

Public Document Pack

Mid Devon District Council

Audit Committee

Tuesday, 17 November 2020 at 5.30 pm
Remote meeting

Next meeting
Tuesday, 26 January 2021 at 5.30 pm

Important - this meeting will be conducted and recorded by Zoom only. Please do not attend Phoenix House. The attached Protocol for Remote Meetings explains how this will work.

To join the Zoom Meeting please use the following link:

<https://zoom.us/j/97005444455?pwd=TThNUGRIUjRrYTljakRPc003Zi9GQT09>

Meeting ID: 970 0544 4455
Passcode: 484072

One tap mobile

08002605801,,97005444455#,,,,,0#,,484072# United Kingdom Toll-free
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0 800 031 5717 United Kingdom Toll-free

Meeting ID: 970 0544 4455
Passcode: 484072

Membership

Cllr W Burke
Cllr Mrs C Collis
Cllr N V Davey
Cllr S J Penny
Cllr A Wyer
Cllr A White
Cllr A Wilce

AGENDA

Members are reminded of the need to make declarations of interest prior to any discussion which may take place

1. **Apologies**
To receive any apologies for absence.
2. **Protocol for remote meetings** (Pages 5 - 10)
To note the protocol for remote meetings.
3. **Public Question Time**
To receive any questions relating to items on the Agenda from members of the public and replies thereto.
4. **Declaration of Interests under the Code of Conduct**
Councillors are reminded of the requirement to declare any interest, including the type of interest, and reason for that interest, either at this stage of the meeting or as soon as they become aware of that interest.
5. **Minutes of the previous meeting** (Pages 11 - 16)
Members to consider whether to approve the minutes as a correct record of the meeting held on 22 September 2020.
6. **Chairman's Announcements**
To receive any announcements that the Chairman may wish to make.
7. **MDDC representation on Devon Audit Partnership (DAP)**
To clarify and agree which Members of the Audit Committee should be the representatives from Mid Devon District Council on the Devon Audit Partnership (DAP).
8. **Performance and Risk** (Pages 17 - 58)
To receive a report from the Group Manager for Performance, Governance and Data Security providing Members with an update on performance against the Corporate Plan and local service targets for 2020/21 as well as providing an update on the key business risks.
9. **Progress update on the Annual Governance Statement Action Plan** (Pages 59 - 64)
To receive a report from the Group Manager for Performance, Governance and Data Security providing the Committee with an update on progress made against the Annual Governance Statement 2019/20 Action Plan.
10. **Briefing paper on the Redmond Review** (Pages 65 - 66)
To receive a report from the Group Manager for Performance, Governance and Data Security.

In September 2020 Sir Tony Redmond completed an Independent

Review into the Oversight of Local Audit and the Transparency of Local Authority Financial Reporting; the Audit Committee should be made aware of the key recommendations.

11. **Internal Audit Progress Report**

To receive a report from the Deputy Head of the Devon Audit Partnership monitoring the progress and performance of Internal Audit.

(Document to follow)

12. **External Audit Progress Report and Sector Update** *(Pages 67 - 86)*

To receive a report from Grant Thornton providing an update on progress in delivering their responsibilities as the Council's external auditors.

13. **Identification of items for the next meeting**

Members are asked to note that the following items are identified in the work programme for the next meeting:

- Performance and Risk
- AGS Action Plan update
- Anti-Fraud and Corruption Policy
- Internal Audit Progress Report
- External Audit Progress Report

Note: This item is limited to 10 minutes. There should be no discussion on the items raised.

Stephen Walford
Chief Executive
Monday, 9 November 2020

Covid-19 and meetings

The Council will be holding some meetings in the next few weeks, but these will not be in person at Phoenix House until the Covid-19 crisis eases. Instead, the meetings will be held remotely via Zoom and you will be able to join these meetings via the internet. Please see the instructions on each agenda and read the Protocol on Remote Meetings before you join.

If you want to ask a question or speak, email your full name to Committee@middevon.gov.uk by **no later than 4pm on the day before the meeting**. This will ensure that your name is on the list to speak and will help us ensure that you are not missed – as you can imagine, it is easier to see and manage public speaking when everyone is physically present in the same room. Notification in this way will ensure the meeting runs as smoothly as possible.

If you require any further information, please contact Sarah Lees on:
slees@middevon.gov.uk

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Mid Devon District Council - Remote Meetings Protocol

1. Introduction

The Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority and Police and Crime Panel Meetings) (England and Wales) Regulations permit remote attendance in Local Authority meetings.

Remote attendance is permitted as long as certain conditions are satisfied. These include that the Member is able to hear and be heard by the other Members in attendance. Also, being able to hear and be heard by any members of the public entitled to attend the meeting (in line with the public participation scheme). A visual solution is preferred, but audio is sufficient.

This also relates to members of the public attending the meeting also being heard. The regulations are clear that a meeting is not limited to those present in the same place, but includes electronic, digital or virtual locations (internet locations, web addresses or conference call telephone numbers).

2. Zoom

Zoom is the system the Council will be using for the time-being to host remote / virtual meetings. It has functionality for audio, video, and screen sharing and you do not need to be a member of the Council or have a Zoom account to join a Zoom meeting.

3. Access to documents

Member Services will publish the agenda and reports for committee meetings on the Council's website in line with usual practice. Paper copies of agendas will only be made available to those who have previously requested this and also the Chair of a virtual meeting.

If any other Member wishes to have a paper copy, they must notify the Member Services before the agenda is published, so they can arrange to post directly – it may take longer to organise printing, so as much notice as possible is appreciated. Printed copies will not be available for inspection at the Council's offices and this requirement was removed by the Regulations.

4. Setting up the Meeting

This will be done by Member Services. They will send a meeting request via Outlook which will appear in Members' Outlook calendar. Members will receive a URL link to click on to join the meeting.

5. Public Access

Members of the public will be able to use a weblink and standard internet browser. This will be displayed on the front of the agenda.

6. Joining the Meeting

Councillors must join the meeting early (i.e. at least five minutes before the scheduled start time) in order to avoid disrupting or delaying the meeting. Councillors should remember that they may be visible and heard by others, including the public, during this time.

7. Starting the Meeting

At the start of the meeting, the Member Services Officer will check all required attendees are present (viewing the participant list) and that there is a quorum. If there is no quorum, the meeting will be adjourned. This applies if, during the meeting, it becomes inquorate for whatever reason.

The Chair will remind all Members, Officers and the Public that **all microphones will be automatically muted**, unless and until they are speaking. This prevents background noise, coughing etc. which is intrusive and disruptive during the meeting. The Hosting Officer will enforce this and will be able to turn off participant mics when they are not in use. Members would then need to turn their microphones back on when they wish to speak.

8. Public Participation

Participation by members of the public will continue in line with the Council's current arrangements as far as is practicable. However, to ensure that the meeting runs smoothly and that no member of the public is missed, all those who wish to speak must register **by 4pm on the day before the meeting**. They should email their full name to Committee@middevon.gov.uk. If they wish to circulate their question in advance, that would be helpful.

At public question time, the Chair will invite the public by name to speak at the appropriate time. At that point, all public microphones will be enabled. This means that, to avoid private conversations being overheard, no member of the public should speak until it is their turn and they should then refrain from speaking until the end of public question time, when all microphones will be muted again. In the normal way, the public should state their full name, the agenda item they wish to speak to **before** they proceed with their question.

Unless they have registered, a member of the public will not be called to speak.

If a member of the public wishes to ask a question but cannot attend the meeting for whatever reason, there is nothing to prevent them from emailing members of the Committee with their question, views or concern in advance. However, if they do so, it would be helpful if a copy could be sent to Committee@middevon.gov.uk as well.

9. Declaration of Interests

Councillors should declare their interests in the usual way. A councillor with a disclosable pecuniary interest is required to leave the room. For remote meetings, this means that they will be moved to a break-out room for the duration

of this item and will only be invited back into the meeting when discussion on the relevant item has finished.

10. The Meeting and Debate

The Council will not be using the Chat function.

The Chair will call each member of the Committee to speak - the Chair can choose to do this either by calling (i) each member in turn and continuing in this way until no member has anything more to add, or (ii) only those members who indicate a wish to speak using the 'raise hand' function within Zoom. This choice will be left entirely to the Chair's discretion depending on how they wish to manage the meeting and how comfortable they are using the one or the other approach.

Members are discouraged from physically raising their hand in the video to indicate a wish to speak – it can be distracting and easily missed/misinterpreted. No decision or outcome will be invalidated by a failure of the Chair to call a member to speak – the remote management of meetings is intensive and it is reasonable to expect that some requests will be inadvertently missed from time to time.

When referring to reports or making specific comments, Councillors should refer to the report and page number, so that all Members of the Committee have a clear understanding of what is being discussed at all times.

11. Voting

On a recommendation or motion being put to the vote, the Chair will go round the virtual room and ask each member entitled to vote to say whether they are for or against or whether they abstain. The Member Services Officer will announce the numerical result of the vote.

12. Meeting Etiquette Reminder

- Mute your microphone – you will still be able to hear what is being said.
- Only speak when invited to do so by the Chair.
- Speak clearly and please state your name each time you speak
- If you're referring to a specific page, mention the page number.

13. Part 2 Reports and Debate

There are times when council meetings are not open to the public, when confidential, or "exempt" issues – as defined in Schedule 12A of the Local Government Act 1972 – are under consideration. It is important to ensure that there are no members of the public at remote locations able to hear or see the proceedings during such meetings.

Any Councillor in remote attendance must ensure that there is no other person present – a failure to do so could be in breach of the Council's Code of Conduct.

If there are members of the public and press listening to the open part of the meeting, then the Member Services Officer will, at the appropriate time, remove them to a break-out room for the duration of that item. They can then be invited back in when the business returns to Part 1.

Please turn off smart speakers such as Amazon Echo (Alexa), Google Home or smart music devices. These could inadvertently record phone or video conversations, which would not be appropriate during the consideration of confidential items.

14. Interpretation of standing orders

Where the Chair is required to interpret the Council's Constitution and procedural rules in light of the requirements of remote participation, they may take advice from the Member Services Officer or Monitoring Officer prior to making a ruling. However, the Chair's decision shall be final.

15. Disorderly Conduct by Members

If a Member behaves in the manner as outlined in the Constitution (persistently ignoring or disobeying the ruling of the Chair or behaving irregularly, improperly or offensively or deliberately obstructs the business of the meeting), any other Member may move 'That the member named be not further heard' which, if seconded, must be put to the vote without discussion.

If the same behaviour persists and a Motion is approved 'that the member named do leave the meeting', then they will be removed as a participant by the Member Services Officer.

16. Disturbance from Members of the Public

If any member of the public interrupts a meeting the Chair will warn them accordingly. If that person continues to interrupt or disrupt proceedings the Chair will ask the Member Services Officer to remove them as a participant from the meeting.

17. After the meeting

Please ensure you leave the meeting promptly by clicking on the red phone button to hang up.

18. Technical issues – meeting management

If the Chair, the Hosting Officer or the Member Services Officer identifies a problem with the systems from the Council's side, the Chair should either declare a recess while the fault is addressed or, if the fault is minor (e.g. unable to bring up a presentation), it may be appropriate to move onto the next item of business in order to progress through the agenda. If it is not possible to address the fault and the meeting becomes inquorate through this fault, the meeting will be adjourned until such time as it can be reconvened.

If the meeting was due to determine an urgent matter or one which is time-limited and it has not been possible to continue because of technical difficulties, the Chief Executive, Leader and relevant Cabinet Member, in consultation with the Monitoring Officer, shall explore such other means of taking the decision as may be permitted by the Council's constitution.

For members of the public and press who experience problems during the course of a meeting e.g. through internet connectivity or otherwise, the meeting will not be suspended or adjourned.

19. Technical issues – Individual Responsibility (Members and Officers)

Many members and officers live in places where broadband speeds are poor, but technical issues can arise at any time for a number of reasons. The following guidelines, if followed, should help reduce disruption. Separate guidance will be issued on how to manage connectivity – this paragraph focusses on the procedural steps. Joining early will help identify problems – see paragraph 6.

- Join public Zoom meetings by telephone if there is a problem with the internet. Before all meetings, note down or take a photograph of the front page of the agenda which has the necessary telephone numbers. Annex 1 to this protocol contains a brief step-by-step guide to what to expect
- Consider an alternative location from which to join the meeting, but staying safe and keeping confidential information secure. For officers, this may mean considering whether to come into the office, subject to this being safe and practicable (childcare etc.)
- If hosting a meeting via Zoom (briefings etc.), consider creating an additional host when setting up the meeting. The additional host can step in if the main host has problems – remember that without a host, the meeting cannot close and any information on the screens will remain on view
- Have to hand the telephone number of another member or officer expected in the meeting – and contact them if necessary to explain the problem in connecting
- Officers should have an 'understudy' or deputy briefed and on standby to attend and present as needed (and their telephone numbers to hand)
- For informal meetings and as a last resort, members and officers may be able to call another member or officer in the meeting who can put the 'phone on loudspeaker for all to hear – not ideal, but it ensures some degree of participation and continuity
- Member Services will hold a list of contact details for all senior officers

Phone only access to zoom meetings

(Before you start **make sure you know the Meeting ID and the Meeting Password**) – Both of these are available on the agenda for the meeting

Call the toll free number either on the meeting agenda or on the Outlook appointment (this will start with 0800 --- ----)

(Ensure your phone is on 'speaker' if you can)

A message will sound saying *"Welcome to Zoom, enter your meeting ID followed by the hash button"*

- **Enter Meeting ID followed by #**

Wait for next message which will say *"If you are a participant, please press hash to continue"*

- **Press #**

Wait for next message which will say *"Enter Meeting Password followed by hash"*

- **Enter 6 digit Meeting Password followed by #**

Wait for the following two messages:

"You are currently being held in a waiting room, the Host will release you from 'hold' in a minute"

Wait.....

"You have now entered the meeting"

Important notes for participating in meetings

Press ***6** to toggle between **'mute'** and **'unmute'** (you should always ensure you are muted until you are called upon to speak)

If you wish to speak you can **'raise your hand'** by pressing ***9**. Wait for the Chairman to call you to speak. The Host will lower your hand after you have spoken. Make sure you mute yourself afterwards.

MID DEVON DISTRICT COUNCIL

MINUTES of a **MEETING** of the **AUDIT COMMITTEE** held on 22 September 2020 at 5.30 pm

Present

Councillors: W Burke, Mrs C Collis, N V Davey,
S J Penny, A Wyer and A White

Also Present

Councillors: G Barnell, L J Cruwys, R M Deed, R Evans, B A Moore,
B G J Warren and A Wilce

Also Present

Officers: Kathryn Tebbey (Head of Legal (Monitoring Officer)),
Eileen Paterson (Group Manager for Development),
Catherine Yandle (Group Manager for Performance,
Governance and Data Security), Ian Chilver (Group
Manager for Financial Services), Adrian Welsh (Group
Manager for Growth, Economy and Delivery), David
Curnow (Deputy Head of Devon Audit Partnership) and
Sarah Lees (Member Services Officer)

Also in

Attendance Julie Masci (Grant Thornton)

41. **ELECTION OF CHAIRMAN (CHAIRMAN OF THE COUNCIL IN THE CHAIR)**

RESOLVED that Cllr S Penny be elected Chairman of the Audit Committee for the remainder of the 2020/2021 municipal year.

(Proposed by Cllr A Wyer and seconded by Cllr A White)

42. **APOLOGIES**

There were no apologies for absence.

43. **PROTOCOL FOR REMOTE MEETINGS**

The protocol for remote meetings was noted.

44. **PUBLIC QUESTION TIME**

There were no questions from the member of the public who was present.

45. **DECLARATION OF INTERESTS UNDER THE CODE OF CONDUCT**

No interests were declared under this item.

46. **MINUTES OF THE PREVIOUS MEETING**

The minutes of the meeting held on 11 August 2020 were confirmed as a true and accurate record.

47. **CHAIRMAN'S ANNOUNCEMENTS**

The Chairman had the following announcements to make:

1. He thanked the Committee for putting its faith and support in him as the new Chairman. He would work with and for the Committee to move things forward in the right direction.
2. Members of the committee had been copied into a response from the Chief Executive regarding a Member question which had been asked at the last meeting in relation to the 3 Rivers Development company. It had been requested that the response be read out at this meeting and that it also be included in the minutes. The Chief Executive's response to the Member question was as follows:

"As you know, the company was created with advice from external lawyers with significant expertise in such matters. Various and numerous audits have recommended changes or improvements as time has passed and this process will continue into the future since a significant part of the audit remit is to drive improvement and assure that process. In relation to documentation, and Cllr Wilce's specific query, the recent external audit reports recommended improvements to the loan agreements and this is currently being implemented.

It is acknowledged that the report taken to Cabinet in March 2017 made reference to the need for robust agreements in place between the council and the company. Clearly, what was done at the time was felt appropriate in the context of a fledgling company, but of course we accept the external auditors' views that these should now be strengthened in order to reduce risk. In response, we are currently finalising a standard-form agreement to address these concerns and risks as well as ensuring we are well-placed for the future with any other commercial activities the council may choose to progress. I can also reassure members that any procedural changes that are required will be embedded within a revised Shareholder Agreement (to formalise this between the council and its development company). Interestingly, I believe the Local Government Association has also recently recommended the use of standard documentation in relation to council special purpose vehicles (SPVs), no doubt to both minimise risk across the sector but also potentially to cut down on costs for each council having to procure its own.

I know that Andrew Jarrett, as the council's S151 officer, will continue to advise the committee on all matters concerning risk and resource deployment, however I thought it would be helpful to give this response to reassure you of the actions being taken, and to address Cllr Wilce's specific query on the loan agreement documentation."

48. **HOUSING INFRASTRUCTURE FUND - PLANNING APPEAL DECISION AND RISK IN RELATION TO FUNDING (00:15:00)**

The Committee had before it, and **NOTED**, a report * from the Head of Planning, Economy and Regeneration responding to a Member request for the Audit Committee to consider the recent planning appeal decision at Siskin Chase, Cullompton in respect of the funding of the Cullompton town centre relief road scheme and the risk profile in respect of the recovery of the Housing Infrastructure Funds from development.

The contents of the report were outlined with reference to the following salient points:

- Delivery of a town centre relief road to enable the release of much needed housing sites had been a long held aspiration.
- The Council had been successful in obtaining £10m from Homes England under the Housing Infrastructure Fund.
- The report explained the reasoning behind the Inspector's decision to grant permission to the developer without having to make a contribution to the relief road. The Inspector had also considered the alternative air quality measures proposed by the appellant had judged them to be sufficient.
- The County Council had considered that there was sufficient capacity within the existing highway network to support this development.
- It was felt that there was quite a marked difference between the site at Siskin Chase and other sites in the Cullompton area which would benefit from a relief road. This had also been enforced by policies within the newly adopted Local Plan.
- Any project required change and with change came inherent risk. It was important that sufficient measures were in place to mitigate those risks. The Head of Planning, Economy and Regeneration had ensured that robust measures were in place to address this and she was working very closely with Homes England.
- A planning application had been submitted by Devon County Council, however, this Committee was not able to assess the issues involved.

Discussion took place regarding:

- Relevant timescales in relation to the funding and how long the loan period would be for. Homes England would have a finite date, which was expected to be in the early 2030's but it was too early to predict what the funding need would be. It was requested that should additional information be available on this point it be circulated to the Committee.
- Risks in relation to houses not being delivered against having to repay a loan, there were still a lot of unknowns but it was reiterated that Homes England wanted houses to be delivered.
- The report was a snapshot of the position at the current time
- Appeals that had taken place and the impact of these appeals on S106 agreements.
- Ongoing negotiations continued to take place with applications that had received permission.

- It would be appropriate for the Audit Committee to review the HIF on a regular basis.

Note: * Report previously circulated; copy attached to the signed minutes.

49. **OUTLOOK SECURITY (00:35:00)**

A number of concerns had been raised at the previous meeting regarding Outlook security. The Group Manager for Performance, Governance and Data Security had been asked to provide the Committee with information relating to what the Council was doing to ensure all necessary mitigations were in place to combat this.

It was explained that the Council was not able to connect to the Public Sector Network unless it had a Certificate of Compliance and the Committee were reassured that it did. It was important that all issues were identified and resolved after the annual review. If Members or officers were concerned about suspect emails then they should forward them immediately to IT via the Security email address. Concerns at the last meeting had principally been around phishing emails. A number of emails were shown to the Committee by way of example.

50. **PERFORMANCE AND RISK (00:42:00)**

The Committee had before it, and **NOTED**, report * from the Group Manager for Performance, Governance and Data Security providing Members with an update on performance against the Corporate Plan and local service targets for 2020-2021 as well as providing an update on the key business risks. It was explained that this report had now passed through all the relevant Policy Development Groups.

Discussion took place with regard to:

- A missing 'number of complaints received' figure in relation to Council housing. This would be corrected for the next meeting.
- It was noted that some of the aims within the Community PDG area were quite long term.
- Review information in relation to the Incubator Space mitigating action on the Commercial Land supply risk, this would also be updated for the next meeting.

Note: * Report previously circulated; copy attached to the signed minutes.

51. **PROGRESS UPDATE ON THE ANNUAL GOVERNANCE STATEMENT ACTION PLAN (00:50:00)**

The Committee had before it, and **NOTED**, a report * from the Group Manager for Performance, Governance and Data Security providing it with an update on progress made against the Annual Governance Statement 2019/20 Action Plan.

The officer outlined the contents of the report with particular reference to the following:

- The Annual Governance Statement had been approved at the Audit Committee meeting on 11 August 2020. The Action Plan which derived from it

picked up and monitored any issues that had been identified. Any actions were then reported to each Audit Committee meeting until they were resolved.

- Progress was being made in relation to the S106 governance arrangements with a report having now gone through the Scrutiny Committee and the Cabinet.
- Issues in relation to 3RDL were now detailed in an action plan that would be discussed at the Cabinet meeting on 1 October 2020.

Note: * Report previously circulated; copy attached to the signed minutes.

52. **INTERNAL AUDIT ASSURANCE OPINIONS (00:53:00)**

The Committee received, and **NOTED**, an information paper * from the Devon Audit Partnership providing information on the standardisation of Assurance Opinions across the public sector as recommended by CIPFA. It was hoped that this new approach would help to rationalise the different language being used across the public sector and that it would also recognise best practice.

Note: * Paper previously circulated; copy attached to the signed minutes.

53. **INTERNAL AUDIT PROGRESS REPORT (00:56:00)**

The Committee had before it, and **NOTED**, a report * from the Head of the Devon Audit Partnership providing a progress update on the performance of Internal Audit.

The contents of the report were outlined with particular reference to the following:

- The expectations of the Audit Committee in relation to this regular report.
- The definition of opinion statements.
- An overall good control framework remained in place.
- Despite the challenges of COVID the Internal Audit work programme will be revised with management but will be able to provide year end assurance.
- A summary of each of the audits that had taken place since the last time the Committee received this report was provided.
- Some work was still needed around the Council's informal partnerships in terms of control records. An update would be provided to the next meeting.
- A range of audits were currently in progress including, Payroll, Main Accounting and Procurement.

A brief discussion took place regarding the extent to which COVID was affecting the work of the Audit Partnership. It was explained that staff were connected well through various IT systems, however, there had been some staffing changes, reduction in access and amended audit plan. This has resulted in a service delivery change with a new approach of assurance mapping being implemented to underpin their assurance opinion on the control framework.

Note: * Report previously circulated; copy attached to the signed minutes.

54. EXTERNAL AUDIT PROGRESS REPORT AND SECTOR UPDATE (01:07:00)

The Committee had before it, and **NOTED**, a report * from Grant Thornton providing an update on progress in delivering their responsibilities as the Council's external auditors.

Grant Thornton's Director and Engagement Lead provided a summary of the report and made particular mention of the following:

- Their responsibilities as the Council's external auditors in relation to the annual accounts in particular their work looking at the financial statements and assessing value for money.
- The work they also conducted in relation to grant claims.
- COVID had inevitably resulted in some delays to various processes.
- Further work was still needed in the areas of pensions, investments and property valuations but it was hoped this would be completed shortly and the audit for 2019/20 would be completed. Grant Thornton were confident all relevant deadlines would be met.

Note: * Report previously circulated; copy attached to the signed minutes.

55. IDENTIFICATION OF ITEMS FOR THE NEXT MEETING (01:14:00)

No additional items were identified for the next meeting other than those already listed in the work programme.

(The meeting ended at 6.45 pm)

CHAIRMAN

AUDIT COMMITTEE 17 NOVEMBER 2020

PERFORMANCE AND RISK REPORT

Cabinet Member Cllr Bob Deed
Responsible Officer Catherine Yandle, Group Manager for Performance, Governance and Data Security

Reason for Report: To provide Members with an update on performance against the corporate plan and local service targets for 2020-21 as well as providing an update on the key business risks.

RECOMMENDATION: That the Committee reviews the Performance Indicators and Risks that are outlined in this report and feeds back any areas of concern.

The Committee is invited to review the measures suggested for inclusion in the Corporate Plan Performance framework and recommend their approval to Cabinet. (Appendix 8)

Relationship to Corporate Plan: Corporate Plan priorities and targets are effectively maintained through the use of appropriate performance indicators and regular monitoring.

Financial Implications: None identified

Budget and Policy Framework: Produced in accordance with the Risk and Opportunity Management Strategy.

Legal Implications: None

Risk Assessment: If performance is not monitored we may fail to meet our corporate and local service plan targets or to take appropriate corrective action where necessary. If key business risks are not identified and monitored they cannot be mitigated effectively.

Equality Impact Assessment: No equality issues identified for this report.

Impact on Climate Change: No impacts identified for this report.

1.0 Introduction

- 1.1 Appendices 1-5 provide Members with details of performance against the Corporate Plan and local service targets for the 2020-21 financial year.
- 1.2 Appendix 6 shows the higher impact risks from the Corporate Risk Register. See 3.0 below.
- 1.3 Appendix 7 shows the risk matrix for the Council.

1.4 All appendices are produced from the Corporate Service Performance And Risk Management system (SPAR).

1.5 When benchmarking information is available it is included.

2.0 Performance

Please note that for all areas of the Council the results since March will have been understandably impacted by the effects of the Covid 19 pandemic. There are specific comments on the attached appendices reflecting this.

Environment Appendix 1A

2.1 Regarding the Corporate Plan Aim: **Increase recycling and reduce the amount of waste**; Covid 19 had an impact on the amount of waste created by households particularly for Q1. The recycling rate is also very slightly below target.

2.2 The number of garden waste has conversely benefited from the “Stay at Home” guidance so the target has been increased.

2.3 A campaign is being undertaken over the next few weeks to promote recycling called “Make Your Metal Matter” the Council has teamed up with Devon County Council and AluPro to launch this campaign.

Climate Change Appendix 1B

2.4 Progress is being made on the Climate Change agenda; a set of proposed measures is included as appendix 1B to this report. These are all new measures reflecting the new corporate plan aims so there are no comparatives with last year.

Homes Portfolio - Appendix 2

2.5 Regarding the Corporate Plan Aim: **Deliver Housing**: The targets for annual housing completions of most types have been updated to reflect the Local Plan targets.

2.6 Regarding the Corporate Plan Aim: **Private Sector Housing: Bringing Empty homes into use** is a now well above target. **Inspections of HMOs** are now up to date.

2.7 Drivehall Ltd, the owner of 1B Brook House, in Cullompton has been fined £18,000 plus costs for breaches in regulations pertaining to the Housing Act 2004, following a hearing on 7 August 2020. The case was put forward for prosecution by the Council’s Legal and Public Health teams following an inspection of the flat in January 2020. Private Sector Housing Officers found that the four-bedroomed flat was occupied by up to 16 migrant workers.

- 2.8 Regarding the Corporate Plan Aim: **Council Housing:** all measures are either at or just below target. In terms of gas servicing compliance this has been affected by Covid 29 and we currently have 19 properties with expired LGSRs. This was 25 properties when last reported, access continues to be difficult.
- 2.9 Regarding the Corporate Plan Aim: **Support and grow active tenancy engagement:** The tenant census has had a good response. Work has commenced on analysing the results.

Economy Portfolio - Appendix 3

- 2.10 Regarding the Corporate Plan Aim: **Identify strategic and tactical interventions to create economic and community confidence and pride in the places we live. This includes a continued focus on Town Centre Regeneration: Empty shops;** we are now giving data on retail units owned by MDDC, occupancy rates are reasonable.
- 2.11 There has been positive movement on the number of Business rate accounts and empty NNDR properties.
- 2.12 Regarding the Corporate Plan Aim: **Work with local stakeholders to initiate delivery of the new garden village at Culm:** Engagement with the various stakeholder groups has re-started with 2 Stakeholder Forum events on the subjects of Building with Nature, held on 11 August and Connecting the Culm project (9 September). The project team will be focusing on preparing a draft masterplan over the next 6-12 months, and considering the planning policy context.
- 2.13 Regarding the Corporate Plan Aim: **Work with developers and DCC to deliver strategic cycle routes between settlements and key destinations:** Walking and cycling provision needs to be prioritised as set out in the Culm garden village vision and objectives.

Community Portfolio - Appendix 4

- 2.14 We now have some KPIs identified for this PDG as shown at appendix 4 and on the Corporate Plan spreadsheet at appendix 8. These are mostly new PIs and progress on most has been affected by Covid 19. It is to be hoped that more progress will be seen over the next few months.
- 2.15 Several of the corporate plan aims will require partnership working with Devon County Council, the NHS and Town and Parish Councils and lobbying activity. Targets for these remain to be developed.

Corporate - Appendix 5

- 2.16 **Working days lost due to sickness** is better than expected for the first 2 quarters of 2020 despite the Covid 19 pandemic, it has been suggested that this is due in part to the number of members of staff working from home.

- 2.17 The **Response to FOI requests** have been 100% on time since April 2019.
- 2.18 The **% total Council Tax collected** and **% total NNDR collected** are both slightly below target. This has deteriorated due to the pandemic. Staff have concentrated on processing small business grants and the council tax relief hardship fund for the first 6 months of the year.

3.0 Risk

Some risk scores have increased due to the Covid 19 pandemic especially as regards financing, homelessness and the economic outlook.

- 3.1 The Corporate risk register is regularly reviewed by Group Managers and Leadership Team and updated as required.
- 3.2 Risk reports to committees include strategic risks with a current score of 10 or more in accordance with the Risk and Opportunity Management Strategy. (Appendix 6)
- 3.3 Appendix 7 shows the risk matrix for MDDC for this quarter. If risks are not scored they are included in the matrix at their inherent score which will be higher than their current score would be.
- 3.4 Operational risk assessments are job specific and flow through to safe systems of work. These risks go to the Health and Safety Committee biannually with escalation to committees where serious concerns are raised.

4.0 Conclusion and Recommendation

- 4.1 That the Committee reviews the performance indicators and any risks that are outlined in this report and feeds back any areas of concern.
- 4.2 The Committee is invited to review the measures suggested for inclusion in the Corporate Plan Performance framework and recommend their approval to Cabinet. (Appendix 8)

Contact for more Information: Catherine Yandle Group Manager for Performance, Governance and Data Security ext 4975

Circulation of the Report: Leadership Team and Cabinet Member

Corporate Plan PI Report Environment

Monthly report for 2020-2021
 Arranged by Aims
 Filtered by Aim: Priorities Environment
 For MDDC - Services

Key to Performance Status:

Performance Indicators:	No Data	Well below target	Below target	On target	Above target	Well above target
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* Indicates that an entity is linked to the Aim by its parent Service

Corporate Plan PI Report Environment																
Priorities: Environment																
Aims: Increase recycling and reduce the amount of waste																
Performance Indicators																
Title	Prev Year (Period)	Annual Target	Apr Act	May Act	Jun Act	Jul Act	Aug Act	Sep Act	Oct Act	Nov Act	Dec Act	Jan Act	Feb Act	Mar Act	Group Manager	Officer Notes
<u>Residual household waste per household (measured in Kilograms) (figures have to be verified by DCC)</u>	177.00 (6/12)	362	35	64	96	129	158	189							Darren Beer	(April - September) Covid-19 'Stay at Home' guidance impacted on the amount of residual waste created by households during the first quarter. Residual waste is not restricted as long as it meets criteria. There are limited opportunities to reduce residual waste per household at present. (LD)
<u>Number of Fixed Penalty Notices (FPNs) Issued (Environment)</u>	10 (6/12)	No Target	0	0	4	4	4	5							Darren Beer	(September) The new District Officer has completed training and is fully operational. (LD)
<u>% of Household Waste Reused, Recycled and Composted (figures have to be verified by DCC)</u>	54.71% (6/12)	54.5%	52.5%	53.7%	54.3%	54.3%	54.1%	54.5%							Darren Beer	(September) Similar result to Sept 2019 with 534 tonnes of dry recycling collected compared to 539 in Sept 2019. Paper tonnage is reduced following the national trend; this is offset by a 31% increase in card tonnage. (LD)
<u>Number of Households on</u>	10,241 (6/12)	11,100	10,007	10,837	10,928	11,088	11,154	11,245							Darren Beer	(September) An additional 91 new
Printed by: Catherine Yandle																
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Print Date: 16 October 2020 16:23																

Corporate Plan PI Report Environment																	
Priorities: Environment																	
Aims: Increase recycling and reduce the amount of waste																	
Performance Indicators																	
Title	Prev Year (Period)	Annual Target	Apr Act	May Act	Jun Act	Jul Act	Aug Act	Sep Act	Oct Act	Nov Act	Dec Act	Jan Act	Feb Act	Mar Act	Group Manager	Officer Notes	
<u>Chargeable Garden Waste</u>																	customers since last month. (LD)
<u>% of missed collections reported (refuse and organic waste)</u>	0.02% (6/12)	0.03%	0.01%	0.02%	0.02%	0.01%	0.01%	0.02%							Darren Beer	(September) Remaining within target (LD)	
<u>% of Missed Collections logged (recycling)</u>	0.03% (6/12)	0.03%	0.03%	0.03%	0.03%	0.03%	0.03%	0.03%							Darren Beer	(September) Remaining on target (LD)	

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Corporate Plan PI Report Climate Change

Monthly report for 2020-2021
 Arranged by Aims
 Filtered by Aim: Priorities Climate Change
 For MDDC - Services

Key to Performance Status:

Performance Indicators:

No Data

Well below target

Below target

On target

Above target

Well above target

* indicates that an entity is linked to the Aim by its parent Service

Corporate Plan PI Report Climate Change

Priorities: Climate Change

Aims: Green Sources of Energy

Performance Indicators

Title	Prev Year (Period)	Prev Year End	Annual Target	Apr Act	May Act	Jun Act	Jul Act	Aug Act	Sep Act	Oct Act	Nov Act	Dec Act	Jan Act	Feb Act	Mar Act	Group Manager	Officer Notes
<u>Electric Car Charger Units</u>	n/a	n/a	8	n/a	n/a		n/a	n/a		n/a	n/a		n/a	n/a		None	(Quarter 2) Potential sites for bids being compiled (CY)
<u>New Solar Initiatives</u>	n/a	n/a	250	n/a	n/a		n/a	n/a	211	n/a	n/a		n/a	n/a		Andrew Busby	(Quarter 2) Numbers registered with MDDC direct. Numbers likely to increase when DCC registrations allocated. (CY)
<u>Electric Car Charger usage</u>	n/a	n/a	2,000													Andrew Busby	

Aims: Biodiversity

Performance Indicators

Title	Prev Year (Period)	Prev Year End	Annual Target	Apr Act	May Act	Jun Act	Jul Act	Aug Act	Sep Act	Oct Act	Nov Act	Dec Act	Jan Act	Feb Act	Mar Act	Group Manager	Officer Notes
<u>Corporate Tree Planting Scheme</u>	n/a	n/a	Develop corporate tree planting scheme by end 20/21	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a		Andrew Busby	
<u>Community climate and biodiversity grants</u>	n/a	n/a	Funding agreed is first stage	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a		Andrew Busby	

Aims: Retro-fitting measures

Performance Indicators

Title	Prev Year (Period)	Prev Year End	Annual Target	Apr Act	May Act	Jun Act	Jul Act	Aug Act	Sep Act	Oct Act	Nov Act	Dec Act	Jan Act	Feb Act	Mar Act	Group Manager	Officer Notes
<u>Corporate</u>	n/a	n/a	1	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a		Andrew	(2020 -

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Corporate Plan PI Report Climate Change																	
Priorities: Climate Change																	
Aims: Retro-fitting measures																	
Performance Indicators																	
Title	Prev Year (Period)	Prev Year End	Annual Target	Apr Act	May Act	Jun Act	Jul Act	Aug Act	Sep Act	Oct Act	Nov Act	Dec Act	Jan Act	Feb Act	Mar Act	Group Manager	Officer Notes
<u>Renewable Energy Projects</u>																Busby	2021) Carlu Close Solar (CY)
<u>ECO Flex</u>	n/a	n/a	600						424							Simon Newcombe	
<u>Housing Assistance Policy</u>	n/a	n/a	5						2							Simon Newcombe	
<u>Home Improvement Loans</u>	n/a	n/a	5	1					2							Simon Newcombe	(September) Covid adversely affected ability to do surveys and inspections in homes and availability of contractors. Activity has increased in Q3 and we expect the number of loans to increase (SN)

Aims: Other																	
Performance Indicators																	
Title	Prev Year (Period)	Prev Year End	Annual Target	Apr Act	May Act	Jun Act	Jul Act	Aug Act	Sep Act	Oct Act	Nov Act	Dec Act	Jan Act	Feb Act	Mar Act	Group Manager	Officer Notes
<u>Community Schemes</u>	n/a	n/a		n/a	n/a		n/a	n/a		n/a	n/a		n/a	n/a		Andrew Busby	
<u>Council Carbon Footprint</u>	n/a	n/a	19,000	n/a	n/a		n/a	n/a		n/a	n/a		n/a	n/a		Andrew Busby	(Quarter 2) Baseline 20402 (CY)

Corporate Plan PI Report Homes

Monthly report for 2020-2021
 Arranged by Aims
 Filtered by Aim: Priorities Homes
 For MDDC - Services

Key to Performance Status:

Performance Indicators:	No Data	Well below target	Below target	On target	Above target	Well above target
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* indicates that an entity is linked to the Aim by its parent Service

Corporate Plan PI Report Homes

Priorities: Homes

Aims: Deliver Housing

Performance Indicators																	
Title	Prev Year (Period)	Prev Year End	Annual Target	Apr Act	May Act	Jun Act	Jul Act	Aug Act	Sep Act	Oct Act	Nov Act	Dec Act	Jan Act	Feb Act	Mar Act	Group Manager	Officer Notes
<u>Net additional homes provided</u>	n/a	n/a	393	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a		Jenny Clifford, Tristan Peak	
<u>Number of affordable homes delivered (gross)</u>		85	124	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a		Angela Haigh	
<u>Build Council Houses</u>	0 (3/12)	26		n/a	n/a	0	n/a	n/a		n/a	n/a		n/a	n/a		Angela Haigh	

Aims: Private Sector Housing

Performance Indicators																	
Title	Prev Year (Period)	Prev Year End	Annual Target	Apr Act	May Act	Jun Act	Jul Act	Aug Act	Sep Act	Oct Act	Nov Act	Dec Act	Jan Act	Feb Act	Mar Act	Group Manager	Officer Notes
<u>Deliver homes by bringing Empty Houses into use</u>	55 (4/12)	138	72	1	9	26	31									Simon Newcombe	

Aims: Council Housing

Performance Indicators																	
Title	Prev Year (Period)	Prev Year End	Annual Target	Apr Act	May Act	Jun Act	Jul Act	Aug Act	Sep Act	Oct Act	Nov Act	Dec Act	Jan Act	Feb Act	Mar Act	Group Manager	Officer Notes
<u>% Properties With a Valid Gas Safety Certificate</u>	99.91% (4/12)	99.82%	100.0%	99.6%	99.4%	98.9%	98.9%									Angela Haigh	
<u>% Complaints Responded to On Time</u>	100.0% (4/12)	100.0%	99.0%	100.0%	0.0%	100.0%	100.0%									Angela Haigh	
<u>% Emergency Repairs Completed on Time</u>	100.0% (4/12)	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%									Angela Haigh	
<u>% Urgent Repairs Completed on Time</u>	100.0% (4/12)	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%									Angela Haigh	
<u>% Routine Repairs Completed on Time</u>	100.0% (4/12)	99.3%	100.0%	100.0%	100.0%	100.0%	100.0%									Angela Haigh	
<u>% Repair</u>	100.0% (4/12)	98.9%	100.0%	100.0%	100.0%	99.8%	100.0%									Angela	

Corporate Plan PI Report Homes																	
Priorities: Homes																	
Aims: Council Housing																	
Performance Indicators																	
Title	Prev Year (Period)	Prev Year End	Annual Target	Apr Act	May Act	Jun Act	Jul Act	Aug Act	Sep Act	Oct Act	Nov Act	Dec Act	Jan Act	Feb Act	Mar Act	Group Manager	Officer Notes
<u>Jobs Where an Appointment Was Kept</u>																Haigh	

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Corporate Plan PI Report Economy

Monthly report for 2020-2021
 Arranged by Aims
 Filtered by Aim: Priorities Economy
 For MDDC - Services

Key to Performance Status:

Performance Indicators:

No Data

Well below target

Below target

On target

Above target

Well above target

* indicates that an entity is linked to the Aim by its parent Service

Corporate Plan PI Report Economy

Priorities: Economy

Aims: Incubator and start-up space

Performance Indicators

Title	Prev Year (Period)	Annual Target	Apr Act	May Act	Jun Act	Jul Act	Aug Act	Sep Act	Oct Act	Nov Act	Dec Act	Jan Act	Feb Act	Mar Act	Group Manager	Officer Notes
<u>Incubator and Start-up space</u>	n/a	Target not yet set as initial work required													Jenny Clifford	
<u>Sites for Commercial Development</u>	n/a	2							0						Andrew Busby	(October) New target no movement to report yet (CY)

Aims: Improve and regenerate our town centres

Performance Indicators

Title	Prev Year (Period)	Annual Target	Apr Act	May Act	Jun Act	Jul Act	Aug Act	Sep Act	Oct Act	Nov Act	Dec Act	Jan Act	Feb Act	Mar Act	Group Manager	Officer Notes
<u>Number of business rate accounts</u>	3,155 (6/12)	3,250						3,339							Dean Emery	
<u>Business Rates RV</u>	n/a							£45,519,079							Dean Emery	
<u>Empty Business Properties</u>	n/a							267	258						Dean Emery	
<u>Tiverton Town Centre Masterplan</u>	n/a	Masterplan subject to consultation to start in first quarter 2021	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	Jenny Clifford, Adrian Welsh	
<u>Cullompton Town Centre Masterplan</u>	n/a		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	Jenny Clifford, Adrian Welsh	(2020 - 2021) Due to Cabinet 4 February (CY)
<u>Pannier Market Regular Traders</u>	n/a	Varies from 75 to 80% depending on the day							77.7%						Adrian Welsh	(October) Tuesday 77% (target occupancy 75%) Friday 82% (target occupancy 80%)

Corporate Plan PI Report Economy																
Priorities: Economy																
Aims: Improve and regenerate our town centres																
Performance Indicators																
Title	Prev Year (Period)	Annual Target	Apr Act	May Act	Jun Act	Jul Act	Aug Act	Sep Act	Oct Act	Nov Act	Dec Act	Jan Act	Feb Act	Mar Act	Group Manager	Officer Notes
																Saturday 74% (target occupancy 80%) (CY)
<u>West Exe North and South</u>	n/a		n/a	n/a	13	n/a	n/a	13	n/a	n/a		n/a	n/a		Andrew Busby	(Quarter 2) 92% 1 vacant (CY)
<u>Fore St Tiverton</u>	n/a		n/a	n/a	4	n/a	n/a	4	n/a	n/a		n/a	n/a		Andrew Busby	(Quarter 2) 80% 1 vacant (CY)
<u>Market Walk Tiverton</u>	n/a		n/a	n/a	13	n/a	n/a	13	n/a	n/a		n/a	n/a		Andrew Busby	(Quarter 2) 87%, 2 vacant; 1 under offer (CY)

Aims: Community Land Trusts																
Performance Indicators																
Title	Prev Year (Period)	Annual Target	Apr Act	May Act	Jun Act	Jul Act	Aug Act	Sep Act	Oct Act	Nov Act	Dec Act	Jan Act	Feb Act	Mar Act	Group Manager	Officer Notes
<u>Community Land Trusts Assisted</u>	n/a	2	n/a	n/a		n/a	n/a	1	n/a	n/a		n/a	n/a		Jenny Clifford	(Quarter 2) Actively working with Chawleigh (CY)

Corporate Plan PI Report Community

Monthly report for 2020-2021

Arranged by Aims

Filtered by Aim: Priorities Community

Filtered by Flag: Exclude: Corporate Plan Aims 2016 to 2020

For MDDC - Services

Key to Performance Status:

Performance Indicators:

No Data

Well below target

Below target

On target

Above target

Well above target

*
Indicates that an entity is linked to the Aim by its parent Service

Corporate Plan PI Report Community

Priorities: Community

Aims: Health and Wellbeing

Performance Indicators

Title	Prev Year (Period)	Prev Year End	Annual Target	Apr Act	May Act	Jun Act	Jul Act	Aug Act	Sep Act	Oct Act	Nov Act	Dec Act	Jan Act	Feb Act	Mar Act	Group Manager	Officer Notes
<u>Annual Community Safety Partnership (CSP) Action Plan</u>	n/a	n/a	Actions identified in plan delivery affected by Covid													Simon Newcombe	
<u>Safeguarding standards for drivers</u>	n/a	n/a	100%						100%							Simon Newcombe	
<u>Mental Health First Aiders</u>	n/a	n/a		n/a	n/a		n/a	n/a		n/a	n/a		n/a	n/a		Matthew Page	
<u>National and regional promotions</u>	n/a	n/a	5						1							Simon Newcombe	(September) x1 national event promoted. A number of regular events we engage with including Clear Air Day, Noise Action etc have been rescheduled due to Covid into Q3 and Q4 this year so we expect this to improve. It may however be 2021/22 before we fully meet target. (SN)

Aims: Community Involvement

Performance Indicators

Title	Prev Year (Period)	Prev Year End	Annual Target	Apr Act	May Act	Jun Act	Jul Act	Aug Act	Sep Act	Oct Act	Nov Act	Dec Act	Jan Act	Feb Act	Mar Act	Group Manager	Officer Notes
<u>% of complaints resolved w/in timescales (10 days - 12 weeks)</u>	96% (6/12)	94%	90%	100%	100%	96%	91%	88%	83%							Lisa Lewis	(September) 16 closed at 1st check (021020) will check again at 8 wks (RT)

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Corporate Plan PI Report Community																	
Priorities: Community																	
Aims: Community Involvement																	
Performance Indicators																	
Title	Prev Year (Period)	Prev Year End	Annual Target	Apr Act	May Act	Jun Act	Jul Act	Aug Act	Sep Act	Oct Act	Nov Act	Dec Act	Jan Act	Feb Act	Mar Act	Group Manager	Officer Notes
Number of Complaints	188 (6/12)	313		5	21	45	64	97	122							Lisa Lewis	(July) figure amended from 23 to 19 as 4 are either SRs or not MDDC (RT)

Aims: Leisure Centres																	
Performance Indicators																	
Title	Prev Year (Period)	Prev Year End	Annual Target	Apr Act	May Act	Jun Act	Jul Act	Aug Act	Sep Act	Oct Act	Nov Act	Dec Act	Jan Act	Feb Act	Mar Act	Group Manager	Officer Notes
Health Referral Initiative starters	n/a	n/a	15													Corinne Parnall	(October) Schemes were suspended due to Covid restart November (CY)
Health Referral Initiative completers	n/a	n/a	15													Corinne Parnall	
Health Referral Initiative conversions	n/a	n/a	5													Corinne Parnall	

Corporate Plan PI Report Corporate

Monthly report for 2020-2021

Arranged by Aims

Filtered by Aim: Priorities Delivering a Well-Managed Council
For MDDC - Services

Key to Performance Status:

Performance Indicators:

No Data

Well below
target

Below target

On target

Above target

Well above
target*
Indicates that an entity is linked to the Aim by its parent Service

Corporate Plan PI Report Corporate

Priorities: Delivering a Well-Managed Council

Aims: South West Mutual Bank

Performance Indicators

Title	Prev Year (Period)	Prev Year End	Annual Target	Apr Act	May Act	Jun Act	Jul Act	Aug Act	Sep Act	Oct Act	Nov Act	Dec Act	Jan Act	Feb Act	Mar Act	Group Manager	Officer Notes
<u>South West Mutual Bank</u>	n/a	n/a	Funding provided monitor progress	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	Andrew Jarrett	

Aims: Commercial Opportunities

Performance Indicators

Title	Prev Year (Period)	Prev Year End	Annual Target	Apr Act	May Act	Jun Act	Jul Act	Aug Act	Sep Act	Oct Act	Nov Act	Dec Act	Jan Act	Feb Act	Mar Act	Group Manager	Officer Notes
<u>Tiverton Other</u>	n/a	n/a		n/a	n/a	8	n/a	n/a	8	n/a	n/a		n/a	n/a		Andrew Busby	(Quarter 2) 100% (CY)
<u>Industrial Units Cullompton</u>	n/a	n/a		n/a	n/a	15	n/a	n/a	14	n/a	n/a		n/a	n/a		Andrew Busby	(Quarter 2) 93%, 1 vacant (CY)

Aims: Other

Performance Indicators

Title	Prev Year (Period)	Prev Year End	Annual Target	Apr Act	May Act	Jun Act	Jul Act	Aug Act	Sep Act	Oct Act	Nov Act	Dec Act	Jan Act	Feb Act	Mar Act	Group Manager	Officer Notes
<u>Sickness absence %</u>	2.91% (6/12)	3.27%	2.78%	n/a	n/a	2.17%	n/a	n/a	1.99%	n/a	n/a		n/a	n/a		Matthew Page	
<u>Appraisals completed</u>	(1/2)	75%	100%	n/a	n/a	n/a	n/a	n/a		n/a	n/a	n/a	n/a	n/a		Matthew Page	
<u>New Performance Planning Guarantee determine within 26 weeks</u>	99% (2/4)	100%	100%	n/a	n/a	100%	n/a	n/a	100%	n/a	n/a		n/a	n/a		Jenny Clifford, Eileen Paterson	(1/1) (1/1)
<u>Major applications overturned at appeal (over last 2 years)</u>	2% (2/4)	2%	10%	n/a	n/a	4%	n/a	n/a	5%	n/a	n/a		n/a	n/a		Jenny Clifford, Eileen Paterson	
<u>Major applications overturned at appeal % of appeals</u>	20.00% (2/4)	10.00%		n/a	n/a	100%	n/a	n/a	56%	n/a	n/a		n/a	n/a		Jenny Clifford, Eileen Paterson	
<u>Minor applications overturned at appeal (over last 2 years)</u>	0% (2/4)	0%	10%	n/a	n/a	0%	n/a	n/a	0%	n/a	n/a		n/a	n/a		Jenny Clifford, Eileen Paterson	
<u>Minor applications overturned at appeal % of appeals</u>	21% (2/4)	13%		n/a	n/a	0.25%	n/a	n/a	0.25%	n/a	n/a		n/a	n/a		Jenny Clifford, Eileen Paterson	
<u>Response to FOI Requests</u>	100% (6/12)	100%	100%	100%	100%	100%	100%	100%	100%							Catherine Yandle	

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Corporate Plan PI Report Corporate																		
Priorities: Delivering a Well-Managed Council																		
Aims: Other																		
Performance Indicators																		
Title	Prev Year (Period)	Prev Year End	Annual Target	Apr Act	May Act	Jun Act	Jul Act	Aug Act	Sep Act	Oct Act	Nov Act	Dec Act	Jan Act	Feb Act	Mar Act	Group Manager	C	N
<u>(within 20 working days)</u>																		
<u>Working Days Lost Due to Sickness Absence</u>	3.51days (6/12)	8.12days	7.00days	n/a	n/a	1.41days	n/a	n/a	2.61days	n/a	n/a		n/a	n/a		Matthew Page		
<u>Staff Turnover</u>	n/a	n/a	10%													Matthew Page		
<u>% total Council tax collected - monthly</u>	65.93% (7/12)	98.50%	98.50%	10.72%	19.37%	28.02%	36.82%	45.54%	54.55%	64.10%						Dean Emery		
<u>% total NDR collected - monthly</u>	65.21% (7/12)	99.20%	99.20%	10.09%	16.52%	31.01%	38.88%	47.90%	55.45%	62.86%						Dean Emery	(C e a f n E c a i a c v d £ (

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Corporate Risk Management Report - Appendix 6

Report for 2020-2021

Filtered by Prefix: Exclude Risk Prefix: OP, PR, EV

Filtered by Flag: Include: * Corporate Risk Register

For MDDC - Services

Filtered by Performance Status: Exclude Risk Status: Low

Not Including Risk Child Projects records, Including Mitigating Action records

Key to Performance Status:

Mitigating Action:

Milestone
Missed

Behind
schedule

In progress

Completed
and
evaluated

No Data
available

Risks: No Data (0+)

High (15+)

Medium (6+)

Low (1+)

Corporate Risk Management Report - Appendix 6

Risk: Affordable and Council Housing Demand Housing supply does not meet local demand or reflect demographic shifts like increased demand for single occupancy

Service: Housing Services

Mitigating Action records

Mitigation Status	Mitigating Action	Info	Responsible Person	Date Identified	Last Review Date	Current Effectiveness of Actions
Completed and evaluated	Detailed Analysis of Housing Need	Provision of 'heat map' to show where housing need is gathered by geographical area	Claire Fry	28/05/2013	16/09/2020	Fully effective (1)
In progress	Review of Housing Register	The register is regularly reviewed to minimise the incidence of fraud and to ensure that it represents a true picture of housing need. We also participate in the NFI waiting list matches.	Claire Fry	31/12/2019	16/09/2020	Positive(2)

Current Status: High (16) Current Risk Severity: 4 - High Current Risk Likelihood: 4 - High

Service Manager: Claire Fry

Corporate Risk Management Report - Appendix 6

Risk: Climate Change Declaration The implications to the Council's strategic, budget and medium term financial plans are not yet fully explored and understood. This introduces an increased level of uncertainty. Impact of climate change on the financial viability of the Council.

Service: Climate Change

Mitigating Action records

Mitigation Status	Mitigating Action	Info	Responsible Person	Date Identified	Last Review Date	Current Effectiveness of Actions
Completed and evaluated	Cabinet Member for Climate Change	Was appointed in January 2020 with specific responsibility for the climate change agenda.	Catherine Yandle	17/02/2020	04/09/2020	Fully effective (1)
In progress	Consideration by the Environment PDG	This PDG has been tasked with considering the Council's own policy response (s) to the Climate Change Declaration made at Full Council on 26 June 2019.	Catherine Yandle	19/07/2019	04/09/2020	Positive(2)
Completed and evaluated	Devon Climate Emergency – Tactical Group	MDDC are part of the tactical group for the climate emergency that has strategic links to our own plans.	Catherine Yandle	18/05/2020	04/09/2020	Fully effective (1)
In progress	Net Zero Advisory Group	This was approved by Cabinet on 23 April terms of reference to be progressed for the group, membership confirmed and first meeting held remotely.	Catherine Yandle	18/05/2020	04/09/2020	Positive(2)
Current Status: High (20)		Current Risk Severity: 5 - Very High		Current Risk Likelihood: 4 - High		
Service Manager: Catherine Yandle						

Corporate Risk Management Report - Appendix 6

Risk: Commercial Land supply Insufficient diversity in commercial land provided to meet changing business needs

Service: Planning

Mitigating Action records

Mitigation Status	Mitigating Action	Info	Responsible Person	Date Identified	Last Review Date	Current Effectiveness of Actions
In progress	Business and landowner engagement	Continued brokering of sites and identification of creative opportunities to meet business demands can be very effective in addressing this risk	Adrian Welsh	10/06/2019	19/08/2020	Positive(2)
In progress	Incubator/Flexible workspace project	This project should help identify opportunities to help the delivery of new flexible workspace	Adrian Welsh	10/06/2019	19/08/2020	Positive(2)
In progress	Plan for recovery	Develop a recovery plan/ strategy in conjunction with partners	Jenny Clifford	12/05/2020	19/08/2020	Positive(2)
Current Status: Medium (10)		Current Risk Severity: 5 - Very High			Current Risk Likelihood: 2 - Low	
Service Manager: Jenny Clifford						

Corporate Risk Management Report - Appendix 6

Risk: Coronavirus Pandemic There is now a significant risk to MDDC's ability to conduct business as usual

Service: Governance

Mitigating Action records

Mitigation Status	Mitigating Action	Info	Responsible Person	Date Identified	Last Review Date	Current Effectiveness of Actions
Completed and evaluated	Business Continuity Planning (BCP)	BCPs have been reviewed. Regular updates are being obtained from Public Health England and the Local Resilience Forum. Fortnightly meetings of managers and Leadership Team via Skype.	Catherine Yandle	06/03/2020	27/10/2020	Fully effective (1)
In progress	Financial and Economic effects monitoring	To ensure that local authorities including MDDC are reimbursed in full for the Covid 19 response by Central government. At present we have been given approx. £1.2M to date in extra funding in 4 tranches.	Catherine Yandle	13/05/2020	27/10/2020	Positive(2)
In progress	Local Escalation Planning	Planning has now started on the risks to service delivery in different scenarios Tier1/2/3/local lockdown etc.	Catherine Yandle	27/10/2020	27/10/2020	Positive(2)
Current Status: High (15)		Current Risk Severity: 5 - Very High		Current Risk Likelihood: 3 - Medium		
Service Manager: Simon Newcombe						

Corporate Risk Management Report - Appendix 6

Risk: Culm Garden Village Possible discontinuance of Government funding support

Service: Planning

Mitigating Action records

Mitigation Status	Mitigating Action	Info	Responsible Person	Date Identified	Last Review Date	Current Effectiveness of Actions
In progress	Further bids for capacity funding	To continue to secure external funding to support the project	Jenny Clifford	29/03/2019	04/11/2020	Positive(2)
Current Status: Medium (12)		Current Risk Severity: 4 - High		Current Risk Likelihood: 3 - Medium		
Service Manager: Jenny Clifford						

Corporate Risk Management Report - Appendix 6

Risk: Cyber Security Inadequate Cyber Security could lead to breaches of confidential information, damaged or corrupted data and ultimately Denial of Service. If the Council fails to have an effective ICT security strategy in place.

Risk of monetary penalties and fines, and legal action by affected parties

Service: I C T

Mitigating Action records

Mitigation Status	Mitigating Action	Info	Responsible Person	Date Identified	Last Review Date	Current Effectiveness of Actions
Completed and evaluated	Email and Protective DNS	ICT have applied the all levels of the government secure email policy, which ensures secure email exchange with government agencies operating at OFFICIAL. PSN DNS has been configured at the Internet gateway, which ensures the validity of websites and blocks known sites.	Lisa Lewis	06/06/2019	02/10/2020	Fully effective (1)
Completed and evaluated	Information Security Policy in place, with update training	Information Security Policy reviewed. LMS (online policy system) included in induction.	Catherine Yandle	22/10/2015	02/10/2020	Fully effective (1)
In progress	Regular user awareness training	Staff and Member updates help to reduce the risk	Catherine Yandle	03/01/2019	02/10/2020	Positive(2)
Completed and evaluated	Technical controls in place	Required to maintain Public Sector Network certification	Lisa Lewis	03/01/2019	02/10/2020	Fully effective (1)
Current Status: High (20)		Current Risk Severity: 5 - Very High		Current Risk Likelihood: 4 - High		
Service Manager: Lisa Lewis						

Corporate Risk Management Report - Appendix 6

Risk: Economic Development Service The macro economic position might necessitate a reactive response, impacting on the Council's resourcing and reducing its ability to deploy resources as planned.

Service: Growth, Economy and Development

Mitigating Action records

Mitigation Status	Mitigating Action	Info	Responsible Person	Date Identified	Last Review Date	Current Effectiveness of Actions
Completed and evaluated	Distribution and processing of Gov business support funding.	To assist businesses through these difficult initial stages.	Adrian Welsh	12/05/2020	19/08/2020	Positive(2)
In progress	Hardship funding	To support individuals/households but also crucial for self employed and furloughed staff	Adrian Welsh	12/05/2020	19/08/2020	Positive(2)
In progress	Recovery plans	Work underway to develop recovery plans to assist positive impacts on local economy.	Adrian Welsh	12/05/2020	19/08/2020	Positive(2)
Current Status: High (25)		Current Risk Severity: 5 - Very High		Current Risk Likelihood: 5 - Very High		
Service Manager: Adrian Welsh						

Corporate Risk Management Report - Appendix 6

Risk: Economic Strategy Failure to deliver projects/outcomes in Economic Strategy

Service: Growth, Economy and Development

Mitigating Action records

Mitigation Status	Mitigating Action	Info	Responsible Person	Date Identified	Last Review Date	Current Effectiveness of Actions
In progress	Continue to seek out existing and new funding opportunities	To assist in ensuring adequate funding for delivery.	Adrian Welsh	10/06/2019	12/05/2020	Positive(2)
In progress	partnership working	Continue to work closely with delivery partners to gain advance warning of difficulties so as to seek to mitigate	Adrian Welsh	10/06/2019	12/05/2020	Positive(2)
In progress	Project Management	Continue rigorous project management, monitoring and reporting	Adrian Welsh	10/06/2019	12/05/2020	Positive(2)
In progress	Recovery Plans	Recovery Plans will be put in place to aid recovery.	Adrian Welsh	12/05/2020	12/05/2020	Positive (2)
In progress	Review and reprioritisation	Part of review of projects for Year 2 actions. This will consider maximising investment and prioritising officer time.	Adrian Welsh	31/01/2020	12/05/2020	Positive(2)
Current Status: High (20)		Current Risk Severity: 4 - High		Current Risk Likelihood: 5 - Very High		
Service Manager: Jenny Clifford, Adrian Welsh						

Corporate Risk Management Report - Appendix 6

Risk: Funding Insufficient resources (including funding) to deliver growth aspirations of Corporate Plan.

Service: Growth, Economy and Development

Mitigating Action records

Mitigation Status	Mitigating Action	Info	Responsible Person	Date Identified	Last Review Date	Current Effectiveness of Actions
In progress	Lobbying	Officers will continue to review funding opportunities and seek opportunities to work closely with local partners and the HotSWLEP to seek additional funding support for key infrastructure.	Adrian Welsh	12/05/2020	12/05/2020	Positive (2)
In progress	Officers have reprioritised work programmes to explore new funding opportunities	End of European funding sources	Adrian Welsh	10/06/2019	12/05/2020	Positive(2)
Current Status: High (16) Current Risk Severity: 4 - High Current Risk Likelihood: 4 - High Service Manager: Adrian Welsh						

Corporate Risk Management Report - Appendix 6

Risk: GDPR compliance That the Council cannot demonstrate that we are compliant with GDPR requirements.

Service: Governance

Mitigating Action records

Mitigation Status	Mitigating Action	Info	Responsible Person	Date Identified	Last Review Date	Current Effectiveness of Actions
In progress	IDOX Records Handling Plan	To utilize IDOX bulk data handling tool across the Council services using Uniform	Catherine Yandle	01/03/2019	26/10/2020	Positive(2)
In progress	Records Management Action Plan	To improve identified issues with records management	Catherine Yandle	15/06/2018	26/10/2020	Positive(2)
Current Status: Medium (10)		Current Risk Severity: 5 - Very High		Current Risk Likelihood: 2 - Low		
Service Manager: Catherine Yandle						

Risk: Health and Safety Inadequate Health and Safety Policies or Risk Assessments and decision-making could lead to Mid Devon failing to mitigate serious health and safety issues

Service: Governance

Mitigating Action records

Mitigation Status	Mitigating Action	Info	Responsible Person	Date Identified	Last Review Date	Current Effectiveness of Actions
Completed and evaluated	Risk Assessments	Review risk assessments and procedures to ensure that we have robust arrangements in place. In progress ready for September reports.	Catherine Yandle	28/05/2013	20/11/2019	Fully effective (1)
In progress	Risk assessments	Group Managers contacted with request to update the outstanding risk reviews	Catherine Yandle	20/09/2019	20/11/2019	Positive(2)
Current Status: Medium (10)		Current Risk Severity: 5 - Very High		Current Risk Likelihood: 2 - Low		
Service Manager: Catherine Yandle						

Corporate Risk Management Report - Appendix 6

Risk: Homelessness Insufficient resources to support an increased homeless population could result in failure to meet statutory duty to provide advice and assistance to anyone who is homeless.

Service: Housing Services

Mitigating Action records

Mitigation Status	Mitigating Action	Info	Responsible Person	Date Identified	Last Review Date	Current Effectiveness of Actions
Completed and evaluated	Computer System	New ICT system for recording homelessness data procured and fully functional including reporting facility.	Claire Fry	05/09/2017	16/09/2020	Fully effective (1)
Completed and evaluated	Staff Support	Officers are trained and knowledgeable and the structure of Housing Options team to be reviewed to build resilience. Homelessness strategy was reviewed Autumn 2019.	Claire Fry	22/06/2017	16/09/2020	Fully effective (1)

Current Status: High (16) Current Risk Severity: 4 - High Current Risk Likelihood: 4 - High
Service Manager: Claire Fry

Corporate Risk Management Report - Appendix 6

Risk: Information Security Inadequate data protection could lead to breaches of confidential information and ultimately enforcement action by the ICO.

Service: Governance

Mitigating Action records

Mitigating Action Records						
Mitigation Status	Mitigating Action	Info	Responsible Person	Date Identified	Last Review Date	Current Effectiveness of Actions
In progress	Awareness and Training	Attend team meetings and other meetings such as Tenants Together to provide training and answer questions on request. Articles in the Link on an ad hoc basis.	Catherine Yandle	09/08/2019	26/10/2020	Positive(2)
In progress	Breach notification	Security breaches are logged via the helpdesk and monitored for developing trends. Training and advice is offered in response to items logged.	Catherine Yandle	09/08/2019	26/10/2020	Positive(2)
Current Status: Medium (10)		Current Risk Severity: 5 - Very High		Current Risk Likelihood: 2 - Low		
Service Manager: Catherine Yandle						

Corporate Risk Management Report - Appendix 6

Risk: Infrastructure delivery Inability to deliver, or delay in delivering, key transport infrastructure to unlock planned growth

Service: Growth, Economy and Development

Mitigating Action records

Mitigation Status	Mitigating Action	Info	Responsible Person	Date Identified	Last Review Date	Current Effectiveness of Actions
In progress	Partnership working	Close working with delivery partners to attempt to mitigate risks.	Adrian Welsh	12/05/2020	12/05/2020	Positive (2)
In progress	Partnership working with infrastructure providers and statutory bodies	Reduce risk of delays and communication.	Adrian Welsh	10/06/2019	12/05/2020	Positive(2)
In progress	target funding opportunities	To seek to bring forward delivery	Adrian Welsh	10/06/2019	12/05/2020	Positive(2)
Current Status: High (16) Current Risk Severity: 4 - High Current Risk Likelihood: 4 - High						
Service Manager: Jenny Clifford, Adrian Welsh						

Risk: Localism Act - Community Right to Buy / Challenge Transference of services to the community could enable the Council to identify cost savings

Service: Financial Services

Mitigating Action records

Mitigation Status	Mitigating Action	Info	Responsible Person	Date Identified	Last Review Date	Current Effectiveness of Actions
In progress	This is an opportunity - Communication with third parties needed		Ian Chilver	02/08/2019	06/09/2020	Positive(2)
Current Status: Medium (12) Current Risk Severity: 4 - High Current Risk Likelihood: 3 - Medium						
Service Manager: Ian Chilver						

Corporate Risk Management Report - Appendix 6

Risk: Overall Funding Availability Changes to Revenue Support Grant, Business Rates, New Homes Bonus and other funding streams in order to finance ongoing expenditure needs.

Service: Financial Services

Mitigating Action records

Mitigation Status	Mitigating Action	Info	Responsible Person	Date Identified	Last Review Date	Current Effectiveness of Actions
In progress	Engaging in commercial activities	To provide additional revenue streams	Ian Chilver	28/09/2017	09/11/2020	Positive(2)
Behind schedule	Medium term planning	Due to Cabinet in December 2020. Gap in excess of £5M A range of options are being considered but Covid, business rates and uncertainty over fair funding review make the situation extremely challenging	Ian Chilver	28/09/2017	09/11/2020	Poor - action required(3)
In progress	We continue to work with managers to reduce costs and explore new income streams	To close the budget gap of £3M and maintain services	Ian Chilver	07/02/2019	09/11/2020	Poor - action required(3)
Current Status: High (25)		Current Risk Severity: 5 - Very High		Current Risk Likelihood: 5 - Very High		
Service Manager: Ian Chilver						

Corporate Risk Management Report - Appendix 6

Risk: Reduced Funding - Budget Cuts We are subject to continuing budget reductions. If we concentrate on short term cost savings, it may increase long term impact of decisions

Service: Financial Services

Mitigating Action records

Mitigation Status	Mitigating Action	Info	Responsible Person	Date Identified	Last Review Date	Current Effectiveness of Actions
In progress	Business Plans	Service Business Plans are reviewed each financial year with suggestions for revised performance targets based on budget to be agreed by Cabinet Member and PDG.	Andrew Jarrett	28/05/2013	15/05/2020	Positive(2)
In progress	Identify Efficiencies	Taking proactive steps to increase income and reduce expenditure through efficiencies, vacancies that arise and delivering services in a different way.	Andrew Jarrett	28/05/2013	15/05/2020	Positive(2)
In progress	Reserves	Cabinet have taken the decision to recommend a minimum general reserve balance of 25% of Net annual budget.	Andrew Jarrett	28/05/2013	15/05/2020	Positive(2)
In progress	Set Budget	Each year as part of the budget setting process, members are consulted via PDGs in time to evaluate savings proposals, ahead of the November draft budget.	Andrew Jarrett	28/05/2013	15/05/2020	Positive(2)

Current Status: No Data **Current Risk Severity: 4 - High** **Current Risk Likelihood: 4 - High**

Service Manager: Ian Chilver, Chris Davey

Corporate Risk Management Report - Appendix 6

Risk: Reputational damage - social media impact of reputational damage through social media is a significant risk that warrants inclusion on the Authority's risk register.

Service: Communications

Mitigating Action records

Mitigation Status	Mitigating Action	Info	Responsible Person	Date Identified	Last Review Date	Current Effectiveness of Actions
No Data available	Monitoring social media	Two members of the communications team monitor the main corporate social media accounts on a rota basis. Alerts are also set up so the team receives notification of comments and can respond as appropriate. This is monitored in office hours only and the team does not provide 24 hour monitoring or a call out function. The Comms Team also works with other local authorities and takes part in social media training with other local authorities as the opportunities arise budgets permitting.	Jane Lewis	05/06/2019	18/05/2020	No Score(0)
Current Status: Medium (10)		Current Risk Severity: 5 - Very High		Current Risk Likelihood: 2 - Low		
Service Manager: Jane Lewis						

Corporate Risk Management Report - Appendix 6

Risk: S106 Agreement Inability of the legacy systems to provide a full overview of the 'trigger points' for all of the s106 agreements

Service: Planning

Mitigating Action records

Mitigation Status	Mitigating Action	Info	Responsible Person	Date Identified	Last Review Date	Current Effectiveness of Actions
In progress	S106 improvement project	A S106 improvement project is taking place to build a new system that will be able to effectively manage the process and provide better visibility over the information on S106 agreements and monies held/spent/ expected.	Jenny Clifford	04/10/2019	19/08/2020	Positive(2)
Current Status: Medium (10)		Current Risk Severity: 5 - Very High		Current Risk Likelihood: 2 - Low		
Service Manager: Jenny Clifford						

Corporate Risk Management Report - Appendix 6

Risk: SPV - 3 Rivers - Failure of the Company This will depend on Economic factors and the Company's success in the marketplace commercially.

For MDDC the impacts will be:

3 Rivers are unable to service and repay the loan from MDDC

Not receiving the forecast additional income

Not supporting corporate objectives.

Service: Financial Services

Mitigating Action records

Mitigation Status	Mitigating Action	Info	Responsible Person	Date Identified	Last Review Date	Current Effectiveness of Actions
In progress	Cabinet	Monthly meetings with Cabinet ambassadors and monthly update to Cabinet on progress with the recommendations action plan and projects.	Catherine Yandle	09/11/2020	09/11/2020	Positive(2)
In progress	Regular monitoring	The Board of 3 Rivers deliver a half yearly report to the Cabinet which provides an update on their delivery against their business plan. We charge interest to them at a commercial rate in order to maintain an "arms-length" relationship and the interest provides some mitigation to the outstanding principal.	Andrew Jarrett	30/05/2019	09/11/2020	Positive(2)
Current Status: High (15)		Current Risk Severity: 5 - Very High		Current Risk Likelihood: 3 - Medium		
Service Manager: Ian Chilver						

Corporate Risk Management Report - Appendix 6

Risk: SPV Governance Arrangements - 3 Rivers Not being able to demonstrate robust challenge and decision-making.

Service: Governance

Mitigating Action records

Mitigation Status	Mitigating Action	Info	Responsible Person	Date Identified	Last Review Date	Current Effectiveness of Actions
In progress	External Review	Several recommendations have been recommended. All have been approved between Cabinet, Audit and Scrutiny. Action Plan is in place and progress is steady.	Catherine Yandle	06/07/2020	26/10/2020	Positive(2)
In progress	Included on AGS	This issue has been included on the Annual Governance Statement Action Plan so we do not lose sight of the issue throughout the year.	Catherine Yandle	15/07/2019	26/10/2020	Positive(2)
In progress	Openness and Transparency	Regular reports to Cabinet in open session where possible. Need to balance commercial interests with Nolan principles.	Catherine Yandle	20/05/2019	26/10/2020	Positive(2)

Current Status: High (15)

Current Risk Severity: 5 - Very High

Current Risk Likelihood: 3 - Medium

Service Manager: Catherine Yandle

Corporate Risk Management Report - Appendix 6

Risk: Tiverton Pannier Market Failure to maximise the economic potential of Tiverton Pannier Market

Service: Growth, Economy and Development

Mitigating Action records

Mitigation Status	Mitigating Action	Info	Responsible Person	Date Identified	Last Review Date	Current Effectiveness of Actions
In progress	Continue to retain and prioritise market budget	To ensure most efficient use of resources	Adrian Welsh	10/06/2019	12/05/2020	Positive(2)
In progress	continue to work with traders on promotion	To increase footfall.	Adrian Welsh	10/06/2019	12/05/2020	Positive(2)
In progress	Implement and review market strategy	Implementation of strategy will increase market's financial success and help fulfill its function as a key driver for the town.	Adrian Welsh	10/06/2019	12/05/2020	Positive(2)
In progress	Masterplan Implementation	To realise benefits from the Masterplan to increase visibility of market and increase footfall.	Adrian Welsh	10/06/2019	12/05/2020	Poor - action required(3)

Current Status: High (16) Current Risk Severity: 4 - High Current Risk Likelihood: 4 - High

Service Manager: Jenny Clifford

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Print Date: 09 November 2020
09:34

Risk Matrix

Report

Filtered by Prefix: Exclude Risk Prefix: OP, EV
For MDDC - Services
Current settings

Risk Likelihood	5 - Very High	No Risks	No Risks	No Risks	1 Risk	2 Risks
	4 - High	No Risks	No Risks	No Risks	7 Risks	2 Risks
	3 - Medium	1 Risk	1 Risk	8 Risks	5 Risks	3 Risks
	2 - Low	No Risks	1 Risk	12 Risks	12 Risks	6 Risks
	1 - Very Low	5 Risks	1 Risk	2 Risks	1 Risk	2 Risks
		1 - Very Low	2 - Low	3 - Medium	4 - High	5 - Very High
Risk Severity						

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2020 09:35

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Draft Key Performance Indicators 2020-24

Corporate References			KPI Details			Context / Narrative			Lead Officer	Approvals		
KPI ref	PDG or Corporate	Cabinet Member	Description of Indicator	Measurement	Proposed Target	Current / Historical Performance	Benchmarking	Any other Comments	Responsible Officer	Approved by LT	Approved by PDG	Approved by Cabinet
		<i>Name of relevant member</i>	<i>Written description</i>	<i>How it is measured? (RAG, %, weight, number, deadline?)</i>	<i>insert</i>	<i>Give last year's data, or previous trend, or explain new indicator?</i>	<i>Why have we proposed the target at this level? Comparison with Devon districts PLUS LG benchmarking family (not just Devon!)</i>	<i>Any other relevant comments from the service</i>	<i>Name of relevant Manager</i>	<i>Needs to go green before PDG/Cab</i>	<i>Needs to go green before Cab</i>	<i>Goes green once new performance framework is adopted</i>
01	ENV	Colin Slade	Residual Waste per Household	Weight	362 kg	365 (365) kg	Devon average 351.5KG we are third highest	Improvement unlikely without round changes: Work on education and enforcement	Darren Beer			
02	ENV	Colin Slade	% Waste Reused, Recycled & Composted	%	54.50%	53 (54) %	Devon average 51% we are third lowest. DCC Stretch target 70% by 2025		Darren Beer			
03	ENV	Colin Slade	Number of FPNS Issued	Number	None	18	Responsive	Target not appropriate	Darren Beer			
04	ENV	Colin Slade	Missed collections waste	%	0.03%	0.02 (0.03) %	L-T target	1st exceeded 19/20	Darren Beer			
05	ENV	Colin Slade	Missed collections recycle	%	0.03%	0.02 (0.03) %	L-T target	1st exceeded 18/19	Darren Beer			
06	ENV	Colin Slade	Garden Waste Customers	Number	11100	10007 (10000)	Internal 2016/20 CP target	5% new customers 19/20	Darren Beer			
07	Climate	Elizabeth Wainwright	Council Carbon Footprint	Number	19000 CO2t	20402 baseline	Initiatives identified for 20/21 from the action Plan	Refer to Adopted Climate Change Action Plan	Andrew Busby			
08	Climate	Elizabeth Wainwright	New Solar Initiatives	Number	250	211	Sign-ups to Solar Together	2500 Devon wide so far	Andrew Busby			
09	Climate	Elizabeth Wainwright	Corporate Renewable Energy Projects	Number	1	New	Carlu close 20/21		Andrew Busby			
10	Climate	Elizabeth Wainwright	Electric Car Charger usage	Number	2000	2000	Number of uses per year		Andrew Busby			
11	Climate	Elizabeth Wainwright	Electric Car Charger units	Number	8	New	2 per main town and 2 more		Andrew Busby			
12	Climate	Elizabeth Wainwright	Eco Flex sign ups	Number	600	New	Each LA sets its own grant criteria (Statement of Intent) based on their local circumstances	May cease after 21/22 target 300 next year	Simon Newcombe			
13	Climate	Elizabeth Wainwright	Home Improvement Loans Lendology CIC scheme	Number	5	New	Will be 10 in future. MDCC currently third highest in number of loans approved.	Subject to ongoing capital injections via surplus BCF funding	Simon Newcombe			
14	Climate	Elizabeth Wainwright	Housing Assistance Policy	Number	5	New	Major schemes ECO Flex top-ups. See ECO Flex for benchmarking challenges	Vulnerable persons only	Simon Newcombe			
15	Climate	Elizabeth Wainwright	Corporate Tree Planting Scheme	RAG	Yes/No	New	Develop scheme/Secure funding	Numbers to be reported in future target 500-1000	Andrew Busby			
16	Climate	Elizabeth Wainwright	Community Climate & Biodiversity Grants	RAG	Yes/No	New	Agreeing funding is the first stage	Numbers to be reported in future	Andrew Busby			
17	Climate	Elizabeth Wainwright	Community Schemes	Number	4	New	Work with TCs to improve public assets	Climate conversations	Andrew Busby			
18	ECON	Richard Chesterton	Tiverton Town Centre Masterplan	RAG	Yes/No	New	Suite of town centre health check indicators to be developed which will aid understanding of health in relation to others and impact of recovery/ regeneration efforts	Review of TC vision, reassess geographic areas for intervention, prioritiation and id of quick win projects, adoption of SPD and delivery plan	Jenny Clifford			
19	ECON	Richard Chesterton	Cullompton Town Centre Masterplan	RAG	Yes/No	New	Suite of town centre health check indicators to be developed which will aid understanding of health in relation to others and impact of recovery/ regeneration efforts	Adopt the masterplan following stage 2 consultation	Jenny Clifford			
20	ECON	Richard Chesterton	Incubator/Start-up Space planning applications	Number	see note	New	Sites already in operation in Cullompton and Tiverton	Target not yet set as initial work required with the business community to better understand the extent of need over and above sites already in operation	Jenny Clifford			
21	ECON	Bob Evans	Sites for Commercial Development	Number	2 acres	New	Acreage acquired		Andrew Busby			

22	ECON	Richard Chesterton	Business Rates Accounts	Number	3250	3241 (3150)	Proxy for business births and deaths	To monitor change	Dean Emery			
23	ECON	Richard Chesterton	Rateable Value NNDR	£	None	New	Financial measure	To monitor change	Dean Emery			
24	ECON	Richard Chesterton	Empty Properties (EPR)	Number	None	New	Instead of Empty shops	To monitor change	Dean Emery			
25	ECON	Richard Chesterton	Pannier Market Regular traders	%	None	New	Varies between markets on different days. 75% trader occupation Tues, 80% trader	To monitor change	Adrian Welsh			
26	ECON	Richard Chesterton	Community Land Trusts assisted	Number	1	New	There are few CLTs operating in the District currently	Monitor CLT activity	Jenny Clifford			
27	ECON	Bob Evans	Corporate Retail Units Occupancy rates	Number	None	New	3 separate Pls for MDDC units	To monitor change	Andrew Busby			
28	HOMES	Bob Evans/Richard chesterton	Net Additional Homes	Number	393	New	National benchmarking via Housing Delivery Test and Local Plan Review annual delivery rate. HDT target exceeded last 2 years	Link to Housing Delivery Test and monitoring of Local Plan delivery	Jenny Clifford			
29	HOMES	Bob Evans	Affordable Homes	Number	94	94 (100)	Local Plan and Housing Strategy	Target derived from Local Plan	Jenny Clifford/ Simon Newcombe			
30	HOMES	Bob Evans	Build Council Houses	Number	None	26 (26)	Secure Planning permission	Numbers to be reported from 21/22	Andrew Busby/Simon Newcombe			
31	HOMES	Richard Chesterton	Self build plots	Number	5	New	Number of plots delivered	Local Plan	Jenny Clifford			
32	HOMES	Richard Chesterton	Gypsy & traveller pitches	Number	2	New	Number of pitches	Local Plan	Jenny Clifford			
33	HOMES	Bob Evans	Empty Homes brought back into use	Number	72	138 (72)	Comparison with national average benchmark of 0.85% of all registered properties	May cease after 21/22	Simon Newcombe			
34	HOMES	Bob Evans	HMOs investigations	Number	None	New	All potential HMOs reported investigated	Average period to date	Simon Newcombe			
35	HOMES	Bob Evans	Landlord Engagement	Number	9	New	Events/webinars		Simon Newcombe			
36	HOMES	Bob Evans	Homeless Approaches	Number	None	721	Benchmarking is done on prevention duty accommodation secured for 6+ months we are 74% v South West 61%	Monitor due to increased risk	Simon Newcombe			
37	HOMES	Bob Evans	Tenant Census Response Rate	%	34%	New	Census is based on a selection of agreed national Qs.	Carry out and analyse results	Simon Newcombe			
38	HOMES	Bob Evans	% Properties With a Valid Gas Safety Certificate	%	100%	99.9 (100)%	Statutory Target		Simon Newcombe			
39	HOMES	Bob Evans	Complaints responded to on time	%	100%	100 (100)%	Housing Ombudsman Service Complaints Handling Code		Simon Newcombe			
40	HOMES	Bob Evans	Emergency Repairs	%	95%	100 (100)%	Other Councils >95%		Simon Newcombe			
41	HOMES	Bob Evans	Urgent Repairs	%	95%	100 (100)%	Other Councils >95%		Simon Newcombe			
42	HOMES	Bob Evans	Routine repairs	%	95%	99.3 (100)%	Other Councils >95%		Simon Newcombe			
43	HOMES	Bob Evans	Repairs appointments kept	%	95%	98.9 (100)%	Other Councils >95%		Simon Newcombe			
44	COMM	Dennis Knowles	Community Safety Partnership Action Plan	Number	None	New	Actions identified in plan		Simon Newcombe			
45	COMM	Dennis Knowles	Safeguarding Standards for Drivers (Licensing)	%	100%	New	DBS checks/Safeguarding Training		Simon Newcombe			
46	COMM	Dennis Knowles	Mental Health 1st Aiders trained	Number	5	New	Estimate 15 (up from 10)		Matthew Page			
47	COMM	Dennis Knowles	National and Regional Promotions	Number	5	New	Monitor success in engagement with promotions through SM contacts and web hits	Re Health & Wellbeing	Simon Newcombe			
48	COMM	Dennis Knowles/Richard Chesterton	Digital Connectivity Super fast Coverage	%	>24 Mbps	New	Superfast broadband definition by Govnt >24 Mbps, CDS >30 Mbps	Superfast broadband coverage	Adrian Welsh			
49	COMM	Nikki Woollatt	Health Referral Initiatives Starters	Number	15	New	Suspended because of Covid	All Schemes: Cancer Rehab Escape Pain (not funded) Strength & Balance Cardiac Rehab & GP referrals	Lee Chester			
50	COMM	Nikki Woollatt	Health Referral Initiatives Completers	Number	10	New	Suspended because of Covid		Lee Chester			
51	COMM	Nikki Woollatt	Health Referral Initiatives Conversions	Number	5	New	Suspended because of Covid		Lee Chester			

52	COMM	Nikki Woollatt	Complaints received	Number	None	313	A spike may indicate service delivery issues		Lisa Lewis			
53	COMM	Nikki Woollatt	Complaints resolved on time (stage 1)	%	90%	94 (90)%	Indications so far are other councils monitor satisfaction not time taken	Being reviewed may be more useful to monitor stage 2 complaints	Lisa Lewis			
54	CORP	Andrew Moore	South West Mutual Bank	RAG	None	New	Monitor Progress		Andrew Jarrett			
55	CORP	Bob Evans	Corporate Commercial Units Occupancy rates	Number	None	New	2 separate PIs MDDC units	To monitor change	Andrew Busby			
56	CORP	Nikki Woollatt	Working days Sick	Number	7 days	8 (7)	National Average public sector		Matthew Page			
57	CORP	Nikki Woollatt	Sickness Absence	%	2.78%	2.78 (3.27)%	SW Councils		Matthew Page			
58	CORP	Nikki Woollatt	Staff Turnover	%	14%	18%	SW Councils	Staff Retention strategy	Matthew Page			
59	CORP	Nikki Woollatt	Appraisals completed	%	100.00%	New	By 30 September annually	Collection starting	Matthew Page			
60	CORP	Andrew Moore	Council Tax Collection rate	%	98.50%	98.5 (98.5)%	Broadly the same across Devon/Somerset		Dean Emery			
61	CORP	Andrew Moore	NNDR Collection rate	%	99.20%	99.2 (99.2)%	Broadly the same across Devon/Somerset		Dean Emery			
62	CORP	Dennis Knowles	FOI on time	%	100%	100 (100)%	Statutory target		Catherine Yandle			
63	CORP	Richard Chesterton	Major applications overturned at Appeal	%	<10%	2 (10)%	National Target allowing benchmarking	Measured on a 2 year rolling basis	Eileen Patterson			
64	CORP	Richard Chesterton	Major Appeals	%	None	10%	% of appeals. Can be tracked, but as this is not a national indicator we are not able to benchmark against others	Locally requested	Eileen Patterson			
65	CORP	Richard Chesterton	Minor applications overturned at Appeal	%	<10%	0 (10)%	National Target allowing benchmarking	Measured on a 2 year rolling basis	Eileen Patterson			
66	CORP	Richard Chesterton	Minor Appeals	%	None	13%	% of appeals. Can be tracked, but as this is not a national indicator we are not able to benchmark against others	Locally requested	Eileen Patterson			
67	CORP	Richard Chesterton	Cost of Appeals	£	None	New	Cannot be benchmarked against other Councils. Data not readily available	Cost to MDDC arising from Planning Inspector decisions over appeal cost claims	Eileen Patterson			
68	CORP	Richard Chesterton	Performance Planning Guarantee	%	100%	99 (100)%	Statutory target. Widespread use of extensions of time across Councils to meet planning guarantee	Addressed through seeking extensions of time to reduce risk of planning fee return. Need to reduce reliance upon extensions of time and determine within target timescale of application	Eileen Patterson			

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AUDIT COMMITTEE NOVEMBER 2020

PROGRESS UPDATE ON THE ANNUAL GOVERNANCE STATEMENT ACTION PLAN

Cabinet Member Cllr Bob Deed, Leader
Responsible Officer Catherine Yandle, Group Manager Performance, Governance and Data Security

Reason for Report: To provide the Committee with an update on progress made against the Annual Governance Statement 2019/20 Action Plan.

RECOMMENDATION(S): The Committee note the progress update

Relationship to the Corporate Plan: Having good governance arrangements and an effective internal control environment is a fundamental element of being a well-managed council.

Financial Implications: None arising from this report.

Budget and Policy Framework: None arising from this report.

Legal Implications: None arising from this report.

Risk Assessment: Failure to monitor progress against the Annual Governance Statement Action Plan could result in comment from the external auditors when they next review the Annual Governance Statement.

Equality Impact Assessment: No equality issues identified for this report.

Impact on Climate Change: No impacts identified for this report.

1.0 Introduction

- 1.1 The purpose of this report is to provide Members of the Committee with an update on the progress that has been made against the actions in the Annual Governance Statement Action Plan since the Audit Committee approved it on 11 August 2020.
- 1.2 The Action Plan is attached as Appendix A and progress updates have been noted on the document. There were 7 issues identified in the 2019/20 Annual Governance Statement which required remedial action.
- 1.3 Progress has been made on 4 of the issues but note there is a separate action plan for the 3 Rivers governance issues.
- 1.4 Progress against the Action Plan is reported at each Audit Committee. There is a column for RAG status to make progress clearer.

Contact for more Information: Catherine Yandle Group Manager Performance,
Governance and Data Security ext 4975

Circulation of the Report: Leadership Team and Cabinet Member

List of Background Papers: None

Annual Governance Statement (2019/20)

Annual Governance Statement 2019-20 Action Plan				
Issues Identified	Action to be taken	By whom and progress	When	Status
<p>1. The 2018/19 Internal Audit report for Development Control identified “Improvements Required” with regard to the inability of the legacy systems to provide a full overview of the ‘trigger points’ for all of the s106 agreements.</p> <p>A follow up review took place in 2019/20; the assurance opinion remains at “improvements required” where the risks around identification of S106, income management and utilisation of funds remain.</p>	<p>A project to address this is ongoing through use of specialised software, although populating the system is time consuming as many of the s106 agreements are complex.</p>	<p>The Head of Planning, Economy and Regeneration</p> <p>Proposed S106 governance arrangements have not yet been agreed by Members. A working group of PPAG has been set up to consider proposals in more detail.</p> <p><u>Cabinet recommended to Council that the governance arrangements be adopted</u></p>	<p>Scrutiny 17 August</p> <p>Cabinet 1 October</p> <p><u>Full Council 28 October - adopted</u></p>	
<p>2. External legal and financial reviews have been undertaken on 3 Rivers at the request of the Leader. A number of recommendations have come from this work regarding improving governance arrangements. These were all approved by Cabinet at their meetings of</p>	<p>Progress will be monitored by Cabinet and in this action plan</p>	<p>Chief Executive</p> <p><u>Regular reports on progress on the Action Plan are being presented to Cabinet</u></p>	<p><u>Cabinet 29 October</u></p>	

Annual Governance Statement (2019/20)

11 June and, after consultation with Scrutiny and Audit committees, 9 July. An action plan is in place to address the recommendations				
3. Continue to strengthen the link between finance and performance during 2019/20, particularly in the light of budget cuts and cost savings requirements.	Financial information is now regularly included in performance and risk reports Further integration with financial monitoring reports	Deputy Chief Executive	31 December 2020	
4. The 2018/19 internal audit report on risk management opinion was "The quality of information about risks and the mitigating action of those risks required significant improvement to enable the risk register and risk management framework to be an effective tool to protect the Council's activities".	There has been good progress although further improvements needed. Audit Committees need to further challenge the adequacy of mitigating actions recorded and monitoring of progress	Director of Business Transformation and Corporate Affairs	31 December 2020	
5. An Internal Audit Report on 3 Rivers states "We consider that the current developing position of the Company and the level of risk and investment into this	We have reviewed the risks on the Corporate Risk Register to reflect the findings of the Internal and External audit reports. This will be regularly	Deputy Chief Executive	Linked to No.2	

Annual Governance Statement (2019/20)

new venture represents a significant risk to the Authority.”	monitored and updated where appropriate.			
6. A draft Internal Audit report on counter fraud indicates “improvements required”. There are some key messages in that report about policy and strategy and the absence of monitoring and reporting of fraud in the Council.	Actions to be taken will be agreed when the audit report is finalised	Director of Business Transformation and Corporate Affairs Deadlines have now been agreed and the fraud and anti-corruption policy review brought forward to the November Audit Committee meeting.	31 March 2021	
7. The current economic situation is likely to continue to see a reduction in the number of staff employed by the Authority. We have identified that this presents a potential risk to our ability to retain the skills and experience needed. Measures are being implemented to combat this risk.	Skills Audit to be completed by collecting information as part of the appraisal process and utilisation of the LMS system to record qualifications and experience. The new “Evolve” project is wrapping up these themes.	Director of Business Transformation and Corporate Affairs The GM for HR has set out a series of practical steps to ensure “Evolve” is fully implemented. This includes the following: The implementation of a new Appraisal and Competency process followed by completion of the skills audit	31 December 2020	

Green is completed

Amber is in Progress

Red is not completed

White is not due for completion yet

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AUDIT COMMITTEE 17 NOVEMBER 2020

BRIEFING PAPER ON THE REDMOND REVIEW

Cabinet Member(s): Cllr Andrew Moore, Cabinet Member for Finance
Responsible Officer: Catherine Yandle, Group Manager for Performance, Governance and Data Security

Reason for Report: In September 2020 Sir Tony Redmond completed an Independent Review into the Oversight of Local Audit and the Transparency of Local Authority Financial Reporting; the Audit Committee should be made aware of the key recommendations.

Recommendation: That the contents of this briefing paper are noted.

Financial Implications: None except as a possible result of implementing the key recommendations from the Independent Review as described below.

Budget and Policy Framework: No Impacts

Legal Implications: To fully achieve the vision set out in the Review for a new organisation to act as the system leader for the local audit framework primary legislation will be required.

Risk Assessment: In 2018/19 40% of audits failed to meet the required deadline for reporting of 31 July, MDDC with the help of our external auditors, Grant Thornton, did meet this deadline. However this demonstrates the stresses present in the current arrangements.

Equality Impact Assessment: No Impacts

Relationship to Corporate Plan: None

Impact on Climate Change: No Impacts

1.0 Introduction/Background

- 1.1 In June 2019 Sir Tony Redmond was asked to undertake an independent review of the effectiveness of local audit and the transparency of local authority financial reporting. Whilst conducting the Review the guiding principles were accountability and transparency. How are local authorities accountable to service users and taxpayers and how are auditors accountable for the quality of their work; and how easy is it for those same individuals to understand how their local authority has performed and what assurance they can take from external audit work? 156 responses were received to a consultation which ran until 20 December 2019.

2.0 Main Recommendations

2.1 The key recommendations from the review may be summarised as:

- Potential deadline extension (to 30 September ?); whilst our accounts have not been late for several years there have been delays and obvious capacity issues for some external auditors so this is sensible.
- Potential fee increase; this is not unexpected and although undesirable may help with the capacity issues referred to above.
- Potential examination of the composition of audit committees; in order to ensure that the required knowledge and expertise are always present when considering reports, including consideration being given to the appointment of at least one suitably qualified independent member.
- The requirement that an annual audit report be submitted by the external auditor to the first Full Council meeting after 30 September each year.
- Formalising the facility for the CEO, Monitoring Officer and Chief Financial Officer (S151) to meet with the Key Audit Partner at least annually.
- Potential changes re reporting financial sustainability; this is not much different from the going concern principles but there would be additional reporting requirements to certain other bodies.
- A standardised statement of service information and costs to be prepared by each authority in such a way as to enable comparison with the annual budget and council tax set for the year. Again sensible to improve transparency of reporting.
- The creation of a new regulatory body responsible for procurement, contract management, regulation, and oversight of local audit, the Office of Local Audit and Regulation (OLAR). This would replace the Public Sector Audit appointments (PSAA) and input of other bodies. These auditors would be held accountable for performance by the new regulator, underpinned by an updated code of local audit practice.
- CIPFA/LASAAC be required to review the statutory accounts, in the light of the new requirement to prepare the standardised statement, to determine whether there is scope to simplify the presentation of local authority accounts by removing disclosures that may no longer be considered to be necessary.

3.0 Conclusions

3.1 The Audit Committee notes the recommendations which resulted from the Independent Review and await developments.

Contact for more Information: Catherine Yandle, cyandle@middevon.gov.uk

Circulation of the Report: Cabinet Member seen and approved [yes/no – name of Cabinet Member], Cabinet, Leadership Team seen and approved [yes/no]

List of Background Papers:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/916217/Redmond_Review.pdf

Audit Progress Report and Sector Update

Mid Devon District Council
Year ending 31 March 2020
17 November 2020



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Introduction



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

The paper also includes:

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



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Members of the Audit Committee can find further useful material on our website, where we have a section dedicated to our work in the public sector. Here you can download copies of our publications www.grantthornton.co.uk.

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

Progress at November 2020

Financial Statements Audit

We undertook our initial planning for the 2019/20 audit in December 2019, and interim audit in January to March 2020. We began our work on your draft financial statements in June 2020.

In January 2020 we issued a detailed audit plan, setting out our proposed approach to the audit of the Council's 2019/20 financial statements.

In addition to the audit risks communicated to those charged with governance in our Audit Plan in January 2020, the Covid-19 pandemic led us to update our planning risk assessment and reconsider our audit and value for money (VfM) approach to reflect the unprecedented global response. On 16 April 2020 we issued an addendum to our audit plan, setting out a new significant financial statement risk in relation to Covid-19.

We received your draft 2019/20 financial statements on the 9 June 2020, slightly later than the agreed timetable. We commenced our full post-statements audit ahead of receiving the full draft financial statements.

We presented our Audit Findings Report (AFR) to the Audit Committee on 11 August 2020. In this report we set out that our anticipated opinion was unqualified and include an Emphasis of Matter paragraph highlighting the material uncertainties disclosed in the financial statements in respect of land and buildings. This remains our proposed opinion on the financial statements.

Within our AFR we also set out the items that needed to be cleared prior to us issuing our report. There has been significant progress since we presented our AFR. The items that remain to be cleared are:

- receipt and review of the letters of assurance from the Devon County Pension Fund Auditor. As previously communicate we are expecting these to include a material uncertainty in relation to pension property assets;
- final review by Engagement Lead; and
- review of the final set of financial statements and subsequent events review.

We are also awaiting guidance from the NAO on the WGA submission. Whilst Mid Devon are below the threshold we are unable to conclude until the final guidance is issued. It is therefore likely that whilst we will be able to issue our audit opinion the certificate concluding the audit may be delayed.

Value for Money

The scope of our work is set out in the guidance issued by the National Audit Office. The Code requires auditors to satisfy themselves that; "the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources".

The guidance confirmed the overall criterion as: "in all significant respects, the audited body had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people".

The three sub criteria for assessment to be able to give a conclusion overall are:

- Informed decision making
- Sustainable resource deployment
- Working with partners and other third parties

Details of our initial risk assessment to determine our approach can be seen in our Audit Plan.

In our AFR that we present to the Audit Committee on 11 August 2020 we set out that we anticipated issuing an except for VFM conclusion due to the Group Governance arrangements. There have been no developments since we presented this report that have changed this proposed conclusion.

The NAO consultation on a new Code of Audit Practice (the "Code") has finished, and the new Code has completed its approval process in Parliament. It therefore came into force on 1 April 2020 for audit years 2020/21 and onwards. The new Code supersedes the Code of Audit Practice 2015, which was published by the National Audit Office (NAO) in April 2015.

The most significant change under the new Code is the introduction of an Auditor's Annual Report, containing a commentary on arrangements to secure value for money and any associated recommendations. The NAO public consultation ran until 2 September 2020. The NAO will now analyse all consultation responses received and consider what changes are required to the draft guidance. More detail can be seen on page 9 of this report as well as in appendix A.

Progress at November 2020 (Cont.)

Other areas

Certification of claims and returns

We certify the Council's annual Housing Benefit Subsidy claim in accordance with procedures agreed with the Department for Work and Pensions (DWP). The planning of the certification work for the 2019/20 has been completed. We have also completed the initial discovery testing. This identified a number of areas where additional testing is required and this work is currently underway. It should be noted that, in response to the impact of the Covid-19 pandemic, the DWP has moved the reporting deadline back to 31 January 2021 from 30 November 2020. We will report our findings to the Audit Committee in our Certification Letter in January 2021.

Meetings

We are in regular dialogue with Finance Officers and continue to be in discussions with finance staff regarding emerging developments and to ensure the audit process is smooth and effective. As we are coming to the closing stages of the audit we are working closely with officers to ensure there is no impact on achieving the reporting deadline.

Events

We provide a range of workshops, along with network events for members and publications to support the Council. We will keep officers and members updated on upcoming events.

Further details of the publications that may be of interest to the Council are set out in our Sector Update section of this report.

Audit Fees

Our work in the Local Government sector in 2018/19 highlighted areas where financial reporting, in particular, property, plant and equipment and pensions, needs to improve. There is also an increase in the complexity of Local Government financial transactions and financial reporting. This combined with the FRC requirement that all Local Government audits are at or above the "few improvements needed" (2A) rating means that additional audit work is required.

We have reviewed the impact of these changes on both the cost and timing of all our audits. We have discussed the estimated impact on fees for 2019/20 for Mid Devon with the Deputy Chief Executive. These have been shared with PSAA who have approved these in principle subject to final sign off of the final fee variations following completion of the audit.

As a firm, we are absolutely committed to meeting the expectations of the FRC with regard to audit quality and local government financial reporting.

In addition, Covid 19 has clearly impacted on the time taken in managing and delivering the audit in a more remote working environment. This has clearly impacted our work and we will need to review the actual audit inputs required at the conclusion of the audit, to assess any fee implications arising from this.

In our experience, based on the indications from audits being undertaken to date, the issues highlighted above are increasing the time taken on audits by an average of 25%. We understand from discussions with the ICAEW that this is similar to other firms. We are mitigating this as far as possible through reduced travel time and travel costs and will be looking how we can absorb some of the remaining overrun ourselves. However, it is possible that this will not be sufficient to cover the full additional cost. We are aware that the Council's finances are constrained and we will seek to minimise these costs as best we can and will also consider our own performance in delivering to the November deadline. Whilst it is too soon to estimate whether there will be any additional cost to the Council it is important to highlight this matter to you. We will discuss any additional costs with the Council's Deputy Chief Executive as we progress further towards the concluding stages of the audit. We hope the explanation above and the recent Redmond report (that indicates that, before the impact of Covid 19 is taken into account, audit fees are under-priced by 25 per cent) provides some context to any additional fees and the actions we are taking to mitigate them.

Audit Deliverables (updated – Covid-19 impact)

2019/20 Deliverables	Planned Date	Status
Fee Letter Confirming audit fee for 2019/20. We have appended the updated fee letter seeking additional fees as a result of the increased regulatory focus facing all audit suppliers.	April 2019	Complete
Accounts Audit Plan We are required to issue a detailed accounts audit plan to the Audit Committee setting out our proposed approach in order to give an opinion on the Council's 2019-20 financial statements. This includes the findings of our value for money initial risk assessment.	March 2020	Complete
Interim Audit Findings We will report to you the findings from our interim audit in our Audit Progress Report.	June 2020	Complete
Audit Findings Report The Audit Findings Report will be reported to the August Audit Committee.	July 2020	Presented at August committee in line with revised reporting timescales
Auditors Report This is the opinion on your financial statements, annual governance statement and value for money conclusion.	November 2020	We are awaiting information to complete our Audit. Details are set out on page 4 of this report.
Annual Audit Letter This letter communicates the key issues arising from our work.	January 2021	This has been deferred until the completion of the Audit.

Sector Update

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

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

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

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

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

Public Sector

Local
government

The Redmond Review

The Independent Review into the Oversight of Local Audit and the Transparency of Local Authority Financial Reporting – “The Redmond Review” was published on 8 September.

The review has examined the effectiveness of local audit and its ability to demonstrate accountability for audit performance to the public. It also considered whether the current means of reporting the Authority’s annual accounts enables the public to understand this financial information and receive the appropriate assurance that the finances of the authority are sound.

The Review received 156 responses to the Calls for Views and carried out more than 100 interviews. The Review notes “A regular occurrence in the responses to the calls for views suggests that the current fee structure does not enable auditors to fulfil the role in an entirely satisfactory way. To address this concern an increase in fees must be a consideration. With 40% of audits failing to meet the required deadline for report in 2018/19, this signals a serious weakness in the ability of auditors to comply with their contractual obligations. The current deadline should be reviewed. A revised date of 30 September gathered considerable support amongst respondents who expressed concern about this current problem. This only in part addresses the quality problem. The underlying feature of the existing framework is the absence of a body to coordinate all stages of the audit process.”

Key recommendations in the report include:

- A new regulator - the Office of Local Audit and Regulation (OLAR) to replace the Financial Reporting Council’s (FRC) role and that of Public Sector Auditor Appointments (PSAA)
- Scope to revise fees - the current fee structure for local audit be revised to ensure that adequate resources are deployed to meet the full extent of local audit requirements
- Move back to a September deadline for Local Authorities - the deadline for publishing audited local authority accounts be revisited with a view to extending it to 30 September from 31 July each year
- Accounts simplification - CIPFA/LASAAC be required to review the statutory accounts to determine whether there is scope to simplify the presentation of local authority accounts.

The OLAR would manage, oversee and regulate local audit with the following key responsibilities:

- procurement of local audit contracts;
- producing annual reports summarising the state of local audit;
- management of local audit contracts;
- monitoring and review of local audit performance;
- determining the code of local audit practice; and
- regulating the local audit sector.

The current roles and responsibilities relating to local audit discharged by the Public Sector Audit Appointments (PSAA); Institute of Chartered Accountants in England and Wales (ICAEW); FRC; and The Comptroller and Auditor General (C&AG) to be transferred to the OLAR.

How you can respond to the Review

One of the recommendations was for local authorities to implement:

The governance arrangements within local authorities be reviewed by local councils with the purpose of:

- an annual report being submitted to Full Council by the external auditor;
- consideration being given to the appointment of at least one independent member, suitably qualified, to the Audit Committee; and
- formalising the facility for the CEO, Monitoring Officer and Chief Financial Officer (CFO) to meet with the Key Audit Partner at least annually.

Whilst Redmond requires legislation, in practice the second and third bullets are things which authorities could start doing now.

The full report can be obtained from the gov.uk website:

<https://www.gov.uk/government/publications/local-authority-financial-reporting-and-external-audit-independent-review>

Code of Audit Practice and revised approach to Value for Money audit work - National Audit Office

On 1 April 2020, the National Audit Office introduced a new Code of Audit Practice which comes into effect from audit year 2020/21. The most significant change in the Code is the introduction of a new 'Auditor's Annual Report', which brings together the results of all the auditor's work across the year. The Code also introduced a revised approach to the audit of Value for Money.

Value for Money - Key changes

There are three main changes arising from the NAO's new approach:

- A new set of key criteria, covering governance, financial sustainability and improvements in economy, efficiency and effectiveness
- More extensive reporting, with a requirement on the auditor to produce a commentary on arrangements across all of the key criteria, rather than the current 'reporting by exception' approach
- The replacement of the binary (qualified / unqualified) approach to VfM conclusions, with far more sophisticated judgements on performance, as well as key recommendations on any significant weaknesses in arrangements identified during the audit.

The new approach to VfM re-focuses the work of local auditors to:

- Promote more timely reporting of significant issues to local bodies
- Provide more meaningful and more accessible annual reporting on VfM arrangements issues in key areas
- Provide a sharper focus on reporting in the key areas of financial sustainability, governance, and improving economy, efficiency and effectiveness
- Provide clearer recommendations to help local bodies improve their arrangements.

Implications of the changes

Grant Thornton very much welcomes the changes, which will support auditors in undertaking and reporting on work which is more meaningful, and makes impact with audited bodies and the public. We agree with the move away from a binary conclusion, and with the replacement of the Annual Audit Letter with the new Annual Auditor's Report. The changes will help pave the way for a new relationship between auditors and audited bodies which is based around constructive challenge and a drive for improvement.

The following are the main implications in terms of audit delivery:

- The Auditor's Annual Report will need to be published at the same time as the Auditor's Report on the Financial Statements.
- Where auditors identify weaknesses in Value for Money arrangements, there will be increased reporting requirements on the audit team. We envisage that across the country, auditors will be identifying more significant weaknesses and consequently making an increased number of recommendations (in place of what was a qualified Value for Money conclusion). We will be working closely with the NAO and the other audit firms to ensure consistency of application of the new guidance.
- The new approach will also potentially be more challenging, as well as rewarding, for audited bodies involving discussions at a wider and more strategic level. Both the reporting, and the planning and risk assessment which underpins it, will require more audit time, delivered through a richer skill mix than in previous years.

The Code can be accessed here:

https://www.nao.org.uk/code-audit-practice/wp-content/uploads/sites/29/2020/01/Code_of_audit_practice_2020.pdf

Local government reorganisation in two-tier shire counties – District Councils' Network

The District Councils' Network (DCN) a report ahead of the publication of the government's 'devolution and local recovery' white paper.

The report comments "Devolution should back the success of districts in delivery. It should not distract from the local recovery effort or reduce delivery capacity through forcing reorganisation into a less local, less agile, less responsive local government pushed by interests wanting county unitary councils everywhere. Local governance is a local matter, places must be free to decide how to organise services and to progress any kind of reform only where there is significant local agreement."

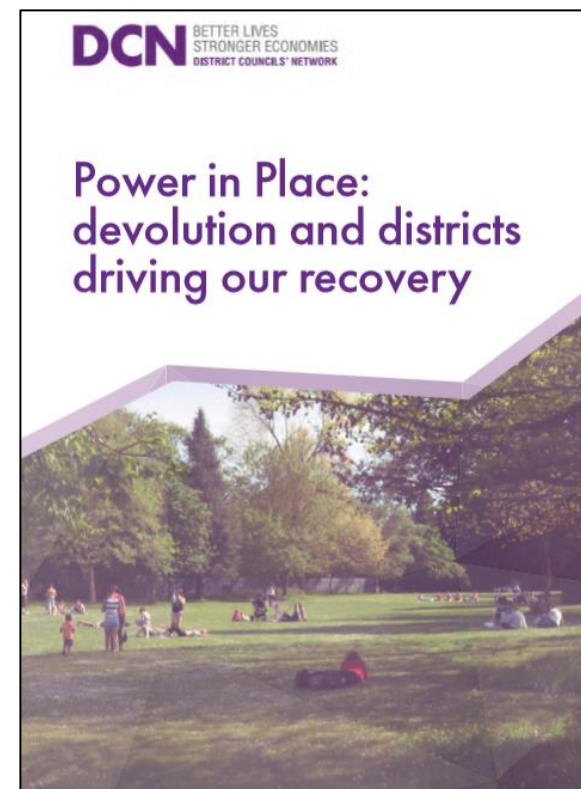
The report calls for the Devolution and Local Recovery White Paper to:

- 1) Deliver genuine devolution that moves quickly to drive local growth
- 2) Retain and build on the local capacity to deliver
- 3) Empower real-world economies
- 4) Continue to anchor local government in local communities
- 5) Reject false arguments that bigger local government is better or cheaper local government
- 6) Support strategic leadership across wider functional economic areas
- 7) Introduce an upper limit for the size of new unitary councils, in line with the principle of electoral equality

The report includes a number of case studies in each of these areas.

The full report can be obtained from the District Councils' Network website:

<https://districtcouncils.info/wp-content/uploads/2020/08/DCN-Report-Sept-1.pdf>



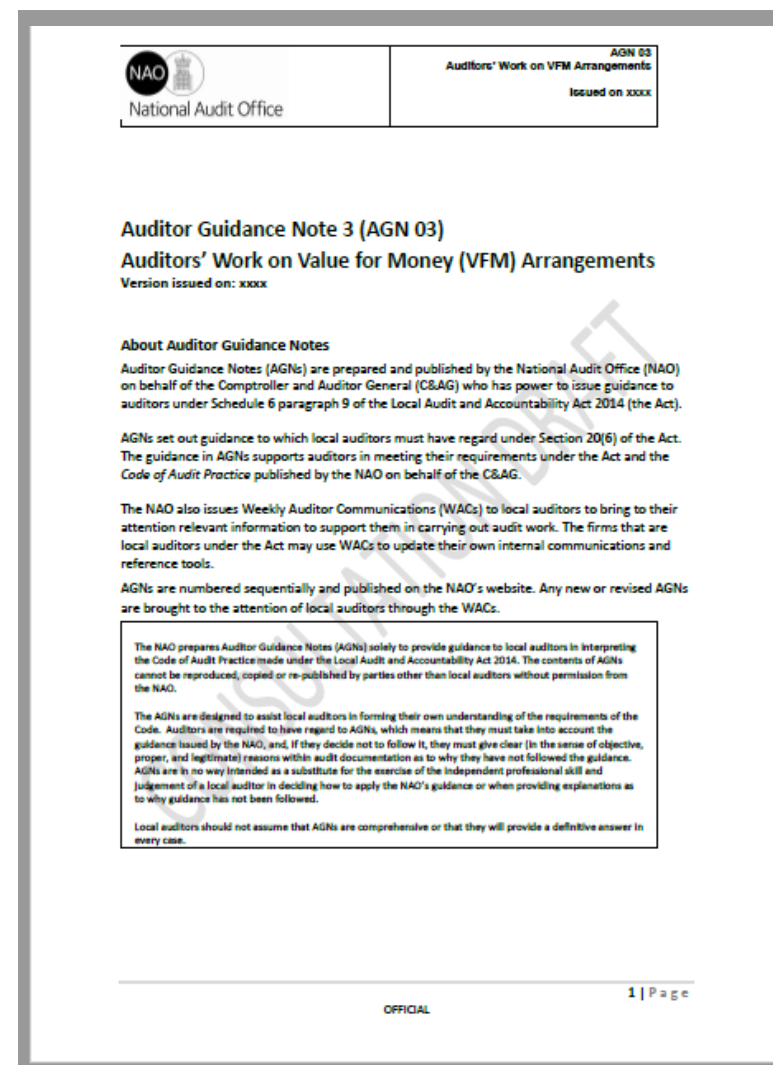
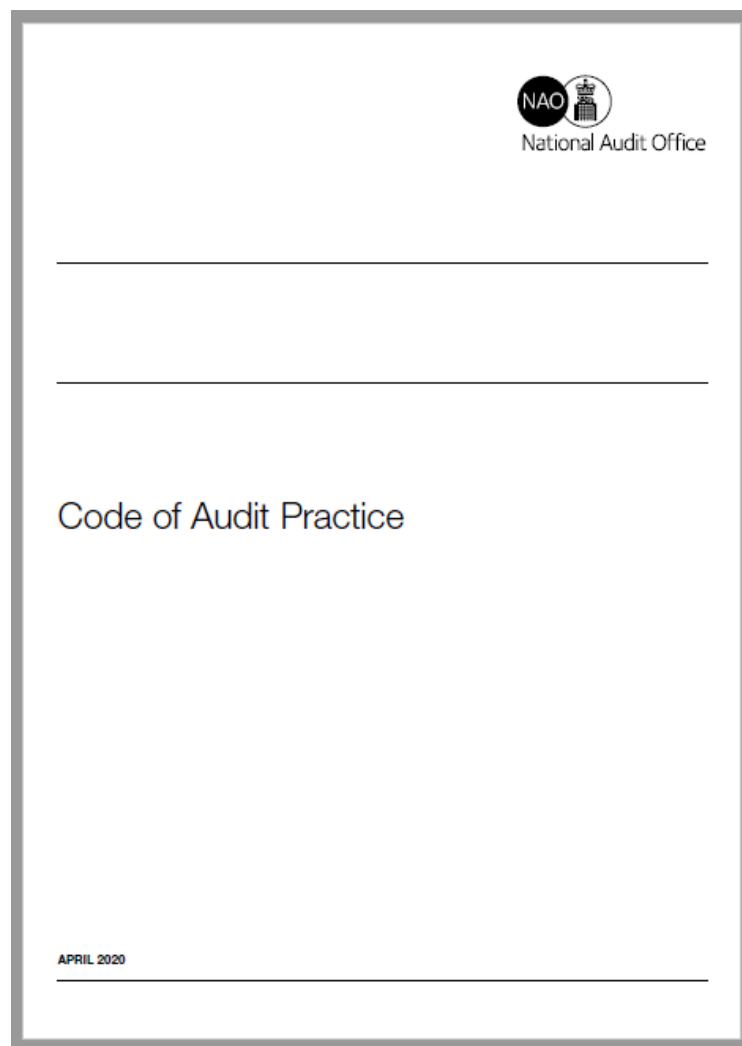
Appendix A

Auditor's work on VFM Arrangements

Page 77

How have the NAO changed value for money work ?

Page 78



How is value for money work changing ?



The three criteria have changed...

~~Informed
decision making~~

~~Sustainable
resource
deployment~~

~~Working with
partners and
other third
parties~~

Governance

**Financial
sustainability**

**Improving
economy,
efficiency and
effectiveness**

A key change in reporting...



So what is in an Auditor's Annual Report ?

Commentary on
arrangements

Recommendations

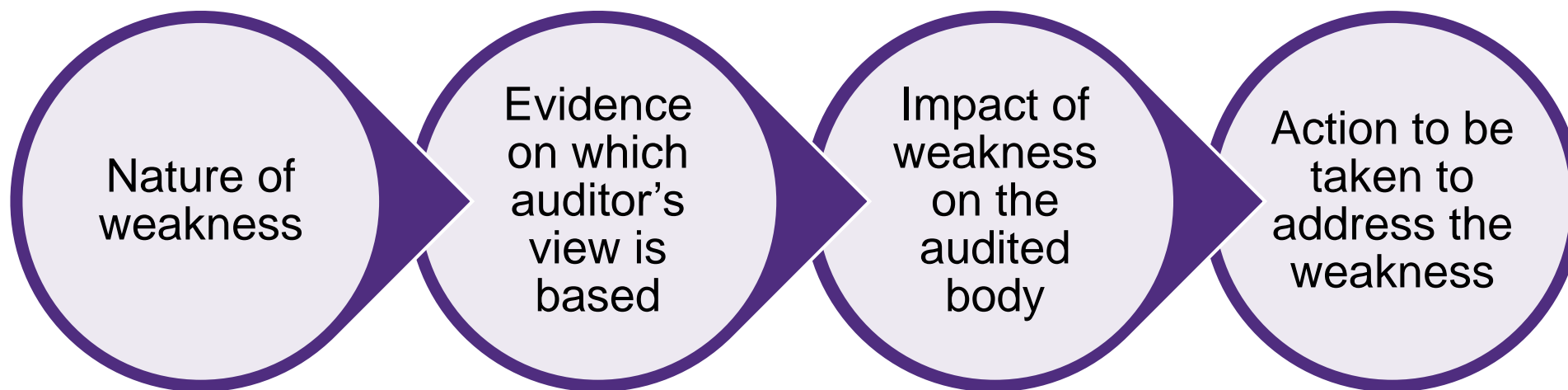
Progress in
implementing
recommendations

Use of additional
powers

Opinion on the
financial
statements

Recommendations

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Practical implications

The new approach is more complex, more involved and will lead to better quality working achieving more impact. Before beginning work, we will discuss with you:

- Timing
- Resourcing
- Fees

Q&A



