

Audit & Standards Committee

Date: **28 September 2021**

Time: **4.00pm**

Venue **Council Chamber, Hove Town Hall**

Members: **Councillors:** Yates (Chair), Hugh-Jones (Group Spokesperson), Hamilton, Meadows, Moonan, Peltzer Dunn, Phillips and Shanks

Co-optees

Helen Aston and David Bradly

Contact: **John Peel**
Democratic Services Officer
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AGENDA

17 PROCEDURAL BUSINESS

- (a) **Declarations of Substitutes:** Where councillors are unable to attend a meeting, a substitute Member from the same political group may attend, speak and vote in their place for that meeting.
- (b) **Declarations of Interest:**
 - (a) Disclosable pecuniary interests;
 - (b) Any other interests required to be registered under the local code;
 - (c) Any other general interest as a result of which a decision on the matter might reasonably be regarded as affecting you or a partner more than a majority of other people or businesses in the ward/s affected by the decision.

In each case, you need to declare

- (i) the item on the agenda the interest relates to;
- (ii) the nature of the interest; and
- (iii) whether it is a disclosable pecuniary interest or some other interest.

If unsure, Members should seek advice from the committee lawyer or administrator preferably before the meeting.

- (c) **Exclusion of Press and Public:** To consider whether, in view of the nature of the business to be transacted or the nature of the proceedings, the press and public should be excluded from the meeting when any of the following items are under consideration.

Note: Any item appearing in Part Two of the agenda states in its heading the category under which the information disclosed in the report is exempt from disclosure and therefore not available to the press and public. A list and description of the exempt categories is available for public inspection at Brighton and Hove Town Halls and on-line in the Constitution at part 7.1.

18 MINUTES

7 - 14

To consider the minutes of the meeting held on 29 June 2021.

Contact Officer: John Peel

Tel: 01273 291058

19 CHAIR'S COMMUNICATIONS

20 CALL OVER

- (a) Items 23 - 28 will be read out at the meeting and Members invited to reserve the items for consideration.
- (b) Those items not reserved will be taken as having been received and the reports' recommendations agreed.

21 PUBLIC INVOLVEMENT

To consider the following matters raised by members of the public:

- (a) **Petitions:** to receive any petitions presented to the full council or at the meeting itself;
- (b) **Written Questions:** to receive any questions submitted by the due date of 12 noon on the 22 September 2021;
- (c) **Deputations:** to receive any deputations submitted by the due date of 12 noon on the 22 September 2021.

22 MEMBER INVOLVEMENT

To consider the following matters raised by councillors:

- (a) **Petitions:** to receive any petitions submitted to the full Council or at the meeting itself;
- (b) **Written Questions:** to consider any written questions;
- (c) **Letters:** to consider any letters;
- (d) **Notices of Motion:** to consider any Notices of Motion referred from Council or submitted directly to the Committee.

23 STRATEGIC RISK FOCUS REPORT: SR36, SR23 AND SR21

15 - 38

Report of the Executive Lead Officer, Strategy, Governance & Law

Contact Officer: Kat Brett

Ward Affected: All Wards

24 AUDITED STATEMENT OF ACCOUNTS 2020-21

To Follow

Report of the Acting Chief Finance Officer

Contact Officer: Nigel Manvell

Tel: 01273 293104

Ward Affected: All Wards

25 AUDIT FINDINGS REPORT 2020-21

To Follow

Report of External Audit

Ward Affected: All Wards

- 26 INTERNAL AUDIT PROGRESS REPORT – QUARTER 1 (1 APRIL TO 30 JUNE 2021)** **39 - 64**
- Report of the Acting Chief Finance Officer
- Contact Officer: Mark Dallen Tel: 01273 291314
Ward Affected: All Wards
- 27 RESPONSE TO MEMBERS LETTER: FREEDOM OF INFORMATION REQUESTS** **65 - 80**
- Report of the Assistant Director, Human Resources & Organisational Development
- Contact Officer: Dan Snowdon
Ward Affected: All Wards
- 28 STANDARDS UPDATE** **81 - 84**
- Report of the Executive Lead Officer, Strategy, Governance & Law
- Contact Officer: Abraham Ghebre-Ghiorghis Tel: 01273 291500
Ward Affected: All Wards
- 29 ITEMS REFERRED FOR COUNCIL**
- To consider items to be submitted to the 21 October 2021 Council meeting for information.
- In accordance with Procedure Rule 24.3a, the Committee may determine that any item is to be included in its report to Council. In addition, any Group may specify one further item to be included by notifying the Chief Executive no later than 10am on the eighth working day before the Council meeting at which the report is to be made, or if the Committee meeting take place after this deadline, immediately at the conclusion of the Committee meeting*
- 30 ITEMS FOR THE NEXT MEETING**
- To consider items for the next meeting

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The closing date for receipt of public questions and deputations for the next meeting is 12 noon on the fourth working day before the meeting.

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FURTHER INFORMATION

For further details and general enquiries about this meeting contact John Peel, (01273 291058, email john.peel@brighton-hove.gov.uk) or email democratic.services@brighton-hove.gov.uk

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BRIGHTON & HOVE CITY COUNCIL

AUDIT & STANDARDS COMMITTEE

4.00pm 29 JUNE 2021

COUNCIL CHAMBER, HOVE TOWN HALL

MINUTES

Present: Councillors Yates (Chair) Hugh-Jones (Group Spokesperson) and Meadows (Group Spokesperson)

Independent Members present: Helen Aston

PART ONE

1 PROCEDURAL BUSINESS

1a Declarations of substitutes

1.1 There were none.

1b Declarations of interests

1.2 There were none

1c Exclusion of the press and public

1.3 In accordance with Section 100A of the Local Government Act 1972 ("the Act"), the Committee considered whether the public should be excluded from the meeting during consideration of any item of business on the grounds that it is likely in view of the business to be transacted or the nature of the proceedings, that if members of the public were present during it, there would be disclosure to them of confidential information as defined in Section 100A (3) of the Act.

1.4 **RESOLVED** - That the press and public not be excluded.

2 MINUTES

2.1 **RESOLVED** – That the minutes of the previous meeting held on 26 March 2021 be approved and signed as the correct record.

3 CHAIR'S COMMUNICATIONS

- 3.1 The Chair paid credit to Jackie Algar, the Risk Management Lead who would be leaving the Council after many years of service. The Chair highlighted Jackie's role in expertly advising Members and the Executive Leadership Team on matters relating to risk.

4 CALL OVER

- 4.1 All items on the agenda were reserved for discussion.

5 PUBLIC INVOLVEMENT

- 3.1 No items were received from members of the public.

6 MEMBER INVOLVEMENT

(C) MEMBERS LETTERS

(1) Freedom of Information Requests

- 6.1 The Committee considered a Letter from Councillor Meadows requesting a report detailing key statistics relating to Freedom of Information requests and that report to propose resolutions to any issues uncovered.

- 6.2 The Chair provided the following response:

“In this year's KPI's that will be reported to P&R committee there is a new performance indicator on FOI compliance. The first time this will be reported to committee is in December. In addition, there have been other requests for councillor briefings on FOI performance, including one from the cross party KPI member working group. This means a briefing will be presented in the near future to our Information Governance Board, and subsequently to all councillors.

There are some changes being considered in the team structure that will improve FOI performance, and it may be more useful for these changes to be implemented, for the planned all councillor briefing to take place, and then for a report to be brought to A&S's later in the year. This sequence of events will provide more information on the future direction of travel, how performance is being improved and also will be easier to manage from a workload point of view. We've got Item 14 on the agenda which is to consider items for future meetings so we can pick up our response to this Letter there”.

- 6.3 **RESOLVED-** That the Committee note the Letter.

7 STRATEGIC RISK FOCUS: SR2, SR20 AND SR37

- 7.1 The Committee considered a report of the Executive Lead Officer, Strategy, Governance & Law that provided detail on the actions taken and future actions to manage each strategic risk.

- 7.2 In response to a question from Councillor Meadows, it was confirmed that there was additional funding put into contract management in the 2020/21 budget however, due to the pandemic and complications in allocating the funding that was predicated on making savings, this allocation was moved to the 2021/22 budget. Further, the forecast

underspend would not mean that funding would be required to be returned to central government as the funding had been allocated correctly.

SR2- The Council is not financially viable

- 7.3 In response to questions from Councillor Hugh-Jones, it was confirmed that the 2020 Spending Review covered one year and whilst it was hoped that the 2021 Spending Review would be multi-year, that was currently unclear. On unachieved savings, these will have either been replaced with mitigating savings or a plan would be in place to achieve those savings if they were still believed achievable. Further, discharged to assess funding applied to the first six weeks of care for the relevant individual and it was expected that would be reduced in the autumn to four weeks. The intended outcome of the scheme was ensuring people were discharged on their onward care to an appropriate setting and evidence suggested that target was being met.

SR20- Failure to achieve Health and Social Care outcomes due to organisational and resource pressures on the Clinical Commissioning Group (CCG) and Brighton & Hove City Council (BHCC);

- 7.4 In response to questions from Councillor Hugh-Jones, it was explained that officers were comfortable on the effectiveness of the controls in place due to the good engagement on governance arrangements and there was good ongoing collaboration between agencies. In relation to the radical changes to health and social care integration, the issue would be undertaken in challenging circumstances however, there was unprecedented appetite and opportunity for integration and a greater focus and appreciation of the role of social care. In addition, central government had made a very clear commitment to a long-term solution for adult social care and the details of that was expected before the end of the year.

SR37- Not effectively responding to and recovering from COVID-19 in Brighton and Hove including building resilience for future pandemics.

- 7.5 In reply to a question from Councillor Hugh-Jones, it was clarified that a new agency had been tasked with the national approach to future pandemics but was not yet established.

- 7.6 **RESOLVED-** That the Audit & Standards Committee:

- 1) Note the SRR detailed within Table 1 of this report.
- 2) Note Appendix 1 the CAMMS Risk report with details of the SRs and actions taken ('Existing Controls') and actions planned
- 3) Note Appendix 2 which provides:
 - i. a guide on the risk management process;
 - ii. guidance on how Members might want to ask questions of Risk Owners, or officers connected to the strategic risks; and
 - iii. details of opportunities for Members, or any staff, to raise issues on Strategic Risks at various points and levels.

8 INTERNAL AUDIT ANNUAL REPORT AND OPINION 2020/21

- 8.1 The Committee considered a report of the Acting Chief Finance Officer that provided opinion on the adequacy of Brighton & Hove City Council's control environment as a contribution to the proper, economic, efficient, and effective use of resources. The report covered the audit work completed in the year from 1 April 2020 to 31 March 2021 in accordance with the Internal Audit Strategy for 2020/21. The report also included a summary of the results of internal audit work for the year along with a narrative summary of those audits finalised since the last progress report to the Committee in March 2021.
- 8.2 In response to a question from the Chair, it was clarified that the report on temporary accommodation that would be received at the next meeting would focus on the financial administration, processes, and controls on debt recovery for that service as well as bad debt provision.
- 8.3 In response to questions from Councillor High-Jones, it was clarified that the incident of fraud referenced, the individual resigned and had paid back the entire some they benefitted. The incident had been detected quickly and stricter controls were now in place to minimise this risk. In reference to the cases of housing tenancy fraud, none of the cases referenced had been taken to prosecution. On contract management, this was an area where work would be increasing over the next year and public conveniences was a good representation of some of the challenges faced in maintaining effective contract management although the issue had been detected quickly. It was confirmed that an issue had been identified with an overreliance on the assurances on health and safety and insurance checks from the previous housing repairs contractor and this would be some something that was part of the re-procurement of contracts for the in-house service.
- 8.4 In response to a question from Councillor Meadows, it was clarified that any decision to change how a service operated came with financial risk and Internal Audit had flagged that risk for the in-house housing repairs service, but it was very difficult to quantify, particularly due to the significant pressures facing the service due to the pandemic. Follow up work would be conducted to provide assurance.
- 8.5 **RESOLVED-**
- 1) That the Committee note that, whilst no assurance can ever be absolute, based on the internal audit work completed in the year, reasonable assurance has been provided on the overall adequacy and effectiveness of the Council's framework of governance, risk management and control for the year ended 31 March 2021.
 - 2) That the Committee note the assurances and improvement actions detailed on audits finalised since the last progress report to this Committee in March 2021.

9 DRAFT ANNUAL GOVERNANCE STATEMENT 2020-21

- 9.1 The Committee considered a report of the Executive Lead Officer, Strategy, Governance & Law. The Annual Governance Statement (AGS) is a requirement of Local Authorities to report publicly on the extent to which they comply with their own Code of Corporate Governance ('the Local Code').
- 9.2 **RESOLVED-**

- 1) That the Audit & Standards Committee formally approve the Annual Governance Statement 2020 – 21 at Appendix 1 having regard to the findings of the annual review so that the AGS may be signed by the City Council's Leader and the Chief Executive before publication alongside the City Council's Accounts.

10 EXTERNAL AUDIT PLAN FOR 2021/22

- 3.1. The Committee considered a report of External Audit that set out the External Audit Plan for 2021-22 and identified risks and issues that are expected to impact on the audit including: consideration of materiality; arrangements for reviewing Value for Money; the anticipated audit fees and assurance regarding independence and ethical considerations.
- 3.2. In response to a query from the Chair, the External Auditor explained that the new standard was developed in order to put in place controls for developing estimates and was recognition that the use of estimates had risen significantly in the public and private sector in recent years.
- 3.3. In response to questions from Councillor Hugh-Jones, the External Auditor explained that the Royal Institute of Chartered Surveyors (RICS) did recognise that the pandemic had caused difficulty to give robust valuations and in recognition of that, all valuers had stated there was a material uncertainty with their valuations. That would not be the case this year as it was the view of the RICS that the property market had recovered from the uncertainty. That would also remove some of the uncertainty relating to valuations and pension funds. Furthermore, it was clarified that the vast part of the increase in fees related to changes to value for money work as detailed on page 144 of the agenda and was subject to agreement by the Public Sector Audit Appointments.
- 3.4. In response to a query from Councillor Meadows, the External Auditor explained that for some grants, the Council was the agent, and the test of material grant revenues was to ensure that those grants were not reflected in the financial statements as income.
- 3.5. **RESOLVED-** That the Audit and Standards Committee:
 - 1) Considers and notifies the external auditor as to whether or not there are any other matters which may impact on the planned audit.
 - 2) Note the External Audit Plan 2020/21

11 REVIEW OF THE CODE OF CONDUCT FOR MEMBERS

- 11.1 The Committee considered a report of the Executive Lead, Strategy, Governance & Law that updated this Committee on the work of the cross-party Member Working Group appointed to review the Council's Code of Conduct for Members and related arrangements, and to sought Committee approval to Full Council for revised versions of the Code of Conduct for Members and the other key documents indicated below.
- 11.2 The following Officer correction was made to the recommendations as shown in bold italics and where struckthrough:

2.1 That the **Audit & Standards Committee** recommends to Full Council that it formally approve a revised Code of Conduct for Members as outlined in para 4.1 and attached here as Appendix 1.

2.2 That the **Audit & Standards Committee** ~~review and~~ **approve the documents appended to this Report** as Appendices 2 & 3, **which incorporate:**

- ~~The Code of Conduct for Members~~
- Guidance on Correspondence
- The Procedure for Dealing with Allegations of Misconduct by Members

11.3 In response to requests from Members for Standards training, the Senior Lawyer clarified that scheduling efforts were underway to find a suitable date as well as a refresher session that alerted Members to the proposed changes.

11.4 In response to queries from Members, the Executive Lead Officer, Strategy Lead Officer clarified that, subject to approval, the revised Code of Conduct for Members would be submitted to Full Council for approval. Further, Full Council would be notified in the event a Standards Panel found a substantial breach of the Code of Conduct by Members.

11.5 The Executive Lead Officer noted that that the number of Member complaints over the past two years was significantly more than could be managed by the Authority and part of the revisions to the Code of Conduct were designed to enable officers in liaison with the Independent Persons to resolve complaints and early and as quickly as possible.

11.6 **RESOLVED TO RECOMMEND:**

1) That the Audit & Standards Committee recommends to Full Council that it formally approve a revised Code of Conduct for Members as outlined in para 4.1 and attached here as Appendix 1.

RESOLVED:

2) That the Audit & Standards Committee approve the documents appended to this Report as Appendices 2 & 3, which incorporate:

- Guidance on Correspondence
- The Procedure for Dealing with Allegations of Misconduct by Members

12 STANDARDS UPDATE

12.1 The Committee considered a report of the Executive Lead Officer, Strategy, Governance & Law that updated the Committee on progress in the determination of complaints that Members have breached the Code of Conduct for Members since the last Update report.

12.2 Helen Aston stated that the range and number of complaints highlighted the importance of comprehensive training for Members.

12.3 The Chair agreed adding that the failure of Members to engage with training or to make training available at a time that suited Members was something that needed addressing.

12.4 RESOLVED-

- 1) That the Audit & Standards Committee note the information provided in this Report on those member complaints which have either been progressed or concluded since the last quarterly report, or which remain outstanding.

13 ITEMS REFERRED FOR COUNCIL

- 13.1 No items were referred to Full Council for information.

14 ITEMS FOR THE NEXT MEETING

- 3.1 It was agreed to receive a report on Freedom of Information performance as well as how people were or could be better informed about the other ways to contact the council to minimise overuse of the FOI process.

15 PART TWO MINUTES (EXEMPT CATEGORY 5)

- 15.1 **RESOLVED** – That the Part Two minutes of the previous meeting be approved as the correct record.

16 PART TWO PROCEEDINGS

- 16.1 **RESOLVED** – That the Part 2 Items remain exempt from disclosure from the press and public.

The meeting concluded at 6.18pm

Subject:	Strategic Risk Focus Report: SR36, SR23 and SR21		
Date of Meeting:	28th September 2021		
Report of:	Executive Lead Officer, Strategy, Governance & Law		
Contact Officer:	Name:	Kat Brett	Tel: 01273 293846
	Email:	Kat.Brett@brighton-hove.gov.uk	
Ward(s) affected:	All		

FOR GENERAL RELEASE**1. PURPOSE OF REPORT AND POLICY CONTEXT**

- 1.1 To report to the Audit & Standards Committee on the latest quarterly update to the city council's Strategic Risk Register (SRR).
- 1.2 The Committee have agreed to focus on at least two strategic risks (SRs) at each of their meetings. For this meeting there are three SRs risks to receive focus and to enable Members' questions to be asked there will be attendance by Risk Owners as detailed below:

The Executive Director, Economy, Environment & Culture (ED EEC) in respect of:

SR36 Not taking all actions required to address climate and ecological change and transitioning our city to carbon neutral by 2030.

SR23 Unable to develop and deliver an effective Regeneration and Investment Strategy for the seafront and ensure effective maintenance of the seafront infrastructure.

The Executive Director, Housing, Neighbourhoods & Communities (ED HNC) in respect of:

SR21 Unable to manage housing pressures and deliver new housing supply.

2. RECOMMENDATIONS:

That the Audit & Standards Committee:

- 2.1 Note the SRR detailed within [Table 1](#) of this report.
- 2.2 Note [Appendix 1](#) the CAMMS Risk report with details of the three SRs and actions taken ('Existing Controls') and actions planned.
- 2.3 Note [Appendix 2](#) which provides:
 - i. a guide on the risk management process;

- ii. guidance on how Members might want to ask questions of Risk Owners, or officers connected to the strategic risks; and
 - iii. details of opportunities for Members, or officers, to input on Strategic Risks at various points and levels.
- 2.4 Make recommendations for further action(s) to the relevant council body.

3. CONTEXT/ BACKGROUND INFORMATION

- 3.1 The city council’s SRs are reviewed quarterly by the Executive Leadership Team (ELT) taking on board comments from quarterly risk reviews carried out at Directorate Management Teams. This process ensures the currency of the city council’s SRR.
- 3.2 The Audit & Standards Committee has a role to monitor and form an opinion on the effectiveness of risk management and internal control.
- 3.3 The initial risk score takes account of the existing controls in place to mitigate the risk (current score). The revised risk score assumes that all risk actions are successfully delivered (target score). The ‘likelihood’ score ranges from Almost Impossible (1) to Almost Certain (5) and the ‘impact’ score ranges from Insignificant (1) to Catastrophic (5). These scores are multiplied to give the risk score.
- 3.4 At ELT’s review of the SRR on 14 July 2021 no risks were removed, no new risks were proposed or agreed. There remain 16 Strategic Risks. There were no changes to the Strategic Risk Register.

The risk heat map and Table 1, below, shows the current 16 Strategic Risks in the highest Revised Risk order which takes account of future actions to reduce or mitigate the risks.

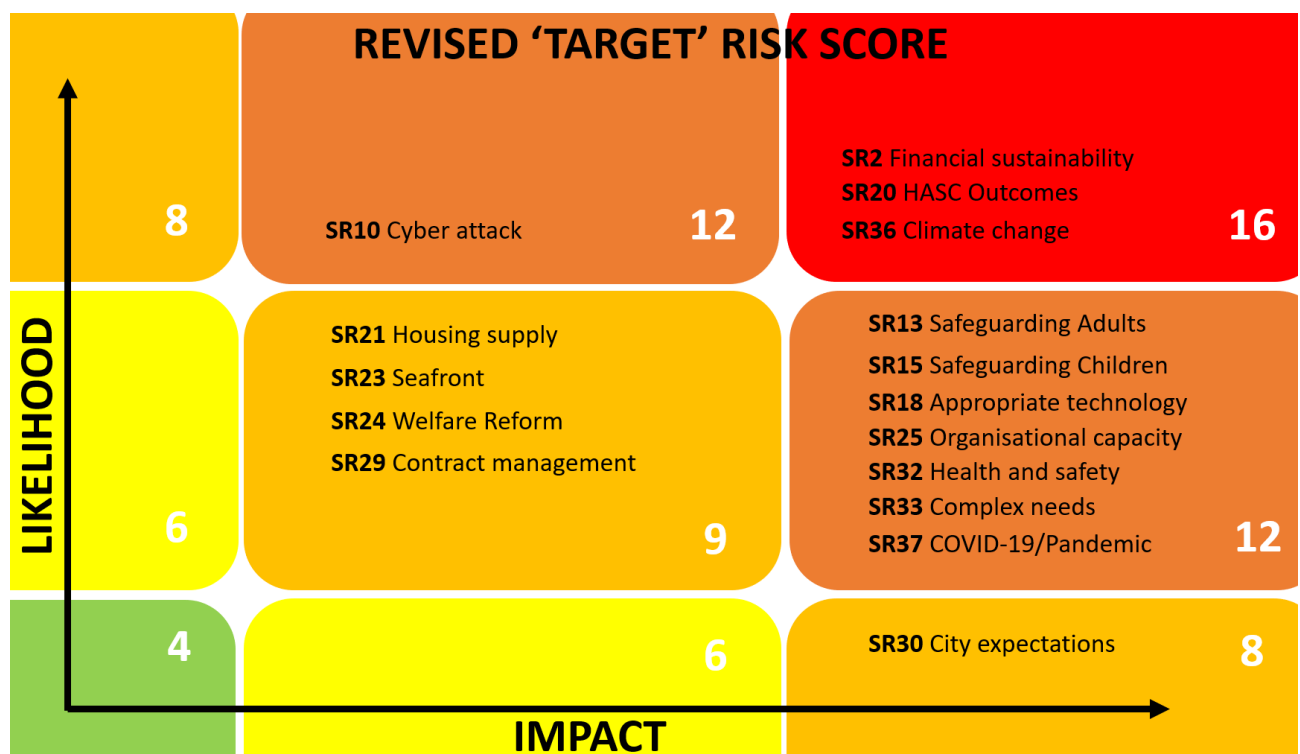


































TABLE 1

Risk Nos.	Risk Title	Initial Risk Score Likelihood (L) x Impact (I) & Direction of Travel (DOT)	Revised Risk Score Likelihood (L) x Impact (I) & Direction of Travel (DOT)	Committee (s)	Risk Owner
SR 2	The Council is not financially sustainable	5 x 4 ◀▶  RED	4 x 4 ◀▶  RED	Policy & Resources Committee	Acting Chief Finance Officer
SR 36	Not taking all actions required to address climate and ecological change and transitioning our city to carbon neutral by 2030	5 x 4 ◀▶  RED	4 x 4 ◀▶  RED	Environment, Transport & Sustainability Committee	Executive Director, Economy, Environment & Culture
SR 20	Failure to achieve health and social care outcomes due to organisational and resource pressures on the Clinical Commissioning Group (CCG) and Brighton & Hove City Council (BHCC)	5 x 4 ◀▶  RED	4 x 4 ◀▶  RED	Health & Wellbeing Board	Executive Director, Health & Adult Social Care
SR 37	Not effectively responding to and recovering from COVID-19 in Brighton and Hove including building resilience for future pandemics	4 x 4 ◀▶  RED	3 x 4 ◀▶  AMBER	Health & Wellbeing Board and Policy & Resources (Recovery) Sub- Committee	Executive Director, Health & Adult Social Care
SR 32	Challenges to ensure health & safety measures lead to personal injury, prosecution, financial losses and reputational damage	4 x 4 ◀▶  RED	3 x 4 ◀▶  AMBER	Policy & Resources Committee	Assistant Director Human Resources & Organisational Development
SR 33	Not providing adequate housing and support for people with significant and complex needs	4 x 4 ◀▶	3 x 4 ◀▶	Health & Wellbeing Board and	Executive Director, Health & Adult Social Care

Risk Nos.	Risk Title	Initial Risk Score Likelihood (L) x Impact (I) & Direction of Travel (DOT)	Revised Risk Score Likelihood (L) x Impact (I) & Direction of Travel (DOT)	Committee (s)	Risk Owner
		 RED	 AMBER	Housing Committee	
SR 18	The organisation is unable to deliver its functions in a modern, efficient way due to the lack of appropriate technology	4 x 4 ◀▶  RED	3 x 4 ◀▶  AMBER	Policy & Resources Committee	Assistant Director Human Resources & Organisational Development
SR25	Insufficient organisational capacity or resources to deliver all services as before and respond to changing needs and changing circumstances	4 x 4 ◀▶  RED	3 x 4 ◀▶  AMBER	Policy & Resources Committee	Chief Executive
SR 13	Not keeping vulnerable adults safe from harm and abuse	4 x 4 ◀▶  RED	3 x 4 ◀▶  AMBER	Health & Wellbeing Board	Executive Director, Health & Adult Social Care
SR 15	Not keeping children safe from harm and abuse	4 x 4 ◀▶  RED	3 x 4 ◀▶  AMBER	Children, Young People & Skills Committee	Executive Director Families, Children & Learning
SR 10	Corporate information assets are inadequately controlled and vulnerable to cyber attack	4 x 4 ◀▶  RED	4 x 3 ◀▶  AMBER	Policy & Resources Committee	Chief Executive
SR 21	Unable to manage housing pressures and deliver new housing supply	4 x 4 ◀▶  RED	3 x 3 ◀▶  AMBER	Housing Committee	Executive Director, Housing,

Risk Nos.	Risk Title	Initial Risk Score Likelihood (L) x Impact (I) & Direction of Travel (DOT)	Revised Risk Score Likelihood (L) x Impact (I) & Direction of Travel (DOT)	Committee (s)	Risk Owner
		RED	AMBER		Neighbourhoods & Communities
SR 24	In the context of Covid-19 the needs and demands for services arising from the changing and evolving landscape of welfare reform is not effectively supported by the council	4 x 3 ◀▶  AMBER	3 x 3 ◀▶  AMBER	Policy & Resources Committee	Acting Chief Finance Officer
SR 23	Unable to develop and deliver an effective Regeneration and Investment Strategy for the seafront and ensure effective maintenance of the seafront infrastructure	3 x 4 ◀▶  AMBER	3 x 3 ◀▶  AMBER	Environment, Transport & Sustainability Committee and Tourism, Equalities, Communities & Culture Committee	Executive Director, Economy, Environment & Culture
SR 29	Ineffective contract performance management leads to sub-optimal service outcomes, financial irregularity and losses, and reputational damage	3 x 4 ◀▶  AMBER	3 x 3 ◀▶  AMBER	Policy & Resources Committee	Acting Chief Finance Officer
SR 30	Not fulfilling the expectations of residents, businesses, government and the wider community that Brighton & Hove City Council will lead the city well and be stronger in an uncertain environment	3 x 4 ◀▶  AMBER	2 x 4 ◀▶  AMBER	Policy & Resources Committee	Chief Executive

4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS

- 4.1 Through consultation with ELT the Risk Management process currently in operation was deemed to be the most suitable model.

5. COMMUNITY ENGAGEMENT & CONSULTATION

- 5.1 This is an internal risk reporting process and as such no engagement or consultation has been undertaken in this regard.

6. CONCLUSION

- 6.1 The council must ensure that it manages its risks and meets its responsibilities and deliver its Corporate Plan, risk management is evidence for good governance.

7. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

- 7.1 For each Strategic Risk there is detail of the actions already in place ('Existing Controls') or work to be done as part of business or project plans ('Risk Actions') to address the strategic risk. Potentially there may have significant financial implications for the authority either directly or indirectly. The associated financial risks are considered during the Targeted Budget Management process and the development of the Medium Term Financial Strategy

Finance Officer Consulted: Jeff Coates

Date: 17/08/2021

Legal Implications:

- 7.2 All Strategic Risks which are reported to the Audit & Standards Committee may potentially have legal implications. Members are referred to Appendix 1 of this Report for the detailed description (a description which normally makes reference to any legal implications of a direct nature) provided of the Strategic Risks being focused on in this Committee cycle.
- 7.3 The Council has delegated to its Audit & Standards Committee its powers and duties in relation to risk management, and as a result, this is the correct body for considering this Report.

Lawyer Consulted: Victoria Simpson

Date: 19/08/2021

Equalities Implications:

- 7.4 Risk owners are requested to ensure that equalities implications are considered in describing strategic risks, their potential consequences and when developing mitigating actions. This will be part of regular ELT & DMT risk review sessions.

Sustainability Implications:

- 7.5 SR36 has a key focus on sustainability. There are additional strategic risks, such as SR23 and SR21, which have sustainability implications. Risk owners will be requested to continue considering sustainability implications and this will also be part of regular ELT & DMT risk review sessions.

Any Other Significant Implications:

- 7.6 None.

SUPPORTING DOCUMENTATION



Appendices:

1. Appendix 1: CAMMS Risk report SR36, SR23 and SR21.
2. Appendix 2: A guide on the risk management process and how Members might want to ask questions of Risk Owners in relation to Strategic Risks.

Background Documents

1. None.

APPENDIX 1: CAMMs Risk Report for SR36, SR23, SR21

Risk Code	Risk	Responsible Officer	Risk Category	Last Reviewed	Issue Type	Risk Treatment	Initial Rating	Revised Rating	Eff. of Control
SR36	Not taking all actions required to address climate and ecological change and transitioning our city to carbon neutral by 2030.	Executive Director Economy, Environment & Culture	BHCC Strategic Risk	Aug-21	Threat	Treat	 L5 x I4	 L4 x I4	Revised: Uncertain

Causes

Link to Corporate Plan 2020-23. Outcome 5 'A sustainable City', action 5.1 'Become a carbon neutral city by 2030'

The climate is warming and studies recommend that actions must be taken to keep global warming to under 1.5 degrees to avoid negative catastrophic impacts on biodiversity and the ecology of the planet.

Potential Consequence(s)

If this is not addressed local impacts are:

Sea-level rise impacting Brighton & Hove as a coastal city

Coastal protections challenged by sea level rise affecting city roads, homes and the coastline

Increasing local flooding due to extreme weather events and prolonged periods of heavy rainfall, inefficiencies in our urban infrastructure and built environment

Water shortage

Crop failure and food insecurity

Depletion or threat to local species and their natural habitats

Ocean acidification

Disproportionate impact upon groups suffering inequality

Impact on public health due to increased temperatures

Existing Controls

First Line of Defence - Management Actions

1. The Net Zero Carbon Strategy was developed, and launched in 2021.

2. Brighton & Hove is part of the UNESCO biosphere designated area with biodiversity plan overseen by the biosphere delivery board who meet three times p.a. As at January 2020 the delivery board is chaired by Martin Harris CEO of Brighton & Hove buses, the deputy chair is Sean Ashworth of Inshore Fisheries Conservation Authority (IFCA).

3. BHCC, the Brighton & Hove Economic Partnership and the Chamber of Commerce have agreed an economic strategy which includes creating a sustainable city and moving towards a circular economy as a core objective

4. BHCC owns 12,000 acres of downland and agricultural farmland surrounding the city and works in partnership with Southern Water and the South Downs National Park Authority on initiatives to protect the chalk aquifer and city water supply
5. BHCC and the Transport Partnership work together to deliver sustainable transport policies through the delivery of the Local Transport Plan (LTP).
6. Flood and Coastal Erosion risk management - Brighton Marina to River Adur coastal protection scheme undertaken in partnership with the Environment Agency (EA), BHCC, Adur District Council, Shoreham Port Authority.
7. Administering Sustainability and Carbon Reduction Investment Fund (SCIF) overseen as business as usual by Carbon Neutral 2030 Member Working Group.
8. Circular Economy (CE) Routemap agreed by P&R Committee in December 2020. CE Programme established and overseen by programme manager.
9. Biosphere Management Plan agreed September 2020 and being implemented and being monitored by the Biosphere Delivery Board.

Second Line of Defence - Corporate Oversight

1. BHCC's Environment, Transport & Sustainability (ETS) Committee is responsible for the council's functions in relation to coastal protection and flood defence; sustainability; parks; open spaces; sustainable transport; highways management and environmental health
2. Biosphere delivery board oversees delivery of biosphere management strategy
3. BHCC's Policy & Resources (PR) Committee approved the 2030 Carbon Neutral programme in Dec 19 and a Member working group to develop a high level carbon neutral plan by June 2020
4. The Council's Corporate Plan includes a section of priority actions around the theme of 'A Sustainable City' and the target to transition to carbon neutral by 2030.
5. Air quality Programme Board
6. Greater Brighton Economic Board's Infrastructure Panel has oversight of Energy and water plans
7. Communications & Engagement officer agreed to support carbon neutral programme.
8. A Climate Assembly (Citizens Assembly) undertaken as part of a deliberative engagement process to identify and prioritise actions which will support the delivery of the 2030 Carbon Neutral Programme, starting with a focus upon Transport.

Third Line of Defence - Independent Assurance

Environment Agency (EA) in respect of flooding and monthly reports made to EA on how the city council spends the monies received from EA includes schemes such as coastal protection; Property Level Protection; sustainable urban drainage SPG (policy); Strategic Flood Risk Assessment.

2. Internal Audit acts as first level controller to support three EU funded projects part of whose remit is to address some elements of this risk. These are Solar Adoption Rise In the 2 Seas (Solarise), Shaping Climate change Adaptive Places (SCAPE) and Sustainable Housing Initiatives in Excluded Neighbourhoods (SHINE). All claims during 2020/21 were certificated in accordance with EU processes.
3. The risk was reviewed at A&S Committee in January and October 2020.

Reason for Uncertainty in Effectiveness of Controls - A significant element of the transition to carbon neutral requires national and/or international policy change and transformation at scale across the city in partnership with City partners, as well as significant behaviour change amongst communities.

Risk Action	Responsible Officer	Progress %	Due Date	Start Date	End Date
Deliver the 2030 Carbon Neutral City Programme to report to P&R Committee (involves work between the ED EEC; the Executive Lead Officer, SGL; and Head of Policy, Partnerships & Scrutiny)	Executive Director Economy, Environment & Culture	35	31/03/23	21/05/19	31/03/23
<p>Comments:</p> <ul style="list-style-type: none"> • 2030 Carbon Neutral Programme Initiation Document approved at P&R committee in December 2019 • Cross-party 2030 Carbon Neutral Programme Board established with terms of reference agreed by P&R Committee, December 2019 • Review of current initiatives that currently tackle climate change developed • Governance structure for officer steering group and project team established, October 2019 • Collation of outline the baseline data and measuring tool, October 2019 • Lead BHCC officer identified and working on Communications plus Digital communications support in place , November 2019 • Ipsos Mori appointed for support to establish and deliver as deliberative engagement (Climate Assembly) process October 2020 - Independent Advisory Board to oversee the Climate Process established – July 2020 - Recruitment of residents to the Climate Assembly – August 2020 - Virtual Climate Assembly took place Oct-Nov 2020 - Outcomes from the Climate Assembly reported to P&R Committee - end Jan 2021 - Draft 2030 Carbon Neutral Programme presented to P&R Committee - end March 2021. - Allocation of transport elements of Carbon Reduction Fund and Climate Assembly Fund agreed by P&R Committee – July 2021 - Report on developing a blue/green investment plan agreed by Greater Brighton Economic Board – July 2021 <p>Steps included work to:</p> <ul style="list-style-type: none"> - deliver the carbon neutral programme - continue to monitor and report on carbon emissions - Proposed allocation of non-transport elements of the Carbon Reduction Fund to be presented to P&R Committee – October 21 - Develop Greater Brighton Blue/Green Investment Plan – Feb 2022 - continue to work up medium term projects for when the plan is reviewed in 2023. 					
Develop a local cycling and walking infrastructure plan (LCWIP)	Assistant Director City Transport	60	30/11/21	21/05/19	30/11/21
<p>Comments: Jun-21: Three stages of stakeholder engagement have been held on the LCWIP project in June and September 2020, and January 2021. Combined with data analysis and modelling work, this has helped inform and develop the draft walking and cycling network. Key walking and cycling route</p>					

audits have been undertaken and high-level proposals suggested. Additional work on cycle parking has been completed and further work on the walking network has been commissioned, to be completed by March 2021.

An Interim LCWIP was developed in response to the Covid-19 emergency and approved by the ETS Committee in June 2020. This is being carried forward via the Covid-19 Urgent Response Transport Action Plan with temporary walking and cycling measures having been installed in the summer. Longer terms proposals for cycling and walking measures have been consulted on recently and ETS Committee will make decisions on these in July 2021.

Develop a new sustainable transport strategy (LTP5) for the city	Assistant Director City Transport	40	31/10/21	21/05/19	31/10/21
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Comments: Jun-21: Internal and key partner engagement took place in Autumn 2020 to inform the developing vision for Transport in the city. A draft vision document is being prepared for wider engagement and public consultation in Autumn 2021. Completion of a draft LTP5 is expected to be ready for further consultation towards by March 2022.

Provisional work on the LTP5 was used to inform materials developed for the Transport-focused Climate Assembly discussions held in Autumn 2020.

Develop a whole Downland Estate plan	Assistant Director - Property & Design	72	31/03/22	21/05/19	31/03/22
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Comments: CDEP consultation/ engagement has progressed with 5 workshops, external stakeholder session, extra sessions as required and culminated in the PfR facilitated April Carousel event with over 90 attendees. Following 4 themed breakout groups PfR were able to form a composite CDEP draft vision reflective of the whole consultation process. This is being signed off through a Member session in July. The next steps are for the PfR draft report to be issued and published. The draft CDEP will start to be written and will collect feedback from the process so far. The draft CDE Plan will be issued in the Autumn for consultation representations. There will be engagement with SDNPA members with a view to taking the CDEP to P & R Committee at the end of 2021 early 2022 and a SDNPA Board for approval.

Improve rates of recycling and re-use and develop business case for food waste collection	Assistant Director - City Environmental Management	60	31/03/22	21/05/19	31/03/22
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Comments: Aug-21:

29.2% of waste was recycled between October 2020 and March 2021.

Recent actions delivered include:

- Approval received from Environment, Transport & Sustainability Committee to undertake a full feasibility study and business case into the introduction of a food waste collection service. The study will also include the carbon impacts of the change.
- Delivery of Digital Cityclean Project to improve the service using digital means and redesigning processes and procedures as necessary. All Cityclean

processes have been mapped.

- Remainder of recycling wheelie bins rolled out. Project will be complete within the quarter 2.
- Between 12 November 2020 and 28 January 2021: there were 591 household collections via the new tech Take Back Scheme, with 6474 items collected and weighing a total of 10.9 tonnes. 616 tonnes of CO2 emissions were saved through reuse of these items
- With partners, started delivery of BLUEPRINT, which is providing practical solutions for designing out waste and pollution by reusing, repairing and recycling existing resources.
- Started developing the specification for the feasibility study to understand the costs of retrofitting the Materials Recovery Facility in Hollingdean to accept Pots, Tubs & Trays (PTT) for recycling. The study has been expanded to include all materials proposed for recycling collections as part of the National Resources & Waste Strategy. The study will also include the carbon impacts of the change.

Review procurement of fleet to deliver lower emissions & improve air quality	Assistant Director - City Environmental Management	60	31/03/22	21/05/19	31/03/22
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Comments: Aug-21:

- Continuing implementation of 10-year Fleet Strategy
- First electric truck to be delivered this month, with a further truck in October and two more by April 2022.
- Working with Property & Design and UKPN to upgrade depot power intake to ensure power capacity is sufficient
- Started procurement of City Parks items to introduce more electric and low carbon vehicles as well new plant
- Started tender process for new sweeper; these will be diesel with electric options to follow closer to 2030
- Replaced all small sweepers and demonstrations continuing with sweepers using a deck scrubber and weed ripper.

Roll out a network of electric vehicle charging points (EVCP) - Directorate Plan ref. 4.38	Assistant Director City Transport	90	30/09/21	21/05/19	30/09/21
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Comments: Jun-21: Installation of 200 lamp post chargers all linked to the Electric Blue app with live charge point status updates is fully complete.

The replacement and upgrading of existing fast chargers should be complete by the end of June 2021. Of the 4 rapid taxi hubs with 24 charging bays planned for installation, 3 are now operational, but work on the remaining hub at the racecourse is being delayed until October 2021 whilst the site is being used as a Covid-19 vaccination centre.

The project aims to increase electric vehicle uptake in the city through an improved charger network to help meet net carbon neutral ambitions by 2030 and air quality targets. All public chargers are powered by 100% renewable electricity.

Further grant funding has recently been secured from Innovate UK to create a model disabled bay charging point and a booking systems for charging electric fleet vehicles on the public network.

Risk Code	Risk	Responsible Officer	Risk Category	Last Reviewed	Issue Type	Risk Treatment	Initial Rating	Revised Rating	Eff. of Control
SR23	Unable to develop and deliver an effective regeneration and investment strategy for the seafront and ensure effective maintenance of the seafront infrastructure	Executive Director Economy, Environment & Culture	BHCC Strategic Risk	Aug-21	Threat	Treat	Amber L3 x I4	Amber L3 x I3	Revised: Adequate

Causes

Link to Corporate Plan 2020-23: Outcome 2 'A city working for all', actions 2.5 'Develop our visitor economy'.

The seafront is a city asset which is iconic and contributes to the city's reputation. The council is the lead custodian of the seafront but the benefits are shared by many. At least 5 million people use our seafront every year. It is a very significant attraction in our visitor economy; provides a series of important public spaces for residents; many businesses in the city rely on the draw of the seafront to sustain their organisation's value and to provide an attractive place for stakeholders and employees. It is being used beyond its original design life and, in many ways, is a victim of its own success and affected by the changing patterns and increased demands of usage. Resourcing required to deliver a solution is not readily available and impacts on timing of delivery of any projects. There several ambitious capital, regeneration and investment projects along seafront in various stages of planning development, including the Waterfront project, Shelter Hall, the King Alfred. The deterioration of Madeira Terraces in particular have reached a critical point, requiring fencing and safety measures until a longer term funding is developed which is expected to cost £24 million. The council is proactive in bidding for Heritage Lottery Funds (HLF) but as at 3 January 2019 two bids have been unsuccessful. The City Council is the coast protection authority and is required to deliver coastal strategy studies, coastal protection, and flood defences in partnership with DEFRA and the Environment Agency. Management of climate events, long shore drift and the impact of climate change requires management and re-profiling of the shingle beaches, groynes and sea walls.

Potential Consequence(s)

Without adequate investment the seafront will decline in popularity and impact on the visitor economy and the city and regional economy with potential to affect:

1. the heritages structures and infrastructure along the seafront which require significant investment and ongoing revenue in order to ensure suitability for modern use
2. preservation of the reputation of the city and enhancing its offer and protecting the visitor economy
3. the A259 highway and associated structures, such as the seafront arches and sewage infrastructure which could have an impact upon our transport systems and economy, and effect sewage and foul water management in the city centre
5. management of the impact of climate events and long shore drift upon the city's beaches which would lead to reduction in amenity space impact upon the visitor economy and profitability of small businesses
6. provision of adequate sea protection measures which could lead to coastal flooding impacting upon residents, businesses and visitors.

Existing Controls

First Line of Defence: Management Controls

- 1) Strategic Delivery Board has been established and is actively considering seafront redevelopment opportunities including the Black Rock and King Alfred sites. Project managers provide a monthly report of all projects to the Strategic Delivery Board.
- 2) Department for Transport (DfT) funding secured for the redevelopment of the West Street / A259 Junction and Shelter Hall. Initial infrastructure work commenced late 2015.
- 3) Annual special inspection report on the condition of Madeira Terraces undertaken by Structural Engineering consultants.
- 4) PR&G approval in December 2018 to enter into a conditional land acquisition agreement with Aberdeen Standard Investments for the Brighton Waterfront Project.
- 5) Project has commenced to restore first 30 arches of the Madeira Terrace with a Madeira Terrace Project Board established to oversee the project.
- 6) King Alfred Project Board established, looking at options for development.
- 7) Physical (weekly and monthly) Inspections of 12km of Coastline and Sea Defences undertaken by Coast Protection Engineer.
- 8) Seafront Structures supporting the A259 are routinely maintained and restored utilising funding via the Council's LTP annual capital programme.

Second Line of Defence: Corporate Oversight

1. Quarterly monitoring of strategic management of the council's investment in the seafront through the Greater Brighton Economic Board and the Member led Strategic Delivery Board as project specific member-led projects boards, underpinned by the Officer led Corporate Investment Board (capital) and Modernisation Board (revenue).
2. Member oversight by Regional Flood & Coastal Defence Committee, facilitated and Chaired by Environment Agency.
3. Coast Protection solutions and projects delivery by service lead officer.

Third Line of Defence: Independent Assurance

1. The risk has been reviewed by the A&S Committee in 2020/21 on October 2020; in 2019/20 in January 2020;
2. Internal audit reviews were Seafront Investment Strategy (Strategic Risk 23) Reasonable Assurance - December 2018. Internal Audit work on the Waterfront Project in 2017/18. In 2016/17 audits were Valley Gardens and Shelter Hall (Limited Assurance). Some independent assurance on this risk is also provided by the Greater Brighton Economic Board (quarterly) and Coast to Capital LEP.
3. Projects funded by Government departments are overseen by the Greater Brighton Economic Board (quarterly) and Coast to Capital LEP governance arrangements (quarterly) / and by relevant government department (according to their timetable). No funding has been withdrawn to date.
4. Department for Transport (DfT), Coast to Capital (C2C) LEP and TfSE funded schemes will be scrutinised by their respective regional officers
5. Coast Defence includes oversight of B&H's Coastal Defence Strategy and agreement of Business Cases by Environment Agency and DEFRA.

Risk Action	Responsible Officer	Progress %	Due Date	Start Date	End Date
<p>Bid for external funding to carry out large scale repairs to ensure longevity of seafront structures</p> <p>Comments: Jun-21 update: Negotiations continue with the Department of Transport (DfT) in respect of the £20M funding bid submitted by the council as part of the new designation for the A259 in the city as 'Major Route Network', this is being facilitated and prioritised by Transport for The South East (TfSE). This started in July 2019 when we submitted our bid to TfSE for onward submission to DfT with the intention that once we were successful schemes would begin in 2020/21 for approx. 5 years duration but we are still in negotiations.</p>	Assistant Director City Transport	20	01/01/25	01/05/19	01/01/25
<p>Bring forward key sites that form the City Regeneration Programme: 1) Waterfront; 2) Black Rock; and 3) King Alfred.</p> <p>Comments: Aug-21: 1) Waterfront: A report went to P&R Committee in July 2021 updating members on current progress, ahead of a plan to report back in January 2022 with clear a recommendation on strategy moving forward. Officers are currently embarking upon a procurement exercise to appoint a specialist consultant to undertake extensive research and market analysis to determine optimum capacity and a financial model to help inform operation and revenue projections moving forward. 2) Black Rock: Work now underway, with a successful planning application achieved in June 2020 and 4 works packages moving ahead. Progress is being reported to the Member Working Group. From Summer 2020. 3) King Alfred: The Sports Facilities Investment Plan for the strategic investment in the whole sports estate was agreed in June 2021. King Alfred will be a project within that wider strategy, overseen by a Member Working Group. Site options for a West Sports Hub (presently the KA) continue to be investigated.</p>	Assistant Director - City Development & Regeneration	10	31/03/23	01/04/19	31/03/23
<p>Flood and Coastal Erosion risk management - complete the feasibility and detailed design work prior to implement the Brighton Marina to River Adur coastal protection scheme undertaken in partnership with the Environment Agency (EA), BHCC, Adur District Council, Shoreham Port Authority. The scheme proposes new and improved groynes, seawall and beach profile management, to improve coastal protection for the seafront arches, promenade, A259, southern storm water sewer, city main foul & storm wate</p>	Assistant Director City Transport	70	28/02/22	01/04/18	28/02/22

Comments: Jun-21 update:

Technical and financial approval for Grant in Aid funding has been formally approved by the Environment Agency (EA) and work is underway on the detailed design scope before a detailed design contract can be awarded by May 2021.

Monitor, manage and carry out repairs to highways and structures related to the seafront	Assistant Director City Transport	90	31/12/23	01/08/16	31/12/23
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Comments: Jun-21 update:

Procurement of detailed design on Phase 4 will start later in 2021 but progression is subject to funding from the Department for Transport (DfT). Phase 3 of the Seafront Arches (Shelter Hall) scheme is now largely complete. Some parts of the building remain unoccupied, but the main premises is occupied. Phase 4 to 5 of the Kings Road Arches bid to DfT was submitted in 2019, but a lack of resource and capacity has hindered progress on the application.

The crowd funding campaign for the renewal and upgrading of the first three arches was successful, further funding has been allocated in budgets and MT30, i.e Madeira Terraces first 30 arches, (first phase) design work has commenced.	Assistant Director - City Development & Regeneration	25	31/03/23	22/12/17	31/03/23
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Comments: Aug-21:

- Design Team has delivered RIBA Stage 2 report for first 43 arches.
- HOP completed structural survey of MT Shelter Hall (C2)
- Policy & Resources Cttee agree delegated authority to ED of Economy, Environment Culture to Procure & award contract for restoration works. (1/7/21)
- Procurement Advisory Board meet re: procurement route for MTR-Ph1.

Risk Code	Risk	Responsible Officer	Risk Category	Last Reviewed	Issue Type	Risk Treatment	Initial Rating	Revised Rating	Eff. of Control
SR21	Unable to manage housing pressures and deliver new housing supply	Executive Director, Housing, Neighbourhoods & Communities	BHCC Strategic Risk, Environmental / Sustainability	Aug-21	Threat	Treat	 L4 x I4	 L3 x I3	Revised: Adequate

Causes

Link to Corporate Plan 2020-23. Outcome 1 'A city to call home'.

Brighton & Hove is a growing city with high house prices, low incomes, an ageing population and a significant proportion of households with a support need. Scope for development within the city is affected by significant geographical constraints and competing land pressures. The increasing demand for housing continues to outstrip new supply and as a consequence accommodation is becoming less affordable. Housing shortages are particularly acute for low income households affecting our ability to retain essential workers in the city. Demand for affordable rented homes is growing with a significant number of households in temporary accommodation. The private rented sector continues to expand at the expense of rates of owner occupation which are in long term decline.

Potential Consequence(s)

1. Changes in Government legislation require council intervention to prevent homelessness at an earlier stage.
2. The city is constrained in its capacity to accommodate economic growth, housing supply obligations and sustainable development objectives.
3. The city council is unable to meet its strategic housing and planning policy objectives to: meet City Plan and Housing Strategy requirements in terms housing numbers; improve overall housing supply and housing mix; deliver affordable lower cost homes, in particular homes for rent.
4. The city council is unable to meet statutory homelessness obligations. In particular, corporate critical budget implications arising from Temporary Accommodation pressures owing to lack of suitable alternative accommodation and overall need to reduce the use of Temporary Accommodation.
5. The shortage of homes to meet the accommodation requirements of elderly and vulnerable people which can have an adverse impact on social care provision and cost pressures on both social care and Health.
6. Impact on our ability to recruit and retain lower income working and younger households and employment in the city, in particular in social care, health and other lower wage sectors.
7. Housing pressures and inability to access to affordable good quality homes may have varying and disproportionate adverse impacts on different groups and communities.

Existing Controls

First Line of Defence: Management Controls

1. Housing Work Plan 2019-2023 agreed at Housing Committee on 18 September 2019 with reports on progress to be taken to every other committee. Progress is also subject to regular review against delivery within business plans e.g. HNC Directorate Plan and Service Plans;
2. The City Plan also sets out housing targets across all tenures; policies on securing affordable housing through the planning system, residential development standards;

3. Housing Revenue Account (HRA) Asset Management Strategy is aligned to Housing Strategy in support of improving housing supply & housing quality which is in alignment with the Housing Committee Work Plan;

Key controls include:

1. Housing Allocation Policy framework ensuring best use of existing council and registered provider resources through nomination of affordable housing to priority households.
2. Deliver 800 additional council homes - 2019-23. Includes:
 - a) New build council homes under our New Homes for Neighbourhoods programme;
 - b) Homes purchased under our Home Purchase Policy;
 - c) Improving supply through best use of existing HRA assets including conversions and extensions and the hidden homes programme;
 - d) Work in partnership with Community Land Trust to support community housing initiatives.
3. Deliver 700 other affordable homes - 2019-23. Includes:
 - i) Enabling delivery of new affordable homes in partnership with Registered Provider partners and Homes England;
 - ii) Development of additional Housing Delivery Options. The Living Wage Joint Venture 'Homes for Brighton & Hove' with Hyde to deliver 1,000 new lower cost homes for rental and sale. Future possibilities for housing market intervention / direct delivery through a council wholly owned housing company;
4. Increase the supply of council owned Temporary Accommodation (TA) in addition to procurement of TA and long term private sector housing lettings with private landlords for those to whom we owe a housing duty;
5. Bringing long term empty private sector homes back into use through our Empty Property Service;
6. Tenancy sustainment initiatives particularly for more vulnerable people in order to prevent homelessness;
7. Ongoing work of Greater Brighton Housing & Growth initiatives to share good practice and accelerate delivery of new homes;
8. On-going work of the Greater Brighton Strategic Property Board; bringing national, regional and local partners together to make the best use of the combined public estate – including the release of surplus land and sites for economic growth (new jobs, employment floorspace and homes);
9. Early intervention through the homelessness trailblazer programme and funding to support households into the private rented sector;
10. Homeless and Housing Recovery working group includes partners risk log and mitigations to the key Covid-19 risks for Housing including 1) the need to move on rough sleepers accommodated under the 'Everyone In' initiative; 2) increase in Statutory Homelessness as we move out of the pandemic (relates to the moratorium on Private Rented Sector evictions); and 3) relationship/household breakdown due to Covid pressures and impacts post Covid.

Second Line of Defence: Corporate and Committee Oversight

1. The Housing Committee Work Plan 2019-2023 focuses on key shared priorities around providing Additional Affordable Homes including consultation with stakeholders, resource planning and a timescale for reports to come to Committee. Performance reports to be brought to alternate Housing Committee meetings to monitor how officers are progressing with delivery against the Work Plan.
 2. Corporate Investment Board.
 3. Strategic Investment Board.
 4. Cross Party Housing Supply Members Board (formerly Estates Regeneration Members Board, cross party).
 5. Strategic Housing Partnership (cross sector).
 6. Strategic Accommodation Board (reviewing accommodation needs of vulnerable households across Housing, Children Services & Adult Social Care).
- Progress is reported in Housing, Neighbourhoods & Communities (HNC) Directorate Plan.

7. The risk was reviewed at Audit & Standards Committee in January 2019 and October 2020.
8. Homeless Reduction Board - a Member Board meeting at least quarterly to oversee progress against the Homelessness and Rough Sleeping Strategy.

Third Line of Defence: Independent Assurance

1. 2020/21 The risk was reviewed at A&S Committee in October 2020. An Internal Audit of Temporary Accommodation was undertaken (Minimal Assurance), Housing Repairs Service (Partial Assurance).
2. 2019/20 The risk was reviewed at A&S Committee in January 2019 and March 2020. The Internal Audit reports Housing Allocations (Substantial Assurance), Temporary Accommodation (Partial Assurance).

Current activity is to ensure all Audit requirements have been actioned.

2. Internal Audit - previous activity. June - Oct 2018 Supported & Semi-Independent Accommodation – Reasonable Assurance. No specific Internal Audit work in 2017/18. In 2016/17 on Housing New Builds concluded Substantial Assurance.
3. Ministry of Housing, Communities & Local Government information returns. Submitted annually.
4. Homes England (HE) information returns where we have HE grant allocations. HE grant for homeless move on accommodation – regular updates to HE on scheme progress and draw down on grant.

Risk Action	Responsible Officer	Progress %	Due Date	Start Date	End Date
Deliver Housing Committee Work Plan Comments: Jul-21: The Housing Committee Work Plan 2019-23 is incorporated in the Housing, Neighbourhoods & Communities Work Directorate Plan and appropriate business plans. Regular reports on progress are made to Housing Committee and Performance reporting six monthly to P&R Committee. Links to reports are available on the council's website. This is now subject to quarterly reporting to Housing Committee, incorporated as part of our regular performance report.	Assistant Director Housing	30	31/03/23	01/10/19	31/03/23
Effective implementation of affordable housing policy in the City Plan	Head of Planning	70	31/03/22	01/04/15	31/03/22

Comments: July 21 - The Development Management Service continues to implement policies in the City Plan to secure on site affordable housing (subject to viability) and/or commuted payments in consultation with policy and housing colleagues. Monitoring (2019-20) indicates that an average of 21% of all housing delivered annually in the city is affordable housing (the delivery target is 30%). Challenges are viability, permitted development rights (office to residential) and emerging first homes policy. Commuted sums secured towards direct delivery of affordable homes is reported in the Infrastructure Funding Statement and at November 20 the pot stood at £5.7m The Submission City Plan Part Two, which includes housing site allocations and a build to rent policy, will progress to examination stage in October 21 with a view to adoption in Spring 2022. Affordable Housing and Viability Training provided to Councillors in July 21. Recruitment of a Housing Delivery Project Officer (funded by council for one year) will be carried out in September 21 the primary role will be to unblock delayed housing sites.

Work with partners to address student housing needs	Head of Planning	95	31/03/22	01/04/15	31/03/22
<p>Comments: Jul-21: Citywide Article 4 Direction in place from June 2020 for new small HMOs. This means planning permission is required for all new small HMOs which allows policies in the City Plan Part One and Part Two (the latter with limited weight) to be applied in considering applications. There are objections to the Part Two Plan policy which will be tested at examination. Meanwhile, a significant number of purpose built student accommodation/rooms have been delivered or are under construction. The last Authority Monitoring Report (2019-20) indicates that an additional 4500 rooms have or are being added to the city's stock since City Plan was adopted in 2016. This is likely to reduce pressure for HMOs on the existing housing stock in the city and enable release back to small homes. Work will be undertaken to assess the impact.</p> <p>Collaborative working continues with close working between Private Sector Housing, Planning and other relevant Council Services and the 6/8-weekly Private Rented Sector (PRS) meetings with lead councillors has been re-established (June 21) to support effective and collaborative implementation of policy and enforcement.</p>					
Work with partners, including regional partners & LEP, to promote Economic development incl. increased sub-regional working to meet housing need	Head of Planning	40	31/03/22	01/04/15	31/03/22
<p>Comments: Jul-21: Work on West Sussex and Greater Brighton's Local Strategic Statement 3 (LSS3), which will provide a strategy for meeting housing, business space and infrastructure needs across the area, has been further delayed. In the interim, work has been carried out on a joint statement of common ground to support Local Plans. Background evidence will also be commissioned directly from consultants, via an agreed procurement framework, that will underpin future work on LSS3. This work is due to be completed by December 2022.</p> <p>The Government has indicated it will abolish the current mechanism for cross authority working (Duty to Cooperate) and proposals for its replacement are likely to come forward later this year. In the meantime, cooperative working continues with both West and East Sussex authorities to help meet future housing needs.</p>					

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APPENDIX 2: A guide on the risk management process

including the questions Members might want to ask of Risk Owners in relation to Strategic Risks

1. Across the council there are a number of risk registers which prioritise risks consistently by assigning risk scores 1-5 to the likelihood (denoted by 'L') of the risk occurring, and the potential impact (denoted by 'I') if it should occur. These L and I scores are multiplied; the higher the result of $L \times I$, the greater the risk.

e.g. L4xI4 which denotes a Likelihood score of 4 (Likely) x Impact score of 4 (Major), which gives a total risk score of 16.

2. A colour coded system, similar to the traffic light system, is used to distinguish risks that require intervention. Red risks are the highest, followed by Amber risks and then Yellow, and then Green.

LIKELIHOOD	IMPACT				
	Insignificant (1)	Minor (2)	Moderate (3)	Major (4)	Catastrophic (5)
Almost certain (5)	0	0	0	0	0
Likely (4)	0	0	0	1	0
Possible (3)	0	0	0	1	1
Unlikely (2)	0	0	0	0	1
Almost impossible (1)	0	0	0	0	0

3. The Strategic Risk Register (SRR) mostly includes Red and Amber risks. Each strategic risk has a unique identifying number and is prefixed by 'SR' representing that it is a strategic risk.
4. Each risk is scored twice with an Initial 'Current' level of risk and a Revised 'Target' risk score:
 - a) The **Initial 'Current' Risk Score** reflects the Existing Controls already in place under the 'Three Lines of Defence' methodology. This represents good practice as it identifies the First Line – Management Controls; Second Line – Corporate Oversight; and Third Line – Independent Assurance and the currency and value of each control in managing the risk. Therefore the Initial Risk Score represents the 'as is/ 'now' position for the risk, taking account of existing controls.
 - b) The **Revised 'Target' Risk Score** focuses on the application of time and expenditure to further reduce the likelihood or impact of each risk. It assumes that any future Risk Actions, as detailed in risk registers, will have been delivered to timescale and will have the desired impact.
 - c) The Risk Owners are asked to consider the 4Ts of Risk Treatments – Treat, Tolerate, Terminate, Transfer. Risk actions should reduce the likelihood and/or impact – if neither are true, there will not be any reason to undertake the action.

Suggested questions for Members to ask Risk Owners and officers on Strategic Risks

The Audit & Standards Committee has a role to monitor and form an opinion on the effectiveness of risk management and internal control. As part of discharging this role, the Committee focuses on at least two Strategic Risks at each of their meetings.

The Committee invite the Risk Owners of Strategic Risks to attend Committee and answer their questions based on a CAMMS Risk report appended to each Report. In the CAMMS Risk report, the Risk Owner:

1. Describes the risks, the cause and potential consequences and the officers involved and provides an **Initial 'Current' Risk Score** which takes account of the existing controls in place to mitigate the risk.
2. Existing Controls are set out using the Three Lines of Defence model:
 - 1st line: management controls
 - 2nd line: corporate oversight
 - 3rd line: independent assurance

This is provided in order that Members can identify where the assurance comes from, and how frequently it is reviewed and in the case of the 3rd line, then whether audits or inspections have happened and if so when that did it happen and what the results were. Risk Owners ensure that existing controls continue to operate effectively.

3. (Future) Risk Actions then are detailed and allocated to individuals with percentages achieved against target dates, with commentary on the current position. This provides the **Revised 'Target' Risk Score** which assumes that all the risk actions have been successfully delivered.

The Risk Owners of Strategic Risks will always be an Executive Leadership Team (ELT) officer. They may bring with them to Committee other officers who are more closely connected to the mitigating work.

Three areas of enquiry are suggested to be explored by the A&S Committee:

1. Is the Risk Description appropriately defined? Does the Committee understand the cause and potential consequences?
2. Is the Committee reassured that each (future) Risk Action either reduces the impact or the likelihood of the risk? Are members reassured that risk actions are actually being delivered?
3. In respect of the Initial 'Current' and Revised 'Target' Risk Scores, does the Committee feel comfortable with Risk Owner's assessment? This represents the risk level that the organisation is prepared to accept.

How Members and officers can input on Strategic Risks (SRs)

The risk management process benefits from input by Council Members and by staff at all levels. The opportunities to do this are:

Members to ELT leads:

- Each SR is discussed between Members and ELT leads at the regular meetings with Committee Chairs
- Members are responsible for raising risks that they identify with their contact officers, often the Head of Service, Assistant Director or Executive Director
- Any risk suggestion from Members will be reviewed by ELT and any actions taken will be reported back to the relevant Member(s).

Officers to Line Manager, Directorate Management Team (DMT) or corporate risk management lead:

- The Behaviour Framework expects all officers to escalate risks and/or suggest mitigations to their line managers. If officers feel they do not have appropriate access to their line managers, they may escalate the risk to the corporate risk management lead
- Risks may get discussed as part of staff meetings, PDPs/121s/ team and service meetings or part of projects or programmes. Any significant risks to be escalated through to their Head of Service/ Assistant Director to raise through the management chain and discuss at quarterly DMT risk reviews.
- The ELT lead within a directorate will discuss escalated risks with the DMT at least on a fortnightly basis and will seek assistance as required. They have access to ELT and determine the way forward in consultation with the Risk Management Lead.

DMT to ELT:

- The quarterly SR review at ELT includes a summary of Directorate Risks reviewed at DMTs
- The ELT lead within a directorate will discuss escalated risks with the ELT and determine the way forward i.e. whether to amend the Strategic Risk Register

Subject:	Internal Audit Progress Report – Quarter 1 (1 April to 30 June 2021)		
Date of Meeting:	28 September 2021		
Report of:	Executive Director Finance and Resources		
Contact Officer:	Mark Dallen (Audit Manager)		
	Name:	Russell Banks (Chief Internal Auditor)	Tel: 07795 336145 07824 362739
	Email:	mark.dallen@brighton-hove.gov.uk russell.banks@eastsussex.gov.uk	
Ward(s) affected:	All		

FOR GENERAL RELEASE**1. PURPOSE OF REPORT AND POLICY CONTEXT**

- 1.1 The purpose of this report is to provide Members with an update on all internal audit and counter fraud activity completed during quarter 1 (2021/22), including a summary of all key audit findings. The report also includes an update on the performance of the Internal Audit service during the period.

2. RECOMMENDATIONS:

- 2.1 That the Committee note the report.

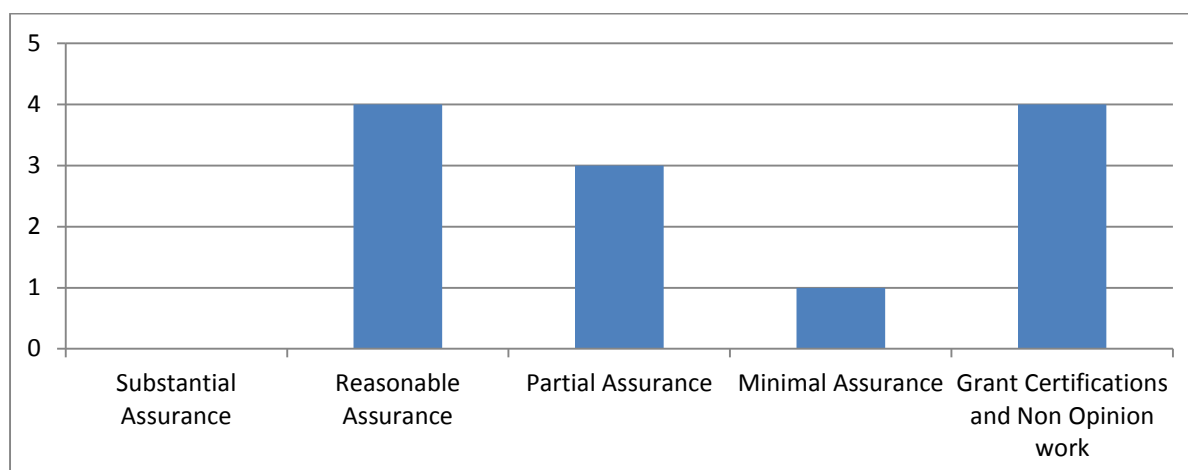
3. CONTEXT/ BACKGROUND INFORMATION

- 3.1 The current annual plan for internal audit is contained within the Internal Audit Strategy and Annual Plan 2021/22 which was approved by the Audit and Standards Committee on 9 March 2021.
- 3.2 This report provides an update on progress against that plan and includes a narrative summary of all audits that have been finalised in the quarter as well as details of counter fraud activity delivered during the period.

4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS

- 4.1 Full details of both the audit and non-audit work delivered during quarter 1 are detailed in Appendix 1, together with our progress against our performance targets.
- 4.2 The opinions given are summarised in the chart below. There were four reasonable assurance, three partial assurance and one minimal assurance

report. In addition there were four grant certifications which have been included under the category “other”.



4.3 Appendix 1 also provides details on the tracking of high priority actions.

5. COMMUNITY ENGAGEMENT & CONSULTATION

5.1 None.

6. CONCLUSION

6.1 The Committee is asked to note the report.

7. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

7.1 It is expected that the Internal Audit and Corporate Fraud Plan 2021/22 will be delivered within existing budgetary resources. Progress against the plan and action taken in line with actions support the robustness and resilience of the council's practices and procedures in support of the council's overall financial position.

Finance Officer Consulted: James Hengeveld

Date: 01/09/2021

Legal Implications:

7.2 The Accounts and Audit Regulations 2015 require the Council to 'undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards'. As the Committee with delegated powers in this area, it is a legitimate part of the Audit and Standards Committee's role to review the internal audit plans the Council makes and to consider the actions delivered.

Lawyer Consulted:

Victoria Simpson

Date: 26/8/21

Equalities Implications:

7.3 There are no direct equalities implications.

Sustainability Implications:

7.4 There are no direct sustainability implications.

Brexit Implications:

7.5 There are no direct Brexit implications.

Any Other Significant Implications:

7.6 None.

SUPPORTING DOCUMENTATION

Appendices:

1. Internal Audit Progress Report Quarter 1 - 2021/22.

Background Documents:

1. Internal Audit Strategy and Annual Audit Plan 2021/22.

Internal Audit and Counter Fraud Quarter 1 Progress Report 2021/22

CONTENTS

1. Summary of Completed Audits
2. Counter Fraud and Investigation Activities
3. Action Tracking
4. Amendments to the Audit Plan
5. Internal Audit Performance

1. Summary of Completed Audits

Payroll (2020/21) – Reasonable Assurance

- 1.1 The council's payroll and HR processes are hosted on the Personal Information and Employment Resource (PIER) system. The system covers salary, overtime and other employment related payments such as travel and subsistence, and some system data can be input by individual employees on a self-service basis.
- 1.2 The total payroll value for 2020/21 financial year was in excess of £94m (excluding schools) in relation to approximately 5,000 staff.
- 1.3 The purpose of the audit was to provide assurance that controls were in place to ensure:
- The correct administration of starters, leavers and permanent variations to pay;
 - Payroll payments to and deductions from employees are accurately calculated and paid on time;
 - Pay runs and Bacs transmissions are correct and authorised;
 - Temporary payments (including additional hours, expense claims and payment to casual staff) are correctly authorised prior to processing;
 - Changes to data are reviewed, accurately input and authorised.
- 1.4 The audit provided Reasonable Assurance over the controls operating over this system.
- 1.5 The main controls over starters, leavers and amendments to the payroll system were tested and all found to be operating as expected. In addition, controls for pay runs and Bacs transmissions were also tested and found to be operating as expected, with appropriate segregation of duties and authorisation.
- 1.6 There were, however, a number of areas where improvements are required as set out in the following paragraphs.
- 1.7 There were two errors identified in Payovers made to third parties. In the first instance, an overpayment of £92k was made in October 2020 to the Student Loans Company. We then identified a second similar significant error in the March 2021 Payovers which was stopped before payment was made. These errors and the underlying control weakness have already been rectified.
- 1.8 We also reviewed system documentation relating to a problem with the payroll / general ledger reconciliation which was already known about but not resolved. The amounts involved are not significant but the cause of the discrepancies was not fully understood and the problem has been ongoing for 12 months. An action was agreed to address this control issue.

- 1.9 Our review of temporary payments (including expense claims and payments to casual staff) found that appropriate controls are in place. However, our testing found that authorisation is sometimes taking place without the required evidence in support of the claim.
- 1.10 Due to COVID-19, the service has not been able to review the cases of salary overpayments (£72k) and advances (£12k) to either recover or write off as agreed in the 2019/20 audit report.
- 1.11 Actions have been agreed with service management to improve controls in all of the above areas.

Council Tax (2020/21) – Reasonable Assurance

- 1.12 Council Tax is a key financial system operated by the Revenues and Benefits team, dealing with the calculation, billing and collection of the Council Tax revenue.
- 1.13 The Council agreed to an increase of 3.99% for the Brighton & Hove City Council element of Council Tax. This was budgeted to raise £149.2million in 2020/21, an additional £6.0 million from 2019/20. Covid-19 has, however, had a significant impact on the ability of the service to pursue debts with recovery being suspended in March 2020.
- 1.14 The purpose of this audit was to provide assurance that controls are in place to meet the following objectives:
- All taxable properties were being identified and regularly reconciled to the Valuation Office Records;
 - An accurate calculation has been made of the chargeable amount for each property;
 - Demand Notices are sent out promptly, income collected is posted to the correct debtor account;
 - Outstanding debt is regularly monitored and reviewed. Recovery action is taken in accordance with an approved (documented) recovery process;
 - There is a defined procedure for writing off debts when the outstanding amount is considered irrecoverable;
 - Reconciliation is carried out between the Northgate system and the council's Financial Information System.
- 1.15 Based on the work undertaken, we have been able to provide Reasonable Assurance over the operation of the system.

- 1.16 Information regarding property changes is received from the Valuation Office (VOA) and Council Tax systems are promptly updated, and bills issued. Regular reconciliations take place to ensure the council's records are accurate.
- 1.17 The annual billing process continues to be undertaken within strict timescales resulting in timely and accurate bills being issued for liable properties.
- 1.18 The council tax collection fund ended the year with a deficit of £6.645m, with the council's share of the overall deficit being £5.637m. This has been mainly caused by expected losses in collection relating to both the current year and the collection of arrears, increased Council Tax Reduction awards, fewer properties being added to the valuation list, higher net awards of other discounts, ongoing increase in Severely Mentally Ill exemptions (including backdated elements), and other exemptions.
- 1.19 Four medium priority actions were agreed with the service to improve controls as follows:
- Additional review of exemptions and disregards to ensure their continued validity;
 - A review of the system separation of duties identified in our refund testing;
 - To reinstate the quarterly write-off processes;
 - Improving communication with other council departments where they are the liable party for council tax debts.

Recruitment – Reasonable Assurance

- 1.20 Effective recruitment and selection processes ensure that the council has the necessary knowledge, skills and experience to fulfil its responsibilities and achieve its objectives. In addition, employee checks and vetting are also an essential component of the council's arrangements for maintaining high standards of governance and conduct in the organisation.
- 1.21 Robust arrangements are also needed to ensure that all recruitments obtain suitable evidence of identity and competency. It is also a key system in supporting the council's commitment to equalities.
- 1.22 The purpose of this audit was to provide assurance that controls are in place to meet the following objectives:
- The recruitment process ensures that all appointments are made in accordance with approved procedures, including obtaining references and evidence of qualifications;
 - That controls are in place to prevent the appointment of individuals with relevant convictions or other indicators that dictate that they should not work with children or vulnerable adults;

- Controls are in place to prevent the employment of individuals with false identities or no right to work;
- That processes are in place to ensure that recruitment procedures support delivery of the Council's Fair and Inclusive action plan objectives and that the effectiveness of these processes is being evaluated and that our workforce reflects the communities it serves.

1.23 The audit concluded reasonable assurance and found that most aspects of the pre-employment controls are working effectively. These include obtaining references and evidence to support qualifications, identity and DBS checks.

1.24 Our work did, however, identify a number medium priority risks where there is scope for improvement in control, including:

- A decision was made last year that candidates should be shortlisted anonymously to assist with reducing unintentional bias in the recruitment process. However, this is applied inconsistently as a decision is required as how to meet this expectation when CV's are accepted from candidates;
- A process of requiring all successful candidates to be given the Councils Anti-Fraud and Corruption Strategy has lapsed and needs to be reinstated;
- Remote working meant that evidence was not always retained that ID documents have been seen and verified;
- New Home Office guidance on right to work was not easily accessible to recruiting managers;
- There is scope for improving the visibility and accessibility of key information to candidates on the council's website and to review how recruitment equalities information is monitored in each Directorate Plan.

1.25 In all cases, appropriate actions to address these issues have been agreed with management.

Housing Benefits (2021/22) – Reasonable Assurance

1.26 Housing Benefit (HB) and Council Tax Reduction (CTR) are administered by the Revenues and Benefits team at the council. In 2017, Housing Benefit was replaced by Universal Credit for new claimants. Housing Benefit expenditure for 2020/21 was £119.2 million.

1.27 The aim of this audit was to provide assurance that controls are in place to meet the following objectives:

- All benefit payments are legitimate and appropriate;
- Assessment of benefits is accurate and timely;
- Overpayments and write-offs are managed, monitored and reported;

- Regular reconciliations are undertaken between the Benefits System, Housing Rents and General Ledger;
 - Quality Assurance arrangements are effective.
- 1.28 The audit concluded Reasonable Assurance and found the service manages and monitors performance regularly and are responsive to demands on the service. They prioritise assessments for new claims and where an overpayment is more likely.
- 1.29 Sample testing of new claims found them to be assessed accurately, with the processing time for new claims slightly better than the national average. Our testing of extended payments, use of dummy and nil income, and self-employed claimants did not find any issues.
- 1.30 Our review of overpayments highlighted that most were as a result of the DWP notifications to the council via automatic alerts. In all cases examined, the overpayment had been correctly calculated and recovery was in place.
- 1.31 Write offs were found to be processed on a regular basis, with additional narrative to support those larger amounts (over £2.5k) and all had been correctly approved. The HB payment runs are operating well, and our testing showed that these are subject to appropriate checks and reconciliation by staff not involved in day to day assessment of claims. Other reconciliations between all the key systems (Northgate, Rents & GL) were in place and operating as expected.
- 1.32 The review did, however, identify the following areas for further improvement:
- Benchmark figures shows a worsening position compared to the national average for processing changes to circumstances;
 - For backdated claims, some errors were identified where the backdate period exceeded what could be allowed for. These have been corrected and the small balances written off, as the claimant could not have been expected to know this was an error;
 - The quality assurance process was disrupted during the pandemic as staff were deployed to assisting with the increase of claims. The 4% random check on all claims was not operational for 5 months during 2020/21;
 - There has been a steep increase in the backlog of work during 2020/21, due to the pandemic. Efforts to mitigate this are ongoing and include the development of robotics to automate amendments when notified via DWP alerts.
- 1.33 Actions have been agreed with service management in relation to each of these risks.

Housing Management System (Implementation) – Partial Assurance

- 1.34 The purpose of this audit was to evaluate the governance over the Housing Management System replacement project and to provide assurance on progress to date.
- 1.35 The Open Housing Management System (OHMS), provided by Northgate, has been in place for over 20 years and the contract expired July 2018. A review of the system by the Housing IT Programme Board in 2016 highlighted that although the system supported traditional processes, it is constrained by a lack of modern functionality that is now required by social landlords. Following a competitive procurement process the new contract was awarded to Northgate to replace OHMS with NPS.
- 1.36 This is a critical system supporting vulnerable people in the city. The aim of the project is to move to a new IT system which will support council housing services, meeting both current and future needs.
- 1.37 The purpose of the audit was to provide assurance that controls are in place to meet the following objectives:
- Effective quality and cost controls are in place;
 - Risk management is appropriately addressed;
 - Reporting and communication during the programme is well managed;
 - Detailed implementation and change management plans are in place.
- 1.38 The audit concluded partial assurance as some significant risks to the implementation of the NPS system were identified. However, we also note that many aspects of the project's management are well run, documentation is good and provides an effective audit trail.
- 1.39 It has been challenging to resource this project with the skills that are needed. This has been compounded by further pressure on resources created by the COVID-19 pandemic and the in-sourcing the Housing Repairs Service in April 2020.
- 1.40 The key areas for improvement (whether for future stages in this project or for future projects in HNC) are detailed below.
- 1.41 The Senior Responsible Officer for this project has not been able to attend programme board meetings over the last year due to the demands on their time. Although responsibilities have been delegated to another senior manager, with decisions referred to the Housing Leadership team, this adds additional risks to a project of this complexity and importance.
- 1.42 The new system will contain all information for leaseholder accounts and the responsibility for debt collection of service charges will be transferred from the Central Debt Collection team to

Housing. This will happen in phase one of the implementation but at the time of the audit there was no agreed plan on the new process and how this will be resourced.

- 1.43 There are no plans to connect the asset management system (APEX), via an interface, to the new system. This increases risk associated with the quality of asbestos and electrical information, which is held in two systems APEX and Mears MCM.
- 1.44 A continued risk exists that processes, that have not been mapped for the housing repairs system, may have an impact on this project. Furthermore, an issue exists over how information on the cost of repairs will be captured. All repairs and works will be raised initially in the new system but then the cost of in-house repairs and contractors, used via the Mears supply chain, will be captured in another system, MCM. As such, there is a risk that costs, especially labour costs, are not captured in a useable way.
- 1.45 To implement NPS, project staff have estimated that two weeks downtime will be required. Over this period Housing staff will have no edit access to OHMS or the new NPS system. Contingency plans need to be drawn up for this period.
- 1.46 Finally, communication and training plans for stakeholders were still being drafted at the time of our audit. To further help engagement, it would be helpful to review and update the Business Case for the project and remind stakeholders of the rationale and benefits of the new system.
- 1.47 As part of our report, a formal action plan has been agreed with management to address all of the above issues by 1 September 2021.

City Clean - Commercial Waste & Contracts (Follow-up) – Partial Assurance

- 1.48 This review was conducted to follow up on the actions arising from a previous internal audit from 2017, that concluded Minimal Assurance.
- 1.49 This audit focused on the City Clean Commercial Waste Service and also its arrangements for managing external contracts. Internal Audit has already reported on issues relating to the Public Convenience cleaning contract at the last meeting of this Committee and these were therefore not repeated within this report.
- 1.50 The objectives of the audit were to ensure that the actions from our 2017 audit had been implemented and that controls are in place to ensure:

For Commercial Operations (where the council is the service provider):

- There are appropriate approved business plans in place, including financial forecasts;

- Formal contracts or agreements are in place with all customers;
- Controls are in place to ensure the service generates a surplus or breaks even.

For External Contracts (where the council is the customer):

- All contracts are let in accordance with CSO's;
 - Contract management is effective (including delivery to both cost and quality standards).
- 1.51 Overall, based on the follow up work completed have only been able to provide an opinion of Partial Assurance.
- 1.52 With regard to the council's commercial waste service, we found that although improvements had been made, not all debts had been actively pursued in a timely manner. In addition, the monthly report received by the service detailing debts relating to individual trade waste customer's needed redesigning to provide more meaningful information.
- 1.53 We also identified pricing variations compared to those recorded in the agreed pricing model (for individual commercial waste customers). Any exemptions to the agreed model should be documented and authorised.
- 1.54 There was evidence that progress had been made in some areas since the last audit in the management of the commercial waste service. The service has reviewed its staffing resources, additional administration support resources have been provided and business planning has been improved. Covid-19 has had a negative impact on the income for this service, but there is evidence that the budget is now regularly scrutinised under the TBM process. This includes a review to ensure relevant expenditure is being included in the budget.
- 1.55 With regard to the management of external contracts, we found that the service does not maintain a central register of contracts and as such it was difficult to establish basic details of some contracts.
- 1.56 In addition, regular and timely contract meetings are not being held for all contracts.
- 1.57 Framework Agreement procedures are not always being followed correctly by the service. For example, the service does not always quote the framework when placing an order and this could lead to overcharging, especially where framework prices may not be applied.
- 1.58 The Assistant Director has confirmed the completion of a service redesign and additional funding for a Procurement and Contract Manager to assist with further improvements to the service and to address these remaining actions. All of which will be subject to a further follow up by Internal Audit in due course.

IT Access Management – Partial Assurance

- 1.59 Access management is the process by which users’ network accounts and access to systems and data is controlled to maintain a secure data environment. Managing this effectively prevents unauthorised access to systems and data.
- 1.60 This audit was undertaken to understand the control environment for managing access and changes to network accounts following a significant data breach. As a result of the breach, it was identified that access to files and network folders may not be well managed.
- 1.61 The scope of this audit was to include the controls used to manage users’ access to centrally managed systems and network folders for; new starters, department movers, and those leaving the Authority. The audit also considered the accuracy of the Active Directory (AD) and how this is managed, the contents contained within it and controls in place to ensure the AD is accurate.
- 1.62 Based on the work carried out, we were able to provide only Partial Assurance over the control environment. Whilst the access control framework provides an efficient process, and it is clear that the Access Management Team know the process well and use it to complete requests in a timely manner, there remain weaknesses in controls and processes that require addressing.
- 1.63 Although the Access Modernisation Project had been actively working to resolve a number of the issues identified during our review, the project has been placed on hold to enable IT&D to support the Authority’s response to the on-going Covid-19 pandemic.
- 1.64 A summary of the main findings can be found in the following paragraphs.
- 1.65 The process for managing User Access is supported by a number of teams who do not routinely interact to manage the end to end process. Further, our testing found that responsibilities for access management have not always been clearly assigned to individuals and/or teams.
- 1.66 Controls are not sufficient to ensure that new network accounts are bona fide, with the minimum access required and can only be accessed by the named individual.
- 1.67 No one person or team has been assigned responsibility for reviewing, maintaining or reconciling the AD. The AD reconciliation is crucial to ensure all accounts remain current and permissions reflect the users’ role.
- 1.68 The process to remove, disable and delete leavers network accounts are not sufficient to ensure activity is undertaken in a timely manner. This increases the risk of accounts remaining active and being accessed after users have left.

- 1.69 After careful consideration by IT&D, effective actions have been agreed to manage the one high, three medium and one low risk findings identified during the audit. Some of these actions had been implemented prior to the report being finalised.
- 1.70 Internal Audit have planned follow-up activity for 2021/22 and will work with IT&D to pro-actively support the Access Modernisation Project.

Housing Temporary Accommodation (Follow-up) – Minimal Assurance

- 1.71 This audit is part of the agreed Internal Audit Plan for 2020/21 and follows up on the previous audit report issued in October 2019, which concluded Partial Assurance.
- 1.72 The objective of this review was to obtain assurance that the agreed actions from our 2019 report have been implemented and that controls are in place and operating as expected in relation to following control objectives:
- There are effective budget management arrangements in place within the service;
 - Rent recovery rates are monitored and rents are being recovered in a timely manner.
- 1.73 Covid-19 has had a significant impact on the service. Staffing resources were diverted to manage the provision of emergency shelter for homeless people, including many being housed in hotels as part of the government's 'Everyone In' programme. The council successfully bid for government funding under the Next Steps Accommodation Programme (NSAP) to support this initiative. However, grant conditions limited support to those accommodated before 30 September 2020, while the council's accommodation offer continued for those verified as rough sleepers and those people assessed as at risk of rough sleeping.
- 1.74 In addition to Covid19 impacts, ongoing challenges were being experienced in relation to the introduction of the Homelessness Reduction Act 2018, the high cost of the local housing market, the roll out of Universal Credit and the continued high turnover of staff within the service.
- 1.75 A Temporary Accommodation Improvement Programme is now in place, with resource support from the Performance & Improvement Team. This work includes looking at how to reduce the use and length of stay in Temporary Accommodation, along with improving homeless prevention and moving people to more sustainable accommodation.
- 1.76 Our follow up audit concluded minimal assurance, with some significant risks identified relating the budget management and debt recover arrangements for the service.
- 1.77 The key areas where improvements are required are detailed in the paragraphs below.

- 1.78 Financial data provided by the service to Finance needs to be improved to allow Finance to spend time developing the budget forecast and providing options. At the time of audit, the service was forecast to be overspent by £0.1m in 2020/21 (£1.3m including expenditure on rough sleepers). This forecast was after the application of significant one-off government grants and therefore, without continued additional funding there is an ongoing risk of significant budget overspends in this service.
- 1.79 Arrears relating to current tenancies have not been pursued since our last audit. Pressures created by the Covid-19 pandemic have had a significant impact on making improvements in this area and it means that amounts outstanding are still in excess of £1m.
- 1.80 The service does not pursue debts that relate to former tenancies and as such, the current system is not effective in ensuring that all collectable income is recovered. There is currently over £2m in former tenancy arrears, much of which is likely to be unrecoverable.
- 1.81 Our audit also identified queries with data quality relating to the detailed outstanding debt figures. Until these queries are resolved there is a potential additional risk regarding the accuracy of arrears figures.
- 1.82 Although the service has documented the procedure for the processing and authorisation of write-offs, significant progress with actioning this debt has still to be taken.
- 1.83 Whilst the service has received capital funding to procure or build units to move on temporary accommodation tenants, the main strategy to address the funding shortfall continues to be based on reducing the number of temporary accommodation units. Although the service has moved people into private rented accommodation during this financial year, primarily due to the impact of Covid-19, the numbers required for this strategy to result in a balanced budget have not been realised.
- 1.84 A separate system, Abritas, is used to manage Emergency Accommodation accounts. This system does not however, interface with the general ledger and accounts in arrears are not treated as debtors. Whilst there is a plan for current emergency accommodation tenancies to be moved to the new housing management system (NPS) system later in 2021, there is no plan to move former tenants or their arrears on to the new system.
- 1.85 Six high and medium priority actions were agreed with the service to address the risks identified in our report. These have been included within a detailed action plan and additional resources have been made available to move these actions forward. Nonetheless, it has been reported that some of the actions will take time to implement, with target dates for three of the actions in March 2022.

Travel Demand Management Grant

- 1.86 This grant was provided for local authorities to help them assess the challenges and provide solutions to deliver sufficient and safe transport for the return to education during the Covid-19 period.
- 1.87 As at the end of May 2021, we certified a total spend of £38,776 out of £100,000 funding that was received. Authorisation has been obtained from the Department for Transport to use the remaining amount of grant in 2021/22.

EU Grant – SHINE (Claim 10)

- 1.88 This is an EU Interreg project that requires grant certification at least once a year. The full title of the project is ‘Sustainable Housing Initiatives in Excluded Neighbourhoods’. The total value of the project between 2016 and 2021 is approximately £367,000 (grant expected £220,000).
- 1.89 No significant issues were identified in the grant certification.

EU Interreg Grant – SCAPE (Claim 9)

- 1.90 This is an EU Interreg project that requires grant certification at least once a year. The full title of the project is Shaping Climate Change Adaptive Places. The total value of the project is approximately £488,000 (grant expected £293,000).
- 1.91 No significant issues were identified in the grant certification.

Additional Dedicated Home to School & College Transport Grant (Tranche 4)

- 1.92 This audit was the certification of grant related expenditure of £116,512. The grant was from the Department for Education with the objective of boosting transport capacity for dedicated school and college services during the Autumn and Spring terms, whilst social distancing measures are in place on public transport.
- 1.93 No significant issues were identified in the grant certification.

2. Proactive Counter Fraud Work

- 2.1 Internal Audit deliver both reactive and proactive counter fraud services across the Orbis partnership. Work to date has focussed on the following areas:

National Fraud Initiative (NFI) Exercise

- 2.2 The results from the latest National Fraud Initiative were received on 31 January 2021. Internal Audit continue to liaise with the services to ensure that matches are reviewed and processed. To date, the exercise has identified a Housing Benefit overpayment totalling £15,200.

Counter Fraud Strategy

- 2.3 Each Orbis partner has in place a Counter Fraud Strategy that sets out their commitment to preventing, detecting and deterring fraud. The current Counter Fraud Strategy was approved by Audit and Standards Committee on 10 March 2020. Internal Audit are currently reviewing and updating the individual sovereign strategies for each Orbis partner.

Fraud Risk Assessments

- 2.4 Fraud risk assessments are regularly reviewed to ensure that the current fraud threat for the council has been considered and appropriate mitigating actions identified. We have updated the risk assessment to include new and emerging threats as a result of the COVID19 pandemic. This includes potential threats to payroll, staff frauds relating to home working and cyber frauds.

Fraud Response Plans

- 2.5 The Fraud Response Plans take into consideration the results of the fraud risk assessments and emerging trends across the public sector in order to provide a proactive counter fraud programme. The Fraud Response Plans includes a data analytics programme for key financial systems.

Fraud Awareness

- 2.6 The team have published fraud bulletins raising awareness to emerging threats, in particular recent risks from the Covid pandemic. These were published on the intranet and shared with high risk service areas. In addition, the team continuing to monitor intel alerts and work closely with neighbouring councils to share intelligence and best practice.
- 2.7 The team are currently developing a Fraud Awareness session that will be delivered to the Business Operations teams in August and September 2021.

Reactive Counter Fraud Work - Summary of Completed Investigations

Housing Repairs

- 2.8 Following a whistleblowing allegation, we conducted preliminary enquiries relating to allegations of misuse of overtime, misuse of council resources and conflicts of interests in the Housing Repairs Service. Preliminary enquiries identified several procedural issues, but no fraud was

identified. A report summarising our findings has been issued to the Director of Housing and HR who will address the procedural issues.

Parking Fines

- 2.9 An investigation was conducted following an allegation that an employee had registered a vehicle in a false name in order to avoid paying Penalty Charge Notices for illegal parking. The investigation established the vehicle belonged to the employee and advice was provided to the Parking Team on recovering the debt.

School Investigation

- 2.10 Following receipt of an anonymous report alleging misuse of the PE & Sports Premium at a school, Internal Audit undertook an investigation. During the course of the investigation additional allegations were received alleging nepotism in the appointment of school staff and misuse of resources. Following the investigation, Internal Audit agreed a number of actions to improve control in relation to the appointment and vetting of staff, and governor oversight of procurement decisions. Following receipt of the report the Chair of Governors has subsequently commissioned an independent governance review of the school with the support of Governor Services.

COVID19 Business Grants

- 2.11 During the quarter, we have continued to provide the Business Rates Team with advice and support when administering applications for the Small Business Grant, the Retail, Hospitality and Leisure Grant Fund and the Restart Grant. The team have also investigated allegations of false applications for the grants.

Housing Tenancy & Local Taxation

- 2.12 In addition to the above, a key focus area remains housing tenancy fraud and Local Taxation. The pandemic has impacted on the team's ability to conduct interviews and visits, but we are now working with the Housing Service to progress cases.

Non-Audit Work

- 2.13 One member of the Internal Audit and Counter Fraud Team have continued to support the wider response to the pandemic through part time redeployment with the Ways of Working Recovery Group.

3. Action Tracking

- 3.1 All high priority actions agreed with management as part of individual audit reviews are subject to action tracking. As at the end of quarter 1, 93% of high priority actions due had been implemented.
- 3.2 As at the end of June 2021, there were three high priority actions which were overdue. Details of these are provided below, together with a revised deadline for implementation.

Details of Audit, Risk and Action	Dir.	Due date	Revised date	Progress and comments
<p><u>Housing Repairs Service : Use of Waivers</u></p> <p>In order to get this service up and running by the 1st of April 2020, the council has relied heavily on the use of contract waivers to procure a works management system, a fleet and a supply chain for materials and subcontractors. The value of waivers agreed were estimated to be worth £9.36m.</p> <p>These issues have not been resolved at the time of the audit and the service was still operating under a significant number of contracts that were let under waiver arrangements.</p>	HNC	28/02/2021	31/12/21	As at the end of June 2021 this issue had not been resolved but proposals have now been agreed by the Housing Committee (June 2021) to carry out tender exercises to replace the current Waivers.
<p><u>Housing Repairs Service : Signing of contracts</u></p> <p>There were significant delays to the signing of contracts with Mears. All but one of the contracts have now been signed but there are risks relating to this contract and therefore the issue needs to be resolved.</p>	HNC	28/2/21	Not applicable	This action has now been implemented.

Details of Audit, Risk and Action	Dir.	Due date	Revised date	Progress and comments
<p><u>Housing Repairs Service : Mapping Key IT processes</u></p> <p>At the time of the audit key IT processes and interfaces have not been mapped by the programme management team.</p> <p>The Housing team are currently replacing several IT systems, NPS, APEX and Home Connections. Systems are interconnected and in order to provide IT systems to housing that are fit for purpose and help improve performance across the housing service.</p> <p>The decision to use Mears MCM as the council's works management system has meant that officers have relied on it working in the same way when the service moved in-house.</p>	HNC	28/2/21	31/12/21	<p>Internal audit has been liaising with the service in respect of this action. Although progress is being made as at the end of June 2021 the action had not been fully implemented.</p>

- 3.3 In addition to the above, there are a number of high priority actions which have had their implementation deadlines extended. If these revised deadlines are not met, these actions will be reported to the next meeting of the Audit & Standards Committee.

4. Amendments to the Audit Plan

4.1 In accordance with proper professional practice, the Internal Audit plan for the year was kept under regular review to ensure that the service continued to focus its resources in the highest priority areas based on an assessment of risk. Through discussions with management, the following reviews were added to the original audit plan during the year.

Planned Audit	Rationale for Addition
School Attendance	Reinstated following deletion from the 2020/21 audit plan.
Black Rock - Major Project	The Black Rock project is a major capital project for the City. Following a widely reported issue regarding the “greenwall” this audit was agreed to provide assurance on the project and that are not any wider issues with the governance of the project.
Performance Review Compliance (1 to 1s)	Following consultation with the Head of Human Resources it was agreed to include an audit to obtain a greater understanding of the risks and controls in the operation of the councils one to one and personal development planning arrangements for staff. This is an area where corporate performance monitoring records that compliance is poor.
Welfare Discretionary Funding	As a result of the Covid pandemic, a number of discretionary welfare grants have been funded by central government and administered by the council and paid out to residents of Brighton & Hove. The purpose of this review is to assess the adequacy of operational processes in place to administer these discretionary welfare grants and that they are effective, appropriate and consistent.

4.2 In order to allow these additional audits to take place, the following audits have been removed or deferred from the audit plan and, where appropriate, will be considered for inclusion in future audit plans as part of the overall risk assessment completed during the annual audit planning process. These changes have been made on the basis of risk prioritisation and/or as a result of developments within the service areas concerned requiring a rescheduling of audits:

- Cloud Computing (Follow-Up).
- Corporate systems replacement strategy and implementation.

5. Internal Audit Performance

5.1 In addition to the annual assessment of internal audit effectiveness against Public Sector Internal Audit Standards (PSIAS), the performance of the service is monitored on an ongoing basis against a set of agreed key performance indicators as set out in the following table:

Aspect of Service	Orbis IA Performance Indicator	Target	RAG Score	Actual Performance
Quality	Annual Audit Plan agreed by Audit Committee	By end April	G	Approved by Audit & Standards Committee on 9 March 2021.
	Annual Audit Report and Opinion	By end July	G	2020/21 Annual Report and Opinion approved by Audit Committee on 29 June 2021
	Customer Satisfaction Levels	90% satisfied	G	100%
Productivity and Process Efficiency	Audit Plan – completion to draft report stage	90%	G	27%
Compliance with Professional Standards	Public Sector Internal Audit Standards	Conforms	G	January 2018 – External assessment by the South West Audit Partnership gave an opinion of ‘Generally Conforms’ – the highest of three possible rankings July 2021 - Internal Self-Assessment completed, no major areas of non-compliance with PSIAS identified.
	Relevant legislation such as the Police and Criminal Evidence Act, Criminal Procedures and Investigations Act	Conforms	G	No evidence of non-compliance identified
Outcome and degree of influence	Implementation of management actions agreed in response to audit findings	95% for high priority agreed actions	A	93% at end of quarter 1.

Aspect of Service	Orbis IA Performance Indicator	Target	RAG Score	Actual Performance
Our staff	Professionally Qualified/Accredited (Includes part-qualified staff and those undertaking professional training)	80%	G	91%

Audit Opinions and Definitions

Opinion	Definition
Substantial Assurance	Controls are in place and are operating as expected to manage key risks to the achievement of system or service objectives.
Reasonable Assurance	Most controls are in place and are operating as expected to manage key risks to the achievement of system or service objectives.
Partial Assurance	There are weaknesses in the system of control and/or the level of non-compliance is such as to put the achievement of the system or service objectives at risk.
Minimal Assurance	Controls are generally weak or non-existent, leaving the system open to the risk of significant error or fraud. There is a high risk to the ability of the system/service to meet its objectives.

Subject:	Response to Members Letter: Freedom of Information requests		
Date of Meeting:	28 September 2021		
Report of:	Assistant Director Human Resources & Organisation Development		
Contact Officer:	Name:	Dan Snowdon	Tel: 01273 291218
	Email:	dan.snowdon@brighton-hove.gov.uk	
Ward(s) affected:	All		

FOR GENERAL RELEASE**1. PURPOSE OF REPORT AND POLICY CONTEXT**

- 1.1 This report provides a response to the request for an officer report detailing key statistics relating to Freedom of Information (FOI) requests.

2. RECOMMENDATIONS:

- 2.1 That Audit and Standards committee note the FOI data provided in Appendix 1 (Response to Members Letter Freedom of Information requests.pptx), a summary of which is provided below in section 3.

3. CONTEXT/ BACKGROUND INFORMATION

- 3.1 The Freedom of Information Act 2000 provides public access to information held by public authorities. The Act places a duty on all public authorities to respond to FOIs within 20 days of receipt.
- 3.2 There has been an overall decline in the numbers of FOIs received (down 15% in 2020/21 from the previous year).
- 3.3 Organisational compliance with requirement to respond within 20 day has also decreased (down from 70.6% in 2019/20 to 64.3% in 2020/21). However, responses in August 2021 were significantly improved, achieving a corporate response rate of 92%.
- 3.4 Of the 168 overdue cases, 89% were overdue by more than 40 days, suggesting that more complex requests are likely to get held in a backlog that services are finding difficult to manage.
- 3.5 The main causes of poor performance are:
- 3.5.1 Capacity in services to collate the information required and formulate a response. Capacity within many services has been a particular issue through the pandemic.

3.5.2 Poor information management practices (data quality, duplication, unstructured information silos, poor email management, etc.) which slows the information gathering activity

3.5.3 Long-term vacancy within the Information Rights team, reducing the capacity to provide advice to services (e.g., regarding the application of exemptions) and provide adequate reporting and reminders. However, this issue has now been addressed and the team is at full strength.

4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS

4.1 Not applicable

5. COMMUNITY ENGAGEMENT & CONSULTATION

5.1 Not applicable

6. CONCLUSION

6.1 Not applicable

7. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

7.1 There are no direct financial implications arising from the recommendation in this report. The cost of staff time in responding to FOI requests is met from within existing staff budgets.

Finance Officer Consulted: Jeff Coates

Date: 13th September 2021

Legal Implications:

7.2 As indicated at para 3.1, the Freedom of Information Act 2000 ('the Act') gives anyone the right to request information from a public authority. The Act makes local authorities subject to a statutory duty to respond to all requests for information by indicating a) whether they hold the information and b) where they hold it, to provide it (unless a specified circumstance or exemption applies) within strict timescales. A response in writing is normally required within 20 working days.

Lawyer Consulted: Victoria Simpson

Date: 15th September 2021

Equalities Implications:

7.3 None

Sustainability Implications:

7.4 None

Brexit Implications:

7.5 None

Any Other Significant Implications:

None

SUPPORTING DOCUMENTATION

Appendices:

1. Response to Members Letter Freedom of Information requests.pptx



FREEDOM OF INFORMATION

AUDIT AND STANDARDS COMMITTEE - RESPONSE TO MEMBERS LETTER FREEDOM OF INFORMATION REQUESTS, SEPT. 2021

Contents

- Key FOI Facts
- Performance Data
- How BHCC Manages FOIs
- Alternative Information Channels

KEY FOI FACTS

- The Freedom of Information Act 2000 provides public access to information held by public authorities.
- The Act covers any recorded information (printed documents, computer files, letters, emails, photographs, and sound or video recordings) held by a public authority
- The Act does not give people access to their own personal data. If a member of the public wants to see information that a public authority holds about them, they should make a Subject Access Request
- A public authority has 20 working days from receiving a request in which to provide a response
- The act contains a variety of provisions for the exemption from disclosure of certain types of information. Public authority are also not obliged to comply with a request for information if the request is vexatious
- The Office of the Information Commissioner (ICO) oversees the operation of the Act

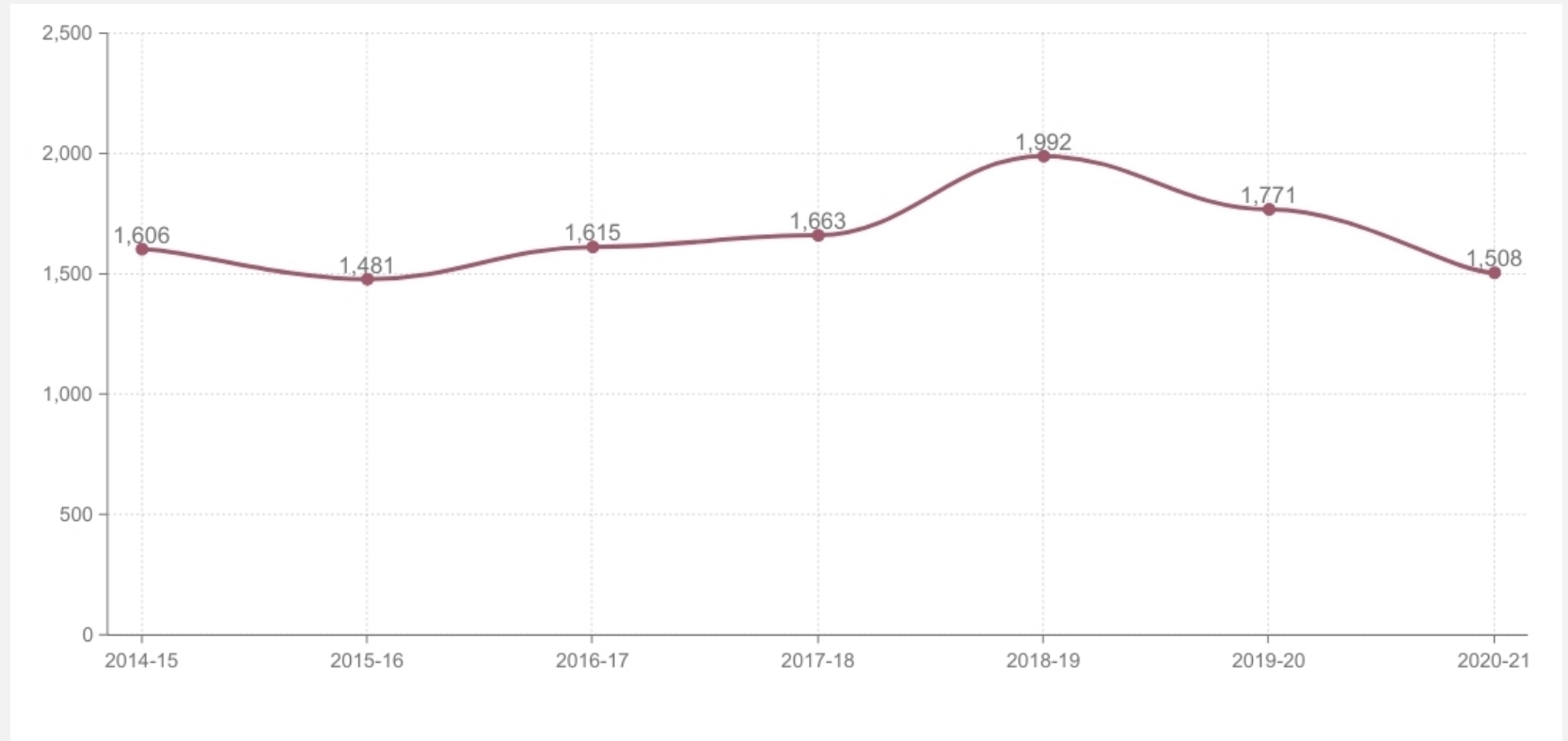
PERFORMANCE DATA – VOLUMES

From April 2020 to March 2021 there were 1,508 FOI requests received by the authority. This is a decrease of 263 (-15%) from the previous financial year.

Although there has been some fluctuation in volumes of request received over the years, the overall picture for the last 7 years has been relatively stable (-/+26%)

Corporate volumes prior to 2014/15 were recorded by calendar year and so are not shown

Total volumes of FOI requests received by BHCC (2014/15–2020/21)



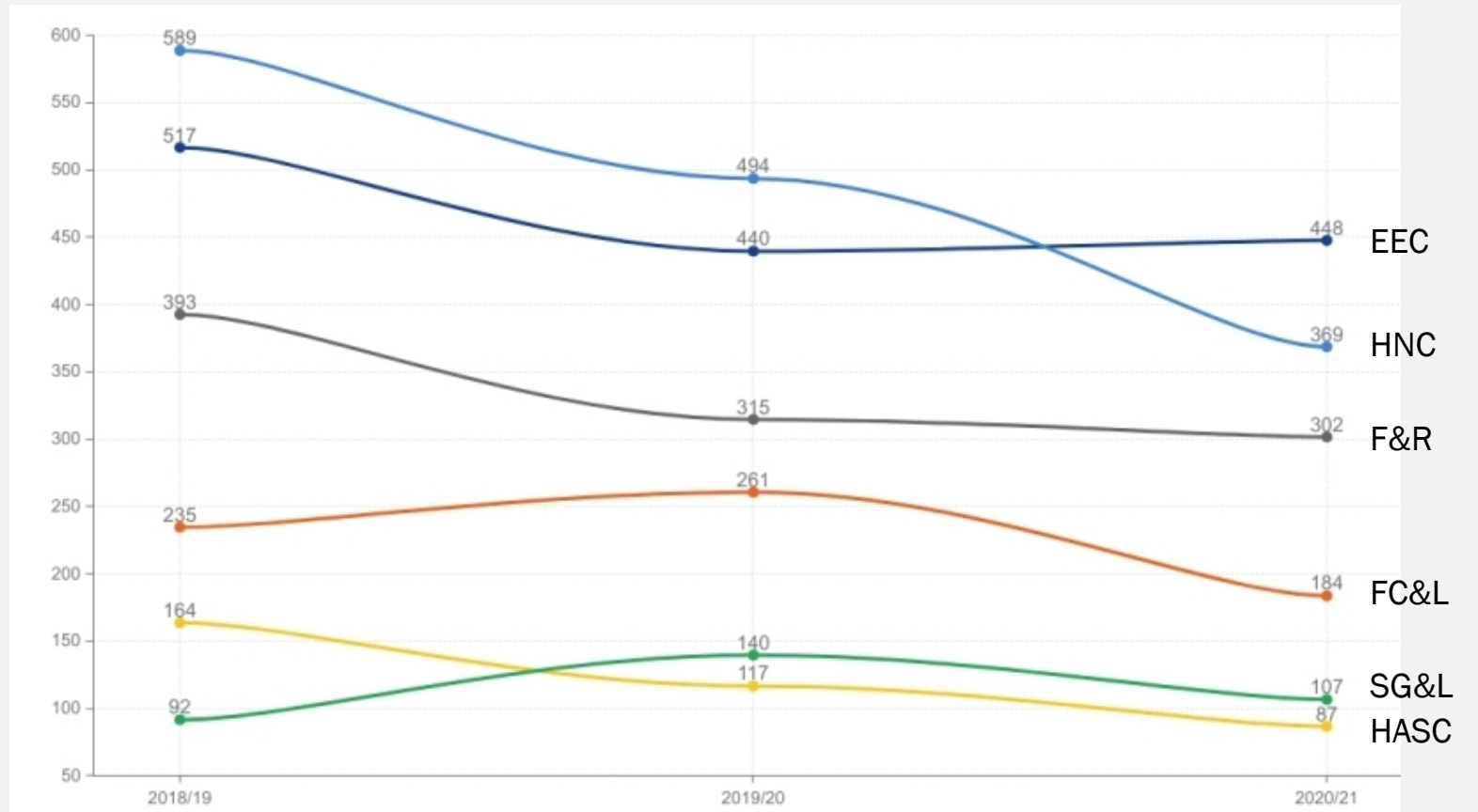
PERFORMANCE DATA – VOLUMES

From the peak in 2018/19 corporate volumes have declined by 484 (-24%).

Around half of this decline can be attributed to the decline in requests received by HNC 220 (-37%). Requests for 4 of the other 5 directorates have also decreased:

- HASC -47%
- F&R -23%
- FC&L -21%
- EEC -13%
- SG&L +16%

Volumes of FOI requests received by Directorates (2018/19-2020/21)



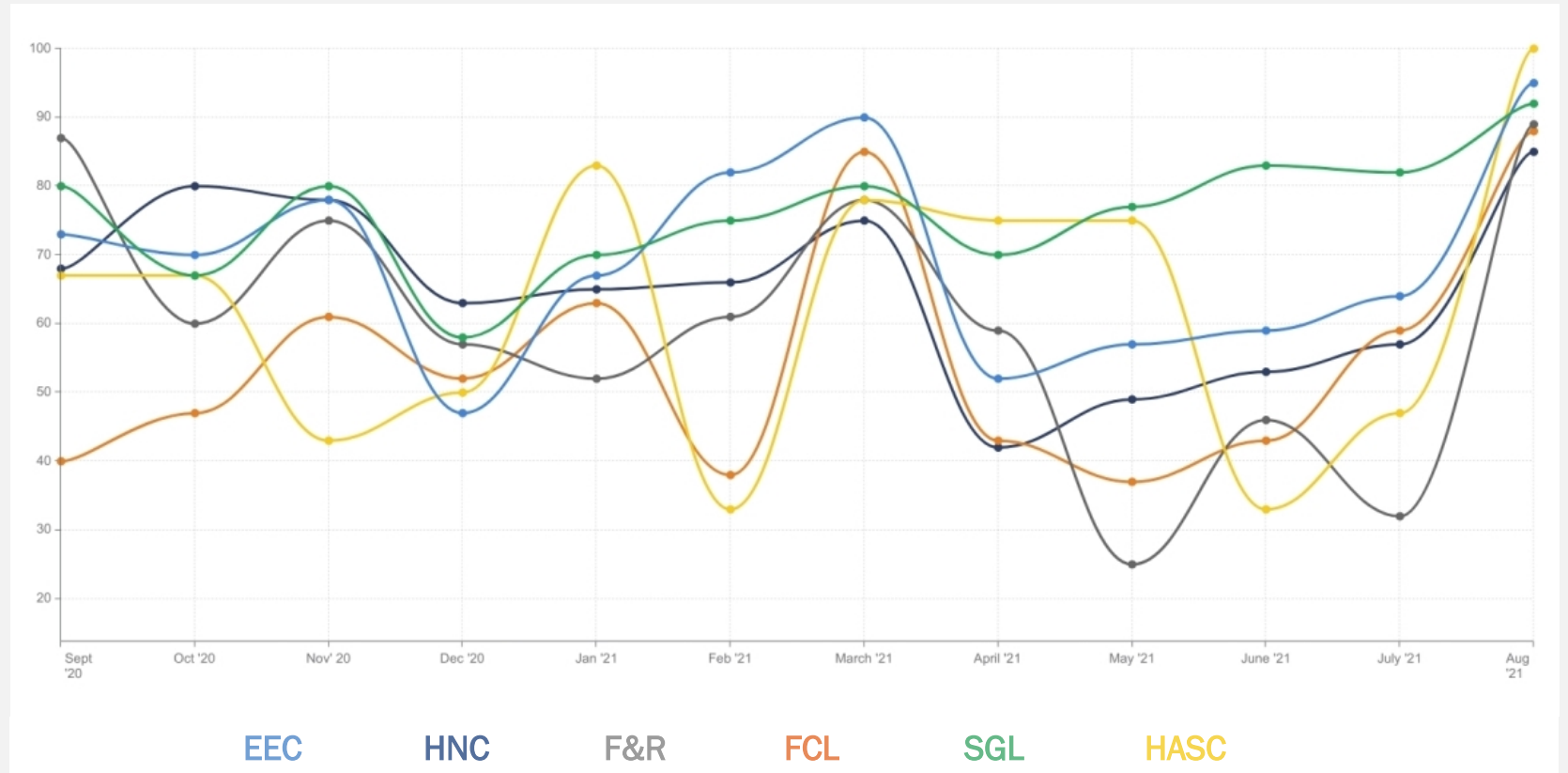
PERFORMANCE DATA – TIMELINESS

The Act requires FOI responses within the statutory deadline of 20 working days.

The combined corporate average dipped to a sustained low between April and July 2021. However, performance in August 2021 has significantly improved across all directorates to achieve a corporate average of 92% of requests responded to within 20 days.

The ICO set a target of 90% compliance with the 20 day deadline. BHCC has never achieved this target as an average for the year.

Directorate compliance with the 20-working day response time over the last 12 months



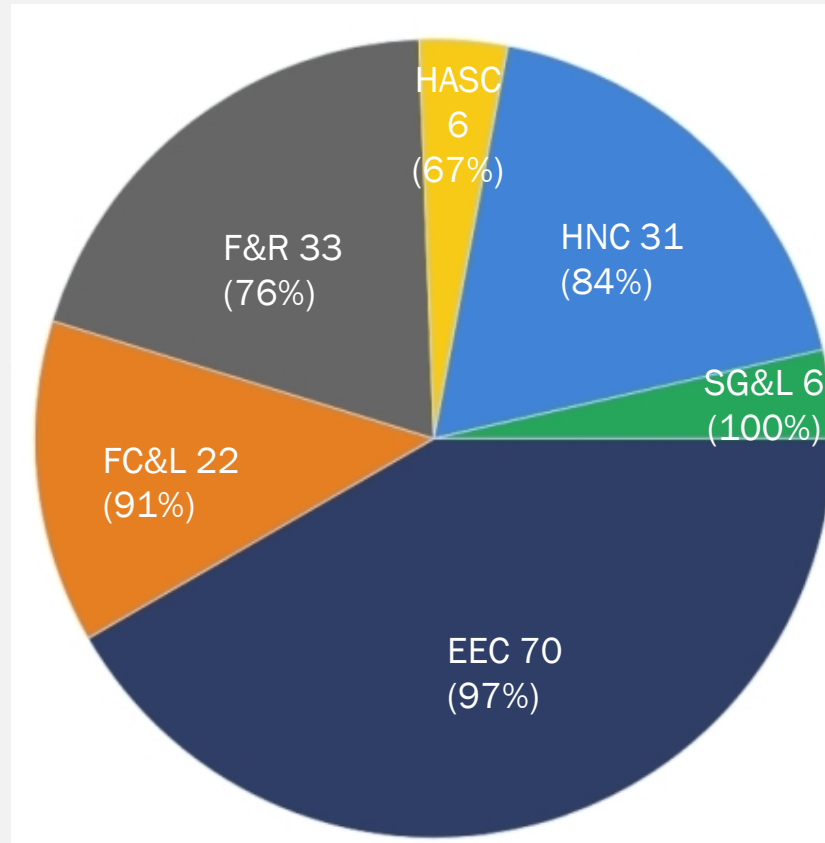
PERFORMANCE DATA – TIMELINESS

As of September 3rd 2021, there were a total of 168 overdue requests, 89% of which were long overdue (40 days or more since receipt).

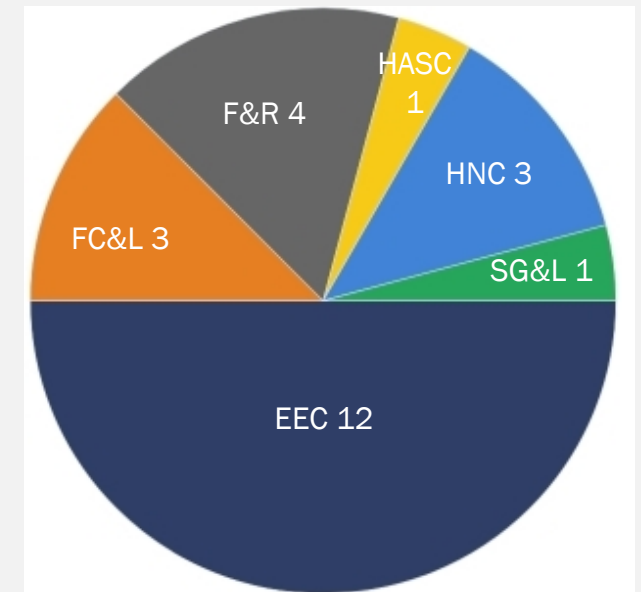
As of the same date there were 24 internal reviews* underway, 50% of which were with Economy, Environment and Culture.

*Internal reviews are carried out where there is a challenge regarding the scope, accuracy or completeness of the information provided. Reviews are carried out by officers with no prior involvement in the case

Volumes of overdue requests, plus percentage of 'long overdue' requests by directorate as of 3 Sept. 2021



Volumes of internal reviews by directorate as of 3 Sept. 2021



PERFORMANCE DATA – COMPARISON WITH LONDON BOROUGHS

A comparison of 2020/21 BHCC responses within statutory deadline against those of London Boroughs in the year 2018/19 shows that BHCC would rank 12th out of the 16 authorities.

Only 4 of the authorities meet the ICO target of 90% compliance

Data for 2018/19 is the latest available data for London borough responses within 20 days

London Borough	20-day Response Compliance Rate, 2018/19
Barnet	99%
City of London	97.3%
Camden	93%
Ealing	90.7%
Lambeth	89.7%
Richmond upon Thames	88.1%
Tower Hamlets	86
Haringey	83%
Sutton	74%
Enfield	72.7%
Croydon	65.3%

Brighton & Hove (2020/21)	64%
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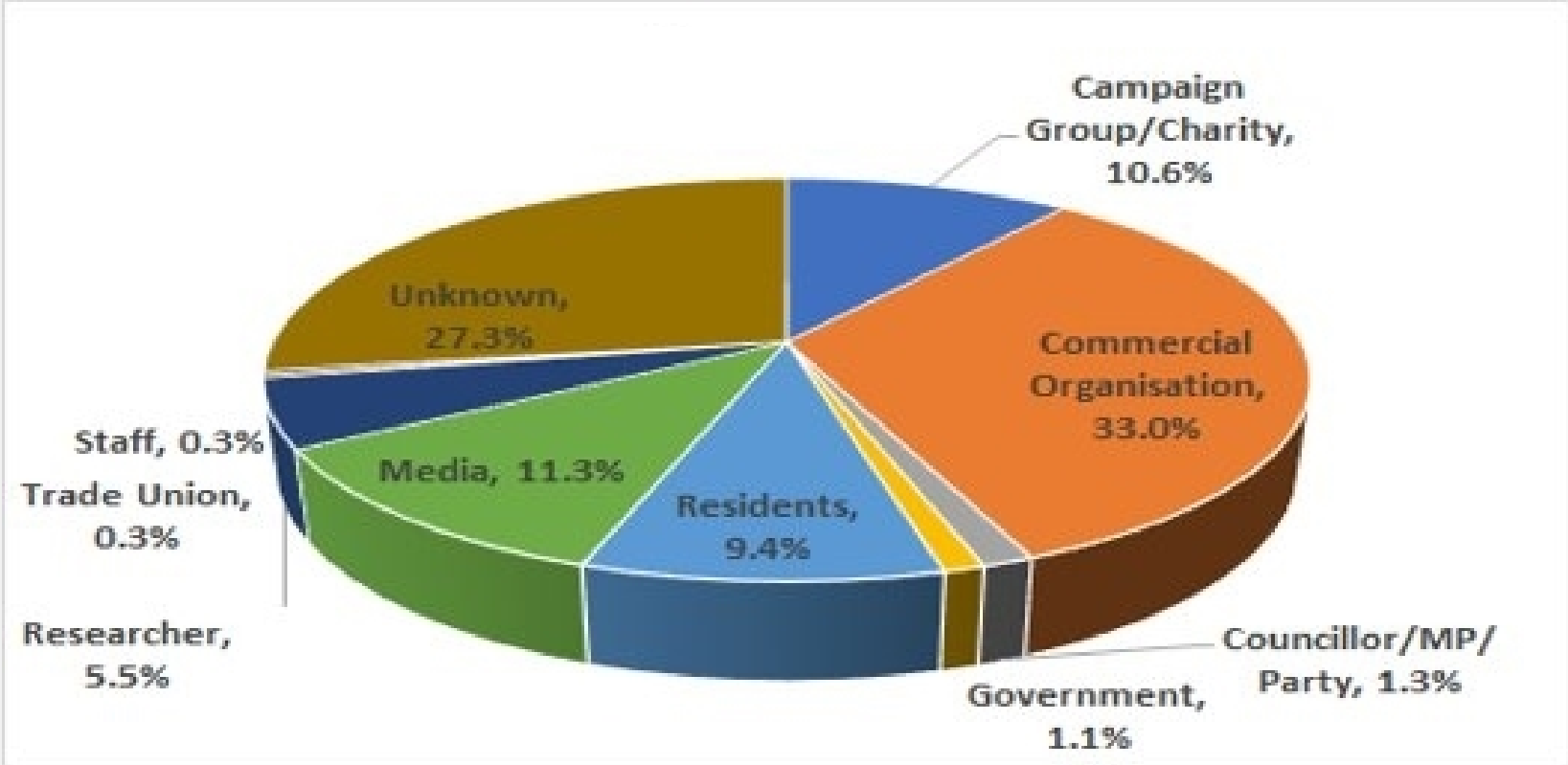
Wandsworth	61.9%
Hillingdon	60.2%
Waltham Forest	57.3%
Hackney	55%

FOI DATA – REQUEST SOURCE

Of the 1,508 FOI requests received from April 2020 to March 2021, it was not possible to identify the source category of 27.3%.

Of the identifiable sources, commercial organisations form by far the largest category (33%)

Breakdown of requestor categories 2020/21



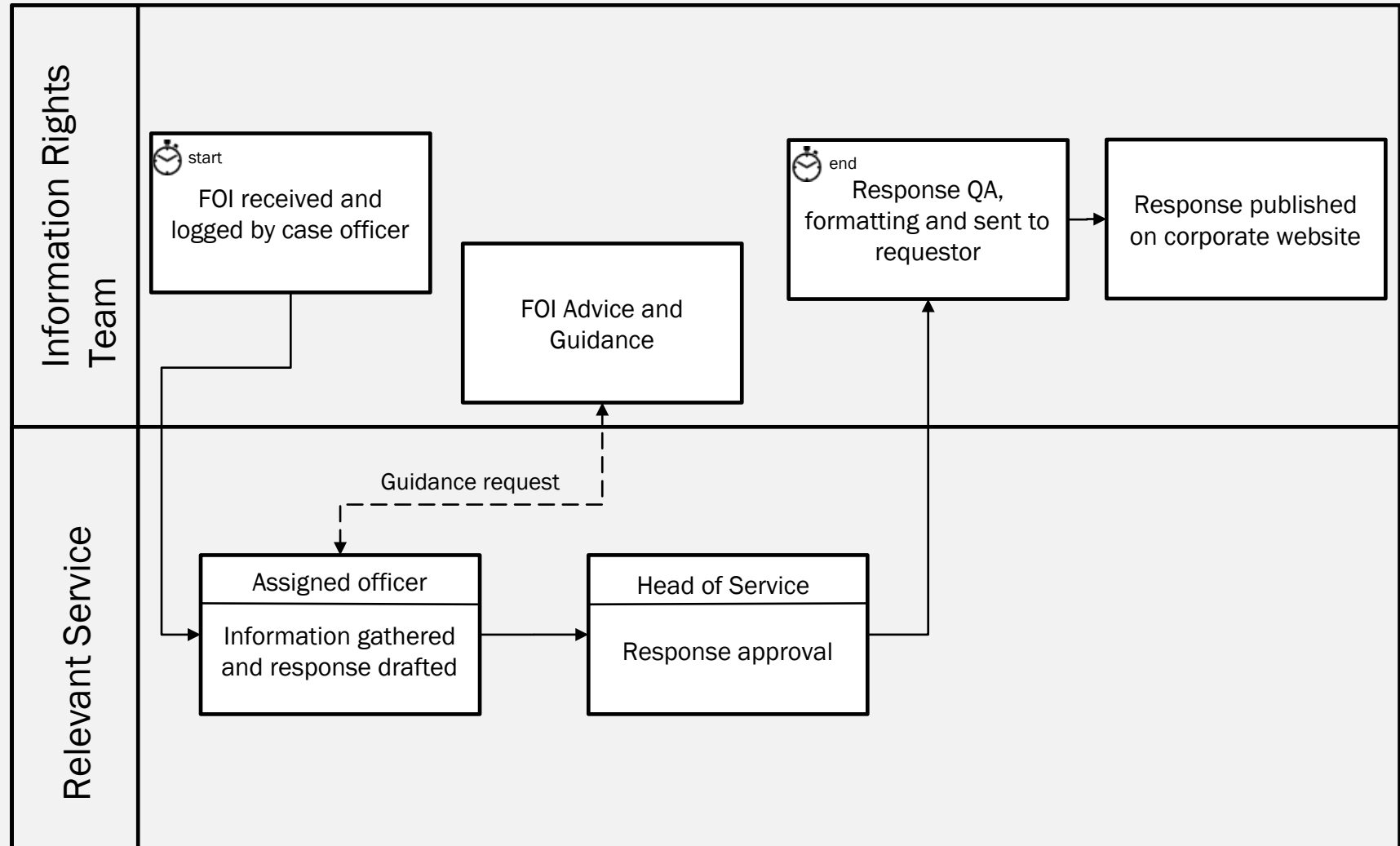
FOI PROCESS

Recent process changes include:

- Introduction of a case management system (iCasework)
- Additional Info. Rights Team resource
- Introduction of corporate KPI for FOI

Future improvement include:

- Possible move of the function to SG&L to operate alongside customer complaints
- Adoption of the same digital tool used for Members questions



FACTORS IN FOI PERFORMANCE

PRIMARY FACTORS	
Departmental Priorities/ Network Resilience	<ul style="list-style-type: none"> Capacity issues and competing priorities within services Officers assigned FOI data gathering are frequently unable to exert influence
Information Management	<ul style="list-style-type: none"> Poor information management practices (data quality, duplication, unstructured information silos, poor email management, etc.) requires unduly burdensome information gathering activity
SECONDARY FACTORS	
FOI Team Resourcing	<ul style="list-style-type: none"> 1.5 FTE during 2020/21. Currently 2.25 FTE (plus Snr IG Consultant 0.5)
Lack of Published Information	<ul style="list-style-type: none"> Data that is frequently the subject of FOIs (e.g., BHCCs Contracts) is either not published or not kept up to date
Case Complexity	<ul style="list-style-type: none"> In addition to complexity created by the nature of a question, some FOI cases may require an additional process/sign off step while others may require consultation with the requestor or a third party.

ALTERNATIVE INFORMATION CHANNELS

Contacting your local Councillor directly

All member contact details are published on the corporate website, via the 'Find your local councillor' link

- There is no limit on the scope of what can be asked
- Questions and responses are not in the public domain
- There are no statutory timeframes for a response

Contact a Council service directly

Questions can be address to any services either by online form or telephone numbers published on the corporate website

- There is no limit on the scope of what can be asked
- Questions and responses are not in the public domain
- There are no statutory timeframes for a response

Making a Complaint

Complaints can be logged via the 'Complaints and Compliments' section of the corporate website

- This function is limited to Complaints and Compliments only
- Complaints and responses are not in the public domain
- There are published timeframes for a response (10 days)
- There is a clear escalation process, ending with the Local Government Ombudsman

Subject:	Update on Standards matters		
Date of Meeting:	28th September 2021		
Report of:	Head of Law and Monitoring Officer		
Contact Officer:	Name:	Victoria Simpson, Senior Lawyer – Corporate Law	Tel: 01273 294687
	Email:	Victoria.Simpson@brighton-hove.gov.uk	
Ward(s) affected:	All		

FOR GENERAL RELEASE**1. PURPOSE OF REPORT AND POLICY CONTEXT**

- 1.1 To update this Committee on progress in the determination of complaints that Members have breached the Code of Conduct for Members.

2. RECOMMENDATIONS

- 2.1 That Members note the information provided in this Report on member complaints concluded or otherwise progressed since the last quarterly report, as well as the data on those which have been received in since then.

3. MEMBER COMPLAINTS – CURRENT**Complaints previously reported to this Committee**

- 3.1 One complaint previously reported to this Committee has now been determined by a decision to take no further action at preliminary assessment stage. **Complaint S/2020** was a detailed complaint about how an elected member had engaged in their ward and inputted in Council meetings around a key issue. Having considered the detailed comments provided by the subject member, the Independent Person took the view that there was no reasonable prospect of the complainant proving that the allegations were true and that – in light of the very detailed enquiry made of the complaint at preliminary assessment stage – it would not be in the public interest to expend further resources on progressing the complaint to formal investigation. The Monitoring Officer having agreed with this assessment, the complainant was notified that no action would be taken. They were provided with a copy of the member’s detailed rebuttal by way of reassurance that their complaint had been properly considered in a detailed way.
- 3.2 **Complaints L/2021** and **Complaint M/2021** were both referred to external investigators following a decision by the Monitoring Officer to refer them for formal investigation. That process remains underway and progress will be reported to this Committee as and when it occurs.

- 3.3 A further complaint, **V/2021**, was received in just before the deadline for the June 2021 Audit & Standards meeting. This is a multi-layered complaint against three members of the same ward which alleges misconduct across the delivery of their functions. It remains at preliminary assessment stage at the current time, the Independent Person having been provided with detailed information regarding the context of the complaint and the allegations at their request. A progress report will be provided to this Committee in due course.

Complaints received in since the last Update

- 3.3 Nine new complaints have been received in since the last update. While one of those related to statements an elected member made to the press, it was subsequently withdrawn by the complainant with the consent of the Monitoring Officer and as a result has not been assigned a number. The second is **Complaint W/2021** and concerned public facing statements made by a member about Council officers via social media. As the comments were considered to have potential to amount to a breach of the Member/Officer Code of Conduct, they are being considered under that process at the current time. **Complaints X, Y, Z, A1 and B1** were all made by the same complainant but were directed at different elected members who they had communicated with about a particular decision made by the Council. That complaint remains at preliminary assessment stage. So too does **Complaint C1**, which concerned the responses of two elected members from the same Group to a social media post. **Complaint D1** was received in very recently and again relates to the conduct of an elected member via social media.
- 3.4 All of the complaints referred to above have been determined by the Monitoring Officer in accordance with the procedure which governs member complaints, having first consulted with one of the council's Independent Persons.

4. MEMBER TRAINING

- 4.1 Members will recall that a revised Code of Conduct for Members was adopted in July along with an updated Procedure for Dealing with Allegations of Misconduct by Members and revised Guidance on Correspondence. The revised Code of Conduct makes it a requirement that members undertake Code of Conduct training provided by the Council. Plans are underway to offer members the opportunity to explore the changes in the Council's arrangements at Standards update training. While this is being set in train, all elected members have been canvassed for their preferred mode of receiving training or briefings on Standards-related topics going forward.
- 4.2 This Committee will also wish to note a Standards Panel training session specifically designed for members of the Council's Audit & Standards Committee was delivered earlier this month. A repeat session will be offered shortly to the two members of this Committee who weren't able to be virtually present at that session.

5 ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS

- 5.1 The Council is obliged under the Localism Act to make arrangements for maintaining high standards of conduct among members and to make

arrangements for the investigation of complaints. The current arrangements and the proposals in this Report reflect this. No alternative proposals are suggested.

6 COMMUNITY ENGAGEMENT & CONSULTATION

6.1 No need to consult with the local community has been identified.

7 CONCLUSION

7.1 Members are asked to note the contents of this Report, which aims to assist the Committee in discharging its responsibilities for overseeing that high standards of conduct are maintained in a way which is compliant with local requirements.

8 FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

8.1 There are no additional financial implications arising from the recommendation in this Report. All activity referred to has been, or will be, met from existing budgets.

Finance Officer Consulted: Nigel Manvell

Date: 26/8/2021

Legal Implications:

8.2 These are covered in the body of the Report.

Lawyer Consulted: Victoria Simpson

Date: 26/08/2021

Equalities Implications:

8.3 There are no equalities implications arising from this Report

Sustainability Implications:

8.4 There are no sustainability implications arising from this Report

Any Other Significant Implications:

8.5 None

SUPPORTING DOCUMENTATION

Appendices:

None

Background Documents:

None

