

Public Document Pack

Mid Devon District Council

Audit Committee

Tuesday, 22 November 2022 at 5.30 pm
Phoenix Chambers, Phoenix House, Tiverton

Next ordinary meeting
Tuesday, 24 January 2023 at 5.30 pm

PLEASE NOTE: - this meeting will take place at Phoenix House and members of the Public and Press are able to attend via Zoom. If you are intending to attend in person please contact the committee clerk in advance, in order that numbers of people can be appropriately managed in physical meeting rooms.

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Membership

Cllr J Buczkowski

Cllr Mrs C Collis

Cllr N V Davey

Cllr R Evans

Cllr R F Radford

Cllr R L Stanley

Cllr A White

Cllr Mrs N Woollatt

Cllr A Wyer

A G E N D A

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. **Public Question Time**
To receive any questions relating to items on the Agenda from members of the public and replies thereto.
3. **Declaration of Interests under the Code of Conduct**
To record any interests on agenda matters.
4. **Minutes of the previous meeting** (*Pages 5 - 10*)
To consider whether to approve the minutes as a correct record of the meeting held on 27th September 2022
5. **Chairman's Announcements**
To receive any announcements that the Chairman may wish to make.
6. **Data Quality Policy** (*Pages 11 - 24*)
To present the Committee with the Data Quality Policy and Data Quality Standards
7. **Performance and Risk Update Report** (*Pages 25 - 66*)
To provide Members with an update on performance against the corporate plan and local service targets for quarter 2 (2022/23), as well as providing an update on strategic risks.
8. **Internal Audit Progress Report**
To receive an verbal update on the Internal Audit Progress Report
9. **External Audit progress Report and Sector Update** (*Pages 67 - 78*)
To receive the External Audit Progress Report
10. **Access to Information - Exclusion of Press and Public**
Discussion with regard to the next items, may require the Audit Committee to pass the following resolution to exclude the press and public having reflected on Article 12 12.02(d) (a presumption in favour of openness) of the Constitution. This decision may be required because consideration of this matter in public may disclose information falling within one of the descriptions of exempt information in Schedule 12A to the Local Government Act 1972. The Audit Committee would need to decide whether, in all the circumstances of the case, the public interest in maintaining the exemption, outweighs the public interest in disclosing the information.

Recommended that under Section 100A(4) of the Local Government Act 1972 the public be excluded from the next item of business on the grounds that it involves the likely disclosure of exempt information as defined in paragraph 3 respectively of Part 1 of Schedule 12A of the Act, namely information relating to the financial or business affairs of any particular person (including the authority holding that information)

11. **3 Rivers Development Ltd Business Plan.** (Pages 79 - 112)
To receive the 3 Rivers Development Business Plan
12. **Identification of items for the next meeting**
Members are asked to note that the following items are already identified in the work programme for the next meeting:
- Performance and Risk
 - Revised Procurement Strategy
 - Statement of Accounts
 - Annual Governance Statement and Corporate Governance Framework
 - Grant Thornton's Audit Findings
 - Internal Audit Progress Report
 - External Audit Progress Report and Sector Update
 - Anti-Fraud & Corruption & Anti Money Laundering Policy

Stephen Walford
Chief Executive
Monday, 14 November 2022

Meeting Information

From 7 May 2021, the law requires all councils to hold formal meetings in person. The Council will enable all people to continue to participate in meetings via Zoom.

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. Notification in this way will ensure the meeting runs as smoothly as possible.

Anyone wishing to film part or all of the proceedings may do so unless the press and public are excluded for that part of the meeting or there is good reason not to do so, as directed by the Chairman. Any filming must be done as unobtrusively as possible from a single fixed position without the use of any additional lighting; focusing only on those actively participating in the meeting

and having regard also to the wishes of any member of the public present who may not wish to be filmed. As a matter of courtesy, anyone wishing to film proceedings is asked to advise the Chairman or the Member Services Officer in attendance so that all those present may be made aware that is happening.

Members of the public may also use other forms of social media to report on proceedings at this meeting.

Members of the public are welcome to attend the meeting and listen to discussion. Lift access the first floor of the building is available from the main ground floor entrance. Toilet facilities, with wheelchair access, are also available. There is time set aside at the beginning of the meeting to allow the public to ask questions.

An induction loop operates to enhance sound for anyone wearing a hearing aid or using a transmitter. If you require any further information, or

If you would like a copy of the Agenda in another format (for example in large print) please contact Sarah Lees on:

Tel: 01884 234310

E-Mail: slees@middevon.gov.uk

Public Wi-Fi is available in all meeting rooms.

MID DEVON DISTRICT COUNCIL

MINUTES of a **MEETING** of the **AUDIT COMMITTEE** held on 27 September 2022 at 5.30 pm

**Present
Councillors**

N V Davey (Chairman)
J Buczkowski, W Burke, Mrs C Collis, R L Stanley, A Wyer
and B G J Warren

**Apologies
Councillors**

R Evans and Mrs N Woollatt

**Present
Officers**

Matthew Page (Corporate Manager for People, Governance and Waste), Paul Deal (Corporate Manager for Finance), Paul Middlemass (Audit Manager) and Sarah Lees (Member Services Officer)

27. **Apologies**

Apologies were received from Cllr B Evans and also Cllr Mrs N Woollatt who was substituted by Cllr B Warren (via Zoom).

28. **Public Question Time**

Mr Paul Elstone asked the following questions in respect of items 6 and 7 on the agenda:

QUESTION 1

The Grant Thornton Audit Plan, as provided to the Audit Committee in June of this year, assessed that there was "Significant risk of Material Misstatement of the GROUP Financial Statements".

MDDC Cabinet have just agreed to lend 3 Rivers an additional £2.3 million to cover overspends on two projects.

Given the fact that Cabinet threw out a Scrutiny Committee recommendation this in the form of a resolution to have a risk review carried out by the Audit Committee and that these loans are, I believe, are well below market rates, where an impairment is in place, which may leave MDDC open to accusations of anti-competitive Government Support.

Will this have any impact on Grant Thorntons Audit Plans?

QUESTION 2

I ask this question based on the principle of continuous improvement, and in the context of the exactness of MDDC Internal and External Audits.

For necessary background, The MDDC Grant Thornton Audit Risk Assessment 2021/2022 asks the following questions:

“Are you aware of any instances of actual, suspected or alleged fraud, errors or other irregularities either within Mid Devon District Council as a whole or within specific departments since 1 April 2021?”

MDDC responded:

“Housing received one fraud case for 2021. This is currently being investigated by the Neighbourhood Team Leader”.

Also,

“Are there any areas where there is a potential for misreporting?”

MDDC responded:

“It is our assessment that it is extremely unlikely that misreporting would take place”.

With these statements in mind

I ask that, given these MDDC Management Responses, will this Audit Committee supported by both Grant Thornton and the Devon Audit Partnership, please investigate why MDDC Executive Officers failed to declare that a serious and formal fraud allegation had been made during the audit period?

The allegation in question was that an MDDC Senior Officer purposely misrepresented facts to a Property Developer in relation to a land purchase deal that MDDC required to progress promptly, for MDDC’s financial gain and ultimate benefit. This alleged misrepresentation of fact by the MDDC Officer caused the Property Developer to incur substantial financial loss.

This alleged misrepresentations amounted to fraud, as defined in Section 2 of the Fraud Act 2006, and has the ongoing potential to form the basis of a civil compensation claim against MDDC for SUBSTANTIAL loss.

It is known, beyond all doubt, that every one of MDDC Executive Management Team, the MDDC Council Leader, and the MDDC Cabinet Members for Finance and Planning knew of the fraud allegation.

Furthermore, documents obtained following a Freedom of Information request appear to show that some of these individuals may be implicated in the fraud.

For the avoidance of any doubt, I refer the Auditors to the Minutes of the Scrutiny Meeting of 17th January 2022 at which Scrutiny Committee Members expressed concerns that allegations of fraud did not appear to be investigated internally, asking for clarification on the internal investigation process – See minutes of meeting.

The MDDC Executive Officer for Business Improvement stated there was an MDDC internal escalation process and for referral to the Devon Audit Partnership.

HOWEVER just 4 days later, in a letter dated 21 January 2022, the MDDC Monitoring Officer tells the person making the allegation that:

“As the key Senior Officer has left the Council, It is clear that there would now be little, if any benefit, in conducting an investigation”.

It is true that senior officer left MDDC not long after the allegation was made in what would seem to be highly questionable circumstances given the timing, however it is clear that the facts at the centre of the allegation are still very much of concern to MDDC in terms of exposure both internal and external.

The Chairman stated that Mr Elstone was making a statement rather than asking questions but if he submitted the questions in writing he would receive a written reply.

Having submitted the question in writing above, the following replies have been provided to Mr Elstone’s questions by the Deputy Chief Executive (S151):

Question 1

The answer is 'No'.

Question 2

We were informed of an unsubstantiated fraud allegation by a resident – who has been asked on numerous occasions to provide evidence to us or the relevant authorities and no information has been forthcoming – therefore there was no need/requirement to update the Committee.

Note: Cllr R L Stanley declared a Disclosable Pecuniary Interest in that he was a Director of the 3 Rivers Development Company Ltd. and from this it was inferred that should any discussion ensue he would need to leave the meeting.

29. **Declaration of Interests under the Code of Conduct**

No interests were declared under this item.

30. **Minutes of the previous meeting (00:10:00)**

The minutes of the meeting held on 2 August 2022 were confirmed as a true record and signed by the Chairman.

31. **Chairman's Announcements (00:11:00)**

The Chairman had the following announcements to make:

1. It was acknowledged that the agenda for the next meeting on 22 November 2022 was going to be rather heavy and that a special meeting may be needed.
2. He had recently attended a South West Audit Chairman's Partnership meeting online which had been useful.

32. **Internal Audit Progress Report (00:12:00)**

The Committee had before it, and **NOTED**, a report * from the Devon Audit Partnership presenting their internal audit progress report for the year to date.

The following was highlighted within the report which included two internal audit reports undertaken since the last meeting:

Housing Care Service Alarms Follow Up

- This audit had been given a 'Reasonable Assurance', however, it was pointed out that much work had been put in by the Commercial Service's Manager to address the level of issues found within the audit.
- Better processes were now in place to rectify faults.
- Overall there was an opportunity to grow the service.
- There would be a focus on addressing the necessities needed first then a look towards the income opportunities.

Climate Change

- This had also been given a 'Reasonable Assurance' opinion.
- Everything was being done to try and meet the net zero targets, however the targets were very challenging
- A number of management actions had been agreed which were contained within the report.

Further updates were included as follows:

- The number of old recommendations continued to be at low levels.
- A Cyber Security Audit was just being finalised and a Leisure Centres audit would be commencing shortly.
- A Fraud Prevention Detection exercise was being conducted by Devon County Council.

Consideration was given to:

- The extent of the loss of income from the Care Alarm System in recent years, however, there would be a focus on income generation going forwards.
- Whether there was any merit in re-installing the machine in the reception area of Phoenix House for residents to pay bills? It was explained that Direct Debit was the best method of paying the Council. However, it was also explained that this could be done over the phone and on-line. There was also still a facility to pay with cash on site. Cheques were not the preferred method of payment but there was still an option available to do this.
- Customer satisfaction rates in relation the Development Management audit.

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

33. External Audit Progress Report (00:30:00)

The Committee received, and **NOTED**, a verbal update from Grant Thornton as the Council's external auditors regarding progress with their work for the 2021/2022 audit.

- Grant Thornton had just commenced the Financial Statements Audit, no issues of concern had been identified thus far. The certification of the Housing Benefits Claim was also looking positive.
- They were facing challenges as a firm regarding what was happening nationally therefore there were some concerns about meeting deadlines which they had spoken to the Council about, however, bringing in more resources would help to achieve the November deadline.
- The challenges facing Grant Thornton in terms of resourcing and timescales would also have a knock on effect to the Council.

34. Identification of items for the next meeting (00:37:00)

In addition to the items already included within the work programme for the Audit Committee the following was identified as an agenda item that should come to a future meeting:

- Planning Appeals (possibly January 2023 given the Committee workload for November 2022).

(The meeting ended at 6.13 pm)

CHAIRMAN

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AUDIT COMMITTEE 22 NOVEMBER 2022

DATA QUALITY POLICY

Cabinet Member Cllr Andrew Moore

Responsible Officer Lisa Lewis, Corporate Manager Digital Transformation and Customer Engagement

Reason for Report: To present the Committee with the Data Quality Policy and Data Quality Standards

RECOMMENDATION(S): (a) That the Committee approves the Data Quality Policy and Data Quality Standards and (b) agrees to next review the Policy in 4 years' time

Financial Implications: None - *Approved by Finance: [yes/no – include name/post title, e.g. Group Manager for Financial Services]*

Legal Implications: None - *Approved by Legal: [yes/no – include name/post title, eg Group Manager for Legal Services]*

Risk Assessment: Data is a key asset and failure to have effective data quality arrangements in place could mean that decisions and conclusions could be drawn from data that is inaccurate and out of date. *Approved by Performance/Governance: [yes/no – include name/post title, eg Manager for Performance, Governance and Data Security]*

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

Relationship to Corporate Plan: This policy forms an integral part of measuring the Council's performance against the Corporate Plan

Impact on Climate Change: There are no implications relating to Climate Change with this policy.

1.0 Introduction

- 1.1 Data is one of the Council's most important assets we want to be sure that information on which we base decisions and inform our planning is robust. Good quality data is an essential ingredient for the production of reliable information which is used to inform the decision making process.
- 1.2 The purpose of this report is to provide the Committee with the Data Quality Policy (Appendix A) and Data Quality Standards (Appendix B), which outline the roles and responsibilities for data quality within the Council and also provides clarification for officers and members as to the standards expected.

- 1.3 There are no major changes to the policy since it was last approved by the Audit Committee in November 2018.

2.0 Conclusion

- 2.1 That the Committee approves the Data Quality Policy and Data Quality Standards and agrees to next review the Policy in 4 years' time (in line with the corporate policy framework).

Contact for more Information: Lisa Lewis, Corporate Manager for Digital Transformation and Customer Engagement, ext. 4981

Circulation of the Report: Leadership Team and Cabinet Member

Data Quality Policy



1.0 Introduction

- 1.1 This policy sets out Mid Devon District Council's (MDDC) approach to data quality. Data means the basic facts from which information can be produced by processing or analysis. Data is one of MDDC's most important assets – data quality is extremely important for MDDC. MDDC wants to be sure that information on which decisions are based is robust.
- 1.2 Data Quality underpins MDDC's corporate plan and priorities:
 - Environment
 - Economy
 - Homes
 - Community
- 1.3 Producing data that is fit for purpose should not be an end in itself, but an integral part of MDDC's operational, performance management, and governance arrangements. Consistent, high-quality, timely and comprehensive information is vital to support good decision-making and to improve service outcomes.
- 1.4 This document outlines the steps necessary to maintain the highest possible standards throughout the processes that result in recognisable performance information. It should be read in conjunction with the Data Quality Standards document (Appendix B).
- 1.5 The risk in not identifying and addressing weaknesses in data quality, or the arrangements that underpin data collection and reporting activities, is that data/information may be wrong or misleading, decision making may be flawed, resources may be wasted, poor services might not be improved, and policy may be ill-founded. There is also a danger that good performance may not be recognised and rewarded.
- 1.6 **Summary Statement**

MDDC is committed to high standards of data quality. Every care will be taken to ensure that the data and information used throughout the organisation and in particular in performance management is accurate, valid, timely, relevant, secure, accessible and complete.

Data Quality Policy



2.0 What makes good quality data?

2.1 There are six key characteristics that describe data quality (taken from the Audit Commission publication titled *'Improving information to support decision making: standard for better quality data'*). These characteristics can help the Council and its partners assess the quality of data and take action to help address potential weaknesses:

- Accuracy
- Validity
- Reliability
- Timeliness
- Relevance
- Completeness

2.2 Accuracy

Data should be:

- Sufficiently accurate for its intended purpose;
- Providing a fair picture of performance and should enable informed decision making;
- Captured once only and be right first time; and
- Captured as close to the point of activity as possible i.e. within the relevant service area

The need for accuracy must be balanced with the importance of the uses for the data, and the costs and effort for collection. For example, it may be appropriate to accept some degree of inaccuracy (i.e. an estimated figure) where timeliness is important. Where compromises are made on accuracy, the resulting limitations of the data must be made clear to the users of the data.

2.3 Validity

Data should be recorded and used in compliance with relevant requirements, including the correct application of any rules or definitions, e.g. nationally required data. This will ensure consistency between periods and with similar organisations, measuring what is intended to be measured.

2.4 Reliability

Data should reflect stable and consistent data collection processes across a collection of points over time, whether using a manual or computer based system, or a combination of the two. Where the data collection method is changed the user of the data must be informed in

Data Quality Policy



order to ensure that they are aware of any potential variations in the data.

2.5 Timeliness

Data must be captured as soon as possible after the event or activity and must be available for the intended use within a reasonable time period. Data must be available quickly and frequently enough to support information needs and to influence service or management decisions.

2.6 Relevance

Data captured should be relevant to the purposes for which it is used. To ensure that this is the case, a periodic review of requirements should be undertaken to reflect any changing needs.

The users of the data should also be contacted on a periodic basis to ensure that the information meets their needs, contains the correct level of detail and is in the best format to enable effective decision making.

2.7 Completeness

Data requirements should be clearly specified based on the information needs of MDDC and data collection processes matched to these requirements. Monitoring missing, incomplete, or invalid records can provide an indication of data quality and can also point to problems in the recording of data.

2.8 In the case of all six of the key principles listed above, a robust quality assurance and checking process is required to ensure the quality of data. This is covered in detail in Data Quality Standards (Appendix B).

3.0 Locally Defined Data Quality Standards

3.1 The following best practice data quality standards have been developed to assist those responsible for managing and using data:

- Awareness
- Definitions
- Input
- Verification
- Systems
- Output
- Presentation
- Data Security

Data Quality Policy



- 3.2 The standards are covered in more detail in the Data Quality Standards document (Appendix B).

4.0 Roles and Responsibilities

- 4.1 The following groups and individuals have roles and responsibilities for data quality within MDDC:
- 4.2 The **Audit Committee** will approve the Data Quality Policy and Data Quality Standards, as well as any subsequent revisions. It will also take appropriate action to ensure that data quality is embedded throughout MDDC.
- 4.3 The **Chief Executive** is the officer Data Quality Champion and has senior management responsibility for data quality.
- 4.4 The **Finance Cabinet Member** will:
- Communicate the importance of data quality to other Members
 - Support the implementation of the proposed annual work programme
 - Act as a sounding board and challenge the data quality process as a critical friend.
- 4.5 The **Corporate Manager for Digital Transformation and Customer Engagement** is responsible for the overall quality and audit of data within MDDC in order to provide MDDC with an adequate level of assurance. They are the key contact point for any data quality queries and responsible for data quality checking of all relevant Committee reports containing data.
- 4.6 **Corporate Managers and their Operational Managers** will be responsible for:
- Communicating the importance of data quality to all officers within their service area
 - Ensuring that data quality responsibilities are reflected in the job descriptions and performance objectives of relevant officers within their team and that any training and development needs are identified and addressed through the supervision and appraisal process.
 - Leading the data quality process within their service areas and ensuring that there are adequate systems and procedures in place to meet MDDC's data quality standards outlined in Appendix B

Data Quality Policy



- Ensure that any data that is provided by third parties such as contractors or partnerships meets the same standard of MDDC
- Ensure that data quality is included in any protocols drawn up for the sharing of services with other councils if and when it becomes appropriate

4.7 All **employees** who input, store, retrieve or otherwise manage data, are responsible for ensuring that the data is of the highest quality, that they comply with this policy and the Data Quality Standards document. It is also their responsibility to inform their Service Manager if they think they need any training and support.

5.0 Embedding MDDC's Data Quality Arrangements

- 5.1 The Data Quality Standards (Appendix B) outline details on embedding Data Quality within MDDC.
- 5.2 The Audit Committee will receive data quality awareness training and will also be made aware of any issues relating to Data Quality as and when appropriate.

Data Quality Standards



1.0 Locally defined Data Quality Standards

1.1 As outlined in section 3 of the Data Quality Policy, MDDC has locally defined the following Data Quality Standards:

- **Awareness:** everyone recognises the need for good quality data and how they can contribute;
- **Definitions:** everyone knows which performance indicators are produced from the data they input and how they are defined;
- **Input:** there are controls over input, especially that data is input on an ongoing basis, rather than being stored up to be input at a later date
- **Verification:** there are verification procedures in place as close to the point of input as possible;
- **Systems:** are fit for purpose and staff have expertise to get the best out of them;
- **Output:** performance indicators (and other data) are extracted regularly and efficiently and communicated in a timely manner whether it be for MDDC Services, Partnerships or Shared Services;
- **Presentation:** annual performance indicators (and other data) are presented, with conclusive evidence, in such a way as to give easily understood and accurate information to those users who are making decisions.
- **Data Security:** data is to be handled and stored in a secure manner to ensure that MDDC policies and procedures in relation to data protection, information security and the government connect Code of Compliance are adhered to. A Record of Processing Activity is being maintained.

1.2 The information in this Standard uses performance data as an illustrative example but these standards apply to all types of data and information that is produced by MDDC.

2.0 Awareness

2.1 Data Quality is the responsibility of all members of staff inputting, storing, retrieving or otherwise managing data from any of MDDC's information systems, whether manual or computerised.

Data Quality Standards



- 2.2 All service managers are responsible for communicating the importance of data quality to all officers within their service area and to ensure that any training and development needs are raised.
- 2.3 The Data Quality Policy and Data Quality Standards will be accessible through the Governance pages on SharePoint.
- 2.4 Where appropriate the importance of data quality will be discussed at staff briefings and in features in 'the link'.
- 2.5 Member briefing sessions will be held to make members more aware of the importance of data quality.

3.0 Definitions

- 3.1 All relevant officers must know how their day-to-day job contributes to the calculation of performance indicators, and how lapses could either lead to errors or delay in reporting, both of which limit MDDC's ability to manage performance and make decisions effectively.
- 3.2 This means that an understanding is needed of any performance indicators affected by the data contributed by the officer. A basic grasp might be, e.g., knowledge of what the numerator and denominator is, and whether there are any important technical guidelines (for example, the exclusion of certain cases). This will normally be easier to communicate if officers understand the purpose of the indicator, or the policy it is meant to monitor.
- 3.3 Where we are required to provide data and information to the Government (or relevant government department) whether through nationally set performance indicators or data returns it is important that the details provided are accurate and in line with the required guidance.
- 3.4 Where MDDC are setting local performance indicators MDDC need to ensure that MDDC have established a clear definition and that there are systems available to collect and report the data in an agreed format. In particular, MDDC needs to be clear about whether target and outturn figures refer to a snapshot or cumulative position.
- 3.5 In some cases there are a number of similar indicators measuring the same thing in slightly different ways. It is important to ensure that separate figures are calculated and reported systematically for each definition.
- 3.6 Every performance indicator has a named officer who is responsible for collecting and reporting the information. This ensures that there is

Data Quality Standards



consistency in the application of definitions and use of systems for providing the data. Each named officer is kept up to date of any changes in definition that may occur and the guidance can be found on the Governance pages of SharePoint.

4.0 Input

- 4.1 There must be adequate controls over the input of data. Systems-produced figures are only as good as the data input into that system in the first place. The aim should be 100% accuracy 100% of the time. It is important that officers are given clear guidelines and procedures for using systems and are adequately trained to ensure that information is being entered consistently and correctly.
- 4.2 A key requirement is that data should be entered on an ongoing basis, not saved up to be entered in a block at the end of a period. This reduces the error rate and the need for complex verification procedures. It also means that up-to-date data is available at all times.
- 4.3 Controls must be in place to avoid double-counting. These must be designed according to the nature of the system, in particular where more than one person inputs data. A likely control will be an absolute clear division of responsibility setting out who is responsible for what.
- 4.4 The system must also record all relevant information. Individual systems need to be evaluated to determine whether additional controls are necessary. An additional control would be necessary if there is any way, theoretically, that a relevant case could exist without being captured by the current system.

5.0 Verification

- 5.1 Data requirements should be designed along the principle of 'get it right first time' in order to avoid waste, in the form of time, money spent on cleansing data, interfacing between different information systems, matching and consolidating data from multiple databases, and maintaining outdated systems.
- 5.2 Nevertheless, in complex systems, even where there are strong controls over input, errors can creep in. Where it is needed, a verification procedure should exist close to the point of data input. The frequency of verification checks must be aligned with the frequency of data reporting.
- 5.3 The simplest verification system might be a review of recent data against expectations, or a reconciliation of systems-produced data with

Data Quality Standards



manual input records. Depending on the complexity of the system, it might be necessary to undertake more thorough verification tasks, such as:

- data cleansing, e.g. to remove duplicate records or to fill in missing information;
- sample checks to eliminate reoccurrence of a specific error, e.g. checking one field of data that is pivotal to a performance indicator against documentation, for a sample of cases;
- test run of report output, to check the integrity of the query being used to extract data e.g. for Business Objects reports;
- spot checks, e.g. on external contractor information.

- 5.4 Particular attention needs to be paid to data provided by external sources. A number of performance indicators are calculated using information provided by contractors/partners and MDDC must work alongside contractors/partners to ensure that such data is accurate.
- 5.5 When entering into contacts with service providers it is essential that, wherever relevant, there is a requirement to provide timely and accurate performance information. MDDC must also be clear with the contractor about their responsibilities for data quality and how MDDC will be checking the information they provide.
- 5.6 It might not always be possible to alter existing contracts so that contractors are fully committed to providing an agreed quantity of performance data. In this case, the data must be treated as **high-risk** and thought must be given to establishing a system of checks and measures to ensure that MDDC are confident about the accuracy of this data. When carrying out checks on such information it is essential that this is documented and signed off by the relevant officer.
- 5.7 Some important data – e.g., community safety statistics – is provided directly to MDDC by external agencies. The initial priority of this strategy is to address shortcomings in performance information provided directly by and to MDDC, but where concerns exist about the integrity of externally provided data, MDDC's intention is to work with other agencies constructively wherever possible to provide assurance and rectify any problems identified. Where the data from an external source is used in a Committee Report or public document the writer must always give the source of where the data has come from.
- 5.8 Responsibility for initial data verification will lie within Departments, but Internal Audit can offer advice and guidance about the adequacy of verification procedures. However, where data is being provided to

Data Quality Standards



members for decision making purposes, the Committee report and any accompanying papers must be completed and forwarded to Governance for data quality assurance checking and sign off prior to the agenda being dispatched.

- 5.9 Internal Audit also provides MDDC with a corporate overview as to the adequacy of MDDC's arrangements in relation to Data Quality.

6.0 Systems

- 6.1 Each system must have a named officer responsible for data quality issues. The responsible officer would be required to ensure that:
- data collection/collation/calculation process is accurately mapped (data mapping) and a set of written procedures (user guides) exists for the purpose of inputting and extracting performance information. This must be regularly updated to reflect any system changes and recorded on the Record of Processing Activity (RoPA);
 - regular quality assurance checklists must be completed for all information systems and any identified risks should be promptly addressed;
 - users are adequately trained, where appropriate by having a formal training programme which is periodically evaluated and adapted to respond to changing needs;
 - information management and support is available to users;
 - system upgrades are made where necessary (including to accommodate amendments to PI definitions);
 - the system meets managers' information needs;
 - feedback from users is acted upon;
 - the system can produce adequate audit trails;
 - actions recommended by system reviews (e.g. by the external auditors) are implemented;
 - a business continuity plan for the system exists to protect vital records and data.
- 6.2 There must also be a named substitute officer who can deputise in the data quality lead's absence by (at least) maintaining the day-to-day functionality of the system. Given the increasingly demanding timescale for performance reporting, MDDC cannot afford to have systems lying dormant during unplanned absences. It is, therefore, also essential that written procedures are designed so that another officer can carry out the procedures essential to providing performance information if the officer who normally performs these duties is absent.

Data Quality Standards



- 6.3 The paragraphs above detail an approach to ensure that systems data quality is maintained, but there will be systems where work has to be undertaken to rectify gaps in the control environment. To identify these systems there needs to be a co-ordinated evaluation of every information system used in MDDC to produce performance information, including:
- the identity of the officer responsible for the system and their substitute officer;
 - a central co-ordinator, who will be the Group Manager for Performance, Governance and Data Security, will ensure that there is a central register detailing all systems and responsible officers;
 - a summary of data quality and verification actions undertaken;
 - risk assessments undertaken.
- 6.4 Assessments of '**High Risk**' conditions will include:
- a high volume of data/transactions;
 - technically complex performance indicator definition/guidance;
 - problems/risks identified in previous years;
 - inexperienced staff involved in data processing/performance indicator production;
 - system being used to produce a new performance indicator;
 - changes to the system or staffing;
 - known gaps in the control environment.
- 6.5 The purpose of undertaking a risk assessment is to target limited resources at the areas that require most attention.
- 6.6 Where **High-Risk** systems have been identified for attention, the following steps will need to be taken:
- analysis of the control environment;
 - identification of gaps;
 - design of mitigating controls and procedures to address gaps;
 - preparation of an action plan which lists responsible officers and target dates;
 - monitoring the implementation of the action plan

Data Quality Standards



7.0 Output

- 7.1 Best use can be made of performance data if it is produced and communicated on a timetable that allows for management comment and action.
- 7.2 It is important that performance information is subject to scrutiny and quality checking in order for it to be challenged before being passed up the line for management action.
- 7.3 Where the data is being presented to members in the form of a committee report, the report and any accompanying papers must be submitted to Governance (in the same way that Legal and Financial Services receive relevant Committee reports) in order for the data to be quality assurance checked and signed off prior to the Committee report agenda being dispatched.

8.0 Presentation

- 8.1 Reporting accurate and timely data, leads to good decision-making and improved performance. For a large proportion of performance data, that performance will only be recognised publicly if it can be substantiated by external bodies.
- 8.2 If the controls listed in this document are in place, stakeholders will be able to have a greater degree of confidence in the information that is presented by MDDC.
- 8.3 It is of paramount importance that data is presented to the user clearly to show whether performance is getting better or worse and whether it is on, above or below target. There must be clear explanatory notes where there are variances, particularly where performance is getting worse or is below target.

9.0 Data Security

- 9.1 MDDC has the following policies which are to be read in conjunction with this Policy:
 - Data Protection Policy
 - Freedom of Information Policy
 - Information Security Policy
 - Information Security Incident Policy

PERFORMANCE AND RISK REPORT

Cabinet Member Cllr Bob Deed, the Leader of the Council.
Responsible Officers Dr Stephen Carr, Corporate Performance and Improvement Manager.
Matthew Page, Corporate Manager for People, Performance & Waste.

Reason for Report: To provide Members with an update on performance against the corporate plan and local service targets for quarter 2 (2022/23), as well as providing an update on strategic risks.

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

Relationship to Corporate Plan: Corporate Plan priorities and targets are managed and scrutinised on a regular basis using appropriate performance indicators.

Financial Implications: There are no direct financial implications arising from this report. However, if performance is not at the expected or desired level then resources may need to be reviewed or redirected to improve performance.

Budget and Policy Framework: Produced in accordance with the Risk Management Policy 2022/23.

Legal Implications: There are no direct legal implications arising from this report. However, if the performance of some indicators is not at required levels, there is a risk of legal challenge.

Risk Assessment: If performance is not managed we may not meet our corporate and local service plan targets or take appropriate corrective action. If strategic risks are not identified and managed they cannot be mitigated effectively.

Equality Impact Assessment: Customer feedback can help the council identify any groups of people who may potentially be experiencing a less satisfactory level of service. When reviewing performance and making recommendations on priorities, the Council should be mindful to consider how services might impact on different sections of the community.

Impact on Climate Change: Several performance indicators are related to our corporate ambition to reduce carbon emissions. Managing the performance of these can help evaluate the impact of Council interventions as well as guide future decisions on spend and investment.

1.0 Introduction

- 1.1 Appendices 1-5 provide Members with details of performance against the Corporate Plan and local service targets for quarter 2, financial year 2022/23.

- 1.2 Appendix 6 details the Corporate Risk Register. These are the Council's strategic risks with a current risk rating of 10 or more.
- 1.3 The appendices are produced from the Corporate "Service Performance and Risk" Management system (SPAR).

2.0 Performance Analysis

Environment Appendix 1A

- 2.1 Levels of residual waste collected per household is performing ahead of target for the year to date (Figure 1). The reduction in residual waste may indicate that residents have followed Council advice to reduce non-recyclable waste after receiving their new black bin.

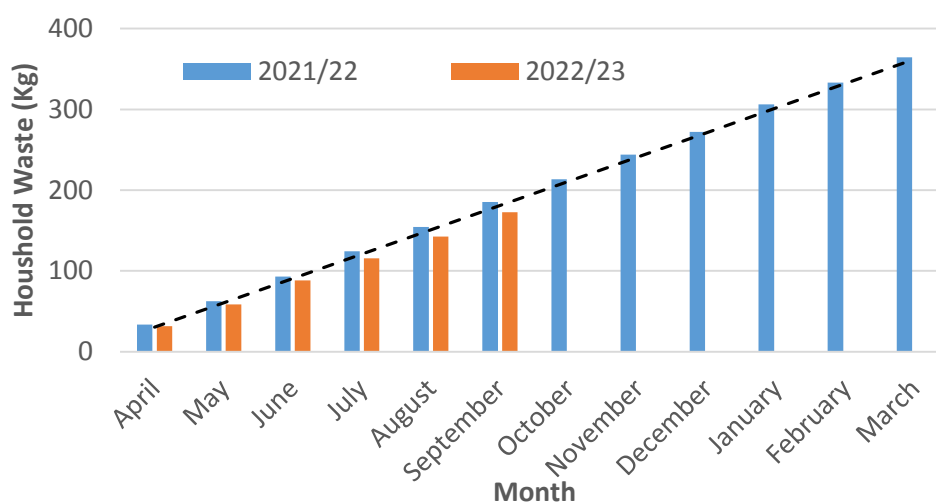


Figure 1: Residual Waste per Household (Kg), 2021/22 to present.

- 2.2 Household waste recycled is 53.7% (April to September 2022), this is below target (54.5%). This underperformance can be related to less garden and food waste collected, most likely due to the hot and dry summer.
- 2.3 Households opted into chargeable Garden Waste collections is 12,018 (September 2022) compared to 11,879 last year (September 2021).
- 2.4 Levels of missed bin collections remain low (0.02%), performing ahead of target (0.03%).
- 2.5 The Council has introduced the Bin-It 123 collection cycle which should improve recycling rates, decrease the amount of waste collected and in turn reduce the carbon impact, and decrease emissions from our collection vehicles. It will also help the Council to meet Government guidelines to recycle 65% of household waste by 2035 and Devon's proposed 60% target rate by 2025.
- 2.6 Six fixed penalty notices (Environment) have been issued (April to September 2022). One of the objectives for the Environment and Enforcement service is to educate the public and ensure a balanced and proportionate approach to enforcement activity. This will enable the service to build public confidence in our enforcement practice.

Climate Change Appendix 1B

- 2.7 To date, the Council has installed three electric vehicle charger units, each with two charging points. A further five charger units are due to be installed by the end of the financial year, taking the total to eight (16 charging points). The number of charging point uses continues to increase, Figure 2.

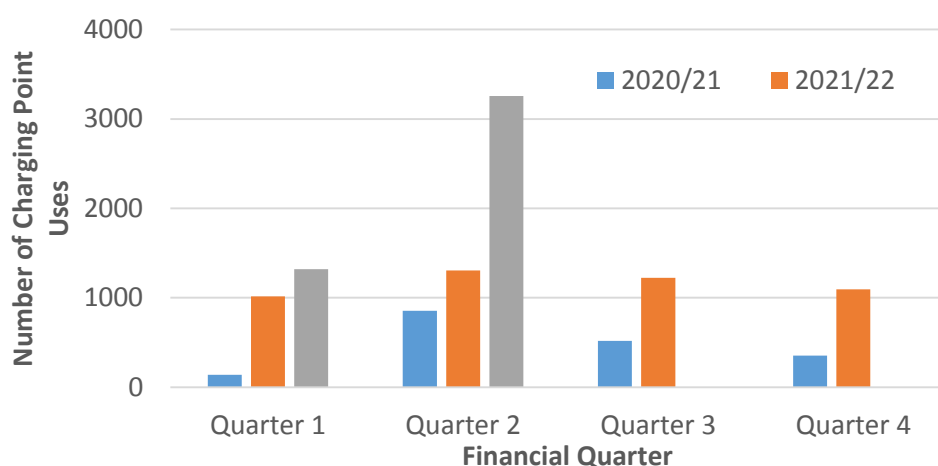


Figure 2: Electric Vehicle Charge Point uses per quarter, 2020/21 to present

- 2.8 Decarbonisation works have commenced at Exe Valley and Lords Meadow leisure centres with the installation of ground and air source heat pumps. To undertake this work, the Council secured £2.8 million of funding from the Department for Business, Energy and Industrial Strategy (BEIS) as part of its Public Sector Decarbonisation Scheme, delivered by Salix.

Homes Portfolio - Appendix 2

- 2.9 The number of empty houses brought back into use for the year to date is 12 (April to September 2022). A new Housing Initiatives Officer has been appointed and this post will focus on empty houses, as well as other projects. It is expected that more homes will be brought back into use later in 2022/23.
- 2.10 The number of households who considered themselves as homeless that approached the Council's housing advice service for Quarter 2 was 243 (443 households year to date), Figure 3.

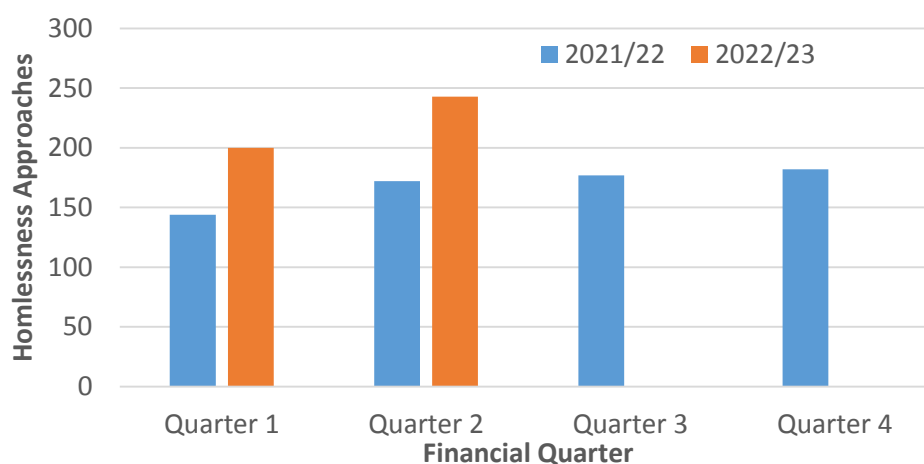


Figure 3: Homelessness approaches per quarter, 2021/22 to present.

- 2.11 The data for Council Housing shows good performance for Quarter 2, 2022/23 (July to September), Table 1.

Table 1: Council housing performance indicators, July to September 2022.

Indicator	July	August	Sept.
Emergency repairs completed on time	100%	100%	100%
Urgent repairs completed on time	99%	99%	99%
Routine repairs completed on time	99%	97%	98%
Properties with a valid gas safety certificate	99%	99%	99%
Housing complaints responded to on time	100%	100%	100%

Economy Portfolio - Appendix 3

- 2.12 The number of empty business properties is measured by the number of national non-domestic rates (NNDR) accounts receiving empty property relief. There were 245 empty business properties in September 2022, Figure 4.

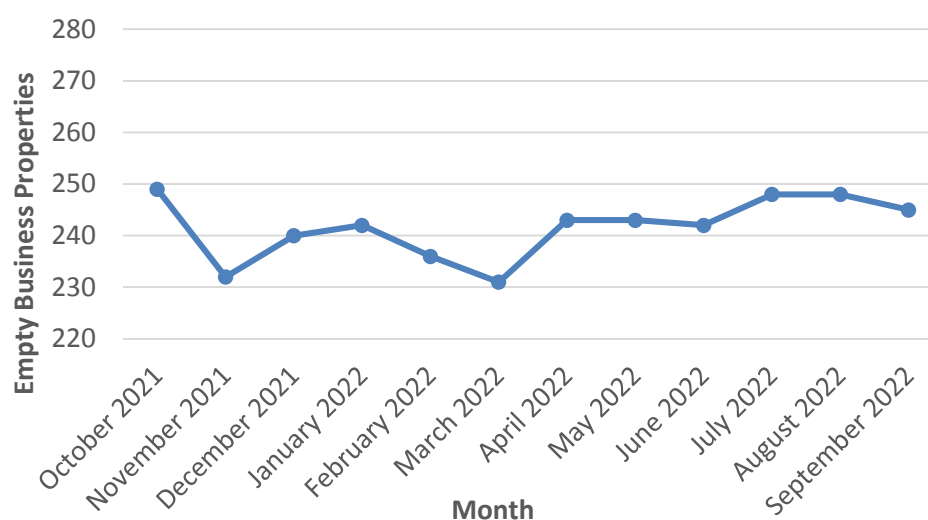


Figure 4: Number of empty business properties, last 12 months.

- 2.13 The number of regular traders at the Pannier market is 86% for Quarter 2, ahead of a target of 85%. This represents a steady increase, Table 2.

Table 2: Regular Traders at the Tiverton Pannier market, 2021/22 to present

Financial Year	Quarter	Regular Traders
2021/22	1	75%
2021/22	2	80%
2021/22	3	82%
2021/22	4	82%
2022/23	1	85%
2022/23	2	86%

Community Portfolio - Appendix 4

- 2.14 There have been 201 complaints this financial year (April to Sept). The performance of resolving complaints within the target timescale is detailed at Figure 5. The Annual Report of Complaints and Compliments was reported to Scrutiny committee on 17 October 2022.

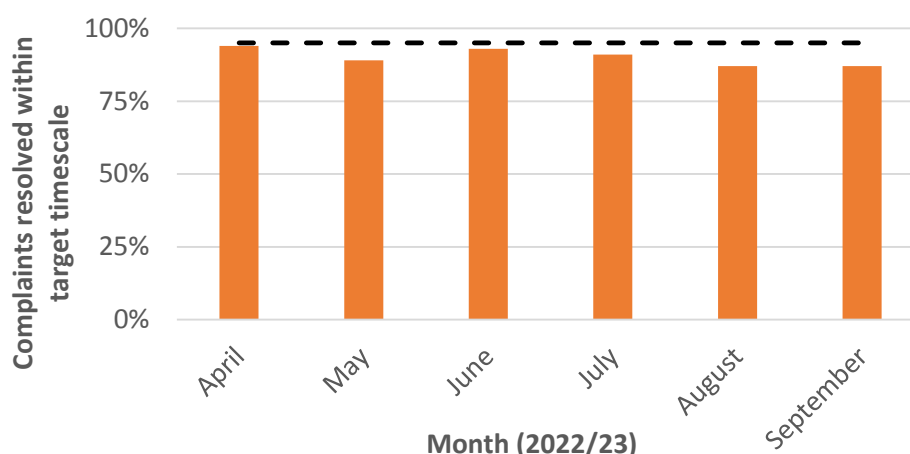


Figure 5: Complaints resolved within the target timescale (10 days – 12 weeks), 2022/23.

- 2.15 Health Referral Initiative starters is 65 for the year to date (April to September 2022), higher than at the same point in 2021/22 (48). The number of Health Referral Initiative Completers is currently 44 (September 2022) and the number of Health Referral Initiative Conversions is 20.

Corporate - Appendix 5

- 2.16 Council Tax collected on a monthly basis is currently at 55.6% (Quarter 2, 2022/23), and the National Non Domestic Rate (NNDR) collected on a monthly basis is 62.6% (Quarter 2, 2022/23).
- 2.17 The number of working days/ shifts lost due to staff sickness absence per full time equivalent employee is 3.11% for the financial year to date (September 2022). This is higher than at the same point last year, 2.45% (September 2021).
- 2.18 Staff turnover at the Council for the year to date is 12.05% (September 2022), Figure 6.

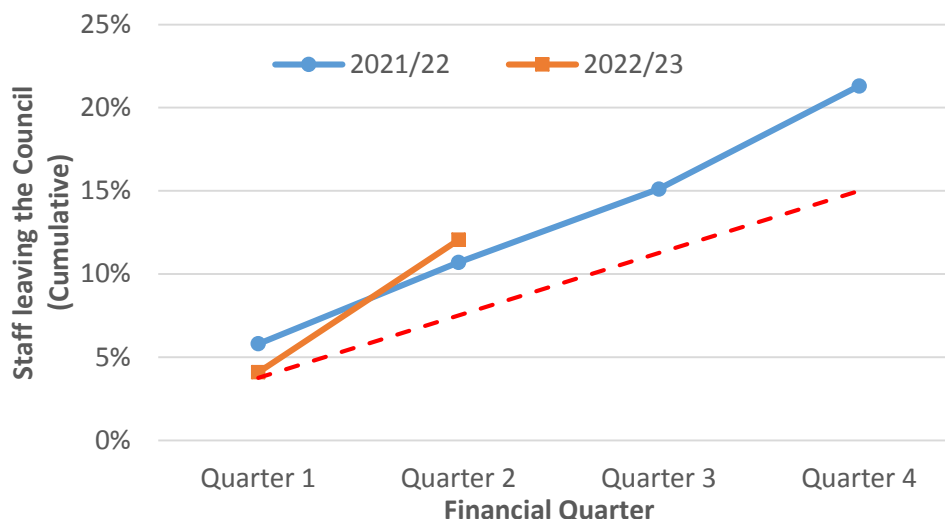


Figure 6: Staff Turnover per financial quarter (Cumulative year to date), 2021/22 to present.

3.0 Risk Management

- 3.1 The Corporate Risk Register is regularly reviewed by Corporate Managers and the Leadership Team and updated as required.
- 3.2 The risks reported to committee are the Council's strategic risks with a current score of 10 or more (Appendix 6).
- 3.3 Operational risk assessments are job specific and flow through to safe systems of work. These risks go to the Health and Safety Group biannually with escalation to committees where serious concerns are raised.
- 3.4 The Corporate Management Team (CMT) are currently reviewing the risk landscape drawing on the European Confederation of Institutes of Internal Auditing "[Risk in Focus 2023](#)" Report. This report suggests there is a "perfect storm" of six high-impact interlocking risks which organisations need to be mindful of when delivering services and managing risk. The six risks are:
 - 1) Geopolitical tensions
 - 2) Supply chain transparency
 - 3) Cyber security
 - 4) Transport/ Distribution bottlenecks
 - 5) Raw materials shortages
 - 6) Financial liquidity – inflation, cost of living, strikes etc.
- 3.5 CMT are undertaking work to consider how the Council is affected by each of these risks, how this is mitigated, managed, and reported upon.

4.0 Summary of Key Business Risks

- 4.1 Strategic risks detailed are extracted from SPAR, the Corporate Service Performance and Risk Management system, and have a current risk rating of Medium or High. Risk ratings are calculated by multiplying the risk severity by the risk likelihood. Further details on each of these risks can be found at Appendix 6.

4.2 Risk: Culm Garden Village
Current Risk Rating: Medium (12)

Description: Possible discontinuance of Government funding support

Mitigation: 2022/23 funding secured, however other sources of funding needed to advance the project. Mitigation is focused on lobbying for future rounds of funding and developing bids to secure external funding.

4.2 Risk: Cyber Security
Current Risk Rating: High (20)

Description: 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. There is a significant risk of monetary penalties and fines, and legal action by affected parties.

Mitigation: As reported to Audit committee (27th September 2022), an internal audit on cyber security is nearing completion. Implementing the action plan will form a significant part of the continuing mitigation of this risk.

4.3 Risk: Homes for Ukraine Scheme
Current Risk Rating: High (20)

Description: There is a risk of the 'Homes for Ukraine' scheme failing should the host relationship breakdown and re-matching is not an option. Where refugees cannot afford to pay for private accommodation the Council has a Homelessness Duty.

Mitigation: The Council continue to work closely with network organisations on the delivery of the scheme. Funding arrangements are in place for the scheme. Re-matching demand has been low but some cases related to access to employment or services. Petroc have offered a programme of activities across the summer. A "Team Devon" Strategy is in place to prevent homelessness presentations and temporary accommodation costs.

4.4 Risk: Information Security
Current Risk Rating: Medium (12)

Description: Inadequate data protection could lead to breaches of confidential information and ultimately enforcement action by the Information Commissioner's Officer (ICO).

Mitigation: Appointment of Data Protection officer. This has highlighted areas for improvement and frameworks in place to improve data quality, compliance and data protection. Framework is being built and will be embedded at all levels with training provided.

4.5 Risk: National shortage of chlorine and other chemicals
Current Risk Rating: High (15)

Description: A countrywide shortage of chlorine due to production issues in China and the war in Ukraine means some councils plan to close their swimming pool facilities and amend timetables.

Mitigation: Chlorine availability remains a national/ global challenge, however the supply chain has consistently delivered the requested volumes on time since August 2022. Costs are continuing to increase and resources remain vulnerable to the events in Ukraine. Alternatives could be considered, however this would require a feasibility assessment and a cost-benefit analysis.

4.6 Risk: Overall Funding Availability
Current Risk Rating: High (20)

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

Mitigation: Clarity on levels of future grant funding is awaited. The cost of living crisis places significant financial pressure on local authorities. The Autumn Statement will now be announced on 17 November 2022. This places a risk that the Local Government Settlement may be announced later than normal (placing an extra potential pressure on budget setting). The Medium Term Financial Plan report was presented to Cabinet on 1 November 2022 and savings options and potential increases in Fees and Charges will be presented to Policy Development Groups for discussion, prior to approval being sought on 29 November 2022.

4.7 Risk: Reduced Funding – Budget Cuts
Current Risk Rating: High (20)

Description: We are subject to continuing budget reductions. If we concentrate on short term cost savings, it may increase the longer term impact of decisions.

Mitigation: The Medium Term Financial Plan report was presented to Cabinet on 1 November 2022 and savings options and potential increases in Fees and Charges will be presented to Policy Development Groups for discussion, prior to approval being sought on 29 November 2022.

4.8 Risk: SPV 3 Rivers Developments Ltd – Failure of the Company
Current Risk Rating: High (16)

Description: Failure of the company is a potential risk, dependent upon economic factors and the company's success in the marketplace commercially. For MDDC the impacts would be an inability of the company to service and repay the loan from the Council; the Council not receiving the forecast additional income; and the company not supporting the corporate objectives which underlie its existence.

Mitigation: Regular meetings with the Council's Shareholder Representative continue. All of the 33 recommendations to improve financial and governance arrangements have been embedded and the company has appointed an

external auditor. Quarterly financial updates are considered by the Cabinet which also receives the annual Business Plan and Outturn Summary reports. The Council ensures all intercompany transactions are charged at a commercial rate in order to maintain its “arm’s length” independent status.

4.9 Risk: Resourcing Risk

Current Risk Rating: Medium (9). As the risk rating is now less than 10, it is no longer required to be presented to committee. It is included in this report to provide an update to Members.

Description: If the Council fails to recruit and/or retain sufficient, suitable staff it may not be able to maintain essential and/or statutory services.

Mitigation: Staff turnover is high at the Council. Mitigation work is focused on staff retention with a staff survey on benefits currently being analysed. The pay award for 2022/23 has just been agreed and will see an uplift of £1,925 for all staff and apprentices being paid in November 2022. A report on the staffing establishment is presented to Scrutiny every six months and was last considered in September.

5.0 **Conclusion and Recommendation**

- 5.1 That the Committee reviews the Performance Indicators and Risks detailed in this report and feeds back any areas of concern.

Contact for more Information: Matthew Page, Corporate Manager for People, Performance & Waste mpage@middevon.gov.uk; Dr Stephen Carr, Corporate Performance & Improvement Manager scarr@middevon.gov.uk

Circulation of the Report: Leadership Team and Cabinet Member

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Corporate Plan PI Report Environment

Monthly report for 2022-2023
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

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

Page 35

Title	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	Corporate Team Manager	Officer Notes
<u>Residual Waste per Household (Kg; figures have to be verified by DCC)</u>	364.5	362.0	31.6	58.6	88.4	115.5	142.6	172.6							Darren Beer	(April - September) The reduction in residual waste may be an indication that customers followed the advice to reduce their non-recyclable waste upon receipt of their wheel bin. (LD)
<u>Fixed Penalty Notices Issued (Environment)</u>	0		0	0	2	2	4	6							Matthew Page	(June) Two FPNs relate to the abandonment of vehicles on a public highway. Both were issued in accordance with the Refuse Disposal (amenity) Act 1978. This type of FPN is a first for MDDC and are in line with the relevant legislation and put us on par with many other English authorities. As an authority, we are looking to balance our enforcement of environmental crimes with an

Corporate Plan PI Report Environment

Priorities: Environment

Aims: Increase recycling and reduce the amount of waste

Performance Indicators

Title	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	Corporate Team Manager	Officer Notes
																educational approach. This is supported by Defra guidance who encourage proportionate, targeted, consistent, effective and transparent approaches to environmental crime enforcement. (LH)
<u>Household Waste Reused, Recycled and Composted (%; figures have to be verified by DCC)</u>	53.4%	54.5%	51.9%	54.5%	54.3%	53.8%	53.5%	53.7%							Darren Beer	(September) The decline in household recycling tonnage can be attributed to less garden and food waste as the dry recycling element is almost level with the previous year (previous year average to date:22.36% this year: 22.32%). The reduction in garden waste is most likely due to the prolonged period of hot weather during the summer. (LD)
<u>Households on Chargeable Garden Waste</u>	11,882	11,300	11,800	12,051	11,961	11,893	11,980	12,018							Darren Beer	(September) An increase of 139 customers compared to the same period last year. (LD)
<u>Missed refuse and organic waste collections reported (%)</u>	0.02%	0.03%	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%							Darren Beer	(September) Remaining on target for the year (LD)
<u>Missed Recycling Collections logged (%)</u>	0.03%	0.03%	0.03%	0.03%	0.02%	0.03%	0.02%	0.02%							Darren Beer	(September) Remaining on target for the year (LD)

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Corporate Plan PI Report Climate Change

Monthly report for 2022-2023
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

Entity	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	Corporate Team Manager	Officer Notes
<u>Electric Car Charger usage (Number of uses)</u>	4,639	2,300	n/a	n/a	1,321	n/a	n/a	3,256	n/a	n/a		n/a	n/a		Andrew Busby	(Quarter 2) Data from April to July inclusive (July 508 sessions). August, September data not available - being chased. (JB)
<u>Electric Car Charger Units</u>	3	8	n/a	n/a	3	n/a	n/a	3	n/a	n/a		n/a	n/a		Andrew Busby	(Quarter 2) During 2020 Instavolt installed 3x 'rapid' charger units (each with 2 chargepoints) at MDDC leisure centres. Sites: Lords Meadow, Exe Valley and Culm Valley. Instavolt is the operator and leaseholder. More units are due to be installed at 5 MDDC car parks this financial year (2022-2023) by Gamma Energy (operator and leaseholder) as part of the Deletti partnership project. (JB)

Aims: Biodiversity

Corporate Plan PI Report Climate Change

Priorities: Climate Change

Aims: Biodiversity

Performance Indicators

Title	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	Corporate Team Manager	Officer Notes
<u>Corporate Tree Planting Scheme</u>	650	500	n/a	n/a	0	n/a	n/a	0	n/a	n/a		n/a	n/a		Andrew Busby	(Quarter 3) The Council made a decision to plant trees on its land and has also said it wishes to work with other landowners to achieve tree planting for carbon sequestration and habitat / nature improvement. The council have worked to encourage / support landowners in getting grant aid to plant trees - and this partnership route is to achieve 500 trees planted by March 2023. (JB)
<u>Community climate and biodiversity grants</u>	No		n/a	n/a	No	n/a	n/a	No	n/a	n/a		n/a	n/a		Andrew Busby	(Quarter 1) The Environment PDG provided a prioritised list of climate investment opportunities to Cabinet which can be used when allocating internal resources - or when considering successful external funding bids that may be secured during 2022/23 and in the future. The list of aspirations was felt to be useful in providing a roadmap for future schemes that could be delivered when funding was available. (JB)

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Aims: Retro-fitting measures

Performance Indicators

Title	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	Corporate Team Manager	Officer Notes
<u>Corporate Renewable Energy Projects</u>	8	4	n/a	n/a		n/a	n/a	3	n/a	n/a		n/a	n/a		Andrew Busby	(Quarter 2) 2020/2021: Carlu Close solar PV project completed. 2021/2022: Retrofit of Air Source Heat Pump (ASHP) at Lords Meadow Leisure Centre; retrofit energy saving light installations at all 3 leisure centres; retrofit energy saving lighting measures installed at Tiverton multi-storey car park.

Corporate Plan PI Report Climate Change

Priorities: Climate Change

Aims: Retro-fitting measures

Performance Indicators

Title	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	Corporate Team Manager	Officer Notes
																2022/2023: 100% renewable electricity tariff (REGO backed) for approximately half of MDDC buildings supply (comprising 3 supply locations: Phoenix House; Exe Valley; Pannier Market). The proposal for a hydro project in the River Exe is a live planning application at present. (JB)
<u>Housing Assistance Policy (Retro-fit schemes supported)</u>	28	5	0	3	7	7	8	9							Simon Newcombe	
<u>Home Improvement Loans sanctioned</u>	5	10	n/a	n/a	2	n/a	n/a	4	n/a	n/a		n/a	n/a		Simon Newcombe	

Aims: Other

Performance Indicators

Title	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	Corporate Team Manager	Officer Notes
<u>Community Schemes (Environmental)</u>	8	4	n/a	n/a	8	n/a	n/a	17	n/a	n/a		n/a	n/a		Andrew Busby	(Quarter 2) No allocated budget for this work. Actively engaging with community networks / groups / individuals - also local farmers and other enterprises with a green agenda / project / exemplar. Proactively promoting the sustainability projects and activities of community schemes on the Sustainable Mid Devon website (resource map, events and news, etc.). Community groups /networks / projects e.g.: Blackdown Hills Transition; Connecting the Culm; Exeter Community Energy; Mid Devon Parish Wildlife Warden Scheme;

Corporate Plan PI Report Climate Change

Priorities: Climate Change

Aims: Other

Performance Indicators

Title	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	Corporate Team Manager	Officer Notes
																<p>New Prosperity Devon; Sustainable Bradninch; Sustainable Crediton; Sustainable Tiverton; Uffculme Green Team; Liaison with Community Action Groups (CAG) Devon to help reach out to groups and pick up on opportunities.</p> <p>Liaison with Exeter Community Energy to help promote their services and voluntary role training.</p> <p>The Climate and Sustainability Specialist was actively involved in the concept stages of the 'Net Zero Visions' public artwork project hosted near the Pannier Market (led by Sustainable Tiverton).</p> <p>The Climate and Sustainability Specialist developed and coordinated the MDDC 2022 State of the District Debate - this involved pre-event engagement with networks / groups / individuals / local farmers / farming advisors / enterprises / partnerships. Pre-event workshops and event debate involved e.g. Carbon Savvy, Heathcoat Fabrics Ltd, Exeter Community Energy, bike shops, tourism sector, Co-Cars, growers and farmers, farming advisors, the Soil Association, community food growing and composting, local food suppliers, and several of community groups listed earlier.</p> <p>Devon County Show: worked with Recycle Devon and Devon Climate Emergency. Topical theme: re-use, repair, exchange, upcycle.</p>

Corporate Plan PI Report Climate Change

Priorities: Climate Change

Aims: Other

Performance Indicators

Title	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	Corporate Team Manager	Officer Notes
																<p>Mid Devon Show: Councillors joined multiple staff teams to promote sustainability messages on: sustainable farming and landscapes (nature-based solutions for climate adaptation and flood resilience at a landscape scale); housing (passivhaus design in proposed affordable and social housing); waste and recycling (Bin-It 123); active travel; what the Council is doing to shrink its carbon footprint; what makes up your carbon footprint. Teamwork with Westcountry Rivers Trust, Connecting the Culm, FreeTrike, Mid Devon Housing.</p> <p>The Climate and Sustainability Specialist joined the launch event of the Mid Devon Parish Wildlife Warden Scheme.</p> <p>Sustainability in procurement promoted to staff and communities e.g. by highlighting workshops and joint funding bid opportunities by New Prosperity Devon. (JB)</p>
<u>Council Carbon Footprint (tCO2e)</u>	20,503		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 Busby	(2022 - 2023) This is an annual KPI, data not available to the end of the financial year (JB)

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Corporate Plan PI Report Homes

Monthly report for 2022-2023
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

Corporate Plan PI Report Homes

Priorities: Homes

Aims: Deliver Housing

Performance Indicators

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Title	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	Corporate Team Manager	Officer Notes
<u>Additional homes provided (net)</u>	237		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a		Simon Newcombe, Tristan Peat	(2022 - 2023) This is an annual KPI therefore data is not due until 31 March 2023 (TP)
<u>Self Build Plots</u>	12	5	n/a	n/a		n/a	n/a		n/a	n/a		n/a	n/a		Tristan Peat	(Quarter 2) Data has not yet been recorded for this PI for this quarter. (TP)
<u>Gypsy & Traveller Pitches delivered</u>	1	2	n/a	n/a	0	n/a	n/a	0	n/a	n/a		n/a	n/a		Tristan Peat	(Quarter 1) The delivery of pitches on Gypsy and Travellers sites is dependent on when permissioned sites are implemented. All such sites in Mid Devon are privately owned and their development will be dependent on the applicant / developer. There is a healthy pipeline supply of new sites coming forward through the planning process including sites allocated in the adopted Local Plan. Planning permission exists for up to 5 pitches at Pedlerspool, Crediton, 6 pitches at the Tiverton EUE and 9 pitches on consented sites elsewhere. Local Plan allocations include provision

Corporate Plan PI Report Homes

Priorities: Homes

Aims: Deliver Housing

Performance Indicators

Title	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	Corporate Team Manager	Officer Notes
																for a further 5 pitches at NW Cullompton and 10 pitches at East Cullompton. (TP)
Number of affordable homes delivered (gross)	24		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a		Tristan Peat	(2022 - 2023) This is an annual KPI therefore data is not due until 31 March 2023 (TP)
Number of Homelessness Approaches	675		n/a	n/a	200	n/a	n/a	443	n/a	n/a		n/a	n/a		Simon Newcombe	

Aims: Community Land Trusts

Performance Indicators

Title	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	Corporate Team Manager	Officer Notes
Community Land Trusts Assisted	1	1	n/a	n/a	0	n/a	n/a	0	n/a	n/a		n/a	n/a		Tristan Peat	(Quarter 2) The Council's Housing Enabler is currently engaged with local communities at Silverton, Shobrooke and Thorverton that are considering setting up CLTs. (TP)

Aims: Private Sector Housing

Performance Indicators

Title	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	Corporate Team Manager	Officer Notes
Deliver homes by bringing Empty Houses into use	54	72	3	3	5	7	9	12							Simon Newcombe	(June) New Housing Initiatives Officer post appointed and due to start in July. Post will focus on empty homes as well as other projects. Expect to see more homes brought back into use later in the year (TW)
Houses in Multiple Occupation (HMOs)	100%	100%	100%	75%	83%	88%	90%	92%							Simon Newcombe	(May) The work on the Homes for Ukraine scheme has meant that other areas of work for

Corporate Plan PI Report Homes

Priorities: Homes

Aims: Private Sector Housing

Performance Indicators

Title	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	Corporate Team Manager	Officer Notes
<u>investigations</u>																the team have been put on hold (TW)
<u>Landlord Engagement and Support</u>	14	9	n/a	n/a	2	n/a	n/a	6	n/a	n/a		n/a	n/a		Simon Newcombe	(Quarter 2) 3x Pin point 1x Joint event with Exeter (TW)

Aims: Council Housing

Performance Indicators

Title	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	Corporate Team Manager	Officer Notes
<u>Emergency Repairs Completed on Time (%)</u>	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%							Simon Newcombe	
<u>Urgent Repairs Completed on Time (%)</u>	99.3%	95%	98%	99%	100%	99%	99%	99%							Simon Newcombe	
<u>Routine Repairs Completed on Time (%)</u>	98.8%	95%	99%	99%	99%	99%	97%	98%							Simon Newcombe	
<u>Properties With a Valid Gas Safety Certificate (%)</u>	99%	100%	99%	99%	99%	99%	99%	99%							Simon Newcombe	(September) We are working to address some performance issues that we are experiencing with the new Contractor. (AH)
<u>Housing Complaints Responded to On Time (%)</u>	98.8%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%							Simon Newcombe	

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Corporate Plan PI Report Economy

Monthly report for 2022-2023
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
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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 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	Corporate Team Manager	Officer Notes
<u>Incubator and Start-up space</u>	0		n/a	n/a	0	n/a	n/a	0	n/a	n/a		n/a	n/a		Adrian Welsh	(Quarter 3) Work being developed through SPF programme for delivery over the next three years. (AW)
<u>Sites for Commercial Development</u>	0	1	n/a	n/a	0	n/a	n/a	0	n/a	n/a		n/a	n/a		Andrew Busby	(Quarter 2) Should an opportunity present itself it would be reported through the applicable committee. (SK)

Aims: Improve and regenerate our town centres

Performance Indicators

Title	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	Corporate Team Manager	Officer Notes
<u>Business rate accounts (Number)</u>	3,426	3,150					3,424	3,431	3,444						Dean Emery	
<u>Business Rates (Rateable Value)</u>	£46,305,114		£46,272,564	£46,272,554	£46,227,164	£46,329,664	£46,341,514	£46,396,964							Dean Emery	

Corporate Plan PI Report Economy

Priorities: Economy

Aims: Improve and regenerate our town centres

Performance Indicators

Title	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	Corporate Team Manager	Officer Notes
<u>Empty Business Properties</u>	231		243	243	242	248	248	245							Dean Emery	
<u>Tiverton Town Centre Masterplan</u>			n/a	n/a		n/a	n/a		n/a	n/a		n/a	n/a		Adrian Welsh	(Quarter 3) Partnership Board established. (AW)
<u>Cullompton Town Centre Masterplan</u>	Yes		n/a	n/a		n/a	n/a		n/a	n/a		n/a	n/a		Adrian Welsh	(Quarter 3) Cabinet report scheduled for February 2023 (AW)
<u>Crediton Town Centre Masterplan</u>			n/a	n/a		n/a	n/a		n/a	n/a		n/a	n/a		Adrian Welsh	(Quarter 3) Cabinet Report November regarding commissioning. (AW)
<u>Pannier Market Regular Traders (%)</u>	82%	85%	n/a	n/a	85%	n/a	n/a	86%	n/a	n/a		n/a	n/a		Adrian Welsh	(Quarter 1) Combined 3 month average. Occupancy: Tuesday (79%); Friday (86%); Saturday (91%). Three month average 85% (JB)

Aims: Community Land Trusts

Performance Indicators

Title	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	Corporate Team Manager	Officer Notes
<u>Community Land Trusts Assisted</u>	1	1	n/a	n/a	0	n/a	n/a	0	n/a	n/a		n/a	n/a		Tristan Peat	(Quarter 2) The Council's Housing Enabler is currently engaged with local communities at Silverton, Shobrooke and Thorverton that are considering setting up CLTs. (TP)

Corporate Plan PI Report Economy

Priorities: Economy

Aims: Digital Connectivity

Performance Indicators

Title	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	Corporate Officer Notes Team Manager
<u>Digital connectivity</u>	0		n/a	n/a	0	n/a	n/a	0	n/a	n/a		n/a	n/a		Adrian Welsh (Quarter 2) This project is dependant on the progress of the Gigaclear contract through CDS. (JB)

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Corporate Plan PI Report Community

Monthly report for 2022-2023

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 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	Corporate Team Manager	Officer Notes
<u>Annual Community Safety Partnership (CSP) Action Plan</u>	15	12	0	0	1	3	3	6							Simon Newcombe	(September) DYS Space were funded to provide positive summer activities for young people in the Tiverton area over the summer holiday period Crediton Community Youth Work - provided schools transition support for Yr 11 pupils. Trauma informed report agreed at cabinet (TW)

Aims: Community Involvement

Performance Indicators

Title	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	Corporate Team Manager	Officer Notes
<u>Complaints resolved within timescales (%; 10</u>	91%	95%	94%	89%	93%	91%	87%	87%							Lisa Lewis	(September) 18 closed at second check (RT)

Corporate Plan PI Report Community

Priorities: Community

Aims: Community Involvement

Performance Indicators

Title	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	Corporate Team Manager	Officer Notes
<u>days - 12 weeks)</u>																
<u>Complaints (Number)</u>	404		33	66	94	136	179	201							Lisa Lewis	

Aims: Leisure Centres

Performance Indicators

Title	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	Corporate Team Manager	Officer Notes
<u>Health Referral Initiative Starters</u>	102	15	11	27	38	48	53	65							Corinne Parnall	(September) 12 (K)
<u>Health Referral Initiative Completers</u>	58	10	7	19	27	30	39	44							Corinne Parnall	(September) 5 (K)
<u>Health Referral Initiative conversions</u>	33	5	3	6	7	10	18	20							Corinne Parnall	(September) 2 (K)

Corporate Plan PI Report Corporate

Priorities: Delivering a Well-Managed Council

Aims: Commercial Opportunities

Aims: Other

Performance Indicators

Title	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	Corporate Team Manager	Officer Notes
<u>Sickness Absence (%)</u>	2.73%	2.78%	n/a	n/a	2.73%	n/a	n/a	3.11%	n/a	n/a		n/a	n/a		Matthew Page	
<u>Appraisals Completed (%)</u>	62%	100%	n/a	n/a	n/a	n/a	n/a	94%	n/a	n/a	n/a	n/a	n/a		Matthew Page	(April - September) At 5 September, the return of completed appraisals shown in the LMS system increased to 94.47%. Awaiting a few which have commenced and need completing. (MP)
<u>Total Council Tax Collected Monthly (%)</u>	96.69%	97.50%	11.33%	20.07%	28.75%	37.76%	46.72%	55.57%							Dean Emery	
<u>Total NNDR collected - monthly (%)</u>	98.62%	97.00%	19.41%	32.24%	41.11%	48.10%	54.65%	62.56%							Dean Emery	
<u>New Performance Planning Guarantee determine within 26 weeks</u>	100%	100%	n/a	n/a	100%	n/a	n/a	100%	n/a	n/a		n/a	n/a		Dean Emery	(Quarter 2) This is a 2 year rolling period (CG)
<u>Major applications overturned at appeal (over last 2 years)</u>	5.53%	10%	n/a	n/a	5%	n/a	n/a	4%	n/a	n/a		n/a	n/a		Dean Emery	
<u>Major Applications</u>	2.26%	10%	n/a	n/a	5%	n/a	n/a	4%	n/a	n/a		n/a	n/a		Dean Emery	(Quarter 2) 2 out of 5 Major applications that went to

Corporate Plan PI Report Corporate

Priorities: Delivering a Well-Managed Council

Aims: Other

Performance Indicators

Title	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	Corporate Team Manager	Officer Notes
<u>Overturned at Appeal (% of Appeals)</u>																appeal were overturned by the Inspectorate (CG)
<u>Minor applications overturned at appeal (over last 2 years)</u>	0%	10%	n/a	n/a	1%	n/a	n/a	1%	n/a	n/a		n/a	n/a		Dean Emery	
<u>Minor Applications Overturned at Appeal (% of Appeals)</u>	0.78%	10%	n/a	n/a	1%	n/a	n/a	1%	n/a	n/a		n/a	n/a		Dean Emery	(Quarter 2) 13 of 30 Applications that went to Appeal were overturned by the by the Inspectorate (CG)
<u>Response to FOI/EIR Requests (within 20 working days)</u>	100%	100%	98%	99%	99%	99%	99%	99%							Lisa Lewis	(September) 1 FOI/EIR request not meeting 20 day timescale. Applicant has been made aware of the delay. (SC)
<u>Working Days Lost Due to Sickness Absence</u>	7.80days	7.00days	0.53days	1.08days	1.63days	2.47days	3.35days	4.10days							Matthew Page	(June) For Q1, the number of working days lost due to: • Sickness including COVID: 831 • COVID: 132 • Lost to other reasons: 699 (JH)
<u>Staff Turnover</u>	21.3%	15.00%	n/a	n/a	4.09%	n/a	n/a	12.05%	n/a	n/a		n/a	n/a		Matthew Page	

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Corporate Risk Management Report - Appendix 6 2022-2023

Report for 2022-2023

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
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Risks:	No Data (0+)	High (15+)	Medium (6+)	Low (1+)
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Corporate Risk Management Report - Appendix 6 2022-2023

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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	Funding opportunities	Lobby for the creation of further funding opportunities and for further rounds of the garden communities capacity funding	Adrian Welsh	03/02/2021	01/09/2022	Satisfactory(2)
In progress	Further bids for capacity funding	To continue to secure external funding to support the project	Tristan Peat	29/03/2019	01/09/2022	Satisfactory(2)

Current Status: Medium (12)

Current Risk Severity: 4 - High

Current Risk Likelihood: 3 - Medium

Service Manager: Adrian Welsh

Review Note: 2022/2023 capacity funding secured; however other funding sources needed to advance the project - these are currently being explored.

Corporate Risk Management Report - Appendix 6 2022-2023

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
In progress	Audit of Cyber Security	Devon Audit Partnership will be carrying out a cyber security audit during August and September.	Lisa Lewis	12/08/2022	31/10/2022	Satisfactory(2)

Current Status: High (20)

Current Risk Severity: 5 - Very High

Current Risk Likelihood: 4 - High

Service Manager: Brian Trebilcock

Review Note:

Corporate Risk Management Report - Appendix 6 2022-2023

Risk: Homes for Ukraine Scheme There is a risk of the 'Homes for Ukraine scheme' failing should the host relationship breakdown and re-matching is not an option.

Where refugees cannot afford to pay for private accommodation the Council has a Homelessness Duty.

Service: Public Health

Mitigating Action records

Mitigation Status	Mitigating Action	Info	Responsible Person	Date Identified	Last Review Date	Current Effectiveness of Actions
In progress	Collaboration	Continue to engage with DLUHC, LGA and DCN on scheme roll-out, pressures and risks/updated national guidance etc. Reviewing a Devon-wide exit strategy around pending housing/accommodation pressures once hostings end – joint solutions (work in progress)	Simon Newcombe	18/07/2022	05/08/2022	Satisfactory(2)
In progress	Finance	<ul style="list-style-type: none"> Funding for Q1 of the scheme received from DCC under agreed financial arrangement based on numbers and payments out. Further Q2-Q4 returns and payments in due course -60% of £10.5k per refugee (DCC 25%, 15% contingency for all) which includes £200 subsistence payment per head -100% of monthly £350 host 'thank you' payments -Q1 payment of £640K banked -Committed spend to date inc. some Q2 expenditure and existing staff time is around one-third of funding received so far @ £235k 	Simon Newcombe	18/07/2022	05/08/2022	Satisfactory(2)
In progress	Re-matching demand	Re-matching demand is relatively low (host/guest arrangements ending early) and single figures but starting to see increase due to rurality of some hosts and requirement to be closer to employment, services and schools	Simon Newcombe	18/07/2022	05/08/2022	Satisfactory(2)
In progress	Team Devon	<p>Petroc offer a myriad of informal network events will help support transition to sustainable residency (employment, language, skills, accommodation, schools etc) and help during summer holiday period – likely to be testing for some host/guest relationships</p> <p>Negotiated strong Petroc offer for summer holidays and longer-term programme inc. Tiverton campus</p> <p>- Summer programme (get to know - family cookery, arts and crafts, physical activity, trips to local attractions)</p>	Simon Newcombe	18/07/2022	05/08/2022	Satisfactory(2)
In progress	Team Devon resettlement	Devon strategy agreed with L&Cs to prevent homelessness presentations&TA costs [Existing host support (host monthly payments top-ups)/Re-	Simon Newcombe	13/10/2022		Satisfactory (2)

Corporate Risk Management Report - Appendix 6 2022-2023

Mitigating Action records

Mitigation Status	Mitigating Action	Info	Responsible Person	Date Identified	Last Review Date	Current Effectiveness of Actions
	strategy	matching/utilisation of EOIs/Transition to private rental sector (guest and landlord grants, rent assurance)] Costs within Q1&2 budget-contingency&Q3/4 funds headroom. 12-mths CHAT contract+MDDC PSH/homeless teams. Support beyond formal HfU scheme end (Mar. 23) to Oct. 23. HfU funds c/f into 23/24. 215 guests/92 hosts - new arrivals now 1-2 families per mth.				

Current Status: High (20)

Current Risk Severity: 5 - Very High

Current Risk Likelihood: 4 - High

Service Manager: Tanya Wenham

Review Note: Councils are concerned about what will happen post six-months as we know the importance of having continuity for children settled in schools, those guests who have found jobs and the connections they now have to local communities.

We also face the challenge of a large number of people already on our housing register, the high cost of renting property, and the rise in the cost of living for everyone.

An LGA spokesperson said "Councils, sponsors and Ukrainian guests all need to know what the options are at the end of the six month period so they can start planning now".

We also face the challenge of a large number of people already on our housing register, the high cost of renting property, and the rise in the cost of living for everyone.

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

No Mitigating Action records found.

Current Status: Medium (12)

Current Risk Severity: 4 - High

Current Risk Likelihood: 3 - Medium

Service Manager: Giovanni Wallace

Review Note: Recently appointed to the role of Data Protection officer - Instantly highlighted areas for improvement and have put a frameworks in place to improve data quality, compliance and data protection. Framework is being built and will be imbedded at all levels with training being given to all levels of MDDC.

Corporate Risk Management Report - Appendix 6 2022-2023

Risk: National shortage of chlorine and other chemicals A countrywide shortage of chlorine due to production issues in China and the war in Ukraine means some councils plan to close their swimming pool facilities and amend timetables.

Service: Leisure Services

Mitigating Action records

Mitigation Status	Mitigating Action	Info	Responsible Person	Date Identified	Last Review Date	Current Effectiveness of Actions
In progress	Alternatives to using Chlorine in our swimming pools	To convert the disinfection systems to salt would cost EVLC and LMLC approximately £30K each. A significant investment however if there is an agreement to change over to salt it would take time and resources.	Nicola Cuskeran	08/07/2022	31/10/2022	Satisfactory(2)
In progress	Challenges Nationally	Leisure pools are being “challenged nationally” with (sodium hypochlorite) chlorine shortages and while these have been building for some time. The ongoing crisis is due to a ‘perfect storm’ of supply chain issues, caused by Brexit, Covid, and the Ukraine war. Curently our leisure service are able to get stocks of Chlorine by chasing suppliers. The price of chlorine has also increased by 50-60%.	Nicola Cuskeran	08/07/2022	31/10/2022	Satisfactory(2)

Current Status: High (15)

Current Risk Severity: 5 - Very High

Current Risk Likelihood: 3 - Medium

Service Manager: Lee Chester

Review Note: Chlorine resources remain challenged nationally, however the supply chain has consistently delivered the requested volumes on time since August 2022. costs are continuing to increase and resources remain vulnerable to the events in the Ukraine. At this time the impact of chlorine shortages will still remain high although the likelihood of pool closures has decreased. alternatives are still possible, however this would require a feasibility assessment and a cost-benefit analysis moving forwards.

Corporate Risk Management Report - Appendix 6 2022-2023

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	Paul Deal	28/09/2017	31/10/2022	Satisfactory(2)
In progress	Medium term planning	Work to close is on-going. A range of options are being considered but Covid, business rates and uncertainty over fair funding review make the situation extremely challenging	Paul Deal	28/09/2017	31/10/2022	Satisfactory(2)
In progress	We continue to work with managers to reduce costs and explore new income streams	To close the budget gap and maintain services	Paul Deal	07/02/2019	31/10/2022	Action required(3)

Current Status: High (20)

Current Risk Severity: 5 - Very High

Current Risk Likelihood: 4 - High

Service Manager: Paul Deal

Review Note: National political issues provide less clarity on the potential future level of grant funding. The cost of living crisis places significant financial pressure on local authorities that the Government must note and act upon. The delayed Autumn Statement will now be announced on 17 November. This places a risk that the Local Government Settlement may be announced later than normal. The Medium Term Financial Plan report will be presented to Cabinet on 1 November and savings options and potential increases in Fees and Charges will be presented to Policy Development Groups for discussion, prior to approval being sought on 29 November.

Corporate Risk Management Report - Appendix 6 2022-2023

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.	Paul Deal	28/05/2013	31/10/2022	Satisfactory(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.	Paul Deal	28/05/2013	31/10/2022	Satisfactory(2)
Completed and evaluated	Reserves	Cabinet have taken the decision to recommend a minimum general reserve balance of 25% of Net annual budget.	Paul Deal	28/05/2013	31/10/2022	Fully effective(1)
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.	Paul Deal	28/05/2013	31/10/2022	Satisfactory(2)

Current Status: High (20)

Current Risk Severity: 5 - Very High

Current Risk Likelihood: 4 - High

Service Manager: Paul Deal

Review Note: The Medium Term Financial Plan report will be presented to Cabinet on 1 November and savings options and potential increases in Fees and Charges will be presented to PDGs for discussion, prior to approval being sought on 29 November.

Corporate Risk Management Report - Appendix 6 2022-2023

Risk: Resourcing Risk If the Council fails to recruit and/or retain sufficient, suitable staff it may not be able to maintain essential and/or statutory services.

Service: Human Resources

Mitigating Action records

Mitigation Status	Mitigating Action	Info	Responsible Person	Date Identified	Last Review Date	Current Effectiveness of Actions
In progress	Increase in cost of living	As unemployment rates decline and job market confidence rises, employee turnover is more likely to increase. There is the added impact of growing inflation, energy price increases and increase in fuel prices and wider national industrial action across England as workers are seeking higher pay rises to deal with the cost of living may impact on service delivery.	Matthew Page	18/07/2022	17/10/2022	Satisfactory(2)
In progress	Pay award - cost of living	The LGA has consulted all authorities on proposals and have made an offer to the unions regarding the pay award. A response is hoped by September however the pay award last year was not accepted by all parties until March 2022.	Matthew Page	02/08/2022	17/10/2022	Satisfactory(2)
In progress	Recruitment and retention remains challenging	the rate of inflation rising, sometimes changing career leads to exciting opportunities and new people can bring fresh perspectives, ideas and expertise however when people move on employers can lose knowledge, experience and institutional memory. The staff turnover is at 4.28% for quarter 1 in 2022/2023.	Matthew Page	18/07/2022	17/10/2022	Satisfactory(2)
In progress	Retention	Consideration of bonuses and terms and conditions to improve staff retention	Matthew Page	12/07/2022	17/10/2022	Satisfactory(2)
In progress	Turnover Figure	The actual turnover figure came in as 21.23% which was an increase from 14% in the year 2020/2021. The council is currently able to continue business whilst carrying a number of vacancies. You would expect to have a reasonable turnover during the financial year, it is natural to have a number of leavers and gives opportunities to bring in to the Council different skill set and knowledge	Matthew Page	14/04/2022	17/10/2022	Satisfactory(2)
Completed and evaluated	Update to Scrutiny	The 6 monthly establishment update report will be presented to Scrutiny Committee in September 2022	Matthew Page	02/08/2022	17/10/2022	Satisfactory(2)

Current Status: Medium (9)

Current Risk Severity: 3 - Medium

Current Risk Likelihood: 3 - Medium

Service Manager: James Hamblin

Corporate Risk Management Report - Appendix 6 2022-2023

Review Note: Turnover - Turnover is high, with current rates suggesting 24% could be seen this year.

Retention - A benefits survey has recently completed with analysis to be completed and shared with CMT/LT.

Pay Award - The ballot for Unite finished on 14 October, with GMB's ballot due to end on 21 October. It is expected that a meeting of the three unions will take place in early November to confirm the final result. 2 of the 3 unions must agree. Unison have already accepted the proposed increase.

updated to Scrutiny - The Established Report was created, reviewed and submitted to scrutiny in September 2022.

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
On progress	Cabinet	Regular meetings with Shareholder Representatives and updates to Cabinet on progress with the recommendations action plan and projects.	Andrew Jarrett	09/11/2020	13/10/2022	Satisfactory(2)
On 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	13/10/2022	Satisfactory(2)

Current Status: High (16)

Current Risk Severity: 4 - High

Current Risk Likelihood: 4 - High

Service Manager: Paul Deal

Review Note: Regular meetings with the Council's Shareholder Representative continue, all of the 33 recommendations to improve financial and governance arrangements have been embedded and the company has also appointed an external auditor.

Quarterly financial updates are provided to and considered by the Cabinet and that it receives annual Business Plan and Outturn Summary reports. The Council ensures all intercompany transactions are charged at a commercial rate in order to maintain its "arm's length" independent status.

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Mid Devon District Council Audit Progress Report and Sector Update

Year ending 31 March 2022

10 November 2022
Page 67



Agenda Item 9.

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

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Introduction

Your key Grant Thornton team members are:

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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)

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 <https://www.grantthornton.co.uk/en/services/public-sector-services/>

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

2021/22 Progress at November 2022

Opinion

Background

The Accounts and Audit Regulations 2015 were amended by SI 2021 No. 263. The Department for Levelling Up, Housing and Communities (DLUHC) previously stated their intention to introduce secondary legislation to extend the deadline for publishing audited local authority accounts to 30 November 2022 for the 2021/22 accounts.

This was enacted by The Accounts and Audit (Amendment) Regulations 2022 (SI 2022 No. 708) that came into force on 22 July 2022. The deadline for publishing audited local authority accounts for 2021/22 was extended to 30 November 2022 and thereafter changed to 30 September for years up to 2027/28.

Additionally, we continue to face challenges in delivering our LG work. This is due to a number of factors impacting on the audit market generally. These have been set out in previous Audit update reports with the key factors being the increased level of work following FRC reviews, recruitment and retention of staff and the increased complexity of LG reporting. We have included more information on the current audit market development on page 10 of this report.

Mid Devon District Council

Our 2021/22 Audit Plan presented to Audit Committee in June 2022 set out our timetable for our opinion audit with a target completion date of the 30 November 2022.

We received the draft 2021/22 financial statements in accordance with the national timetable in late June 2022.

Our post-statements visit commenced in September 2022 in accordance with our initial timetable but due to wider resourcing challenges including turnover and sickness we have struggled to progress the audit as quickly as we would have liked. We have sought to bring in extra resource but still remain marginally behind our initial schedule.

In addition to the resourcing delays, there are a number of other issues that have resulted in the November 2022 target sign off date no longer being deliverable. Specifically:

- Property Plant and Equipment where we are awaiting information from the Council's valuer to support key assumption within this material estimate, and
- Receipt of the letter of assurance from the Devon County Pension Fund Auditor
- The group audit, where we are awaiting the conclusion of the company auditors work and final findings. Based on discussions with the company auditor (Simkins Edwards), it is likely that the Council will need to consider making adjustments to the Group financial statements. These are in relation to an increased write off of WIP and removal of a deferred tax asset. We have requested that the Council consider the impact of these findings on their current expected credit loss provision.

Our work to date has not identified any issues that would impact on our ability to issue an unqualified audit opinion. Our work to date has identified one area for improvement for the Council's consideration::

Selecting samples for our debtors and creditors testing has been made more difficult as the Council were unable to provide a list of amounts owed/due at the year end. As the populations are not cleansed the audit team have had to adjust our testing strategy to ensure we are not testing bought forward or contra balances. We recommend that going forward the Council endeavour to provide cleansed populations in these two areas.

Our focus remains on completion our work as quickly as practically possible. Following discussions with officers we are now working to conclude our work ahead of the Christmas break with the intention of bringing our Audit Findings Report to the January meeting of the Audit Committee.

Progress at November 2022 (cont.)

Value for Money

The new Code of Audit Practice (the “Code”) came into force on 1 April 2020 for audit years 2020/21 and onwards. The most significant change under the new Code was the introduction of an Auditor’s Annual Report, containing a commentary on arrangements to secure value for money and any associated recommendations, if required.

The new approach is more complex, more involved and is planned to make more impact.

Under the 2020 Code of Audit Practice, for relevant authorities other than local NHS bodies auditors are required to issue our Auditor’s Annual Report no later than 30 September 2022 or, where this is not possible, issue an audit letter setting out the reasons for delay. This letter was issued to the Chair of the Audit Committee in September 2022.

As a result of the ongoing pandemic, and the impact it has had on both preparers and auditors of accounts to complete their work as quickly as would normally be expected, the National Audit Office has updated its guidance to auditors to allow us to postpone completion of our work on arrangements to secure value for money and focus our resources firstly on the delivery of our opinions on the financial statements. This is intended to help ensure as many as possible could be issued in line with national timetables and legislation. The extended deadline for the issue of the Auditor's Annual Report is now no more than three months after the date of the opinion on the financial statements.

Whilst our VFM assessment has not yet commenced we anticipate issuing our Auditor’s Annual Report within the NAO timescales.

In our Audit Plan, we set out two risks of significant weakness in arrangements. These were in relation to financial sustainability and group governance.

When issuing our Audit Findings Report, to the January 2023 committee, we will provide an update on the progress of our work in these key areas.

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).

In line with 2020/21 the DWP have extended the deadline for this work for 2021/22 until 31st January 2023.

We are well progressed with this work. All initial testing has been completed by the Housing Benefit team, and extended testing is in progress. Our testing of this work will be undertaken in late November and December 2022. This work will be completed remotely.

There are currently no significant issues that we need to bring to members attention.

Meetings

We meet regularly with Finance Officers as part of our regular liaison meetings and continue to be in discussions with finance staff regarding emerging developments and to ensure the audit process is smooth and effective.

Where we have encountered changes to audit deliverables we have endeavoured to ensure the finance team are updated. We have continued to work with officers to revise planned completion dates to ensure meaningful reporting to members and to ensure audit quality is maintained.

We are aware that finance staff are working on budget setting at this time and we appreciate the effort of the team in dealing with our audit queries.

2021/22 deliverables

2021/22 Deliverables	Planned Date	Status
<p>Accounts Audit Plan</p> <p>We are required to issue a detailed audit plan to the Audit Committee setting out our proposed approach in order to give an opinion on the Council's 2021/22 financial statements.</p>	June 2022	Complete
<p>Interim Audit Findings</p> <p>We will report key findings from our interim audit within our Progress Report.</p>	August 2022	Complete
<p>Audit Findings (ISA260) Report</p> <p>The Audit Findings Report will be reported In November 2022.</p>	November 2022	This has been deferred to January 2022
<p>Auditor's Annual Report (AAR)</p> <p>The key output from local audit work on arrangements to secure VFM is an annual commentary on arrangements, which will be published as part of the Auditor's Annual Report (AAR). The final version of the AAR will be published in line with the timescales to be set out by the National Audit Office. The AAR must be published on your website in line with requirements. The NAO deadline is set as 3 months from the date of signing the audit opinion.</p>	November 2022	As set out in the letter issued on 27 th September 2022 (page 8 of this report). We have deferred the AAR until February 2023. We will aim to complete this for the March 2023 Audit Committee.
<p>Auditor's Report</p> <p>This will include our opinion on your financial statements and our other reporting requirements, as set out in 'The auditor's statutory responsibilities' section of this report.</p>	November 2022	This has been deferred to January 2022

2021/22 deliverables (continued)

2021/22 Audit-related Deliverables

Housing Benefit Subsidy – certification

This is the report we submit to Department of Work and Pensions based upon the mandated agreed upon procedures we are required to perform.

Planned Date

January 2023

Status

Not yet due

Pooling of housing capital receipts - certification

This is the report we submit to the Department for Levelling Up, Housing and Communities (“DLUHC”). based upon the mandated agreed upon procedures we are required to perform.

January 2023

Not yet due

Audit letter in respect of delayed VFM work

Chair of Audit Committee
Mid Devon District Council
Phoenix House
Phoenix Lane
Tiverton
EX16 6PP

27 September 2022

Dear Chair of the Audit Committee

The original expectation under the approach to VFM arrangements work set out in the 2020 Code of Audit Practice was that auditors would follow an annual cycle of work, with more timely reporting on VFM arrangements, including issuing their commentary on VFM arrangements for local government by 30 September each year at the latest. Unfortunately, due to the on-going challenges impacting on the local audit market, including the need to meet regulatory and other professional requirements, we have been unable to complete our work as quickly as would normally be expected. The National Audit Office has updated its guidance to auditors to allow us to postpone completion of our work on arrangements to secure value for money and focus our resources firstly on the delivery of our opinions on the financial statements. This is intended to help ensure as many as possible could be issued in line with national timetables and legislation.

As a result, we have therefore not yet issued our Auditor's Annual Report, including our commentary on arrangements to secure value for money. We now expect to publish our report no later than 28 February 2023.

For the purposes of compliance with the 2020 Code, this letter constitutes the required audit letter explaining the reasons for delay.

Yours faithfully

Peter Barber
Director

Sector Update

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

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

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

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

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

Public Sector

Local
government

Audit Market Developments

Financial Reporting Council Report On The Quality Of Local Audit

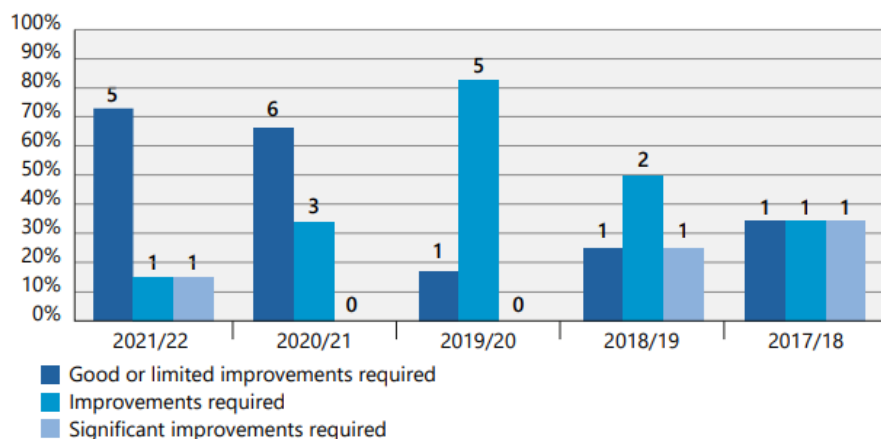
In late October 2022 the Financial Reporting Council (FRC) published its inspection findings into the quality of major local body audits in England, which includes large health and local government bodies.

The Quality Assurance Department (QAD) of the Institute of Chartered Accountants in England and Wales (ICAEW) inspects a sample of local audits that do not meet the definition of a 'major' local audit and the FRC's report also includes a summary of their findings.

The FRC reported that 71% of Grant Thornton audits inspected (7 in total) were assessed as either good or limited improvements required.

This is a pleasing result and reflects on our significant investment in audit quality over recent years. The positive direction of travel over the past five years is illustrated below:

Our assessment of the quality of financial statement audits reviewed



The FRC also inspected our work on VfM arrangements at four bodies.

It is pleasing to note that all of these inspections were assessed as requiring no more than limited improvements (which is the same as the previous year).

As far as the ICAEW are concerned, overall, the audit work reviewed was found to be of a good standard.

Seven of the eight files reviewed (88%) were either 'good' or 'generally acceptable', but one file 'required improvement'.

The ICAEW identified one of our files requiring 'Improvement' – but it should be noted that this was a 2019-20 file and therefore the learnings from prior years' review could not have been taken into account, an issue recognised by the ICAEW in their report to us.

The ICAEW found that our VfM work was good on each of the files reviewed, and they did not identify any issues with this aspect of the audit teams' work.

Whilst are pleased with our continuing improvement journey, we continue to invest in audit quality to ensure that the required standards are met.

The full report can be found [here](#).



Financial Reporting Council



Audit Market Developments (continued)

Local Government External Audit Procurement

Public Sector Audit Appointments Ltd (PSAA) has recently announced the outcome of its national procurement of audit services across the Local Government sector.

This exercise covers the audits from 2023/24 to 2027/28 and covers the 470 local government, police and fire bodies (99% of eligible local bodies) that opted into the national scheme.

We are delighted to have been reappointed as the largest supplier of local government audit. The public sector has played a significant role within the firm for over 30 years and we remain committed to the success of the sector.

Our UK Public Sector Assurance (PSA) team employs 440 people, including 29 Key Audit Partners and specialists in financial reporting, audit quality, and Value for Money.

The team is dedicated to public audit work in local government and the NHS, with contracts with PSAA, Audit Scotland and over 100 health bodies. The Public Sector Assurance team is a regular commentator on issues facing the sector and oversees the firm's thought leadership, such as its series of publications on grants and public interest reports.

Mark Stocks, lead Partner for PSA at Grant Thornton, said 'This is a very welcome outcome and reflects our previous delivery as well as our ongoing commitment to invest in the public sector.'

Further information can be found [here](#)





SCRUTINY / AUDIT COMMITTEE 21 AND 22 NOVEMBER 2022

3 Rivers Developments Limited – Business Plan 2023 - 2028

Cabinet Members: Councillor Bob Deed – Leader
Councillor Andrew Moore – Finance

Responsible Officers: Deputy Chief Executive – Andrew Jarrett

Reason for Report: To review the Business Plan and provide Cabinet with any feedback/comments to assist their decision making process.

RECOMMENDATION: That the Scrutiny and Audit Committee feedback any comments in order for the Cabinet to include them in their deliberations.

Relationship to Corporate Plan: 3 Rivers Developments Limited's (3Rivers) key aims are to: increase the level and quality of housing units within the District and look to help regenerate sites/areas in need of assistance, generate future returns in order to grow the business and to recycle monies made back to the Council to mitigate some of the cuts in Government funding.

Financial Implications: The Council has a duty to obtain value for money. All financial interactions between the Council and 3Rivers are carried out at commercially evidenced rates and subject to individual loan agreements. Once approved, the Council will need to embed all agreed borrowing proposals in to the General Fund, Capital Programme and Treasury Strategy budgets for 2022/23.

Legal Implications: None to this report, however this report is prepared in accordance with the Shareholder Agreement, Company's Memorandum and Articles of Association.

Risk Assessment: Detailed within the report.

Equality impact assessment: No direct equality issues identified for this report. However, the company will continually evaluate increased renewal investments set against other financial viability and other building metrics.

Impact on climate change: 3Rivers is a commercial organisation and where deliverable sustainable options are available they are utilised; however, as a commercial organisation it is acknowledged that where there is a significant cost differential to what the market will sustain that this plays heavily in the choices made.

1.0 Introduction

1.1 As part of the recommendations approved during the review of 3Rivers governance and financial arrangements it was proposed that an element of prior review was undertaken by other Committee(s) in order to assist/complement the decision making of the Cabinet.

2.0 The 2023 – 2028 Business Plan

- 2.1 Attached to this report is the company's 5 year Business Plan. Any company Business Plan that projects in to the future, especially at the current juncture, is subject to change/revision, especially the further you move in to later years. What the Business Plan provides is a general overview of company ambitions, areas of focus, metrics it will use to judge itself by and report on, risk appetite and mitigation measures and finally an overarching budget envelope for the period.
- 2.2 This financial envelope will provide a reasonably accurate budget forecast for 2023/24 and the projects that they are already committed to. Thereafter, the budget makes sound commercial estimates over the potential sums that will be required to keep the company viable and deliver a level of returns back to the Shareholder.
- 2.3 The total loan request for 2023/24 is circa £20.1m and the maximum loan exposure during the 2024-28 period is circa £20.9m. This funding envelope will see the culmination of St Georges Court, Tiverton and another site in Bampton, plus a number of new sites currently under consideration and then an estimate for potential new developments that are being explored. In addition there is the ongoing provision for the company's working capital requirements.
- 2.4 Embedded within the company's Business Plan, reference is made to the annual interest payments that will be made back to the Council and Members should also be aware of the recharged costs that the Council makes to the company. These relate to officer time, office accommodation, IT support, etc. To put this in to context the table below summarises these transactions since the company's inception. For completeness, it also includes all financing costs and any loan impairments.

Financial transactions between 3Rivers and Mid Devon DC

	2017/18 2018/19	2019/20	2020/21	2021/22	2022/23 Actuals as at 31/10/22	Total
Revenue Items £k						
Interest Rec'd	71.4	251.0	496.4	558.4	451.9	1,829.1
MDDC Cost of Borrowing	0	0	0	0	0	0
Dividends Paid	0	0	0	0	0	0
MDDC Recharges	170.2	97.2	103.8	15.6	0.5	387.3
Total	241.6	348.2	600.2	574.0	452.4	2,216.4

	2017/18 2018/19	2019/20	2020/21	2021/22	2022/23 Actuals as at 31/10/22	Total
Loans £k						
Advanced	2,612.9	6,998.2	1,741.7	4,581.4	3,767.4	19,701.6
Repaid		-550.0	-640.0	-1,208.7	0	-2,398.7
Loan Movement	2,612.9	6,448.2	1,101.7	3,372.7	3,767.4	17,302.9
Impairments		-790.0				-790.0

Notes:

- 1 The loans repaid figures relate to a VAT refund in 2019/20 and sale proceeds from the Threwstones, Tiverton and The Orchard, Halberton developments.
 - 2 The impairment relates to £617k St Georges Court (estimated loss) and £173k working capital charge. This figure was reviewed and carried forward in to the 2020/21 end of year Accounts. The 2021/22 level will be reviewed as part of the External Audit process – which is still ongoing.
- 2.5 The above table details the direct financial benefits that accrue from the Council's investment in 3 Rivers. However, Members should also be aware that other indirect benefits are obtained. For example:
- ✓ Increased Council Tax and Business Rate receipts
 - ✓ Extra New Homes Bonus revenue
 - ✓ Some control over timetable and quality of development
 - ✓ Some influence over affordable/social housing delivery numbers
 - ✓ Regeneration potential
 - ✓ Greater use of local supply chains and contractors

- 2.6 The Business Plan also specifically focuses on key areas of company activity; ongoing governance, the prevailing market, risk, success metrics, future strategy and includes a progress overview of 2022/23 and its goals for 2023/24.

3.0 Conclusion

- 3.1 This Business Plan is based on a 5 year overview and forecast, which includes a number of commercially based estimates/assumptions and clearly relies heavily on the ongoing financial and corporate support of the Council. If approved, the total borrowing request during the life of this plan will not exceed a net loan portfolio of £20.9m between 2023/24 and 2027/28. The 2023/24 loan request of £20.1m, if approved, will be included in the Council's General Fund, Capital Programme and Treasury Strategy for the forthcoming financial year.

3.2 Provision of the loan repayments from the company, estimated for the same period, will also be included within the above mentioned budgets.

Contact for more information: Andrew Jarrett, Deputy Chief Executive (S151)

Circulation of the report: Leadership Team and Cabinet

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

Document is Restricted

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