out the reasons for your decision. You will also need to follow the procedures for cancellation see below and advise the Investigating Officer to seek new authorisation.

### **Refusal**

40.8 If in your opinion surveillance is no longer required, or justified, or proportionate, the renewal should be refused and the authorisation cancelled. See the paragraph on cancellation below. You will need to note on the renewal form your reasons for refusal.

## **41. What do I do with the completed form?**

41.9 You must send the completed renewal form to the RIPA Co-ordinating Officer as soon as you are able. This includes forms where you have refused a renewal. You should retain a copy of the form and send a further copy to the relevant Investigating Officer for retention on the investigation file.

### **Cancellations**

## **42. Why are cancellations important?**

42.1 All authorisations, including renewals, must be cancelled if the reason why directed surveillance or use of a CHIS was required no longer exists or is no longer proportionate. This will occur in most instances when the purpose for which surveillance was required has been achieved and officers must be mindful of the need to cancel any authorisation which has been issued. A cancellation should be issued at the expiry date if not before.

## **43. What are my responsibilities in respect of cancellations?**

43.1 The responsibility to ensure that authorisations are cancelled rests with the Authorising Officer. If you think cancellation should have been applied for, then you should make enquiries of the Investigating Officer as part of your monitoring of the authorisation. On receipt of the cancellation form from the Investigating Officer, you must consider the reasons for cancellation and if acceptable endorse the form.

43.2 As soon as the decision is taken that directed surveillance or use of a CHIS should be discontinued, the instruction must be given to those involved to stop all surveillance of the subject. When cancelling an authorization, an Authorising Officer should:

- record the dates and times (if at all) that surveillance took place and the order to cease the activity was made
- the reason for cancellation
- ensure that surveillance equipment has been removed and returned
- provide directions for the management of the outcomes
- ensure that detail of property interfered with, or person subjected to surveillance, since the last review or renewal are properly recorded
- record the value of surveillance (i.e. whether the objectives as set in the authorization were met

43.3 Where necessary the safety and welfare of the CHIS should continue to be taken into account after the authorisation has been cancelled.

## **44. What do I do with the completed form?**

44.1 You must send the completed renewal form to the RIPA Co-ordinating Officer as soon as you are able. This includes forms where you have refused a renewal. You should retain a copy of the form and send a further copy to the relevant Investigating Officer for retention on the investigation file.

## **Working with or through other Agencies**

### **45. What do I do if I want to instruct another organisation to carry out surveillance?**

- 45.1 When some other agency has been instructed on behalf of the Council to undertake some action under RIPA, this Document and the forms in it, must be used in the normal way and the agency advised as necessary of the various requirements. They must be made aware explicitly what they are authorised to do.

### **46. What do I do if I want to carry out an investigation with another organisation?**

- 46.1 It is possible for two public authorities to carry out a joint directed surveillance investigation or use of a CHIS. It must be decided which of the authorities is to take the lead role. The Authorising Officer from the lead organisation must make the decisions on the necessity and proportionality of the surveillance or use of a CHIS. The Investigating Officer must make it clear on the application form that it is a joint investigation and provide details of Officers involved from both authorities.
- 46.2 Where joint surveillance is authorised by the lead organisation, it is good practice for the Investigation Officer of the other organisation to advise their Authorising Officer of the surveillance activity. It is important for each organisation's Authorising Officer to be aware of all surveillance activity being undertaken by their own Investigating Officers, regardless of which organisation authorised the activity.

## **Record-Keeping**

### **47. What records must I keep?**

- 47.1 The Council must keep a detailed record of all authorisations, renewals, cancellations and rejections in Departments and a Central Register of all these forms will be maintained and monitored by the RIPA Co-ordinating Officer.
- 47.2 In all cases, the relevant department should maintain the following documentation:
- a copy of the application and a copy of the authorisation together with any supplementary documentation and notification of the approval given by the Authorising Officer;
  - The Magistrates' Order
  - a record of the period over which the surveillance has taken place;
  - the frequency of reviews prescribed by the Authorising Officer;
  - a record of the result of each review of the authorisation;
  - a copy of any renewal of an authorisation, together with the supporting documentation submitted when the renewal was requested;
  - the date and time when any instruction was given by the Authorising Officer.
  - a record of the use made of any CHIS

### **48. How long must I keep these records?**

- 48.1 The Council will retain records in accordance with the Council's Record Management Policy. Retention of a record will therefore depend on an assessment of the need to retain the record.

### **49. How should the records relating to a CHIS be maintained?**

- 49.1 Records kept relating to an investigation or operation using a CHIS should be maintained in such a way as to preserve the confidentiality of the CHIS and the information provided by the CHIS.

## **Material obtained from Directed Surveillance and/or use of a CHIS operations**

### **50. How should material be handled and stored?**

- 50.1 Material, or product, such as: written records (including notebook records); video and audio tape; photographs and negatives; and electronic files, obtained under authorisation for Directed Surveillance or use of a CHIS investigations or operations should be handled, stored and disseminated according to the following guidance.
- 50.2 Where material obtained during the course of an investigation may be relevant to pending or future criminal or civil proceedings, it should be retained in accordance with the established disclosure requirements having regard to the Criminal Procedure and Investigations Act 1996 and Civil Procedure Rules.
- 50.3 Where material is obtained which is not related to a criminal or other investigation, or to any person who is the subject of the investigation, and there is no reason to suspect that it will be relevant to any future civil or criminal proceedings, it should be assessed for retention or destruction under the Council's Record Management Policy.

### **51. What about confidential material?**

- 51.1 This is privileged information from, for example, lawyers, doctors, priests etc. Where such persons are involved, and there is a possibility that you maybe obtaining confidential material, then further additional precautions must be taken. If this is the case, please seek appropriate advice from the Monitoring Officer or from the statutory RIPA Code of Practice.

## **Complaints**

### **52. Is there a complaints procedure in place?**

- 52.1 The Regulation of Investigatory Powers Act has established an Independent Tribunal. This Tribunal is made up of senior members of the judiciary and the legal profession and is independent of the Government. The Tribunal has full powers to investigate and decide any cases within its jurisdiction. It also has the power to award compensation.
- 52.2 Details of the relevant complaints procedure can be obtained from the following address:  
  
Investigatory Powers Tribunal  
PO Box 33220  
London  
SW1H 9ZQ
- 52.3 Other actions that could be taken against the Council for failing to meet the requirements of RIPA are civil proceedings under the Human Rights Act 1998 or a complaint to the Ombudsman.

## **Annex A**

### **Senior Responsible Officer (SRO)**

The following Officer shall be designated Senior Responsible Officer on behalf of the Councils under the Codes of Practice:

Simon Copper (Head of Legal and Democratic Services & Monitoring Officer)

### **Authorising Officers (AO)**

The following Officers shall be designated Authorising Officers on behalf of Exeter City Council under the Regulation of Investigatory Powers Act 2000:

Matthew Hall (Team Lead – ECL, Contracts and Licensing)

Danny Damarell (Team Lead – Housing and Litigation)

NB. Only the Chief Executive has the authority to grant authorisation for the acquisition of confidential information or where the authorisation would involve juvenile or vulnerable CHIS

### **RIPA Co-ordinating Officer**

## Annex B

### **Application for judicial approval for authorisation to obtain or disclose communications data, to use a covert human intelligence source or to conduct directed surveillance. Regulation of Investigatory Powers Act 2000 sections 23A, 23B, 32A, 32B.**

Local authority:

Local authority department:

Offence under investigation:

Address of premises or identity of subject:

Covert technique requested: (tick one and specify details)

**Communications Data**

☐

**Covert Human Intelligence Source**

☐

**Directed Surveillance**

☐

Summary of details:

**Note:** this application should be read in conjunction with the attached RIPA authorisation/RIPA application or notice.

Investigating Officer:

Authorising Officer/Designated Person:

Officer(s) appearing before JP:

Address of applicant department:

Contact telephone number:

Contact email address (optional):

Local authority reference:

Number of pages:

RIPA Joint Policy & Procedure February 2025

**Order made on an application for judicial approval for authorisation to obtain or disclose communications data, to use a covert human intelligence source or to conduct directed surveillance. Regulation of Investigatory Powers Act 2000 sections 23A, 23B, 32A, 32B.**

Magistrates' court:

Having considered the application, I (tick one):

- ☐ am satisfied that there are reasonable grounds for believing that the requirements of the Act were satisfied and remain satisfied, and that the relevant conditions are satisfied and I therefore approve the grant or renewal of the authorisation/notice.
- ☐ refuse to approve the grant or renewal of the authorisation/notice.
- ☐ refuse to approve the grant or renewal and quash the authorisation/notice.

Notes:

Reasons:

Signed:

Date:

Time:

Full name:

Address of magistrates' court:



## REPORT AUDIT AND GOVERNANCE COMMITTEE

**Date of Meeting:** 19 March 2025

**Report of:** City Centre & Net Zero

**Title:** City Council Net Zero Risk Register

### Is this a Key Decision?

No

### Is this an Executive or Council Function?

Council

### 1. What is the report about?

- 1.1 A six monthly review of the City Council's Net Zero Risk Register, which is an assessment of the risks associated with reducing City Council carbon emissions and adaptation measures required to protect service delivery and mitigation measures to reduce the effects of climate change.

### 2. Recommendations:

- 2.1 That the Audit and Governance Committee recommend to Council that the updated Net Zero Risk Register is approved; and
- 2.2 It is acknowledged that further work is underway to reduce risk, and the Council's Costed Organisational Carbon Footprint projections to be reported to Executive in June, will be fed into a service led Carbon Reduction Plan to progress with carbon reduction measures.

### 3. Reasons for the recommendation:

- 3.1 To highlight the risks associated with measures required to reduce City Council carbon emissions. Climate change directives, carbon reduction requirements, technologies and funding opportunities are fast changing and as such, both the Risk Register and Carbon Reduction Plan are reviewed every six months.
- 3.2 To enable the City Council to strategically plan resources, to support delivery of measures and reduce emissions, to support one of the main City Council's corporate priorities and to protect services.
- 3.3 To enable risks associated with climate change and reducing City Council carbon emissions to be monitored, reported on and incorporated into all City Council service plans and processes.

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

- 4.1 Temporary financial resources are in place for the Net Zero team support the delivery of the Council's Carbon Reduction Plan and to assist services to reduce carbon emissions, as per report to Executive July 2022. An update on spend was provided in a report to Strategic Scrutiny November 2024.
- 4.2 To identify the scale of financial and non-financial resources needed for the City Council to achieve Net Zero by 2030, a Costed Organisational Carbon Footprint Projections to 2030 report has been produced by the Centre of Energy and Environment at Exeter university. The report will be presented to Executive June 2025.
- 4.3 Achieving net zero, whether nationally, locally or organisationally, requires broad action across all emission scopes and by every service. Enabling the Council to achieve Net Zero will require a significant increase in financial investment from government at a local, regional and national level and potentially from private investment.

#### **5. Section 151 Officer Comments:**

- 5.1 The register highlights that funding constraints and scope of grants along with a lack of financial resources to make changes within each Council service area are amongst the risks of achieving net zero by 2030.

#### **6. What are the legal aspects?**

- 6.1 Section 1 of the Climate Change Act 2008 states that it is the duty of the Secretary of State to ensure that the net UK carbon account for the year 2050 is at least 100% lower than the 1990 baseline. The target was originally 80% and was increased to 100% by the Climate Change Act 2008 (2050 Target Amendment) Order 2019. Exeter City Council has set itself the ambitious target of achieving net zero by 2030.

#### **7. Monitoring Officer's comments:**

- 7.1 Members will note the legal aspects set out above. The Monitoring Officer has no additional comments.

#### **8. City Council Net Zero Risk Register**

- 8.1 The updated Net Zero Risk Register (Appendix 1) was first developed in July 2022, is reviewed every six months and assesses aspects of net zero activity throughout the City Council.
- 8.2 The Net Zero Risk Register key risks remain high. Current resources (financial) and constraints on skills and supply chains present significant challenges to achieve net zero. The Net Zero team are constantly looking at ways to reduce corporate carbon emissions from behaviour change to innovative solutions; securing external funding to speed up the delivery of the carbon reduction plan is critical.

- 8.3 The City Council's Greenhouse Gas Inventory will be included in the Costed Organisational Carbon Footprint Projections to 2030 report and will report on total carbon emissions from the City Council. The report will support the Carbon Reduction Plan, which is a live and continually updated document. The Carbon Reduction Plan will continue to inform the work programme of the Net Zero team, and Council service plans.

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

- 9.1 This report and the work of the Net Zero team links directly to the Exeter Vision and a number of current strategic priorities, this will be reviewed once the new Corporate Plan is adopted. Work will have to be delivered in partnership with all City Council service areas to reduce our carbon emissions.

|               |                                |  |
|---------------|--------------------------------|--|
| Exeter Vision | Innovative & Analytical City   | The team has developed a range of data sets to monitor City Council carbon emissions               |
|               | Healthy & Inclusive            | Ensure City Council owned homes are energy efficient   |
|               | The Most active city in the UK | Projects are developed to support active travel for employees                                      |
|               | Liveable & connected           | Commercial and residential properties are energy efficient and built to the best possible standard |
|               | A leading sustainable city     | The City Council is a role model for other organisations in Exeter                                 |

|                |   |   |
|----------------|---|---|
| Corporate Plan | Net Zero Carbon City                                    | Net Zero team focuses on reducing City Council carbon emissions to deliver Net Zero   |
|                | Prosperous Local Economy                                | Green Accord supports a local supply chain, better recording of data and procuring locally  |
|                | Healthy & Active City                                   | Working in partnership with Live & Move in developing sustainable and active travel options and low traffic neighbourhoods for staff  |
|                | Housing & Building Great Neighbourhoods and Communities | Working with Building Greater Exeter, Liveable Exeter and other developers in developing sustainable and accessible neighbourhoods and new homes, using sustainable constructions methods |
|                | Thriving Culture & Heritage                             | The decarbonisation programme of cultural and heritage buildings we occupy  |

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

- 10.1 The City Council's annual Greenhouse Gas Inventory report, supporting Carbon Reduction Plan and Risk Register will inform the work programme of the Net Zero team for the foreseeable future. These documents are presented to Strategic

Scrutiny and Audit & Governance on a six-monthly basis for ongoing monitoring and scrutiny.

- 10.2 The Net Zero team have been successful in providing improved data, and more accurate carbon accounting, to ensure the annual Greenhouse Inventory report is accurate allowing the City Council to better monitor progress.
- 10.3 The financial cost to deliver net zero carbon emissions for City Council will be significant. At every opportunity, funding bids are submitted to capture available grants to deliver projects needed to decarbonise the Council's operation and protect services.
- 10.4 A range of KPI's have been developed by the Net Zero team, which will be reported to Strategic Scrutiny on an annual basis, the same time the annual carbon emissions report is presented. They will be used to monitor progress and achievements to date.

## **11. Equality Act 2010 (The Act)**

- 11.1 In developing the action plan, the Net Zero team took into account the potential impact of actions 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. An EQIA will be undertaken for each action being developed.
- 11.2 An EQIA was undertaken in developing the new Net Zero & Business team in allocating resources.

## **12. Carbon Footprint (Environmental) Implications:**

- 12.1 The City Council declared a Climate Emergency in 2019 and as part of this commitment it aims to achieve net zero carbon emissions for its corporate activities by 2030. The Risk Register will consider the carbon reduction measures required to achieve net zero.

## **13. Are there any other options?**

- 13.1 There is the option of not committing financial and non-financial resources towards the Net Zero Team within the City Council. This would reverse progress made and inhibit the ability to reduce City Council's carbon emissions. The Net Zero team are responsible for sourcing and applying for external funding to enable delivery of the City Council's Carbon Reduction Plan, working towards a net zero.

**Strategic Director Place, Ian Collinson**

Author: Net Zero Project Manager

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

Background papers used in compiling this report:-

Contact for enquires:  
Democratic Services (Committees)  
Room 4.36  
01392 265275

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# City Council Net Zero Risk Register

| Ref      | Service                      | 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 |
|----------|------------------------------|---|----------------------|------------|---------------|--------|------------|--|---------------|--------|------------|---|----------------------------|
|          |                              |   |                      |            | L'hood        | Impact | Risk Score |  | L'hood        | Impact | Risk Score |   |                            |
| 1        | All City Council Departments | <p><b>Target to reduce City Council carbon emissions to 'net zero' by 2030</b></p> <p><u>Potential Causes:</u></p> <ul style="list-style-type: none"> <li>• Funding constraints and scope of grants</li> <li>• Ineffective data monitoring &amp; methodology</li> <li>• Change in Strategic Priorities</li> <li>• Lack of understanding of climate emergency and net zero ambition</li> <li>• Services unwilling or lacking capacity to support</li> <li>• Availability of suitable specialist electric vehicle fleet</li> <li>• Growth in activity levels increasing emissions</li> <li>• Buying or building new buildings/property</li> <li>• Distribution Network Operator (National Grid) constraints can restrict delivery of decarbonisation projects</li> </ul> <p><u>Potential Impacts:</u></p> <ul style="list-style-type: none"> <li>• Not achieving Strategic Priority of Net Zero Carbon City</li> <li>• Reputational risk and damage</li> <li>• Carbon emissions not decreasing</li> <li>• Services being under the spot light as high carbon emitters</li> <li>• Greater reliance on offsetting to meet targets</li> <li>• High spend to achieve aggressive carbon reduction methods</li> </ul>   | 13/06/2022           | Executive  | 4             | 4      | 16         | <ul style="list-style-type: none"> <li>• Establishment of Net Zero Team</li> <li>• Regular engagement with service leads on measures needed to reduce carbon emissions</li> <li>• Engagement with South West Centre for Energy and Environment (SWEEG) to establish improved data and changes required to reduce carbon emissions including Corporate Carbon Footprint. As a result of improved data collection and interpretation the City Council's carbon emissions with annual inventory reporting, Emissions for 2022/23 were 46,495 tCO<sub>2</sub>e, which represents a reduction of 1,959 tCO<sub>2</sub>e (4%) on the previous year.</li> <li>• Engagement with the Devon Climate Emergency and LA partners</li> <li>• Networking nationally to learn best practice with industry and other public organisations</li> <li>• Carbon Literacy training roll out programme in place delivering training to a total 276 staff and councillors so far, Carbon Literate Organisation Bronze standard achieved</li> <li>• Monitoring legislative changes to support a reduction in carbon emissions</li> <li>• Regular consultation with Portfolio Holder for Climate and Ecological Change</li> <li>• Cultural change assisted by open and transparent communications, including with Net Zero Ambassadors, Officers, Service areas and Cllrs</li> <li>• News items regularly posted in City Newsletter and website to promote staff awareness</li> <li>• Dissemination of the Water Lane Smart Grid and Storage Project locally and nationally</li> <li>• Monitoring of grant opportunities to support decarbonisation projects</li> <li>• Changes to staff induction checklist include Green Travel options for staff and mandatory requirement to sign up to Carbon Literacy training</li> </ul> | 3             | 4      | 12         | <ul style="list-style-type: none"> <li>• Review targets and continue to update and revise carbon reduction plan</li> <li>• Continue to deliver regular updates and presentations to Audit &amp; Governance on the Risk Register, Carbon Footprint and implementing of the City Council Carbon Reduction Plan</li> <li>• Discussions ongoing to identify budget to support the continuation of the Net Zero Data Support Officer and Sustainability Project Officer, as temporary contactd end March 2026.</li> <li>• Net Zero Ambassador meetings to resume after completion of new Council management restructure, to share best practice and support service changes.</li> <li>• Costed organisational carbon descent report completed by the Centre for Energy and Environment to be presented to Executive in June with a revised carbon reduction plan to deliver Net Zero</li> <li>• Research underway to improve integration of net zero ambition into all Council decisions, looking at models such as Doughnut Economics</li> <li>• Improved recycling signage to be implemented in Council buildings as part of wider waste recycling campaign</li> </ul> | 2030                       |
| Page 187 | All City Council Departments | <p><b>Challenges to reduce City Council Scope 1 direct emissions from owned sources (fuel consumption and company vehicles)</b></p> <p><u>Potential Causes:</u></p> <ul style="list-style-type: none"> <li>• Inability to plan for net zero due to uncertainty of assets disposal</li> <li>• Lack of financial resources to make changes within each service area</li> <li>• Lack of full funding and/or match funding where business case is not viable</li> <li>• Lack of asset condition data and investment audits and associated funding</li> <li>• Funding packages do not fit with City Council's Strategic Priorities or eligibility match</li> <li>• Lack of capacity in managing external funding bids and delivery of multiple projects</li> <li>• Increasing temperatures result in reduced heating and therefore show decline in emissions but mask lack of efficiency</li> <li>• Lack of investment and maintenance of corporate estate drives up costs of decarbonisation projects</li> <li>• Lack of specialist vehicle availability for electrification of fleet</li> <li>• Local Distribution Network Operator (National Grid) grid constraints restrict ability to support supply needed to facilitate decarbonisation</li> </ul> <p><u>Potential Impacts:</u></p> <ul style="list-style-type: none"> <li>• Backlog of project and capacity (financial and skills) to deliver decarbonisation measures</li> <li>• Innovative projects not able to progress with low feasibility or asset uncertainty</li> <li>• Net Zero measures rely on external / internal funding</li> <li>• City Council unable to achieve net zero by 2030 due to cost and capacity</li> </ul> | 15/06/2022           | Executive  | 3             | 4      | 12         | <ul style="list-style-type: none"> <li>• Potential sources of funding from sources such as MHCLG (PSDS), Sport England, Museum Estate And Development Fund (MEND) and internal invest to save opportunity is routinely investigated and prepared for</li> <li>• Investment grade decarbonisation audits carried out on a priority basis, to establish measures needed and cost, to target available grants</li> <li>• Regular discussions with other local public organisations to evaluate joint funding bids</li> <li>• Development of a comprehensive business case when viable</li> <li>• Engagement with Procurement to better plan for project delivery</li> <li>• BMS in place to provide better data monitoring and controls</li> <li>• A wide range of housing measures to reduce emissions from domestic housing stock is supported by better data and a range of effective measures around energy efficiency and fabric first approach to enable grant security</li> <li>• Water Lane Solar Farm battery storage in place, directly connected to EV charging infrastructure to support full electrification of fleet where viable</li> <li>• Electric Refuse Collection Vehicles, vans and pool cars in operation</li> <li>• City Heat Network in development with potential to connect some ECC buildings</li> <li>• Evaluation of alternative fuel for fleet vehicles as potential interim fuel option due to lack of specialist vehicles and high EV leasing costs</li> </ul>  | 2             | 4      | 8          | <ul style="list-style-type: none"> <li>• Continue to monitor and seek funding opportunities and establish business case for viable projects</li> <li>• Regular discussions with Devon County Council and others to secure funding for Exeter region</li> <li>• Continue to seek grants to fund decarbonisation measures needed to tackle high consumption buildings</li> <li>• Greater asset management capacity to deliver energy efficiency to be sought</li> <li>• Continue to investigate leasing options and availability of alternative fuels and viable Electric Vehicle solutions, to decarbonise fleet and equipment across all services</li> </ul>  | 2030                       |
| 3        | All City Council Departments | <p><b>Challenge to reduce City Council Scope 2 indirect emissions from the purchase of energy</b></p> <p><u>Potential Causes:</u></p> <ul style="list-style-type: none"> <li>• Energy efficiency measures not sufficient to drive down consumption as per Scope 1 (above)</li> <li>• National policy / government incentivise for renewables needed to ensure affordability</li> <li>• National energy grid decarbonisation fall is less than projected</li> <li>• Local Distribution Network Operator (National Grid) constraints restrict ability to deliver renewable projects due to essential works outstanding and relocation of the bulk supply point locally</li> </ul> <p><u>Potential Impacts:</u></p> <ul style="list-style-type: none"> <li>• Potential reduction in national carbon saving from grid decarbonisation will require more direct measures including Solar PV renewable generation to ensure carbon reduction targets are met</li> <li>• City Council unable to achieve net zero by 2030 due to cost and capacity</li> </ul>   | 15/06/2022           | Executive  | 3             | 4      | 12         | <ul style="list-style-type: none"> <li>• Significant Solar estate (3.4 MW) installed across the corporate estate, including Water Lane Solar farm and private wire providing a self-supply to the Exton Road depot</li> <li>• Battery storage installed at Water Lane Solar Farm, Matford Centre and John Lewis Car Park to increase self supply</li> <li>• LED lighting schemes installed across corporate estate to reduce electricity consumption</li> <li>• Development of a comprehensive business case to support energy saving schemes</li> <li>• SW Net Zero Hub grant (£100k) secured to fund feasibility for further solar PV on 11 corporate assets</li> <li>• Collaborating with finance / legal / procurement for delivery of energy saving projects funded by grants or business case</li> <li>• BMS in place to provide better data monitoring and controls</li> <li>• Decarbonisation surveys at key high use sites to support funding bids</li> </ul>   | 3             | 3      | 9          | <ul style="list-style-type: none"> <li>• Continue to investigate further energy saving solutions across corporate estate and services</li> <li>• Update of the Carbon Reduction Plan to follow the projected scenarios set out in the Costed Organisational Footprint report and to include service specific targets</li> <li>• Collaborate with local public sector bodies to ensure joint schemes are explored</li> <li>• Continue to monitor and seek funding opportunities and establish business case for viable projects</li> <li>• Business case in the process of being developed to secure funding for the installation of PV on a number of City Council owned buildings</li> </ul>   | 2030                       |

# City Council Net Zero Risk Register

| Ref      | Service                      | 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 |
|----------|------------------------------|---|----------------------|------------|---------------|--------|------------|---|---------------|--------|------------|--|----------------------------|
|          |                              |   |                      |            | L'hood        | Impact | Risk Score |   | L'hood        | Impact | Risk Score |  |                            |
| 4        | All City Council Departments | <p><b>Challenge to reduce City Council Scope 3 other indirect emissions (supply chain, assets, investment, waste disposal, employees commuting)</b></p> <p><u>Potential Causes:</u></p> <ul style="list-style-type: none"> <li>Insufficient data capture in place to provide meaningful incentive for reduction and identify where greatest reductions can be made</li> <li>Methodology for calculating majority of Scope 3 emissions is based on financial spend used against emission factors and therefore not an accurate reflection of type of purchase and services</li> <li>Procurement Policy unable to support carbon reduction measures in our supply chain e.g. contractors do not or unable to reduce emissions</li> <li>Impact of increased spend as a result of Council new build and purchase of new assets</li> <li>Budgets restrict sustainable options if more costly, and can result in increased greenhouse gas emissions using less sustainably resourced products / products with shorter life spans</li> </ul> <p><u>Potential Impacts:</u></p> <ul style="list-style-type: none"> <li>Scope 3 emissions increase on an annual basis</li> <li>City Council unable to achieve net zero by 2030</li> </ul>   | 13/06/2022           | Executive  | 4             | 4      | 16         | <ul style="list-style-type: none"> <li>Procurement Policy amendment to support a reduction in Scope 3 emissions</li> <li>Officers responsible for procurement decisions within their own service area to follow sustainability principles</li> <li>Regular internal and external communications to introduce better methodology to capture accurate meaningful data to incentivise reduction, "you cant manage what you don't measure"</li> <li>Local Electric Vehicle Infrastructure (LEVI) bid to support further Electric Vehicle charging infrastructure to include staff Electric Vehicle charging</li> <li>New technology and agile working facilities for reduction in staff travel emissions</li> <li>Procurement Working Group provides for regular discussions with Procurement and Heads of Service on how to best tackle Scope 3 emissions</li> <li>New procurement rules have been implemented in May 2024. All contracts exceeding £25,000 must now disclose carbon footprint data. For contracts valued over £100,000, stricter environmental standards apply, including mandatory carbon footprint disclosure and the requirement to hold an environmental accreditation.</li> <li>Green Accord accreditation scheme relaunched to better engage with Council's supply chain and support contractors to reduce emissions</li> </ul> | 3             | 4      | 12         | <ul style="list-style-type: none"> <li>Embodied emission evaluation needed for Council developments and acquisitions, to assess whole life impact of carbon emissions. This includes assessment of building new versus use of existing assets and building efficiently</li> <li>Sustainable building maintenance policy to review lifecycle emissions and overall cost benefit of low carbon alternatives</li> <li>Investigate</li> <li>Green Travel Plan under review to support and incentivise staff in making more sustainable travel choices for commuting and business travel</li> <li>Research underway to improve integration of net zero ambition into all Council decisions, looking at models such as Doughnut Economics</li> </ul> | 2030                       |
| Page 188 | All City Council Departments | <p><b>Assumption that we can rely on offsetting (e.g. tree planting) to achieve net zero</b></p> <p><u>Potential Causes:</u></p> <ul style="list-style-type: none"> <li>Offsetting should only be used where emissions are unavoidable</li> <li>The effectiveness of carbon offsetting relies on the availability of high quality schemes to reduce carbon emissions. Carbon offset projects should use the 'Good Quality' criteria provided in Government guidance on environmental reporting</li> <li>Decarbonisation of the electricity grid reduces the grid electricity emission factor, diminishing potential offsets from exporting renewable energy</li> </ul> <p><u>Potential Impacts:</u></p> <ul style="list-style-type: none"> <li>High expenditure to fulfil potential offsetting needed to meet net zero</li> <li>Additional planting of trees cause land use change, removing play areas and other valued land use</li> <li>Tree planting can reduce surface water run off, improve air quality, biodiversity and cooling</li> <li>City Council unable to achieve net zero by 2030</li> </ul>  | 15/06/2022           | Executive  | 3             | 3      | 9          | <ul style="list-style-type: none"> <li>2020/21 Corporate Carbon Footprint Report set outs definitions of quality criteria needed for offset projects and to use where emissions are unavoidable</li> <li>Tree eco report completed which explores Exeter's trees' potential to influence net zero balances</li> <li>Costed organisational carbon descent report by Centre for Energy and Environment reviews Net Zero 2030 target and provides 3 scenarios for decarbonisation, including options for offsetting</li> <li>Trees planted annually as part of ongoing tree planting programme and woodland creation projects</li> <li>Offsets generated from exported renewable energy on solar PV installed across the corporate estate</li> </ul>   | 2             | 2      | 4          | <ul style="list-style-type: none"> <li>P&amp;GS and Planning working on Local Infrastructure Plan which will allocate land for offsetting. Suitable Alternative Natural Greenspaces (SANGs) and Biodiversity Net Gain (BNG)</li> <li>Ensure Scope 1, 2 &amp; 3 emissions reductions remain a priority before considering offsetting</li> </ul>   | 2030                       |
| 6        | All City Council Departments | <p><b>Operational Climate Change Impact Risk: Employees unable to work due to increased temperatures and extreme weather events (e.g. heatwaves, droughts, heavy and prolonged rainfall, flooding, storms) as a result of climate change</b></p> <p><u>Potential Causes:</u></p> <ul style="list-style-type: none"> <li>Outdoor workers suffering from extreme weather and temperature related illnesses, including heat stroke / heat exhaustion / hypothermia / hyperthermia / vector-borne diseases (e.g. Lyme disease, Malaria)</li> <li>Working spaces overheating or too cold for employees to work safely</li> <li>Effects on property owned &amp; leased by the City Council, e.g. roofs leaking due to inability to cope with heavy rainfall / snowfall load</li> <li>Disruptions to travel from extreme weather preventing employees commuting or working safely</li> </ul> <p><u>Potential Impacts:</u></p> <ul style="list-style-type: none"> <li>Essential services not being carried out</li> <li>Decrease in work productivity</li> <li>Detrimental to employee physical and mental health and wellbeing and safety</li> <li>Reputational damage &amp; legal employer duty to safeguard employees</li> <li>Increase in cost to the run the service affected</li> </ul> | 06/02/2023           | Executive  | 3             | 2      | 6          | <ul style="list-style-type: none"> <li>Procuring appropriate work wear for outdoor workers</li> <li>Adjusting operational work programmes during extreme weather, e.g. during heatwaves, starting earlier in the day before temperatures rise</li> <li>Postponing waste collection programmes during red alerts for extreme high winds to ensure safety for residents and workers</li> <li>Providing outdoor workers with sun cream for use in extreme heat</li> <li>Programme to ensure buildings provide adequate protection from increased extreme weather</li> <li>Agile and Flexible working for office based employees allows for remote working in adverse weather conditions</li> </ul>   | 2             | 2      | 4          | <ul style="list-style-type: none"> <li>Identify and monitor risks through service-specific climate vulnerability and adaptation assessments</li> <li>Build resilience to avoid service disruption</li> <li>Continue to educate employees on risks to physical and mental health of climate impacts</li> <li>Create emergency preparedness plans for all sites and add to operational risk registers</li> </ul>   | 2030                       |
| 7        | All City Council Departments | <p><b>Operational Climate Change Impact Risk: Services, assets and budgets at risk from climate related failure and global effects on the energy system</b></p> <p><u>Potential Causes:</u></p> <ul style="list-style-type: none"> <li>Power outages as result of wind, heat, ice and snow</li> <li>Impact of global conflict affecting national energy supply, security and economic toll</li> <li>High cost of increased compliance to ensure sustainable services and assets</li> </ul> <p><u>Potential Impacts:</u></p> <ul style="list-style-type: none"> <li>Essential services not being carried out</li> <li>High expenditure / budget overspend / affordability</li> <li>Increase in cost to run services / buildings putting assets at risk of being stranded</li> </ul>  | 06/02/2023           | Executive  | 3             | 2      | 6          | <ul style="list-style-type: none"> <li>Installation of solar PV across corporate estate and Council housing stock to provide energy security</li> <li>Installation of battery storage at Water Lane, The Matford Centre, John Lewis Car Park and Riverside Leisure Centre allowing for smart grid use and increased self supply consumption</li> <li>Asset improvements including better insulation and energy efficiency</li> </ul>  | 2             | 2      | 4          | <ul style="list-style-type: none"> <li>Continue to investigate opportunities to identify and fund solar PV, other low carbon energy supplies, and fabric improvement opportunities for the corporate estate and housing stock</li> </ul>   | 2030                       |



## City Council Net Zero Risk Register

| Ref | Service                      | 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 |
|-----|------------------------------|--|----------------------|------------|---------------|--------|------------|--|---------------|--------|------------|--|----------------------------|
|     |                              |  |                      |            | L'hood        | Impact | Risk Score |  | L'hood        | Impact | Risk Score |  |                            |
| 8   | All City Council Departments | <p><b>Operational Climate Change Impact Risk: Detriment to members of the public's health and wellbeing from the effects of extreme weather on homes, corporate buildings and land</b></p> <p><u>Potential Causes:</u></p> <ul style="list-style-type: none"> <li>• Increase in frequency and severity of extreme weather events as a result of climate change</li> <li>• Building regulations, strategies and planning reforms to meet Future Homes Standards regressing, resulting in standards that Council homes are currently built at to fall backwards</li> <li>• Lack of funding resulting in inability to retrofit existing Council homes and corporate buildings</li> </ul> <p><u>Potential Impacts:</u></p> <ul style="list-style-type: none"> <li>• Detrimental to tenants' physical and mental health and wellbeing and operational use of leased buildings</li> <li>• Tenants moving out of leased buildings</li> <li>• Economic impact of damage to properties as a result of flooding, including insurance costs</li> <li>• Long term economic impact on tourism and/or businesses following flooding events, due to lost revenue and recovery time</li> <li>• Increased water demand on Public and Green spaces during drought periods</li> <li>• Increased energy demands for cooling and heating buildings</li> </ul> | 06/02/2023           | Executive  | 3             | 2      | 6          | <ul style="list-style-type: none"> <li>• Council housing built to Passivhaus standards, a highly energy efficient future-proofed standard that assesses future overheating</li> <li>• Extensive retrofit programme following 'fabric first' strategy underway to build resilience in existing homes</li> </ul> | 2             | 2      | 4          | <ul style="list-style-type: none"> <li>• Continue to monitor and seek funding opportunities for retrofit to remaining housing stock and corporate property estate</li> <li>• Continue to use City Council news and social media communication platforms to notify and advise of upcoming adverse weather forecasts</li> <li>• Continue to collaborate with DCC and Devon district groups to improve regional resilience and ensure extreme weather plans are in place</li> <li>• In accordance with the Government's expressed intention to introduce the Future Homes Standard and Future Buildings standard in 2025, Policy CC5 of the emerging Exeter Plan seeks to ensure that the level of ambition is achieved and the timetable does not slip. This provides a local back-up to the national ambition.</li> </ul> | 2030                       |

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