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Cherwell

DISTRICT COUNCIL
NORTH OXFORDSHIRE

Committee: Accounts, Audit and Risk Committee

Date: Wednesday 16 March 2022

Time: 6.30 pm

Venue: Bodicote House, Bodicote, Banbury, Oxon OX15 4AA

Membership

Councillor Mike Kerford-Byrnes (Chairman)

Councillor Andrew Beere

Councillor Nicholas Mawer

Councillor Tom Wallis

Councillor Hugo Brown (Vice-Chairman)

Councillor Conrad Copeland

Councillor Adam Nell

Councillor Sean Woodcock

AGENDA

1. Apologies for Absence and Notification of Substitute Members

2. Declarations of Interest

Members are asked to declare any interest and the nature of that interest which they may have in any of the items under consideration at this meeting.

3. Petitions and Requests to Address the Meeting

The Chairman to report on any requests to submit petitions or to address the meeting.

4. Minutes (Pages 7 - 10)

To confirm as a correct record the Minutes of the meeting of the Committee held on 19 January 2022.

5. Chairman's Announcements

To receive communications from the Chairman.

6. **Urgent Business**

The Chairman to advise whether they have agreed to any item of urgent business being admitted to the agenda.

7. **Monthly Performance, Risk and Finance Monitoring Report** (Pages 11 - 50)

Report of Assistant Director of Finance and Head of Insight and Corporate Programmes

Purpose of report

This report summarises the Council's Performance, Risk and Finance monitoring positions as at the end of January 2022.

Recommendations

The meeting is recommended:

- 1.1 To note the monthly Performance, Risk and Finance Monitoring Report

8. **Housing Benefit and Council Tax Reduction Risk Based Verification** (Pages 51 - 60)

Report of Interim Assistant Director-Revenues and Benefits

Purpose of report

To provide members with details of the Risk Based Verification (RBV) policy and to seek approval for the RBV Policy for 2022-2023.

Recommendations

The meeting is recommended:

- 1.1 To note the contents of this report.
- 1.2 To approve the RBV policy for the financial year 2022-2023 at Appendix A.

9. **Update on Counter Fraud Annual Plan 2021/22** (Pages 61 - 68)

Report of the Assistant Director of Finance

Purpose of report

This report presents a summary of activity against the Annual Plan for the Counter-Fraud service at CDC for 2021/22, which was previously presented to the Accounts, Audit & Risk July 2021 committee. The Plan supports the Council's Anti-Fraud and Corruption Strategy by ensuring that the Council has in place proportionate and effective resources and controls to prevent and detect fraud as well as investigate those matters that do arise.

Recommendations

The meeting is recommended to:

- 1.1 Comment and note the summary of activity against the Annual Counter Fraud Plan for 2021/22.

10. General Data Protection Regulation Audit 2021 update (Pages 69 - 74)

Report of the Director of Law and Governance

Purpose of report

This report sets out the current position of the council with regard to the actions resulting from the July 2021 audit of the General Data Protection Regulation.

Recommendations

The meeting is recommended:

- 1.1 To note the report.

11. Draft Annual Report of Accounts, Audit and Risk Committee (Pages 75 - 88)

Report of the Assistant Director of Finance

Purpose of report

The report presents the draft report of the Accounts, Audit & Risk Committee.

Recommendations

The meeting is recommended:

- 1.1 To review the draft report, agree any amendments and finalise in preparation for presentation to Council by the Chair of the Accounts, Audit & Risk Committee.

12. Treasury Management Report - Q3 2021-22 (Pages 89 - 96)

Report of the Assistant Director of Finance

Purpose of report

To receive information on treasury management performance and compliance with treasury management policy for 2021-22 as required by the Treasury Management Code of Practice.

Recommendations

The meeting is recommended:

1.1 To note the contents of the Quarter 3 2021-22 Treasury Management Report.

13. Final 2020/21 Audit Results Report (Pages 97 - 100)

** Please note the Appendix to this report to follow as it is being reviewed and finalised **

Report of the Assistant Director of Finance

Purpose of report

To make the Committee aware of the final 2020/21 Audit Results Report

Recommendations

The meeting is recommended to:

1.1 Note the final 2020/21 Audit Results Report

14. Work Programme (Pages 101 - 104)

To consider and review the Work Programme.

Councillors are requested to collect any post from their pigeon hole in the Members Room at the end of the meeting.

Information about this Meeting

Apologies for Absence

Apologies for absence should be notified to democracy@cherwell-dc.gov.uk or 01295 221554 prior to the start of the meeting.

Declarations of Interest

Members are asked to declare interests at item 2 on the agenda or if arriving after the start of the meeting, at the start of the relevant agenda item.

Local Government and Finance Act 1992 – Budget Setting, Contracts & Supplementary Estimates

Members are reminded that any member who is two months in arrears with Council Tax must declare the fact and may speak but not vote on any decision which involves budget setting, extending or agreeing contracts or incurring expenditure not provided for in the agreed budget for a given year and could affect calculations on the level of Council Tax.

Evacuation Procedure

When the continuous alarm sounds you must evacuate the building by the nearest available fire exit. Members and visitors should proceed to the car park as directed by Democratic Services staff and await further instructions.

Access to Meetings

If you have any special requirements (such as a large print version of these papers or special access facilities) please contact the officer named below, giving as much notice as possible before the meeting.

Mobile Phones

Please ensure that any device is switched to silent operation or switched off.

Queries Regarding this Agenda

Please contact Sharon Hickson, Democratic and Elections democracy@cherwell-dc.gov.uk, 01295 221554

Yvonne Rees
Chief Executive

Published on Tuesday 8 March 2022

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Cherwell District Council

Accounts, Audit and Risk Committee

Minutes of a meeting of the Accounts, Audit and Risk Committee held at Bodicote House, Bodicote, Banbury, Oxon OX15 4AA, on 19 January 2022 at 6.30 pm

Present:

Councillor Mike Kerford-Byrnes (Chairman)
Councillor Hugo Brown (Vice-Chairman)
Councillor Andrew Beere
Councillor Adam Nell
Councillor Sean Woodcock

Substitute Members:

Councillor Sandy Dallimore for Councillor Tom Wallis

Also Present:

Councillor Barry Wood, Leader of the Council
Councillor Tony Ilott, Lead Member for Finance and Governance
Maria Grindley, Associate Partner, Ernst & Young (external audit)
Sue Gill, Ernst & Young (external audit)

Apologies for absence:

Councillor Conrad Copeland
Councillor Nicholas Mawer
Councillor Tom Wallis

Officers:

Lorna Baxter, Director of Finance & Section 151 Officer
Michael Furness, Assistant Director of Finance
Sarah Cox, Chief Internal Auditor
Sukdave Ghuman, Head of Legal Services & Deputy Monitoring Officer
Joanne Kaye, Strategic Business Partner
Sharon Hickson, Democratic and Elections Officer

49 **Declarations of Interest**

There were no declarations of interest.

50 **Petitions and Requests to Address the Meeting**

There were no petitions or requests to address the meeting.

51 **Minutes**

The Minutes of the meeting of the Committee held on 17 November 2021 were agreed as a correct record and signed by the Chairman.

52 **Chairman's Announcements**

There were no chairman's announcements.

53 **Urgent Business**

There were no items of urgent business.

54 **Internal Audit Progress Report 2021/22**

The Director of Finance submitted a report presenting the Internal Audit Progress report for 2021/22.

The Chief Internal Auditor and Head of Legal Services & Deputy Monitoring Officer responded to questions from the Committee, regarding Appendix 3 - "Executive Summaries of finalised reports" on the status of outstanding policies and training on Data Protection. Members were informed that there was an action plan and GDPR was a high priority within this plan.

In response to Members' requests for more reassurance of progress via an update to be circulated by the end of the month and a further update be given at the March committee meeting, the Chief Internal Auditor confirmed that a progress report setting out actions had been completed or a clear explanation why it had not from lead officers and managers would be submitted to the March meeting.

Resolved

- (1) That the progress of the 2021/22 Internal Audit Plan and the outcome of the completed audits be noted.

55 **Statement of Accounts Update**

The Director of Finance submitted a report asking Members to consider changes to be incorporated to the draft statement of accounts.

Ernst & Young, the council's External Auditors (EY) provided an update to the committee, informing Members that evidence to questions has not been

received. The Committee requested that an item be added to the March agenda if these remained unanswered or if new questions were raised by EY.

Resolved

- (1) That, having given due consideration the revised Comprehensive Income and Expenditure Statement (CIES) in the Draft Statement of Accounts 2020/21 along with necessary changes to supporting statements and notes be endorsed.
- (2) That it be agreed that on receipt of the final audit opinion, the Director of Finance (S151 Officer), in consultation with the Chair of the Accounts, Audit and Risk Committee (or Vice Chair in case the Chairman is unavailable), be authorised to sign the accounts.
- (3) That it be noted that, if any material changes to the accounts are required, then an additional committee meeting would be convened to consider the changes.

56 **Annual Governance Statement 2020/2021 - Update on Actions**

The Director of Law and Governance and Monitoring Officer submitted a report to consider an update on actions from the Annual Governance Statement (AGS) 2020/2021.

The Head of Legal Services & Deputy Monitoring Officer confirmed a list of the elements incorporated within the Social Value and Climate elements would be forwarded.

Resolved

- (1) That, having given due consideration the update on the actions arising from the Annual Governance Statement 2020/2021 be noted

57 **Appointment of Independent Member to the Committee**

The Director of Law & Governance and Monitoring Officer submitted a report requesting the Committee consider and agree the proposed arrangements for the appointment of an Independent Member.

In response to Members' comments, the Head of Legal Services & Deputy Monitoring Officer to report back to the committee how and where the post will be advertised.

Resolved

- (1) That the recruitment of an Independent Member to the Accounts, Audit and Risk Committee be agreed.

- (2) That the proposed arrangements for the appointment of an Independent Member be approved.
- (3) That the Background Information and Independent Member specification be approved, with final approval delegated to the Monitoring Officer, in consultation with the Chair of the Accounts, Audit and Risk Committee,
- (4) That authority be delegated to the Monitoring Officer, in consultation with the Chair of the Accounts, Audit and Risk Committee, to finalise the recruitment pack.

58 **Capital, Investment and Treasury Management Strategies 2022-23**

The Director of Finance submitted a report which presented the draft Capital and Investment Strategy and Treasury Management Strategy for 2022-23.

Resolved

- (1) That Full Council be recommended to adopt the Capital, Investment and Treasury Management Strategies 2022-23

59 **Work Programme**

The Committee considered it's work programme and proposed committee training schedule. As identified under agenda item 7, Internal Audit Progress Report 2021/22, "Update on Internal Audit of GDPR" would be added to the March meeting.

Resolved

- (1) That, subject to "Update on Internal Audit of GDPR" being added to the March meeting, the work programme and Committee training schedule be noted.

The meeting ended at 7.48 pm

Chairman:

Date:

Cherwell District Council

Accounts, Audit and Risk Committee

16 March 2022

Monthly Performance, Risk and Finance Monitoring Report

Report of Assistant Director of Finance and Head of Insight and Corporate Programmes

This report is public

Purpose of report

This report summarises the Council's Performance, Risk and Finance monitoring positions as at the end of January 2022.

1.0 Recommendations

The meeting is recommended:

- 1.1 To note the monthly Performance, Risk and Finance Monitoring Report

2.0 Introduction

- 2.1 The Council is committed to performance, risk and budget management and reviews progress against its corporate priorities on a monthly basis, however due to redeployment of resources supporting Omicron variant there was no report during December 2021.
- 2.2 This report provides an update on progress made during January 2022, to deliver the Council's priorities through reporting on Performance, the Leadership Risk Register and providing an update on the financial position.
- 2.3 The Council's performance management framework sets out the key actions, projects and programmes of work that contribute to the delivery of the 2021-22 business plan and the priorities of the Council. These measures and key performance indicators are reported on a monthly basis to highlight progress, identify areas of good performance and actions that have been taken to address underperformance or delays.
- 2.4 As part of monthly reporting, the Insight Team provides the Senior Management Team with a corporate complaints report. Complaints received during the month are closely monitored and analysed. The mandatory lessons learned data continues to be implemented and we are starting to see a decrease in the number of upheld complaints. Lessons learned are reported to ELT (Extended

Leadership Team) and progress is monitored to ensure actions are implemented to avoid the same complaint being reported.

2.5 The Council maintains a Leadership Risk Register that is reviewed on a monthly basis. The latest available version of the risk register (at the date this report is published) is included in this report. The Leadership Risk Register and strategy are reviewed on an annual basis as part of the budget and business planning process, reflecting on the priorities of the council for the forthcoming year. The Leadership Risks reflected in this report have been thoroughly reviewed by ELT and will continue to be updated on a monthly basis.

2.6 The main report details section is split into three parts:

- Performance Update
- Leadership Risk Register Update
- Finance Update

2.7 There is one appendix to this report:

- Appendix 1 – Leadership Risk Register January 2022




3.0 Report Details

3.1 The Council’s performance management framework sets out key actions, projects and programmes of work that contribute to deliver the refreshed 2021-22 business plan and the priorities of the Council.

3.2 The 2021-22 business plan sets out four strategic priorities:

- Housing that meets your needs
- Leading on environmental sustainability
- An enterprising economy with strong and vibrant local centres
- Healthy, resilient and engaged communities

3.3 This report provides a summary of the Council’s performance in delivering against each strategic priority. To measure performance a ‘traffic light’ system is used. Where performance is on or ahead of target it is rated green, where performance is slightly behind the target it is rated amber. A red rating indicated performance is off target.

Colour	Symbol	Tolerances for Business Plan Measures	Tolerances for Key Performance Measures (KPIs)
Red		Significantly behind schedule	Worse than target by more than 10%.
Amber		Slightly behind schedule	Worse than target by up to 10%.
Green		Delivering to plan / Ahead of target	Delivering to target or ahead of it.

Priority: Housing that meets your needs

- 3.4 The Council is committed to deliver affordable housing, raising the standard of rented housing and find new and innovative ways to prevent homelessness. Also, to promote innovative housing schemes, deliver the local plan and supporting the most vulnerable people in the District.
- 3.5 Overview of our performance against this strategic priority:

Homes Improved through enforcement action reported Green for January and Green for year to date. We were able to complete the improvement of 4 homes in January 2022, during December 2021 24 homes were improved through interventions. To date, we have facilitated the improvement of 120 homes through interventions, exceeding the annual target of 90.



Average time taken to process Housing Benefit New Claims reported Red for January and Green for year to date (17.78 average days against target of 15). This month's performance is slightly under target as the team has been working on reducing the backlog of work due to the transition from CSN and recruitment and training of new staff.

Homelessness Prevention reported Amber for January and for year to date, the number of cases approaching crisis has been rising and is expected to continue over the coming weeks and months. The team efforts to prevent homelessness in many cases is increased by the lack of options for families on low income or benefits. Rents in the private sector are beyond reach and waiting times on the Housing Register, for social housing, are increasing. Resources are focused in providing assistance at the earliest opportunity, but evictions which were delayed still as a result of COVID-19 and are now being actioned, this will result in rise in temporary accommodation placements.

Priority: Leading on environmental sustainability

- 3.6 The Council is committed to deliver on sustainability and in the commitment to be carbon neutral by 2030, promotes the Green Economy and increases recycling across the district. This priority includes the protection of our natural environment and our built heritage, working in partnerships to improve air quality in the district and the reduction of environmental crime.
- 3.7 Overview of our performance against this strategic priority:



% of Waste Recycled and Composted reported Red for January and Amber for year to date (54% against target of 56%). Dry recycling and residual tonnage is comparable to last years with garden waste, and down over 600 tonnes. Recycling is on track to reach its 56% at the end of year. Street sweeping is also down over 200 tonnes due to a reduction in service. The main reason this month, and next few months, is going to record lower figures is because of reduction of garden waste, in winter.

High Quality Waste and recycling service to residents to support a sustainable lifestyle reported Amber for January and Green for year to date. Overall waste started to reduce, compared to last year, as more people got back to the workplace, recycling rate was 33.72% for January against a target of 56%, this is due low garden waste collected, as per usual for this season. Over 35,000 residents have had their new caddies, liners and leaflets for the new food waste service and chargeable garden waste social media posts are reaching our residents, with 18,000 of them signing up for their first subscription.

Priority: An enterprising economy with strong and vibrant local centres

3.8 The Council is committed to support business retention and growth, developing skills and generating enterprise; also, securing infrastructure to support growth in the district and securing investment in our town centres. This priority also contributes towards making communities thrive and businesses grow promoting the district as a visitor destination, committing to work with businesses to ensure compliance and promote best practice.

3.9 Overview of our performance against this strategic priority:

% of Council Tax Collected, increase of Council Tax Base, reported Red for January and Amber for year to date (8.87% against target of 10.75%). As at 1.2.2022 the amount of council tax due to be collected is just over £117.6m due to further growth within the district. Whilst the year-to-date collection rate of 92.57% is slightly lower than the target of 95.75%, this year's collection rates are higher than this time last year. The amount collected, in December, remained similar to previous months, however, payments received during January decreased slightly due to the ongoing pandemic and Christmas. Reminder notices have been issued to customers in arrears by £15.00 or more and should payment not be forthcoming, formal recovery action through the courts will commence.



Development of the Recovery and Prosperity Strategy for Cherwell (RPS) for Cherwell reported Amber for January and Amber for year to date, and it has been paused while urgent COVID-19 response work was prioritised. The adoption of a strategy to the governance cycle will be reprogrammed.

Priority: Healthy, resilient and engaged communities

3.10 The Council is committed to enabling all residents to lead an active life, improving, and developing the quality of local sports and leisure facilities and promoting health and wellbeing in our communities. Also, supporting community and cultural development, working with our partners to address the causes of health inequalities and deprivation, and to reduce crime and anti-social behaviour.

3.11 Overview of our performance against this strategic priority:



Support Community Safety and Reduce Anti-Social Behaviour reported Green for January and year

to date. The community safety team continued joint working with Thames Valley Police to tackle anti-social behaviour last month, with the issue of 3 community behaviour orders relating to persistent anti-social behaviour, joint visits to residents affected by anti-social behaviour, and our team providing input into a Police training day. Planned community safety activity for February includes with hi-visibility patrols in town centres to raise awareness of the support our community safety team can provide residents and to deter business related crimes. The team will also be supporting a schools programme promoting personal safety in the community.

Number of visits/usages of District Leisure Centre Usage reported Green for January and year to date. The visits to our leisure centres and facilities are up against the previous month of December 2021, though this is expected as introduction of new year business in January. As the Centres were closed due to the pandemic in January 2021 there is no data to compare this to. The current figures are at a level of pre Covid usage, reflecting perhaps a quicker recovery in outdoor sports settings.

Summary of Performance

3.12 The Council reports monthly on performance against **27** monthly Business Plan Measures, with **12** Programme Measures and **15** Key Performance Indicators. Full details, including commentary against each measure and key performance indicator can be found in **Appendix 2**.

Programme Measures and Key Performance Indicators (27)

Status	Description	January	%	YTD	%
Green	On target	21	78%	22	81%
Amber	Slightly off target	3	11%	5	19%
Red	Off target	3	11%	0	0%

3.13 Climate Action Programme

This report updates Executive on the delivery of the 22 Cherwell District Council and joint (with Oxfordshire County Council) priority actions set by the Climate Action Programme Board for 2021/22. By the end of January, actions were rated as follows:

Status	Description	January	January %
Green	On target	11	50%
Amber	Slightly off target	7	32%
Red	Off target	1	4%
Completed		3	14%

January highlights:

- The joint project Oxfordshire Treescape Opportunity Map is now complete; farmers and landowners can use the tool to identify the right places to plan

treescapes to address biodiversity loss, capture carbon, reduce flooding and contribute to human wellbeing

- New Design Standards for New Build and Refurbishment, also a joint project, was completed
- Air source heat pumps are being installed at Leisure Centres, funded by Public Sector Decarbonisation Scheme

3.14 Service in Focus – Wellbeing Initiatives

Cherwell's **FAST** programme continues to grow and make physical activity easier for families who really need it. Initially based in targeted wards of Banbury, and due to its success, has been expanded to targeted wards of Bicester and Kidlington. FAST now has 7,500 individuals and 2,900 families on the programme, has prompted Public Health to use the concept to expand family provision across the county. The programme offers activities for families based at Schools, Parks and Community settings as well as offering discounts, through FAST card, such as £3 family swim instead of the £13 charged. The programme is also being held up as best practice by Sport England.



Also, the Move Together Programme funded by the Clinically Extremely Vulnerable pot of funding to offer adults disproportionately affected by the pandemic and with a long-term condition, have easier access to physical activity, offers motivational support to everybody who signs up along with tailored home activity packs, equipment and discounted opportunities in the community. There is the option to either join specific Move Together Seated Exercises, Walking, Yoga and much more, taking advantage of the 50% discount with a Move Together card, for activities such as swimming or exercise at home, and where a bespoke plan would be designed. So far, 225 adults have joined the programme, by referral through a health professional or by self-referral with intervention, having a huge impact, with 76% of people on the programme having more than one long-term condition and 62% of participants claiming that the programme has enabled them to be more active.



The Holiday Hubs Programme has changed focus, this year, and delivered activities for children who are eligible for Free School Meals accessing both physical activity and lunch, free of charge. During 2021, over 11,000 attendances had access to free holiday provision and food. This was made possible through grant funding obtained through central government, as part for the Holiday Activity Fund – Overall £120k was obtained.

School Provision, where in 2021, the Youth Activators Programme had over 14,000 attendances on various opportunities to work with schools and offer children who need more support for physical activity, provision that may not have been accessible through traditional curriculum activities. The programme has also worked in partnership with British Cycling to offer children in primary schools more confidence on bikes, with over 150



children accessing additional training.

Top Up Swimming has focussed on offering children who had no opportunity to swim, 25 metres lessons before leaving primary school, due to COVID-19 shutting facilities and families unable to afford those lessons. The Top Up Swimming programme offered intensive swimming tuition for 210 children, so far, to achieve their 25 metres and improve water safety skills.

And, finally, the Active Reach Programme, funded through the Tackling Inequalities Fund from Sport England, centred on people living in high deprivation areas, in Banbury, and engaging with the ethnic diverse community, through insight physical activity levels; have been adversely affected by the pandemic. Local groups were offered a range of different activities to suit their cultural needs, including boxercise, swimming, gym use, personal training, cricket, fencing and much more. The programme saw 324 individuals take part, with 61% being from an Asian or Asian-British background, 22% from Black-British or Black background. The programme has also built an excellent relationship with Banbury Mosque, where training has been put in place so members can deliver activities such as Swimming, Football, Cricket and personal training so that access to physical activity is sustainable. More exciting projects, such as, learn to swim, family and a bike library have grown as a result of all these programmes.

Risk Update

3.15 The Council maintains a Leadership Risk Register that is reviewed on a monthly basis. The latest available version of the risk register at the date this report is published is included in this report.

3.16 The heat map below shows the overall position of all risks contained within the Leadership Risk Register.

Risk Scorecard – Residual Risks

		Probability				
		1 - Remote	2 - Unlikely	3 - Possible	4 - Probable	5 - Highly Probable
Impact	5 - Catastrophic			L07		
	4 - Major		L06- L08	L03 - L04 - L05 - L10 - L15	L01 - L16	
	3 - Moderate		L09 -	L02 - L11 - L13 - L17-	L 1	L 1
	2 - Minor	L14				
	1 - Insignificant					

3.17 The table below provides an overview of the Leadership Risk Register 21/22

Leadership Risk	Score	Direction of travel	Latest Update
L01 Financial Resilience	16 High Risk	↔	07/02/22 - Mitigations and Comments updated.
L02 Statutory functions	9 Low Risk	↔	11/02/2022 - Controls, Mitigating Actions and

			Comments Updated
L03 CDC Local Plan	12 Medium Risk	↔	10/02/2022 - Comments Updated
L04 Business Continuity	12 Medium Risk	↔	08/02/2022 - Mitigating Actions Updated
L05 Emergency Planning	12 Medium Risk	↔	08/02/2022 - Comments Updated
L06 Health & Safety	8 Low Risk	↔	03/02/2022 - Comments Updated
L07 Cyber Security	15 Medium Risk	↔	21/02/2022 - Risk Reviewed - Potential Impact, Control, Mitigating Actions and Comments Updated
L08 Safeguarding the Vulnerable	8 Low Risk	↔	02/02/2022 - Comments Updated
L09 Sustainability of Council owned companies and delivery of planned financial and other objectives.	6 Low Risk	↔	17/02/2022 – Risk manager updated
L10 Financial sustainability of third-party suppliers and contractors	12 Medium Risk	↔	01/02/2022 - No changes
L11 Corporate Governance	9 Low Risk	↔	11/02/2022 - Controls, Mitigating Actions and Comments Updated
L12 Oxfordshire Growth Deal	15 Medium Risk	↔	04/02/21 – No changes
L13 Joint Working	9 Low Risk	↔	21/01/2022 – Risk closure proposed
L14 Legacy Shared Services Partnership – West Northamptonshire Council	2 Low Risk	↓	21/01/2022 - Residual Risk reduced. Risk closure proposed
L15 Workforce Strategy	12 Medium Risk	↑	03/02/22 – Residual Risk Level increased and Comments Updated
L16 COVID-19 Community and Customers	16 High Risk	↔	08/02/2022 - Mitigating Actions and Comments updated
L17 COVID-19 Business Continuity	9 Low Risk	↔	07/02/2022 - Comments and Inherent Scoring Updated
L18 Post COVID-19 Recovery	9 Low Risk	↔	07/02/22 - Mitigating Action and Control Updated
L19 Cessation of joint working between CDC and OCC	12 Medium Risk	NEW	16/02/22 – Risk description, manager, controls, mitigating actions and comments updated. Created on 17/01/2022

During January the leadership risk register had two score changes:

L15 Workforce Strategy from 8 Low Risk to 12 Medium Risk.

L14 Legacy Shared Services Partnership – West Northamptonshire Council from 4 to 2 Low Risk.

L13 Joint working and L14 Legacy Shared Services Partnership – West Northamptonshire Council are proposed to be closed

L19 Cessation of joint working has been added to the leadership risk register.

Finance Update

3.18 The Council's forecast position for 2021/22 at the end of January shows a (£0.116m) underspend as shown in Table 1. This is made up of potential non-delivery of savings targets of £0.846m, mitigations of (£0.748m) and an underspend of (£0.214m) on business-as-usual costs as shown in Table 2.

3.19 Report Details

Table 1: Forecast Year End Position

Forecast overview - January 2022	Original Budget	Current Budget	Year End Position at January	January Variance (Under) / Over	% Variance to current budget	November variance (Under) / Over	Change since November (better) / worse
	£m	£m	£m	£m	%	£m	£m
Environment and Place	6.699	10.073	11.323	1.250	12.4%	1.102	0.148
Customers, Org. Dev. And Resources	5.682	6.280	6.302	0.022	0.4%	0.036	(0.014)
Adults and Housing Services	1.844	2.224	1.909	(0.315)	-14.2%	(0.100)	(0.215)
Public Health and Wellbeing	1.816	3.696	3.562	(0.134)	-3.6%	0.000	(0.134)
Comm. Dev. Assets and Inv.	0.076	1.438	0.953	(0.485)	-33.7%	(0.463)	(0.022)
Subtotal Directorates	16.117	23.711	24.049	0.338	1.4%	0.575	(0.237)
Executive Matters	2.769	(3.439)	(3.762)	(0.321)	-9.3%	(0.321)	0.000
Policy Contingency	3.487	2.101	1.968	(0.133)	-6.3%	(0.099)	(0.034)
Total	22.373	22.373	22.256	(0.116)	-0.5%	0.155	(0.271)
FUNDING	(22.373)	(22.373)	(22.373)	0.000	0.0%	0.000	0.000
(Surplus)/Deficit	0.000	(0.000)	(0.116)	(0.116)		0.155	(0.271)

Table 2: Analysis of Forecast Variance – January

Breakdown of current month forecast	Forecast Variance	Forecast Base Budget Over/ (Under)	Mitigations	Savings Non-Delivery
	£m	£m	£m	£m
Environment and Place	1.250	0.935	(0.218)	0.533
Customers, Org. Dev. And Resources	0.022	(0.042)	(0.112)	0.176
Adults and Housing Services	(0.315)	(0.250)	(0.095)	0.030
Public Health and Wellbeing	(0.134)	(0.041)	(0.150)	0.057
Comm. Dev. Assets and Inv.	(0.485)	(0.362)	(0.173)	0.050
Subtotal Directorates	0.338	0.240	(0.748)	0.846
Executive Matters	(0.321)	(0.321)	0.000	0.000
Policy Contingency	(0.133)	(0.133)	0.000	0.000
Total	(0.116)	(0.214)	(0.748)	0.846
FUNDING	0.000	0.000	0.000	0.000
(Surplus)/Deficit	(0.116)	(0.214)	(0.748)	0.846

3.20 Of the £0.846m savings not expected to be delivered in 2021/22, £0.627m of this is also not expected to be delivered in future years.

To partly address against the forecast base budget, overspend and non-delivery of savings, £0.748m mitigations have been identified and are detailed below.

Environment and Place

Environmental Services - £0.088m identified as mitigation in relation to waste collection “gate fee” reductions, car park management fee reduction and a landscape post vacancy.

Growth & Economy have identified £0.050m of in year savings (£0.030m on vacancy and £0.020m on Recovery Prosperity Strategy).

Planning & Development have identified additional pre-planning advice income (£0.080m).

Customers, Organisational Development & Resources have identified £0.112m of in year savings in relation to recharging appropriate costs to CSN Resources (£0.056m), a reduction in payments for joint OCC staff (£0.016m) and training budget savings (£0.040m).

Adults and Housing Services - £0.095m identified as mitigation due to a restructure and staff retirement as well as the use of the Homelessness Prevention Reserve.

Public Health and Wellbeing - £0.150 identified as mitigation from benchmarking income from leisure contract, additional Sports Development Grant, OCC Self Isolation funding support to be received and savings on project and initiative funding.

Commercial Development Assets & Investments - £0.173m identified as mitigation relating to rental income from the Eco Business Centre, staff savings and the Growth and Commercial Director vacancy.

3.21 The Council has incurred costs and lost income during 2021/22 in relation to Covid-19 across all areas of the Council. However, there are some areas where there may be a prolonged change in behaviour. In particular lost income is forecast until the end of the financial year in car parking.

3.22 When the Council set its budget for 2021/22 the likely financial impact of Covid-19 was taken into consideration and budget provisions were made accordingly. The policy contingency budget of £2.112m includes funding for anticipated lost income and additional costs of Covid-19 in the 2021/22 financial year. In addition, the Council received £0.720m in Covid-19 grant and expects to claim £0.113m from the Sales, Fees and Charges compensation for the period to 30 June 2021. The forecast financial costs and loss of income associated with Covid-19 continue to be recorded and are shown in Table 3 as a memorandum item. These impacts are assumed within the overall forecast.

Table 3: Covid Impacts included in the 2021/22 Outturn Forecast

Covid Costs 2021/22	£m
	Environment and Place
Customers, Org. Dev. And Resources	0.019
Adults and Housing Services	0.000
Public Health and Wellbeing	0.074
Comm. Dev. Assets and Inv.	2.299
Subtotal Directorates	3.080
Executive Matters	(0.833)
Policy Contingency	0.000
Total	2.247

Note: Executive Matters holds the General Covid funding received.

3.23 Report Details

Environment and Place

Environment and Place have forecast an overspend of £1.100m against a budget of £10.073m (10.9%). This forecast overspend includes £0.785m expected base budget costs, £0.533m in potential savings non-delivery and (£0.218m) of mitigations detailed in table 2 above.

<p>Environment and Waste</p> <p>Variation £1.159m overspend</p> <p>Variance to November's forecast £0.083m</p>	<p>The forecast variance for Environmental Services for January is due to continued pressure within Car Parks. There is a £0.995m reduction in anticipated car parks income, (£0.616m of the deterioration is estimated to be due to the impact of COVID-19). There is also a £0.098m increase in national non-domestic rates and supplies and services. There is a delay in the delivery of £0.030m saving on fuel and vehicle maintenance for the parked up mechanical sweepers due to increased fuel costs.</p> <p>The pressure within Waste and Recycling has been altered to reflect the start date of the food and garden waste roll out. The collection start date is confirmed as 1st March.</p> <p>The anticipated income is expected to see a £0.538m reduction, this is partially offset by (£0.521m) saving in employee costs due to non-recruitment to posts, refuse disposal charges and reductions in recycling gate fees plus other small variances across the service of £0.049m.</p>
<p>Planning & Development</p> <p>Variation (£0.079m) underspend</p> <p>Variance to November's forecast (£0.005m)</p>	<p>Planning & Development are forecasting an underspend of (£0.079m) which is made up of (£0.075m) committed savings. Additional agency costs have been negated by increased income and various underspends totalling (£0.004m).</p>
<p>Growth & Economy</p> <p>Variation £0.170m overspend</p>	<p>Growth and Economy are forecasting £0.170m overspend which is made up of £0.040m Build! review consultancy costs, £0.160m associated relocation costs and loss of rental income of Town Centre House, £0.055m corporate costs in relation to Oxford to Cambridge ARC and the annual Growth board contribution, £0.030m on Shared Owned Property repair and maintenance costs</p>

<p>Variance to November's forecast £0.070m</p>	<p>and £0.055m overspend on the Build! service. Offsetting the overspends are (£0.040m) of staff savings, (£0.100m) cessation of the Kidlington Masterplan and (£0.030m) savings within the Recovery and Prosperity Strategy. These underspends have been managed in order to offset the non-delivery of saving proposals relating to officer recharges to the capital programme and unexpected spend on repairs and maintenance at Town Centre House.</p> <p>£0.030m less officer time to recharge to the capital programme and £0.040m further expense on repairs and maintenance across the whole portfolio of properties</p>
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Customers, Organisational Development and Resources

Customers, Organisational Development and Resources have forecast an overspend of £0.022m against a budget of £6.280m (0.4%). This forecast overspend includes £0.027m base budget costs, savings of £0.107m at risk of delivery and mitigations of (£0.112m) detailed in table 2.

<p>HR/IT/Comms/Cultural Services</p> <p>Variation £0.007m overspend</p> <p>Variance to November's forecast (£0.014m)</p>	<p>An underspend in HR of (£0.040m) has been offered up as a mitigation to the overall in year Council overspend. Apart from this, they are reporting on target, the underspend reported last month is now expected to be utilised due to increased agency costs.</p> <p>Customer Services and Land Charges are largely on target, with further salary savings now offsetting any previous minor overspends.</p> <p>Communications, Strategy and Insight are showing a (£0.090m) underspend due to making in year savings (£0.016m) further in year savings (mitigation to the overall in year overspend for the Council). (£0.074m) further savings due to a reduction in the amount forecasted to pay over to OCC for joint staff. There is £0.079m non delivery of savings as the planned extent of the restructure was not possible following HR and Legal advice. However, this has been mitigated by underspends elsewhere.</p> <p>An overspend of £0.137m within IT is due to pressures on the delivery of savings required of £0.097m which is due to actuals varying from estimates provided due to IT separation, small overspends across the service of £0.025m and COVID costs of approximately £0.015m due to supplier shortages and associated rising costs.</p>
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Finance	Minor variations across the service this month.
Variation £0.015m overspend Variance to November's forecast (£0.000m)	

Adults and Housing Services

Adults and Housing Services have forecast an underspend of (£0.315m) against a budget of £2.224m, (14.2%). This forecast underspend includes (£0.250m) base budget costs, £0.030m in potential savings non-delivery and mitigations of (£0.095m) detailed in table 2 above.

Housing & Social Care	Housing is forecasting an underspend of (£0.315m) mainly due to the use of grants to fund the Debt and Money Advice contract (£0.215m) and the use of the Homelessness Prevention Grant to fund the Connections Outreach contract (£0.050m). Savings have also been achieved on salaries and mileage due to staff retirement and restructure (£0.030m) and finally the receipt of greater than expected Housing Benefit payments in relation to temporary accommodation (£0.020m).
Variation (£0.315m) underspend	
Variance to November's forecast (£0.215m)	Grant funding has been applied to fund the Debt & Money advice contract held with Citizens Advice Bureau thus releasing (£0.215m) of base budget

Public Health & Wellbeing

Public Health & Wellbeing have forecast an underspend of (£0.134m) against a budget of £3.696m (3.6)%. This forecast includes (£0.041m) within the base budget costs, £0.057m in savings non-delivery and mitigations totalling (£0.150m) detailed in table 2 above.

Wellbeing	Wellbeing is forecasting an underspend of (£0.134m) consisting of savings on Parkwood's contract fees for Woodgreen Leisure centre (£0.065m), salary savings including mileage (£0.069m). This underspend has been managed in order to offset the non - delivery of saving proposals relating to Stratfield Brake and North Oxfordshire Academy.
Variation (£0.134m)	Furthermore, the Council has made provision from Policy Contingency to offset the loss of income of £0.074m as a result of Covid and £0.520m additional utility costs.
Variance to November's	Since November's reporting Leisure have received an additional (£0.030m) benchmarking income,

forecast (£0.134m)	(£0.030m) profit share income and (£0.040m) Utility benchmark payment (dating back to 19/20) from Parkwood. Plus (£0.034m) additional savings across the department
Healthy Place Shaping	Healthy Place Shaping are currently projecting to be on target.
Variation £0.000m	
Variance to November's forecast £0.000m	

Commercial Development, Assets and Investments

The Directorate is forecasting an underspend of (£0.485m) against a budget of £1.438m 33.7%. This forecast underspend includes (£0.362m) base budget costs, £0.050m in potential savings non-delivery and mitigations of (£0.173m) detailed in table 2 above.

Property	Castle Quay is anticipating a net overspend of £0.067m. Of the overall overspend, £0.450m is due to loss of commercial income alongside additional void costs for empty units following construction delays in the delivery of Premier Inn and the car park beneath Lidl resulting in a delay to rental being received and other income; plus £0.069m net loss from Lock29 due to additional government restrictions in 2021 following new Covid variant resulting in lower-than-expected footfall at the centre. Mitigating this are potential savings of (£0.452m) on other costs.
Variation (£0.383m) underspend	
Variance to November's forecast £0.062m	The rest of the Property service area is forecasting an underspend of (£0.450m) mainly due to improved commercial income (£0.350m), staff savings (£0.025m), reduced occupancy of municipal buildings (£0.055m) and various underspends within the department (£0.020m).
Procurement	Procurement is forecasting to have a small underspend against budget.
Variation (£0.004m) underspend	
Variance to November's	

forecast (£0.000m)	
Law and Governance Variation £0.005m overspend Variance to November's forecast (£0.034m)	There is a £0.067m pressure on income recovery and £0.010m minor overspends in supplies and services. Income recovery has improved significantly since last month, (£0.029m) of this can be offset by an underspend elsewhere within the service. An additional of £0.002 costs are Covid related
Growth and Commercial Variation (£0.048m) underspend Variance to November's forecast £0.000m	The underspend forecast is due to savings on a vacant post.
Regulatory Services Variation (£0.100m) underspend Variance to November's forecast (£0.050m)	Regulatory Services is forecasting an underspend of (£0.100m) resulting from savings on staff costs due to vacant posts and reduced mileage (£0.150m) and more discretionary income than anticipated (£0.035m). This is offset by £0.085m forecast loss of licensing income due to the impact of Covid.

Executive Matters

Executive Matters forecast is an underspend of (£0.321m) against the budget of (£3.441m) (9.3%).

Interest Variation (£0.270m) underspend Variance to November's forecast £0.000m	There is positive variance forecast against the budget, mostly as a result of lower interest rate on borrowings.
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Corporate Variation (£0.125m) underspend	The council is forecasting receipt of (£0.113m) Covid-19 funding as 75% compensation for lost Sales Fees and Charges Income from the Government for the period to 30 June 2021. £0.074m Wellbeing covid related loss of income (£0.004m holiday clubs, £0.015m recharge Parkwood for solar energy and £0.055m loss of benchmarking income).
Variance to November's forecast £0.025m	External Audit fees are anticipated to be £0.062m more than budgeted due to higher-than-expected final 2019/20 audit fees and an increase in forecast for this year's audit.

Policy Contingency

Policy contingency will meet the (£0.074m) shortfall in Leisure Contract benchmarking payments, along with (0.520m) in relation to utility costs within Leisure. There remains (£1.073m) unallocated after these assumptions are taken into account. £1.603m has been transferred to the Castle Quay budget to partially offset the net loss of Castle Quay income. Of the £1.073m unallocated it is forecast that (£0.133m) can be released to support the overall budget position.

3.24 Forecast Earmarked Reserves and General Balances at January 2022

The table below is a summary of the level of reserves the council holds.

Reserves	Balance 1 April 2021	Original Budgeted use/ (contribution)	Changes agreed since budget setting	Changes proposed January 2022	Forecast Balance 31 March 2022
	£m	£m	£m	£m	£m
General Balance	(5.520)	0.000	0.000	0.000	(5.520)
Earmarked	(21.328)	(0.461)	0.386	(0.147)	(21.550)
Ringfenced Grant	(31.556)	22.073	5.033	(0.169)	(4.619)
Subtotal Revenue	(58.404)	21.612	5.419	(0.316)	(31.689)
Capital	(0.756)	0.000	0.000	0.000	(0.756)
Total	(59.160)	21.612	5.419	(0.316)	(32.445)

3.25 Government Grants

Omicron Hospitality and Leisure Grant of £1.422m as well as £0.104m Protect & Vaccinate – Rough sleeping Response received during December and January 2022.

3.26 Aged Debt

As at 31 January 2022 the Council had outstanding debt of £3.509m (£4.167m 30 September 2021), of which £0.305m is current and £3.204 is in recovery. Of the £3.204m in recovery, £2.040m is over 120 days old (£2.811m 30 September 2021). A review of debt is currently underway.

3.27 Capital

There is a forecast in-year underspend of £12.779m, of which £11.110m is anticipated to be reprofiled in future years. There is an overall forecast decrease in the total cost of schemes of (£1.644m).

Forecast Capital Spend 2021/22

Directorate	Budget £m	Forecast Spend 2021/22 £m	Re-profiled beyond 2021/22 £m	Variance to Budget £m	Prior Month Variance £m
Housing Total	4.215	3.551	0.289	(0.375)	(0.332)
Comm Dev Assets total	28.577	19.439	8.138	(1.000)	(0.408)
Customers, Org Dev & Resources Total	1.314	0.725	0.490	(0.074)	(0.030)
Environment and Place Total	9.308	7.171	1.946	(0.191)	(0.188)
Public Health Wellbeing Total	0.708	0.457	0.247	(0.004)	(0.004)
Total	44.122	31.343	11.110	(1.644)	(0.962)

3.28 Forecast Variances

Housing:

Housing is forecasting to spend £1.820m on DFG and discretionary grants by year end, funded from the Better Care Fund and £1.731m on Growth Deal Affordable Housing delivery, funded through Growth Deal grant received from OCC and S106 commuted sums. The underspend of (£0.375m) of base budget is due to utilisation of the Better Care Fund in the first instance.

Commercial Development, Assets & Investments:

Property are forecasting to spend £19.439m by year end. It is anticipated that there will be an underspend of (£1.000m) due to certain schemes no longer progressing from the PSDS works of (£0.752m).

The remaining saving is mainly on corporate assessments (£0.214m). Most schemes are still anticipating full utilisation of budget but with the possibility that the budget is reprofiled to 2022/2023.

Customers, Organisational Development & Resources:

ICT are currently forecasting a £0.020m overspend against the Land and Property Harmonisation Scheme. However, they will be applying to repurpose some of the budget relating to one of the other schemes - so the net effect of this will be zero. The budget for Customer Excellence and Digital Transfer (£0.030m) and Legacy Iworld System Migration (£0.050m) are no longer needed

Finance is forecasting to be (£0.010m) underspent at year end

Environment and Place:

Growth and Economy are forecasting to spend £4.678m by year end. There is an underspend of (£0.197m) mainly as a result of releasing capital budget for the Cropredy Shared Ownership property, which can be funded from a capital reserve if the need arose to repurchase the property. Offsetting the underspend is £0.078m of retention payments due to be paid to developers next year.

Environmental Services are forecasting to spend £2.493m across various capital schemes by year end.

Public Health & Wellbeing:

Wellbeing are forecasting spend of £0.457m of which the majority of spend is S106 funded.

3.29 Re-profile beyond 2021/22

Housing

£0.093m Discretionary grants - This budget supports a number of discretionary grants, all of which are reactive/demand led. Landlords Home Improvement Grants (which secure nomination-rights over improved private rented accommodation for otherwise homeless households) are responsible for the largest spend, but we are currently experiencing lower demand at this stage of the year than expected.

£0.196m unspent DFG to be reprofiled to continue to support the programme alongside future Better Care Fund allocations

Commercial Development, Assets & Investments:

£3.823m Castle Quay - reprofiling of the budget beyond 2021/2022 is necessary because retention payments will be due following the 12 month defect period from September 2021. Also delays to the project caused by Brexit and reduced productivity to maintain social distancing.

£0.100m Banbury Health Centre - refurbishment of ventilation, heating & cooling system. Engagement with the tenant was required, and due to pressures with the decarbonisation works the delivery of this project has been delayed.

£0.100m Housing & IT Asset system (joint with OCC) - The IT spend will only happen once the restructure of the joint team comes to that stage that we can start procuring our joint system called 'Single View of Assets'. This is likely to happen next financial year.

£0.055m Horsefair, Banbury - Due to pressures with the Decarbonisation works the delivery of this project has been delayed.

£0.071m Bodicote House Fire Compliance - Work on hold due to political pressures with Bodicote House.

£0.050m Corporate Asbestos Surveys - Final phase of works need to be carried out but due to the pressures with the decarbonisation works the delivery of this project has been delayed.

£0.147m Works from Compliance Surveys - due to pressures with the decarbonisation works, delivery of this project has been delayed.

£0.100m Feasibility of utilisation of proper space - Bodicote House plans are being considered due to complexities that have been identified in the project

£0.020m Community Centre Works - 3 remaining projects postponed to 2022/2023 due to weather as mainly roofing works.

£0.074m Bicester East Community Centre - works on track just reprofiled some monies not required this year.

£0.035m Thorpe Place Roof Works - Due to pressures with the Decarbonisation works, delivery of this project has been delayed.

£0.127m H&S Works to Banbury Shopping Arcade - Due to pressures with the Decarbonisation works, delivery of this project has been delayed.

£0.048m Banbury Museum Pedestrian Bridge - Slight delay caused by decarbonisation works but works instructed for March 2022 start (roofing works put back due to winter weather).

£0.070m Retained Land - works are being carried out in 2022/2023

£3.303m PSDS projects - All works have now been instructed and are on site and completion on the leisure centres due June 2022 (with Salix approval)

£0.015m Enable Agile Working - despite work commencing, the capital budget allocated specifically for the new equipment required to enable agile working has not been decided upon. Therefore, the funding will be required in 2022/2023.

Environment and Place:

Growth and Economy

£0.155m BUILD! Essential Repairs & Improvement (Town Centre Affordable Rent roof repairs) - A new structural engineer consultant has been appointed and further survey work is required to establish the specification for the tender documents. It is still anticipated that the insurance or warranty will cover the cost.

£0.017m Phase 2 - Bullmarsh Close formally completed early May 2021 and therefore retention payment is due 12 months later in May 2022.

£0.713m Phase 1b - Admiral Holland formally completed September 2020 and retention payment is due September 2022 (£0.061m). Bicester Library received planning consent

at September's Planning Committee, as a result 98% of the budget has been reprofiled beyond 2021/22. This will be continually reviewed in line with the project programme

£0.115m Fairway Flats Refurbishment - Planning have endorsed the proposed scheme and have recommended formal submission for planning consent which is likely to be obtained before 31st March 2022. Therefore, the main capital expenditure will happen when works commence in 2022/2023.

Environmental Services

£0.050m Car Park Refurbishments - Reprofiting of this budget in to 2022/2023 is required due to delays as a result of covid-19, staffing and progression of pay on exit sites and additional sites slower than anticipated.

£0.018m Off Road Parking - Reprofiting of this budget in to 2022/2023 is required due to delays as a result of covid, staffing and progression of pay on exit sites and additional sites slower than anticipated.

£0.365m Vehicle Replacement Programme - Reprofiting of the remainder of this budget in to 2022/2023 is required to allow for further investigation into electric vehicles, decarbonisation of the fleet and correct infrastructure implemented. Events vehicle commitment delayed until 2022/2023 due to delivery lead times.

£0.018m On Street Recycling Bins - Reprofiting of this budget is to allow for a review of current on street containers in urban centres and due to delivery lead times.

£0.161m Thorpe Lane Depot Capacity Enhancement - Due to delays of the food and garden waste roll out, slippage of this budget is required in to 2022/2023 to allow for further development of site requirements.

£0.024m Street Scene Fencing Street Furniture - Reprofiting of this budget in to 2022/2023 is a consequence of ongoing lease and landowner issues.

£0.095m Car Park Action Plan Delivery - Reprofiting of this budget in to 2022/2023 is required due to delays as a result of covid, staffing and progression of pay on exit sites and additional sites slower than anticipated.

£0.035m Depot Fuel System Renewal - Reprofiting in to 2022/2023 is required due to delays with Bicester depot redevelopment.

£0.122m Burehyll - Bicester Country Park - Reprofiting in to 2022/2023 is required due to delays in recruitment; halting progression and further development.

£0.053m Solar Panels at Castle Quay - Reprofiting in to 2022/2023 is required due to resources being limited, the project is being led by the joint climate action team.

Customers, Org Dev & Resources:

£0.075m IT Council Website & Digital Service - the programme of work is currently expected to complete in June 2022

£0.150m IT Shared Services - the programme of work is to extend into 2022/2023 Financial Year. The supplier payment will be aligned with timeline.

Wellbeing:

£0.005m Physical Activity & Inequalities Insight - the remaining capital to be used for further insight work to add layers into story map.

£0.183m North Oxfordshire Academy Astroturf - The delivery of a new Astroturf pitch at North Oxfordshire Academy has been complicated by issues arising from securing appropriate and timely developer contributions. Officers are working closely with colleagues in planning to finalise the position and determine the most appropriate course of action and funding.

£0.009m Bicester Leisure Centre Extension - The majority of the spend will take place before year end but some final costs likely to roll in to 2022/2023.

£0.005m Spiceball Leisure Centre Bridge Resurfacing - Bridge now open but there may be some residual costs that fall in to 2022/2023.

£0.045m Corporate Booking System - Approval has been given by S151 Officer to repurpose the capital budget for future funding of Longford Park public art works in 2022/2023.

4.0 Conclusion and Reasons for Recommendations

This report provides an update on progress made during January 2022, to deliver the Council's priorities through reporting on Performance, Leadership Risk Register and providing an update on the Financial Position. The Council is committed to performance, risk and budget management and reviews progress against its corporate priorities on a monthly basis. Executive is recommended to agree a change in the use of reserves in accordance with the Council's Reserves Policy and to agree the revised Con29 Fee for 2022/23 as set by Oxfordshire County Council.

5.0 Consultation

- 5.1 This report sets out performance, risk, and budgetary information for the tenth month of this financial year and as such no formal consultation on the content or recommendations is required.

6.0 Alternative Options and Reasons for Rejection

- 6.1 The following alternative options have been identified and rejected for the reasons as set out below.

Option 1: This report illustrates the Council's performance against the 2021-22 Business Plan. Regarding the monitoring aspects of the report, no further options have been considered. However, members may wish to request that officers provide additional information. Regarding the recommendation to approve changes in use of reserves, members could choose not to reject the change of use, however, the request is in accordance with the councils Reserves Policy and within existing budgets. If members chose not to agree to the changes in transfers to reserves, then this would mean resource would need to be found for these projects separately in future years.

7.0 Implications

Financial and Resource Implications

7.1 As detailed within section 3.18 to 3.29 of this report.

Comments checked by:

Michael Furness, Assistant Director of Finance / Section 151 Officer, Tel: 01295 221845
Michael.Furness@cherwell-dc.gov.uk

Legal Implications

7.2 There are no legal implications from this report.

Comments checked by:

Sukdave Ghuman, Head of Legal and Deputy Monitoring Officer,
Sukdave.Ghuman@cherwell-dc.gov.uk

Risk Implications

7.3 This report contains a full update with regards to the Council's risk position at the end of January 2022.

Comments checked by:

Celia Prado-Teeling, Performance Team Leader, Tel: 01295 221556
Celia.prado-teeling@cherwell-dc.gov.uk

Equalities and Inclusion Implications

7.4 The report must show how "in planning, delivering, monitoring and evaluating our work, equality and diversity issues are appropriately considered from the outset". New proposals must be screened for relevance against our statutory duties to promote equality and where relevant an impact assessment.

Comments checked by:

Emily Schofield, Acting Head of Strategy, Tel: 07881 311707
Emily.Schofield@cherwell-dc.gov.uk

8.0 Decision Information

Key Decision

Financial Threshold Met: N/A

Community Impact Threshold Met: N/A

Wards Affected

All

Links to Corporate Plan and Policy Framework

This report supports all Corporate Priorities

Lead Councillor

Councillor Richard Mould – Lead member for Performance Management
Councillor Tony Ilott – Lead member for Finance and Governance

Document Information**Appendix number and title**

Appendix 1 – Leadership Risk Register January 2022

Background papers

None

Report Author and contact details

Louise Tustian – Head of Insight and Corporate Programmes
Louise.tustian@cherwell-dc.gov.uk

Appendix 3 – Leadership Risk Register as at 16/02/2021

Level of risk	How the risk should be managed
High Risk (16-25)	Requires active management to manage down and maintain the exposure at an acceptable level. Escalate upwards.
Medium Risk (10 -15)	Contingency Plans - a robust contingency plan may suffice together with early warning mechanisms to detect any deviation from the profile.
Low Risk (1 – 9)	Good Housekeeping - may require some risk mitigation to reduce the likelihood if this can be done cost effectively, but good housekeeping to ensure that the impact remains low should be adequate. Re-assess frequently to ensure conditions remain the same.

Risk Scorecard – Residual Risks						
		Probability				
		1 - Remote	2 - Unlikely	3 - Possible	4 - Probable	5 - Highly Probable
Impact	5 - Catastrophic			L07		
	4 - Major		L06- L08 -	L03 - L04 - L05 - L10 - L15	L01 - L16	
	3 - Moderate		L09 -	L02 - L11 - L13 - L17- L18	L19	L12
	2 - Minor		L14			
	1 - Insignificant					

Risk Definition	
Leadership	Strategic risks that are significant in size and duration, and will impact on the reputation and performance of the Council as a whole, and in particular, on its ability to deliver on its corporate priorities
Operational	Risks to systems or processes that underpin the organisation’s governance, operation and ability to deliver services

Ref	Name and Description of risk	Potential impact	Inherent (gross) risk level (no Controls)			Controls	Control assessment	Lead Member	Risk owner	Risk manager	Residual risk level (after existing controls)			Direct'n of travel	Mitigating actions (to address control issues)	Comments	Last updated		
			Probability	Impact	Rating						Probability	Impact	Rating						
2021/22						Fully effective Partially effective Not effective													
L01 -	Financial resilience – Failure to react to external financial impacts, new policy and increased service demand. Poor investment and asset management decisions.	Reduced medium and long term financial viability	4	4	16	Medium Term Revenue Plan reported regularly to members.								Review of workload and capacity across the team. Permanent Capital Accountant in post. New Finance Business Partner Corporate started in October. Permanent appointment made to support VAT and S106. Support to the corporate accountant started at the end of November. Assessment of national picture undertaken and being reported through senior managers and members highlighting the medium term challenges. Recruited to a further interim accountant post to support with the new business grant schemes that have been introduced as a result of lockdown restrictions.	Maintaining focus in this area with ongoing review, staff and member training and awareness raising. New financial system helping to support the monitoring process. New interim Accountant began in November to bring capacity to assist with anticipated additional test and trace and business grants workload. Interim resource retained to support test and trace and business grants.	Risk reviewed - 07/02/22 - Mitigations and Comments updated			
	Reduction in services to customers	Balanced medium term and dynamic ability to prioritise resources				Fully											Investment strategy approach agreed and operating and all potential investments now taken through the working groups prior to formal sign off. Robust review and challenge of our investment options to be regularly undertaken through our usual monitoring processes.	Investment options considered as and when they arise, MTFs and budget setting being developed to enhance the scrutiny and quality of investments.	
	Increased volatility and inability to manage and respond to changes in funding levels	Highly professional, competent, qualified staff				Partially											Timeliness and quality of budget monitoring particularly property income and capital improving. Financial Systems replacement project up and running providing improved management information.	Financial System Solution Project continuing to consider future finance system options, incorporating budget management via Lean, extension of Civica and new procurement.	
	Reduced financial returns (or losses) on investments/assets	Good networks established locally, regionally and nationally				Fully											Asset Management Strategy being reviewed and refreshed.		
	Inability to deliver financial efficiencies	National guidance interpreting legislation available and used regularly				Fully											Review of BUILD! to ensure procurement and capital monitoring arrangements are in place and development of forward programme - future work has been placed on hold as part of a capital pipeline of schemes not currently included in the capital programme		
	Inability to deliver commercial objectives (increased income)	Members aware and are briefed regularly				Fully											Finance support and engagement with programme management processes continuing.	Finance business partners involved with reflection locally on outcomes.	
	Poor customer service and satisfaction	Participate in Oxfordshire Treasurers' Association's work streams				Fully											Further integration and development of Performance, Finance and Risk reporting.	Integrated reporting has been embedded	
	Increased complexity in governance arrangements	Review of best practice guidance from bodies such as CIPFA, LGA and NAO				Fully											Regular involvement and engagement with senior management across County as well as involvement in Regional and National finance forums.	Engagement with a number of national and regional networks to ensure we are as up-to-date as we can be in relation to potential funding changes from 2023/24 and impact on our MTFs.	
	Lack of officer capacity to meet service demand	Treasury management and capital strategies in place				Fully											Regular member meetings, training and support in place and regularly reviewed. Briefings provided on key topics to members with particular focus on key skills for specific committees such as audit committee.	Regular training will be undertaken.	
	Lack of financial awareness and understanding throughout the council	Investment strategies in place				Fully											2021/22 Budget set, a review of the process to be discussed at budget planning committee (13/7/21) and revised process to be developed for 2022/23.	2021/22 budget set. Review of the 2021/22 budget setting process being planned.	
	Increased inflation in the costs of capital schemes	Regular financial and performance monitoring in place				Fully											Updated budget monitoring for 2021/22 with a greater focus on savings delivery.		
		Independent third party advisers in place				Fully											Regular utilisation of advisors as appropriate.	Review of borrowing approach being considered alongside our financial advisors.	
		Regular bulletins and advice received from advisers				Fully											Internal Audits being undertaken for core financial activity and capital as well as service activity.	Regular reporting of progress on internal audits considered by the committee.	
		Property portfolio income monitored through financial management arrangements on a regular basis				Partially											Analysis of Spending Review 2022/23 - 2024/25 indicated an increase in resources to local government as a sector. However no local authority specific announcements so unclear whether to what extent this could result in additional resources to the Council. No announcement made about business rates reset so this could still result in a significant loss of resources.	No detail in the Spending Review to be able to plan for additional resources with any confidence - must wait for Local Government Finance Settlement to understand the detail behind the announcement.	
		Asset Management Strategy in place and embedded. Transformation Programme in place to deliver efficiencies and increased income in the future	Partially Fully											Financial forecasts of resources for 2021/22 have assumed a reduction in resources that will be available from business rates compared to February 2020 assumptions. The budget for 2021/22 has been agreed with savings proposals identified to address these reductions. Close monitoring of the delivery of the savings programme will take place throughout 2021/22 with mitigations required if slippage is identified. If resources fell significantly below the 2021/22 forecast level then a review of which reserves could be made available to mitigate this would be required (e.g. due to greater ongoing impact of Covid-19 or due to further economic shocks in the short-term). A similar approach to reviewing reserve availability could be adopted if the cost of goods we purchase were to increase. Executive will propose a balanced 2022/23 budget to Council at its meeting on 7 February 2022. A business rates reset is now assumed from 2023/24 which will significantly reduce the resources available to the Council. Should resources from business rates fall much below this (e.g. due to any further ongoing impacts to the economy) then resources would be supplemented by a "safety net" payment from the Government under the current regime. The budget process for 2022/23 has begun with savings proposals set out that would enable the Council necessary to operate within the forecast level of resources. Where the Government has issued consultations on future approaches to funding local government CDC has responded to ensure its views are considered. New capital bids submitted will be questioned to ensure increases in cost assumptions have been reflected.	The impact of Covid19 has changed the financial outlook for the Council, with regular updates helping to outline the impact on the Council both in the short, medium and longer term. The Council currently anticipates a significant, short, medium and long term funding shortfall in overall terms. Set alongside the anticipated funding reductions due to start from 2021-22 the financial resilience of the Council could be severely impacted. The Council agreed a revised budget for 2020/21 to address the short term impacts of Covid-19 and provided its Budget and Business Planning Process 2021/22 - 2025/26 report to Executive on 5 October 2020. Chancellor's Spending Review confirmed the delay of the business rates reset. Only a 1 year SR so no additional certainty of funding and any additional Covid related funding is likely to be for one year only. Provisional local government finance settlement has announced some one-off funding to support local government in 2021/22. The Council set its 2021/22 budget on 22 April 2021 and now needs to monitor the delivery of the budget and begin preparations for the 2022/23 budget process The Council issued a consultation on its budget proposals for 2022/23 on 2 December which, if implemented, would deliver a balanced budget. The Government has announced that a 3 year Spending Review for 2022/23 - 2024/25 will be announced on 27 October 2021. This provided the resource envelope for Government Departments to operate in and has set out an overall increase in local government spending power over the three year period, but did not expect to provide any specific funding allocations for individual local authorities. Further specific local authority funding details are expected as part of the local government finance settlement in mid to late December 2022.				

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2021/22						Fully effective Partially effective Not effective											
L02 -	Statutory functions – Failure to meet statutory obligations and policy and legislative changes are not anticipated or planned for.	Legal challenge Loss of opportunity to influence national policy / legislation Financial penalties Reduced service to customers Inability to deliver council's plans Inability to realise commercial opportunities or efficiencies Reduced resilience and business continuity Reduced staff morale, increased workload and uncertainty may lead to loss of good people	3	4	12	Embedded system of legislation and policy tracking in place, with clear accountabilities, reviewed regularly by Directors. Clear accountability for responding to consultations with defined process to ensure Member engagement National guidance interpreting legislation available and used regularly Risks and issues associated with Statutory functions incorporated into Directorate Risk Registers and regularly reviewed. Clear accountability for horizon scanning, risk identification / categorisation / escalation and policy interpretation in place Robust Committee forward plans to allow member oversight of policy issues and risk management, including Scrutiny and Audit Internal Audit Plan risk based to provide necessary assurances Strong networks established locally, regionally and nationally to ensure influence on policy issues. In addition two Directors hold leading national roles. Senior Members aware and briefed regularly in 1:1s by Directors Arrangements in place to source appropriate interim resource if needed Ongoing programme of internal communication Programme Boards in place to oversee key corporate projects and ensure resources are allocated as required. CDC Extended Leadership Team (ELT) Meetings established to oversee and provide assurance on key organisational matters including resourcing.	Partially Fully Fully Fully Partially Fully Fully Fully Fully Fully Fully	Councillor Barry Wood	Anita Bradley	Sukdave Ghuman	3	3	9	↔	Establish corporate repository and accountability for policy/legislative changes taking into consideration all of the Council's functions. Review Directorate/Service risk registers. Ensure Committee forward plans are reviewed regularly by senior officers. Ensure Internal Audit plan focusses on key leadership risks. Allocate specific resource to support new projects/policies or statutory requirements e.g. GDPR. Learning and development opportunities identified and promoted by the Chief Executive and Directors. Regular communications from Chief Executive. Quarterly staff briefings from Assistant Directors. External support secured for key corporate projects including Growth Deal and IT Transformation Programme.	Development in legislation continues to be closely monitored as implemented e.g. subsidy control (formerly state aid regime) being reviewed and government guidance tracked as it is developed and published. Additional steps are under way to develop a regular review of legislative developments that will be service team focused to enhance awareness of statutory obligations and legal developments.	Risk reviewed - 11/02/2022 - Controls, Mitigating Actions and Comments Updated

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2021/22																	
L03 -	CDC Local Plan - Failure to ensure sound, up to date local plan remains in place for Cherwell resulting in poor planning decisions such as development in inappropriate locations, inability to demonstrate an adequate supply of land for housing and planning by appeal	Poor planning decisions leading to inappropriate growth in inappropriate place. Negative (or failure to optimise) economic, social, community and environmental gain Negative impact on the council's ability to deliver its strategic objectives, including its commitments within the Oxfordshire Housing & Growth Deal Increased costs in planning appeals Reputational damage with investor community of Cherwell as a good place to do business created by uncertainty/lack of policy clarity	4	4	16	Local Development Scheme (LDS) is actively managed and reviewed, built into Service Plan, and integral to staff appraisals of all those significantly involved in Plan preparation and review Team capacity and capability kept under continual review with gaps and pressures identified and managed at the earliest opportunity. Delegations to Chief Exec agreed to ensure timely decisions On-going review of planning appeal decisions to assess robustness and relevance of Local Plan policies	Partially Partially Fully Partially	Councillor Colin Clarke	Bill Cotton	David Peckford	3	4	12	↔	Regular review meetings on progress and critical path review. Regular Corporate Director and Lead Member briefings. LDS updated as required with programme management approach adopted to ensure progress against plan. Regular Corporate Director and Lead Member briefings LDS updated as required with programme management approach adopted to ensure progress against plan LDS timeline built into Directorate level objectives (e.g. via Service Plans) and incorporated into SMART targets within staff appraisals. Authority Monitoring Reports continue to be prepared on a regular annual basis.	The Local Development Scheme (LDS) was updated in September 2021. It includes the programmes for the Oxfordshire Plan 2050, a Local Plan Review, the Banbury Canalside Supplementary Planning Document and work on a Community Infrastructure Levy (CIL). An Options Consultation for the Oxon Plan was undertaken in Summer 2021. The programme for completion is presently under review. An issues consultation for the Cherwell Local Plan Review was completed on 14 Sept 2020. An Options consultation was undertaken from 29 September to 10 November 2021. The Local Plan timetable may need to be revised to respond to that for the Oxon Plan. The programmes for work on the Canalside SPD and CIL are aligned to the Local Plan review timetable.	Risk reviewed 10/02/2022 - Comments Updated
L04-	Business Continuity - Failure to ensure that critical services can be maintained in the event of a short or long term incident affecting the Councils' operations	Inability to deliver critical services to customers/residents Financial loss/ increased costs Loss of important data Inability to recover sufficiently to restore non-critical services before they become critical Loss of reputation Reduced service delivery capacity in medium term due to recovery activity	4	4	16	Business continuity strategy, statement of intent and framework in place and all arrangements overseen by a Business Continuity Steering Group Services prioritised and recovery plans reflect the requirements of critical services ICT disaster recovery arrangements in place with data centre and cloud services reducing likelihood of ICT loss and data loss Incident management team identified in Business Continuity Framework All services undertake annual business impact assessments and update plans Business Continuity Plans tested annually All services maintain business continuity plans	Fully Fully Fully Partially Fully Partially Fully	Councillor Andrew McHugh	Rob MacDougall	Richard Webb	3	4	12	↔	Business Continuity Statement of Intent and Framework being revised to align with OCC and create an incident management framework Cross-council BC Steering Group meets regularly to identify BC improvements needed ICT transition to data centre and cloud services has reduced likelihood of ICT loss and data loss Corporate ownership and governance sits at senior officer level BC Impact assessments and BCPs to be updated and reviewed by OCC's Emergency Planning team BC exercises to be arranged (on hold due to pandemic response) Updated Incident management framework agreed August 2021	Business continuity status reports being collated weekly as part of pandemic response but likely to revert to exception reporting in February. Business continuity status reports no longer collated monthly (previously part of pandemic response). The Council has continued to provide critical services throughout the lockdown periods. Remote working enables most teams to work effectively from home and sustain services whilst also avoid unnecessary social contacts. A new incident management framework has been adopted for the council and aligns our incident response arrangements with OCCs. Work has started on aligning the council's BC statement of intent and framework support this new incident management framework. A document repository and management system is under development for key business continuity plans.	Risk Reviewed 08/02/2022 - Mitigating Actions Updated

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2021/22																	
L05 -	Emergency Planning (EP) - Failure to ensure that the local authority has plans in place to respond appropriately to a civil emergency fulfilling its duty as a category one responder	Inability of council to respond effectively to an emergency Unnecessary hardship to residents and/or communities Risk to human welfare and the environment Legal challenge Potential financial loss through compensation claims Ineffective Cat 1 partnership relationships Reputational damage	4	4	16	Emergency Plan in place and key contact lists updated monthly. Emergency Planning Lead Officer defined with responsibility to review, test and exercise plan and to establish, monitor and ensure all elements are covered Added resilience from Oxfordshire County Council's Emergency Planning Team. Under partnership arrangements. Senior management attend Civil Emergency training Multi agency emergency exercises conducted to ensure readiness On-call rota established for Duty Emergency Response Coordinators Active participation in Local Resilience Forum (LRF) activities	Fully Fully Fully Partially Partially Fully Fully	Councillor Andrew McHugh	Rob MacDougall	Richard Webb	3	4	12	↔	Emergency plan contacts list being updated monthly and reissued to all duty managers. OCC Emergency Planning providing expert advice and support under a partnership arrangement. Accountability for both OCC and CDC's arrangements now sit with the Chief Fire Officer who reviews the arrangements with the Assistant Director. Supporting officers for incident response identified in the emergency plan and wallet guide Refreshed incident management plan agreed to align with OCC response arrangements and roll-out being progressed Training being arranged for Duty Directors. All senior managers who provide the Duty Director rota have attended multi-agency exercises and duty manager training with OCC senior managers. On-call rota being maintained and to be updated to reflect recent staffing changes Authority continues to be represented at the Local Resilience Forum	Pandemic response and recovery work continues with partners. Partners continue to liaise with organisers of planned events to ensure they have robust infection management arrangements in place and that there is awareness of all the events being organised. The council is maintaining its duty director rota for any other emergency incidents that might arise. A refresh of the council's emergency plans is being progressed to provide a clearer framework for incident response aligned with the Local Resilience Forum. Senior manager training for duty directors took place in November and January to support extension of duty director rota from January 2022.	Risk Reviewed 08/02/2022 - Comments Updated

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2021/22																	
L06-	Health and safety Failure to ensure effective arrangements are in place for Health and Safety.	Unsafe services leading to fatality, serious injury & ill health to employees, service users or members of the public	5	4	20	H&S policies (incl. responsibilities) and procedures have been reviewed and adopted	Fully	Councillor Lynn Pratt	Steve Jordan	Martin Green	2	4	8	↔	COVID-Secure arrangements and safe working practices remain effective and are regularly reviewed to ensure they are inline with government guidance. Even though positive outlook some workplace controls are expected to remain in place for longer term e.g. improved ventilation and cleaning.	H&S Risk Assessments and Procedures remain effective in controlling workplace exposure and reducing transmission alongside vaccination programme. Gov. Covid restrictions have been eased. Managers will decide on staff return to workplace based on service needs and priorities. Important to note legal duties under H&S legislation still apply including requirement to assess risks to our staff and customers and take appropriate mitigations in line with the current gov working safely guidance: Frontline services e.g. social care continuing to apply IPC protocols incl. PPE etc. Office protocols in place with focus on improving ventilation, CO2 monitors in meeting rooms, regular cleaning and encouraging hand hygiene and wearing of face coverings. Flu vouchers offered to health and social care staff in addition to those entitled under national immunisation programme.	Risk Reviewed 03/02/2022 - Comments Updated
Criminal prosecution for failings Breach of legislation and potential for enforcement action.	Clearly identified accountability and responsibilities for Health and Safety established at all levels throughout the organisation Risk Assessments completed including COVID-19.	Fully				Corporate Assurance on effectiveness of H&S controls is monitored by the H&S Assurance Board. Key areas of focus include: - Task and Finish group established to review and recommend improvements for the role of Responsible Premises Manager. This will be delivered as part of the Property function redesign which will look holistically at property management and include system improvement.	Field Monitoring by H&S Team ongoing including high risk activities i.e. Environmental Services and Roadside Waste Collections.										
Financial impact (compensation or improvement actions)	Provision of PPE is priority area of focus for both standard work issue and additional infection control requirements for COVID-19.	Fully				As part of agile working improvements around DSE Assessments, provision of work equipment and prevention of ill health.	Corporate H&S for OCC/CDC now aligned in terms of management support and where possible aligned governance processes.										
Reputational Impact	Information and training programmes in place for staff and volunteers. Communications channels in place including COVID-19 focused H&S information.	Fully				New project initiated for replacement H&S reporting system (Joint-OCC/CDC)											
	H&S Governance Board maintains oversight of policy and practice with response to COVID-19 covered within business continuity support structure.	Fully															
	H&S Training provision in place including essential training for all staff and induction.	Fully															
	Consultation arrangements in place with unions.	Fully															
	H&S monitoring will be carried out in selected services to assess compliance.	Fully															
	Reporting of key data and issues to Leadership Teams and through business continuity support structure. This will include any incidents, accidents including RIDDOR.	Fully															
	Home-working arrangements supported by advice, guidance, equipment etc., frequent messages from CEO and Internal Comms. Specific arrangements in place to provide equipment for those with specialist requirements or needs.	Fully															

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2021/22																	
L07-	Cyber Security - If there is insufficient security with regards to the data held and IT systems used by the councils and insufficient protection against malicious attacks on council's systems then there is a risk of: a data breach, a loss of service, cyber- ransom.	Financial loss / fine Prosecution – penalties imposed Individuals could be placed at risk of harm Reduced capability to deliver customer facing services Unlawful disclosure of sensitive information Inability to share services or work with partners Loss of reputation	4	5	20	File and Data encryption on computer devices Managing access permissions and privileged users through AD and individual applications Consistent approach to information and data management and security across the councils Effective information management and security training and awareness programme for staff Password security controls in place Robust information and data related incident management procedures in place Appropriate robust contractual arrangements in place with all third parties that supply systems or data processing services Appropriate plans in place to ensure ongoing PSN compliance Adequate preventative measures in place to mitigate insider threat, including physical and system security Insider threat mitigated through recruitment and line management processes Cookie pop-ups on the website Increased threat to security during Covid-19 period in part due to most staff working from home. Advice received from NCSC on specific activity alerts, the increased threat of globalised ransomware and malware attacks.	Fully Fully Fully Fully Fully Fully Fully Fully Fully Fully Fully Fully Fully Fully Fully Fully	Councillor Ian Corkin	Claire Taylor	David Spilsbury	3	5	15	↔	We are cyber-essentials plus certified which is externally accredited. Microsoft Multi-Factor Authentication is embedded to authenticate users providing an enhanced level of cyber security. Accounts, Audit & Risk Committee Members have been given presentations and formal training on Cyber Security. The Regional Police Cyber Security Advisor have given the IT management team two training sessions (full cyber awareness and tabletop DR exercise) followed by a series of all-Council staff awareness sessions. Cyber Security is mandatory e-learning for all staff to be completed annually. Members given a Cyber training session with the Police Cyber Security Advisor. IT implemented an intrusion prevention and detection system which is monitored and regular actions are implemented from the resulting reports. Information Management support is provided to Cherwell as part of a joint working relationship with Oxfordshire County Council. Cyber Awareness e-learning available and is part of new starters induction training. Cyber Security issues regularly highlighted to all staff. External Health Check undertaken in 2021 and Cabinet Office PSN compliance reviewed and certified the infrastructure is secure to connect to the PSN for another year until September 2022. Internal Audit completed a cyber audit in June 2020 with no major issues or significant risks identified. The findings have an agreed action plan in place. Cookiebot live on website for users to confirm cookie preferences. Joint OCC/CDC Cyber Security Officer started work August 2020 Additional IT security advice provided for all staff during the Covid-19 working at home period including online coronavirus related scams. Cyber Security Manager has reviewed advice and provided assurance on our compliance. All staff reminded to be vigilant to unexpected emails due to the heightened risk.	Cyber security incidents are inevitable. The only way to manage this risk is to have effective controls and mitigations in place including audit and review. The controls and any further controls will not reduce the potential impact should the risk occur e.g., if we were subject to a ransomware attack the effect on the council could be catastrophic. We do have controls in place to prevent this happening and plans to deal with and recover from such an incident should it occur. The controls in place have reduced the probability from 'probable' to 'possible', we don't believe that this is reduced further to the point of it being 'unlikely' as it is possible, we could be subjected to either a cyber incident or data breach within the Council. The National Cyber Security Centre (NCSC) advise an increased risk of cyber- attack due to escalating tensions in Eastern Europe. The overall risk score remains the same as a cyber incident remains possible but no higher (which is defined as probable)	Risk Reviewed 21/02/2022 - Potential Impact, Control, Mitigating Actions and Comments Updated

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2021/22						Fully effective Partially effective Not effective											
L08-	Safeguarding the vulnerable (adults and children) - Failure to follow our policies and procedures in relation safeguarding adults and children or raising concerns about their welfare	Increased harm and distress caused to vulnerable individuals and their families Council could face criminal prosecution Criminal investigations potentially compromised Potential financial liability if council deemed to be negligent	4	4	16	Safeguarding lead in place and clear lines of responsibility Safeguarding Policy and procedures in place Information on the intranet on how to escalate a concern Mandatory training and awareness raising sessions are now in place for all staff. Safer recruitment practices and DBS checks for staff with direct contact Community Safety Partnership reflect the actions needed to reduce exploitation Data sharing agreement with other partners Attendance at Children and Young People Partnership Board (CYPPB) Annual Section 11 return compiled and submitted as required by legislation. Engagement with Joint Agency Tasking and Co-ordinating Group (JATAC) and relevant Oxfordshire County Council (OCC) safeguarding sub group. Engagement at an operational and tactical level with relevant external agencies and networks	Fully Fully Fully Fully Fully Partially Fully Fully Fully Fully Fully	Councillor Barry Wood	Claire Taylor	Nicola Riley	2	4	8	↔	Web pages up to date Ongoing external awareness campaigns Annual refresher and new training programmes including training for new members Attendance at safeguarding boards and participation in learning events Continue to attend safeguarding board sub groups as necessary to maintain high levels of awareness within the system and compliance with latest practice Continue to support work across the district regarding exploitation through slavery, county lines, domestic violence Partnership working with Community Safety and police colleagues Regular internal cross departmental meetings to discuss safeguarding practice Action plan acted upon and shared with Overview and scrutiny committee once a year Corporate monitoring of all referrals	A new calendar of awareness raising events and lunchtime training has planned. Peer review of Safeguarding return to the OSAB/ OSCB will be on Feb 2022 and an action plan written to respond to developmt areas that. CDC Safeguarding Officer continues to attend the training subgroup safeguarding boards to ensure our training is timely and appropriate.	Risk Reviewed 02/02/2022 - Comments Updated
L09-	Sustainability of owned companies and delivery of planned financial and other objectives - failure of council owned companies to achieve their intended or fail to meet financial objectives	Unclear governance leading to lack of clarity and oversight in terms of and business outcomes Failure of council owned companies to achieve their intended outcomes or fail to meet financial objectives Lack of understanding at officer and member level about the different roles of responsibilities required when managing council owned companies Potential impact of local government re- organisation (Northamptonshire) on CSN (see Risk L17)	3	4	12	Annual business planning in place for all companies to include understanding of the link between our objectives being delivered financial impact for the council Financial planning for the companies undertaken that will then be included within our own Medium term financial plan Ensure strong corporate governance mechanisms are in place Sound monitoring in place of both business and financial aspects of the companies and the impact on overall council performance Training in place for those undertaking roles relating to the companies	Fully Fully Partially Fully Partially	Councillor Tony Illot	Steve Jordan	Vic Kurzeja & Peter Hadley	2	3	6	↔	Changes in the shareholder support side line management been put in place. Additional oversight and capacity from senior managers including dashboards at CEDR. Resilience and support being developed across business to support and enhance knowledge around council companies. Skills and experience being enhanced to deliver and support development, challenge and oversight. Work with one company to ensure long term support arrangements are put in place. Ongoing shareholder meetings key to understanding impact of Northamptonshire reorganisation	Council dissolving partnership with SNH so CSN as a company will no after Nov 2021. Services being brought back in house. Graven Hill – company continues to respond to market changes as a result Covid and supply chain restrictions, no areas of concern at this stage. Crown House continues to enjoy high occupancy rates but there is some over cash flow, which is being looked in to. Management of Crown House being undertaken by the Property Team. CSN exit strategy being implemented. Service being brought back in house and company to be dissolved. First years trading will identify overall financial impact of pandemic. review completed and accepted by Shareholder committee. Action plan developed to ensure all identified improvements are appropriately.	Risk reviewed 17/02/2021 - No changes

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2021/22																	
L10-	Financial sustainability of third-party suppliers and contractors	The financial failure of a third party supplier and contractors results in the inability or reduced ability to deliver a service to customers or provide goods needed. A reduced supply market could also result in increased costs due to the council's loss of competitive advantage. Reduced resilience and business continuity Increased complaints and/or customer dissatisfaction Increased costs and/or financial exposure to the Council due to having to cover costs or provide service due to failure of third party supplier of contractor	3	4	12	Ensure contract management in place review and anticipate problems within key service suppliers and partners Business continuity planning arrangements in place in regard to key suppliers Ensuring that proactive review and monitoring is in place for key suppliers to ensure we are able to anticipate any potential service failures Intelligence unit set up procurement Hub to monitor supplier and contractor market Analysis of third party spend undertaken to identify and risk assess key suppliers/contractors	Partially Partially Partially Fully Fully	Councillor Tony Illot	Steve Jordan	Melissa Sage	3	4	12	↔	Service areas to hold meetings as required with suppliers to review higher risk areas and ensure risks are being managed. Reminders to be sent to all who have Procurement/Contract Management responsibility to regularly meet with key suppliers and partners to gain early understanding of the effects of COVID-19 lockdown, have on supply. The Procurement Team is now providing ELT members and identified Contract Mangers a monthly update of all suppliers with spend above £25k c/w a credit risk rating score to enable contract managers to manage any identified risks, with support from the Procurement Team. Furthermore, as a result of Covid-19 the likelihood of this risk is deemed to have increased and thus the procurement and finance team now hold a weekly joint meeting to consider funding solutions to support At Risk Suppliers in accordance with the national guidance note PPN04/20. Business continuity plans in place		Risk reviewed 01/02/2021 - No changes

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			Probability	Impact	Rating						Probability	Impact	Rating				
2021/22																	
L11-	Corporate Governance - Failure of corporate governance leads to negative impact on service delivery or the implementation of major projects providing value to customers.	Threat to service delivery and performance if good management practices and controls are not adhered to. Risk of ultra vires activity or lack of legal compliance Risk of fraud or corruption Risk to financial sustainability if lack of governance results in poor investment decisions or budgetary control. Failure of corporate governance in terms of major projects, budgets or council owned companies impacts upon financial sustainability of the council. Inability to support Council's democratic functions / obligations (e.g. return to physical public meetings and public access to meetings). Elements of the COVID-19 response and recovery work may be compromised, delayed or not taken forwards.	4	4	16	Clear and robust control framework including constitution, scheme of delegation, ethical walls policy etc. Clear accountability and resource for corporate governance (including the shareholder role). Integrated budget, performance and risk reporting framework. Corporate programme office and project management framework. Includes project and programme governance. Internal audit programme aligned to leadership risk register. Training and development resource targeted to address priority issues; examples include GDPR, safeguarding etc. HR policy framework. Annual governance statement process undertaken for 2020/21 under oversight of the Corporate Governance Assurance Group (CGAG) for Cherwell and Oxon. The Group has taken an aligned approach (with Oxon CC) to work up a revised and complementary Annual Governance Statement which also connects more fully and earlier with ELT and CEDR. CGAG also mapping governance processes to achieve alignment and efficiency where appropriate. Annual Review of the Constitution will take place each Autumn led by the Overview & Scrutiny Committee and approved by Full Council	Fully Fully Fully Partially Fully Partially Partially Partially	Councillor Barry Wood	Yvonne Rees	Anita Bradley	3	3	9	↔	Standing item at senior officer meetings – regular review of risk and control measures. Induction Programme to be planned for May 2022 including governance sessions to councillors on the Constitution, data protection and FOI, finance, equalities and code of conduct. Monitoring Officer to attend management team meetings. Annual Governance Statement process for 2021/22 is in progress with sessions held with ELT to explain assurance required and to identify any areas where governance could be strengthened across the directorates. The Corporate Governance Assurance Group continues to map governance processes to ensure visibility and to refresh them.	Agreed that Oxon authorities ideally wish to adopt a consistent Code across the county, and across County, District, City, Town and Parish Councils. As such, working plan is for Monitoring Officers to achieve a draft to take through each Council post-election with a view to implementation by May 2022 this is dependent upon each Council being in agreement to the proposed approach. Recruitment process has commenced for the appointment of Independent Persons to assist the Monitoring Officer on member code of conduct complaints. Action plans have been set to strengthen the information governance arrangements	Risk reviewed 11/02/2022 - Controls, mitigating actions and Comments updated

Ref	Name and Description of risk	Potential impact	Inherent (gross) risk level (no Controls)			Controls	Control assessment	Lead Member	Risk owner	Risk manager	Residual risk level (after existing controls)			Direct'n of travel	Mitigating actions (to address control issues)	Comments	Last updated
			Probability	Impact	Rating						Probability	Impact	Rating				
2021/22																	
L12	Oxfordshire Growth Deal - (contract with HMG)	<p>Failure to meet its obligations as a partner within the Growth Deal could see Cherwell as a factor in Government holding back some or all of its funding and/or cease to extend the arrangement beyond 2023.</p> <p>Failure to replace Programme Management Officer could adversely affect delivery and stability of the overall Cherwell programme.</p> <p>Infrastructure milestone delivery late (for infrastructure linked to accelerated housing)</p> <p>Accelerated housing numbers delivered late, outside of the programme time scale</p> <p>Delivery of Infrastructure projects fail to accelerate housing delivery as commercial pressures impact house builders</p> <p>Delivery of affordable houses below programme targets as GD contributions insufficient to attract sufficient builders/ registered providers</p> <p>Oxfordshire Plan delivered late</p>	4	5	20	<p>Established programme structure and partnership ethos to support effective programme delivery.</p> <p>Put suitable arrangements in place to deliver the Project Management function.</p> <p>Engagement with housing developers to understand their commercial constraints.</p> <p>Engage with developers to ascertain which sites would benefit most from infrastructure delivery.</p> <p>Identify potential "top up" schemes to supplement GD affordable housing scheme.</p> <p>Utilise effective Programme controls to facilitate prompt escalation of issues to enable appropriate decision making and delivery timescale review.</p> <p>Develop Year 4 Plans of Work to detail the expected delivery by CDC for Year 4 of the Growth Deal Programme; building on the experiences and knowledge gained during previous years.</p>	<p>Fully</p> <p>Fully, when implemented (not implemented yet)</p> <p>Partially</p> <p>Partially</p> <p>Fully</p> <p>Fully</p> <p>Partially</p>	Councillor Barry Wood	Robert Jolley	Andrew Bowe	5	3	15	↔	<p>A CDC GD programme and programme board capability.</p> <p>Meetings to take place with key colleagues to implement suitable arrangements to deliver the Project Management function.</p> <p>Work stream plans of work (work stream brief, schedule, RAID log) .</p> <p>Structured engagement with developers to better understand their needs.</p> <p>Appropriate escalation of issues to agree programme flexibilities where required.</p> <p>Improved collaboration working with partners.</p> <p>Ongoing work with partners to realistically reflect deliverable schemes within programme time frame.</p>	Discussions are progressing amongst key officers to address the gaps left by the departure of the former Programme Management Officer. An interim solution has been found whereby a Service Manager has been assigned, temporarily, to support the programme. Year Four Plans of Work continue to be delivered and the Cherwell Programme currently remains broadly speaking on track.	04/02/22 - Risk reviewed - No Changes
L13	Joint Working That the challenges and risks associated with joint working between Cherwell and OCC, outweigh the benefits and impacts on the provision of services to residents and communities.	<p>Opportunities for joint working take longer to develop than planned delaying potential service improvements for residents and communities.</p> <p>Resources are allocated to the development of proposals, reducing the capacity of the Council to deliver on its priorities and plans, impacting on quality of services delivered to residents and communities.</p> <p>Uncertainty around joint working could lead to reduced staff morale and potentially increase staff turnover.</p> <p>Benefits to be realised from joint working business cases do not materialise or take longer to deliver than planned.</p>	3	3	9	<p>S113 agreement in place with Oxfordshire County Council Partnership working group meets quarterly programme management in place.</p> <p>Partnership Working Group established with OCC to oversee the development of joint working proposals.</p> <p>Robust programme and project management methodologies in place.</p> <p>Regular meetings of the OCC Cabinet and CDC Executive in place to oversee development of partnership.</p>	<p>Fully</p> <p>Fully</p> <p>Fully</p> <p>Fully</p>	Councillor Ian Corkin	Yvonne Rees	Claire Taylor	3	3	9	↔	<p>Regular reporting on joint working proposals to the senior management team. HR polices in place to enable joint working proposals to be delivered</p>	The arrangements to draw to an end the section 113 agreement between OCC and CDC result in the closure of this risk and its replacement with a risk reflecting transitional arrangements to mitigate any service delivery, staffing and governance impacts.	21/01/2021 - Risk Closure proposed
L14	Legacy Shared Services Partnership – West Northamptonshire Council: Failure to effectively manage legacy partnership arrangements with results in increased or service provision / operational risks.	Services impacted by the legacy partnership are HR (payroll), IT and revenues and benefits.	4	4	16	<ul style="list-style-type: none"> Plan in place to transition IT arrangements. Plan in place to transition revenues and benefits service, plans in place to plug any provision gaps. Project teams are in place to oversee both transitional projects. HR engaging with WNC regarding payroll provision. All affected services subject to internal audit and performance management regimes. Governance advice sought with regards to CSN (teckal co) 	Partially effective. Full effectiveness requires ongoing engagement from WNC. It is anticipated that risk will reduce during 2021/22	Councillor Barry Wood	Yvonne Rees	Claire Taylor	2	2	2	↓	<p>Ongoing delivery of transition projects.</p> <p>Ongoing staff communications.</p> <p>Legal advice sought where appropriate. Plans are in place to transition all of affected services. These are monitored through project governance.</p>	<p>On-going service delivery arrangements to SNC (now WNC) set out clearly underpinned by the Collaboration Agreement with protocols in place for with any emerging issues.</p> <p>Risk low and now stable following successful winding up of CSN and and benefits services brought back in house.</p> <p>Recommend removal from risk register. Operational / project risks In place oversee final IT transitional matters.</p>	Risk reviewed 20/01/2021 - Mitigating and Comments Updated. Residual score decreased. Risk Closure proposed

Ref	Name and Description of risk	Potential impact	Inherent (gross) risk level (no Controls)			Controls	Control assessment	Lead Member	Risk owner	Risk manager	Residual risk level (after existing controls)			Direct'n of travel	Mitigating actions (to address control issues)	Comments	Last updated
			Probability	Impact	Rating						Probability	Impact	Rating				
2021/22																	
L15-	Workforce Strategy The lack of effective workforce strategies could impact on our ability to deliver Council priorities and services.	Limit our ability to recruit, retain and develop staff Impact on our ability to deliver high quality services Overreliance on temporary staff Additional training and development costs	3	4	12	Analysis of workforce data and on-going monitoring of issues. Key staff in post to address risks (e.g. strategic HR business partners) Weekly Vacancy Management process in place Ongoing service redesign will set out long term service requirements	Partially effective Fully Fully Partially	Councillor Ian Corkin	Claire Taylor	Karen Edwards	3	4	12	↑	Development of relevant workforce plans. Development of new L&D strategy, including apprenticeships. Development of specific recruitment and retention strategies. It is planned for CDC to join the Commensurate Managed Services contract which is in place at OCC to ensure that the Council has access to a much wider pool of staffing agencies at competitive rates. There are indications that specific service areas are beginning to experience recruitment difficulties for professional roles. HR is working with the relevant directors to consider alternative resourcing methods. New IT system is being implemented to improve our workforce data. The ability to interrogate and access key data (ongoing) in order to inform workforce strategies.	HR continues to work closely with all service heads at the council, to address a range of HR requirements. Work continues with the implementation of iTrent ,the HR payroll system, to improve the quality of data and reporting from the system. Sickness absence continues to be monitored along with the impact on services across the council. HR is working with areas experiencing recruitment difficulties. There are a number of emerging issues in terms of recruitment and retention within the local government workforce especially at entry level roles where competition with the private sector is fierce and in senior management roles where there tends to be an ageing workforce. HR is working with areas experiencing recruitment and retention difficulties.	Risk reviewed 03/02/22 - Probability score and comments updated
L16-	Covid-19 Community and Customers Significant spread of the Covid-19 virus results in potential impacts in terms of customers and communities. Including community resilience, ability to access services, consequences of prolonged social distancing or isolation, economic impacts to business, including but not limited to the visitor economy.	Possible reductions in frontline service delivery, events, meetings and customer contact. Economic hardship impacting local business and potentially the local workforce. Impact on vulnerable residents who may find it harder to access services. Increased demand on both frontline and enabling services. Prolonged risk of social isolation and the mental and physical consequence thereof.	5	4	20	Business Continuity Plans have been reviewed and tested to ensure the ongoing delivery of priority services. Remote (home based) working in place, to facilitate self-isolation and limit impact on service delivery. Communications stepped up, to support remote working, reinforce national guidelines and set out the current organisational response. Regular updates from Director of Public Health, shared internally and externally. Partnership communications. Partnership communications enhanced and regular conversations convened. Regular teleconference with local councils and emergency services discussing updates, concerns and best practice. (in-line with usual business continuity and emergency planning protocols). Mutual aid where appropriate with regional Thames Valley partners enable a tactical response to community resilience. Face to face customer events e.g. wedding ceremony, library provision ceased in line with government guidance. Engagement with suppliers to manage impacts across the supply chain.	Fully Partially Fully Partially Fully Fully	Councillor Barry Wood	Yvonne Rees	Rob MacDougall	4	4	16	↔	Ongoing review and implementation of Council and partnership business continuity and emergency planning arrangements. COVID Response Programme is in place and supporting with ongoing response and recovery work. Outbreak planning and Standard Operating Procedures are in place and regularly reviewed. Government has enacted Plan B and Vaccination Booster programme to mitigate impact of new variant of Covid virus.	The nature of the risk is such that national public health guidelines will determine the councils' response. The councils will enact any support schemes as set out by national government as they emerge. Oxfordshire Health Protection Board. There is continuing monitoring of case numbers and infection rates in population through the Oxfordshire System and Cherwell are involved with these groups to understand any increase in risk	Risk reviewed 08/02/22 - Mitigating Actions and Comments Updated

Ref	Name and Description of risk	Potential impact	Inherent (gross) risk level (no Controls)			Controls	Control assessment	Lead Member	Risk owner	Risk manager	Residual risk level (after existing controls)			Direct'n of travel	Mitigating actions (to address control issues)	Comments	Last updated
			Probability	Impact	Rating						Probability	Impact	Rating				
2021/22						Fully effective Partially effective Not effective											
L17-	Covid-19 Business Continuity Significant staff absence due to the Covid-19 virus results in potential impacts on frontline service delivery and the ability to run the councils' business on a day to day basis.	Possible reductions in frontline service delivery, events, meetings and customer contact. Potential confusion amongst staff with regards to how to plan and respond to reduced service availability, professional support and maintain business as usual. Requirement to reprioritise service delivery. Requirement to offer mutual aid to partner organisations. Potential impact in the medium to long term resilience of staff may result in wider wellbeing issues.	3	4	12	Business Continuity Plans have been reviewed and tested.	Fully	Councillor Barry Wood	Yvonne Rees	Robin Rogers	3	3	9	↔	Ongoing review and implementation of Council and partnership business continuity and emergency planning arrangements. Full health, safety and HR response in place. IT remote working arrangements are sustainable. With the return to 'Plan A', managers working with all staff to oversee return to the office alongside longer term planning for Agile working.	The nature of the risk is such that national public health guidelines will determine the councils' response. Progress establishing the local outbreak plans and the Health Protection Board support mitigation of risk. Requirements of national lockdown arrangements are in place. Staffing absence is monitored weekly. Plans in place as part of the national government's pathway to open up. Monitoring of impacts is ongoing and there are arrangements in place to stand- up heightened Covid response as required. Agile working and flexibility to continue. Hybrid meetings are tested and operational. Arrangements are in place for council meetings to accommodate greater staff and member presence in the office, hybrid working remains in place to facilitate flexibility, resilience and on-going business continuity.	Risk reviewed 07/02/2022 - Comments and inherent scoring Updated
Guidance has been prepared for managers to support agile working and is updated in response to changing conditions.	Partially																
Remote working in place.	Fully																
Staff communications stepped up, to support remote working, reinforce national guidelines and set out the current organisational response.	Fully																
Regular updates from Director of Public Health, shared internally and externally.	Fully																
Regular teleconference with local councils and emergency services discussing updates, concerns and best practice. (in-line with usual business continuity and emergency planning	Fully																
Regular communication messages following Public Health advice.	Fully																
Sanitisers in washrooms.	Partially																
Agile working being tested further across services, ensuring equipment and access is in place.	Fully																
Posters around the offices encouraging regular hand washing. Hand sanitisers available in washrooms and shared spaces.	Fully																

Ref	Name and Description of risk	Potential impact	Inherent (gross) risk level (no Controls)			Controls	Control assessment	Lead Member	Risk owner	Risk manager	Residual risk level (after existing controls)			Direct'n of travel	Mitigating actions (to address control issues)	Comments	Last updated
			Probability	Impact	Rating						Probability	Impact	Rating				
2021/22																	
L18-	Post Covid-19 challenges associated with adverse impact on customers, our workforce and the budget.	Long term response to the current 19 pandemic				Local plans have been revised in line with the national winter revised contain strategy. Most legal restrictions now removed. CDC fully participates in cross county partnerships to plan for the post- pandemic period.	Partially							Governance programme reviewed, shared and implemented.	Work is ongoing to support recovery from Covid, necessarily focused on support for voluntary groups and implementing the various grants and support arrangements available.	Risk reviewed 07/02/22 - Mitigating Action and Control Updated	
		Requirement to review service delivery	4	4	16	New Council business and budget plans reflect financial, service and community impact.	Partially	Councillor Barry Wood	Yvonne Rees	Robin Rogers	3	3	9	↔			Programme support arrangements continue in place and joint Recovery and Renewal Framework due to review at Cabinet in March, 2022.
		Budget implications					Partially										
L19-	Cessation of joint working between CDC and OCC - Ending of section 113 (formal partnership agreement) between Cherwell and results in increased or service delivery impacts.	Without an effective transition plan, relevant advice, capacity and a approach to the withdrawal from the formal relationship there is a risk that of service disruption and additional financial implications for either Uncertainty and change can also impact upon staffing and performance.	5	4	20	1. Legal, governance and employment advice for both parties in and a transitional plan is under development. 2. Arrangements in place to establish at pace separate statutory officers for each organisation. 3. Parties continuing to collaborate within a transitional and may seek to continue collaboration in some areas under operating or service delivery models. 4. Additional programme/project resources to be sought to and implement transition. 5. Communications plan.	Partially	CDC – Councillor Wood	Yvonne	Nathan Elvery	4	3	12	NEW	Statutory officer posts in place - approved by Full Council on the 7th Feb. independant Legal support in place. Transition plan, financial analysis Joint officer transition group set up. Regular staff and cllr communications in to keep up to date with changes.	After discussion with interim CEO OCC it has been agreed that the CDC line management of Housing will return to CDC with immediate effect (in Monday 21st). This has been agreed as a priority action - as Housing is a statutory District function and it was not appropriate to move the of this function to another OCC officer (as current line manager is now the interim CEO.). We will continue with the partnership / relationship activity has delivered so well to date.	16/02/22 NEW

L03 - Local Plan Risk

The latest Local Development Scheme is that approved by the Executive in September 2021. It includes the programmes for the Oxfordshire Plan 2050, a Local Plan Review, the Banbury Canalside Supplementary Planning Document and work on a Community Infrastructure Level (CIL).

Oxfordshire Plan 2050

A Growth Deal commitment. The Plan is being prepared by a central Plan team appointed through the Future Oxfordshire Partnership ~~Oxfordshire Growth Board~~. The Council contributes to the plan-making process as a partner with a view to it being adopted as part of the Development Plan upon completion.

An options consultation was undertaken in Summer 2021. The timetable for the Plan (agreed by the Oxfordshire Growth Board on 24 November 2020), provides for a proposed Plan to be consulted upon in Spring 2022, the submission of the Plan for Examination in September 2022 and its adoption in 2023. The Plan covers five Local Planning Authority areas, is not under the immediate control of Cherwell officers and can be affected by wider regional influences. There is therefore continuing risk of some delay and the timetable is under review.

Local Plan Review

The timetable for the Local Plan Review in the Local Development Scheme is as follows:

- District Wide Issues Consultation (Regulation 18): July - August 2020
- District Wide Options Consultation (Regulation 18): October - November 2021
- Consultation on draft Plan (Regulation 18): June/July 2022
- Consultation on Proposed Submission Plan (Regulation 19): January - February 2023
- Submission (Regulation 22): May 2023

An issues consultation was prepared and completed in 2020. Consultation on an Options Paper was undertaken from 29 September to 10 November 2021. The timetable for completion may need to be reviewed in the light of a new Oxfordshire Plan programme.

Banbury Canalside Supplementary Planning Document

The timetable for the Banbury Canalside SPD as set out in the Local Development Scheme follows that for the review of the Local Plan. It requires:

- preparation and engagement: May 2023 (onwards)
- formal consultation: February-March 2024
- adoption: May 2024

Community Infrastructure Levy (CIL)

The timetable for CIL as set out in the Local Development Scheme is aligned to Local Plan preparation (unless national policy changes). It requires:

- evidence gathering and engagement: June-July 2022
- preparation of draft charging schedule: July-December 2022
- consultation on charging schedule: January-February 2023
- potential (if approved) submission of charging schedule: May 2023

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Cherwell District Council

Accounts Audit and Risk Committee

16 March 2022

Housing Benefit and Council Tax Reduction Risk Based Verification

Report of Interim Assistant Director - Revenues and Benefits

This report is public

Purpose of report

To provide members with details of the Risk Based Verification (RBV) policy and to seek approval for the RBV Policy for 2022-2023.

1.0 Recommendations

The meeting is recommended:

- 1.1 To note the contents of this report.
- 1.2 To approve the RBV policy for the financial year 2022-2023 at Appendix A.

2.0 Introduction

- 2.1 Risk Based Verification is a method of applying different checks to new claims for Housing Benefit and Council Tax Reduction according to the risk associated with these claims. The aim is to reduce the burden on customers to provide excessive evidence and enable low risk claims to be assessed and put into payment more quickly. Efforts can then be concentrated on those claims with a high-risk category where there is an increased chance of fraud and error.

3.0 Report Details

Risk Based Verification (RBV)

- 3.1 The RBV module was introduced in November 2017. An online application form is available for Housing Benefit and Council Tax Reduction new claims. This offers our customers the option of applying for help online and to have immediate confirmation of the verification required to complete their claim. For customers who cannot apply online, the Customer Services Team continue to offer hard copy forms and/or appointments to assist with the online application. This has also helped to prepare our customers for Universal Credit Full Service which is an online process.

Impact of RBV

- 3.2 RBV requires officers to adopt a different approach to claim verification. It is also important that the overarching policy is applied as future subsidy audits will be based on this.
- 3.3 Each new claim received is allocated a risk score in real time of low, medium or high. The evidence requirements will differ based on the risk score assigned with high risk claims requiring greater evidence to support the claims. The evidence requirements for each risk group are contained in the Risk Based Verification Policy a copy of which is shown in Appendix A of this report.
- 3.4 During the Covid-19 pandemic the Department for Work and Pensions allowed authorities to relax the requirement for customers to produce original documentation and introduced the Trust and Protect principle which allowed local authorities to accept scanned or photocopied documents. The required evidence will be requested once national restrictions have been relaxed.
- 3.5 From April 2021 to 30 November 2021 78% of claims were classed as low risk, 13% medium risk and 9% high risk.
- 3.6 The impact on fraud and error is also being monitored against a robust baseline figure. The baseline figure measures the detection of fraud and error on claims found after assessment. On the introduction of RBV the baseline figure was 2.4%. Based on the period April 2021 to 30 November 2021 that baseline figure was 2.52%.

RBV Policy

- 3.7 An updated RBV policy was approved by both members and the S151 Officer in March 2021. This policy must be reviewed each year but cannot be amended in-year as this would complicate the subsidy audit process.
- 3.8 The policy for Cherwell District Council has now been reviewed (copy attached at Appendix A of this report). There are only minor changes and these do not affect the substance of the policy.

4.0 Conclusion and Reasons for Recommendations

- 4.1 Risk Based Verification is a method of applying different levels of checks to new claims for Housing Benefit and Council Tax Reduction based on a risk profile. This approach is an effective way of improving the time taken to assess claims for our customers, allows resources to be targeted and at the same time helps to prevent fraud and error.
- 4.2 Members are asked to note the contents of this report and to endorse the RBV policy for 2022-2023.

5.0 Consultation

- 5.1 When the original policy was proposed in 2017 consultation was carried out with officers and the policy was approved by the S151 Officer (Director of Finance) and by members. Although no formal consultation took place with residents or stakeholders the change was communicated, and the policy will be placed on the website.

6.0 Alternative Options and Reasons for Rejection

- 6.1 Option 1: As RBV is a voluntary scheme the alternative would be to not adopt the scheme and the verification process would revert to the original DWP requirement for full evidence to be provided on all new claims. This has been rejected as it is anticipated that the number of new claims received continue to increase during the pandemic and it will become increasingly difficult to meet the current level of service if the verification requirements become more onerous

7.0 Implications

Financial and Resource Implications

- 7.1 There are no new financial implications related to this report. Any costs will be picked up within existing budgets. Applying a risk based score allows the Council to focus its resources on those highest risk applications.

Comments checked by:

Michael Furness, Assistant Director of Finance

01295 221845, michael.furness@cherwell-dc.gov.uk

Legal Implications

- 7.2 There are no legal implications directly related to this report.

Comments checked by Chris Mace, Solicitor

01295 221808, Christopher.mace@cherwell-dc.gov.uk

Risk Implications

- 7.3 There are no risk management issues arising directly from this report.

Comments checked by:

Louise Tustian, Head of Insight and Corporate Programmes

01295 221786, louise.tustian@cherwell-dc.gov.uk

Equalities Implications

- 7.4 Risk Based Verification applies to all new claims for Housing Benefit and Council Tax Reduction. The mathematical model used to determine the risk score does apply one of the protected characteristics i.e. age.
- 7.5 Other than age, no protected characteristics are used. The use of age in the model is supported by specific clauses in the Equalities Act 2010 and by Technical

Guidance on the Act written by the Equality and Human Rights Commission. Specifically, that age can be used in “the prevention of fraud or other forms of abuse or inappropriate use of services provided by the service provider.

Comments checked by:
Emily Schofield, Acting Head of Strategy
Emily.schofield@cherwell-dc.gov.uk

Sustainability Implications

7.5 There are no sustainability implications arising directly from this report.

8.0 Decision Information

Key Decision :N/A

Financial Threshold Met: N/A

Community Impact Threshold Met N/A

Wards Affected

All

Links to Corporate Plan and Policy Framework

Delivering high quality, accessible and convenient services

Lead Councillor

Councillor Tony Ilott -Lead Member for Financial Management and Governance

Document Information

Appendix number and title

- Appendix A: Risk Based Verification Policy

Background papers

None

Report Author and contact details

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Appendix A

Cherwell District Council Risk Based Verification Policy

Background

It is estimated that the overall spend on Housing Benefit in 2020-2021 was £17.290 billion (statistics taken from GOV.UK Publications). Ensuring that the right help is awarded is crucial both to the customers and the taxpayers. Combating fraud and reducing error is a key component of this.

The Verification Framework Policy was introduced by the Department for Work and Pensions (DWP) as guidance, in line with the Social Security Administration Act 1992, for administering Housing and Council Tax Benefit claims. This policy recommended that local authorities should obtain substantial evidence before determining claims for benefit. Although voluntary it was adopted by most Councils (including Cherwell District Council) to ensure that the correct amount of benefit was paid, that subsidy was maximised, and that fraud was minimised.

In 2011, the DWP allowed a limited number of Councils to pilot a scheme to try to reduce the cost of the verification process and, at the same time, reduce fraud and error based on risk-based verification principles. It is an approach used by Job Centre Plus and underpins Universal Credit.

The pilots were successful and the DWP confirmed that Councils can now adopt this approach for Housing Benefit and Council Tax Reduction claims. This is summarised in circular S11/2011.

Cherwell District Council currently administers 6921 claims for Housing Benefit and Council Tax Reduction. This Risk Based Verification Policy has been developed to underpin a regime of preventing fraud and error from entering the system whilst continuing with live caseload intervention. The policy considers that Cherwell District Council must adhere to Housing Benefit legislation and local Council Tax Reduction regulations. The regulations do not specify what information and evidence the Council should obtain from a customer. However, it does require an authority to have information which allows an accurate assessment of a claimant's entitlement, both when a claim is made and renewed because of a change in circumstances. The Council's legal obligation to verify information for Housing Benefit claims is



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defined in Housing Benefit Regulation 86 which states:

“a person who makes a claim, or a person to whom housing benefit has been awarded, shall furnish such certificates, documents, information and evidence in connection with the claim or the award, or any question arising out of the claim or the award, as may reasonably be required by the relevant authority in order to determine that person’s entitlement to, or continuing entitlement to housing benefit and shall do so within one month of being required to do so or such longer period as the relevant authority may consider reasonable.”

Risk Based Verification was implemented for new Housing Benefit and Council Tax Reduction claims with effect from 1st November 2017.

What is Risk Based Verification (RBV)

RBV is a method of applying different levels of checks to new claims for Housing Benefit and Council Tax Reduction dependent upon a complex risk profile given to each customer. The profile is determined by specific software using statistical information and experience about what type of claim represents what type of risk. The higher the risk, the greater the checks used to establish that the claim is genuine. This approach allows the targeting of resources and is very effective in identifying higher levels of fraud and error, reducing the overall cost of verifying claims and improving processing times for some low risk claims. In adopting RBV there is still an obligation to get all the facts and make an accurate assessment but there is not the need to gather documentary evidence in all cases.

Risk Based Verification at Cherwell District Council

Pursuant to DWP circular S11/2011 Cherwell District Council (hereafter referred to as ‘the Council’) will apply RBV to new claims for HB and CTRS. The Council will use an on-line application form offered by Capita and a solution offered by Xantura to carry out the risk scoring. Customers may also apply on a hard copy form. The software is integrated into the Academy Revenues and Benefits system to produce risk scores in real time.

Each new claim will be allocated a risk score – Low, Medium or High. The evidence requirements will differ based on the risk score assigned. The evidence requirements are contained in this appendix of this policy. Circular S11/2011 confirms that local



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authorities have discretion to determine their own risk groups. Circular G1/2016 gives updated advice on the evidence standards required. It should be noted that original documentation of a National Insurance Number and confirmation of identity must be provided in all cases regardless of the risk score, in order to comply with legislation. This verification is only required on the first claim and will not be requested again in support of any future claims.

Due to the pandemic the Department for Work and Pensions gave advice regarding Housing Benefit verification, considering the social restrictions which may prevent claimants from providing supporting evidence in line with the RBV Policy. This was provided in Covid-19 LA Welfare Direct bulletin (CLAWD4/2021). This allowed authorities to relax the requirement for original documents and accept scanned or photocopies, following the Trust and Protect principle. The Trust and Protect principle is used when it is not possible or practical for claimants to provide evidence to the local authority, thus enabling their claim to be processed on reduced verification. The required evidence will be requested at the earliest possible time, once social restrictions have been relaxed and it is possible for the claimant to provide the level of evidence required in the RBV policy.

Low Risk

The claimant's identity will be verified in accordance with sections 1(1a) and 1(1b) of the Social Security Administration Act 1992. The evidence required will be original documents to prove identity and National Insurance Number, photocopies or original evidence of self-employed earnings and student income and status. A LAREV1 (valuation form) is also required for any other properties. A check on Searchlight or Verification of Earnings and Pensions (VEP) can be obtained to provide a breakdown of income declared on the claim form.

Medium Risk

Cases in this group must have the same checks as low risk plus copies (emails will be accepted as copies), scans, or original documentation to prove all declared income and capital. Verification of Earnings and Pensions (VEP) can also be used to obtain evidence of earnings. Please note: all evidence for identity must be original documentation.



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High Risk

All high-risk cases must have the same checks as low and medium groups, but the documentation must be original or obtained from VEP and/or Searchlight. In addition, further checks may be carried out which could include a telephone call, home visit or a credit check via the National Anti-Fraud Network (NAFN).

Monitoring RBV

DWP suggest that around 55% of cases will be low risk, 25% medium risk and 20% high risk. For Cherwell District Council for the period 1st April 2021 to 30 November 2021, 78% of cases were low risk, 13% were medium risk and 9% were high risk. Once a risk group has been allocated, individual claims cannot be downgraded by an officer to a lower risk group. They can, however, be upgraded to a higher risk group with approval from a Senior Officer or a Team Leader, if the officer has good reason to think this is appropriate. All cases which are upgraded will be recorded along with the reason for doing so.

All risk scores are recorded by the RBV software and will show on the customer's account within the Academy system or within the notes if the score is taken from estore.

This will enable the Auditors to check the level of verification needed to support the assessment of each claim type for the purposes of subsidy so protecting the Council from financial risk. Failure to apply the verification standards as stipulated in the RBV policy may have an impact on the subsidy claimed and could result in a loss of revenue for the council.

Xantura records all risk score requests and an audit log of requests is generated which the Council will use to ensure that the new claims process is being followed and reduced verification applied. There will be a blind sample of cases by Xantura where the risk group will be adjusted, and level of verification applied will be checked.

Xantura will provide monthly reports detailing the percentage of cases falling into



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each risk group, the fraud and error identified in each risk group and the level of fraud and error detected in the sample of blind cases.

Review of the policy

The RBV policy will be reviewed annually and any changes will be referred to the Audit Committee for approval. In accordance with DWP guidance changes will not be made in-year as this would complicate the audit process.

Training and awareness

Training will be provided to all staff within the Benefits and Council Tax Reduction team and to the Customer Services Team on the use of RBV, including refresher training and training for new entrants. This will ensure that the processes and procedures are agreed and understood. Discussions will take place with all internal and external stakeholders.

Business Continuity

The Capita RBV solution is web-based and the ability to obtain a risk group in real time is dependent on an internet connection. In the event of the officers being unable to generate a risk score for any claim, the claim will be treated as medium risk and the appropriate level of verification will be applied.

Audit requirements

External audit has been consulted on the implementation of RBV and on this policy. Auditors will carry out their duties against the terms of the RBV policy and, provided cases have been assessed correctly against the requirements of the policy, this shall meet audit requirements.

Policy approval

This Policy has been produced in line with Department for Work and Pensions guidance on the use of Risk-Based Verification as detailed in HB/CTS circular S11/2011 and G1/2016.

This policy is approved by:

Accounts, Audit and Risk Committee

Date:

(Section 151 Officer)

Name:

Signed



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Cherwell District Council RBV Evidence Checklist

Evidence Type	Subcategory	Low Risk	Medium Risk	High Risk
Identity & NINO	Claimant's ID/NINO	Passported/qualifying benefits: Searchlight Standard claims: 2 items of ID and 1 NINO originals	Passported/qualifying benefits: Searchlight Standard claims: 2 items of ID and 1 NINO originals	Passported/qualifying benefits: Searchlight Standard claims: 2 items of ID and 1 NINO originals
Residency & Rent	> Private Tenants		> Originals or Photocopies;	> Originals Required
	> Social Landlords		> Originals, photocopies or electronic files from landlord.	> Originals Required or electronic files from landlord
	> Registered		> Originals or Photocopies	> Originals Required
Household	> Partner's ID/ NINO	> Originals or Searchlight where identity has been verified for a qualifying benefit	> Originals or Searchlight where identity has been verified for a qualifying benefit	> Originals or Searchlight where identity has been verified for a qualifying benefit
	> Dependents (responsibility for not ID of)		> Originals or Photocopies or Searchlight check	> Originals Required or searchlight check
	> Non-Dependent Working		> Originals or Photocopies of wage slips, P45, P60 or VEP	> Originals Required of wage slips, P45 or P60 or VEP
	> Non-Dependent (PB)		> Searchlight check P45 or statement	> Searchlight Check P45 or statement
	> Non-Dependent no income		> Originals or Photocopies	> Originals Required
	> Non-Dependent Student			> Originals Required
	> Non-Dependent Not Working		> Originals or Photocopies	> Originals Required
	> 2AR: Non-Dependents Not Working			> Originals Required
Income	> State Benefits or Universal Credit	> Searchlight	> Searchlight Check or originals or photocopies of documents	> Searchlight or original documents
	> Earnings, SSP, SMP & SPP		> Originals, Photocopies of wage slips, P45, P60 or VEP	> Originals Required of wage slips, P45, P60 or VEP
	> Self Employed	> SE proforma or original or non-original accounts	> SE proforma or original or non-original accounts	> SE proforma or original accounts. Original receipts and invoices if required
Child Care Costs			> Originals or Photocopies	> Originals Required
Students	> (Income + Status Required)	> Originals or photocopies	> Originals or Photocopies	> Originals Required
Capital	> Working Age			> Originals Required; must include last 2 months' transactions
	> Working Age & > £6,000		> Originals or Photocopies	> Originals Required; must include last 2 months' transactions
	> Elderly			> Originals Required; must include last 2 months' transactions
	> Elderly & > £10,000		> Originals or Photocopies	> Originals Required; must include last 2 months' transactions
	> Property	> LAREV1	> Originals, Photocopies or LAREV1	> Originals Required and LAREV1

Cases in High Risk Group may also be subject to additional checks in the form of a credit check via NAFN, a telephone call or home visit, unless the claim has been ended prior to the check being conducted

Cherwell District Council

Accounts Audit and Risk Committee

16 March 2022

Update on Counter Fraud Annual Plan 2021/22

Report of the Assistant Director of Finance

This report is public

Purpose of report

This report presents a summary of activity against the Annual Plan for the Counter-Fraud service at CDC for 2021/22, which was previously presented to the Accounts, Audit & Risk July 2021 committee. The Plan supports the Council's Anti-Fraud and Corruption Strategy by ensuring that the Council has in place proportionate and effective resources and controls to prevent and detect fraud as well as investigate those matters that do arise.

1.0 Recommendations

The meeting is recommended to:

- 1.1 Comment and note the summary of activity against the Annual Counter Fraud Plan for 2021/22.

2.0 Introduction

- 2.1 The Counter-Fraud team's purpose is to adhere and to promote the zero-tolerance approach to fraud detailed in the Council's Fraud Strategy, by thoroughly investigating any instances of fraud; applying the appropriate sanctions; undertaking proactive and preventive work to prevent and detect fraud through training, awareness raising, data matching and proactive reviews.

3.0 Report Details

Counter-Fraud Service & Resources Update

- 3.1 The Counter Fraud team is fortunate to have an Accredited Financial Investigator as one of the Counter Fraud Officers. This means they have certain powers under POCA (Proceeds of Crime Act) to obtain and analyse financial information and data as part of investigations. This has been of great benefit in several investigations and has speeded up investigations as this is a function usually performed within the Police. The Manager of the team is undertaking the NCA (National Crime Agency) training to become an accredited SAO (Senior Appropriate Officer) which will

support this function in reviewing and signing off their requests for financial information within the team.

- 3.2 As noted in the previous update report, the Counter Fraud team now receive, log and triage all whistleblowing reports. The Chief Internal Auditor and Audit Manager meet with the Director of Law & Governance monthly to review, discuss and progress all whistleblowing investigations.
- 3.3 The Counter Fraud team recently met with the DWP who have recently appointed a new Team Leader for the area and are starting to stand up their investigations team. Referrals for joint cases are being made to the DWP however in the majority of these cases, we will need to continue sole investigations until their team is fully operational again.
- 3.4 Monthly meetings are being set up with the Revs & Bens team manager to discuss new and ongoing cases and investigations.
- 3.5 The monthly Performance meetings will continue between the Chief Internal Audit, Audit Manager and the Assistant Director of Finance(S151) for CDC following the cessation of the formal partnership between OCC and CDC. There will also be regular communications/meetings with the new CDC Interim Monitoring Officer, to update and discuss individual cases.

Key Performance Indicators & Trends:

Indicator	Value
New Cases YTD 2021/22	82 new cases April 2021 – Feb 2022
Current open cases	32 cases currently open
With the Police	There are currently no cases with the Police
YTD New Cases by type	SPD: 42 Housing – Subletting: 7 Housing Application: 5 Council Tax Support (CTS): 9 Housing – Tenancy: 3 Council Tax: 3 Covid Business Grants: 2 Employee: 2 Housing – Abandonment: 2 Business Rates: 2 Council Tax/Planning: 1 Electoral: 1 Housing Benefit: 1 Test & Trace Grant: 1 Bribery: 1
YTD New Cases by referral source	Employee/internal control: 31 Member of public Anon (webform): 21 DWP: 10 Member of public Anon (phone): 4 Housing Association: 2 Member of public Anon (letter): 7 Member of public (webform): 2

	<p>Member of public (phone): 1 Member of public Anon (email): 1 NATIS: 1 Whistle blower: 2</p>
Outcomes YTD (dismissals, prosecutions, repayments, Investigation Reports etc)	<p>Out of the 50 cases closed so far this year, 40 were closed not proven NFA. Of the other 10 the outcomes were:</p> <p>CTS Re-calculated: 1 Not added to electoral roll: 1 SPD removed: 4 SPD and CTS removed: 1 CTS removed: 1 Enforcement notice served: 1 Disciplinary: 1</p>
Loss, recovery and prevented future loss YTD	<p>CTS: Recovered = £480.22; Future loss prevented = £743.60</p> <p>SPD: Recovered = £2667; Future loss prevented = £2988</p>
Fraud Awareness, Comms and Training sessions delivered YTD	<p>Finance Fraud Awareness Session Q4</p> <p>Comms: International Fraud Awareness Week Nov: News Headlines on the Intranet; Update from Yvonne newsletter; Your Oxfordshire</p> <p>'60 seconds with' staff profile on Counter Fraud team member and Update from Yvonne story on OCC values in the team.</p> <p>Reminder in Managers Briefing on Conflicts of Interest</p> <p>News Headline on the Intranet on Conflicts of Interest and the new Whistleblowing policy</p>

Update against the Counter-Fraud Plan 2021/22

Objective	Actions	Update Nov 2021	Update Feb 2022
Strategic: Establish BAU referral and investigation processes; agree and start using the Performance	<ol style="list-style-type: none"> Document key processes and flow charts for the Counter-Fraud Team (Q2) Sign-off the 	<ol style="list-style-type: none"> Counter-Fraud Strategy agreed Performance Methodology with PI's agreed Costs 	All complete. Fraud risk assessment process started Q3 and this is feeding into

<p>framework; move into building proactive anti-fraud work</p> <p>Culture Capacity Competence</p>	<p>proposed Performance Framework to monitor the team's performance, case levels and outcomes. (Q2)</p> <p>3. Monitor team performance and outcomes (Ongoing)</p>	<p>Methodology developed and in use</p> <p>4. PI s/s developed to monitor cases & progress & outcomes</p> <p>5. Regular Performance Meetings scheduled and taking place (with S151)</p> <p>6. Process flowchart for SPD documented</p> <p>7. Housing investigation roles clarified</p>	<p>proactive work plan for 2022 (see below).</p>
<p>Proactive: Undertake proactive counter-fraud activities to reduce the risk of fraud in the Council.</p> <p>Culture Capability Capacity Communication Collaboration</p>	<p>1. Complete and routinely update the Fraud Risk Register (Q2)</p> <p>2. Deliver fraud awareness training (as identified from fraud risk assessment) (ongoing and by Q4)</p> <p>3. Undertake joint fraud/audit exercises (ongoing and by Q4)</p> <p>4. Deliver fraud communications in line with a comms strategy under development (internal and external)</p> <p>5. Maintain fraud procedures, webpages and referral routes up to date (ongoing and by Q4)</p>	<p>1. Fraud RR developed and populated. Meeting scheduled Nov to agree methodology for use.</p> <p>2. Fraud awareness training not yet delivered but starting to scope areas that would benefit.</p> <p>3. Comms Fraud Awareness Strategy under development. Comms awareness due for International Fraud Awareness Week w/c 16th November.</p> <p>4. Fraud pages updated with new contact details.</p>	<p>1. Fraud RR now BAU (bi-monthly review meetings)</p> <p>2. Fraud awareness training delivered for Finance staff</p> <p>3. Multiple fraud comms issued as per the comms plan (see KPI's above)</p>
<p>Reactive: Manage</p>	<p>1. Manage fraud</p>	<p>1. Fraud referrals</p>	<p>See KPI's</p>

fraud referrals and investigations Capacity Competence Collaboration	referrals 2. Investigate 3. Implement appropriate sanctions 4. Make recommendations to improve the control environment 5. Work with partner agencies and teams.	received and investigated ongoing as appropriate. Currently 34 open cases. 2. Sanctions applied as appropriate (see KPI's above).	above
Data: Use data to detect and prevent fraud Competence Collaboration	1. Complete the 2020 NFI data matching (ongoing and by Q4) 2. Continue to participate into potential data matching exercise with other LA's.	NFI data matching is ongoing – on track to complete by end Q4 (see summary in next section).	NFI data matching ongoing

Cases to Note (open/closed)

- 3.6 There are currently no cases to note that are under joint investigation with the Police.
- 3.7 As noted in the KPI's, by far the largest number of referrals received are for SPD and Council Tax support. The Counter Fraud Team and Revenues & Benefits manager are setting up monthly meetings to review cases. There are currently two SPD/CTS investigations that could prove material; however, it is too early to say whether these will be substantiated. There is one employee investigation underway where the Counter Fraud team has been working with HR to investigate.

Other updates (NFI, Strategies, Proactive Reviews, Fraud Comms and Fraud Risk Register)

- 3.8 The National Fraud Initiative (NFI) reports have been reviewed, and all high-risk matches have been assessed. Further work is being completed. An update on completion of the activity will be provided in the next Counter Fraud Committee meeting update.
- 3.9 The Fraud Risk Register is complete, and a business-as-usual process is in place to review, update and re-assess the register on a bi-monthly basis. This will then identify the areas of fraud risk in the organisation so we can target pro-active work.
- 3.10 So far, the pro-active work undertaken has focused on staff training and awareness sessions. We recently delivered a fraud awareness and risk identification session to all Finance staff. We will be organising a session with the Revenues & Benefits team.

4.0 Conclusion and Reasons for Recommendations

- 4.1 In conclusion, this paper presents a summary of activity against the Counter Fraud plan for 2021/22, the team has embedded well within the Council and has established the fraud referral and investigation processes and is increasing proactive work to prevent fraud against the Council.
- 4.2 The Committee are requested to review and comment on the update on activity. The next update will be made to the March 2022 committee.

5.0 Consultation

Not applicable

6.0 Alternative Options and Reasons for Rejection

- 6.1 Not applicable

7.0 Implications

Financial and Resource Implications

- 7.1 There are no financial implications arising directly from this report.

Comments checked by:

Michael Furness, Assistant Director of Finance, 01295 221845
michael.furness@cherwell-dc.gov.uk

Legal Implications

- 7.2 There are no legal implications arising directly from this report.

Comments checked by:

Chris Mace, Solicitor, 07702917916
christopher.mace@cherwell-dc.gov.uk

Risk Management Implications

- 7.3 There are no risk management issues arising directly from this report.

Comments checked by:

Louise Tustian, Head of Insight and Corporate Programmes 01295 221786
louise.tustian@cherwell-dc.gov.uk

8.0 Decision Information

Key Decision

Financial Threshold Met: N/A

Community Impact Threshold Met: N/A

Wards Affected

All wards are affected

Links to Corporate Plan and Policy Framework

All corporate plan themes.

Lead Councillor

Councillor Tony Ilott – Lead Member for Finance and Governance

Document Information

Appendix number and title

None

Background papers

None

Report Author and contact details

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Sarah Cox, Chief Internal Auditor, sarah.cox@cherwell-dc.gov.uk

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Cherwell District Council

Account, Audit and Risk Committee

16 March 2022

General Data Protection Regulation Audit 2021 update

Report of Director of Law and Governance

This report is public

Purpose of report

This report sets out the current position of the council with regard to the actions resulting from the July 2021 audit of the General Data Protection Regulation.

1.0 Recommendations

The meeting is recommended:

- 1.1 To note the report.

2.0 Introduction

- 2.1 During the summer of 2021, the council's General Data Protection Regulation control framework was audited. This usefully identified some weaknesses and as a result a robust management action plan has been developed. These actions will ensure improvements to our governance and processes in this area. Information Services (a joint CDC / OCC service) has prioritised this work to ensure these actions are completed.

3.0 Report Details

- 3.1 The following actions were all required for completion by the end of March 2022. Progress against these actions are detailed against each one.
- 3.2 Following the decision that Oxfordshire County Council and Cherwell District Council will terminate the Section 113 Agreement, it was decided at the February meeting of the Information Governance Board that representation from the Senior Information Risk Owner (the Section 151 Officer) at Cherwell District Council is required before any policies or documents affecting the council can be approved by that Board. Some of the actions below are now set back to the next Information Governance Board meeting on 23 March 2022.

1. The Council do not have a formally documented Data Protection Policy in place. A Data Protection Policy will be created, approved and adopted **Action in progress.** The policy is expected to be approved by the Information Governance Board on 23rd March 2022 and then be published on the council intranet.
2. Beyond the role of the DPO, there are no other formally defined data protection responsibilities at the Council. A data protection structure will be agreed, with defined roles and responsibilities, to support the DPO. **Action in progress.** The structure is expected to be approved at the Information Governance Board on 23rd March 2022 and the DPO will work to ensure that this structure is put into place.
3. CDC require all staff to undertake annual e-learning training on GDPR. Information Services will review the process for ensuring staff complete their training, including asking managers to follow-up with their staff. CDC operates the training on a rolling 12 month basis, rather than a set annual event for all staff. Where staff have not completed the course at all, or their renewal is overdue, they are being followed up with managers to ensure this is done by 31 March 2022. Following that date, regular follow up and communication with managers will be carried out to ensure that staff carry out their training in a timely manner.
4. There is a privacy notice on the corporate website which explains what personal information is collected, why it is collected and how it is used. The privacy notice on the corporate website, including service level privacy notices, will be reviewed and updated. **Action complete.** The privacy notice has been reviewed and updated as required.
5. There is an Information Security Management Policy and Procedure, which was last reviewed in April 2018 and is now out-of-date. The OCC Information Security Incident Policy will be reviewed and adopted at CDC. **Action in progress.** The Security Incident Management Policy is expected to be reviewed and approved by the Information Governance Board on 23rd March 2022 and then uploaded to the CDC intranet.
6. A review of the process for completing DPIA's found that section 7, which is for DPO comments, is not always completed and it is unclear if this is because there are no comments or if it has been missed. All DPIA's will be checked to confirm they are fully completed before being signed off by the DPO. We will revise the template to include mandatory fields to help achieve this. **Action complete.** All Data Protection Impact Assessments are checked for completion before being signed off by the Data Protection Officer.

3.3 The following actions are due for completion between April and August 2022.

1. One of the key changes introduced by GDPR is the requirement to maintain records of processing activities. At CDC this is done by creating and maintaining Information Asset Registers. The current Information Asset Registers are in the process of being updated to include the additional areas highlighted in the audit and all gaps

addressed. The target date for completion is 30th June 2022. It is expected that that this will be achieved.

2. Paper forms that collect personal data have not been reviewed to ensure they include the requisite privacy notice.
Where paper forms are still in use, they will be checked to ensure the privacy notice is included. The target date for completion is 30th June 2022. It is expected that that this will be achieved.
3. There is a requirement to perform a Data Protection Impact Assessment (DPIA) for any new project that involves the processing of personal data or where there are changes to existing processes. A comprehensive DPIA template is available for this purpose but we found there are no supporting procedures detailing how it should be completed and managed.
The process for completing DPIA's will be passed to the Director for Law & Governance by 31 March 2022 for approval, then adopted at the council. The target date for completion is 30 April 2022. It is expected that that this will be achieved.

4.0 Conclusion and Reasons for Recommendations

- 4.1 The required audit actions are completed or in progress with expectation that they will be completed within target date.

5.0 Consultation

Not Applicable

6.0 Alternative Options and Reasons for Rejection

Not Applicable

7.0 Implications

Financial and Resource Implications

- 7.1 No financial or resources implications outside Information Services available budget.

Comments checked by:

Michael Furness, Assistant Director of Finance, 01295 221845,
michael.furness@cherwell-dc.gov.uk

Legal Implications

- 7.2 Compliance with the General Data Protection Regulation and the Data Protection Act 2018 is mandatory. These audit actions assist the council in meeting this mandatory legislation.

Comments checked by:

Christopher Mace, Solicitor, Legal Services, 07702917916,
christopher.mace@cherwell-dc.gov.uk

Risk Implications

- 7.3 Compliance with the General Data Protection Regulation and the Data Protection Act 2018 is mandatory. These audit actions assist the council in meeting this mandatory legislation.

Comments checked by

Celia Prado-Teeling, Performance Team Leader 01295 221556
celia.prado-teeling@cherwell-dc.gov.uk

8.0 Decision Information

Key Decision

Financial Threshold Met: N/A

Community Impact Threshold Met: N/A

Wards Affected

All

Links to Corporate Plan and Policy Framework

All corporate plan themes.

Lead Councillor

n/a

Document Information

Appendix number and title

None

Background papers

None

Report Author and contact details

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Cherwell District Council

Accounts, Audit and Risk Committee

16 March 2022

Draft Annual Report of Accounts, Audit and Risk Committee

Report of the Assistant Director of Finance

This report is public

Purpose of report

The report presents the draft report of the Accounts, Audit & Risk Committee.

1.0 Recommendations

The meeting is recommended:

- 1.1 To review the draft report, agree any amendments and finalise in preparation for presentation to Council by the Chair of the Accounts, Audit & Risk Committee.

2.0 Introduction

- 2.1 In accordance with CIPFA (The Chartered Institute of Public Finance & Accountancy) Guidelines for Local Authorities 2018, it is recommended practice for an annual public report to be produced and reported to Council demonstrating how the committee has discharged its responsibilities.

3.0 Report Details

- 3.1 A draft report of the activities of the committee for the financial year 2021/22 has been prepared and is included within Appendix 1. It is proposed that suggested amendments/additional comments are discussed and agreed at the committee.
- 3.2 The final report will then be produced for the Chair of the committee, to schedule and present to Council.
- 3.3 Compliance with CIPFA's guidance for Local Authority Audit Committees 2018, demonstrates the committee's commitment to high standards and the production of the annual report demonstrates the role the committee exercises in being a key component of good governance for Cherwell District Council.

4.0 Conclusion and Reasons for Recommendations

- 4.1 This report provides the draft annual report of the work of the committee during the financial year 2021/22 for review and agreement by the committee members.

5.0 Consultation

Not applicable.

6.0 Alternative Options and Reasons for Rejection

- 6.1 The following alternative options have been identified and rejected for the reasons as set out below.

Option 1: No alternative options have been identified as this report is for information only.

7.0 Implications

Financial and Resource Implications

- 7.1 There are no financial implications arising directly from this report.

Comments checked by:

Michael Furness, Assistant Director of Finance, 01295 221845
michael.furness@cherwell-dc.gov.uk

Legal Implications

- 7.2 There are no legal implications arising directly from this report.

Comments checked by:

Chris Mace, Solicitor, 07702917916
christopher.mace@cherwell-dc.gov.uk

Risk Implications

- 7.3 There are no risk management issues arising directly from this report.

Comments checked by:

Louise Tustian, Head of Insight and Corporate Programmes, 01295 221786
louise.tustian@cherwell-dc.gov.uk

8.0 Decision Information

Key Decision (N/A)

Financial Threshold Met: N/A

Community Impact Threshold Met: N/A

Wards Affected

All

Links to Corporate Plan and Policy Framework

All corporate plan themes.

Lead Councillor

Councillor Tony Ilott – Lead Member for Finance and Governance

Document Information

Appendix number and title

- Appendix 1 – Draft Annual Report of Accounts, Audit & Risk Committee 2021/22

Background papers

None

Report Author and contact details

Sarah Cox, Chief Internal Auditor, sarah.cox@cherwell-dc.gov.uk

APPENDIX 1:

**Accounts, Audit & Risk Committee
Annual Report**

**Report of the work of the Accounts, Audit &
Risk Committee during 2021-22**

Contents

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Key Activities	5

Annex

1. Accounts, Audit & Risk Committee Functions (terms of reference)

Chairman's Introduction

As the Chairman I am very pleased to present this annual report which sets out the role of the Accounts, Audit & Risk Committee and summarises the work we have undertaken during the financial year 2021/22.

The Committee is a key component of the council's governance framework, providing independent support to ensure good governance and strong public financial management.

The Committee continues to be well supported by Officers, providing a high standard of reports and presentations. I would like to thank the Finance Team, Risk & Performance Team, and Internal Audit for their input.

I should like to take this opportunity to give my personal thanks to all the officers, my Vice Chairman Cllr Hugo Brown and without exception, all fellow Committee members who have contributed and supported the work of the Committee in such a meaningful and positive way throughout the past year, despite the challenges presented by the COVID pandemic to the administration and operation of the department.

COUNCILLOR MIKE KERFORD-BYRNES
Chairman, Accounts, Audit & Risk Committee

Role of the Accounts, Audit & Risk Committee

The Accounts, Audit & Risk Committee operates in accordance with the “Audit Committees, Practical Guidance for Local Authorities” produced by the Chartered Institute of Public Finance and Accountancy (CIPFA) in 2018. The Guidance defines the purpose of an Audit Committee as follows:

1. Audit committees are a key component of an authority's governance framework. Their function is to provide an independent and high -level resource to support good governance and strong public financial management.
2. The purpose of and Audit Committee is to provide to those charged with governance independent assurance on the adequacy of the risk management framework, the internal control environment and the integrity of the financial reporting and annual governance processes. By overseeing internal and external audit it makes an important contribution to ensuring that effective assurance arrangements are in place.

The key functions of the Account’s Audit & Risk Committee are defined within its terms of reference; this is attached as Annex 1 to this report.

How the Committee has discharged its responsibilities during 2021/22

Key AARC Activities	June 21	July 21	Sept 21	Nov 21	Jan 22	March 22
Financial Reporting						
Considered monthly performance, risk & finance monthly report						
2020/21 Annual Statement of Accounts up-date						
Review of Treasury Management Outturn 2020/21						
Treasury Management 2021/22 update						
Capital and Investment Strategy 2022/23						
Treasury Management Strategy 2022/23						
Treasury Management Training						
Housing Benefit Subsidy Audit						
Housing Benefit Risk Based Verification Policy						
Review of Support to Subsidiaries						
Internal Audit						
Annual Report of the Chief Internal Auditor 2020/21						
Internal Audit Strategy and Plan 2021/22						
Review of Internal Audit Reports and monitor of in-year progress						
Review of Internal Audit Charter and Quality Assurance Programme						
Update on implementation of management actions from audit of GDPR 2021/22						
External Audit						
External audit progress updates						
Review of those charged with governance – response to EY						
Annual Audit Opinion						
Appointment of External Auditors						
Governance & Risk Management						
As above under financial reporting - Considered monthly performance, risk & finance monthly report						
Approval of Annual Governance Statement (AGS) for 2020/21						
Annual Governance Statement – review of actions						
AARC – draft annual report						
Appointment of independent member						
Risk Management Training						
Local Code of Corporate Governance						
Counter-Fraud						
Approval of Counter-Fraud Strategy and plan for 2021/22						
Counter-Fraud Plan update						

Our work in 2020/21

The key activities of the Committee are captured in the table above. In summary:

Financial Reporting

The Committee reviewed and approved (subject to final external audit review) the annual statement of accounts on behalf of the Council and considered the external auditors report. The Committee reviewed the proposed accounting policies for the statement of accounts.

The Committee receives reports on Treasury Management throughout the year, exercising its stewardship role, including the Treasury Management Outturn Report for 2020/21 and quarterly Treasury Management monitoring reports for 2021/22. Additionally, the Committee considered the Capital and Investment Strategy and the Treasury Management Strategy 2022/23 and submitted recommendations for the adoption of all three to full Council. The Committee have provided effective scrutiny of the treasury management strategy and policies through receiving regular reports of activity, reviewing the treasury risk profile and adequacy of treasury risk management.

Internal Audit

The Committee approved the Internal Audit Strategy for 2021/22, including the annual audit plan.

The Committee receives regular progress reports from the Chief Internal Auditor, including summaries of the outcomes from Internal Audit work.

The Committee has continued to review, and monitor material weaknesses identified from the internal audit reports with Senior Managers attending to provide assurance on how the issues were being addressed. This has supported the implementation of the actions plans to deliver the required improvements in key areas for the Council.

The completion of the Internal Audit Plan and the annual statement of the Chief Internal Auditor is produced for the Committee at the end of the financial year. Based on the evidence of the reports presented to the Committee, the internal audit team continues to provide an effective challenge and therefore assurance on the key risk activities.

The Committee approves the Internal Audit Charter on an annual basis, this was approved at the July 2021 meeting.

External Audit

The Council's external auditors, Ernst and Young, attended the committee meetings during 2021/22, providing regular updates on their work plan and any matters arising.

The Committee is satisfied that the External Auditors are free to carry out their duties without restrictions. We are also assured that if identified they would bring any material issues to the attention of the Committee.

The Committee endorses the nationally expressed criticisms of the intensity and timetables of External Audits. They are especially concerned about the knock-on effects of delays to the 2020/21 Audit on the start (and completion) of the 2021/22 Audit.

Governance & Risk Management

The Committee approved the Annual Governance Statement (AGS) for 2020/21 as part of the Council's accounts.

The Committee receives regular updates on risk management, considering the Performance, Risk and Finance Monitoring Report which includes review of the Leadership Risk Register.

The Committee have considered and agreed to the recruitment and appointment of an independent member in line with good practice guidelines for audit committees.

Counter-Fraud

The Committee receives regular updates from the Counter Fraud Team on outcomes of investigations. The Committee plays a key role in monitoring the effectiveness of the Council's counter fraud arrangements.

Overall, the Council has a strong system of internal control, so as expected, there is very little fraud identified; however nationally statistics show that fraud is on the increase, so it is important that the Council remains vigilant.

Annex 1 – Accounts, Audit & Risk Committee Terms of Reference

Accounts, Audit and Risk Committee Terms of Reference

The Accounts, Audit and Risk Committee shall comprise 8 members with unnamed substitutes, and every Committee member or appointed substitute shall undertake appropriate training before being permitted to serve on the Committee

Statement of Purpose

1. The Accounts, Audit and Risk Committee is a key component of Cherwell District Council's corporate governance framework. It provides an independent and high-level focus on the adequacy of the risk management framework, the internal control environment, the integrity of the financial reporting and governance processes. By overseeing internal and external audit it makes an important contribution to ensuring that effective assurance arrangements are in place.

Governance, risk and control

2. To review the council's corporate governance arrangements against the good governance framework, including the ethical framework and consider the local code of governance.

3. To review the AGS prior to approval and consider whether it properly reflects the risk environment and supporting assurances, taking into account internal audit's opinion on the overall adequacy and effectiveness of the council's framework of governance, risk management and control.

4. To consider the council's arrangements to secure value for money and review assurances and assessments on the effectiveness of these arrangements.

5. To consider the council's framework of assurance and ensure that it adequately addresses the risks and priorities of the council.

6. To monitor the effective development and operation of risk management in the council.

7. To monitor progress in addressing risk-related issues reported to the committee.

8. To consider reports on the effectiveness of internal controls and monitor the implementation of agreed actions.

9. To review the assessment of fraud risks and potential harm to the council from fraud and corruption.

10. To monitor the counter-fraud strategy, actions and resources.

11. To review the governance and assurance arrangements for significant partnerships or collaborations.

Internal Audit

12. To approve the internal audit charter.

13. To review proposals made in relation to the appointment of external providers of internal audit services and to make recommendations.

14. To approve the risk-based internal audit plan, including internal audit's resource requirements, the approach to using other sources of assurance and any work required to place reliance upon those other sources.

15. To approve significant interim changes to the risk-based internal audit plan and resource requirements.

16. To make appropriate enquiries of both management and the head of internal audit to determine if there are any inappropriate scope or resource limitations.

17. To consider any impairments to independence or objectivity arising from additional roles or responsibilities outside of internal auditing of the head of internal audit. To approve and periodically review safeguards to limit such impairments.

18. To consider reports from the head of internal audit on internal audit's performance during the year, including the performance of external providers of internal audit services. These will include:

a) updates on the work of internal audit including key findings, issues of concern and action in hand as a result of internal audit work

b) regular reports on the results of the QAIP (Quality Assurance Improvement Programme)

c) reports on instances where the internal audit function does not conform to the PSIAS (Public Sector Internal Audit Standards), considering whether the non-conformance is significant enough that it must be included in the AGS.

19. To consider the head of internal audit's annual report:

a) The statement of the level of conformance with the PSIAS and the results of the QAIP that support the statement – these will indicate the reliability of the conclusions of internal audit.

b) The opinion on the overall adequacy and effectiveness of the council's framework of governance, risk management and control together with the summary of the work supporting the opinion – these will assist the committee in reviewing the AGS.

20. To consider summaries of specific internal audit reports as requested.

21. To receive reports outlining the action taken where the head of internal audit has concluded that management has accepted a level of risk that may be unacceptable to the authority or there are concerns about progress with the implementation of agreed actions.

22. To contribute to the QAIP and in particular, to the external quality assessment of internal audit that takes place at least once every five years.

23. To provide free and unfettered access to the audit committee chair for the head of internal audit, including the opportunity for a private meeting with the committee.

External audit

24. To support the independence of external audit through consideration of the external auditor's annual assessment of its independence and review of any issues raised by PSAA (Public Sector Audit Appointments) or the authority's auditor panel as appropriate.

25. To consider the external auditor's annual letter, relevant reports and the report to those charged with governance.

26. To consider specific reports as agreed with the external auditor.

27. To comment on the scope and depth of external audit work and to ensure it gives value for money.

28. To advise and recommend on the effectiveness of relationships between external and internal audit and other inspection agencies or relevant bodies.

Financial reporting

29. 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.

30. To consider the external auditor's report to those charged with governance on issues arising from the audit of the accounts.

Accountability arrangements

31. To report to those charged with governance on the committee's findings, conclusions and recommendations concerning the adequacy and effectiveness of their governance, risk management and internal control frameworks, financial reporting arrangements, and internal and external audit functions.

32. To report to full council on a regular basis on the committee's performance in relation to the terms of reference and the effectiveness of the committee.

33. To publish an annual report on the work of the committee.

Treasury Management

34. To be responsible for ensuring effective scrutiny of the treasury management strategy and policies. Receiving regular reports of activity, reviewing the treasury risk profile and adequacy of treasury risk management processes.

Cherwell District Council

Accounts, Audit and Risk Committee

16 March 2022

Treasury Management Report – Q3 2021-22

Report of the Assistant Director of Finance

This report is public

Purpose of report

To receive information on treasury management performance and compliance with treasury management policy for 2021-22 as required by the Treasury Management Code of Practice.

1.0 Recommendations

The meeting is recommended:

- 1.1 To note the contents of the Quarter 3 2021-22 Treasury Management Report.

2.0 Introduction

- 2.1 In 2012 the Council adopted the Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice (the CIPFA Code) which requires the Council to approve treasury management semi-annual and annual reports. This quarterly report provides an additional update.
- 2.2 The Council's Treasury Management strategy for 2021-22 was approved at a meeting on 22 February 2021. The Council has borrowed and invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of risk is therefore central to the Council's treasury management strategy.
- 2.3 The 2017 Prudential Code includes a requirement for local authorities to provide a Capital Strategy, a summary document approved by full Council covering capital expenditure and financing, treasury management and non-treasury investments. The Council's Capital Strategy, complying with CIPFA's requirement, was approved by full Council on 22 February 2021.

3.0 Report Details

Summary position and strategy

- 3.1 As at the end of December 2021 the Council had borrowing of £181m and investments of £67,4m – a net borrowing position of £113.6m (30/09/21: £122.9m).
- 3.2 In anticipation of an interest rate rise a decision was taken to borrow £25m for 50 years at 1.69% in November 2021. The Council has continued to pursue its strategy of keeping borrowing and investments below their underlying levels, sometimes known as internal borrowing, in order to reduce risk and borrowing costs.

All treasury management activities undertaken during the first 9 months of 2021-22 complied with the CIPFA Code of Practice and the Council's approved Treasury Management Strategy. All of the Prudential Indicators were met during the reporting period.

Borrowing performance for 9 months ended 31 December 2021

- 3.3 The Council requires external borrowing to fund its capital programme and had total debt of £181m at the report date. £100m (55%) of the current debt is at fixed rate for the medium-long term from the Public Works Loan Board (PWLB), with the remainder borrowed short term from other local authorities (at fixed rates, but on a rolling basis with various durations, therefore effectively variable rate).
- 3.4 The Council's chief objective when borrowing is to strike an appropriately low risk balance between securing low interest costs and achieving cost certainty over the period for which funds are required,
- 3.5 The table below shows the borrowing position during and at the end of the reporting period:

	Borrowing Amount	Interest Rate	Interest Paid Budget*	Interest Paid Actual*	Variance
Apr-Dec 2021	£174m (average)	1.12% (annualised)	£1.644m	£1.459m	(£0.185m)
As at 31/12/21	£181m	1.17%	-	-	-

* Interest payable relates to external loans only, excluding finance lease and other interest of £63k

- 3.6 The table below shows average borrowing rates for the reporting period:

Borrowing Benchmarking	1 year	5 year	10 year	25 year	50 year
PWLB Maturity rate	0.99%	1.31%	1.63%	1.94%	1.68%

* as per Link's Treasury Management report for Q3 21/22

- 3.7 Interest payable for the full year is forecast to be £399k under budget (positive variance.)

3.8 A full list of current borrowing at 31 December 2021 is shown below:

Lender	Principal Borrowed £	Maturity Date
South Derbyshire DC	5,000,000	20/01/2022
West Midlands Combined Auth	10,000,000	14/02/2022
Cheshire West & Chester Council	7,000,000	01/03/2022
Wandsworth BC	5,000,000	23/05/2022
Oxfordshire County Council	5,000,000	15/07/2022
Crawley BC	5,000,000	16/08/2022
East Sussex County Council	5,000,000	16/08/2022
Derbyshire County Council	5,000,000	19/08/2022
North of Tyne Combined Authority	10,000,000	29/09/2022
Portsmouth City Council	5,000,000	28/10/2022
South Northamptonshire / West Northamptonshire	2,000,000	15/12/2022
North Tyneside Council	5,000,000	16/12/2022
East Sussex County Council	5,000,000	13/01/2023
Derbyshire County Council	5,000,000	16/06/2023
Craven DC	2,000,000	15/11/2023
PWLB - ref 506477	21,000,000	19/10/2024
PWLB - ref 116158	6,000,000	25/09/2025
PWLB - ref 114322	6,000,000	19/09/2026
PWLB - ref 507455	10,000,000	31/05/2028
PWLB - ref 116160	6,000,000	25/09/2029
PWLB - ref 114324	6,000,000	19/09/2030
PWLB - ref 507456	5,000,000	31/05/2033
PWLB - ref 116162	5,000,000	25/09/2034
PWLB - ref 114326	5,000,000	19/09/2035
PWLB - ref 507457	5,000,000	31/05/2048
PWLB - ref 435439	25,000,000	10/11/2071
TOTAL	181,000,000	

Investment performance for 9 months ended 31 December 2021

- 3.9 Funds available for investment are on a temporary basis, and the level of funds available is mainly dependent on the timing of precept payments, receipt of grants and funding of the Capital Programme.
- 3.10 In 2021-22 the Council received lower income from its cash and short-dated money market investments than it did in previous years due to the low interest rate environment. However, with interest rates on the rise in Q4, investment interest is forecast to improve slightly too.

3.11 The table below shows the investment position during and at the end of the reporting period:

	Investment Amount	Interest Rate	Interest Earned Budget	Interest Earned Actual	Variance £
Apr-Dec 2021	£47.4m (average)	0.09% (annualised)	(£76k)	(£32k)	£44k
As at 31/12/21	£67.4m	0.06%	-	-	-

3.12 The table below shows average money-market rates for the reporting period:

Investment Benchmarking	Overnight	7-day	1-month	3-month
LIBOR	0.06%	0.06%	0.08%	0.12%

* <https://www.statista.com/statistics/1214126/london-interbank-offered-rate-comparison-gbp/>

3.13 Interest receivable for the full year is forecast to be £66k below budget (adverse variance).

3.14 The Council's cash investments are held primarily for liquidity purposes and therefore are only available for relatively short-term deposits in a restricted selection of high-quality instruments, which often generate sub-LIBOR returns e.g. the UK Debt Management Office (part of HM Treasury) which is highly secure but earns only a low rate of interest.

3.15 A full list of current investments is shown below:

Counterparty	Principal Deposited £	Maturity Date / Notice period
<u>Fixed Term Deposits</u>		
Thurrock BC	2,000,000	13/01/2022
Thurrock BC	3,000,000	14/01/2022
Aberdeen City Council	3,000,000	16/02/2022
DMADF	10,000,000	21/02/2022
Surrey Heath BC	1,000,000	23/02/2022
DMADF	14,000,000	01/03/2022
Redcar & Cleveland BC	2,000,000	14/03/2022
DMADF	5,000,000	14/03/2022
Merthyr Tydfil CBC	2,000,000	14/03/2022
DMADF	9,000,000	10/05/2022
DMADF	1,500,000	16/05/2022
Merthyr Tydfil CBC	3,000,000	21/09/2022
Slough BC	3,000,000	17/11/2022
<u>Money Market Funds</u>		
Goldman Sachs Asset Management	5,000,000	Same day
Federated Investors UK	3,930,000	Same day
TOTAL	67,430,000	

Non-treasury investment activity.

- 3.16 The definition of investments in CIPFA's revised Treasury Management Code now covers all the financial assets of the Council. This is replicated in MHCLG's Investment Guidance, in which the definition of investments is further broadened to also include all such assets held partially for financial return.
- 3.17 As at 31 December 2021, the Council held £100.7m of investments in the form of shares (£35.6m) and loans (£65.1m) to subsidiary companies and other organisations, primarily Graven Hill and Crown House.
- 3.18 The loan elements of these non-treasury investments generate a higher rate of return than earned on treasury investments, but this reflects the additional risks to the Council of holding such investments.
- 3.19 For the 9 months to 31 December 2021 these loans have earned interest of £3.240m, a positive variance of £18k against budget income of £3.222m. The full year forecast is expected to show a positive variance of £39k.

Overall performance

- 3.20 The overall performance for the 9 months to 31 December 2021 is as follows:

	Budget £k	Actual £k	Variance £k
Borrowing costs*	1,834	1,649	(185)
Treasury income	(76)	(31)	45
Non-treasury income	(3,222)	(3,240)	(18)
Total cost/(income)	(1,464)	(1,622)	(158)

*Borrowing costs include finance lease and other interest of £63k.

- 3.21 The full year forecast is expected to show an overall positive variance against budget of £184k:

	Budget £k	Actual £k	Variance £k
Borrowing costs	2,445	2,243	(203)
Treasury income	(101)	(44)	58
Non-treasury income	(4,296)	(4,335)	(39)
Total cost/(income)	(1,952)	(2,136)	(184)

Interest rate forecast

- 3.22 The Monetary Policy Committee have increased UK Bank Rate to 0.50% and with inflation expected to rise further (currently CPI 5.4%) there is now a view that the Bank Rate could go to 1.25% by the end of 2022.

4.0 Conclusion and Reasons for Recommendations

- 4.1 This report details the Treasury Performance for the Council for the period ending 31 December 2021. It is submitted to the Accounts, Audit and Risk Committee for information as required by the Treasury Management Code of Practice.

5.0 Consultation

None.

6.0 Alternative Options and Reasons for Rejection

- 6.1 None. The report is presented for information.

7.0 Implications

Financial and Resource Implications

- 7.1 There are no financial implications arising directly from any outcome of this report. The variances to budget as noted above are included in the Monthly Performance, Finance and Risk Monitoring Report to Executive.

Comments checked by:

Michael Furness, Assistant Director of Finance

01295 221845, Michael.Furness@cherwell-dc.gov.uk

Legal Implications

- 7.2 There are no legal implications arising directly from any outcome of this report.

Comments checked by:

Christopher Mace, Solicitor Legal Services

07702917916, christopher.mace@cherwell-dc.gov.uk

Risk Implications

- 7.3 It is essential that this report is considered by the Audit Committee as it demonstrates that the risk of not complying with the Council's Treasury Management Policy has been avoided

Comments checked by:

Louise Tustian, Head of Insight and Corporate Programmes

01295 221786, louise.tustian@cherwell-dc.gov.uk

8.0 Decision Information

Key Decision:

N/A

Financial Threshold Met: N/A

Community Impact Threshold Met: N/A

Wards Affected:

All

Links to Corporate Plan and Policy Framework

Links to all areas of Corporate Plan.

Lead Councillor:

None

Document Information

Appendix number and title

- None

Background papers

- None

Report Author and contact details

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Cherwell District Council

Accounts, Audit and Risk Committee

16 March 2022

Final 2020/21 Audit Results Report

Report of the Assistant Director of Finance

This report is public

Purpose of report

To make the Committee aware of the final 2020/21 Audit Results Report

1.0 Recommendations

The meeting is recommended to:

- 1.1 Note the final 2020/21 Audit Results Report

2.0 Introduction

- 2.1 The Committee received a draft of the 2020/21 accounts at its meeting in June 2021. The Committee received a draft Audit Results Report from the external auditors in September 2021 that summarised the findings of the audit at that stage. The external auditors have now produced their 2020/21 Final Audit Results Report. This sets out the overall conclusion of the audit and the provisional Audit Fee for 2020/21 which will be funded from within existing budgets.

3.0 Report Details

- 3.1 The overall conclusion of the 2020/21 audit has resulted in an unqualified audit opinion, meaning that the accounts provide a “true and fair view” of the financial position of the Council as at 31 March 2021. The audit also concluded that the Council has proper arrangements in place to secure value for money in its use of resources.
- 3.2 The audit is in its final stages with final checks being carried out to reconcile movements between the draft and final statements. The final statements are expected to be signed imminently. The Chairman of the Accounts Audit and Risk Committee and the S151 Officer have delegated authority to sign the accounts providing there are no material changes required. A link to the final statement of accounts will be circulated once they are agreed.

4.0 Conclusion and Reasons for Recommendations

- 4.1 The Committee should be aware of the auditor's final opinion following the outcome of the audit.

5.0 Consultation

None

6.0 Alternative Options and Reasons for Rejection

- 6.1 None

7.0 Implications

Financial and Resource Implications

- 7.1 There are no financial implications arising directly from this report.

Comments checked by:

Lynsey Parkinson, Finance Business Partner, 01295 221 739,
lynsey.parkinson@cherwell-dc.gov.uk

Legal Implications

- 7.2 There are no legal implications arising directly from this report.

Comments checked by:

Chris Mace, Solicitor

christopher.mace@cherwell-dc.gov.uk 07702917916

Risk Implications

- 7.3 There are no risk management implications arising directly from this report.

Comments checked by:

Louise Tustian, Head of Insight and Corporate Programmes

louise.tustian@cherwell-dc.gov.uk 01295 221786

8.0 Decision Information

Key Decision N/A

Financial Threshold Met: N/A

Community Impact Threshold Met: N/A

Wards Affected

All

Links to Corporate Plan and Policy Framework

All Corporate Plan Themes

Lead Councillor

N/A

Document Information**Appendix number and title**

- Appendix 1 – 2020/21 Audit Results Report

Background papers

None

Report Author and contact details

Joanne Kaye, Strategic Finance Business Partner, 01295 221545,
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Account Audit & Risk Committee Work Programme 2022

25 May 2022	<p>Housing Benefit Subsidy Audit Final 2020/21 Annual Audit Letter 2021/22 External Audit Plan Draft 2021/22 Statement of Accounts narrative, policies and Annual Governance Statement Annual Report of the Chief Internal Auditor 2021/22 Internal Audit Strategy and Plan 2022/23 Work Programme Update TRAINING - Annual Governance Statement/Governance areas for Committee</p>
27 July 2022	<p>Performance, Finance and Risk Monitoring Report - Q4 - March 2022 Treasury Management Annual Report Internal Audit Charter Counter Fraud Strategy and Plan 2022/23 Support to Subsidiaries Work Programme Update TRAINING - Statement of Accounts</p>
28 September 2022	<p>Report of Those Charged with Governance 2021/22 External Audit - Annual Audit Opinion 2021/22 Final Statement of Accounts and Letter of Representation 2021/22 Performance, Finance and Risk Monitoring Report - Q1 Treasury Management Q1 Update 2022/23 Internal Audit Progress Update 2022/23 Work Programme Update TRAINING - Counter Fraud/Whistleblowing/Internal Audit</p>
16 November 2022	<p>Treasury Management Q2 2022/23 Performance, Finance and Risk Monitoring Report - Q2 2022/23 Counter Fraud Update 2022/23 Work Programme Update Chief Internal Auditor - Private Session External Auditor - Private Session</p>
25 January 2023	<p>Internal Audit Progress Update 2022/23 Auditors Annual Report and VFM Commentary AGS 2021/22 Actions Update Draft Capital and Investment Strategy and Draft Treasury Management Strategy 2022/23 Work Programme Update</p>
22 March 2023	<p>Counter Fraud Update 2022/23</p>

Annual Report of AARC
Performance, Finance and Risk Monitoring Report - Q3 2022/23
Treasury Management Q3 2021/22
Housing Benefit Subsidy Audit
Housing Benefit Risk Based Verification Policy
Work Programme Update

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