



Agenda

Audit and Scrutiny Committee

Tuesday, 7 March 2023 at 7.00 pm

Council Chamber, Town Hall, Ingrave Road, Brentwood, Essex CM15
8AY

Membership (Quorum – 3)

Cllrs Heard (Chair), Hirst (Vice-Chair), Barrett, Bridge, Mrs Fulcher, Haigh, Sankey, Slade and Wagland

Substitute Members

Cllrs Dr Barrett, S Cloke, M Cuthbert and Wiles

Agenda

| Item | Item | Wards(s) Affected | Page No |
|-------------|-------------|------------------------------|----------------|
|-------------|-------------|------------------------------|----------------|

Live broadcast

[Live broadcast to start at 7pm and available for repeat viewing.](#)

- | | | | |
|-----------|---|------------------|----------------|
| 1. | Apologies for Absence | | |
| 2. | Minutes of the previous meeting | | 5 - 8 |
| 3. | Auditor's Annual Report Year ended 31 March 2021 | All Wards | 9 - 44 |
| 4. | Internal Audit Progress Report 2022/23 | All Wards | 45 - 76 |
| 5. | Internal Audit Plan 2023/24 | All Wards | 77 - 98 |

- | | | | |
|-----|---|-----------|-----------|
| 6. | Risk Management | All Wards | 99 - 120 |
| 7. | S106 Financial Obligations | All Wards | 121 - 130 |
| 8. | Ordinary Council Motions | All Wards | 131 - 142 |
| 9. | Review of Outside Organisations | All Wards | 143 - 152 |
| 10. | Formal Complaints & Performance Indicator Working Group | All Wards | 153 - 182 |
| 11. | Scrutiny Work Programme 2022/23 | All Wards | 183 - 188 |
| 12. | Urgent Business An item of business may only be considered where the Chair is of the opinion that, by reason of special circumstances, which shall be specified in the Minutes, the item should be considered as a matter of urgency. | | |



Jonathan Stephenson
Chief Executive

Town Hall
Brentwood, Essex
27.02.2023

Information for Members

Substitutes

The names of substitutes shall be announced at the start of the meeting by the Chair and the substitution shall cease at the end of the meeting.

Where substitution is permitted, substitutes for quasi judicial/regulatory committees must be drawn from Members who have received training in quasi- judicial/regulatory decision making. If a casual vacancy occurs on a quasi judicial/regulatory committee it will not be filled until the nominated member has been trained.

Rights to Attend and Speak

Any Members may attend any Committee to which these procedure rules apply.

A Member who is not a member of the Committee may speak at the meeting. The Member may speak at the Chair's discretion, it being the expectation that a Member will be allowed to speak on a ward matter.

Members requiring further information, or with specific questions, are asked to raise these with the appropriate officer at least two working days before the meeting.

Point of Order/ Personal explanation/ Point of Information

Point of Order

A member may raise a point of order at any time. The Mayor will hear them immediately. A point of order may only relate to an alleged breach of these Procedure Rules or the law. The Member must indicate the rule or law and the way in which they consider it has been broken. The ruling of the Mayor on the point of order will be final.

Personal Explanation

A member may make a personal explanation at any time. A personal explanation must relate to some material part of an earlier speech by the member which may appear to have been misunderstood in the present debate, or outside of the meeting. The ruling of the Mayor on the admissibility of a personal explanation will be final.

Point of Information or clarification

A point of information or clarification must relate to the matter being debated. If a Member wishes to raise a point of information, he/she must first seek the permission of the Mayor. The Member must specify the nature of the information he/she wishes to provide and its importance to the current debate. If the Mayor gives his/her permission, the Member will give the additional information succinctly. Points of Information or clarification should be used in exceptional circumstances and should not be used to interrupt other speakers or to make a further speech when he/she has already spoken during the debate. The ruling of the Mayor on the admissibility of a point of information or clarification will be final.

Information for Members of the Public

Access to Information and Meetings

You have the right to attend all meetings of the Council and Committees. You also have the right to see the agenda, which will be published no later than 5 working days before the meeting, and minutes once they are published.

Dates of the meetings are available at www.brentwood.gov.uk.

Guidelines on filming, photography, recording and use of social media at council and committee meetings

The council welcomes the filming, photography, recording and use of social media at council and committee meetings as a means of reporting on its proceedings because it helps to make the council more transparent and accountable to its local communities.

Where members of the public use a laptop, tablet device, smart phone or similar devices to make recordings, these devices must be set to 'silent' mode to avoid interrupting proceedings of the council or committee.

If you wish to record the proceedings of a meeting and have any special requirements or are intending to bring in large equipment then please contact the Communications Team before the meeting.

The use of flash photography or additional lighting may be allowed provided it has been discussed prior to the meeting and agreement reached to ensure that it will not disrupt proceedings.

The Chair of the meeting may terminate or suspend filming, photography, recording and use of social media if any of

these activities, in their opinion, are disrupting proceedings at the meeting.

 **Private Session**

Occasionally meetings will need to discuss some of its business in private. This can only happen on a limited range of issues, which are set by law. When a Committee does so, you will be asked to leave the meeting.

 **modern.gov app**

View upcoming public committee documents on your Apple or Android device with the free modern.gov app.

  **Access**

There is wheelchair access to the meeting venue from the Main Entrance. If you do wish to attend this meeting, please contact the clerk should you have specific accessibility needs. There is an induction loop in the meeting room.

 **Evacuation Procedures**

Evacuate the building using the nearest available exit and congregate at the assembly point in the Car Park.



Minutes

Audit and Scrutiny Committee Tuesday, 24th January, 2023

Attendance

| | |
|-------------------------|--------------|
| Cllr Heard (Chair) | Cllr Haigh |
| Cllr Hirst (Vice-Chair) | Cllr Sankey |
| Cllr Barrett | Cllr Slade |
| Cllr Bridge | Cllr Wagland |
| Cllr Mrs Fulcher | |

Apologies

Substitute Present

Also Present

Cllr Hossack

Officers Present

| | |
|---------------|---|
| Emily Yule | - Strategic Director |
| Steve Summers | - Strategic Director |
| Andrew Hunkin | - Interim Director - People & Governance |
| Tim Willis | - Interim Director - Resources |
| Claire Mayhew | - Corporate Manager (Democratic Services) and Deputy Monitoring Officer |
| Zoe Borman | - Governance and Member Support Officer |

LIVE BROADCAST

[Live broadcast to start at 7pm and available for repeat viewing.](#)

322. Apologies for Absence

No apologies had been received.

323. Minutes of the previous meeting

The Minutes of the last meeting held on 15th November 2022 were agreed as a true record.

Members were updated regarding the closure of the 2020/2021 and 2021/2022 Statement of Accounts. Members had received notification that the 2020/2021 Statement of Accounts had been completed under delegated authority of the Section 151 Officer in December 2022.

Regarding 2021/22 Statements, the Council envisage a start date for July 2023.

324. Internal Audit Progress Report

This report was intended to inform the Audit and Scrutiny Committee of progress made against the 2022/23 internal audit plan.

The following report had been finalised since the last Committee:

- Democratic Services audit (Moderate/Moderate).

Ms Combrinck was present at the meeting and summarised the report.

Members raised concerns regarding the S106 Internal Audit report and recommendations and requested a schedule of S106 monies. Officers advised that there was monitoring processes in place which identified where the S106 monies are to be allocated from approved planning applications and assured Members that funds that had been identified by the Internal Audit report due to be spent before March 2023 had been allocated. The Chair agreed that an S106 update report would be provided to the next A&S Committee meeting on the 7th March 2023.

Following a full discussion, Members noted the report.

325. PI and Formal Complaints Working Group

This report submitted the report and recommendations of the Formal Complaints and Performance Indicators Working Group for consideration by the Audit & Scrutiny Committee.

Concerns were raised regarding the fall in recycling figures. Officers explained this could be due to the fact that following the pandemic and the return to work of residents, less recycling was being processed from homes.

It would take at least 6 months to review the trend going forward and obtain accurate recycling figures. However, the Council would be monitoring this.

Following discussion Cllr Heard **MOVED** and Cllr Hirst **SECONDED** the recommendations in the report.

A vote was taken by a show of hands and it was **RESOLVED UNANIMOUSLY** that Members:

Note the Formal Complaints and Performance Indicators Working Group report, as attached at Appendix A, and agree the recommendations contained within it.

Reasons for Recommendation

To ensure the Council provides quality customer services.

326. Scrutiny Work Programme

The Constitution requires that the Audit & Scrutiny Committee agrees its Scrutiny work programme at each meeting of the Committee. This report provided an update of the current scrutiny work programme as set out in Appendix A.

Mr Summers advised that there were two items within the Work Programme which were due to be reported to March committee. These were Council Motions and Member Representation on Outside Organisations.

Cllr Heard **MOVED** and Cllr Hirst **SECONDED** the recommendations in the report. A vote was taken by a show of hands and it was **RESOLVED UNANIMOUSLY**:

That the Committee considers and agrees the 2022/23 Scrutiny work programme as set out in Appendix A with any additions agreed by the committee at the meeting.

Reasons for Recommendation

The Constitution requires that the Audit & Scrutiny Committee agrees its Scrutiny work programme at each meeting of the Committee.

327. Urgent Business

There were no urgent items.

The meeting concluded at 19.35.

| | |
|---|-----------------------------|
| Committee: Audit & Scrutiny | Date: 7th March 2023 |
| Subject: Annual Audit Report 2020/21 | Wards Affected: All |
| Report of: Tim Willis, Interim Director - Resources | Public |
| Report Author: Name: Alistair Greer, Principal Accountant Telephone: 01277 312500 E-mail: alistair.greer@brentwood.gov.uk | For Information |

Summary

This report presents the Committee with the Annual Audit Report issued by the external auditors, Ernst & Young, following the completion of the audit of the 2020/21 accounts

Recommendation

Members are asked to:

R1. Note the contents of this report and the Annual Audit Report.

Main Report

Introduction and Background

1. The audit of the Council's 2020/21 statement of accounts was completed in December 2022. The purpose of the Annual Audit Report is to bring together all of the auditor's work over the year.
2. The Annual Audit Report is attached to this report as Appendix A. It confirms that an unqualified opinion was issued on the 2020/21 statement of accounts and that the Chief Financial Officer's use of the going concern basis of accounting is appropriate.
3. Section 3 of the Report, Financial Statements Audit, sets out the key issues identified as part of the audit. The most significant of these is about Minimum Revenue Provision (MRP) - see page 7 of the Report. The auditors' MRP specialist has concluded that the Council's historic MRP has been

understated by £640k. Officers has not made any adjustment in the 2020/21 accounts and have commissioned the Council's treasury advisors to carry out a review of the auditors' finding. The outcome of this review will determine whether any adjustment is made to the 2021/22 accounts and to the methodology used to calculate MRP in future years.

4. Appendix A set out the proposed audit fees payable in respect of the audit of the 2020/21 accounts

Issue, Options and Analysis of Options

5. Officers have reviewed the Audit Letter and are satisfied with its overall contents.
6. With regard to the proposed audit fees for 2020/21, the external auditors propose a scale rebasing fee of £36,001 and additional fees totalling £48,261 to take account of additional work done by them on a number of audit risks including property valuations (operational and investment properties) and reviewing the appropriateness of the Council's accounting of Covid-19 grants. Any scale fee would be payable on top of the basic audit fee of £52,365. The proposed additional fees have not yet been agreed by management.
7. The final decision on this matter sits with Public Sector Audit Appointments Ltd (PSAA). The external auditors will submit their proposal alongside the comments of the Interim Director - Resources comments to PSAA, who will determine the final fee for the 2020-21 audit. They will provide an update on the final fee position to this Committee when it has been determined by PSAA.

Reasons for Recommendation

8. To enable the Council to conclude the Statement of Accounts process for 2020/21.

Consultation

9. No consultation was required for this report.

References to Corporate Plan

10. Good financial management underpins all priorities within the Corporate Plan.

Implications

Financial Implications

Name/Title: Tim Willis, Interim Director - Resources

Tel/Email: 01277 312500/jacqueline.vanmellaerts@brentwood.gov.uk

11. The financial implications have been included within the main body of the report.

Legal Implications

Name & Title: Steve Summers, Interim Monitoring Officer

Tel & Email: 01277 312500/steve.summers@brentwood.gov.uk

12. All relevant legal considerations have been taken fully into account in compiling this report.

Economic Implications

Name/Title: Phil Drane, Director of Planning & Economy

Tel/Email: 01277 312500/philip.drane@brentwood.gov.uk

13. There are no direct Economic Implications arising from this report

Appendices to this report

Appendix A: Annual Audit Report 2020-21

This page is intentionally left blank

Brentwood Borough Council

**Auditor's Annual Report
Year ended 31 March 2021**

February 2023



Building a better
working world

Contents

| Section | Page |
|--|-------------|
| 01 - Executive Summary | 2 |
| 02 - Purpose and responsibilities | 6 |
| 03 - Financial statements audit | 8 |
| 04 - Value for Money | 14 |
| 05 – Other reporting issues | 32 |
| Appendix 1 – Fees | 34 |

Public Sector Audit Appointments Ltd (PSAA) issued the “Statement of responsibilities of auditors and audited bodies”. It is available from the PSAA website (<https://www.psaa.co.uk/audit-quality/statement-of-responsibilities/>). The Statement of responsibilities serves as the formal terms of engagement between appointed auditors and audited bodies. It summarises where the different responsibilities of auditors and audited bodies begin and end, and what is to be expected of the audited body in certain areas.

The “Terms of Appointment and further guidance (updated April 2018)” issued by the PSAA sets out additional requirements that auditors must comply with, over and above those set out in the National Audit Office Code of Audit Practice (the Code) and in legislation, and covers matters of practice and procedure which are of a recurring nature.

This report is made solely to the Audit Committee and management of Brentwood Borough Council in accordance with the statement of responsibilities. Our work has been undertaken so that we might state to the Audit Committee and management of Brentwood Borough Council those matters we are required to state to them in this report and for no other purpose. To the fullest extent permitted by law we do not accept or assume responsibility to anyone other than the Audit Committee and management of Brentwood Borough Council for this report or for the opinions we have formed. It should not be provided to any third-party without our prior written consent.

Our Complaints Procedure – If at any time you would like to discuss with us how our service to you could be improved, or if you are dissatisfied with the service you are receiving, you may take the issue up with your usual partner or director contact. If you prefer an alternative route, please contact Hywel Ball, our Managing Partner, 1 More London Place, London SE1 2AF. We undertake to look into any complaint carefully and promptly and to do all we can to explain the position to you. Should you remain dissatisfied with any aspect of our service, you may of course take matters up with our professional institute. We can provide further information on how you may contact our professional institute.

A close-up portrait of a woman's face, focusing on her eyes and nose. The image is partially obscured by a bright yellow rectangular overlay on the left side. The woman has light brown hair and green eyes.

Section 1

Executive Summary

Executive Summary: Key conclusions from our 2020/21 audit

| Area of work | Conclusion |
|--|---|
| Opinion on the Council's: | |
| Financial statements | <p>Unqualified – the financial statements give a true and fair view of the financial position of the Council as at 31 March 2021 and of its expenditure and income for the year then ended. The financial statements have been prepared properly in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2020/21.</p> <p>We issued our auditor's report on 16 December 2022.</p> |
| Going concern | We concluded that the Chief Financial Officer's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. |
| Consistency of the Statement of Accounts 2020/21 and other information published with the financial statements | Financial information in the Statement of Accounts 2020/21 and published with the financial statements was consistent with the audited accounts. |
| Reports by exception: | |
| Value for money (VFM) | <p>We had no matters to report by exception on the Council's VFM arrangements.</p> <p>We have included our VFM commentary in Section 04.</p> |
| Consistency of the annual governance statement | We were satisfied that the annual governance statement was consistent with our understanding of the Council. |
| Public interest report and other auditor powers | We had no reason to use our auditor powers. |

Executive Summary: Key conclusions from our 2020/21 audit

As a result of the work we carried out we have also:

| Outcomes | Conclusion |
|---|--|
| Issued a report to those charged with governance of the Council communicating significant findings resulting from our audit. | <p>We issued and presented our initial Audit Results Report to the Audit and Scrutiny Committee on 5 July 2022.</p> <p>As part of the closing procedures for the audit, we communicated the final findings from the 2020/21 audit to the Chair and Vice-Chair of the Audit and Scrutiny Committee on 16 December 2022.</p> |
| Issued a certificate that we have completed the audit in accordance with the requirements of the Local Audit and Accountability Act 2014 and the National Audit Office's 2020 Code of Audit Practice. | <p>We have performed the procedures required by the National Audit Office on the Whole of Government Accounts (WGA) submission. However, the rights and requirements of the NAO can extend beyond the revised thresholds of £2bn set by HM Treasury, which do not prejudice the rights of the NAO. As group auditor, the NAO WGA team will consider the revised HM Treasury thresholds alongside HM Treasury's developing analytical review controls and may require assurances from auditors of components who are below the HM Treasury thresholds.</p> <p>The change for 2020/21 is that in previous periods the existence of the HM Treasury thresholds has meant that in many instances the work that the NAO WGA team would have otherwise directed non-significant components to undertake in line with ISA 600 had already been carried out. The increase in HM Treasury's local government threshold means that there is a risk the NAO WGA team require some assurances from auditors of bodies below the new limit. Consequently, we cannot issue our certificate for 2020/21 until confirmation on the above-mentioned has been received from the NAO.</p> |

Fees

We carried out our audit of the Council's financial statements in line with PSAA Ltd's "Statement of Responsibilities of auditors and audited bodies" and "Terms of Appointment and further guidance (updated April 2018)". In order to meet regulatory and compliance audit requirements not present in the market at the time of our most recent bid to PSAA, we previously assessed the recurrent cost of additional requirements to carry out our audit and communicated this rebasing fee to the Council in 2019/20. Furthermore, as outlined in the Audit Results Report we were required to carry out additional audit procedures to address audit risks in relation to the rents overcharging issue, valuation of properties in property, plant & equipment and investment properties including addressing valuation differences identified, determining the appropriateness of the actuarial model design, reviewing the appropriateness of the Council's accounting of Covid-19 grants and infrastructure assets and appropriate disclosure of going concern.

Consequently, we intend to agree the associated rebasing fee and additional fee with the Interim Director of Resources, which will be presented to the Audit and Scrutiny Committee and to PSAA for determination. We include details of the proposed final audit fees in Appendix 1.

Executive Summary: Key conclusions from our 2020/21 audit

We would like to take this opportunity to thank the Council staff for their assistance during the course of our work.

Elizabeth Jackson

Partner

For and on behalf of Ernst & Young LLP

Section 2

Purpose and responsibilities

Purpose and responsibilities

Purpose

The purpose of the auditor's annual report is to bring together all of the auditor's work over the year. A core element of the report is the commentary on VFM arrangements, which aims to draw to the attention of the Council or the wider public relevant issues, recommendations arising from the audit and follow-up of recommendations issued previously, along with the auditor's view as to whether they have been implemented satisfactorily.

Responsibilities of the appointed auditor

We have undertaken our 2020/21 audit work in accordance with the Audit Plan that we issued on 7 December 2021 and updated planned work in the Audit Results Report issued on 5 July 2022. We have complied with the NAO's 2020 Code of Audit Practice, International Standards on Auditing (UK), and other guidance issued by the NAO.

As auditors we are responsible for:

Expressing an opinion on:

- The 2020/21 financial statements;
- Conclusions relating to going concern; and
- The consistency of other information published with the financial statements, including the annual report.

Reporting by exception:

- If the governance statement does not comply with relevant guidance or is not consistent with our understanding of the Council;
- If we identify a significant weakness in the Council's arrangements in place to secure economy, efficiency and effectiveness in its use of resources; and
- Any significant matters that are in the public interest.

Responsibilities of the Council

The Council is responsible for preparing and publishing its financial statements and governance statement. It is also responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

This report summarises our audit work on the 2020/21 financial statements.

Section 3

Financial Statement Audit

Financial Statement Audit

We have issued an unqualified audit opinion on the Council's 2020/21 financial statements.

Key issues

The Annual Report and Accounts is an important tool for the Council to show how it has used public money and how it can demonstrate its financial management and financial health.

On 16 December 2022, we issued an unqualified opinion on the financial statements. We issued and presented our initial Audit Results Report to the Audit Committee in June 2022. We communicated the final findings from the 2020/21 audit to the Chair and Vice-Chair of the Audit and Scrutiny Committee on 16 December 2022.

We outline below the key issues identified as part of our audit, reported against the significant risks and other areas of audit focus we included in our Audit Plan.

| Significant risk | Conclusion |
|---|---|
| <p>Misstatements due to fraud or error - management override of controls</p> <p>An ever present risk that management is in a unique position to commit fraud because of its ability to manipulate accounting records directly or indirectly, and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.</p> | <p>We did not identify any material weaknesses in controls or evidence of material management override, instances of inappropriate judgements being applied; or any other transactions during our audit which appear unusual or outside the Council's normal course of business.</p> |
| <p>Inappropriate capitalisation of expenditure</p> <p>Under ISA 240 there is a presumed risk that revenue may be misstated due to improper revenue recognition. In the public sector, this requirement is modified by Practice Note 10 issued by the Financial Reporting Council, which states that auditors should also consider the risk that material misstatements may occur by the manipulation of expenditure recognition. We have identified an opportunity and incentive to capitalise expenditure under the accounting framework, to remove it from the general fund.</p> | <p>Our sample testing of additions to PPE:</p> <ul style="list-style-type: none">• We identified one instance where capital had been included within the wrong financial year;• All costs were correctly classified as capital and included at the correct value; and• Did not identify any revenue items that were incorrectly classified as capital. <p>Our data analytical procedures also did not identify any journal entries that incorrectly moved expenditure into capital codes.</p> |

Continued over.

Financial Statement Audit (continued)

| Significant Risk | Conclusion |
|--|---|
| <p>Minimum Revenue Provision (MRP)</p> <p>We identify and respond to this risk on every audit engagement. This risk manifests itself in areas where management makes significant judgements that impact charges to the general fund balance. Local authorities are required to charge MRP to the General Fund in each financial year. The calculation of this charge is based on the Capital Financing Requirement. Local authorities have flexibility in how they calculate MRP, providing the calculation is 'prudent'. In calculating a prudent provision, local authorities are required to have regard to statutory guidance.</p> <p>With significant increase in financing, there is a risk that provision is not prudent. As such we associate this risk with Minimum Revenue Provision.</p> | <p>Our MRP specialist reviewed the Council's calculations and identified that MRP was understated by £640,000. This was treated as an unadjusted misstatement in the 2020/21 financial statements. We also identified differences in the Council's methodology for calculating MRP from the recommended guidance.</p> <p>This error impacts on the General Fund and management decided not to adjust in 2020/21 to give them time to review the findings and obtain expert advice about the view of our expert before making any adjustment to the 2021/22 accounts or the methodology they use to calculate MRP.</p> |
| <p>Land & Building and Investment Property Valuation</p> <p>Council's asset base is large when compared to local government bodies similar in size from a revenue budget perspective with Other land and buildings, surplus assets and investment properties all being multiple times our materiality.</p> <p>These assets represent a significant balance in the Council's accounts and are subject to valuation changes, impairment reviews and depreciation charges. Material judgemental inputs and estimation techniques are required to calculate the year-end fixed asset balances held in the balance sheet</p> | <p>The audit team reviewed the revaluation of 16 properties selected from PPE. We also employed the use of our own expert, EY Real Estates (EYRE), to support the work in relation to the valuation of 5 of these properties.</p> <p>From our work performed, we identified an error in relation to Childerditch Industrial Park being overstated which led to the valuer reducing the valuation in line with that of EYRE.</p> <p>We were satisfied that the valuation of land and buildings in PPE and Investment Properties are materially fairly stated and appropriately disclosed.</p> |

Continued over.

Financial Statement Audit (continued)

In addition to the significant risks above, we also concluded on the following areas of audit focus.

| Other area of audit focus | Conclusion |
|---|--|
| <p>Pension Liability valuation</p> <p>The Council's current pension fund deficit is a highly material sensitive item and the Code requires that this liability be disclosed on the Council's balance sheet.</p> | <p>Under the revised ISA540 on estimates we are required to evidence that the actuary's model for calculating the estimate is correct and data has been entered correctly. Considering the nature of this requirement, we have engaged our EY Pensions Specialists to recalculate the liability based on the assumptions and data in the IAS 19 report to confirm accuracy. Using this model we have been able to independently reconcile our roll forward with the figures produced by the actuary as at the disclosure date to a difference of less than 1% of the figure for the liabilities. Having implemented the above checks, it is our view that the figures for the Scheme's liability for the disclosures as at 31 March 2021 are acceptable.</p> |
| <p>Going concern disclosures</p> <p>The Council is required to carry out an assessment of its ability to continue as a going concern for the foreseeable future, being at least 12 months after the date of the approval of the financial statements. There is a risk that the Council's financial statements do not adequately disclose the assessment made, the assumptions used and the relevant risks and challenges that have impacted the going concern period.</p> | <p>We reviewed management's going concern assessment and consulted with Professional Practice Department and confirmed that management's conclusion that the Council remains a going concern was based on reasonable and supportable assumptions.</p> <p>We also reviewed management's going concern disclosure and confirmed it was sufficiently detailed, transparent and accurately reflects management's underlying going concern assessment.</p> |
| <p>Accounting for property acquisitions and leisure centres</p> <p>We have identified following material transactions which involves judgement and accounting treatment could be challenging.</p> <ul style="list-style-type: none">• Brentwood Leisure Trust, which operated the Council's leisure centre, went into liquidation. This resulted in the Council bringing the operation of the centre back in house during November 2020.• The Council purchased £89.1m properties which are classified as surplus assets. | <p>We have reviewed and challenged the accounting treatment proposed by management in the draft financial statements. This has resulted in an amendment of £89.1 million to the financial statements to reclassify the assets from Surplus Assets to Other Land and Buildings.</p> <p>This also resulted in a change of valuation basis and the Council obtained a new valuation for these assets which has been audited and challenged by EYRE.</p> <p>Following the amendment to the valuation, we were satisfied that the accounting for property acquisitions are fairly stated and appropriately disclosed.</p> |

Continued over.

Financial Statement Audit (continued)

| Other area of audit focus | Conclusion |
|--|--|
| <p>Accounting for Covid-19 related grant funding</p> <p>The Council received government funding in relation to Covid-19. Whilst there is no change in the CIPFA Code or accounting standard (IFRS 15) in respect of accounting for grant funding, the emergency nature of some of the grants received and in some cases the lack of clarity on any associated restrictions and conditions, means that the Council will need to apply a greater degree of assessment and judgement to determine the appropriate accounting treatment in 2020/21.</p> | <p>We were satisfied that the accounting treatment adopted for Covid-19 related government grants accorded with the Council's assessment of whether it was acting as agent or principal, the underlying conditions of the grant and whether those conditions had been met.</p> |
| <p>Valuation of NNDR Appeals Provision</p> <p>Brentwood Borough Council's NNDR Appeal Provision was valued at £1.2m at 31 March 2021. This is a high value estimate driven by internal calculations and judgement.</p> | <p>We were satisfied that the accounting treatment adopted for provisions is appropriate and the calculations are accurate.</p> |
| <p>Group Accounts</p> <p>Seven Arches Investment Limited (SAIL), wholly owned investment company, has a significant investment properties base. Material judgemental inputs and estimation techniques are required to calculate the year-end Group investment properties balances held in the balance sheet. As the Group Investment properties base is significant, and the outputs from the valuer are subject to estimation, there is a higher inherent risk assets may be under/overstated or the associated accounting entries incorrectly posted. ISAs (UK and Ireland) 500 and 540 require us to undertake procedures on the use of experts and assumptions underlying fair value estimates.</p> | <p>Our investment properties valuation testing covered the SAIL assets and our work concluded that the assets were materially fairly stated.</p> <p>Our review of the group accounts did not identify any material issues and we are satisfied that the figures included are accurately stated. There were a small number of amendments required to the consolidation of the subsidiaries for the final version of the accounts.</p> |

Financial Statement Audit (continued)

Audit differences

We identified a number of misstatements and disclosures errors which management corrected in the final version of the financial statements that we do not need to individually report to you.

We identified the following misstatements greater than the reporting threshold that have been corrected by management:

- Reclassification of £89.1m of Surplus Assets to Other Land and Buildings, with a revised valuation basis increasing these assets by £1.065m;
- £118k disclosure amendment for s106 grants missing from the Capital Expenditure and Financing note;
- £5m disclosure amendment between short and long term borrowing in the Group Balance Sheet. The long term debt balance was understated and the short term balance overstated so no impact on the total Net Assets;
- £573k adjusted misstatement in the Property, Plant and Equipment (PPE) note and Balance Sheets as an asset that was shown as transferring from Assets Under Construction (AUC) to Infrastructure during 2020/21 was still an AUC at year end as the capital works did not complete until 2021/22 financial year;
- £241k adjusted misstatement to Additions in the PPE note as these assets should have been shown as AUC; and
- £231k adjusted misstatement to council tax receivable total in the Collection Fund account as this figure was understated and the impairment of council tax debts was overstated.

Management also identified misstatements as part of their review of the accounts before the audit work began in November 2021 and corrected these in the final version. These were reported to the Audit and Scrutiny Committee by management and in our Audit Results Report.

We also identified two misstatements that management has declined to adjust in the final version accounts:

- Minimum revenue provision – our review of the MRP calculation has identified an understatement of £640k in the MRP charged since 2016/17. This adjustment would impact on the General Fund and management has requested additional time to review the findings and obtain expert advice about the view of our expert before making any adjustment to the accounts.
- Depreciation charge on infrastructure assets - £77k depreciation was not charged on some of the infrastructure assets that have a remaining useful life at the Balance Sheet date.

Our application of materiality

When establishing our overall audit strategy, we determined a magnitude of uncorrected misstatements that we judged would be material for the financial statements as a whole.

| Item | Thresholds applied |
|-----------------------------|---|
| Planning materiality | We determined planning materiality to be £1.034m as 2% of gross revenue expenditure reported in the accounts. We consider gross revenue expenditure to be one of the principal considerations for stakeholders in assessing the financial performance of the Council. |
| Reporting threshold | We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of £51,000. |

Section 4

Value for Money

Value for Money (VFM)

We did not identify any risks of significant weaknesses in the Council's VFM arrangements for 2020/21.

Scope and risks

We have complied with the NAO's 2020 Code and the NAO's Auditor Guidance Note in respect of VFM. We presented our VFM risk assessment to the Audit and Scrutiny Committee in July 2022, which was based on a combination of our cumulative audit knowledge and experience, our review of Council and committee reports, meetings with the senior officers and evaluation of associated documentation through our regular engagement with management and the finance team. We reported that we had identified two risks of significant weaknesses in the Council's VFM arrangements for 2020/21 in relation to:

- Financial resilience; and
- Oversight and governance arrangements over the Council's subsidiary company, Seven Arches Investment Limited.

We had no matters to report by exception in the audit report.

Reporting

We completed our planned VFM arrangements work, including our work in relation to the risk of significant weakness and reported this in our Audit Results Report taken to the July 2022 Audit and Scrutiny Committee. We concluded that we had not identified any significant weaknesses in the Council's VFM arrangements. As a result, we had no matters to report by exception in the audit report on the financial statements.

Our VFM commentary highlights relevant issues for the Council and the wider public.

VFM Commentary

In accordance with the NAO's 2020 Code, we are required to report a commentary against three specified reporting criteria:

- Financial sustainability
How the Council plans and manages its resources to ensure it can continue to deliver its services;
 - Governance
How the Council ensures that it makes informed decisions and properly manages its risks; and
 - Improving economy, efficiency and effectiveness:
How the Council uses information about its costs and performance to improve the way it manages and delivers its services.
-

Introduction and context

The 2020 Code confirms that the focus of our work should be on the arrangements that the audited body is expected to have in place, based on the relevant governance framework for the type of public sector body being audited, together with any other relevant guidance or requirements. Audited bodies are required to maintain a system of internal control that secures value for money from the funds available to them whilst supporting the achievement of their policies, aims and objectives. They are required to comment on the operation of their governance framework during the reporting period, including arrangements for securing value for money from their use of resources, in a governance statement.

We have previously reported the VFM work we have undertaken during the year including our risk assessment. The commentary below aims to provide a clear narrative that explains our judgements in relation to our findings and any associated local context.

The Council has had the arrangements we would expect to see to enable it to plan and manage its resources to ensure that it can continue to deliver its services.

For 2020/21, the significant impact that the Covid-19 pandemic has had on the Council has shaped decisions made, how services have been delivered and financial plans have necessarily had to be reconsidered and revised.

We have reflected these national and local contexts in our VFM commentary.

Financial sustainability

How the body ensures that it identifies all the significant financial pressures that are relevant to its short and medium-term plans and builds these into them

Monthly budget monitoring reports are produced by finance. The Council uses Budgeting Tool Collaborative Planning function to produce these reports. Service Managers and Accountants feed forecasts into the system and reports are produced and presented to the Corporate Leadership Team (CLT) on a monthly basis. The Section 151 Officer is part of CLT and any slippages or pressures arising are discussed at the monthly extended CLT meeting. Corrective action can then be taken as appropriate to mitigate any variances. The monthly financial reporting dashboards provide sufficient information to make decisions on the financial position in a timely manner.

The Medium Term Financial Strategy (MTFS) is a live document. The Council keeps their MTFS position under constant review, to identify significant areas of concern that may impact their financial resilience in the future. Consideration is given to both the short term and medium term impact to understand what planning assumptions needs to be made which are evidenced based as opposed to risk based which similarly determine recurrent and non-recurrent planning assumptions.

Financial sustainability (continued)

How the body plans to bridge its funding gaps and identifies achievable savings

The Council's plans focus around income generation from its wholly owned subsidiary as well as lobbying government for greater transparency on the future funding. The draft MTFS was presented to the Policy, Resources and Economic Development (PRED) Committee in November 2022 and this included an indicative outturn report for 2022/23. This showed an anticipated £6k variance on the revised revenue budget and £115k to the original revenue budget.

The key assumptions to arrive at the financial forecasts for 2023/24 - 2025/26 are based on the assumptions set out with the Budget Guidelines Appendix reported to PRED committee on 13 July 2022. In addition to these assumptions, in year adjustments have been made to ensure budgets fairly reflect the cost of providing the current service to the borough and known pressures and savings. The Council is planning to maintain its minimum level of GF reserves of £2.5m and is predicting to have a year end balance at 31 March 2023 of £2.874m.

The Council has had the arrangements we would expect to see to enable it to plan and manage its resources to ensure that it can continue to deliver its services.

How the body plans finances to support the sustainable delivery of services in accordance with strategic and statutory priorities

The MTFS aligns to the Corporate Strategy and as part of budget setting process an annual review is carried out of the Corporate Strategy. The Corporate Strategy is the 'top level' document of the organisation to which all other strategies and policies are informed. The MTFS ensures that financial resources are allocated appropriately to deliver the strategic priorities and objectives of the Council.

Given the scale of challenge for 2022/23, given the size of the budget gap, each saving, efficiency and transformational opportunities were considered in detail against the Corporate Plan to ensure the Council did not have to make a policy or priority change.

The Council's approach is to continue to allocate resources to deliver the Corporate Plan in a strategic and sustainable manner. This is achieved through working with portfolio Cabinet Members and through robust challenge provided by the Policy, Resources and Economic Development (PRED) Committee. Given the financial uncertainty, allocating the appropriate resources to each service is important and one which Members need to consider against the range of commitments and promises and risks.

Financial sustainability (continued)

How the body ensures that its financial plan is consistent with other plans such as workforce, capital, investment, and other operational planning which may include working with other local public bodies as part of a wider system

The MTFS is constructed alongside the Capital & Investment Strategy with oversight by the Section 151 Officer. Regular monthly extended CLT meetings feed into the budget setting process. In addition, Annual Budget Challenge meetings are held with all services, which pre-covid were led by the Chief Executive. Since covid, the challenge meetings have been informal (for the 2022/23 budget) but the Council is reinstating these formal challenge meetings for the 2023/24 budget setting review.

The Council has had the arrangements we would expect to see to enable it to plan and manage its resources to ensure that it can continue to deliver its services.

How the body identifies and manages risks to financial resilience, e.g. unplanned changes in demand, including challenge of the assumptions underlying its plans.

Monthly reporting to CLT identifying key significant challenges and variances. Budget Assumptions report to PRED on an annual Basis at the July committee meeting.

The Council has also set up a wholly owned company, SAIL, to try and mitigate the risks of financial resilience by generating income from asset purchases and regeneration. This is reviewed on a regular basis by management and members.

Financial Sustainability: Response to risk of significant weakness in arrangements

Risk: Financial Resilience

In 2019/20 we included a material uncertainty paragraph in our audit report highlighting the disclosure made by the Council in its financial statements on the basis of preparation of the accounts and the impact of C19 on Council finance and its ability to continue as a going concern. This was not a modification to the audit report but reflected that a material uncertainty existed that may cast significant doubt on the Council's ability to continue providing the current level of services without an increase in planned income.

The financial landscape for the Council remains highly challenging and it will again need to undertake a going concern assessment covering a period up to 12 months from the expected date of final authorisation. It will also need to make an appropriate disclosure in the financial statements.

Risk of significant weakness conclusion: The Council had the arrangements in place we would expect to see to enable them to identify and properly manage the financial resilience risks.

The risk did not lead to a weakness in the financial sustainability arrangements in 2020/21.

As at 31 March 2021, the councils short and long term position increased significantly compared to prior year. The council also granted £60m loan to its subsidiary (SAIL), made decisions to bring leisure centre in house and invested in property worth £89m.

Conclusion

We have reviewed the Council's arrangements for setting its base budget and medium term financial plan, and run stress tested scenarios using industry, socio-demographic and macro-economic indicators. We have assessed the Council's level of financial resilience risk against each of these indicators. In addition, we have also assessed the Council's arrangements for borrowing and debt repayment against its nearest neighbours. Finally we have considered the Council's management assessment for going concern (continuity of service provision) alongside its budget and cashflow forecasting until August 2023 should this work have pointed to any weaknesses in the Council's arrangements during the 2020/21 financial year.

We found that the Council's:

- Budget and medium term financial planning (its base case) is appropriate and reasonable to its circumstances;
- Borrowing and debt profile has been restructured to address the higher risks present during the 2020/21 financial year on the proportion of short term borrowing it was exposed to; and

Financial Sustainability: Response to risk of significant weakness in arrangements

Risk: Financial Resilience

Conclusion (continued)

- Ability to maintain continuity of service provision and minimum level of general fund reserves and balances is appropriate, in spite of having a medium term financial gap and do not pose a significant risk to the Council's financial resilience.

Our resilience indicator assessment identified two areas of higher financial resilience risk which the Council should continue to actively monitor and put in place further mitigating actions.

The first is the risk that appears to be particularly concentrated towards contract Inflation, with a high portion of the Council's expenditure indicated to sit against 'running expenses.'

Second and finally, the Council's debt and principle payments despite being restructured and actively managed still appear relatively high compared with national averages.

We have not identified any significant weaknesses in the Council's arrangements.

However, we have made the following recommendation:

- **The Council needs to closely monitor and take appropriate action to mitigate the risk of high borrowing on its medium and longer term financial stability.**

Risk of significant weakness conclusion: The Council had the arrangements in place we would expect to see to enable them to identify and properly manage the financial resilience risks.

The risk did not lead to a weakness in the financial sustainability arrangements in 2020/21.

Governance

How the body monitors and assesses risk and how the body gains assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud

The structures and processes are set out in the Annual Governance Statement. Risk is monitored both operationally and strategically across the Council. There is an overarching Risk and Insurance Strategy that is refreshed every two years. This sets the tone for all officers at the Council to follow for identifying and managing risk.

The risk management process is managed using spreadsheets on SharePoint where risk owners make amendments. The corporate risks are reported to the Audit and Scrutiny Committee quarterly and operational risks are monitored by Heads of Service on a regular basis as part of team meetings.

The BDO Internal Audit Plan covers Corporate Fraud arrangements and work carried out / findings are reported to the Audit and Scrutiny Committee.

The Council has had the arrangements we would expect to see to enable to make informed decisions and properly manage its risks.

How the body approaches and carries out its annual budget setting process

The Council prepares the annual budget assumptions paper which is reported to PRED committee in July. This sets out the budget guidelines and financial forecast for the next financial year (2023/24) and gives members an opportunity to challenge the assumptions underpinning the budget before they review and approve the MTFS. This process gives an early indication to the financial challenges being faced by the Council and gives time for mitigation to be put in place. The forecast also includes a forward look over the next 10 years at a high level so management and members can make medium to longer term decisions.

How the body ensures effective processes and systems are in place to ensure budgetary control; to communicate relevant, accurate and timely management information (including non-financial information where appropriate); supports its statutory financial reporting requirements; and ensures corrective action is taken where needed.

The Council has in place a performance framework which brings together financial, performance, risk and HR reporting. These four areas are reported to the CLT and then members. Before this happens, officers of the respective services review them to understand the interdependencies between the data and key messages. This process is overseen by the section 151 officer.

The Council has in place a budget monitoring timetable which is communicated to all budget managers and this includes the deadlines for entering their forecast

Governance (continued)

information and reporting requirements. Similarly, the performance team has in place a timetable for reporting of activity and performance indicators.

The work of Internal Audit is then pivotal to ensure the Council has a robust control framework within services. BDO reviews the financial planning and monitoring process on an annual basis. In July 2021 and 2022 IA reported to Audit and Scrutiny Committee that the assurance levels were 'Substantial / Substantial' which is their highest assurance rating awarded.

How the body ensures it makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency. This includes arrangements for effective challenge from those charged with governance/audit committee.

The Council has had the arrangements we would expect to see to enable to make informed decisions and properly manage its risks.

The Monitoring Officer is a member of the Corporate Leadership Team, where decision making reports are considered. Each report has a "Summary of Legal Implications" Section, where the relevant legislation is identified and the proposed decisions are considered in this context. The section 151 Officer meets with the Chair of Audit and Scrutiny Committee on a monthly basis to keep them up to date on any issues arising.

The Council also has a Scrutiny programme with appropriate working groups in place to ensure decisions are measured and considered before reports are presented to member committees for approval.

The Council has a wholly owned company, Seven Arches Investment Limited (SAIL) which it set up to manage three council owned assets via a lease arrangement and it holds five assets itself. The purpose of SAIL is to support the revenue budget of the Council by being an income generating vehicle. The Council loaned SAIL £60m in 2020/21 to purchase assets and needs a return from SAIL to make the loan interest payments.

How the body monitors and ensures appropriate standards, such as meeting legislative/regulatory requirements and standards in terms of officer or member behaviour (such as gifts and hospitality or declarations/conflicts of interests)

The Council has in place a Code of Conduct for members and officers which sets out the standards and behaviours expected. The Monitoring Officer is responsible for ensuring that standards are met.

Underlying the Codes, the Council has in place operational procedures for gifts and hospitality, conflicts of interest etc. which are reported through the HR system. Annual senior staff and member declarations forms are completed and reported in Statement of Accounts within related parties.

Governance: Response to risk of significant weakness in arrangements

Risk: Oversight and governance arrangements over the Council's subsidiary company

The council is investing significantly in commercial activities through its wholly owned subsidiary – SAIL. As at 31 March 2021, the council provided £60m of loans to SAIL and received rent of £168k through properties owned by the subsidiary.

The council also formed partnership, called Brentwood Development Partnership. This is joint venture arrangement councils wholly owned subsidiary (SAIL) and Morgan Sindall. The exposure to SAIL and other commercial investment has a significant impact on the council's future, as this is a key part of the council delivering balanced budgets going forward. There is a risk of significant weakness in the way the Council exercises appropriate governance and financial probity to understand and mitigate against the risks it could be exposed to from its increased commercial investments

Risk of significant weakness conclusion: The Council had the arrangements we would expect to see to enable to make informed decisions and properly manage its risks. The risk did not lead to a weakness in the governance arrangements in 2020/21.

Conclusion

We undertook a detailed review of the how Council exercises appropriate oversight of the finances, governance and operations of SAIL and how it mitigates any risks and exposure this has on its financial resilience, governance and risk management arrangements.

We have found that the Council:

- Exhibit many aspects of good practice in its governance arrangements with SAIL, including clear and distinct roles, responsibilities and alignment with strategic and business plans, goals. This also extends to joint venture governance through Brentwood Development Partnership.
- Have established processes which enable senior officers at the Council to exercise appropriate oversight of SAIL's operational delivery programme.
- Have worked with SAIL to ensure there is diversification in the asset portfolio to respond to volatility seen in retail and leisure sectors before and following the Covid-19 pandemic.
- Understands the short, medium and long term risks to its exposure to SAIL and is reflected in its financial and risk management plans.

Given the development lifecycle of SAIL's project and delivery programme, the Council needs to strengthen how it monitors and regularly reviews the financial risks, opportunities from these initiatives alongside scenario planning on the choices and alternatives it has to preserve its financial resilience.

Governance: Response to risk of significant weakness in arrangements

Risk: Oversight and governance arrangements over the Council's subsidiary company

Conclusion (continued)

In FY20 and FY21, SAIL have reported operating losses and negative equity. Although this has been as a result of increased liabilities (via Council borrowing and lending to SAIL) for acquisitions and fair value adjustments to asset valuations, the current macro-economic environment necessitates a higher risk via inflationary pressures, supply chain constraints, delays and increased interest rates.

As SAIL is changing its business focus to in-borough opportunities that are centred around development and regeneration, it may spend a high proportion of costs on construction labour and materials. In addition, the current SAIL portfolio returns that are reflected in its ten-year model assume full occupancy, with only a 1% contingency built-in.

The Council should consider whether this contingency appropriately reflects the Coronavirus Act requirements which has suspended a landlord's ability to take forfeiture action for business tenancies in England and Wales.

We have not identified any significant weaknesses in the Council's arrangements.

However, we have made the following recommendation:

- **The Council needs to ensure that regular scrutiny of its subsidiaries continues at management and member level and any dips in financial performance of SAIL is understood and mitigated so there is limited impact on the Council's financial position.**

Risk of significant weakness conclusion: The Council had the arrangements we would expect to see to enable to make informed decisions and properly manage its risks.

The risk did not lead to a weakness in the governance arrangements in 2020/21.

Improving economy, efficiency and effectiveness

How financial and performance information has been used to assess performance to identify areas for improvement.

The Corporate Leadership Team reviews monthly the financial and performance information of the Council. On a quarterly basis, performance indicators (PI's) are reported to Audit and Scrutiny Committee and there is regular budget monitoring reported to PRED Committee. Both CLT and members challenge the performance information and action is taken as appropriate by the service.

In addition, the Council has set up a sub-group of the Audit and Scrutiny Committee, the Performance Indicators and Formal Complaints Working Group, which reviews PIs in detail.

The Council has had the arrangements we would expect to see to enable it to use information about its costs and performance to improve the way it manages and delivers services.

How the body evaluates the services it provides to assess performance and identify areas for improvement

The main mechanism of evaluation of the service performance is through the work of Internal Audit (IA) which focuses on core areas of the Council and risk areas that need additional support or intervention. IA reports a progress update report to every Audit and Scrutiny Committee. In addition, the Council reviews the Corporate Plan Objectives on an annual basis as part of the budget setting process.

The Council's working group for PI's challenges the performance of services and action is taken as appropriate.

How the body ensures it delivers its role within significant partnerships, engages with stakeholders it has identified, monitors performance against expectations, and ensures action is taken where necessary to improve

The Council has entered in to a partnership with Rochford DC for a shared Chief Executive and Corporate Management Team. The plans were challenged by members as part of the approved governance processes for making decisions. Pre-scrutiny of the decision to form a joint CLT was undertaken at Audit and Scrutiny Committee in January 2022.

The decision was then approved by the Ordinary Council meeting on 26 January 2022 and updates are presented to PRED Committee as to progress being made against the plans.

Improving economy, efficiency and effectiveness (continued)

How the body ensures that commissioning and procuring services is done in accordance with relevant legislation, professional standards and internal policies, and how the body assesses whether it is realising the expected benefits.

The Council has an internal dedicated Procurement Team which assists and advises commissioners on all procurement related matters, ensuring full compliance with the Council's Contract Procedure Rules (CPR's) which in turn ensures compliance with National legislation. The Council also has a strict 'No PO, No Pay' policy which acts as a barrier to ensure officers consider the requirements of CPR's prior to commitment.

The Procurement Strategy is available to all staff and the Financial Regulations are set out in the Constitution. The Procurement Officer and Monitoring Officer are responsible for ensuring compliance.

The Council has had the arrangements we would expect to see to enable it to use information about its costs and performance to improve the way it manages and delivers services.



Section 5

Other Reporting Issues

Other Reporting Issues

Governance Statement

We are required to consider the completeness of disclosures in the Council's governance statement, identify any inconsistencies with the other information of which we are aware from our work, and consider whether it complies with relevant guidance.

We completed this work and did not identify any areas of concern.

Whole of Government Accounts

We have performed the procedures required by the National Audit Office on the Whole of Government Accounts submission. However, the NAO WGA team will consider the revised HM Treasury thresholds alongside HM Treasury's developing analytical review controls and may determine assurances from auditors of components who are below these revised HM Treasury thresholds.

Report in the Public Interest

We have a duty under the Local Audit and Accountability Act 2014 to consider whether, in the public interest, to report on any matter that comes to our attention in the course of the audit in order for it to be considered by the Council or brought to the attention of the public.

We did not identify any issues which required us to issue a report in the public interest.

Other powers and duties

We identified no issues during our audit that required us to use our additional powers under the Local Audit and Accountability Act 2014.

Control Themes and Observations

As part of our work, we obtained an understanding of internal control sufficient to plan our audit and determine the nature, timing and extent of testing performed. Although our audit was not designed to express an opinion on the effectiveness of internal control, we are required to communicate to you significant deficiencies in internal control identified during our audit.

We have adopted a fully substantive approach and have therefore not tested the operation of controls.

We have not identified any significant deficiencies in the design or operation of an internal control that might result in a material misstatement in your financial statements. However, we have reported one deficiency in the reconciliation process between the Fixed Asset Register and General Ledger as there were differences between the systems in 2020/21.

Appendix A

Audit Fees

Audit Fees

Our final proposed fees for 2020/21 are set out in the table below:

| Description | Final Proposed Fee 2020/21 £ | Planned Fee 2020/21 £ | Final Fee 2019/20 £ |
|--|------------------------------------|--------------------------|------------------------|
| PSAA scale fee | 52,365 | 52,365 | 52,365 |
| <i>Final 2020/21 scale fee variation determined by PSAA (Note 1)</i> | | | 20,617 |
| Scale fee rebasing (Note 2) | 36,001 | 36,001 | - |
| In-year scale fee variation (Note 3) | | | |
| VFM risks | 28,000 | - | - |
| New ISA 540 & VFM work | 8,500 | - | - |
| Other scale fee variations | 11,761 | - | - |
| Total audit related fees | 136,627 | 88,366 | 72,982 |

* this is our proposed figure that is to be submitted to the PSAA

Note 1 – The 2019/20 final fee includes a scale fee variation which has been determined by PSAA of £20,617 which is 60% of the £34,575 submitted to them for approval.

Note 2 - Given the number of significant risks and areas of audit focus that we highlighted in our audit plan as areas of additional work and in order to meet regulatory and compliance audit requirements not present in the market at the time of our most recent bid to PSAA, we undertook additional work at a fee of £36,001 to deliver the audit in 2020/21 which we expect to reoccur in subsequent years.

Note 3 - We have identified new and continuing risks for 2020/21 that are not within the scale fee. Additional work was required to address these risks and we will quantify the impact of these on the fee and discuss with management. This fee also includes the impact of amended auditing standards, and the changing requirements for our VFM responsibilities. PSAA has provided outline amounts to charge for the work required to address these latter areas.

EY | Building a better working world

EY exists to build a better working world, helping to create long-term value for clients, people and society and build trust in the capital markets.

Enabled by data and technology, diverse EY teams in over 150 countries provide trust through assurance and help clients grow, transform and operate.

Working across assurance, consulting, law, strategy, tax and transactions, EY teams ask better questions to find new answers for the complex issues facing our world today.

EY refers to the global organization, and may refer to one or more, of the member firms of Ernst & Young Global Limited, each of which is a separate legal entity. Ernst & Young Global Limited, a UK company limited by guarantee, does not provide services to clients. Information about how EY collects and uses personal data and a description of the rights individuals have under data protection legislation are available via ey.com/privacy. EY member firms do not practice law where prohibited by local laws. For more information about our organization, please visit ey.com.

© 2022 EYGM Limited.
All Rights Reserved.

ED None

This material has been prepared for general informational purposes only and is not intended to be relied upon as accounting, tax, legal or other professional advice. Please refer to your advisors for specific advice.
ey.com

| | |
|--|----------------------------|
| Committee: Audit and Scrutiny | Date: 7 March 2023 |
| Subject: Internal Audit Progress Report 2022/23 | Wards Affected: All |
| Report of: Tim Willis, Interim Director Resources and Section 151 Officer | Public |
| Report Author/s: Tim Willis, Interim Director Resources and Section 151 Officer Telephone: 07870 863270 E-mail: Tim.Willis@brentwood.rochford.gov.uk | For Information |

Summary

This report is intended to inform the Audit and Scrutiny Committee of progress made against the 2022/23 internal audit plan.

The following report has been finalised since the last Committee:

- Cyber security audit (Moderate/Moderate)

Main Report

Introduction and Background

1. This report is intended to inform the Audit and Scrutiny Committee of progress made against the 2022/23 internal audit plan. It summarises the work internal audit have done, together with their assessment of the systems reviewed and the recommendations they have raised.
2. Their work complies with Public Sector Internal Audit Standards. As part of their audit approach, they have agreed terms of reference for each piece of work with the risk owner, identifying the headline and sub-risks, which have been covered as part of the assignment. This approach is designed to enable them to give assurance on the risk management and internal control processes in place to mitigate the risks identified.
3. The Audit Committee approved the 2022/23 outline summary audit plan in July 2022 and the full audit plan was presented as a separate agenda item for the Audit and Scrutiny Committee meeting in September 2022 and November 2022. The progress against plan is reported at every Audit and Scrutiny Committee during 2022/23.

Issue, Options and Analysis of Options

4. The following report has been finalised since the last Committee:

- Cyber security audit (Moderate/Moderate)

The conclusion of the audit is as follows:

Cyber security audit (Moderate/Moderate)

5. The Council has effective processes in place for the monitoring of its infrastructure in addition to responding to cyber incidents and threats by working proactively with its managed service provider, Hytec. However, potential risks and vulnerabilities should be identified, escalated and addressed in a timely manner. Improvements are also required to ensure that policies and processes are robust, accurately documented and communicated to staff.

We have raised one high priority, one medium priority and two low priority recommendations to improve the Council's cyber security controls and procedures.

Consequently, we conclude moderate assurance over the design of the Council's cyber security controls as well as their operational effectiveness.

6. A Summary of outstanding Recommendations from previous audits are included in Appendix B – Follow up report.
7. This is regularly monitored by Senior Officers and will be followed up again ahead of the next Audit and Scrutiny Committee, along with other recommendations due by 31 May 2023.

Consultation

Not applicable.

References to Corporate Strategy

To ensure the Council is effective and efficient by delivering services that are value for money and meet the needs of our residents.

Implications

Financial Implications

Name/Title: Tim Willis, Interim Director Resources and Section 151 Officer.

Tel/Email: 07870 863270 / tim.willis@brentwood.rochford.gov.uk

There are no direct financial implications arising from this report.

Legal Implications

Name & Title: Claire Mayhew, Corporate Manager (Democratic Services) and Deputy Monitoring Officer

Tel & Email: 01277 312500/claire.mayhew@brentwood.gov.uk

There are no legal implications arising from this report.

Economic Implications

Name/Title: Phil Drane, Director of Place

Tel/Email: 01277 312500/philip.drane@brentwood.gov.uk

There are no direct economic implications arising from this report.

Background Papers

None

Appendices to this report

Appendix A: Internal Audit Progress Report

Appendix B: Internal Audit Follow Up Report

This page is intentionally left blank



**INTERNAL AUDIT
PROGRESS REPORT**

Brentwood Borough Council

2022/23

CONTENTS

| | |
|----------------------------------|----|
| SUMMARY OF 2022/23 WORK | 2 |
| REVIEW OF 2022/23 WORK..... | 3 |
| DEMOCRATIC SERVICES AUDIT | 4 |
| KEY PERFORMANCE INDICATORS | 9 |
| APPENDIX 1..... | 11 |

SUMMARY OF 2022/23 WORK

INTERNAL AUDIT

This report is intended to inform the Audit and Scrutiny Committee of progress made against the 2022/23 internal audit plan. It summarises the work we have done, together with our assessment of the systems reviewed and the recommendations we have raised. Our work complies with Public Sector Internal Audit Standards. As part of our audit approach, we have agreed terms of reference for each piece of work with the risk owner, identifying the headline and sub-risks, which have been covered as part of the assignment. This approach is designed to enable us to give assurance on the risk management and internal control processes in place to mitigate the risks identified.



INTERNAL AUDIT METHODOLOGY

Our methodology is based on four assurance levels in respect of our overall conclusion as to the design and operational effectiveness of controls within the system reviewed. The assurance levels are set out in Appendix 1 of this report and are based on us giving either 'substantial', 'moderate', 'limited' or 'no'. The four assurance levels are designed to ensure that the opinion given does not gravitate to a 'satisfactory' or middle band grading. Under any system we are required to make a judgement when making our overall assessment.

2022/23 INTERNAL AUDIT PLAN

Our reporting on individual audits is later than would normally be the case, primarily due to a delayed start in the audit programme for the year (which could not be started until we were contractually engaged and the audit plan was approved) and further delays experienced in securing audit start dates and receiving requested information.

However, we are making progress in delivering the audit programme and we are pleased to present the following report to this Audit and Scrutiny Committee meeting:

- | Cyber security

The following audits are at completion stage:

- | Partnership with Rochford
- | Environment - fly tipping, street cleaning and enforcement
- | Climate change advisory review
- | Licensing
- | Sheltered accommodation

Fieldwork is in progress on the following audits:

- | Main financial systems and Financial systems advisory review
- | Leisure services

The Commercialisation, Payroll and Policy review audits are being planned and are expected to be completed over the next couple of months.

CHANGES TO THE 2022/23 INTERNAL AUDIT PLAN

At officers' request, we have changed the Housing Information audit into an audit of Sheltered Accommodation. We have also agreed to carry out a financial systems advisory review alongside our audit of the main financial systems, and to carry out the Climate Change review on an advisory basis.

REVIEW OF 2022/23 WORK

| AUDIT | COUNCIL LEAD | AUDIT COMMITTEE | PLANNING | FIELD WORK | REPORTING | DESIGN | EFFECTIVENESS |
|--|--|-----------------|----------|------------|-----------|--------|---------------|
| Main financial systems and Financial systems advisory review | Interim Director Resources | June/July 2023 | ✓ | ✓ | | | |
| Commercialisation and cost savings | Interim Director Resources | June/July 2023 | ✓ | | | | |
| Payroll shared service | Interim Director Resources | June/July 2023 | ✓ | | | | |
| Partnership with Rochford | Strategic Director | June/July 2023 | ✓ | ✓ | | | |
| Policy review | Director Policy and Delivery | June/July 2023 | ✓ | | | | |
| Data protection | Interim Director People and Governance | June/July 2023 | ✓ | | | | |
| Cyber security | Corporate Manager IT & Service Improvement | March 2023 | ✓ | ✓ | ✓ | M | M |
| Sheltered accommodation | Corporate Manager - Housing Needs and Delivery | June/July 2023 | ✓ | ✓ | | | |
| Environment - fly tipping, street cleaning and enforcement | Director Environment and Director Communities and Health | June/July 2023 | ✓ | ✓ | | | |
| Climate change | Director Environment | June/July 2023 | ✓ | ✓ | | | |
| Leisure services | Corporate Manager Communities, Leisure and Health | June/July 2023 | ✓ | ✓ | | | |
| Licensing | Environmental Health and Licensing Manager | June/July 2023 | ✓ | ✓ | | | |
| Democratic services | Corporate Manager (Democratic Services) | January 2023 | ✓ | ✓ | ✓ | M | M |

CYBER SECURITY AUDIT

CRR REFERENCE: RSK 13: CYBER THREATS

| | | | |
|-----------------|------------|----------------------|------------|
| Design Opinion | M Moderate | Design Effectiveness | M Moderate |
| Recommendations | 1 1 2 | | |



SCOPE

BACKGROUND

- Information Technology (IT) systems enable the Council to provide its critical services to its residents and customers and are used to collect, process and retain ever increasing amounts of confidential information. The vulnerabilities that exist in these IT systems, as well as the infrastructure that supports them, combined with a perceived lack of awareness regarding security issues, have led to attackers targeting public sector organisations and expose the Council to the risk of a cyber security attack.
- Cyber security is the practice of defending the Council's IT infrastructure, networks, and data from malicious attacks, including computers, servers, mobile devices and electronic systems. Cyber security attacks can be launched from any internet connection and, as recent examples across the public sector have demonstrated, they can have a significant financial and reputational impact on the Council and can affect its ability to operate and provide its critical services to the public.
- The UK Government published a Cyber Security Breaches Survey 2022 report, which provides a detailed overview comprising both quantitative and qualitative research and details the cost and impact of cyber breaches and attacks on UK businesses, charities, and educational institutions. The survey found that 39% of organisations had identified a cyber-attack over the past 12 months. The most common attack vector remained phishing mails (83%), but one-in-five of these organisations identified a more sophisticated attack such as a denial of service, malware, or ransomware.
- We completed a cyber security audit in March 2021, which assessed the Council's cyber security controls and concluded moderate assurance over both their design and their operational effectiveness. The key findings arising from the review included the absence of cyber security awareness training, the absence of a defined, finalised and approved cyber incident response plan and the lack of internal vulnerability scans on the Council's IT network.
- We completed a separate audit review of IT/Data Breaches in September 2021, which also highlighted the lack of training in place to increase cyber security awareness amongst members of staff. This review provided substantial assurance over the Council's controls for responding to IT and data security breaches and moderate assurance over their operational effectiveness.

AREAS REVIEWED

- We have reviewed cyber risk assessments, network diagrams, information security policies and procedures, operating systems and application updates, firewall rules, access to the network management console, antivirus updates, domain administrator access rights, external penetration tests and internal vulnerability scans, incident response plans, data recovery and restore plans, and cyber awareness training.



AREAS OF STRENGTH

We identified the following good practice:

- Agendas and papers for meetings are uploaded onto the Council's website for Ordinary Council, Extraordinary Council and Committees at least five days before the meeting, as required by the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012
- The Council's Strategic Risk Register and Operational Risk Register both contain entries relating to risks around cyber security, with each entry recording appropriate owners, risk scores, mitigating actions and further actions to take. The mitigating actions for each cyber security risk entry rely upon the work of Hytec, the Council's managed security operations centre (SOC) service provider. Updates to the risk registers are reported to the Audit and Scrutiny Committee on a quarterly basis.
- The SOC provides robust defence mechanisms to prevent and mitigate the risk of cyber security attacks. These are underpinned by an OODA ('observe, orient, decide, act') loop process chart to demonstrate how threats are identified and dealt with on a daily basis. The SOC also has a Council-specific knowledgebase to draw upon in managing and addressing threats which, in turn, are managed using AlienVault. The Council also utilises alliances with other organisations through Essex Online Partnership (EOLP) to share threat intelligence, knowledge and resources in relation to cyber security.
- Key components of the Council's IT infrastructure are set out in network topology diagrams, including Microsoft Azure DMZ, Azure Network Security Groups, Internet Facing Servers and Production RDS Environment. The network topology confirmed there to be clear segregation between trusted and untrusted networks, with external traffic passing through virtual networks and firewalls for example. In addition, our testing confirmed that specific firewall rules and DMZ configurations are set for individual business applications, which are hosted on their own virtual machines.
- Domain Administrator accounts are assigned within Active Directory in accordance with the principle of least privilege. There are 18 Domain Administrator accounts in total, which are split between system generated accounts and individual user accounts. Each of the Domain Administrator user accounts we tested was found to have been assigned varying levels of user group access instead of all accounts having the same default level of access. Furthermore, each Domain Administrator is also assigned a regular user account for conducting day-to-day activities, resulting in privileged accounts being used only for administrator tasks.
- Updates to the Council's Windows systems are managed using Microsoft Endpoint Manager (MEM). Automatic updates have been enabled for the Windows OS, Microsoft products (e.g. Office 365) and system drivers, in line with Microsoft's 'Patch Tuesday'. Devices therefore receive updates as soon as they are released and the option to pause Windows Updates has also been disabled. Furthermore, all devices are set to automatically enable the use of anti-virus, anti-spyware and anti-malware software, whilst also requiring the device to comply with a machine risk score of 'Low'.



AREAS OF CONCERN

Our work highlighted the following areas of concern:

- While the Council has a suite of policies in place pertaining to information governance and security, our review of ten policies found them to be out of date, with their last review dates being between February 2009 and March 2018. Additionally, we noted that there were several gaps within the policies, including lack of reference to relevant legislation such as UK GDPR and redundant references to other policies and documentation. Additionally, the Information Security Policy, which is dated July 2017, is still in draft format and has not been approved and finalised (Medium - Finding 1).

Hytec uses the Nessus Vulnerability Assessment tool to scan external IPs/interfaces for the Council, serving as a form of quarterly external penetration test rather than the traditional method of carrying out external penetration testing on an annual basis. The output report in November 2022 showed there to be 40 vulnerabilities, five of which remained from the scanning undertaken in September 2022. In addition, Hytec performs internal vulnerability scans using the tool on a weekly basis and the figures from 12 December 2022 showed a total of 3,744 vulnerabilities, 1,283 of which were assigned a 'High' priority. Management informed us that the vulnerabilities are prioritised, remediated and monitored using knowledge and expertise of staff, however there are no formal action plans in place to capture this work or to escalate risks and issues to senior management on a regular basis (High - Finding 2).

The Council has mandatory e-learning in place for staff titled 'Information Governance Level 2'. The e-learning covers topics which are critical to the way that the Council processes and stores information, including sections on data security, the Data Protection Act 2018 and data handling/storage. A report of all staff who have carried out the Cyber Awareness training showed that of the 300 individuals who have completed the training, ten had not achieved the required pass score of 80% (Low - Finding 3).

Although the Council has a Cyber Incident Response Plan in place, which is reviewed on an annual basis and last updated in June 2022, there is no reference made within the Plan to Hytec's operations as the Council's SOC service provider. Our discussions with management and Hytec identified that a proactive monitoring, escalation and investigation process takes place for potential cyber security incidents, rather than following a specific, documented process for individual scenarios. However, this process, Hytec's role and communication between the two parties has not been documented in the Plan (Low - Finding 4).



CONCLUSION

The Council has effective processes in place for the monitoring of its infrastructure in addition to responding to cyber incidents and threats by working proactively with its managed service provider, Hytec. However, potential risks and vulnerabilities should be identified, escalated and addressed in a timely manner. Improvements are also required to ensure that policies and processes are robust, accurately documented and communicated to staff.

We have raised one high priority, one medium priority and two low priority recommendations to improve the Council's cyber security controls and procedures.

Consequently, we conclude moderate assurance over the design of the Council's cyber security controls as well as their operational effectiveness.

MANAGEMENT ACTION PLAN:

| Recommendation | Priority | Management Response | Responsible Officer and Implementation Date |
|--|----------|---|---|
| <p>Outdated policy documentation</p> <p>The Council's suite of IT policies and procedures should be reviewed on an annual basis in accordance with a defined review schedule. The Council should also consider amalgamating policies where appropriate, or reviewing and updating the policies on a staggered basis due to the number of policies owned by the Council, reducing the administrative burden on staff.</p> | Medium | Agreed - the suite of IT policies and procedures will be reviewed and updated where necessary. We will also add to the procedures annual review of these which aligns with the adoption of the Continuous Service Improvement model. | Corporate Manager for IT and Service Improvement 30 September 2023 |
| <p>Remediation of vulnerabilities</p> <p>The Council should ensure that vulnerabilities identified in the external Nessus scans and internal vulnerability scans are summarised and reported to senior management on a regular basis for the purposes of:</p> <ul style="list-style-type: none"> • Informing senior management of the potential risks posed to the Council's IT infrastructure and underlying information assets • Prioritising and remediating vulnerabilities on a timely basis, in line with the Council's risk appetite and target risk scores specified in risk registers • Ensuring that sufficient resource is allocated to managing and remediating vulnerabilities. | High | Agreed - we will update our processes from using the most recent report to inform work to adding in a review and remediation prioritisation of vulnerabilities. We will develop a risk/security dashboard to provide relevant information to the Director of Data and Customer Insight. | Corporate Manager for IT and Service Improvement 30 June 2023 |
| <p>Information governance training</p> <p>Where staff achieve less than the threshold of 80% for the Information Governance training, they should be prompted to complete the training again.</p> | Low | The Council has adopted and as of February gone live with a new eLearning platform providing relevant eLearning courses for GDPR and Cyber Awareness. IT will work with HR and ELT managers for compliance and the demonstration of the appropriate level of knowledge. This is now Business as Usual and will be focusing on the GDPR courses first. | Corporate Manager for IT and Service Improvement 30 April 2023 |

| Recommendation | Priority | Management Response | Responsible Officer and Implementation Date |
|--|----------|---|---|
| <p>Cyber incident response plan</p> <p>The Council should amend and update its Cyber Incident Response Plan to include the role of Hytec, specifically how AlienVault is used to monitor cyber security events and the process for escalating threats to the Council for further investigation.</p> | Low | The Cyber Incident Response Plan will be updated to address the above recommendation. | Corporate Manager for IT and Service Improvement 31 May 2023 |

KEY PERFORMANCE INDICATORS

| QUALITY ASSURANCE | KPI | RAG RATING |
|---|--|------------|
| 1. Annual Audit Plan delivered in line with timetable. | A number of audits have been deferred, as detailed on page 3. | A |
| 2. Actual days are in accordance with Annual Audit Plan. | We are on track to meet this KPI. | G |
| 3. Customer satisfaction reports - overall score at least 70% for surveys issued at the end of each audit. | No survey responses received yet for 2022/23. | N/A |
| 4. Annual survey to Audit Committee to achieve score of at least 70%. | Annual survey for 2022/23 not yet completed. | N/A |
| 5. At least 60% input from qualified staff. | This KPI has been met in audits completed to date. | G |
| 6. Issue of draft report within 3 weeks of fieldwork 'closing' meeting. | This KPI has been met for 2 out of 2 audits (see table below). | G |
| 7. Finalise internal audit report 1 week after management responses to report are received. | This KPI has been met for 2 out of 2 audit (see table below). | G |
| 8. Positive result from any external review. | Following an External Quality Assessment by the Institute of Internal Auditors in May 2021, BDO were found to 'generally conform' (the highest rating) to the International Professional Practice Framework and Public Sector Internal Audit Standards | G |
| 9. Audit sponsor to respond to terms of reference within one week of receipt and to draft reports within two weeks of receipt. | The KPI regarding Council agreement of the terms of reference has been met for 5 out of 11 audits (see table below). The KPI regarding draft report has been met for 2 out of 2 audits (see table below). | A |
| 10. Audit sponsor to implement audit recommendations within the agreed timeframe. | Of the recommendations raised to date for 2022/23, the one recommendation due has been implemented. | G |
| 11. Internal audit to confirm to each meeting of the Audit and Scrutiny Committee whether appropriate co-operation has been provided by management and staff. | We have experienced some delays in securing meetings to start our audits and in receipt of information to complete our audits. | A |

AUDIT TIMETABLE DETAILS (2022/23AUDITS)

| Audit | Draft TOR issued | Management response to TOR received | Closing meeting | Draft report issued | Management response to draft report received | Final report issued |
|--|------------------|-------------------------------------|-----------------|-------------------------|--|-------------------------|
| Main financial systems | 24/01/23 | 24/01/23 (KPI 9 met) | | | | |
| Financial systems advisory review | 25/01/23 | 26/01/23 (KPI 9 met) | | | | |
| Commercial-isation and cost savings | | | | | | |
| Payroll shared service | | | | | | |
| Partnership with Rochford | 23/12/22 | 12/01/23 (KPI 9 not met) | | | | |
| Policy review | 15/02/23 | Not yet received (KPI 9 not met) | | | | |
| Data protection | | | | | | |
| Cyber security | 16/09/22 | 29/09/22 (KPI 9 not met) | 20/01/23 | 06/02/23 (KPI 6 met) | 16/02/23 (KPI 9 met) | 23/02/23 (KPI 7 met) |
| Sheltered accommodation | 02/12/22 | 05/12/22 (KPI 9 met) | | | | |
| Environment - fly tipping, street cleaning and enforcement | 02/12/22 | 15/12/22 (KPI 9 not met) | | | | |
| Climate change | 25/01/23 | 02/02/23 (KPI 9 not met) | | | | |
| Leisure services | 13/02/23 | 13/02/23 (KPI 9 met) | | | | |
| Licensing | 28/11/22 | 01/12/22 (KPI 9 met) | | | | |
| Democratic Services | 10/03/22 | 08/04/22 (KPI 9 not met) | 11/01/23 | 11/01/23 (KPI 6 met) | 11/01/23 (KPI 9 met) | 13/01/23 (KPI 7 met) |

KEY FOR RAG RATING:



= met target



= not met target







= partly met target






= not applicable

APPENDIX 1

OPINION SIGNIFICANCE DEFINITION

| LEVEL OF ASSURANCE | DESIGN OPINION | FINDINGS FROM REVIEW | EFFECTIVENESS OPINION | FINDINGS FROM REVIEW |
|--|--|--|---|--|
|  Substantial | Appropriate procedures and controls in place to mitigate the key risks. | There is a sound system of internal control designed to achieve system objectives. | No, or only minor, exceptions found in testing of the procedures and controls. | The controls that are in place are being consistently applied. |
|  Moderate | In the main, there are appropriate procedures and controls in place to mitigate the key risks reviewed albeit with some that are not fully effective. | Generally a sound system of internal control designed to achieve system objectives with some exceptions. | A small number of exceptions found in testing of the procedures and controls. | Evidence of non compliance with some controls, that may put some of the system objectives at risk. |
|  Limited | A number of significant gaps identified in the procedures and controls in key areas. Where practical, efforts should be made to address in-year. | System of internal controls is weakened with system objectives at risk of not being achieved. | A number of reoccurring exceptions found in testing of the procedures and controls. Where practical, efforts should be made to address in-year. | Non-compliance with key procedures and controls places the system objectives at risk. |
|  No | For all risk areas there are significant gaps in the procedures and controls. Failure to address in-year affects the quality of the organisation's overall internal control framework. | Poor system of internal control. | Due to absence of effective controls and procedures, no reliance can be placed on their operation. Failure to address in-year affects the quality of the organisation's overall internal control framework. | Non compliance and/or compliance with inadequate controls. |

RECOMMENDATION SIGNIFICANCE DEFINITION

| RECOMMENDATION SIGNIFICANCE | |
|---|--|
|  High | A weakness where there is substantial risk of loss, fraud, impropriety, poor value for money, or failure to achieve organisational objectives. Such risk could lead to an adverse impact on the business. Remedial action must be taken urgently. |
|  Medium | A weakness in control which, although not fundamental, relates to shortcomings which expose individual business systems to a less immediate level of threatening risk or poor value for money. Such a risk could impact on operational objectives and should be of concern to senior management and requires prompt specific action. |
|  Low | Areas that individually have no significant impact, but where management would benefit from improved controls and/or have the opportunity to achieve greater effectiveness and/or efficiency. |

FOR MORE INFORMATION:

GREG RUBINS

Greg.Rubins@bdo.co.uk

JANINE COMBRINCK

Janine.Combrinck@bdo.co.uk

This publication has been carefully prepared, but it has been written in general terms and should be seen as broad guidance only. The publication cannot be relied upon to cover specific situations and you should not act, or refrain from acting, upon the information contained therein without obtaining specific professional advice. Please contact BDO LLP to discuss these matters in the context of your particular circumstances. BDO LLP, its partners, employees and agents do not accept or assume any liability or duty of care for any loss arising from any action taken or not taken by anyone in reliance on the information in this publication or for any decision based on it.

BDO LLP, a UK limited liability partnership registered in England and Wales under number OC305127, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms. A list of members' names is open to inspection at our registered office, 55 Baker Street, London W1U 7EU. BDO LLP is authorised and regulated by the Financial Conduct Authority to conduct investment business.

BDO is the brand name of the BDO network and for each of the BDO Member Firms.

BDO Northern Ireland, a partnership formed in and under the laws of Northern Ireland, is licensed to operate within the international BDO network of independent member firms.

© March 2023 BDO LLP. All rights reserved.

www.bdo.co.uk

This page is intentionally left blank



INTERNAL AUDIT FOLLOW UP OF RECOMMENDATIONS REPORT

BRENTWOOD BOROUGH COUNCIL

March 2023

Page 63

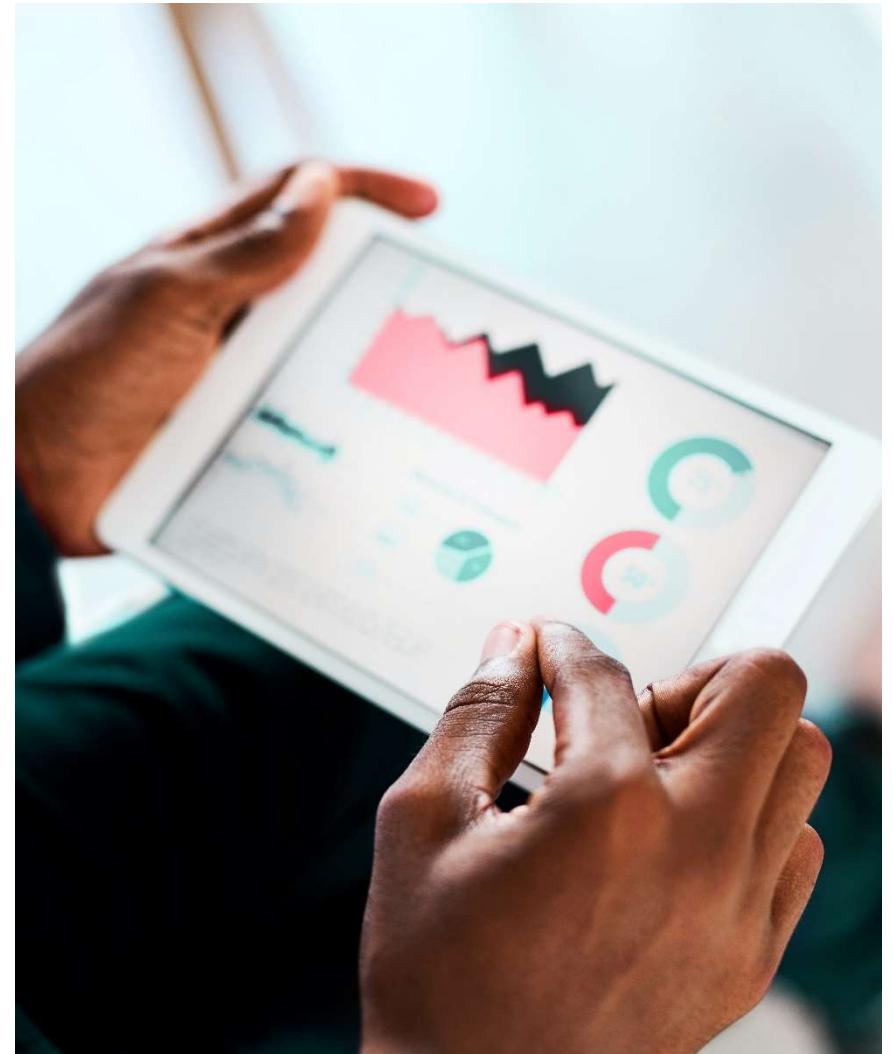
Appendix B

IDEAS | PEOPLE | TRUST

IBDO

CONTENTS

SUMMARY 2
RECOMMENDATIONS: COMPLETE SINCE LAST FOLLOW UP REPORT ... 4
RECOMMENDATIONS: IN PROGRESS..... 6
RECOMMENDATIONS: OVERDUE 9



SUMMARY

| 2018 - 2023 | Total Recs | H | M | L | To follow up | Complete | | In progress | | Overdue | | Not Due | |
|--|------------|----------|-----------|----------|--------------|----------|----------|-------------|----------|----------|----------|----------|-----------|
| | | | | | | H | M | H | M | H | M | H | M |
| 2022/23 | | | | | | | | | | | | | |
| Democratic services | 6 | 1 | 3 | 2 | 4 | - | 1 | - | - | - | - | 1 | 2 |
| Cyber security | 4 | 1 | 1 | 2 | 2 | - | - | - | - | - | - | 1 | 1 |
| 2021/22 | | | | | | | | | | | | | |
| Risk management | 3 | - | 3 | - | 3 | - | 1 | - | 2 | - | - | - | - |
| Main financial systems | 5 | - | 2 | 3 | 2 | - | 1 | - | 1 | - | - | - | - |
| Capital projects | 1 | - | 1 | - | 1 | - | 1 | - | - | - | - | - | - |
| Partnerships | 2 | - | 2 | - | 2 | - | - | - | 1 | - | 1 | - | - |
| IT data breaches | 4 | - | 4 | - | 4 | - | 3 | - | - | - | 1 | - | - |
| Building control | 2 | - | 2 | - | 2 | - | 1 | - | - | - | 1 | - | - |
| Section 106 agreements | 2 | 2 | - | - | 2 | - | - | 2 | - | - | - | - | - |
| 2020/21 | | | | | | | | | | | | | |
| Disaster recovery and business continuity | 1 | - | 1 | - | 1 | - | - | - | - | - | 1 | - | - |
| Environment - Street cleaning, fly tipping and enforcement | 6 | 2 | 4 | - | 6 | - | - | - | - | - | - | 2* | 4* |
| Licensing | 7 | 2 | 4 | 1 | 6 | - | - | - | - | - | - | 2* | 4* |
| Total | 43 | 8 | 27 | 8 | 35 | - | 8 | 2 | 4 | - | 4 | 6 | 11 |

* These recommendations are due but are marked here as not due as they are being followed up separately in a new audit of the service in 2022/23

SUMMARY

Of the 202 high and medium priority recommendations raised over the period 2018 to 2023, 175 have been closed, six are in progress, four are overdue and 17 are not yet due or not included in the follow up.

We have confirmed with reference to evidence and through discussions that three recommendations have been completed/closed since our last follow up report. Updates have been received for the remaining outstanding recommendations and it is clear that work is being done to progress them but they have not yet been fully implemented.

Eight high priority recommendations are outstanding, two of which are being monitored by the Council (relating to S106 agreements), two of which are not yet due and four of which are not included in the follow up as they are being re-audited in 2022/23.

2022/23

Of the 6 high or medium priority recommendations raised in 2022/23, one is complete and five are not yet due (including high priority recommendations relating democratic services and cyber security).

2021/22

Of the 24 high or medium priority recommendations raised in 2021/22, six are in progress (including the two high priority recommendations relating to S106 agreements) and three are overdue.

2020/21

Of the 49 high or medium priority recommendations raised in 2020/21, one is overdue and 12 are not included in the follow up. The 12 not included in the follow up include six Licensing recommendations (two of which are high priority) and six Steet cleaning, fly-tipping and enforcement recommendations (two of which are high priority) which are being followed up by audits of these services (including sample testing) in 2022/23.

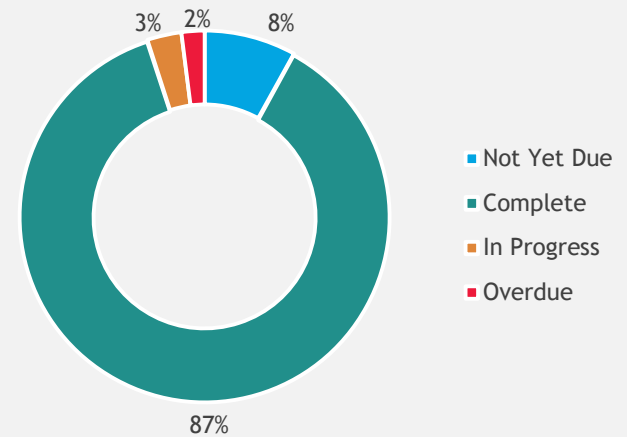
2017/18 TO 2019/20

Of the 123 high or medium priority recommendations raised in 2017/18 to 2019/20, none are outstanding.

REQUIRED AUDIT & SCRUTINY COMMITTEE ACTION:

We ask the Audit and Scrutiny Committee to note the progress against the recommendations.

2018 - 2023 Cumulative implementation



RECOMMENDATIONS: COMPLETE SINCE LAST FOLLOW UP REPORT

| AUDIT | ACTIONS AGREED | PRIORITY LEVEL | MANAGER RESPONSIBLE | DUE DATE | CURRENT PROGRESS |
|-------------------------------|--|----------------|---|--|---|
| 2022-23 - Democratic Services | <p>DS rec 4:</p> <p>1) Officers should amend the format of its management team meeting minutes to ensure that actions are more clearly identifiable, for example by adding a column next to each agenda item for any actions agreed and the officer responsible for completing the action.</p> <p>2) A separate action log should be developed and provided with the agenda to each CLT meeting including:</p> <ul style="list-style-type: none"> • all actions agreed at meetings • the action owner • a status update. <p>3) The CLT should use the action log to follow up on all actions that are outstanding at each meeting.</p> | Medium | Corporate Manager (Democratic Services) and Deputy Monitoring Officer | <p>January 2023</p> <p>Closed</p> | <p><u>Management update:</u></p> <p>This has now been actioned.</p> <p><u>Internal audit comment:</u></p> <p>Recommendation closed following receipt of the minutes for the CLT meeting on 1 February 2023.</p> |
| 2021/22 - Risk Management | <p>21/22 RSK rec 2:</p> <p>Risk Officers and senior Management should review how risks are recorded in the risk registers to ensure they adequately define the cause, uncertain event (the risk) and consequence of each risk. Where risks recorded by a particular risk owner are identified as inadequately documented then further training should be provided to them.</p> | Medium | Sue White, (Risk and Insurance Officer) | <p>December 2022</p> <p>March 2023</p> <p>Closed</p> | <p><u>Management update:</u></p> <p>Discussed at ELT meeting on 13th June and details of the risks without sufficient documentation has been sent to risk owners. The Risk and Insurance Officer has assisted the relevant risk owners in re-wording their risks.</p> <p><u>Internal audit comment:</u></p> <p>Recommendation closed following receipt of email correspondence between the Risk and Insurance Officer and the relevant risk owners.</p> |

| AUDIT | ACTIONS AGREED | PRIORITY LEVEL | MANAGER RESPONSIBLE | DUE DATE | CURRENT PROGRESS |
|----------------------------|--|----------------|------------------------------|------------------------------------|---|
| 2021/22 - Capital projects | <p>21/22 CP rec 1:</p> <p>i) The Council should ensure that all capital schemes are supported by growth bid templates, which have been reviewed by the Section 151 Officer and Programme & Projects Team before being approved by PRED (where applicable). These growth bid templates should be held centrally.</p> <p>ii) Link accountants should periodically remind budget holders to complete a growth bid template when submitting a capital project for approval.</p> | Medium | Sam Wood (Senior accountant) | December 2022 Closed | <p><u>Management update:</u></p> <p>i) Growths bids above were reviewed by the S151 officer and it was decided most would not be added to the capital programme as services would have to fully utilise their current resources (as historically we have been carrying lots of slippage year on year). Brentwood Centre main BMS replacement and retrofit were the approved capital projects and were added to the programme. Growth bids are held centrally on our Y drive, with a summary.</p> <p>ii) Emails regarding the budget setting process and timetable were circulated. The link accountants also met with budget holders to ensure growth bids are submitted when needed.</p> <p><u>Internal audit comment:</u></p> <p>Recommendation closed following receipt of growth bid templates, the growth bids summary and the budget setting email.</p> |

RECOMMENDATIONS: IN PROGRESS

These recommendations have been marked as In Progress as they have not been implemented by their original date; a revised date has been provided.

| AUDIT | RECOMMENDATIONS MADE | PRIORITY LEVEL | MANAGER RESPONSIBLE | DUE DATE | CURRENT PROGRESS |
|---------------------------|---|----------------|--|---|--|
| 2021-22 - S106 agreements | <p>S106 rec 1:</p> <p>a) The Council should identify an appropriate function to take central ownership of s106 agreements. This team should then lead on all aspects of s106 arrangements, including negotiating the agreements with developers and monitoring them from planning consent through to delivery.</p> <p>b) The function should ensure that there are sufficient mechanisms in place to liaise with developers, to monitor progress of developments. Progress meetings with the developers should be implemented, taking account of the size of developments and anticipated speed of progress.</p> <p>c) The function should also liaise with Finance to ensure invoices are issued accurately and in a timely manner.</p> <p>d) A central s106 agreement register/tracker should be put in place where all aspects of the s106 agreements can be recorded and monitored, including progress against trigger points and the status of any payments. This tracker should be owned by the responsible function recommended above and should be reported to each of the teams involved in the management of s106 agreements (Planning, Housing, Finance and Legal) on a regular basis (quarterly as a minimum) with each of the teams being required to provide updates as appropriate.</p> | High | <p>Ian Winslet (Strategic Director, Housing and Regeneration)</p> <p>Steve Summers (Strategic Director) and Julian Higson (Interim Director Housing)</p> | <p>January 2023</p> <p>February 2023</p> <p>July 2023</p> | <p><u>Management update:</u></p> <p>The previous Director responsible for these recommendations left the Council before Christmas. The responsibility has been passed to the Council's Strategic Director and will be reviewed with the Interim Director of Housing to ensure this is the right way forward.</p> <p>Further to the previous comment the Strategic Director and the Interim Director of Housing have reviewed the current arrangements and have decided that a full review of the s106 processes and monitoring arrangements will be undertaken in the first quarter of the new municipal year. The interim arrangements that are currently in place will remain until the review is completed.</p> <p><u>Internal audit comment:</u></p> <p>Recommendation remains open.</p> |

| AUDIT | RECOMMENDATIONS MADE | PRIORITY LEVEL | MANAGER RESPONSIBLE | DUE DATE | CURRENT PROGRESS |
|----------------------------------|---|----------------|--|--|--|
| 2021-22 - S106 agreements | S106 rec 2: Responsibility for the recording, allocation and monitoring of s106 contributions to the capital programme should be clearly assigned and communicated to a team or individual within the Council, who should own the process for ensuring contributions are utilised on appropriate projects in a timely manner and prior to any contributions becoming repayable to the developers. | High | Ian Winslet (Strategic Director, Housing and Regeneration) Steve Summers (Strategic Director) and Julian Higson (Interim Director Housing) | January 2023 February 2023 July 2023 | <u>Management update:</u> The responsibility for this recommendation has been passed to the Council's Strategic Director. An interim Panel of appropriate Officers has been put in place and have met in September 2022 and January 2023. This will remain in place until the completion of the review as set out in Recommendation 1 above. <u>Internal audit comment:</u> Recommendation remains open. |
| 2021/22 - Partnerships | 21/22 PART rec 2: The Senior Leadership Team should ensure that an Annual Performance Assessment is completed by the partnership leads for all partnerships. Reminders should be put in place before the annual deadline to ensure this is completed in a timely manner. | Medium | Kim Anderson (Corporate Manager Communities, Leisure and Health) | July 2022 March 2023 | <u>Management update:</u> This was presented to the extended leadership team (ELT) in September 2022 and the annual review is due to be completed by 31 March 2023 by the various partnership leads and will then be presented to the corporate leadership team (CLT). <u>Internal audit comment:</u> Recommendation remains open. |
| 2021/22 - Main Financial Systems | 21/22 MFS rec 1: When requesting approval of loans, the e-mail request should explicitly set out all the key facts about each loan that demonstrates that it meets the requirements of the Treasury Management Strategy in terms of risks and affordability. | Medium | Alistair Greer (Principal Accountant - Financial reporting) | September 2022 January 2023 April 2023 | <u>Management update:</u> Officers are continuing to develop processes for implementing this proposal. Implementation of this recommendation has been delayed by changes in the management structure of the finance team, and the target implementation date is now April 2023. Implementation of the action is on track for April 2023. <u>Internal audit comment:</u> Recommendation remains open. |

| AUDIT | RECOMMENDATIONS MADE | PRIORITY LEVEL | MANAGER RESPONSIBLE | DUE DATE | CURRENT PROGRESS |
|---------------------------|---|----------------|---|---|---|
| 2021/22 - Risk Management | <p>21/22 RSK rec 1:</p> <p>a) Management should review the content of the previous risk management training provided (in person and online), decide the best format for the training going forward and determine which staff need to receive the training.</p> <p>b) Training completion rates should be monitored closely and reported to senior management on a periodic basis to ensure any low levels of completion are addressed.</p> | Medium | Sue White, Risk and Insurance Officer | <p>December 2022</p> <p>March 2023</p> <p>June 2023</p> | <p><u>Management update:</u></p> <p>A new e-learning module is in place and risk management refresher training will be rolled out to staff.</p> <p>This action remains in progress until this is completed.</p> <p><u>Internal audit comment:</u></p> <p>Recommendation remains open.</p> |
| 2021/22 - Risk Management | <p>21/22 RSK rec 3:</p> <p>a) The risk officer and senior management should monitor actions taken against risks and ensure that risk owners clearly document what actions have been taken to support reductions in risk scores.</p> <p>b) Staff should be sufficiently trained to understand how strengthening internal controls can have a direct impact on mitigating risks.</p> | Medium | Sue White, (Risk and Insurance Officer) | <p>December 2022</p> <p>March 2023</p> <p>June 2023</p> | <p><u>Management update:</u></p> <p>A guide to Risk Controls and Treatments has been sent out to Risk Owners and further training will be provided.</p> <p>This action remains in progress.</p> <p><u>Internal audit comment:</u></p> <p>Recommendation remains open.</p> |

RECOMMENDATIONS: OVERDUE

These recommendations have been marked as overdue as they have exceeded their original and revised implementation dates by at least once. Therefore, they have now missed at least two revised implementation dates.

| AUDIT | ACTIONS AGREED | PRIORITY LEVEL | MANAGER RESPONSIBLE | DUE DATE | CURRENT PROGRESS |
|----------------------------|--|----------------|--|---|--|
| 2021/22 - Building Control | <p>21/22 BC rec 2:</p> <p>The service should request the Council's ICT department and third-party provider to enable functionality that allow management to download reports from the system which closely monitor progress against ISO and statutory KPIs. There should be reports that show:</p> <ul style="list-style-type: none"> - Application date and date approved or rejected versus the ISO and statutory completion date requirements - All current active applications being worked on - All rejected applications within a specified timeframe - All approved applications within a specified timeframe. <p>The Council should also liaise with the system service provider to ensure that the completion deadline dates are precisely calculated on the system.</p> | Medium | Gary Price-Sampson (Building Control Team Leader) | <p>June 2022</p> <p>October 2022</p> <p>December 2022</p> <p>February 2023</p> <p>June 2023</p> | <p><u>Management update:</u></p> <p>A system to advise on decision dates still needs to be developed, however this is not currently a KPI within the LABC ISO system we operate. It will be a most useful tool and will continue to be pursued / developed. This is a 'loop hole' likely to be closed out by the LABC ISO system at some date as the statutory decision dates are the indicator of ultimate failure, rather than the LABC 'self set' KPIs. Information on these ultimate failures is currently collected manually by us.</p> <p>This action currently remains in progress.</p> <p><u>Internal audit comment:</u></p> <p>Recommendation remains open.</p> |
| 2021/22 - Partnerships | <p>21/22 PART rec 1:</p> <p>a) The Council should ensure that the Partnership Checklist is completed in all cases and held centrally. Consideration should be given to retrospectively completing the checklist for the Community Safety Partnership.</p> <p>b) The Partnerships Register should clearly indicate the risk level for all partnerships</p> | Medium | Kim Anderson (Corporate Manager Communities, Leisure and Health) | <p>July 2022</p> <p>September 2022</p> <p>December 2022</p> <p>February 2023</p> | <p><u>Management update:</u></p> <p>The annual review of the partnership register is being updated and is due to be completed by 31 March 2023.</p> <p>There is shared TEAMS site which all ELT Managers can access and upload the relevant inform information.</p> |

| AUDIT | ACTIONS AGREED | PRIORITY LEVEL | MANAGER RESPONSIBLE | DUE DATE | CURRENT PROGRESS |
|---|---|----------------|---|---|---|
| | <p>listed and the gaps in the register should be completed retrospectively.</p> <p>c) The Council's Partnership Register should include a hyperlink to the completed Partnership Checklist.</p> | | | March 2023 | <p>A partnership webpage has been developed and there will be a hyperlink to the Council Partnership Register once the updated version has been completed at end of March 2023.</p> <p><u>Internal audit comment:</u> Recommendation remains open.</p> |
| 2020/21 - Disaster Recovery and Business Continuity | <p>20/21 DRBC rec 1:</p> <p>Management should perform a training needs analysis to identify and assess the level and type of training required by all members of staff with regards to business continuity and disaster recovery and should develop a mandatory training programme that is based upon these requirements. Training delivery methods could include, but not be limited to, the exercise types suggested in Appendix I in our report. Attendance should be recorded and monitored and training records should be maintained for audit purposes.</p> <p>Furthermore, Management should conduct a formally documented test of its business continuity and disaster recovery arrangements and should put arrangements in place to test them on a routine basis or following a significant change to the Council's operations. The results of the tests should be reported to Senior Management and any issues identified should be resolved in a timely manner.</p> | Medium | Sue White, (Risk and Insurance Officer) | <p>October 2021</p> <p>June 2022</p> <p>September 2022</p> <p>December 2022</p> <p>September 2023</p> | <p><u>Management update:</u></p> <p>The training was provided in May 2022.</p> <p>Officers are considering a One Team approach to emergency planning and business continuity with Rochford District Council and liaison between the two councils has commenced regarding plans to start developing the new joint Business Continuity Plan. A new format for the plan has been developed which is similar to that which both Councils currently use but incorporates learning from the pandemic.</p> <p>Due to these changes, there has been no planned testing of BC Plans to date, although the Council has considered how each Council would respond should there be any power outages.</p> <p>The Council is registered with Gov.uk Notify and IT has successfully used this method of communication on a number of occasions to inform staff when there is an IT issue.</p> <p>There was a power cut at the Town Hall on 22 February 2023. Staff were notified by Gov.uk Notify and email. Those already at the Town Hall either went home to work, went to the Depot as they still had power, or stayed as IT had connected to a dongle. When power was not restored by midday, remaining staff were told to go home and work. Facilities Management remained onsite.</p> <p><u>Internal audit comment:</u></p> <p>First part of the recommendation previously closed by Internal audit. However, second part of recommendation remains open as the Council has not yet put arrangements in place to test BC plans a routine basis, with formal reporting of results to Senior Management.</p> |

| AUDIT | ACTIONS AGREED | PRIORITY LEVEL | MANAGER RESPONSIBLE | DUE DATE | CURRENT PROGRESS |
|----------------------------|---|----------------|---------------------------|---|---|
| 2021/22 - IT Data Breaches | <p>21/22 ITDB rec 1:</p> <p>a) Management should review and update the Council's Data Protection policy and Data Breach policy to ensure that it remains in compliance with the UK GDPR requirements and they are relevant to the Council's needs and in line with the Council's strategic objectives.</p> <p>b) The Data Breach policy should include detailed procedures for reporting a data breach. This should include but not be limited to:</p> <ul style="list-style-type: none"> o Defining roles and responsibilities o Description of type of personal data breach o Steps taken in case of a breach o Risk assessments and escalations o Containment and recovery o Contact details of the DPO, or other point of contact o Measures taken to evaluate and mitigate any possible breaches o Breach notifications to the ICO o Training and awareness o Monitoring and reporting compliance <p>c) The revised policies should be approved and communicated to members of staff and arrangements should be put in place for reviewing the policies on an annual basis.</p> | Medium | Tim Huggins (ICT Manager) | <p>January 2022</p> <p>June 2022</p> <p>September 2022</p> <p>December 2022</p> <p>February 2023</p> <p>June 2023</p> | <p><u>Management update:</u></p> <p>Brentwood Council has gone into partnership with Evalian to support the Council's statutory requirements for Data Protection. As part of this a full gap analysis is being conducted for Data Protection including but not limited to Policies, Processes for Data Protection and Data Breaches. Following this a formal remediation action plan will be developed and actions implemented. This work will support the Information Governance (IG) Group in their role around information Governance, and the contract will be monitored by the Corporate Manager - IT & Service Improvement.</p> <p>The current Data Breach Policy is available.</p> <p>a) Reviewing of Information Governance policies is part of the role for the IG group and therefore this action is being co-ordinated by the group working with appropriate officers and partners.</p> <p>b) In addition to above - the group is reviewing the recommendations as part of its action plan. Once the suggestions have been reviewed, the agreed ones will be included.</p> <p>c) Agreed this is normal practice and will be published in document library and formal communication will be shared with all staff, and also including other IG activities such as training and awareness. Regular reviewing of IG policies is part of the roles and responsibilities of the newly formed IG group and will be undertaken.</p> <p>The Council has formally started the project with Evalian. Evalian has appointed resources and the above recommendations are being actioned.</p> <p><u>Internal audit comment:</u></p> <p>Recommendation remains open until completion can be fully evidenced.</p> |

FOR MORE INFORMATION:

GREG RUBINS

+44 (0)23 8088 1892
Greg.Rubins@bdo.co.uk

JANINE COMBRINCK

+44 (0)20 7893 2631
Janine.Combrinck@bdo.co.uk

This publication has been carefully prepared, but it has been written in general terms and should be seen as broad guidance only. The publication cannot be relied upon to cover specific situations and you should not act, or refrain from acting, upon the information contained therein without obtaining specific professional advice. Please contact BDO LLP to discuss these matters in the context of your particular circumstances. BDO LLP, its partners, employees and agents do not accept or assume any liability or duty of care for any loss arising from any action taken or not taken by anyone in reliance on the information in this publication or for any decision based on it.

BDO LLP, a UK limited liability partnership registered in England and Wales under number OC305127, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms. A list of members' names is open to inspection at our registered office, 55 Baker Street, London W1U 7EU. BDO LLP is authorised and regulated by the Financial Conduct Authority to conduct investment business.

BDO is the brand name of the BDO network and for each of the BDO Member Firms.

BDO Northern Ireland, a partnership formed in and under the laws of Northern Ireland, is licensed to operate within the international BDO network of independent member firms.

© March 2023 BDO LLP. All rights reserved.

www.bdo.co.uk

This page is intentionally left blank

| | |
|--|----------------------------|
| Committee: Audit and Scrutiny | Date: 7 March 2023 |
| Subject: Internal Audit Plan 2023/24 | Wards Affected: All |
| Report of: Tim Willis, Interim Director Resources and Section 151 Officer | Public |
| Report Author/s: Tim Willis, Interim Director Resources and Section 151 Officer Telephone: 07870 863270 E-mail: Tim.Willis@brentwood.rochford.gov.uk | For Information |

Summary

This report covers the Internal Audit Plan for 2023/24, included in Appendix A.

Recommendation(s)

Members are asked to:

R1. Approve the Internal Audit Plan 2023/24 attached in Appendix A

R2. Delegated authority is given to the Section 151 Officer to amend the plan in year as necessary to deliver the contract.

Introduction and Background

BDO has been the appointed Internal Auditor for the Council since 1 April 2014.

Issue, Options and Analysis of Options

1. The Internal Audit Plan sets out the proposed work to be undertaken in 2023/24 and is attached as Appendix A to this report.
2. The audit plan includes a risk assessment, audit charter and indicative 3 year programme.
3. It is recommended that delegated authority is given to the Section 151 Officer, should the plan need to be amended in year, to align itself with current resources and service requirements.

Reasons for Recommendation

4. To approve the work programme for the Internal Audit Plan 2023/24.

Consultation

Not applicable.

References to Corporate Strategy

To ensure the Council is effective and efficient by delivering services that are value for money and meet the needs of our residents.

Implications

Financial Implications

Name/Title: Tim Willis, Interim Director Resources and Section 151 Officer.
Tel/Email: 07870 863270 / tim.willis@brentwood.rochford.gov.uk

There are no direct financial implications arising from this report.

Legal Implications

Name & Title: Claire Mayhew, Corporate Manager (Democratic Services) and Deputy Monitoring Officer
Tel & Email: 01277 312500/claire.mayhew@brentwood.gov.uk

There are no legal implications arising from this report.

Economic Implications

Name/Title: Phil Drane, Director of Place
Tel/Email: 01277 312500/philip.drane@brentwood.gov.uk

There are no direct economic implications arising from this report.

Background Papers

None

Appendices to this report

Appendix A: Internal Audit Plan 2023/24

**INTERNAL AUDIT
ANNUAL PLAN**

Brentwood Borough Council

2023/24

CONTENTS

AUDIT RISK ASSESSMENT 2

OUR NEXT GEN INTERNAL AUDIT APPROACH..... 3

MAPPING YOUR STRATEGIC RISKS 4

MAPPING YOUR CORPORATE RISK REGISTER TO THE STRATEGIC PLAN.. 5

INTERNAL AUDIT OPERATIONAL PLAN 2023/24 7

APPENDIX I 13



AUDIT RISK ASSESSMENT

BACKGROUND

Our risk-based approach to internal audit uses Brentwood Borough Council's own risk management process and risk register as a starting point for audit planning as this represents the Council's own assessment of the risks to it achieving its strategic objectives.

The extent to which we can rely on management's own perception of risk largely depends on the maturity and effectiveness of the Council's own risk management arrangements. In estimating the amount of audit resource required to address the most significant risks, we have also sought to confirm that senior management's own assessment of risk accurately reflects the Council's current risk profile.

PLANNED APPROACH TO INTERNAL AUDIT 2023/24

The indicative Internal Audit programme for 2023/24 is set out on pages 7 to 12. We obtained views from the Strategic and Executive Directors in bringing together a full plan which will be presented at this Audit and Scrutiny Committee for formal review and approval. We will keep the programme under continuous review during the year and will introduce to the plan any significant areas of risk identified by management during that period.

The plan is set within the context of a multi-year approach to internal audit planning, such that all areas of key risks would be looked at over a three-year audit cycle. We have suggested future areas of focus as part of the three-year strategic internal audit plan, set out on pages 5 to 6.

INDIVIDUAL AUDITS

When we scope each review, we will reconsider our estimate for the number of days needed to achieve the objectives established for the work and to complete it to a satisfactory standard in light of the control environment identified within the Council. Where revisions are required, we will obtain approval from the appropriate Executive Director prior to commencing fieldwork.

In determining the timing of our individual audits, we will seek to agree a date which is convenient to the Council and which ensures availability of key management and staff and takes account of any operational pressures being experienced.

VARIATIONS TO THE PLAN

We review the three-year strategic plan each year to ensure we remain aware of your ongoing risks and opportunities. Over the coming pages we have mapped your key risks along with the audit work we propose to undertake, demonstrating we are focussing on your most important issues.

As such, our strategic audit programme follows the risks identified during our planning processes and confirmed via discussions with the Strategic and Executive Directors. If these were to change, or emerging risks were to develop during this period, we would take stock and evaluate our coverage accordingly.

OUR NEXT GEN INTERNAL AUDIT APPROACH

Our new and innovative Next Gen approach to internal audit ensures you maximise the potential added value from BDO as your internal audit provider and the expertise we bring from our dedicated Public Sector Internal Audit team and wider BDO specialist teams.

The Next Gen approach has allowed us to move away from the traditional approach of compliance auditing, transitioning in to delivering a healthy mix of assurance that is forward looking, flexible and responsive and undertaken in partnership with yourselves. The key components to this approach are outlined below and underpin our proposed plan coverage:

CORE ASSURANCE

Reviews of fundamental finance and operational systems to provide assurance that core controls and procedures are operating as intended.

SOFT CONTROLS

Reviews seek to understand the true purpose behind control deficiencies and provide a route map to enhance their effectiveness.

FUTURE FOCUSED ASSURANCE

Rather than wait for implementation and then comment on identified weaknesses, we will work with you in an upfront / real time way.

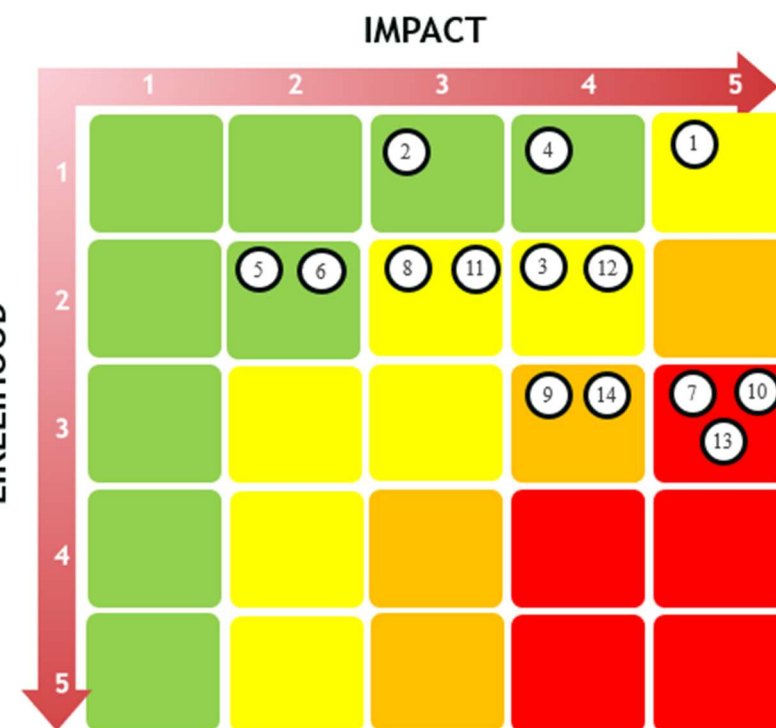
FLEXIBLE AUDIT RESOURCE

Undertake proactive work across the Council, perhaps in preparation for regulatory reviews or change management programmes.



MAPPING YOUR STRATEGIC RISKS

| REF | STRATEGIC RISKS FROM YOUR CORPORATE RISK REGISTER * | SCORE |
|--------|--|-------|
| RSK1 | Failure to adopt a Local Plan in line with national policy | 5 |
| RSK2 | Failure to develop an Environmental strategy and action plan | 3 |
| RSK 3 | Failure to deliver a clear Leisure Strategy | 8 |
| RSK 4 | Failure to deliver the Strategic Housing Development Plan | 4 |
| RSK 5 | Lack of Strategic Direction | 4 |
| RSK 6 | Failure to deliver objectives within the Corporate Strategy | 4 |
| RSK 7 | General Fund budget forecasts could fall below minimum levels | 15 |
| RSK 8 | We will be unable to react to a major incident | 6 |
| RSK 9 | Lack of capacity to effectively govern the organisation | 12 |
| RSK 10 | We may be unable to meet income projections | 15 |
| RSK 11 | We may not be compliant with data protection legislation | 6 |
| RSK 12 | Contract/Partnership failure within organisation | 8 |
| RSK 13 | The Council is at risk from a critical cyber threat | 15 |
| RSK 14 | Inflationary pressures | 12 |



* These are risks in the Council's risk register, not necessarily current issues. There are mitigations in place that reduce the likelihood and impact of the risks and Internal Audit contributes to the assurance regarding these mitigations.

MAPPING YOUR CORPORATE RISK REGISTER TO THE STRATEGIC PLAN

| REF | STRATEGIC RISKS FROM YOUR CRR * | 2023/24 | 2024/25 | 2025/26 |
|-----|--|---|---|---|
| 1 | Failure to adopt a Local Plan in line with national policy | | <ul style="list-style-type: none"> Data quality | |
| 2 | Failure to develop an Environmental strategy and action plan | <ul style="list-style-type: none"> Estates management Waste management services Trees management | <ul style="list-style-type: none"> Climate change | |
| 3 | Failure to deliver a clear Leisure Strategy | <ul style="list-style-type: none"> Follow-ups from 2022/23 audit | | |
| 4 | Failure to deliver the Strategic Housing Development Plan | | <ul style="list-style-type: none"> Housing management | |
| 5 | Lack of Strategic Direction | <ul style="list-style-type: none"> Workforce strategy | | <ul style="list-style-type: none"> Corporate Plan and Priorities |
| 6 | Failure to deliver objectives within the Corporate Strategy | <ul style="list-style-type: none"> Waste management services | | |
| 7 | General Fund budget forecasts could fall below minimum levels | <ul style="list-style-type: none"> Financial planning and monitoring | <ul style="list-style-type: none"> Financial planning and monitoring | <ul style="list-style-type: none"> Financial planning and monitoring |

| REF | STRATEGIC RISKS FROM YOUR CRR * | 2023/24 | 2024/25 | 2025/26 |
|-----|---|---|--|---|
| 8 | We will be unable to react to a major incident | <ul style="list-style-type: none"> Disaster recovery and business continuity | <ul style="list-style-type: none"> Insurance | |
| 9 | Lack of capacity to effectively govern the organisation | <ul style="list-style-type: none"> Workforce strategy | <ul style="list-style-type: none"> Inclusion and diversity Sickness absence management | <ul style="list-style-type: none"> Use of consultants |
| 10 | We may be unable to meet income projections | <ul style="list-style-type: none"> Financial planning and monitoring | <ul style="list-style-type: none"> Financial planning and budget monitoring | <ul style="list-style-type: none"> Financial planning and monitoring Transformation programme |
| 11 | We may not be compliant with data protection legislation | <ul style="list-style-type: none"> Follow-ups from 2022/23 audit | | <ul style="list-style-type: none"> Data protection legislation |
| 12 | Contract/Partnership failure within organisation | <ul style="list-style-type: none"> Partnership with Rochford District Council OneTeam reviews | <ul style="list-style-type: none"> Partnership with Rochford District Council | <ul style="list-style-type: none"> Contract management and procurement |
| 13 | The Council is at risk from a critical cyber threat | <ul style="list-style-type: none"> Follow-ups from 2022/23 audit | <ul style="list-style-type: none"> Cyber security | <ul style="list-style-type: none"> IT data breaches |
| 14 | Inflationary pressures | <ul style="list-style-type: none"> Financial planning and monitoring | <ul style="list-style-type: none"> Financial planning and monitoring | <ul style="list-style-type: none"> Financial planning and monitoring |

* These are risks in the Council's risk register, not necessarily current issues. There are mitigations in place that reduce the likelihood and impact of the risks and Internal Audit contributes to the assurance regarding these mitigations.

INTERNAL AUDIT OPERATIONAL PLAN 2023/24

| AREA | CRR | DAYS | TIMING | DESCRIPTION OF THE REVIEW | REASON FOR INCLUSION |
|-----------------------------------|------------------------|------|--------|--|---|
| Core Assurance | | | | | |
| Risk management | All | 10 | Q3 | Review of risk management and governance arrangements against the Council's risk management strategy and ensure that the Council is operating reasonably against the CIPFA Good Governance Code. | Links to all the Council's risks and was not covered in 2022/23. |
| Main financial systems | All | 35 | Q4 | Detailed annual review of general ledger controls, including: <ul style="list-style-type: none"> • Annual review of control account reconciliations and journals • IT general controls • Cyclical audit of accounts receivable, including management of rent arrears during the current cost of living crisis • Cyclical audit of accounts payable • Follow up of issues identified in sample testing of financial controls in 2022/23. | Cyclical review, links to all the Council's risks. |
| Financial planning and monitoring | RSK7 RSK10 RSK14 | 15 | Q4 | Review of budget setting processes, including how the Council is addressing budget gaps in the Medium-Term Financial Plan, and monitoring the achievement of its income, savings and efficiency targets. | Links to RSK7 (General Fund budget), RSK10 (Income projections) and RSK14 (Inflationary pressures). |

| AREA | CRR | DAYS | TIMING | DESCRIPTION OF THE REVIEW | REASON FOR INCLUSION |
|--------------------|------|------------|--------|---|--|
| Estates management | RSK2 | 20 | Q3 | Review of the Council's controls for ensuring that its corporate buildings comply with regulatory health and safety requirements (eg fire, water, gas etc). | Links to RSK2 (Environment strategy) and high operational risks A&E 1(Corporate property compliance), A&I2 (Health and safety). |
| Assets management | N/A | 20 | Q3 | Review of the Council's processes for keeping track of its IT assets, vehicles and other plant and equipment, including controls over additions and disposals/replacements. | This area has not been audited in the past five years and controls in asset management are particularly important when hybrid remote/office working arrangements are in place and as the Council moves to more joint working with Rochford District Council. |
| Car parking | N/A | 15 | Q2 | Review of the Council's arrangements for the administration, collection and recording of car parking income. | Cyclical audit, last audited in 2017/18. An audit was planned to be carried out in 2020/21 but was replaced by another audit due to the impact of the pandemic. |
| Total | | 115 | | | |

| AREA | CRR | DAYS | TIMING | DESCRIPTION OF THE REVIEW | REASON FOR INCLUSION |
|--|--------------|-----------|--------|---|--|
| Soft controls reviews | | | | | |
| Communications and information sharing | N/A | 10 | Q2 | Review of the Council's communications protocol and how the Council engages with stakeholders internally and externally, ensuring communications are in line with agreed corporate priorities. | This area has not been audited in the past five years. |
| Workforce strategy | RSK9 | 15 | Q2 | Review of the adequacy of the Council's Workforce Strategy and the effectiveness of underlying processes in addressing vacancies, targeting recruitment appropriately, aligning job responsibilities with changing service departments under the One Team Transformation Programme with Rochford District Council, and building resilience in service delivery. | Links to RSK5 (Strategic direction), RSK 9 (Lack of capacity) and high operational risk C&D2 (Effective service delivery). |
| Waste management services | RSK2 RSK6 | 20 | Q2 | Review of the Council's arrangements for improving the management of its waste and recycling collections. | Links to RSK2 (Environment strategy), RSK6 (Corporate Strategy) and high operational risk ENV3 (LGV waste drivers). |
| Total | | 45 | | | |

| AREA | CRR | DAYS | TIMING | DESCRIPTION OF THE REVIEW | REASON FOR INCLUSION |
|--|-------|------|--------|---|--|
| Future focussed reviews | | | | | |
| Partnership with Rochford District Council | RSK12 | 15 | Q4 | Ongoing review of the governance arrangements for the strategic partnership with Rochford District Council, the management of any emerging risks and benefits realisation processes. | Links to RSK12 (Contract/Partnership failure) |
| Disaster recovery and business continuity | RSK8 | 15 | Q3 | Review of business continuity plans and procedures under joint arrangements with Rochford District Council, including processes for ensuring that IT systems remain stable while the Council continues to invest in Cloud technologies. | Links to RSK8 (Major incident) and high operational risks C&D3 (Loss of business applications) and C&D4 (Loss of Customer facing digital platforms). From our follow up of prior recommendations we are aware that testing of Business Continuity plans has been put on hold while officers develop a One Team approach to emergency planning and business continuity with Rochford District Council. |
| Total | | 30 | | | |

| AREA | CRR | DAYS | TIMING | DESCRIPTION OF THE REVIEW | REASON FOR INCLUSION |
|---|-------|-----------|--------|---|--|
| Flexible Live Assurance - To be allocated during the year as required but could include the examples shown below | | | | | |
| OneTeam reviews | RSK12 | 25 | Q2 | Advisory review of the OneTeam reviews to be carried out by officers during 2023/24, with a view to assisting the process. Scope and timing to be agreed with officers. | Links to RSK12 |
| Trees management | RSK2 | 10 | Q3 | Review of the Council's progress in managing the risks associated with unmaintained woodland and non-woodland trees. | Links to RSK2 (Environment strategy) and operational risk ENV1 (Unmaintained trees) which the Council is working to address. |
| Counter fraud | N/A | 10 | All | Fraud risk assessment and preventative measures, e.g. training presentations, advice, liaison with external audit. Exact scope to be agreed with officers. | Links to all risks. |
| Total | | 45 | | | |

| AREA | CRR | DAYS | TIMING | DESCRIPTION OF THE REVIEW | REASON FOR INCLUSION |
|---------------------------------|-----|-----------|---------|--|---|
| Contract Management | | | | | |
| Planning / liaison / management | N/A | 10 | Q1 - Q4 | Creation of audit plan, meeting with Executive Directors | Effective contract management |
| Recommendations follow up | N/A | 20 | Q1 - Q4 | Assessment and reporting of status of implementation of recommendations raised | Assurance for Executive Team and Audit and Scrutiny Committee |
| Audit and Scrutiny Committees | N/A | 10 | Q1 - Q4 | Attendance at Audit and Scrutiny Committee meetings and pre-meetings | Effective contract management |
| Total | | 40 | | | |

| SUMMARY | DAYS |
|-------------------------|------------|
| Core Assurance | 115 |
| Soft Controls | 45 |
| Future Focused Reviews | 30 |
| Flexible Audit Resource | 45 |
| Contract Management | 40 |
| Total days | 275 |

APPENDIX I

INTERNAL AUDIT CHARTER - ROLE AND SCOPE OF INTERNAL AUDIT

PURPOSE OF THIS CHARTER

This charter is a requirement of Public Sector Internal Audit Standards (PSIAS).

The charter formally defines internal audit's mission, purpose, authority and responsibility. It establishes internal audit's position within Brentwood Borough Council and defines the scope of internal audit activities.

Final approval resides with the Council, in practice the charter shall be reviewed and approved annually by management and by the Audit and Scrutiny Committee on behalf of the Council of Brentwood Borough Council.

INTERNAL AUDIT'S MISSION

Internal audit's mission is to enhance and protect organisational value by providing risk-based and objective assurance, advice and insight.

STANDARDS OF INTERNAL AUDIT PRACTICE

To fulfil its mission, internal audit will perform its work in accordance with PSIAS, which encompass the mandatory elements of the Institute of Internal Auditors (IIA) International Professional Practices Framework (IPPF): Definition of Internal Auditing, Code of Ethics, and International Standards for the Professional Practice of Internal Auditing.

INTERNAL AUDIT DEFINITION AND ROLE

Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

Internal audit acts primarily to provide the Audit and Scrutiny Committee with information necessary for it to fulfil its own responsibilities and duties. Implicit in internal audit's role is that it supports management to fulfil its own risk, control and compliance responsibilities. The range of work performed by internal audit is set out in PSIAS and not repeated here.

INTERNAL AUDIT'S SCOPE

The scope of internal audit activities includes all activities conducted by Brentwood Borough Council. The Internal Audit Plan sets out those activities that have been identified as the subject of specific internal audit engagements.

The provision of assurance services is the primary role for internal audit in the UK public sector. This role requires the chief audit executive to provide an annual internal audit opinion based on an objective assessment of the framework of governance, risk management and control.

Assurance engagements involve the objective assessment of evidence to provide an independent opinion or conclusions regarding an entity, operation, function, process, system or other subject matter. The nature and scope of the assurance engagement are determined by internal audit.

Consulting engagements are advisory in nature and are generally performed at the specific request of management, with the aim of improving governance, risk management and control and contributing to the overall opinion. The nature and scope of consulting engagement are subject to agreement with management. When performing consulting services, internal audit should maintain objectivity and not assume management responsibility.

EFFECTIVE INTERNAL AUDIT

Our internal audit function is effective when:

- It achieves the purpose and responsibility included in the internal audit charter
- It conforms with the Standards
- Its individual members conform with the Code of Ethics and the Standards
- It considers trends and emerging issues that could impact the organisation.

The internal audit activity adds value to Brentwood Borough Council (and its stakeholders) when it considers strategies, objectives and risks, strives to offer ways to enhance governance, risk management and control processes and objectively provides relevant assurance.

We will agree with you an audit plan for a total number of days activity. Once agreed, we will turn this into a cash budget which we will work to, in order to ensure that you have certainty around the fees you will pay us.

INDEPENDENCE AND INTERNAL AUDIT'S POSITION WITHIN BRENTWOOD BOROUGH COUNCIL

To provide for internal audit's independence, its personnel and external partners report to the Head of Internal Audit, who reports functionally to the Audit and Scrutiny Committee. The Head of Internal Audit has free and full access to the Chair of the Audit and Scrutiny Committee. The Head of Internal Audit reports administratively to the Director of Resources who provides day-to-day oversight.

The appointment or removal of the Head of Internal Audit will be performed in accordance with established procedures and subject to the approval of the Chair of the Audit and Scrutiny Committee.

The internal audit service will have an impartial, unbiased attitude and will avoid conflicts of interest. The internal audit service is not ordinarily authorised to perform any operational duties for Brentwood Borough Council.

In the event that internal audit undertakes non-audit activities, safeguards will be agreed to ensure that independence or objectivity of the internal audit activity are not impaired. This might include a separate partner review of the work or a different team undertaking the work. Approval of the arrangements for such engagements will be sought from the Audit and Scrutiny Committee prior to commencement.

In the event that internal audit provides assurance services where it had previously performed consulting services, an assessment will be undertaken to confirm that the nature of the consulting activity did not impair objectivity and safeguards will be put in place to manage individual objectivity when assigning resources to the engagement. Such safeguards will be communicated to the Audit and Scrutiny Committee.

Internal audit must be free from interference in determining the scope of internal auditing, performing work and communicating results. Should any interference take place, internal audit will disclose this to the Audit and Scrutiny Committee to discuss the implications.

INTERNAL AUDIT'S ROLE IN COUNTERING FRAUD, BRIBERY AND CORRUPTION

Management, not internal auditors are responsible for the prevention and detection of fraud, bribery and corruption. Auditors will, however, be alert in all their work to risks and exposures that could allow fraud or corruption as well as seeking to identify indications that fraud and corruption may have been occurring. Audit procedures alone, even when performed with due professional care, cannot guarantee that fraud and corruption will be detected. In the event that internal audit suspects a fraud, this will be referred to appropriate management in the first instance and then the Audit and Scrutiny Committee.

ACCESS TO RECORDS AND CONFIDENTIALITY

There are no limitations to internal audit's right of access to Brentwood Borough Council officers, records, information, premises, or meetings which it considers necessary to fulfil its responsibilities.

When the auditors receive confidential information about your affairs it shall at all times be kept confidential, except as required by law or as provided for in regulatory, ethical or other professional pronouncements applicable. All information will be maintained in line with appropriate regulations, for example the Data Protection Act 2018.

COORDINATION AND RELIANCE WITH OTHER ASSURANCE PROVIDERS

In co-ordinating activities internal audit may rely on the work of other assurance and consulting service providers.

A consistent approach is adopted for the basis of reliance and internal audit will consider the competency, objectivity, and due professional care of the assurance and consulting service providers. Due regard will be given to understanding of the scope, objectives and results of the work performed by other providers of assurance and consulting services.

Where reliance is placed upon the work of others, internal audit is still accountable and responsible for ensuring adequate support for conclusions and opinions reached by the internal audit activity.

INTERNAL AUDIT'S COMMITMENTS TO BRENTWOOD BOROUGH COUNCIL

Internal audit commits to the following:

- Working with management to improve risk management, controls and governance within the organisation
- Performing work in accordance with PSIAS
- Complying with the ethical requirements of PSIAS
- Dealing in a professional manner with Council staff, recognising their other commitments and pressures
- Raising issues as they are identified, so there are no surprises and providing practical recommendations
- Liaising with external audit and other regulators to maximise the assurance provided to the Council
- Reporting honestly on performance against targets to the Audit and Scrutiny Committee.

INTERNAL AUDIT PERFORMANCE MEASURES AND INDICATORS

The tables below contain some of the performance measures and indicators that are considered to have the most value in assessing the efficiency and effectiveness of internal audit.

The Audit and Scrutiny Committee should approve the measures which will be reported to each meeting and / or annually as appropriate. In addition to those listed here we also report on additional measures as agreed with management and included in our Progress Report.

QUALITY ASSURANCE AND IMPROVEMENT PROGRAMME

As required by PSIAS, an external assessment of the service will be performed at least every five years. BDO also has an internal quality assurance review process in place, which takes place annually. This is performed by a separate team independent to the internal audit team.

The results of internal and external assessments will be communicated to the Audit and Scrutiny Committee as part of the internal audit annual report, along with corrective action plans.

TABLE ONE: PERFORMANCE MEASURES FOR INTERNAL AUDIT

| MEASURE / INDICATOR |
|---|
| <p>Audit Coverage</p> <p>Annual Audit Plan delivered in line with timetable. Actual days are in accordance with Annual Audit Plan.</p> |
| <p>Relationships and customer satisfaction</p> <p>Customer satisfaction reports - overall score at average at least 3.5 / 5 for surveys issued at the end of each audit. Annual survey to Audit and Scrutiny Committee to achieve score of at least 70%. External audit can rely on the work undertaken by internal audit (where planned).</p> |
| <p>Staffing and Training</p> <p>At least 60% input from qualified staff.</p> |
| <p>Audit Reporting</p> <p>Issuance of draft report within 3 weeks of fieldwork `closing` meeting. Finalise internal audit report 1 week after management responses to report are received. 90% recommendations to be accepted by management. Information is presented in the format requested by the customer.</p> |
| <p>Audit Quality</p> <p>High quality documents produced by the auditor that are clear and concise and contain all the information requested. Positive result from any external review.</p> |

MANAGEMENT AND STAFF COMMITMENTS TO INTERNAL AUDIT

The management and staff of Brentwood Borough Council commit to the following:

- Providing unrestricted access to all of Brentwood Borough Council's records, property, and personnel relevant to the performance of engagements
- Responding to internal audit requests and reports within the agreed timeframe and in a professional manner
- Implementing agreed recommendations within the agreed timeframe
- Being open to internal audit about risks and issues within the organisation
- Not requesting any service from internal audit that would impair its independence or objectivity
- Providing honest and constructive feedback on the performance of internal audit.

MANAGEMENT AND STAFF PERFORMANCE MEASURES AND INDICATORS

The following three indicators are considered good practice performance measures but we go beyond this and report on a suite of measures as included in each Audit and Scrutiny Committee Progress Report.

TABLE TWO: PERFORMANCE MEASURES FOR MANAGEMENT AND STAFF

MEASURE / INDICATOR

Response to Reports

Audit sponsor to respond to terms of reference within one week of receipt and to draft reports within two weeks of receipt.

Implementation of recommendations

Audit sponsor to implement all audit recommendations within the agreed timeframe.

Co-operation with internal audit

Internal audit to confirm to each meeting of the Audit and Scrutiny Committee whether appropriate co-operation has been provided by management and staff.

BDO CONTACTS

| NAME | GRADE | TELEPHONE | EMAIL |
|-------------------|---|---------------|-----------------------------|
| Greg Rubins | Partner | 07710 703 441 | greg.rubins@bdo.co.uk |
| Janine Combrinck | Director and Head of Internal Audit | 07879 816 470 | janine.combrinck@bdo.co.uk |
| Jenia Islentsyeva | Manager | 07584 143 261 | jenia.islentsyeva@bdo.co.uk |

FOR MORE INFORMATION:

GREG RUBINS

+44 238 088 1892
greg.rubins@bdo.co.uk

JANINE COMBRINCK

+44 207 893 2660
janine.combrinck@bdo.co.uk

This publication has been carefully prepared, but it has been written in general terms and should be seen as broad guidance only. The publication cannot be relied upon to cover specific situations and you should not act, or refrain from acting, upon the information contained therein without obtaining specific professional advice. Please contact BDO LLP to discuss these matters in the context of your particular circumstances. BDO LLP, its partners, employees and agents do not accept or assume any liability or duty of care for any loss arising from any action taken or not taken by anyone in reliance on the information in this publication or for any decision based on it.

BDO LLP, a UK limited liability partnership registered in England and Wales under number OC305127, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms. A list of members' names is open to inspection at our registered office, 55 Baker Street, London W1U 7EU. BDO LLP is authorised and regulated by the Financial Conduct Authority to conduct investment business.

BDO is the brand name of the BDO network and for each of the BDO Member Firms.

BDO Northern Ireland, a partnership formed in and under the laws of Northern Ireland, is licensed to operate within the international BDO network of independent member firms.

© 2023 BDO LLP. All rights reserved.

www.bdo.co.uk

This page is intentionally left blank

Agenda Item 6

| | |
|---|----------------------------|
| Committee: Audit and Scrutiny Committee | Date: 07 March 2023 |
| Subject: Risk Management | Wards Affected: All |
| Report of: Tim Willis, Director Resources | Public |
| Report Author/s: Name: Sue White, Risk & Insurance Officer Telephone: 01277 312500 E-mail: sue.white@brentwood.gov.uk | For Information |

Summary

The report updates members of the Audit & Scrutiny Committee on the status of the Council's 2022/2023 Strategic Risk Register and high-level operational risks.

As a result of the current risk review one risk score has reduced. The other risk scores have remained the same from the previous review in November.

Of the high-level operational risks, one risk score has been increased and one reduced, with the other risks scores remaining the same.

Main Report

Introduction and Background

1. The governance arrangements set out in the 'Insurance & Risk Management Strategy' and terms of reference of committees from our constitution require the Audit and Scrutiny Committee to review the strategic and operational risks every quarter.
2. The strategic and operational risk registers are monitored by Corporate Leadership Team (CLT) and the Extended Leadership Team (ELT) who consider the risks, the mitigations and agrees the content. It is the responsibility of the Audit & Scrutiny Committee to review the strategic risks and confirm they are confident that the risks associated within this register are those which are strategic and relevant to the organisation at this point in time and the considered future.
3. Work continues to embed Risk Management within the Council. It is important that all staff become involved in the risk management process and become aware of their responsibilities in identifying and managing risk.

Issue, Options and Analysis of Options

4. Risk Management continues to be imbedded quarterly within the Corporate Leadership Team reports, where Service Heads discuss the top-level risks for their service areas to ensure that the risks are updated to reflect the ongoing changes.
5. The Risk and Insurance Officer will continue to work with risk managers to maintain the good progress to date and further develop a consistent application of risk management considerations across all operations of the Council.

Strategic Risks

6. In accordance with the Council's Insurance and Risk Management Strategy, risk owners have reviewed their risks and updated them.
7. Attached to this report at Appendix A is a summary showing the current status of each risk.
8. As a result of the current risk review one score has reduced, and the remaining scores have remained unchanged from the previous review in November.
9. The risks where the risk score has reduced is as follows:
 - Red Risk RSK10 – We may be unable to meet the income projections for the Council (row 53) L3 x15 = Very High 15
The risk score has been decreased as a review of budget setting for 23/24 has aligned all commercial income.
10. Work is ongoing to identify any new risks, with the Partnership between Brentwood Borough council and Rochford District council to be included in future updates.

Risk Matrix

11. The fourteen risks are plotted on the risk matrix in Table 1. The current assessment identifies that three risks are categorised as very high in the red area of the risk matrix.

Table 1 – Risk Matrix

| | | | | | | |
|--------------------------|-----------------|----------------------------|-------------------------|-----------------------------|-----------------------------|-------------------------------|
| Likelihood / Probability | Definite | Low (5) | Medium (10) | High (15) | V. High (20) | V. High (25) |
| | Very Likely | Low (4) | Medium (8) | High (12) | V. High (16) | V. High (20) |
| | Likely | Low (3) | Medium (6) | Medium (9) | High (12) RSK9 RSK14 | V. High (15) RSK7 RSK13 |
| | Unlikely | Low (2) | Low (4) RSK5 RSK6 | Medium (6) RSK8 RSK11 | Medium (8) RSK3 RSK12 | High (10) RSK10 |
| | Highly Unlikely | Low (1) | Low (2) | Low (3) RSK2 | Medium (4) RSK4 RSK9 | Medium (5) RSK1 |
| | | Negligible | Minor | Moderate | Significant | Major |
| | | Negative Impact / Severity | | | | |

Likelihood x Impact = Risk Score

| No. | Risk | No. | Risk |
|-----|---|-----|--|
| 1 | Failure to adopt a local plan in line with national policy | 8 | Unable to react to major incident |
| 2 | Failure to develop an environmental strategy and action plan | 9 | Lack of Organisational Capacity |
| 3 | Failure to deliver a clear Leisure Strategy | 10 | Unable to meet income projections |
| 4 | Failure to deliver Strategic Housing Development Plan | 11 | Not compliant with data protection legislation |
| 5 | Lack of Strategic Direction | 12 | Contract/Partnership Failure within organisation |
| 6 | Failure to deliver objectives within Corporate Strategy | 13 | Risk from a critical cyber threat |
| 7 | General Fund budgets could fall below the minimum level of reserves | 14 | Inflationary Pressures |

Operational Risks

12. Operational risk management is concerned with reviewing those risks that are faced in the day-to-day delivery of services, particularly where effective management of those risks could result in a reduction in insurance claims and related costs.
13. The Operational Risk Register has been updated to reflect the new Directorate Structure. The risks have been reviewed by risk owners and updated and amended where necessary to reflect the actions taken to manage the risks.
14. Attached to this report at Appendix B is the operational risk summary sheet showing the very high and high-level risks. The risk references are shown in brackets in the table below which match to Appendix B.
15. At the review in February risk ENV.3 was reduced from L3 x I4 = High 12 to L2 x I4 = Med 8. Risk C&H1 was increased from L3 x I3 = Med 9 to L4 x I4 = Very High 16. The other risks scores remaining the same from the last Committee meeting in November.
16. The table below shows the total number of risks identified in operational risk registers across the Council

| Directorate | Open risks on register | Very High Risk | High Risk | Medium Risk | Low Risk |
|-------------------------|------------------------|----------------|--------------------|-------------|----------|
| Environment | 5 | | 2 ENV1 | 3 | 1 |
| Place | 3 | | | 3 | |
| Resources | 8 | | | 6 | 2 |
| Housing | 9 | | 2 HSG2, HSG3 | 6 | 1 |
| Assets & Investments | 2 | | 2 A&I2, A&I2 | | |
| Communities & Health | 5 | 1 C&H1 | | | 4 |
| Customer & Data Insight | 4 | 1 C&D2 | 3 C&D1, C&D3, C&D4 | | |
| Policy & Delivery | 1 | | | | 1 |
| People & Governance | 12 | | | 7 | 5 |

Consultation

17. None

References to Corporate Strategy

18. Effective risk management arrangements will enable the Council to achieve its corporate priorities. The process will allow identification of risks and issues, enabling informed decision making to remove or reduce them, in order for the priorities to be achieved.

Implications

Financial Implications

Name/Title: Tim Willis, Director Resources and Section 151 Officer

Tel/Email: 01277 312500/tim.willis@brentwood.gov.uk

19. None arising specifically from this report, but control measures identified in risk registers could have financial or resource implications.

Legal Implications

Name & Title: Emily Yule, Strategic Director

Tel & Email: 01277 312500/emily.yule@brentwood.gov.uk

20. Effective risk management provides a means of identifying, managing and reducing the likelihood of legal claims or regulatory challenges against the Council.

Economic Implications

Name/Title: Phil Drane, Director Place

Tel/Email: 01277 312500/philip.drane@brentwood.gov.uk

21. Economic implications are contained within the report and identified in risk registers.

Background Papers

- Insurance & Risk Management Strategy

Appendices to this report

- Appendix A: Strategic Risk Register
- Appendix B: Operational Risk Register
- Appendix C: Risk Ranking Table

This page is intentionally left blank

BRENTWOOD BOROUGH COUNCIL STRATEGIC RISK REGISTER

FEBRUARY 2023

| Risk No. | Risk Details | Risk Owner | Risk Categorisation | Original Scores (before any mitigations) | | | Mitigations to date | Current Scores February 2023 | | | Direction of travel from previous quarter | Further Actions / Comments | Planned Completion Date(s) | Target Scores (following completion of all further actions) | | |
|---|---|------------------|------------------------------|---|---|--------------|--|---------------------------------|---|----------|---|--|-------------------------------|---|---|----------|
| | | | | L | I | S | | L | I | S | | | | L | I | S |
| Corporate Strategy: Growing our Economy - A thriving borough that welcomes a wealth of business and culture | | | | | | | | | | | | | | | | |
| Risk 1 | Cause: Lack of local planning policies to plan and manage development | Director (Place) | Reputation | | | V High 25 | Meeting targets set out in the Local Plan timetable (Local Development Scheme, approved September 2019). Ongoing discussion with neighbouring Local Planning Authorities and key stakeholders (Duty to Cooperate). Partnership in Association of South Essex Local Authorities (ASELA). Preparation of Community Infrastructure Levy (CIL). Delivery of Dunton Hills Garden Village (DHGV). Retention of permanent staff and recruitment of temporary staff to meet short-term needs when required. Adopted Local Plan | 1 | 5 | Med 5 | Stayed the same | No change. Risk score is being managed and maintained. The council's CIL is progressing towards submission in support of the local plan and infrastructure delivery. | Sep-24 | 1 | 5 | Med 5 |
| | Uncertain Event (Risk): Failure to adopt a <u>Local Plan</u> in line with national policy | | Legal/Compliance | 5 | 5 | | | | | | | | | | | |
| | Consequence(s): Planning applications being judged solely against national policy "in favour of sustainable development" and/or unplanned development | | Effect on Project objectives | | | | | | | | | | | | | |

Corporate Strategy: Protecting our Environment - Developing a clean and green environment for everyone to enjoy

| | | | | | | | | | | | | | | | | |
|-----------|--|---------------------------|--------------------|---|---|--------------|--|---|---|----------|-----------------|--|--|--|--|----------|
| Risk 2 | Cause: Lack of engagement with communities and businesses; non delivery of our plans for waste management services | Director (Environment) | Effects on Service | | | V High 20 | Strategy and action plan are in place Introduction of new recycling scheme Co Wheel Scheme implemented Electric charging pilots implemented New climate & Sustainability officer employed Brentwood Environmental Business Alliance (BEBA) launched | 1 | 3 | Low 3 | Stayed the same | Strategy and Action Plan approved in December. | | | | Low 1 |
| | Uncertain Event (Risk): Failure to develop an <u>Environmental strategy</u> and action plan | | Reputation | 5 | 4 | | | | | | | | | | | |
| | Consequence(s): Council would be actively contributing to climate decline | | | | | | | | | | | | | | | |

BRENTWOOD BOROUGH COUNCIL STRATEGIC RISK REGISTER

FEBRUARY 2023

| Risk No. | Risk Details | Risk Owner | Risk Categorisation | Original Scores (before any mitigations) | | | Mitigations to date | Current Scores February 2023 | | | Direction of travel from previous quarter | Further Actions / Comments | Planned Completion Date(s) | Target Scores (following completion of all further actions) | | |
|----------|--------------|------------|---------------------|---|---|---|---------------------|---------------------------------|---|---|---|----------------------------|----------------------------|--|---|---|
| | | | | L | I | S | | L | I | S | | | | L | I | S |

Corporate Strategy: Developing our Communities - Safe and strong communities where residents live happy, healthy and independent lives

| | | | | | | | | | | | | | | | | |
|--------|--|---------------------------------|--------------------|---|---|---------|---|---|---|-------|-----------------|---|----------|---|---|-------|
| Risk 3 | Cause: Unable to identify risk and liabilities for Brentwood Centre, Copmmunity Halls and Hartswood Golf Course, Play Areas and recommend options for the future | Director (Communities & Health) | Effects on Service | | | High 12 | Leisure Strategy reviewed and updated Feasibility/business plan in progress for King George's Playing Fields. Budget agreed for KGPF and 5-year Play Area Improvement programme Workstream established for transition of Brentwood Centre to Council. | | | Med 8 | Stayed the same | Leisure Strategy reviewed and updated Feasibility/business plan in progress for King George's Playing Fields. Budget agreed for KGPF and 5-year Play Area Improvement programme Workstream established for transition of Brentwood Centre to Council. Halls working towards new leases Brentwood Centre under management contract | On going | | | Med 6 |
| | Uncertain Event (Risk): Failure to deliver a clear <u>Leisure Strategy</u> for the future of leisure facilities in Brentwood | | Reputation | 3 | 4 | | | 2 | 4 | | | | | 2 | 3 | |
| | Consequence(s): Reduced leisure provision within the Borough, health and well being of residents affected, less desirable place to live or visit with poor offering of leisure facilities. Financial failure of the leisure facilities provided causing issues with the overall budget | | People | | | | | | | | | | | | | |

Corporate Strategy: Improving Housing - Access to a range of decent homes that meet local needs

| | | | | | | | | | | | | | | | | |
|--------|--|--------------------|--------------------|---|---|-----------|--|---|---|-------|-----------------|---|---|---|---|-------|
| Risk 4 | Cause: Resources not adequetly in place to deliver plan | Director (Housing) | Effects on Service | | | V High 15 | Strategic Housing Delivery Plan 21-26 now developed to meet objectives within the Housing Strategy HRA busines plan | | | Med 4 | Stayed the same | Brookfield/Courage Court on target for 2023 start on site. Harewood landlord offer for approval at Feb Housing Committee. Ark working with BBC on Homes England partner status. Ingleton House progress to next stage agreed by Housing Committee. Local Authority Housing Fund expression of interest submitted. | Ongoing - This is 5-7 year rolling programme of new build | | | Med 4 |
| | Uncertain Event (Risk): Failure to deliver the Council's <u>Strategic Housing Development Plan</u> | | Reputation | 3 | 5 | | | 1 | 4 | | | | | 1 | 4 | |
| | Consequence(s): Fewer new homes are built within the borough | | Legal/Compliance | | | | | | | | | | | | | |

BRENTWOOD BOROUGH COUNCIL STRATEGIC RISK REGISTER

FEBRUARY 2023

| Risk No. | Risk Details | Risk Owner | Risk Categorisation | Original Scores (before any mitigations) | | | Mitigations to date | Current Scores February 2023 | | | Direction of travel from previous quarter | Further Actions / Comments | Planned Completion Date(s) | Target Scores (following completion of all further actions) | | |
|----------|--------------|------------|---------------------|---|---|---|---------------------|---------------------------------|---|---|---|----------------------------|----------------------------|--|---|---|
| | | | | L | I | S | | L | I | S | | | | L | I | S |

Corporate Strategy: Delivering an efficient and effective council - An ambitious and innovative council that delivers quality services

| | | | | | | | | | | | | | | | | |
|--------|---|--------------------|------------------------------|---|---|-------|---|---|---|-------|-----------------|--|---------|---|---|-------|
| Risk 5 | Cause: No Strategic direction provided | Strategic Director | Effects on Service | | | Med 9 | Corporate Strategy Training and Development for Officers and Members Code of Conduct. Consultation / surveys. Project and performance Management Framework. Business recovery plans in place and monitored with senior management & members. | | | Low 4 | Stayed the same | Recruitment underway for 3 vacant director roles. (These are currently covered by interims). 2022/23 Corporate Objectives being completed and will be reported to appropriate committees and Ordinary Council in March 2023. Service Reviews are being undertaken and on track with programme. | Ongoing | 1 | 2 | Low 2 |
| | Uncertain Event (Risk): Lack of <u>Strategic Direction</u> | | Reputation | 3 | 3 | | | 2 | 2 | | | | | | | |
| | Consequence(s): Projects and programmes not delivered Community benefits not delivered | | Effect on Project objectives | | | | | | | | | | | | | |

Corporate Strategy: Delivering an efficient and effective council - An ambitious and innovative council that delivers quality services

| | | | | | | | | | | | | | | | | |
|--------|--|--------------------|------------------------------|---|---|-----------|---|---|---|-------|-----------------|---|---------|---|---|-------|
| Risk 6 | Cause: Unable to deliver projects as set out in the Corporate Plan. | Strategic Director | Effect on Project objectives | | | V High 20 | PRED Committee appointed as Programme Board. Continued communication on Corporate Strategy within organisation Ownership of delivery of projects identified at all levels within the Council. Business Plan is monitored by the Senior Leadership Team and the Leader regularly through project management techniques i.e RAG ratings | | | Low 4 | Stayed the same | Projects continue to be managed via the Corporate Project Management framework and are linked to Corporate Strategy objectives. Objectives for 22/23 will be reported to Council in March 2023. | Ongoing | 1 | 1 | Low 1 |
| | Uncertain Event (Risk): Failure to deliver objectives within the <u>Corporate Strategy</u> | | Effects on Service | 4 | 5 | | | 2 | 2 | | | | | | | |
| | Consequence(s): Community benefits not delivered | | Reputation | | | | | | | | | | | | | |

Corporate Strategy: Delivering an efficient and effective council - An ambitious and innovative council that delivers quality services

| | | | | | | | | | | | | | | | | |
|--------|---|----------------------|-----------------------|---|---|-----------|---|---|---|-----------|-----------------|---|--------|---|---|-------|
| Risk 7 | Cause: Finances are not adequately managed | Director (Resources) | Financial & Resources | | | V High 25 | Medium Term Financial Strategic (MTFS) is undertaken on an annual basis, with monthly budget monitoring and half year reports to Committee. Budget Challenge meeting are in place for Senior Officers to review and challenge Budget Managers as well as regular reporting to SLT and Committee chairs A Funding Volatility Reserve has been created to specifically address the uncertainty of Government funding levels. Risk Assessment of Minimum level of reserves is carried out yearly. | | | V High 15 | Stayed the same | Latest 2022/23 budget monitoring, 2023/24 budget and medium term financial strategy to 2025/26 is in progress. This work updates the overall financial risks to the council and presents a medium term position that is financially sustainable. Over the medium term, working balances are projected to be maintained in excess of £2.5 million which exceeds the minimum of £2 million as per council policy. | Mar-23 | 1 | 5 | Med 5 |
| | Uncertain Event (Risk): <u>General Fund budget</u> forecasts could fall below the Minimum Level of Reserves | | Reputation | 5 | 5 | | | 3 | 5 | | | | | | | |
| | Consequence(s): Council will be unable to deliver statutory services. | | | | | | | | | | | | | | | |

BRENTWOOD BOROUGH COUNCIL STRATEGIC RISK REGISTER

FEBRUARY 2023

| Risk No. | Risk Details | Risk Owner | Risk Categorisation | Original Scores (before any mitigations) | | | Mitigations to date | Current Scores February 2023 | | | Direction of travel from previous quarter | Further Actions / Comments | Planned Completion Date(s) | Target Scores (following completion of all further actions) | | |
|----------|--------------|------------|---------------------|---|---|---|---------------------|---------------------------------|---|---|---|----------------------------|-------------------------------|---|---|---|
| | | | | L | I | S | | L | I | S | | | | L | I | S |

Corporate Strategy: Delivering an efficient and effective council - An ambitious and innovative council that delivers quality services

| | | | | | | | | | | | | | | | | |
|--------|---|------------------------------------|--------------------|---|---|--------------|---|---|---|----------|-----------------|--|----------|---|---|----------|
| Risk 8 | Cause: If we don't have in place adequate plans and procedures, understood, tested and reviewed | Director (Communities & Health) | People | | | V High 20 | All services areas have Business Continuity Plans in place. Support and ongoing embedding of Emergency Planning & Business Continuity Plans within service departments Training to Extended leadership teams undertaken | | | Med 6 | Stayed the same | Business continuity awareness training was provided to leadership teams in May 2022. | On going | | | Med 6 |
| | Uncertain Event (Risk): We will be unable to react to a major incident leading to a breach of our statutory duties under the Civil Contingencies Act | | Effects on Service | 4 | 5 | | | 2 | 3 | | | | | 2 | 3 | |
| | Consequence(s): Ineffective response to an incident leading to greater inconvenience and hardship and a longer timescale for return to normal | | Reputation | | | | | | | | | | | | | |

Corporate Strategy: Delivering an efficient and effective council - An ambitious and innovative council that delivers quality services

| | | | | | | | | | | | | | | | | |
|--------|---|--------------------|------------------------------|---|---|------------|--|---|---|----------|-----------------|---|--|---|---|----------|
| Risk 9 | Cause: If recruitment processes are not effective and resources are adequately in place. | Strategic Director | Effects on Service | | | High 12 | Monitor vacancy factor within Medium Term Financial Strategy (MTFS) Communications Protocol & Strategy Workforce Strategy Regular meetings between senior members & officers. Review options for alternative service delivery model Recruitment service brought in house Establishment Review Group between Finance & HR | | | Med 4 | Stayed the same | The recruitment for the remaining three permanent Director roles is underway and deadline for applying is 13 February. The People Strategy is currently being developed by the People and OD Service Manager and will address our recruitment and retention strategy. A review of the Constitution has started. | | | | Med 4 |
| | Uncertain Event (Risk): Lack of capacity to effectively govern the organisation will result in delay in delivery of business objectives | | Reputation | 3 | 4 | | | 1 | 4 | | | | | 1 | 4 | |
| | Consequence(s): Key projects not delivered. Reputation severely damaged Services not delivered | | Effect on Project objectives | | | | | | | | | | | | | |

BRENTWOOD BOROUGH COUNCIL STRATEGIC RISK REGISTER

FEBRUARY 2023

| Risk No. | Risk Details | Risk Owner | Risk Categorisation | Original Scores (before any mitigations) | | | Mitigations to date | Current Scores February 2023 | | | Direction of travel from previous quarter | Further Actions / Comments | Planned Completion Date(s) | Target Scores (following completion of all further actions) | | |
|----------|--------------|------------|---------------------|---|---|---|---------------------|---------------------------------|---|---|---|----------------------------|-------------------------------|---|---|---|
| | | | | L | I | S | | L | I | S | | | | L | I | S |

Corporate Strategy: Delivering an efficient and effective council - An ambitious and innovative council that delivers quality services

| | | | | | | | | | | | | | | | | |
|---------|--|---------------------------------|-----------------------|---|---|--------------|---|---|---|------------|-----------|--|---------|---|---|----------|
| Risk 10 | Cause: If the commercial income target from the Joint Venture and other activities are not achieved | Director (Assets & Investments) | Financial & Resources | 4 | 4 | V High 16 | Consultants have been engaged to advise and assist in delivery of projects Appropriate governance arrangements have been set up for the Council's Wholly owned company - Seven Arches Investment Ltd Progress reports to Committee. Robust business modeling and financial projections. Monthly SLT & Leader meetings to monitor finances Financial Initiatives working group established | 2 | 5 | High 10 | decreased | Review of budget setting for 23.24 has aligned all commercial income. The income from SAIL is only for the £60m loan plus the Service Level Agreement. JV income has been removed from the base budget therefore the current MTFS has no reliance on this income. A review of SAIL Governance has been commissioned and will be carried out by Birketts. Regular SAIL and BBC meetings have been reestablished. The next review is on how SAIL will repay back the £60m loan under the new MRP guidance ensuring no effect to the GF bottom line. Options are being considered regarding the JV to develop the assets. Baytree and Childerditch developments also look to increase the Council's income once developed. However economic markets on borrowing and government policies could effect the income. | Ongoing | 1 | 5 | Med 5 |
| | Uncertain Event (Risk): We may be unable to meet the <u>income projections</u> for the Council | | | | | | | | | | | | | | | |
| | Consequence(s): Council unable to meet budget requirements Spending/service cutbacks Greater use of reserves | | | | | | | | | | | | | | | |

Corporate Strategy: Delivering an efficient and effective council - An ambitious and innovative council that delivers quality services

| | | | | | | | | | | | | | | | | |
|---------|--|--------------------------------|-----------------------|---|---|--------------|--|---|---|----------|-----------------|--|---------|---|---|----------|
| Risk 11 | Cause: If we do not have good information governance strategies and controls | Director (People & Governance) | Legal/Compliance | 5 | 4 | V High 20 | Information Governance Group set up to ensure that the Council has the correct controls in place to ensure good governance in all decision making Data Protection Policies Training Data Protection Officer in post | 2 | 3 | Med 6 | Stayed the same | We have a contract for a full DPO service that alongside the Information Governance framework implementation will ensure the Council is compliant with its statutory duties. | Ongoing | 2 | 3 | Med 6 |
| | Uncertain Event (Risk): We may not be compliant with <u>data protection legislation</u> | | Reputation | | | | | | | | | | | | | |
| | Consequence(s): Fine from the Information Commissioner's Office (ICO) Risk of litigation challenges to decisions made | | Financial & Resources | | | | | | | | | | | | | |

BRENTWOOD BOROUGH COUNCIL STRATEGIC RISK REGISTER

| | | | | | | | | | | | | | | FEBRUARY 2023 | | |
|--|---|------------------------------------|------------------------------|---|---|-----------|---|---------------------------------|---|-----------|---|--|----------------------------|--|---|---------|
| Risk No. | Risk Details | Risk Owner | Risk Categorisation | Original Scores (before any mitigations) | | | Mitigations to date | Current Scores February 2023 | | | Direction of travel from previous quarter | Further Actions / Comments | Planned Completion Date(s) | Target Scores (following completion of all further actions) | | |
| | | | | L | I | S | | L | I | S | | | | L | I | S |
| Corporate Strategy: Delivering an efficient and effective council - An ambitious and innovative council that delivers quality services | | | | | | | | | | | | | | | | |
| Risk 12 | Cause: Contract and procurement management not in place | Director (People & Governance) | Legal/Compliance | 3 | 4 | High 12 | Service Level Agreements embedded within contract and penalties in place for non performance. Regular reporting on contract performance. Escalation and governance in place Contract management diagnostic survey underway Procurement and contract manager meetings in place. Procurement strategy been adopted by the Council. Contract management training | 2 | 4 | Med 8 | Stayed the same | Contract management training has been provided and follow up training identified. | Ongoing | 2 | 4 | Med 8 |
| | Uncertain Event (Risk): Contract/Partnership failure within organisation | | | | | | | | | | | | | | | |
| | Consequence(s): Negative impact on Council finances Reduction in Community benefits | | | | | | | | | | | | | | | |
| Corporate Strategy: Delivering an efficient and effective council - An ambitious and innovative council that delivers quality services | | | | | | | | | | | | | | | | |
| Risk 13 | Cause: Increased risk of ransomware | Director (Customer & Data Insight) | Effects on Service | 5 | 5 | V High 25 | We have a Managed Security Service that has been running for second year, part of this service uses a Security Operations Centre to monitor cyber threats. Immediate response plans are in place for critical threats, and regular investigation review are held, along with Account contract meetings. Along with the cyber security baked into Azure, threats and unusual behaviour are gathered and AI tools look for complex patterns to look for further threats across our digital platforms | 3 | 5 | V High 15 | Stayed the same | Continuing to work with partners to drive down the impact of any likely attack, data protection and improve recovery processes Cyber security roadshows planned (with RDC) for staff and Members in coming months. Cyber security audit underway to provide assurance, and a policy is in draft to formally recognise the actions we take in relation to cyber security | Ongoing | 3 | 4 | High 12 |
| | Uncertain Event (Risk): The Council is at risk from a critical cyber threat that would affect all areas of business | | | | | | | | | | | | | | | |
| | Consequence(s): All digital services would be down. Failure of providing services to customers and vulnerable people | | Reputation | | | | | | | | | | | | | |
| Corporate Strategy: Delivering an efficient and effective council - An ambitious and innovative council that delivers quality services | | | | | | | | | | | | | | | | |
| Risk 14 | Cause: Current economic climate | Director (Resources) | Financial & Resources | 3 | 4 | High 12 | Medium Term Financial Strategic (MTFS) is undertaken on an annual basis, with monthly budget monitoring management reporting and half year reports to Committee. Budget Challenge meeting are in place for Senior Officers to review and challenge Budget Managers as well as regular reporting to SLT and Committee chairs Cost of living action plan Inflation & Finance mitigation Earmarked Reserve established | 3 | 4 | High 12 | Stayed the same | Latest 2022/23 budget monitoring, 2023/24 budget and medium term financial strategy to 2025/26 is in progress. This work takes into account the current levels of inflation and strives to make adequate provision for inflation over the medium term, using the latest available data. Financial projections aim to take into account the additional direct costs on council spending as well as the potential impact of the cost of living resulting in additional demand for council services and income loss regarding fees and charges, council tax and business rates. | Mar-23 | 1 | 5 | Med 5 |
| | Uncertain Event (Risk): Inflationary pressures | | Effects on Service | | | | | | | | | | | | | |
| | Consequence(s): Financial projections would increase and services could be disrupted | | Effect on Project objectives | | | | | | | | | | | | | |

| Risk No. | Risk Details | Risk Owner | Risk Categorisation | Original Scores (before any mitigations) | | | Mitigations to date | Current Scores February 2023 | | | Direction of travel from previous quarter | Further Actions / Comments | Planned Completion Date(s) | Target Scores (following completion of all further actions) | | |
|--|--|----------------------------|-----------------------|---|---|----------------------|--|---------------------------------|---|--------------------|--|--|----------------------------------|---|---|------------------|
| | | | | L | I | S | | L | I | S | | | | L | I | S |
| Corporate Strategy: Protecting our Environment - Developing a clean and green environment for everyone to enjoy | | | | | | | | | | | | | | | | |
| Risk A&I1 | Cause: Lack of robust and resourced regime for addressing failures in Corporate property compliance | Facilities Manager | Financial & Resources | | | V High 25 | Undertaking routine compliance and remedial actions when identified. Retain appropriate documentation for evidence | | | High 12 | Stayed the same | As previous update. Develop document retention process, explore utilisation of assets database, commence programme of property inspections to ensure compliance is being maintained. | | 2 | 3 | Med 6 |
| | Uncertain Event (Risk): Risks to the Council, its staff and its residents where key compliance checks have not been satisfactorily completed for corporate buildings, etc. and any issues address (e.g. fire, water, gas, etc) | | Legal/Compliance | 5 | 5 | | | 4 | 3 | | | | | | | |
| | Consequences: Risk of closure of buildings, damage to buildings, reputation risk to Council, loss of earnings and life and prosecution from HSE | | People | | | | | | | | | | | | | |
| Risk A&I2 | Cause: If we fail to protect our employees and other persons to whom we owe a duty of care | Health & Safety Officer | Legal/Compliance | | | V High 25 | All areas have received training and ongoing support in risk assessment and Health and Safety management. Regular monthly meetings are undertaken for compliance across Corporate and Housing Directorates, to ensure arrangements and systems are inbedded and robust, or if not, then adjustments and improvements are made. Separate operational compliance risks have been identified for Corporate and Housing Directorates respectively. The Council's H&S Microsite provides information and respective forms for risk assessment and Safe Systems Of Work. H&S Standards and Policies and reviewed and updated as legislation or organisational changes develop. | | | High 12 | Stayed the same | Actions continue to be implemented to reduce the risk, but will take time to be achieved. Exploration of digital software to improve compliance and expedite compliance knowledge and position is being undertaken. Initial research is positive and further development is being pursued with the Facilities Management Team. Review of H&S management systems in developing the #OneTeam approach and improving the opportunities for a more effective system in conjunction with People OD and I.T. across the board. H&S&W Policy being reviewed for the #One Team approach. Council investment in H&S software is required to improve current position. | Dec-25 | 2 | 4 | Med 8 |
| | Uncertain Event (Risk): The safety, health, welfare and wellbeing of individuals may be compromised | | People | 5 | 5 | | | 3 | 4 | | | | | | | |
| | Consequence(s): Injury or harm to employees, tenants or visitors. Fines from the HSE. Insurance claims. Reputational impact to the Council | | Financial & Resources | | | | | | | | | | | | | |

BRENTWOOD BOROUGH COUNCIL OPERATIONAL RISK REGISTER 2023

| Risk No. | Risk Details | Risk Owner | Risk Categorisation | Original Scores (before any mitigations) | | | Mitigations to date | Current Scores February 2023 | | | Direction of travel from previous quarter | Further Actions / Comments | Planned Completion Date(s) | Target Scores (following completion of all further actions) | | |
|------------|---|---|-----------------------|---|---|--------------|--|---------------------------------|---|--------------|---|---|----------------------------|--|---|----------|
| | | | | L | I | S | | L | I | S | | | | L | I | S |
| Risk ENV.1 | Cause: Lack of inspection and maintenance regime to manage trees | Arboricultural Officer | People | 4 | 5 | V High 20 | Woodland management plans that have been negotiated over the last 4 years have now been approved and are beginning to be implemented to manage woodland edge trees over a 10-year period. However, a risk remains for non-woodland trees for which there is no proactive system | 3 | 4 | High 12 | Stayed the same | Review meeting to be arranged with Zurich to understand options available before any further commitment is made to monitoring, size of estate and estimated resource to address needs to be costed against management options | Sep-27 | 2 | 4 | Med 8 |
| | Uncertain Event (Risk): Risk of unmaintained trees wholly or partly falling on persons/property and other infrastructure | | Reputation | | | | | | | | | | | | | |
| | Consequence(s): Increased likelihood of prosecution by HSE and claims against the Council | | Financial & Resources | | | | | | | | | | | | | |
| Risk ENV.3 | Cause: National shortage of drivers and ageing workforce | Waste and recycling Manager | Reputation | 3 | 4 | High 12 | Nationally there is a shortage of HGV drivers and this has been evident in recruitment at Brentwood and many other local authorities. Staff are reaching retirement age or leaving for higher paid jobs. Attempts to up skill loaders to drivers has been advertised but not had any impact due to salary difference | 2 | 4 | Med 8 | decreased | Improve rates now offered to drivers have improved the recruitment situation | On going | 2 | 4 | Med 8 |
| | Uncertain Event (Risk): Unable to recruit LGV waste drivers | | Financial & Resources | | | | | | | | | | | | | |
| | Consequence(s): Unable to deliver Waste and recycling collections | | | | | | | | | | | | | | | |
| Risk C&H1 | Cause: Challenges with staff recruitment | Communities & Health Environmental Health Manager | Legal/Compliance | 4 | 4 | V High 16 | Environmental Health Technician acting up in EHO role confirmed position, agency officer covering one other role until 2/7/21 Two additional newly qualified staff from Thurrock covering two EH roles part time plus EH Manager covering four districts in Brentwood | 4 | 4 | V High 16 | Increased | No further recruitment has been undertaken and limited likelihood of successful recruitment with current staff availability and salary range being offered. Current staff level of 4 officers, 2 from Thurrock. Agency officer cancelled w/e from 2/7/21 and no replacement agency officer appointed. Increase in formal complaints and Ombudsman investigations against the Service, LGO have found fault. Limitations in service delivery, particularly in Private Sector Housing area which was temporarily assisted by specialist agency officer but contract terminated 31/12/2020. Underspend on staff budgets in subsequent years. | On going | 3 | 3 | Med 9 |
| | Uncertain Event (Risk): Capacity of Environmental Health Pollution & Private Sector Housing Team | | Reputation | | | | | | | | | | | | | |
| | Consequence(s): Unable to respond to service requests, resulting in further formal complaints and unable to meet statutory duties | | | | | | | | | | | | | | | |

BRENTWOOD BOROUGH COUNCIL OPERATIONAL RISK REGISTER 2023

| Risk No. | Risk Details | Risk Owner | Risk Categorisation | Original Scores (before any mitigations) | | | Mitigations to date | Current Scores February 2023 | | | Direction of travel from previous quarter | Further Actions / Comments | Planned Completion Date(s) | Target Scores (following completion of all further actions) | | |
|---|--|-----------------------|-----------------------|---|---|--------------|---|---------------------------------|---|------------|--|---|----------------------------------|---|---|----------|
| | | | | L | I | S | | L | I | S | | | | L | I | S |
| Corporate Strategy: Improving Housing - Access to a range of decent homes that meet local needs | | | | | | | | | | | | | | | | |
| Compliance - the risk is that the Council will not achieve the plans to deliver compliance for the key areas and the delivery of the compliance project plan. | | | | | | | | | | | | | | | | |
| Risk HSG.2 | Cause: Not achieving the plans to improve compliance by the required timescale. | Compliance Manager | Legal/Compliance | 5 | 5 | V High 25 | A specific compliance risk register has been produced with detail on the risks. A new performance reporting template has been produced which identifies the areas of non-compliance and the gap to compliance. Actions are in place to reduce the gaps in the known compliance issues. Regular meetings are in place to address the concerns. | 3 | 4 | High 12 | Stayed the same | Good progress continues in all areas of compliance. The first compliance performance report is being prepared for Housing Committee this month and will provide members with an overview of progress in each area. Phase 1 of the FRA planned works is on track to be completed by 31 March 2023. Phase 2 of the FRA works will continue in 2023/24. Issues with the live module of Keytone foundation are still present for FRA's however officers are working through these in an attempt to resolve them. | Mar-25 | 1 | 4 | Med 4 |
| | Uncertain Event (Risk): The management of compliance is not effective. | | Reputation | | | | | | | | | | | | | |
| | Consequence(s): Compliance is not achieved by March 2022. | | Effects on Service | | | | | | | | | | | | | |
| Decisions on HRA stock - the risk is that the Council does not make timely decisions on the retention and investment in the HRA stock. | | | | | | | | | | | | | | | | |
| Risk HSG.3 | Cause: Decisions on the HRA stock not taken, leading to additional expenditure. | Corporate Manager | Financial & Resources | 4 | 3 | High 12 | Sheltered housing review has started, with a review of the garage sites and the sites for potential regeneration to be identified. | 4 | 3 | High 12 | Stayed the same | The 7 year small sites programme is in place. The Brookfield Close decant is nearing completion. One further tenant decant is being processed and the 2 remaining buybacks are scheduled to complete at the end of February. The Harewood Regen planning application was approved at planning committee and the landlord offer is due to be presented to the Housing Committee on the 27th February for approval to begin the decant of the site. The HRA business plan is regularly reviewed to determine the viability of the programme | Ongoing | 1 | 4 | Med 4 |
| | Uncertain Event (Risk): The assets have not been reviewed to identify long-term use of the sites. | | Effects on Service | | | | | | | | | | | | | |
| | Consequence(s): That resources are used on properties that the Council does not wish to retain in the long-term. | | Reputation | | | | | | | | | | | | | |

BRENTWOOD BOROUGH COUNCIL OPERATIONAL RISK REGISTER 2023

| Risk No. | Risk Details | Risk Owner | Risk Categorisation | Original Scores (before any mitigations) | | | Mitigations to date | Current Scores February 2023 | | | Direction of travel from previous quarter | Further Actions / Comments | Planned Completion Date(s) | Target Scores (following completion of all further actions) | | |
|---|---|----------------|-----------------------|---|---|--------------|---|---------------------------------|---|------------|--|---|----------------------------------|---|---|------------|
| | | | | L | I | S | | L | I | S | | | | L | I | S |
| Corporate Strategy: Delivering an efficient and effective council - An ambitious and innovative council that delivers quality services | | | | | | | | | | | | | | | | |
| Risk C&D.1 | Cause: If we do not have the appropriate cyber security or cyber incident response plan | I.C.T. Manager | Effects on Service | 4 | 5 | V High 20 | Manages Security Service has been running for second year, now with an introduction of a monthly review. Azure Security services are being expanded. IT staff attended Cyber Incident Response Planning Course. | 2 | 5 | High 10 | Stayed the same | We will continue to improve our Cyber posture, and have been working with audit to implement recommendations. We will strengthen our relationship with LA's across Essex and beyond to share intelligence and continue to invest and update systems | Ongoing | 2 | 5 | High 10 |
| | Uncertain Event (Risk): The Council may be at risk of loss of data or service delivery through cyber attack | | Financial & Resources | | | | | | | | | | | | | |
| | Consequence(s): Loss of key systems/inability to provide key services Loss or corruption of data Financial Loss Cost/time spent to recover | | Reputation | | | | | | | | | | | | | |

| Risk No. | Risk Details | Risk Owner | Risk Categorisation | Original Scores (before any mitigations) | | | Mitigations to date | Current Scores February 2023 | | | Direction of travel from previous quarter | Further Actions / Comments | Planned Completion Date(s) | Target Scores (following completion of all further actions) | | |
|---------------|--|----------------|---------------------|---|---|--------------|---|---------------------------------|---|--------------|--|---|----------------------------------|---|---|------------|
| | | | | L | I | S | | L | I | S | | | | L | I | S |
| Risk C&D.2 | Cause: If we don't have the level of resourcing to provide an effective service or deliver Corporate Objectives and the Digital Strategy | I.C.T Manager | Effects on Service | 4 | 5 | V High 20 | We have several vacant posts across IT, Digital and projects and if we loose any further resources or have any sickness we will struggle to provide an effective service. We have relationships to leverage to help provide services and potential use of agencies if required. Permanant staff is a preferred option | 3 | 5 | V High 15 | Stayed the same | We have recruited successfully into a junior developer role, but now have 2 team members leaving. An urgent Recruitment process has begun and we may consider agency if necessary We continue to strengthen our relationship with RDC IT | 31-Jan | 2 | 5 | High 10 |
| | Uncertain Event (Risk): The Council may be at risk of delivering an effective service | | Reputation | | | | | | | | | | | | | |
| | Consequence(s): It will result in service delivery failure affecting many services across the council | | Legal/Compliance | | | | | | | | | | | | | |
| Risk C&D.3 | Cause: Loss of availability of Business applications and access data | I.C.T. Manager | Effects on Service | 3 | 5 | V High 15 | Using the principle "High Availability by design" we have invested in technology and built a digital platform for officers - the "Cloud Desktop". This has taken advantage of cloud technologies this has made the availability of business applications and access to data. | 3 | 4 | High 12 | Stayed the same | Although we use a continuous service improvement model and have recently launch a new Virtaul desk and corproate laptops - linked to above due to potential impact of reduced resources this may have an impact here which is why this has stayed the same. We will continue to work with RDC and also recruit | Ongoing | 2 | 4 | Med 8 |
| | Uncertain Event (Risk): The Council may be at risk of delivering an effective service | | Reputation | | | | | | | | | | | | | |
| | Consequence(s): Failure of providing services to customers and vulnerable people | | Legal/Compliance | | | | | | | | | | | | | |
| Risk C&D.4 | Cause: Loss of Customer facing digital platforms | I.C.T. Manager | Effects on Service | 3 | 5 | V High 15 | Similar to Risk 3 using the principle "High Availability by design" we have invested in cloud technology to build customer facing digital plattform to our customers. | 2 | 5 | High 10 | Stayed the same | We continue to work with partners on updates and cyber resilience to minise the likelihood Due to the changing threat landscape this risk remains cautiously high | on-going | 2 | 5 | High 10 |
| | Uncertain Event (Risk): The Council may be at risk of delivering an ineffective service | | Reputation | | | | | | | | | | | | | |
| | Consequence(s): Failure of providing services to customers and vulnerable people | | Legal/Compliance | | | | | | | | | | | | | |

This page is intentionally left blank

Appendix C

Risk Ranking Table

Brentwood Council has introduced a best practice five stage approach to Risk Management.

| | | | | | | |
|-------------------|------------------------|-------------------|--------------------|-------------------|-----------------------|-----------------------|
| Likelihood | (5) Definite/very high | Low (5) | Medium (10) | High (15) | Very High (20) | Very High (25) |
| | (4) Very likely | Low (4) | Medium (8) | High (12) | Very High (16) | Very High (20) |
| | (3) Likely | Low (3) | Medium (6) | Medium (9) | High (12) | Very High (15) |
| | (2) Unlikely | Low (2) | Low (4) | Medium (6) | Medium (8) | High (10) |
| | (1) Highly unlikely | Low (1) | Low (2) | Low (3) | Medium (4) | Medium (5) |
| | | Negligible (1) | Minor (2) | Moderate (3) | Significant (4) | Major (5) |
| Impact | | | | | | |

Likelihood x Impact = Risk Score

| Level of Risk | Level of Concern | Recommended review pattern |
|---------------------|---|----------------------------|
| Very High 15-25 | Very concerned | 1-2 months |
| High Risk 10-15 | Concerned | 2-3 months |
| Medium Risk 4-10 | Quite Concerned Risk can be tolerated at this time | 3-4 months |
| Low Risk 1-5 | Not concerned Risk accepted at this time | 4-6 months |

| Score | Likelihood | Description |
|-------|------------------------------------|---|
| 1 | Highly Unlikely/ rarely happens | 5% likely to happen or hasn't happened within the last 5 years |
| 2 | Unlikely/moderate | 20% likely to happen or has happened once or twice in the last 5 years |
| 3 | Likely/possible | 50% likely to happen or has happened once or twice in the last 24 months |
| 4 | Very likely/high | 75% likely to happen or has happened at least once or twice in the last 12 months |
| 5 | Definite/very high | 99% likely to happen or has happened on a regular basis over the last 12 months |

| Score | Impact | Effect on Service | Financial & Resources | Reputation | Legal | People | Effect on project objectives |
|-------|-------------|---|---|--|--|--|---|
| 1 | Negligible | <ul style="list-style-type: none"> • Small impact on customer service which may result in complaints • Nuisance | <ul style="list-style-type: none"> • Small financial loss; less than £10K • Negligible property damage | No adverse effect on perception | No legal implication | No injury | <ul style="list-style-type: none"> • Minimal impact to project • Minor slippage |
| 2 | Minor | <ul style="list-style-type: none"> • Small setback • Disruptive impact on service • Localised disgruntlement | <ul style="list-style-type: none"> • Noticeable financial loss; £10-£100K • Slight damage to one property | Minimal effect to perception (e.g. minor criticism of the Council) | Breach of statutory process, duty or law resulting in possibility of legal action | Minor Injury | <ul style="list-style-type: none"> • Adverse effect to project. • Slippage requires review finances / short term programme |
| 3 | Moderate | <ul style="list-style-type: none"> • Widespread disgruntlement • Disrupted service delivery from one service area for up to 3 days • Can handle but with difficulty | <ul style="list-style-type: none"> • Moderate financial loss £100-300K • Inability to deliver popular policies due to budgetary constrictions • Substantial damage to one part of a building | Negative effect on perception, e.g. <ul style="list-style-type: none"> • Criticism of the council • Local bad press | Breach of major statutory duty or law resulting in probably legal action | RIDDOR (Reporting of Injuries, Diseases & Dangerous Occurrences Regulations (1995) Reportable major injury to an individual | <ul style="list-style-type: none"> • Important impact on project or most of expected benefits. • Considerable slippage • Possible impact on overall finances / programme |
| 4 | Significant | <ul style="list-style-type: none"> • Intervention in a key service • Disruption to service delivery for one or more service areas for 3-5 days • Failure of an operational partnership | <ul style="list-style-type: none"> • Sizeable financial loss up to 50% of budget or between £300K-1M • Extensive damage to a critical building or considerable damage to several properties from one source | <ul style="list-style-type: none"> • Criticism of key process • Large scandal • High level of complaints at corporate level across several service areas • Adverse national media coverage | Breach of law resulting in legal action against the Council which would be difficult to defend | Reportable major injuries to several people or death of an individual | <ul style="list-style-type: none"> • Extreme delay |

| Score | Impact | Effect of Service | Financial & Resources | Reputation | Legal | People | Effect on project objectives |
|--------------|---------------|---|--|---|--|-------------------------|---|
| 5 | Major | <ul style="list-style-type: none"> • Complete breakdown in service delivery with severe, prolonged impact on customer service affecting the whole organisation • Failure of a strategic partnership | <ul style="list-style-type: none"> • A substantial failure in accountability or integrity • A large financial loss over 50% of budget or greater than £1M • Total loss of a critical building | <ul style="list-style-type: none"> • A vote of no confidence in one service area • Officer(s) &/or Members forced to resign &/or Audit Commission enquiry • Substantial adverse & persistent national media coverage | Breach of law resulting in legal action against the Council which would be very difficult / impossible to defend | Death of several people | <ul style="list-style-type: none"> • Complete failure of project |

This page is intentionally left blank

| | |
|--|---|
| Committee(s): Audit & Scrutiny Committee | Date: 7 th March 2023 |
| Subject: S106 Financial Obligations | Wards Affected: All |
| Report of: Steve Summers, Strategic Director | Public |
| Report Author: Name: Steve Summers, Strategic Director Telephone: 01277 312500 E-mail: steve.summers@brentwood.rochford.gov.uk | For Information |

Summary

This report provides a summary and detail of the current financial contributions the Council has secured through section 106 agreements from new developments for affordable housing and public open space works. In addition, the report sets out the proposed future plans for s106 Agreement processes and procedures.

Recommendation(s)

Members are asked to:

- R1. To note the current s106 financial contributions as attached at Appendices A and B and proposed future plans for processes and procedures as set out in the report.**

Main Report

Introduction and Background

1. At the Audit & Scrutiny Committee on the 24th January 2023 the Chair agreed that a report on the current Financial Contributions from s106 Agreements will be made to this committee. (Min 324 refers.)

Section 106 Obligations

2. Under section 106 (s106) of the Town and Country Planning Act 1990 a Local Planning Authority (LPA) can seek obligations when it is considered that a development will have negative impacts that cannot be dealt with through conditions in the planning permission.

3. Set out below is the relevant regulation in respect of S106 obligations and what they can be used for from the CIL regulations 2010 - Regulation 122.

(1) This regulation applies where a relevant determination is made which results in planning permission being granted for development.

(2) A planning obligation may only constitute a reason for granting planning permission for the development if the obligation is

(a) necessary to make the development acceptable in planning terms;

(b) directly related to the development; and

(c) fairly and reasonably related in scale and kind to the development.

(3) In this regulation

“planning obligation” means a planning obligation under section 106 of TCPA 1990 and includes a proposed planning obligation; and

“relevant determination” means a determination made on or after 6th April 2010.

(a) under section 70, 76A or 77 of TCPA 1990(1) of an application for planning permission which is not an application to which section 73 of TCPA 1990 applies; or

(b) under section 79 of TCPA 1990(2) of an appeal where the application which gives rise to the appeal is not one to which section 73 of TCPA 1990 applies.

Internal Audit Report

4. At the Audit & Scrutiny Committee on the 25th July 2022 the committee received an Internal audit progress report 2021-22 which included an audit report on the Council’s process and financial contributions on s106 Agreements (covering Affordable Housing and other areas). (Min 106 refers).

5. The audit identified two main areas where the control framework needed to be strengthened which led to the following recommendations:

a) The Council should identify an appropriate function to take central ownership of s106 agreements. This team should then lead on all aspects of s106 arrangements, including negotiating the agreements with developers and monitoring them from planning consent through to delivery.

b) The function should ensure that there are sufficient mechanisms in place to liaise with developers, to monitor progress of developments. Progress meetings with the developers should be implemented, taking account of the size of developments and anticipated speed of progress.

- c) The function should also liaise with Finance to ensure invoices are issued accurately and in a timely manner.
 - d) A central s106 agreement register/tracker should be put into place where all aspects of the s106 agreements can be recorded and monitored, including progress against trigger points and the status of any payments. This tracker should be owned by the responsible function recommended above and should be reported to each of the teams involved in the management of s106 agreements (Planning, Housing, Finance and Legal) on a regular basis (quarterly as a minimum) with each of the teams being required to provide updates as required.
6. Management responses were provided by the then Strategic Director, Housing and Regeneration, who advised that for recommendations a), b) and c) a new structure for strategic housing is at design stage and the structure includes a new post of Policy and Enabling Officer which will have multifunctional responsibility for Policy, Registered Provider and major application relations and related forums.
7. In terms of recommendation d) it was advised that a new tracker will be developed and held and co-ordinated within the strategic housing function. The implementation date for all the above recommendations was set at January 2023.
8. Members at the meeting asked for the then Strategic Director, Housing and Regeneration to attend the next meeting on the 26th September 2022 to provide further clarification on matters arising from the report including the recruitment of the Policy & Enabling Officer post. Unfortunately, due to tragic and unforeseen circumstances this was not possible.
9. In terms of actions moving forwards the Council's then Corporate Director (Finance & Resources) and Section 151 Officer as an interim measure arranged a S106 Officer Panel of all the appropriate services which met on the 30th September 2022.
10. Following that Officer leaving the Council further interim arrangements have been put into place with the Strategic Director taking the lead with appropriate Officers from housing, open spaces and finance being responsible for monitoring contributions subject to a further review. A further meeting of appropriate Officers was held on the 30th January 2023.
11. Subsequent to this interim measure discussions have been held with Senior Officers about the best approach for moving forwards to a more permanent solution and have concluded that a review of all S106 processes and procedures

will be undertaken. Such a review to be completed within the first quarter of the municipal year.

12. When this review is complete a report will be made to a future Audit and Scrutiny Committee with its findings and recommendations.

Detail of S106 contributions

13. To assist members attached as appendices A and B are the details of the current s106 financial contributions as at the 20th February 2023.

Affordable Housing

14. The Housing s106 contributions, as at 20th February 2023 are set out within Appendix A. There are two things to note firstly that the current contributions will be committed to the Council's Strategic Housing Development Programme (SHDP), the details of which are set out below and update reports are made to the Housing Committee.
15. There is one s106 Housing contribution as set in Appendix A, The Surgery and Landings, Outings Lane, Doddinghurst that shows the repayment date of 26th February 2023. This sum has been committed to the SHDP.

Strategic Housing Development Programme

16. Brentwood Borough Council (BBC) is committed to growing its managed portfolio of homes and new home supply through its Strategic Housing Development Plan. The Council's Housing Strategy 2021-2026 approved by Environment, Enforcement and Housing Committee on 16th March 2021 commits the Council to "use the resources of the Housing Revenue Account (HRA) land and business plan to deliver new affordable housing, as well as using General Fund land to support the provision of market housing and affordable housing."
17. When directly developing new homes, the aim remains to provide a range of high-quality and energy efficient buildings to meet the needs and circumstances of BBC residents both now and in the future. This strategy addresses growth through new homes directly developed by the Council over a 7-year programme, commencing 2021, and sets out what the Council expects to build, for whom and how it will ensure delivery of high-quality affordable homes in a cost-effective way. This strategy will evolve as new sites emerge and site investigation is delivered. Viability assumptions will be formally reviewed on an annual basis when budgets are set.

18. The Council's primary development focus under this strategy will be the provision of new homes for letting at affordable rent or for low-cost home ownership. Where possible these will be subsidised through Government Grant and Right to Buy receipts and where appropriate new homes will also be delivered through S106 Planning Agreements. Homes England Grant funding, s106 contributions and other subsidies available from time to time, are essential to maintaining increased capacity in future programmes.

19. The current pipeline for those sites in delivery is set out in the table below.

| Strategic Housing Delivery Plan – Mastersheet New Homes Pipeline | | | | |
|---|--|--------------|-------------------------|------------------------|
| Technical Delivery Tracker | | | | |
| Programme | Site Address | Total | Stage & Note | Planning Status |
| SHDP – Regeneration Sites | Brookfield Close/Courage Court 20/01912/FUL | 62 | Post Planning Technical | Approved |
| | Harewood Regeneration 20/01336/FUL | 40 | Post Planning Technical | Approved |
| | St Francis Way 22/00572/BBC | 4 | Planning due March 2023 | Pending |
| | Willingale Close 21/02117/FUL | 3 | Post Planning Stage | Approved |
| | 17 Crescent Road (Conversion) | 2 | Completed | Completed |
| Pipeline Total | | 111 | | |

Public Open Spaces

20. The Public Open Space s106 contributions as at 20th February 2023 are set out within Appendix B. These contributions tend to be split between site specific works and maintenance contributions for sites. There is one Public Open Spaces s106 contribution, 114-122 Kings Road, Brentwood that has a repayment date of 19th March 2023. This sum has been committed to the King Georges Playing Field project.

Reasons for Recommendation

21. To note the s106 Agreements current financial contributions and future plans for improving processes and procedures.

Consultation

22. None.

References to Corporate Plan

23. Good financial management, risk management and internal control underpin all priorities within the Corporate Plan.

Implications

Financial Implications

Tim Willis, Interim Director of Resource

01277 312829/tim.willis@brentwood.rochford.gov.uk

24. The report is for noting current contributions and future plans and there are no financial implications arising from these. The Council will wish to ensure that all contributions are used for the purposes in the agreements with developers whilst contributing to corporate priorities and spent within any deadlines set within the agreements.

Legal Implications

Andrew Hunkin, Director of People & Governance and Monitoring Officer

01277 312705/andrew.hunkin@brentwood.rochford.gov.uk

25. Legal references to S106 Financial Obligations are set out in the report. There are no legal implications arising from this report.

Economic Implications

Phil Drane, Director of Place & Economy

01277 312610/philip.drane@brentwood.rochford.gov.uk

26. There are no economic implications arising from this report.

Background Papers

27. None

Appendices to this report

- Appendix A: Affordable Housing s106 contributions.
- Appendix B: Public Open Space s196 contributions.

**Appendix A - 106 Contributions received - Housing
20.02.23**

| Planning Ref | Site | Contribution received | Contribution remaining | Date received | Repayment date | Conditions | Commentary |
|--------------|--|-----------------------|------------------------|---------------|----------------|--|--|
| 11/00002/EXT | 122 and 124 Station Road, West Horndon | 181,577.50 | 181,577.50 | 20.07.15 | Not applicable | Off site affordable housing | Allocated to the Strategic Housing Delivery Programme (SHDP) to be included in the Council's 7-year Delivery Programme |
| 15/00267/FUL | The Surgery Site and Landings, Outings Lane, Doddinghurst | 165,000.00 | 165,000.00 | 26.02.18 | 26.02.23 | Off site affordable housing - 2 x 2 bed semi detached houses | Allocated to the Strategic Housing Delivery Programme (SHDP) to be included in the Council's 7-year Delivery Programme |
| 15/00710/FUL | Land adjacent to the New Folly, Bell Mead, Ingatestone, Essex | 32,684.45 | 32,684.45 | 12.10.18 | 12.10.23 | Off site affordable housing | Allocated to the Strategic Housing Delivery Programme (SHDP) to be included in the Council's 7-year Delivery Programme |
| 14/01247/FUL | Former Elliots Nightclub and petrol station, A127 | 188,159.98 | 188,159.98 | 18.06.19 | 18.06.24 | Off site Affordable Housing - 4 flats | Allocated to the Strategic Housing Delivery Programme (SHDP) to be included in the Council's 7-year Delivery Programme |
| 14/01446/FUL | Development site at former mountnessing scrap yard, Roman Road, Mountnessing | 935,000.00 | 935,000.00 | 12.04.19 | 12.04.24 | Off site affordable housing - 8 x 2 bed flats | Allocated to the Strategic Housing Delivery Programme (SHDP) to be included in the Council's 7-year Delivery Programme |
| 19/00312/FUL | Mellon House, Ingrave Road, Brentwood | 105,000.00 | 105,000.00 | 15.11.21 | Not applicable | Off site Affordable Housing - 1 unit or affordable housing sum | Allocated to the Strategic Housing Delivery Programme (SHDP) to be included in the Council's 7-year Delivery Programme |
| 19/00312/FUL | Eagle & Child, Shenfield | 192,500.00 | 192,500.00 | 18.08.22 | Not applicable | Off site Affordable housing - 1 x 1 bed flat | Allocated to the Strategic Housing Delivery Programme (SHDP) to be included in the Council's 7-year Delivery Programme |
| Total | | 1,799,921.93 | 1,799,921.93 | | | | |

This page is intentionally left blank

Appendix B - S106 Contributions - Open Space
20.02.2023

Open Space Contributions - Capital

| | Reference | Site | Contribution received | Contribution Remaining | Date received | Repayment date | Conditions | Commentary |
|-------|--------------|---|-----------------------|------------------------|---------------|----------------|--|--|
| 1 | 06/01062/FUL | Brentwood Community Hospital | 48,525.00 | 40,125.00 | 14.09.11 | Not applicable | Commutated maintenance sum for transferred open space land to the south of the site. To be used to bring a piece of unnamed woodland to the rear of the properties in Worrin Rd and the former blood bank off Crescent Drive, Shenfield into a managed state | |
| 2 | 12/00403/EXT | Willowbrook Primary School, Rosen Crescent, Hutton | 60,000.00 | 12,389.00 | 31.12.13 | 31.12.23 | Off site facilities towards the provision and maintenance of open spaces within the vicinity of the development stie - Hutton Recreation Ground, Hutton Polo field and Hutton Poplars | Committed against general maintenance for Hutton Recreational ground. The Assets team are also reviewing a potential project with Hutton Community Centre. |
| 3 | 12/00408/FUL | Hanover House, 78-82 High Street, Brentwood | 15,849.00 | 9,589.44 | 03.05.16 | Not applicable | Public open space improvements. | Public open space improvements towards the North Rd play area |
| 4 | 14/00793/FUL | 16 Westwood Avenue, Brentwood | 60,000.00 | 31,645.00 | 20.12.17 | Not applicable | Open space contribution towards the provision, enhancement and/or development of public open space and recreational facilities | Allocated to Projects underway for KGPF and Hartswood Gold Course. |
| 5 | 16/01462/FUL | 114-122 Kings Rd | 40,852.00 | 37,152.00 | 19.03.18 | 19.03.23 | Open space contribution towards maintenace of essential equipment and services to be able to undertake drainage works to sports pitches at King Georges Playing fields and Warley Playing field | Committed towards King Georges Playing Fields |
| 6 | 13/01169/FUL | Mascalls Park, Mascalls Lane, Warley, Essex | 12,000.00 | 12,000.00 | 01.05.18 | Not applicable | Woodland management woodland park | |
| 7 | 15/00710/FUL | Land adjacent the New Folly, Bell Mead, Ingatestone | 37,825.00 | 37,825.00 | 22.05.19 | 22.05.24 | Open space towards Seymour Playing Fields and Mountney Close play area. | The Assets team are reviewing how they can assist Ingatestone Parish Council to support priority projects at Seymour Playing Fields. |
| 8 | 19/00937/FUL | Regional Blood Transfusion Centre | 83,000.00 | 83,000.00 | 16.03.21 | 16.03.26 | Open space contribution to the Courage Playing fields | Committed against the general maintenance costs for Courage Playing Fields |
| 9 | 20/01111/FUL | Car Park opp central office, Fords, Eagle Way | 144,768.37 | 59,768.37 | 30.06.22 | 30.06.32 | Open space contribution towards the improvement of park facilities within the vicinity | Committed against open space improvements within the vicinity |
| Total | | | 502,819.37 | 323,493.81 | | | | |

Open Space Contribution - Revenue

The following contributions are designated for ongoing maintenance of land and are drawn down on each year, therefore they are not capital funds for expending on project works

| | Reference | Site | Contribution received | Contribution remaining | Date received | Repayment date | Conditions | Commentary |
|-------|--------------|--|-----------------------|------------------------|---------------|----------------|--|--|
| 10 | 03/01039/FUL | The Nightingale Centre, Warley | 525,000.00 | 284,696.08 | 01.01.05 | Not applicable | Community Centre (Pastoral Way) refurbishment of that part owned by the Council as commuted sum | Committed against the maintenance of the grounds of the Community Centre |
| 11 | 12/00403/EXT | Willowbrook Primary School, Rosen Crescent, Hutton | 6,500.00 | 6,500.00 | 05.07.17 | Not applicable | The Council to maintain the hedge planted by the Developer. | Commutated sum for maintenance of hedging, Rosen Crescent |
| 12 | 04/00153/FUL | Former British Gas site, St James Rd | 17,200.00 | 17,200.00 | 01.03.19 | 01.03.29 | Maintenance of sluice gate on open space land. | Sluice gate maintenance |
| 13 | 04/00153/FUL | Former British Gas site, St James Rd | 66,700.00 | 40,020.00 | 01.03.19 | 01.03.29 | Open space contribution, to be drawn down over 10 years. Open space contribution towards ongoing maintenance of the open space | |
| Total | | | 615,400.00 | 348,416.08 | | | | |

This page is intentionally left blank

Agenda Item 8

| | |
|--|---|
| Committee(s): Audit & Scrutiny Committee | Date: 7 th March.2023 |
| Subject: Ordinary Council Motions | Wards Affected: All |
| Report of: Andrew Hunkin – Interim Director of People and Governance | Public |
| Report Author/s: Name: Claire Mayhew- Corporate Manager (Democratic services) Telephone: 01277 312741 E-mail: claire.mayhew@brentwood.gov.uk | For Information |

Summary

At a previous meeting of Audit & Scrutiny held on 6th July 2021, Cllr Dr Barrett, requested a report to be presented on the progress of Ordinary Council Motions (Min 77 refers) under the Scrutiny Work Programme

Main Report

1. This report will form part of the Scrutiny Working Programme and an annual report will be presented at last Audit and Scrutiny of the Municipal year to ensure transparent governance and open to scrutiny.
2. Appendix A shows a total of seven motions approved by Ordinary Council from March 2022 to current date.

Introduction and Background

3. Any one or more Members of the Council may, by notice received by the Monitoring Officer no later than 10.00 am eleven working days before the day of the Council meeting, require the Council to consider a motion about a matter relating to which the Council has powers or duties or which affects the Council's area. A notice of motion may be accompanied by a statement of not more than 200 words setting out the reason for the proposed motion.
4. The Monitoring Officer will record all notices of motions (not including a rejected notice) in the order in which they are received, and such record shall be open to public inspection on request.

5. Motions can be rejected by the Monitoring Officer if: -
 - (a) it does not comply with the requirements of this Rule;
 - (b) the notice of motion is defamatory of an individual, offensive, or otherwise infringes the proper conduct of local government; or
 - (c) the recommendation in the notice of motion would be illegal.
6. A motion or amendment in similar terms to one that has been rejected at a meeting of Council in the past six months cannot be moved except in accordance with Rules 8.3.17.
7. The Council shall not debate any motion which would give rise to a significant change to the income of the Council, to its expenditure or to contract terms, unless it has received a report from the Chief Finance Officer or the Monitoring Officer, as appropriate, setting out the legal or financial effect of the motion.
8. Motions of Council will not be accepted at Annual Council, Extra Ordinary Council or Ordinary Council (Budgetary Framework).

Consultation

9. None.

References to Corporate Plan

10. Delivering an efficient and effective Council – Transparent Decision making.

Implications

Financial Implications

Name/Title: Tim Willis, Interim Director of Resources

Tel/Email: 01277 312500/tim.willis@brentwood.rochford.gov.uk

11. There are no direct financial implications.

Legal Implications

Name & Title: Andrew Hunkin, Interim Director of People and Governance

Tel & Email: 01277 312500/andrew.hunkin@brentwood.rochford.gov.uk

12. They are within the body of the report.

Economic Implications

Name/Title: Phil Drane, Director of Place

Tel/Email: 01277 312500/phil.drance@brentwood.rochford.gov.uk

13. There are no direct economic implications arising from this report.

Equality and Diversity Implications

Name/Title: Kim Anderson, Partnerships, Leisure & Funding Manager

Tel/Email: 01277 312634/kim.anderson@brentwood.gov.uk

14. All Council decisions to reflect the Council's Section 149 duty.

Other Implications (where significant) – i.e. Health and Safety, Asset Management, Equality and Diversity, Risk Management, Section 17 – Crime & Disorder, Sustainability, ICT.

Background Papers

None

Appendices to this report

Appendix A: Ordinary Council Motions March 2022 to current date.

This page is intentionally left blank

Motions from Ordinary Council 2022-2023

| Date: 16.3.2022 | | | | | |
|-----------------|---|------------|---------------|-----|--|
| No | Motions | Mover | Second | RAG | Comments |
| 8 | This Council resolves to have placed in our Constitution's Planning Chapter that any councillor(s) who individually, or through their party affiliation, have received donations from land owners /agents/developers should be prohibited to sit and vote on a planning committee where that land /planning application is being discussed. | Cllr Lewis | Cllr Aspinell | | A total review of the Constitution is going to be undertaken this will be added to the workplan. |
| 9 | <p>This council objects to the East Anglia Green proposals to run high voltage cable across East Anglia and subsequently through Essex and the Borough of Brentwood, to deliver offshore wind generated power from Norfolk through to Tilbury.</p> <p>We are fortunate to have natural assets in the form of a coastline and the Thames Estuary by which offshore power can be delivered to a location on the Thames, with minimal disturbance to land.</p> <p>The National Grid appear to have discounted offshore cabling and come up with a solution that cuts a scar right across east Anglia, with questionable logic as to how the construction of infrastructure and supply of necessary materials, could have a lower carbon delivery of the project when compared with offshore cable laying.</p> <p>The green energy agenda should not be delivered at the expense of our landscapes and the project itself should seek to be delivered with the minimal emission of carbon possible.</p> | Cllr Hones | Cllr Hossack | | <p>PRED committee approved a consultation response to the project objecting to several aspects of the proposal (13 July 2022). Since then:</p> <ul style="list-style-type: none"> - July 2022 – National Grid met with members of the OffSET group of MPs to discuss the issue of offshoring the proposed line. - October 2022 – National Grid issued a formal response to issues raised by OffSET, explaining why the offshore option is not being progressed, although no final decision has been made. - November/December 2022 – National Grid submitted a scoping report |

Motions from Ordinary Council 2022-2023

| | | | | | |
|--|--|--|--|--|---|
| | <p>This Council resolves to write to National Grid and the Secretary of State at BEIS, requesting current proposals are reconsidered for a less harmful option, extending the consultation period if necessary to include the case for offshore cable routing for the delivery of renewable power.</p> | | | | <p>to the Planning Inspectorate, identifying issues likely to cause significant effects and so to be included within the scope of the Environmental Statement. Brentwood Borough Council provided comments on the report, highlighting that consideration needs to be given to health and wellbeing, historic environment, landscape and visual, socio-economic and recreation impacts.</p> <ul style="list-style-type: none"> - January 2023 – National Grid hosted a workshop with Essex planning authorities to update on alternative route options being considered in response to feedback from the non-statutory consultation in July 2022 (and ongoing discussions). Alternatives are being considered that would affect the proposed routing in the borough. - February 2023 – National Grid hosted a |
|--|--|--|--|--|---|

Motions from Ordinary Council 2022-2023

| | | | | | |
|--|--|--|--|--|--|
| | | | | | <p>workshop on proposed viewpoints along the route. The council's heritage and landscape specialists are feeding into this element of the work which will help inform the project moving forward.</p> <p>In February 2023 National Grid announced a change to the project timetable with the addition of a second non-statutory public consultation for emerging proposals, to include an indicative proposed alignment for pylons, underground cables, cable sealing end compounds and connection substations. This is anticipated for late spring 2023. National Grid continue to carry out surveys and assessments to build detailed knowledge of the route and remain in the process of considering localised route alternatives. Following further non-statutory consultation, a statutory consultation and</p> |
|--|--|--|--|--|--|

Motions from Ordinary Council 2022-2023

| | | | | | | |
|-----------------------|-----------|--|--------------|------------------|---|---|
| | | | | | Environmental Impact Assessment will need to be carried out before submission of the Development Consent Order (DCO), expected Q4 2024. | |
| Page 138 | 10 | This council resolves to write to Alex Burghart MP requesting that he details exactly what benefits the legislation on Unauthorised Development that has been introduced, as outlined in his 2019 election manifesto, will have for the people of Brentwood and Essex in general along with the expected timescale for this to be brought forward. Will this legislation stop unauthorised Traveller developments such as those that have occurred at Oak Tree Farm Blackmore and Five Acre Farm Great Warley, both of which have caused Great expense to this Borough as well as expense and distress to local communities? | Cllr Laplain | Cllr M Cuthbert | | <p>Cllr Laplain will draft a letter on behalf of the Council to Alex Burghart MP on the matter.</p> <p><u>Update</u></p> <p>Waiting on a response from Cllr Laplain.</p> |
| Date 27.7.2022 | | | | | | |
| | No | Motions | Mover | Seconders | RAG | Comments |
| | 11 | <p>This council acknowledges the efforts of the Highway Authority to promote active travel, in particular the proposals for schools streets in the Shenfield Road area.</p> <p>We note the findings of the active travel consultation published Sept 21 that reported; traffic congestion, air</p> | Cllr Russell | Cllr Hossack | | The work is still ongoing re cycle lanes and a site visit including all relevant members was conducted in November to discuss potential routes that did not involve Shenfield Rd. |

Motions from Ordinary Council 2022-2023

| | | | | | |
|----------|---|------------|------------|--|---|
| Page 139 | <p>pollution, and road safety as being the top of residents' concerns.</p> <p>However, we note also the potential for conflict in the proposals being brought forward in ATF2, whereby efforts to reduce pollution through the introduction of cycle lanes, are expected to increase town centre congestion, particularly at Wilsons corner.</p> <p>Whilst we welcome ambition to promote healthier travel alternatives, we look to the Highway Authority to do so in a way that does not cause increased town centre congestion which will have an adverse effect not only on health but also is potentially damaging to our economy and environment.</p> <p>We call upon this council to arrange a meeting with key stakeholders in order to explore other options at the earliest opportunity.</p> | | | | <p>Part of the ATF2 scheme has been implemented including 20mph limits in Shenfield and ECC are installing cycling parking outside of the Hermit.</p> |
| | <p>This council recognises the impact of the cost of living crisis on many residents and groups in Brentwood. Whilst we acknowledge that we already have community funds in place, we believe there could be further opportunities to enhance these.</p> <p>Therefore, we request that officers explore a mechanism whereby those who wish to, may contribute to a community fund designed to support community initiatives and groups, with proposals to be brought back to CEE Cttee later this year.</p> | Cllr White | Cllr Poppy | | <p>Further options re still being considered.</p> |

Motions from Ordinary Council 2022-2023

| No | Motions | Mover | Seconder | RAG | Comments |
|----|---|---------------|-----------------|-----|--|
| 13 | This council recognises the growing importance of social prescribing and asks officers to see how we can as a council develop this further with our partners and 3rd sector organisations. | Cllr Hossack | Cllr Poppy | | Social Prescribing is commissioned through the Brentwood and Basildon Alliance. The Council already works closely with the Alliance and sits on a number of the subgroups to further develop these initiatives. Through the Brentwood Health and Wellbeing Board the Council is developing more activities to offer residents including those with our Leisure operator. |
| 14 | The Liberal Democrat Group calls upon the Council Officers in the Economic Development Department to organise a Brentwood Job Fair event in 2023 to support local businesses and help local residents find work within the Borough. This could be a standalone event or one held alongside the Business Showcase. | Cllr Kendall | Cllr M Cuthbert | | The Brentwood Jobs Fair was held on Thursday, 9 February at The Nightingale Centre, co-organised by Brentwood Borough Council and the Brentwood Jobcentre. Over 20 employers took part and just under 200 jobseekers attended the event |
| 15 | This motion was deferred from Ordinary Council on 2nd November 2022. | Cllr Aspinell | Cllr Haigh | | A report will be taken to the Housing Committee on 27 th February 2023. |

Motions from Ordinary Council 2022-2023

| | | | | | |
|----------|--|---------------|-------------|--|--|
| Page 141 | <p>An AMENDMENT to the motion was MOVED by Cllr White and was accepted by the original mover Cllr Aspinell for the motion to read as:</p> <p>This Council resolves to ask officers to investigate and to report on appropriate strategies and avenues of available funding in order to support efficient adoption of environmental technologies such as; the supply and fix of solar panels, wind turbines, heat-pumps, battery storage, insulation and other affordable warmth measures to our council , with a view to lowering energy costs borne by the Council and those Council tenants that would benefit from such an installation programme.</p> <p>Additionally, they should investigate the installation of batteries for the storage of renewable energy to enable continual electrical use.</p> <p>The Council believes such a programme would make a positive contribution in addressing carbon reduction targets and energy costs during the global cost of living crisis, but in future years as well.</p> <p>Members requested that a report will go to the February Housing Committee with timescales.</p> <p>Following a full discussion, a vote on the motion was taken by a show of hands on the amended motion and it was RESOLVED UNANIMOUSLY.</p> | | | | |
| 16 | <p>This Council resolves to investigate the possibility of twinning with a town of comparable size in Ukraine once the current war in that country has been resolved and Ukraine is a free nation, once more.</p> <p>The aim would be to undertake cultural and economic exchanges, explore business opportunities and demonstrate a general desire to help the people of that</p> | Cllr Aspinell | Cllr Davies | | The Council will investigate the possibility of Twinning between Brentwood and Ukraine once the current war is resolved. |

Motions from Ordinary Council 2022-2023

| | | | | | |
|--|--|--|--|--|--|
| | district/town to rebuild structurally and economically for their future. | | | | |
|--|--|--|--|--|--|

Agenda Item 9

| | |
|---|---|
| Committee: Audit & Scrutiny Committee | Date: 7 th March 2023 |
| Subject: Review of Outside Organisations | Wards Affected: All |
| Report of: Andrew Hunkin – Interim Director of People and Governance | Public |
| Report Author: Name: Claire Mayhew – Corporate Manager (Democratic Services & Deputy Monitoring Officer) Telephone: 01277 312741 E-mail: claire.mayhew@brentwood.gov.uk | For Decision |

Summary

An annual Outside Organisation review has been undertaken to ensure effective partnership working wherever appropriate to help deliver the Council's objectives and to ensure that the Council's time is spent productively and effectively.

This forms part of the Scrutiny Work Programme.

Recommendation(s)

Members are asked to:

- R1. Following the review of Outside Organisations, it is recommended that the Council appoints representatives to the bodies listed in the Appendix B.**

Main Report

1. Many of the Outside Organisations support and advance the Council's objectives. Council representation comes about either through the Council initiating the appointment, or an organisation requesting a representative.
2. The list of nominations for representatives/point of contact on outside organisations is presented at the first Ordinary Council meeting of the new Municipal Year for Members' approval.
3. The appointments made for 2022/2023 are attached at Appendix A along with comments and recommendations from the Members' Working Group.

Issue, Options and Analysis of Options

4. A review by the Outside Organisation Working Group took place during January and February 2023. The Member Working Group comprised of Cllrs Heard, Barber, G Barrett and Sankey.
5. The Members' Working Group reviewed the appointments on the Outside Organisations and the benefits they had for both the Organisation and the Council.
6. A summary of the review can be found in Appendix A. Some further analysis is required in relation to Conservators of Shenfield Commons, Headley Common Trustee, Howard Memorial Trust and Hutton Charities. In the meantime, these will remain on the list of appointments for 2023/2024, with any changes being proposed for 2024/25.
7. Members of the Working Group recommended that some of the outside organisation that are aligned to a Committee should be represented by the Chair of the relevant Committee.
8. Legal advice will be sourced in relation to appointments made to Members with Trustee status.
9. Details of outside organisations and their nominated Councillor representatives are published on the Council's website.

References to Corporate Plan

10. Explore opportunities to work further with stakeholders and partner organisations.

Implications

Financial Implications

Name/Title: Tim Willis, Interim Director of Resource

Tel: 01277 312500

Email: tim.willis@brentwood.rochford.gov.uk

11. There are no direct financial implications arising from this report.

Legal Implications

Name & Title: Andrew Hunkin, Interim Director of People and Governance

Tel: 0127312500

Email: andrew.hunkin@brentwood.rochford@brentwood.gov.uk

12. Legal advice will be sourced in relation to appointments made to Members with Trustee status.

Economic Implications

Name/Title: Phil Drane, Director of Place

Tel: 01277 312500

Email: philip.drane@brentwood.rochford.gov.uk

13. There are no direct economic implications arising from this report.

Other Implications (where significant) – i.e. Health and Safety, Asset Management, Equality and Diversity, Risk Management, Section 17 – Crime & Disorder, Sustainability, ICT.

Background Papers

None

Appendices to this report

Appendix A: List of outside bodies and nominated representatives for 2022/2023 and the outcome of the review by the Members' Working Group.

Appendix B: Listed of appointment to be made at Council for the new municipal year 2023/2024

This page is intentionally left blank

| Organisation | Proposed Nominations for 2022/2023 | Recommendations from the Members' Working Group |
|--|---|---|
| Active Brentwood | Cllr Poppy | Remains an appointment at Council |
| Armed Forces Covenant Champion | Cllr Hossack | Remains an appointment at Council |
| Brentwood Access Group | Cllr Mrs Slade | In consultation with the Brentwood Access Group, they have suggested the appointment is taken up by the Chair of Community, Environment and Enforcement. Remains an appointment at Council to Chair of Community, Environment and Enforcement |
| Brentwood Arts Council | Cllr Mynott (LD) | Remains an appointment at Council |
| Brentwood Community Safety Partnership | Cllr Barber | Remains an appointment at Council |
| Brentwood Council for Voluntary Service | Cllr Reed Cllr Dr Barrett (LAB) | Feedback from a Member suggested that the appointments be reduced to one. Remains an appointment at Council for one member to be appointed. |
| Brentwood Business Partnership | Cllr Poppy Cllr Hossack Cllr Mrs Pearson Cllr Barrett (LAB) Cllr Kendall (LD) | In consultation with the Chair of Brentwood Business Partnership, the proposal is to reduce appointments from 5 to 3 on a cross-party basis. Remains an appointment at Council for three members to be appointed. |
| Brentwood Theatre Trust | Cllr Fulcher (LD) Cllr Poppy | Remains an appointment at Council |
| Brentwood/Landkreis Roth Town Twinning Association | Cllr Miss Sanders (Mayor-President) Cllr Barrett (Deputy Mayor – Vice-president) Cllr Mrs Hones Cllr N Cuthbert (LD) | In consultation with the Roth Town Twinning Association, it has been agreed that only the Mayor (President) and the Deputy Mayor (Vice President), be appointed. However, this change of appointments will need to be made in the Association's Constitution. |

1399
147

Appendix A

| | | |
|---|--|--|
| | | All members of the Council can join the association. Remains an appointment at Council |
| Brentwood/Montbazon Town Twinning Association | Cllr Miss Sanders (Mayor-President) Cllr Barrett (Deputy Mayor – Vice-president) Cllr Russell Cllr Laplain (LD) | At a meeting of the Brentwood/Montbazon Town Twinning Association on 16 Feb 2023, the association agreed they would like to remain with the 4 appointments as stated in their Constitution. Remains an appointment at Council |
| Conservators of Shenfield Common | Cllr Barrett (LAB) Cllr Dr Barrett (LAB) Cllr Wiles | A further review is required. Remains an appointment at Council |
| ECC Local Highways Panel | Cllr McLaren Cllr Barber Cllr Kendall (LD) Cllr Dr Barrett (LAB) | Remains an appointment at Council |
| Essex Police and Crime Panel | Cllr Barber | Remains an appointment at Council |
| Essex Community Foundation | Cllr Hirst | The Members' Working Group suggested this appointment should be the Chair of Community, Environment and Enforcement, to determine if there are any funding opportunities for the Borough. |
| Essex County Traveller Unit | Cllr Parker | Remains an appointment at Council |
| Headley Common Trustees (4 year term) | Mrs Jill Hubbard Mr David Tee Cllr M Cuthbert Cllr Laplain | A further review is required. Appointments made every 4 years. Remains an appointment at Council. The current appointments were made in 2022. |
| Health and Wellbeing Board | Cllr Miss Sanders Cllr Mrs Davies (LD) | Remains an appointment at Council |
| Howard Memorial Trust | Cllr Mrs Pearson | A further review is required. |

| | | |
|--|--|---|
| | | Remains an appointment at Council |
| Hutton Charities | Cllr Hirst Cllr Tanner | A further review is required. |
| IAA Member Working Group | Cllr Parker | Remains an appointment at Council |
| Local Government Association | Cllr Hossack | Remains an appointment at Council |
| SNAP | Cllr Mrs Gelderbloem | Remains an appointment at Council |
| South Essex Parking Partnership Representative | Cllr Parker | Remains an appointment at Council |
| South Weald Parish Hall Management Committee | Cllr McLaren Cllr Naylor (LD) | Feedback from a Member suggested that elected member involvement wasn't necessary. Removal from the appointments on Outside Organisations. |
| South East Children's Partnership Board | Cllr Heard | Remains an appointment at Council |
| Brentwood Children's Advisory Board | Cllr Heard | Removal from the appointments on Outside Organisations as this is part of the Health & Wellbeing Board. |
| Taxi Trade Consultative Group | Cllr Barber Cllr Tanner Cllr Fryd (LD) | Chair and Vice Chair and an opposition Member of Planning & Licensing Committee. Remains an appointment at Council. |
| Tenants' Talkback | Cllr White (Chair of Environment, Enforcement and Housing) Cllr Mrs Pearson (Vice Chair of Environment, Enforcement and Housing) Cllr Kendall (LD) | In consultation with the Lead Officer the group was informed that a Resident Survey will be undertaken shortly and the outcome of this will determine the future of Tenants' Talkback and the appointment made by Council This is not an Outside Organisation and will be removed from the list. |
| Youth Strategy Group | Cllr Mrs Gelderbloem | Remains an appointment at Council |

109
110
111
112

| Organisation | Proposed Nominations for 2022/2023 | Proposed Nominations for 2023/2024 |
|--|---|---|
| Active Brentwood | Cllr Poppy | Cllr ***** |
| Armed Forces Covenant Champion | Cllr Hossack | Cllr ***** |
| Brentwood Access Group | Cllr Mrs Slade | Chair of Community, Environment and Enforcement. |
| Brentwood Arts Council | Cllr Mynott (LD) | Cllr ***** |
| Brentwood Community Safety Partnership | Cllr Barber | Cllr ***** |
| Brentwood Council for Voluntary Service | Cllr Reed Cllr Dr Barrett (LAB) | Cllr ***** |
| Brentwood Business Partnership | Cllr Poppy Cllr Hossack Cllr Mrs Pearson Cllr Barrett (LAB) Cllr Kendall (LD) | Cllr ***** (Con) Cllr ***** (Lib Dem) Cllr ***** (Labour) |
| Brentwood Theatre Trust | Cllr Fulcher (LD) Cllr Poppy | Cllr ***** (Con) Cllr ***** (Lib Dem) |
| Brentwood/Landkreis Roth Town Twinning Association | Cllr Miss Sanders (Mayor-President) Cllr Barrett (Deputy Mayor – Vice-president) Cllr Mrs Hones Cllr N Cuthbert (LD) | Mayor Deputy Mayor |
| Brentwood/Montbazon Town Twinning Association | Cllr Miss Sanders (Mayor-President) Cllr Barrett (Deputy Mayor – Vice-president) Cllr Russell Cllr Laplain (LD) | Mayor Deputy Mayor |
| Conservators of Shenfield Common | Cllr Barrett (LAB) Cllr Dr Barrett (LAB) Cllr Wiles | Cllr ***** Cllr ***** Cllr ***** |
| ECC Local Highways Panel | Cllr McLaren Cllr Barber Cllr Kendall (LD) Cllr Dr Barrett (LAB) | Cllr ***** Cllr ***** Cllr ***** Cllr ***** |
| Essex Police and Crime Panel | Cllr Barber | Cllr ***** |

Page 151

Appendix B

| | | |
|--|---|---|
| Essex Community Foundation | Cllr Hirst | Chair of Community, Environment and Enforcement |
| Essex County Traveller Unit | Cllr Parker | Cllr ***** |
| Headley Common Trustees (4 year term) | Mrs Jill Hubbard Mr David Tee Cllr M Cuthbert Cllr Laplain | Appointments made every 4 years. Mrs Jill Hubbard Mr David Tee Cllr M Cuthbert Cllr Laplain |
| Health and Wellbeing Board | Cllr Miss Sanders Cllr Mrs Davies (LD) | Cllr ***** Cllr ***** |
| Howard Memorial Trust | Cllr Mrs Pearson | Cllr ***** |
| Hutton Charities | Cllr Hirst Cllr Tanner | Cllr ***** Cllr ***** |
| DAAG Local Government Association | Cllr Parker | Cllr ***** |
| SNAP | Cllr Hossack | Cllr ***** |
| SE Local Government Association | Cllr Mrs Gelderbloem | Cllr ***** |
| South Essex Parking Partnership Representative | Cllr Parker | Cllr ***** |
| South East Children's Partnership Board | Cllr Heard | Remains an appointment at Council |
| Taxi Trade Consultative Group | Cllr Barber Cllr Tanner Cllr Fryd (LD) | Chair/Vice Chair and an opposition member of Planning and Licensing |
| Youth Strategy Group | Cllr Mrs Gelderbloem | Cllr ***** |

| | |
|--|---|
| Committee(s): Audit & Scrutiny Committee | Date: 7 th March 2023 |
| Subject: Formal Complaints & Performance Indicator Working Group | Wards Affected: All |
| Report of: Steve Summers, Strategic Director | Public |
| Report Author: Name: Sarah Bennett, Director of Customer & Data Insight Telephone: 01277 312500 E-mail: sarah.bennett@brentwood.gov.uk | For Decision |

Summary

This report submits the report and recommendations of the Formal Complaints and Performance Indicators Working Group for consideration by the Audit & Scrutiny Committee.

Recommendation(s)

Members are asked to:

R1. To note the Formal Complaints and Performance Indicators Working Group report, as attached at Appendix A, and agree the recommendations contained within it.

Main Report

Introduction and Background

1. The Committees Terms of Reference include responsibility for the monitoring of Council service performance including Performance Indicators and Formal Complaints.

Reasons for Recommendation

2. To ensure the Council provides quality customer services.

References to Corporate Plan

3. The priority of 'Delivering an efficient and effective council' includes the delivery of quality customer services. An effective scrutiny function of customer complaints and service performance is an essential element of that priority.

Implications

Financial Implications

Tim Willis, Interim Director of Resource

01277 312829/tim.willis@brentwood.gov.uk

4. There are no direct financial implications from this report.

Legal Implications

Andrew Hunkin, Director of People & Governance and Monitoring Officer

01277 312705/andrew.hunkin@brentwood.gov.uk

5. The Council is required to have a complaints procedure, to ensure transparency and accountability it is good governance for the Council to report on the complaints and performance indicators.

Economic Implications

Phil Drane, Director of Place & Economy

01277 312610/philip.drane@brentwood.gov.uk

6. There are no direct economic implications from this report.

Background Papers

None

Appendices to this report

- Appendix A: Formal Complaints and Performance Indicator Working Group Report

Date: 7th March 2023

Audit & Scrutiny Committee

Performance Indicators and Formal Complaints Working Group Report

Working Group Members

Cllr Heard
Cllr Barrett
Cllr Haigh
Cllr Hirst
Cllr Slade

Scope

The scope of the Performance Indicators and Formal Complaints Working Group is set out below:

1. To monitor and consider the Council's service Performance Indicators.
2. To consider in detail Formal Complaints received by the Council.
3. To consider how Performance Indicators and Formal Complaints are reported to the Audit & Scrutiny Committee
4. To make recommendations to the appropriate Audit & Scrutiny Committee.

Notes of the meeting on 13th February 2023

Attached as Addendum 1 are the notes of the meeting on 13th February 2023.

Terms of Reference

The Working Groups Terms of Reference are attached at Addendum 2

1. Report Recommendations

The report recommendations are set out in full below.

R.1 That the working group continue to monitor the outcomes of the Formal Complaints for the 4th Quarter of 2022/23.

R.2 That the working group continue to monitor the outcomes of the Performance Indicators for the 4th Quarter of 2022/23.

2. Introduction

2.1 The council operates a two stage complaints process for customers to take issue with any perceived failure to provide a service, failure to respond to requests or failure to adhere to standards on the part of the council and its officers.

2.2 The council uses a variety of performance indicators to monitor how well services are performing in meeting the needs of service users. The council has set of key indicators of performance, the “toplines”. The topline include a variety of indicators that relate to the delivery of the council’s priorities.

2.3 The topline measure performance across a range of council activity including: planning, housing, streetscene and revenue and benefits.

3. Explanation of Recommendations

| |
|---|
| Recommendation 1 That the working group continue to monitor the outcomes of the Formal Complaints for the fourth quarter of 22/23. |
| Explanation To continue to monitor formal complaints quarterly to identify common themes, trends or concerns. |
| Recommendation 2 That the working group continue to monitor the outcomes of the Performance Indicators for the fourth quarter of 22/23. |
| Explanation To monitor associated annual or quarterly trends and identify areas of performance concern. |

**Performance Indicators and Formal Complaints Working Group
Minutes of Meeting 13th February 2023 18:30
Virtual via Microsoft Teams**

Present: Cllr Slade
Cllr Barrett
Cllr Hirst
Cllr Haigh

Also present: Steve Summers (SS) – Strategic Director
Sarah Bennett (SB) – Director of Customer & Data Insight
Carol Burton (CB) – Corporate Manager (Housing Repairs)
Angela Abbott (AA) – Corporate Manager (Housing Needs & Independent Living)
Nicola Marsh (NM) – Corporate Manager (Housing Estates)

Apologies: Cllr Heard
Shelley King – Performance & Transformation Manager

1. Welcome

SB welcomed all to the meeting and provided an introduction to the format of the meeting for those who are new to the working group.

2. Terms of Reference

These are attached to these minutes.

3. Formal Complaints (Addendum 4)

- The Working Group was presented with a number of charts which set out the complaints received in the year to date, as well as more specifically in Q3. The number of complaints responded to within the agreed timeframes and how complainants are making their complaints were also provided.
- The Working Group was advised that there were two stages to formal complaints, stage 1 is dealt with by the service manager and stage 2 by a senior manager or director. Most formal complaints were resolved at stage 1.
- Action plans to improve performance are established where complaints are upheld.

Housing

- It was noted that all upheld complaints for the Housing service in Q3 were in relation to the Housing repairs services.
- CB provided a detailed overview of these complaints. Some delays of up to 48hrs with boiler repairs could be attributed but have since been resolved. Training issues within the contractors contact centre had also been identified and since addressed. This revolved around communication rather than repairs specifically.

Planning

- A steady increase in Planning complaints since 2016 was noted, although the detail in how many were upheld was recognised.

Streetscene

- Ongoing resource issues could be contributing to a theme of missed collection complaints within the service.

ACTION: SB to ensure with Marcus Hotten that Members are informed of issues with collection calendar availability

Ombudsman

- The Council received an unfavourable LGO outcome during Q3. The outcome found maladministration in how the Council communicated with the complainant during a kitchen replacement. CB has reviewed the case.

WORKING GROUP ACTION: For the working group to monitor these complaints against future quarters to identify concerns or themes.

4. Performance Indicators (Addendum 3)

Summary

- A summary report provided performance by department for Q3 2022-23, including targets exceeded, met or not met. This showed a 4% increase in targets met or exceeded compared with the previous quarter.

Planning

- Planning performance indicators for Q3 all met or exceeded target.

Street Scene and Environment

- Performance for Street Scene and Environment in Q3 was below target across all indicators.
- The results shown for residual waste and recycling were indicative of national trends.
- Cllr Hirst provided an overview of how target setting was agreed. It was recognised that the targets are rigorous, but that these had been benchmarked against previous achievements.
- Cllr Barrett queried the effect of contamination on results.

ACTION: SS to liaise with Marcus Hotten on providing indicative contamination rates at a future meeting.

Housing

- A new suite of Housing performance indicators to be reported to the Community, Environment & Enforcement Committee. Performance indicators reported to the FC & PI Working Group to be reviewed for the new financial year.
- The number of households in temporary accommodation is on target following an increase in prevention work and a more robust approach to challenging referrals from other local authorities.
- A new court procedure for gas servicing is helping performance.
- Rent arrears have plateaued and are continually targeted, with a suite of measures employed to ensure payments are maintained.

Finance

- Performance indicators for payment of invoices were below target. Finance are working with other officers to improve figures.
- Corporate debt figures have drastically improved since the previous quarter.

Revenues and Benefits

- Council Tax collection in Q3 was close to target.
- The remaining Revenues and Benefits indicators met or exceeded targets.

Contact Centre

- The time taken to answer calls showed improvement on previous quarter and exceeded target.

WORKING GROUP ACTION: For the working group to continue to review progress of the quarterly Performance Indicators.

5. Any Other Business None

6. Date of next meeting

TBC

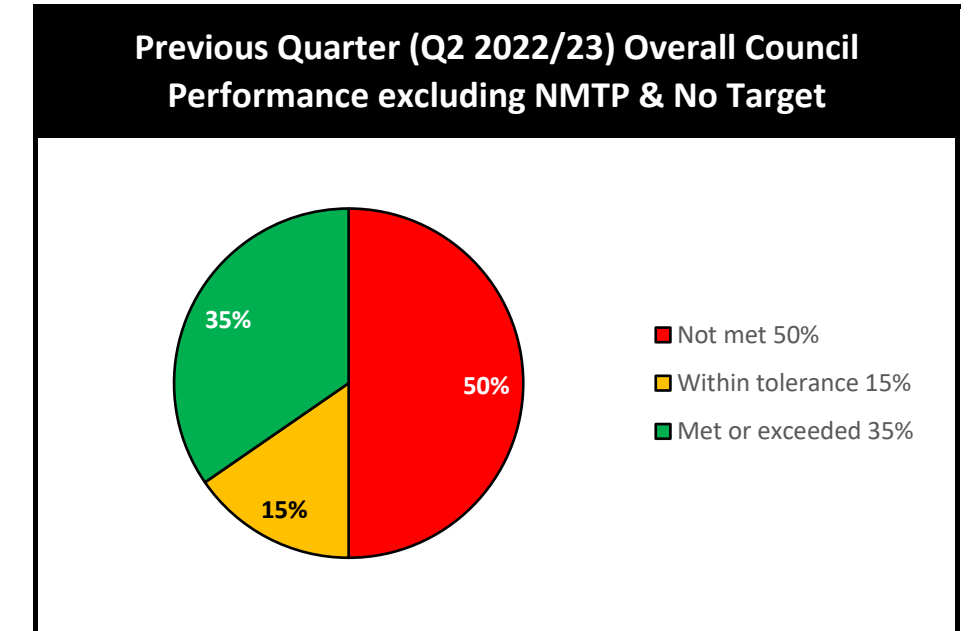
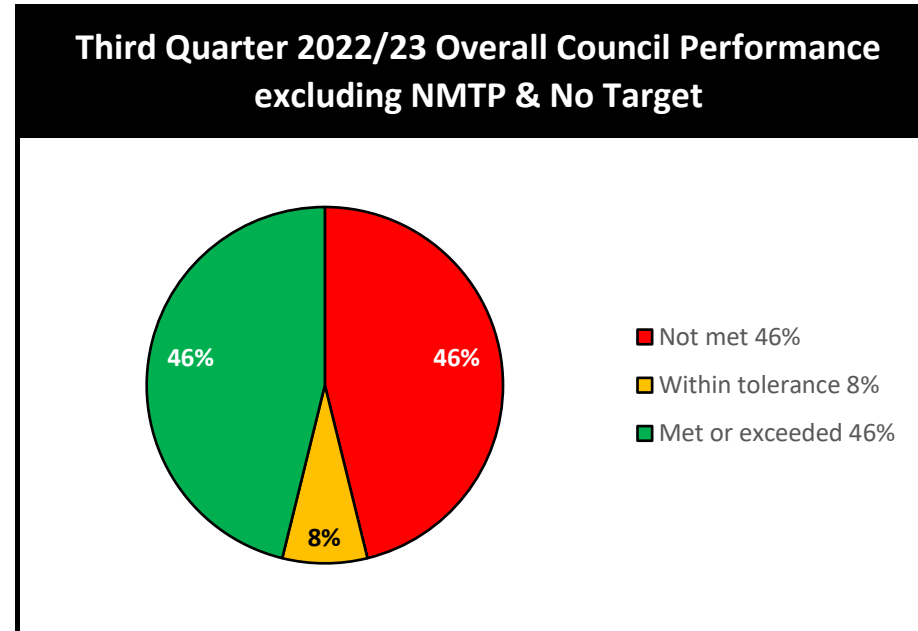
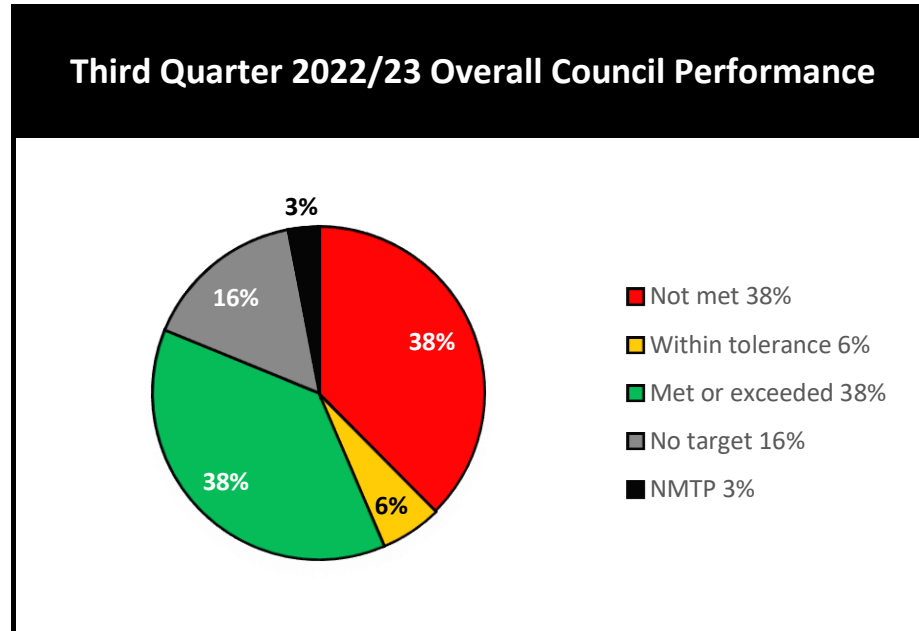
Audit & Scrutiny Committee Performance Indicators & Formal Complaints Working Group

Members of Working Group:

Cllrs. Heard, Barrett, Haigh, Slade and Hirst.

Terms of Reference:

1. To monitor and consider the Council's service Performance Indicators.
2. To consider in detail Formal Complaints received by the Council.
3. To consider how Performance Indicators and Formal Complaints are reported to the Audit & Scrutiny Committee.
4. To make recommendations to the appropriate Audit & Scrutiny Committee.

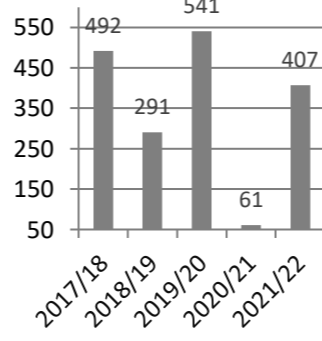
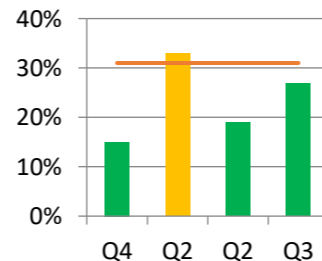
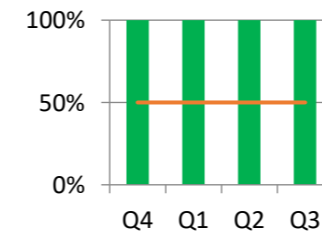
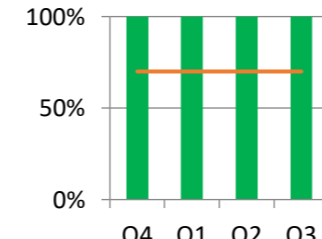


Third Quarter 2022/23 Performance by Department

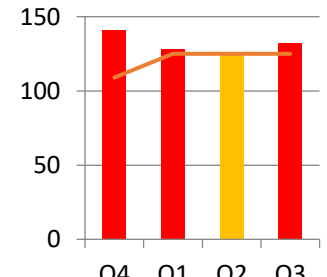
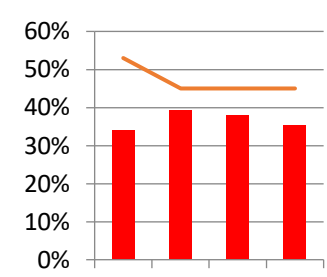
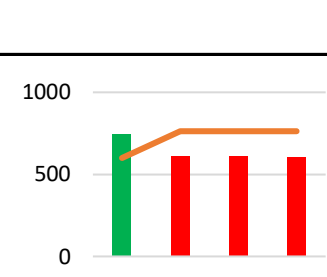
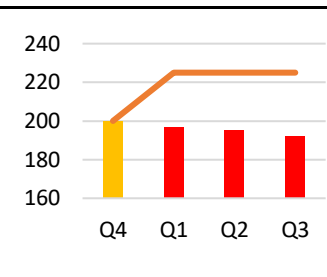
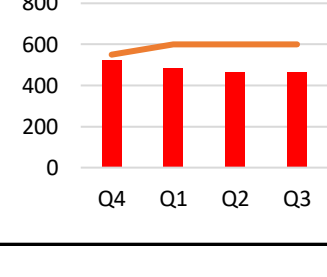
| | Red | | Amber | | Green | | No Target | | NMTP | | Total |
|-------------------------------|-----------|------------|----------|------------|-----------|------------|-----------|------------|----------|-----------|-----------|
| | No. | % | No. | % | No. | % | No. | % | No. | % | No. |
| Economy | | | | | | | | | | | |
| Planning | 0 | 0% | 0 | 0% | 5 | 83% | 0 | 0% | 1 | 17% | 6 |
| Environment | | | | | | | | | | | |
| Street Scene | 7 | 100% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 7 |
| Environmental Health | 1 | 50% | 0 | 0% | 1 | 50% | 0 | 0% | 0 | 0% | 2 |
| Housing | | | | | | | | | | | |
| Housing | 2 | 40% | 1 | 20% | 1 | 20% | 1 | 20% | 0 | 0% | 5 |
| Effective | | | | | | | | | | | |
| Finance | 2 | 67% | 0 | 0% | 0 | 0% | 1 | 33% | 0 | 0% | 3 |
| Human Resources | 0 | 0% | 0 | 0% | 0 | 0% | 1 | 100% | 0 | 0% | 1 |
| Revenues and Benefits | 0 | 0% | 1 | 20% | 4 | 80% | 0 | 0% | 0 | 0% | 5 |
| Contact Centre | 0 | 0% | 0 | 0% | 1 | 33% | 2 | 67% | 0 | 0% | 3 |
| Total | 12 | 38% | 2 | 6% | 12 | 38% | 5 | 16% | 1 | 3% | 32 |
| Previous Quarter Total | 13 | 41% | 4 | 13% | 9 | 28% | 5 | 16% | 1 | 3% | 32 |

Key

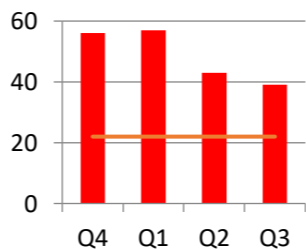
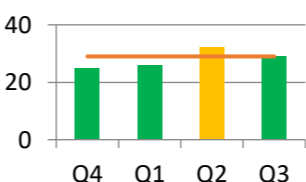
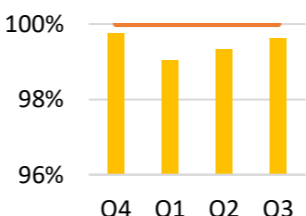
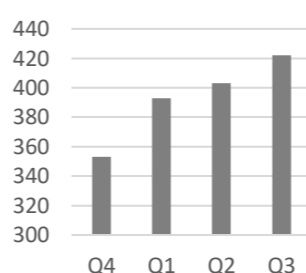
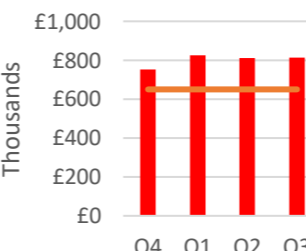
| | |
|--|--|
| | Current performance is below target by more than the specified target deviation. |
| | Current performance is below target but is within tolerance. |
| | Current target has been met or exceeded. |
| | No target. |
| | NMTP Not measured this period. |
| | Performance for the quarter or year to date is improving (up) or deteriorating (down) compared to previous quarter or across the year. |

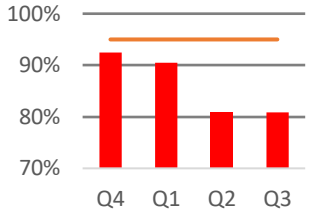
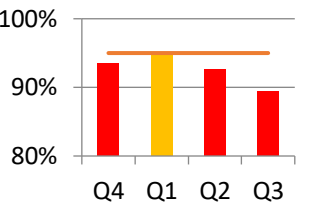
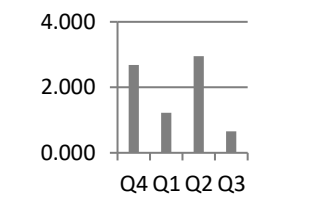
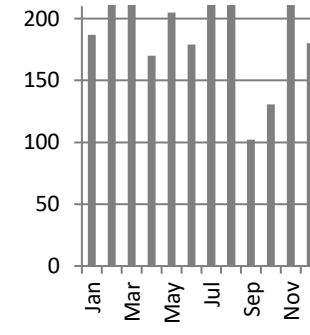
| Growing our economy | | | | | | | | | | | | | | |
|------------------------|--|-----------|----------------------------|-----------|-----------|--------------------------|-----------|---------------------|---|-----------|----------------------|-----------------------------|--|------------|
| Department and PI Code | Performance Indicator | Measure | Previous Quarterly Results | | | Latest Quarterly Results | | | Q Status & Trend | Q Graphic | 2022/23 Year to Date | | | Commentary |
| | | | Q4 Result | Q1 Result | Q2 Result | Q3 Result | Q Target | Year to Date Result | | | Year to Date Target | Year to Date Status & Trend | | |
| Planning P01 | Number of new homes approved to be built in the Borough | Annual | 407 | NMTP | NMTP | NMTP | No target | NMTP |  | NMTP | No target | NMTP | The gross number of new homes approved to be built in the Borough. Approvals for new homes help towards the Borough's supply of homes, specifically the required five-year housing supply (published annually). Monitoring data has concluded that there are 407 NET new dwellings within the borough for the monitoring period 2021-22. This is an increase from last year likely due to the adoption of the Brentwood Local Plan. The adopted Local Plan states in policy MG01 that we will deliver 300 new homes during this period, so we have over delivered by 107 new dwellings which helps with closing the gap for our previous years' short falls. | |
| Planning P02 | % of appeals allowed against the authority's decision to refuse planning applications (percentage) | Quarterly | 15.30% | 33.30% | 18.50% | 26.90% | 31% | Green |  | 26.23% | 31% | Green | Monitoring is done to understand why appeals happen and what can be done to reduce them / reduce number of overturns. Also working with agents to understand what we can do to help. An 'Appeals Update' is presented to Planning Committee to provide more detail on appeals. | |
| Planning P03 | Processing of planning applications as measured against targets for 'Major' application types | Quarterly | 100% | 100% | 100% | 100% | 50% | Green |  | 100% | 50% | Green | Consistently high performance achieved throughout the year. Processes/performance are constantly being reviewed to ensure standards remain high. Number of Major application types received have not been affected by COVID. Processes have been tweaked to ensure business as usual and no detrimental effect to applicants. | |
| Planning P04 | Processing of planning applications as measured against targets for 'Minor' application types | Quarterly | 100% | 100% | 100% | 100% | 70% | Green |  | 100% | 70% | Green | Consistently high performance. Processes/performance are constantly being reviewed to ensure standards remain high. Number of minor application types dropped off this year due to COVID, but not as much as expected. Processes have been tweaked to ensure business as usual and no detrimental effect to applicants. | |


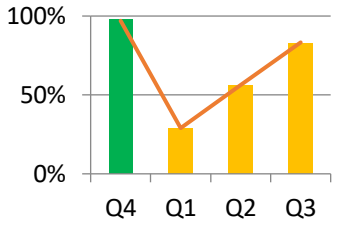


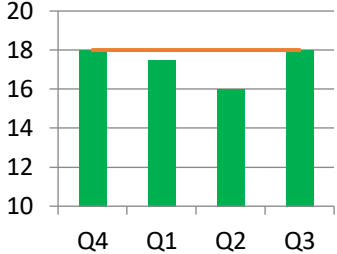


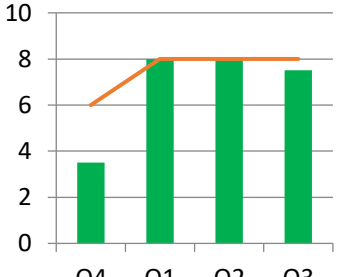


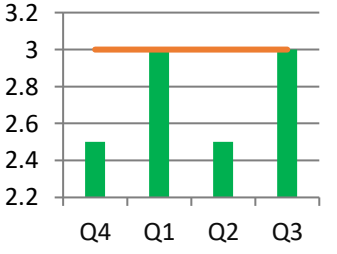


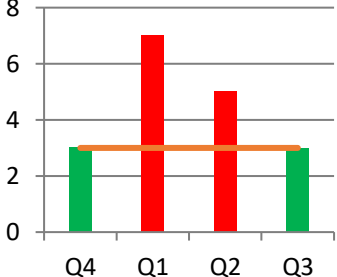

| Planning P05 | Processing of planning applications as measured against targets for 'Other' application types | Quarterly | 99.50% | 99.40% | 99.70% | 99.80% | 80% | Green ↑ | <table border="1"> <caption>Quarterly Performance for Planning P05</caption> <thead> <tr> <th>Quarter</th> <th>Performance (%)</th> </tr> </thead> <tbody> <tr> <td>Q4</td> <td>100%</td> </tr> <tr> <td>Q1</td> <td>100%</td> </tr> <tr> <td>Q2</td> <td>100%</td> </tr> <tr> <td>Q3</td> <td>100%</td> </tr> </tbody> </table> | Quarter | Performance (%) | Q4 | 100% | Q1 | 100% | Q2 | 100% | Q3 | 100% | 99.63% | 80% | Green ↑ | Consistently high performance achieved throughout the year. Processes/performance is constantly being reviewed to ensure standards remain high. Number of other application are at 4 year all time high, which is causing pressure on the service. Processes have been tweaked to ensure business as usual and no detrimental effect to applicants. |
|--------------|---|-----------|--------|--------|--------|--------|-----|------------|--|---------|-----------------|----|--------|----|--------|----|------|----|------|--------|-----|------------|---|
| Quarter | Performance (%) | | | | | | | | | | | | | | | | | | | | | | |
| Q4 | 100% | | | | | | | | | | | | | | | | | | | | | | |
| Q1 | 100% | | | | | | | | | | | | | | | | | | | | | | |
| Q2 | 100% | | | | | | | | | | | | | | | | | | | | | | |
| Q3 | 100% | | | | | | | | | | | | | | | | | | | | | | |
| Planning P06 | Percentage of planning applications approved | Quarterly | 80.30% | 81.40% | 83% | 88% | 75% | Green ↑ | <table border="1"> <caption>Quarterly Performance for Planning P06</caption> <thead> <tr> <th>Quarter</th> <th>Performance (%)</th> </tr> </thead> <tbody> <tr> <td>Q4</td> <td>80.30%</td> </tr> <tr> <td>Q1</td> <td>81.40%</td> </tr> <tr> <td>Q2</td> <td>83%</td> </tr> <tr> <td>Q3</td> <td>88%</td> </tr> </tbody> </table> | Quarter | Performance (%) | Q4 | 80.30% | Q1 | 81.40% | Q2 | 83% | Q3 | 88% | 84.00% | 75% | Green ↑ | This reports approvals of all PS1 and PS2 applications (i.e. excl. pre-applications) |
| Quarter | Performance (%) | | | | | | | | | | | | | | | | | | | | | | |
| Q4 | 80.30% | | | | | | | | | | | | | | | | | | | | | | |
| Q1 | 81.40% | | | | | | | | | | | | | | | | | | | | | | |
| Q2 | 83% | | | | | | | | | | | | | | | | | | | | | | |
| Q3 | 88% | | | | | | | | | | | | | | | | | | | | | | |

| Protecting our environment | | | | | | | | | | | | | | |
|--|--|-----------|----------------------------|-----------|-----------|--------------------------|----------|---------------------|---|-----------|----------------------|-----------------------------|--|------------|
| Department and PI Code | Performance Indicator | Measure | Previous Quarterly Results | | | Latest Quarterly Results | | | Q Status & Trend | Q Graphic | 2022/23 Year to Date | | | Commentary |
| | | | Q4 Result | Q1 Result | Q2 Result | Q3 Result | Q Target | Year to Date Result | | | Year to Date Target | Year to Date Status & Trend | | |
| Street Scene and Environment E01 | Residual household waste per household (kg) | Quarterly | 130.45 | 130.43 | 124.77 | 132.34 | 125 | Red ↓ |  | 387.54 | 375 | Red ↓ | The quarterly target has been changed from 109kg to 125kg in 2022/23. The figures still need verification by ECC but the number of kg's per household is returning to more pre-COVID levels. | |
| Street Scene and Environment E02 Page 165 | Percentage of household waste arisings which have been sent by the authority for reuse, recycling, composting or anaerobic digestion | Quarterly | 35% | 39.66% | 37.92% | 35.28% | 45% | Red ↓ |  | 37.62% | 45% | Red ↓ | The quarterly target has been changed from 53% to 45% in 2022/23. Whilst the figures are still to be verified by ECC, recycling was hit badly across all Authorities in surrounding Districts\Boroughs due t heavy snow in December 2022. | |
| Street Scene and Environment E03 | Paper and card recycled by tonne | Quarterly | 716.42 | 614.5 | 614.5 | 608.3 | 763 | Red ↓ |  | 1837.3 | 2289 | Red ↓ | The quarterly target has been changed from 600 tonnes to 763 tonnes in 2022/23. As mentioned above, recycling was hit hard by the adverse weather in December with Paper & Card seeing a fall of 20 tonnes on October and November. | |
| Street Scene and Environment E04 | Cans and plastic recycled by tonne | Quarterly | 199.88 | 196.6 | 195.2 | 191.9 | 225 | Red ↓ |  | 583.9 | 675 | Red ↓ | The quarterly target has been changed from 200 tonnes to 225 tonnes in 2022/23. Adverse weather conditions hit on the week Cans & Plastics should have been collected and hence December showed signs of major falls in this commodity. | |
| Street Scene and Environment E05 | Mixed glass recycled by tonne | Quarterly | 503.41 | 494.2 | 483.3 | 464.1 | 600 | Red ↓ |  | 1441.6 | 1800 | Red ↓ | The quarterly target has been changed from 550 tonnes to 600 tonnes in 2022/23. An unusually quiet October saw a 20 tonne fall in average glass collections over the year. | |

| | | | | | | | | | | | | | |
|----------------------------------|--|-----------|--------|--------|--------|--------|------|------------|--|--------|------|------------|---|
| Street Scene and Environment E06 | Food waste recycled by tonne | Quarterly | 299.8 | 250.8 | 271.7 | 288.8 | 350 | Red ↑ |  | 811.3 | 1050 | Red ↓ | The quarterly target has been changed from 300 tonnes to 350 tonnes in 2022/23. The World Cup being held in November\December could have assisted with the increase in tonnages. |
| Street Scene and Environment E07 | Garden waste recycled and diverted from landfill per tonne | Quarterly | 684 | 1310.3 | 895.2 | 895.6 | 1375 | Red ↑ |  | 3101.1 | 4125 | Red ↑ | The quarterly target has been changed from 1300 tonnes to 1375 tonnes in 2022/23. Due to exceptionally high temperatures and little rainfall gardens were not growing. |
| Environmental Health EH01 | Food safety/ hygiene standards in food premises - % of broadly compliant food premises | Quarterly | 98.08% | 97.75% | 97.63% | 97% | 97% | Green ↓ |  | 97% | 97% | Green ↓ | This quarter has seen continued numbers of new businesses that are impacting the broadly compliant figure. |
| Environmental Health EK02 | Service requests investigated within target time (5 days) | Quarterly | 57% | 59% | 62.08% | 53.10% | 100% | Red ↓ |  | 58% | 100% | Red ↓ | In the third quarter complaints were less evenly distributed across the district and this lead to uneven distribution of workloads between officers with some wards notably Brentwood North and South and Shenfield experiencing a larger number of complaints. In order to remedy this going forward the district areas of officers in the team are being adjusted to match resource to demand more closely. |

| Improving our housing | | | | | | | | | | | | | | |
|------------------------|---|-----------|----------------------------------|-----------------------------------|----------------------------------|----------------------------------|-----------|---------------------|---|-----------|----------------------|-----------------------------|--|------------|
| Department and PI Code | Performance Indicator | Measure | Previous Quarterly Results | | | Latest Quarterly Results | | | Q Status & Trend | Q Graphic | 2022/23 Year to Date | | | Commentary |
| | | | Q4 Result | Q1 Result | Q2 Result | Q3 Result | Q Target | Year to Date Result | | | Year to Date Target | Year to Date Status & Trend | | |
| Housing H01 | Average re-let times for Local Authority Housing | Quarterly | 56 Days (68 GN, 37 SH, 53 TA) | 57 Days (46 GN, 101 SH, 38 TA) | 43 Days (43 GN, 48 SH, 49 TA) | 39 Days (35 GN, 48 SH, 34 TA) | 22 Days | Red ↑ |  | 46 Days | 22 Days | Red ↑ | During November and December we had a large reduction in incoming voids and have therefore managed to turn around voids quicker. There has been a small delay to some voids as people do not generally wish to move in late December but this is for a minimal amount of voids. | |
| Housing H04 | Households living in temporary accommodation | Quarterly | 25 | 26 | 32 | 29 | 29 | Green ↑ |  | 29 | 29 | Green ↑ | Temporary accommodation levels decreased due to an increase in move on and prevention work. We have experienced an increase in referrals from hospitals and probation services with complex cases which does prove a challenge in terms of accommodation. We forecast levels to increase in line with previous trends with people typically waiting until the new year to make their approach. | |
| Housing H05 | Gas servicing in Council homes | Quarterly | 99.77% | 99.04% | 99.34% | 99.62% | 100% | Amber ↑ |  | 99.62% | 100% | Amber ↑ | Performance for gas servicing has improved again for this quarter. LGSR (Landlord Gas Safety Record) compliance remains high. There are 8 properties outstanding all of which have been referred for legal action. Court hearings are scheduled for January 2023 for these cases. | |
| Housing H07 | No. of applicants on the waiting list for Local Authority housing | Quarterly | 353 | 393 | 403 | 422 | No Target | No Status ↓ |  | 422 | No Target | No Status ↓ | Housing Register: 218 Transfer Register: 204 The council's housing and transfer register numbers have remained relatively stable with a slight decrease in transfer numbers. With continuous improvements to our choice based letting system and the added responsibility for applicants to submit documents through our online portal we are able to process applications more efficiently. | |
| Housing H08 | Average Rent Arrears Total (Current Tenants, Garages) | Quarterly | £752,768 | £826,591 | £812,714 | £812,721 | £650,000 | Red ↑ |  | £817,342 | £650,000 | Red ↑ | Officers have been working hard to recoup rent arrears and despite being in challenging times. We have worked with tenants to minimise the increase to arrears. We continue to refer people where necessary and reduce payment arrangements to the lowest possible level to assist tenants with their finances where necessary. | |

| Delivering an effective and efficient council | | | | | | | | | | | | | | |
|---|--|-----------|-------------------------------|--------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------|---|-----------|---------------------------------|-----------------------------|--|------------|
| Department and PI Code | Performance Indicator | Measure | Previous Quarterly Results | | | Latest Quarterly Results | | | Q Status & Trend | Q Graphic | 2022/23 Year to Date | | | Commentary |
| | | | Q4 Result | Q1 Result | Q2 Result | Q3 Result | Q Target | Year to Date Result | | | Year to Date Target | Year to Date Status & Trend | | |
| Finance F01 | % of invoices from local suppliers paid within 20 days | Quarterly | 92.45% | 90.45% | 80.89% | 80.89% | 95% | Red |  | 84.08% | 95% | Red | Local invoices are currently below par. The KPIs in November and December took a hit which caused this variances. Accounts Payable officers have been instructed to work with officers to help assist this figure to increase. The depot gets a high proportion of these invoices and struggled during this quarter with invoices, so hoping to see an improvement next quarter | |
| Finance F02 | % of invoices from all suppliers paid within 30 days | Quarterly | 93.52% | 94.68% | 92.54% | 89.35% | 95% | Red |  | 92.19% | 95% | Amber | KPI's again in November and December took a hit with local invoice for Environmental Services possibly due to the ongoing delay in service review. Again Accounts Payable officers have been instructed to work with the officer to help assist this figure to increase. | |
| Finance F03 | Value of corporate debt (£m) | Quarterly | £2.676m | £1.227m | £2.947m | £0.654m | Reduction from previous quarter | No Status |  | | Reduction from previous quarter | No Status | Debt level has come down due to SAIL invoices being paid. Debt Level is comfortably under the target of £1m. | |
| Human Resources HR03 | Number of days sickness lost per month | Monthly | Jan 187 Feb 216 Mar 231 | Apr 170 May 205 June 179 | Jul 245 Aug 250.5 Sep 102 | Oct 130.5 Nov 218 Dec 180 | No Target | No Status |  | | No Target | No Status | This PI reflects the number of working days lost to sickness each month. Absence figures for Q3 compared to this time last year have increased in November and December, however we saw a decrease in October. This is due to a number of employees off due to long term absences (28 days or more). With the main reason for long term absence being a heart condition, back problems and anxiety/stress/depression. We continue to support managers and through managing absences under the policy have seen a positive return to work for some of these employees. In terms of short term absences, the main reasons for short term absences for Q3 was colds/coughs/flu, covid (including side effects of the vaccine or self isolation), or gastrointestinal. We continue to offer support to all employees around their wellbeing by way of wellbeing check ins, employee assistance programme, regular 1:1s and Team meetings, Mental Health First Aiders, wellbeing teams channel, wellbeing sway site, lunch and learn sessions and encouraging a form of physical activity. | |

| | | | | | | | | | | | | | |
|---------------------|---|-----------|--------|--------|--------|--------|--------|--|---|--------|--------|--|--|
| Revs & Bens CT01 | Council Tax collection | Quarterly | 97.60% | 28.80% | 56.10% | 82.80% | 83.30% | Amber  |  | 82.80% | 83.30% | Amber  | Council Tax for current year this month is only just below target, we were anticipating this reduction in collection due to the Christmas period. However we are continuing to proactively engage with our customers to set payment plans and we expect the collection to be increased for the month of January. We continue to work with our welfare teams to signpost customers to ensure they are receiving the support and financial help that they need and may not be aware of. |
| Revs & Bens CT03 | Housing Benefit and Pensioner Council Tax Support - time taken to process new claims (days) | Quarterly | 18 | 17.5 | 16 | 18 | 18 | Green  |  | 17.16 | 18 | Green  | Even though our days to process have slightly increased in November we are still within target. Our days to process will fluctuate due to the fact that legally we have to give customers one month to provide all their income and tenancy evidence before we are able to pay their claim for Housing and or Council Tax Support. However the team will always telephone and text customers to ask them to provide their evidence so that we can pay them as quickly as possible |
| Revs & Bens CT05 | Housing Benefit and Pensioner Council Tax Support - time taken to process Change of Circumstances (days) | Quarterly | 3.5 | 8 | 8 | 7.5 | 8 | Green  |  | 7.8 | 8 | Green  | We are processing changes in circumstances below target. This is a fantastic achievement for the team especially with the extra pressures we have faced with postal strikes. We continue to encourage residents to use emails, the website and telephone to let us know of their change in circumstances so that we can ensure they get the correct help they need and within a timely manner. This also helps keeping customer contact to a minimum and supports our residents at this difficult time with the cost of living rising. |
| Revs & Bens CT07 | Council Tax Reduction scheme for working age persons - time taken to process new applications (days) | Quarterly | 2.5 | 3 | 2.5 | 3 | 3 | Green  |  | 2.8 | 3 | Green  | Average time for new Council Tax Reduction applications currently 3 days, within 3 day target. This is a positive result and an achievement for our staff. We are still maintaining our target whilst dealing with an increase in our workload during a time when our customers need more support. |
| Revs & Bens CT08 | Council Tax Reduction scheme for working age persons - time taken to process change of circumstances (days) | Quarterly | 3 | 7 | 5 | 3 | 3 | Green  |  | 5 | 3 | Red  | Average time for change of circumstances is currently 3 days, within 3 day target. This is a positive result and an achievement for our staff. We are still maintaining our target whilst dealing with an increase in our workload during a time when our customers need more support. |

| | | | | | | | | | | | | | |
|------------------------------------|---|-----------|---------|---------|---------|--------|-----------|----------------|--|---------|-----------|----------------|---|
| Contact Centre CC02 | Telephone calls taken by the Contact Centre for those services undertaken by the Contact Centre | Quarterly | 11,539 | 11,456 | 10,929 | 10,351 | No Target | No Status ↓ | <p>20000 10000 0</p> <p>Q4 Q1 Q2 Q3</p> <p>■ Previous ■ Current</p> | 32,736 | No Target | No Status ↓ | This figure depicts the number of calls received via the main Council telephone no. 01277 312500 and that have selected the applicable service from the options provided. It does not include calls that have selected option '0'. The services undertaken by the Contact Centre are Environmental Health, Licensing, Planning, Building Control, Parking, Operational Services and Housing Services. |
| Contact Centre CC04 | Website sessions | Quarterly | 323,584 | 256,554 | 215,982 | 87,981 | No Target | No Status ↓ | <p>250,000 200,000 150,000 100,000 50,000 0</p> <p>Q4 Q1 Q2 Q3</p> <p>■ Previous ■ Current</p> | 560,517 | No Target | No Status ↓ | <p>Website sessions are defined as:</p> <p>A session is the period time a user is actively engaged with your website. By default, if a user is inactive for 30 minutes or more, any future activity is attributed to a new session. Users that leave your site and return within 30 minutes are counted as part of the original session.</p> <p>On 5 Oct 22, the Council changed its website platform, which has dramatically affected the number of sessions recorded. We do not believe that this is an indication of a drop in users, rather a reduction in the number of computer generated hits, leading to false records. This rebaselines the results.</p> |
| Contact Centre CC05 Page 170 | Time taken to answer calls (seconds) | Quarterly | 108 | 129 | 158 | 48 | 60 | Green ↑ | <p>200 150 100 50 0</p> <p>Q4 Q1 Q2 Q3</p> | 111 | 60 | Red ↑ | <p>Benchmarking across Essex reports varying targets for time to answer. We have set our target relatively low in recognition of the importance of maintaining a good level of customer service.</p> <p>Current trend - Throughout Quarter 3 we have successfully recruited and are now working with a full compliment of staff. New staff training is now complete, resulting in a quicker response time.</p> |



Members Working Group Formal Complaints Q3 2022/23

Oct - Dec 2022

Formal Complaints received annually

| Department | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 |
|---------------------|-----------|-----------|------------|------------|------------|------------|
| Assets | 1 | 1 | 2 | 3 | 0 | 1 |
| Building Control | 0 | 0 | 0 | 1 | 0 | 0 |
| Community Safety | 0 | 0 | 1 | 1 | 7 | 4 |
| Community Services | 2 | 1 | 0 | 2 | 0 | 1 |
| Customer Service | 1 | 1 | 4 | 5 | 7 | 1 |
| Democratic Services | 1 | 0 | 0 | 2 | 1 | 0 |
| Housing | 30 | 38 | 47 | 75 | 66 | 58 |
| Electoral Services | 0 | 0 | 0 | 0 | 0 | 1 |
| Env Health | 0 | 1 | 3 | 4 | 10 | 6 |
| Finance | 0 | 0 | 2 | 0 | 0 | 0 |
| Human Resources | 0 | 0 | 0 | 0 | 0 | 1 |
| Legal | 1 | 0 | 0 | 0 | 0 | 0 |
| Licensing | 0 | 0 | 0 | 0 | 2 | 1 |
| Parking | 0 | 1 | 1 | 3 | 1 | 0 |
| Planning | 13 | 10 | 10 | 16 | 15 | 18 |
| Revs & Bens | 9 | 31 | 33 | 28 | 8 | 11 |
| Streetscene | 3 | 5 | 15 | 44 | 63 | 29 |
| Total | 61 | 89 | 118 | 184 | 180 | 132 |

2022/23 Formal Complaints received

Oct to Dec 2022

Page 173

| Q3 | | | |
|----------------------|-----------|-----------|------------|
| Department | Total | Upheld | % |
| ASB/Community Safety | 2 | 2 | 100% |
| Assets | 0 | 0 | 0% |
| Customer Services | 1 | 0 | 0% |
| Environmental Health | 0 | 0 | 0% |
| Housing | 16 | 5 | 31% |
| Parking | 0 | 0 | 0% |
| Planning | 6 | 0 | 0% |
| Revenues & Benefits | 6 | 1 | 16% |
| Streetscene | 18 | 18 | 100% |
| Total | 49 | 26 | 54% |

| YTD | | | |
|----------------------|------------|-----------|------------|
| Department | Total | Upheld | % |
| ASB/Community Safety | 3 | 2 | 66% |
| Assets | 1 | 0 | 0% |
| Customer Services | 1 | 0 | 0% |
| Environmental Health | 1 | 0 | 0% |
| Housing | 50 | 20 | 40% |
| Parking | 1 | 0 | 0% |
| Planning | 15 | 2 | 13% |
| Revenues & Benefits | 12 | 3 | 25% |
| Streetscene | 43 | 35 | 81% |
| Total | 127 | 62 | 49% |

2022/23 Formal Complaints responded to within agreed timeframe Oct to Dec 2022

| Q2 | |
|----------------------|------------|
| Department | % |
| ASB/Community Safety | 50% |
| Assets | N/A |
| Customer Services | 100% |
| Environmental Health | N/A |
| Housing | 56% |
| Parking | N/A |
| Planning | 50% |
| Revenues & Benefits | 83% |
| Streetscene | 89% |
| Total | 71% |

| YTD | |
|----------------------|------------|
| Department | % |
| ASB/Community Safety | 33% |
| Assets | 100% |
| Customer Services | 100% |
| Environmental Health | 100% |
| Housing | 74% |
| Parking | 0% |
| Planning | 53% |
| Revenues & Benefits | 67% |
| Streetscene | 79% |
| Total | 67% |

Channel received

| | Q1 | Q2 | Q3 | Q4 |
|-----------------|-----|-----|-----|----|
| Online form | 41% | 62% | 63% | |
| Email | 49% | 19% | 32% | |
| Website enquiry | 5% | 11% | 4% | |
| Via LGO/HO | 2% | 0% | 0% | |
| Telephone | 0% | 5% | 0% | |
| Letter | 2% | 3% | 0% | |

Upheld Formal Complaints – Oct to Dec 2022

Housing



| No | Complaint | Stage |
|----|--|---------|
| 1 | Housing Repairs 2 gas operatives entered the address without the tenant's knowledge | Stage 2 |
| 2 | Housing Repairs Delaying in replacing boiler resulting in no hot water or heating | Stage 1 |
| 3 | Housing Repairs Recurring damp within the property since 2019 | Stage 2 |
| 4 | Housing Repairs 1. Line cut off 4 times while calling gas installation team 2. Brown and smelly water, resulting in no running hot water | Stage 1 |
| 5 | Housing Repairs Left with no heating and hot water | Stage 1 |

Upheld Formal Complaints – Oct to Dec 2022

Planning



| No | Complaint | Stage |
|----|--|--------------------|
| 1 | Brentwood Borough Council are willing to approve planning applications without the full understanding or consideration of any adverse effects the alterations may have on an adjacent property | Stage 1 Ongoing |
| 2 | Brentwood Council have not upheld the objection to the planning proposal for an extension on the neighbour's property | Stage 1 Ongoing |

Upheld Formal Complaints – Oct to Dec 2022

Revenues and Benefits



| No | Complaint | Stage |
|----|--|---------|
| 1 | Delay in calculating Council Tax bill after completing a moving in / moving out form | Stage 2 |

Upheld Formal Complaints – Oct to Dec 2022

Streetscene



| No | Complaint | Stage |
|----|---|---------|
| 1 | Early collections before 7.30am | Stage 1 |
| 2 | Repeated missed collections | Stage 1 |
| 3 | Repeated missed collections | Stage 1 |
| 4 | An unordered Garden Waste bin was delivered and then not collected despite numerous phone calls | Stage 1 |
| 5 | Broken bin not replaced despite numerous phone calls | Stage 1 |
| 6 | Verbal abuse from refuse crew | Stage 1 |
| 7 | Repeated missed garden waste collections | Stage 1 |

Upheld Formal Complaints – Oct to Dec 2022

Streetscene



Page 180

| No | Complaint | Stage |
|----|--|---------|
| 8 | Repeated contacts made to resolve bulky waste collection problem and no contact received | Stage 2 |
| 9 | Missed garden waste collection despite numerous calls | Stage 1 |
| 10 | Refuse crew using residents own wheelie bin as a "slave bin" | Stage 2 |
| 11 | Repeated missed garden waste collections | Stage 1 |
| 12 | Repeated missed recycling collections | Stage 1 |
| 13 | Frequent early collections between 5am - 6am | Stage 1 |
| 14 | Repeated missed garden waste collections | Stage 1 |

Upheld Formal Complaints – Oct to Dec 2022

Streetscene



| No | Complaint | Stage |
|----|---|---------|
| 15 | Tried to make contact regarding no collection calendar on the website but could not get through | Stage 1 |
| 16 | No contact following a request to have an Assisted Collection service | Stage 1 |
| 17 | Repeated missed collections | Stage 1 |
| 18 | Waste supervisor did not attend to assess Assisted Collection service at the time provided | Stage 1 |

Ombudsman



| | Service | LGO/HO | Complaint | Council's decision | Ombudsman outcome |
|---|-----------------|--------|--|--------------------------|---|
| 1 | Housing Repairs | HO | <ol style="list-style-type: none"> 1. Handling of kitchen repairs 2. Response to a request for kitchen replacement | Partly upheld at Stage 2 | Decision – maladministration by the landlord in respect of its response to the resident's request for kitchen replacement |

| | |
|--|----------------------------|
| Committee(s): Audit and Scrutiny | Date: 07 March 2023 |
| Subject: Scrutiny Work Programme 2022/23 | Wards Affected: All |
| Report of: Steve Summers, Strategic Director | Public |
| Report Author/s: Name: Steve Summers Telephone: 01277 312500 E-mail: steve.summers@brentwood.rochford.gov.uk | For Decision |

Summary

The Constitution requires that the Audit & Scrutiny Committee agrees its Scrutiny work programme at each meeting of the Committee. This report provides an update of the current scrutiny work programme and is set out in Appendix A.

Recommendation(s)

R1. That the Committee considers and agrees the 2022/23 Scrutiny work programme as set out in Appendix A with any additions agreed by the committee at the meeting.

Main Report

Introduction and Background

1. At the Annual Council it was agreed that the committee structure would include the introduction of an Audit & Scrutiny Committee.
2. In relation to new scrutiny matters under its Terms of Reference any scrutiny matter identified by members must be agreed Audit and Scrutiny Committee.
3. The Audit & Scrutiny Committee also has responsibility to review decisions made, or other action taken, in connection with the discharge by the responsible authorities of their crime and disorder functions. In addition, it has responsibility for the monitoring of Council service performance, including Performance Indicators and Formal Complaints.
4. The Scrutiny work programme should not include management or staffing, issues which are the responsibility of the Head of Paid Service.

Reasons for Recommendation

5. The Constitution requires that the Audit & Scrutiny Committee agrees its Scrutiny work programme at each meeting of the Committee.

Consultation

6. None

References to Corporate Plan

7. The vision of Transformation includes an action to improve the Council's governance arrangements, leading to faster, more effective decision-making. An effective scrutiny function is an essential element of that priority.

Implications

Financial Implications

Name/Title: Tim Willis, Director - Resources and Section 151 Officer

Tel/Email: 01277 312500/tim.willis@brentwood.rochford.gov.uk

8. There are no direct financial implications arising from this report.

Legal Implications

Name & Title: Andrew Hunkin, Director – People & Governance and Monitoring Officer

Tel & Email: 01277 312500/andrew.hunkin@brentwood.rochford.gov.uk

9. There are no direct economic implications from this report

Economic Implications

Name/Title: Phil Drane, Corporate Director (Planning & Economy)

Tel/Email: 01277 312500/philip.drane@brentwood.gov.uk

10. There are no direct economic implications from this report.

Other Implications (where significant) – i.e. Health and Safety, Asset Management, Equality and Diversity, Risk Management, Section 17 – Crime & Disorder, Sustainability, ICT.

11. None

Background Papers

12. None

Appendices to this report

Appendix A: Draft Scrutiny Work Programme – March - 2022/23

This page is intentionally left blank

Mar-23

Audit & Scrutiny Committee

2022-23 Draft Scrutiny Work programme

| Subject Matter | July | August | September | October | November | December | January | February | March |
|---|--|----------------------|---------------------|--------------|----------------------|---------------------|--------------|----------------------|---------------------|
| Local Development Plan | | | | | | | | | |
| Scope | 1. Review the Council's Plan making process as required by the National Planning Policy Framework (NPPF). 2. Review efforts to ensure that necessary cooperation on strategic cross boundary matters have been made. 3. Review subjects and issues covered by LDP evidence base to ensure it is appropriate and proportionate. | | | | | | | | |
| Membership 2022/2023 | Cllrs To be confirmed. | | | | | | | | |
| Detailed timeline | | | | | | | | | |
| 1. Working Group Meeting - 9th February 2022 | | | | | | | | | |
| 2. Report to Audit & Scrutiny Committee - 8th March 2022 | | | | | | | | | |
| 3. Working Group Meeting - tbc | | | | | | | | | |
| 4. Report to Audit & Scrutiny Committee - tbc | | | | | | | | | |
| Subject Matter | July | August | September | October | November | December | January | February | March |
| Performance and Formal Complaints | Collate Data | Member Working Group | Report to Committee | Collate Data | Member Working Group | Report to Committee | Collate Data | Member working Group | Report to Committee |
| Membership 2022/2023 | Cllrs Heard, Hirst, Barrett, Naylor and Slade | | | | | | | | |
| Detailed timeline | | | | | | | | | |
| 1. Working Group meeting - 1st September 2022 | | | | | | | | | |
| 2. Report to Audit & Scrutiny Committee - 13th September 2022 | | | | | | | | | |
| 3. Working Group meeting - 5th January 2023 | | | | | | | | | |
| 4. Report to Audit & Scrutiny Committee - 24th January 2023 | | | | | | | | | |
| 5. Working Group meeting - 13th February 2023 | | | | | | | | | |
| 6. Report to Audit & Scrutiny Committee - 7th March 2023 | | | | | | | | | |

| Subject Matter | July | August | September | October | November | December | January | February | March |
|--|---|------------------------|-----------------------|---------|----------|-----------------------|---------|----------|---------------------|
| Community Safety Partnership | Report to Committee | | | | | | | | |
| Detailed timeline | | | | | | | | | |
| 1. Report to Audit & Scrutiny Committee - 5th July 2022 | | | | | | | | | |
| Subject Matter | July | August | September | October | November | December | January | February | March |
| Brentwood Leisure Trust | | Member Working Group - | Report to Committee | | | | | | |
| Scope | To determine lessons that can be learnt from the process of Brentwood Leisure Trust, the terms of transfer of provision of leisure, and the relationship between Brentwood Borough Council and Brentwood Leisure Trust throughout its existence. Identify recommendations for future leisure operating models that would improve services and avoid reoccurrence of the situation now faced by the Council. | | | | | | | | |
| Membership 2021/2022 | Cllrs Tanner, Hones, Poppy, Fulcher, Naylor and Dr Barrett. | | | | | | | | |
| Detailed timeline | | | | | | | | | |
| 1. Report to Audit & Scrutiny Committee - 26th January 2021 | | | | | | | | | |
| 2. Working Group Meeting - 3rd March 2021 | | | | | | | | | |
| 3. Working Group Meeting - 10th August 2021 | | | | | | | | | |
| 4. Working Group Meeting - 20th December 2021 | | | | | | | | | |
| 5. Report to Audit & Scrutiny Committee - 8th March 2022 | | | | | | | | | |
| 6. Working Group Meeting - 30th August 2022 | | | | | | | | | |
| 7. Report to Audit & Scrutiny Committee - 15th November 2022 | | | | | | | | | |
| Subject Matter | July | August | September | October | November | December | January | February | March |
| Council Motions | | | | | | | | | Report to Committee |
| Subject Matter | July | August | September | October | November | December | January | February | March |
| Member representation on outside organisations | | | Working Group Meeting | | | Working Group Meeting | | | Report to Committee |
| Subject Matter | July | August | September | October | November | December | January | February | March |
| Review proportionality of working groups | | | Report to Committee | | | | | | |
| Subject Matter | July | August | September | October | November | December | January | February | March |
| Review of s106 contributions | | | | | | | | | Report to Committee |

Members Interests

Members of the Council must declare any pecuniary or non-pecuniary interests and the nature of the interest at the beginning of an agenda item and that, on declaring a pecuniary interest, they are required to leave the Chamber.

- **What are pecuniary interests?**

A person's pecuniary interests are their business interests (for example their employment trade, profession, contracts, or any company with which they are associated) and wider financial interests they might have (for example trust funds, investments, and asset including land and property).

- **Do I have any disclosable pecuniary interests?**

You have a disclosable pecuniary interest if you, your spouse or civil partner, or a person you are living with as a spouse or civil partner have a disclosable pecuniary interest set out in the Council's Members' Code of Conduct.

- **What does having a disclosable pecuniary interest stop me doing?**

If you are present at a meeting of your council or authority, of its executive or any committee of the executive, or any committee, sub-committee, joint committee, or joint sub-committee of your authority, and you have a disclosable pecuniary interest relating to any business that is or will be considered at the meeting, you must not :

- participate in any discussion of the business at the meeting, of if you become aware of your disclosable pecuniary interest during the meeting participate further in any discussion of the business or,
- participate in any vote or further vote taken on the matter at the meeting.

These prohibitions apply to any form of participation, including speaking as a member of the public.

- **Other Pecuniary Interests**

Other Pecuniary Interests are also set out in the Members' Code of Conduct and apply only to you as a Member.

If you have an Other Pecuniary Interest in an item of business on the agenda then you must disclose that interest and withdraw from the room while that business is being considered

- **Non-Pecuniary Interests**

Non –pecuniary interests are set out in the Council's Code of Conduct and apply to you as a Member and also to relevant persons where the decision might reasonably be regarded as affecting their wellbeing.

A 'relevant person' is your spouse or civil partner, or a person you are living with as a spouse or civil partner

If you have a non-pecuniary interest in any business of the Authority and you are present at a meeting of the Authority at which the business is considered, you must disclose to that meeting the existence and nature of that interest whether or not such interest is registered on your Register of Interests or for which you have made a pending notification.

Audit and Scrutiny Committee Term of Reference

The Audit and Scrutiny Committee provides advice to the Council and the committees on the effectiveness of the arrangements for the proper administration of the Council's financial affairs, including all relevant strategies and plans.

It also acts as the Council's Overview and Scrutiny Committee with all the powers under Part 3 of the Local Authorities (Committee System) (England) Regulations 2012, and discharges the functions under section 19 of the Police and Justice Act 2006 (local authority scrutiny of crime and disorder matters).

Without prejudice to the generality of the above, the terms of reference include those matters set out below.

Audit Activity

- (a) To approve the Annual Internal Audit risk based plan of work.
- (b) To consider the Head of Internal Audit's annual report and opinion, and a summary of Internal Audit activity and the level of assurance it can give over the Council's corporate governance, risk management and internal control arrangements.
- (c) To consider regular progress reports from Internal Audit on agreed recommendations not implemented within a reasonable timescale.
- (d) To consider the External Auditor's annual letter, relevant reports, and the report to those charged with governance.
- (e) To comment on the scope and depth of external audit work and to ensure it gives value for money.
- (f) To consider the arrangements for the appointment of the Council's Internal and External Auditors.

Regulatory Framework

- 1) To review any issue referred to it by a Statutory Officer of the Council or any Council body.
- 2) To monitor the effective development and operation of risk management and corporate governance in the Council.

- 3) To monitor Council policies and strategies on an Annual basis

Whistleblowing
Money Laundering
Anti-Fraud and Corruption
Insurance and Risk Management
Emergency Planning
Business Continuity

- 4) To monitor the corporate complaints process.
- 5) To consider the Council's arrangements for corporate governance and agreeing necessary actions to ensure compliance with best practice.
- 6) To consider the Council's compliance with its own and other published standards and controls.
- 7) To monitor the Council processes in relation to
 - Freedom of Information
 - Member Enquires
- 8) To monitor the Council's Data Quality arrangements.
- 9) To monitor the Council's Member's Training arrangements.

Accounts

- 1) To review the annual statement of accounts. Specifically, to consider whether appropriate accounting policies have been followed and whether there are concerns arising from the financial statements or from the audit that need to be brought to the attention of the Council.
- 2) To review the Council's Annual Governance Statement.
- 3) To consider the External Auditor's report to those charged with governance on issues arising from the audit of the accounts.

Scrutiny Activity

- 1) Responsible to scrutinise any matters as identified and agreed by the Policy, Resources and Economic Development Committee as set out in the Audit and Scrutiny Procedure rules.
- 2) To report to the Policy, Resources and Economic Development Committee or the appropriate committee on the progress of any matters that have been requested and to make relevant recommendations as required.
- 3) To establish working groups as appropriate (in line with agreed protocols) to undertake the scrutiny of any matters requested by the Policy, Resources and Economic Development Committee, including setting their terms of reference, the reporting arrangements, and to co-ordinate and review the work of the working groups.
- 4) Responsibility for the monitoring of Council service performance, including Performance Indicators and, Formal Complaints, making reports if required to any committee, or subcommittee, any officer of the Local Authority, or any joint committee on which the Local Authority is represented, or any sub-committee of such a committee.
- 5) To review and/or scrutinise decisions made, or other action taken, in connection with the discharge of any functions of the Local Authority.
- 6) To deal with those issues raised through the 'Councillor Call for Action' scheme in line with agreed protocols and procedures.
- 7) To review and/or scrutinise decisions made, or other action taken, in connection with the discharge by the responsible authorities of their crime and disorder functions.
- 8) To make reports or recommendations to the Local Authority with respect to the discharge by the responsible authorities of their crime and disorder functions.

This page is intentionally left blank