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Cherwell

DISTRICT COUNCIL
NORTH OXFORDSHIRE

Committee: Accounts, Audit and Risk Committee

Date: Wednesday 17 November 2021

Time: 6.30 pm

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

Membership

Councillor Mike Kerford-Byrnes (Chairman)

Councillor Conrad Copeland
Councillor Nicholas Mawer
Councillor Tom Wallis

Councillor Hugo Brown (Vice-Chairman)

Councillor Matt Hodgson
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 5 - 8)

To confirm as a correct record the Minutes of the meeting of the Committee held on 22 September 2021.

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 9 - 46)

Report of 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 September 2021/Quarter 2. The Committee will focus on the risk elements of the report.

Recommendations

The meeting is recommended:

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

8. **Update on Counter Fraud Annual Plan 2021/22** (Pages 47 - 54)

Report of 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.

9. **Treasury Management Report - Q2 (September 2021)** (Pages 55 - 62)

Report of the Director of Finance

Purpose of report

To receive information on treasury management performance and compliance with treasury management policy and Prudential Indicators 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 Q2 (September 2021) Treasury Management Report.

10. **Appointment of External Auditors** (Pages 63 - 68)

Report of Director of Finance

Purpose of report

This report asks the Accounts Audit and Risk Committee to make a recommendation to Council for how external auditors will be appointed from the financial year 2023/24.

Recommendations

The meeting is recommended to:

- 1.1 recommend to Council to allow Public Sector Audit Appointments (PSAA) to appoint external auditors on behalf of the Council.

11. **Work Programme** (Pages 69 - 70)

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 9 November 2021

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 22 September 2021 at 7.30 pm

Present:

Councillor Mike Kerford-Byrnes (Chairman)
Councillor Hugo Brown (Vice-Chairman)
Councillor Matt Hodgson
Councillor Tony Ilott

Substitute Members:

Councillor Andrew Beere (in place of Councillor Sean Woodcock)

Also Present:

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
Councillor Sean Woodcock

Officers:

Steve Jorden, Corporate Director-Commercial Development, Assets and Investment
Lorna Baxter, Director of Finance & Section 151 Officer
Anita Bradley, Director Law and Governance & Monitoring Officer
Steve Jorden, Corporate Director Commercial Development, Assets & Investment
Michael Furness, Assistant Director Finance
Sarah Cox, Chief Internal Auditor
Louise Tustian, Head of Insight and Corporate Programmes
Joanne Kaye, Strategic Business Partner
Sharon Hickson, Democratic and Elections Officer
Aaron Hetherington, Democratic and Elections Team Leader

27 **Declarations of Interest**

10. Statement of Accounts Update.

Councillor Hugo Brown, Declaration, as a Cherwell District Council appointed Director to CSN Resources.

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

There were no petitions or requests to address the meeting.

29 **Minutes**

The Minutes of the meeting of the Committee held on 28 July 2021 were agreed as a correct record and signed by the Chairman.

30 **Chairman's Announcements**

The Chairman advised the Committee that item 12 – Internal Audit Progress Report 1021/22 would be presented before item 7 Monthly Performance, Risk and Finance Monitoring report.

31 **Urgent Business**

There were no items of urgent business.

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

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

The Chief Internal Auditor highlighted the Payment Card Industry (PCI) red audit grading, reassuring Members that there had been a very positive response from management and a robust action plan had been drawn up and positive changes were already taking place.

Resolved

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

33 **Monthly Performance, Risk and Finance Monitoring Report**

The Director of Finance and Head of Insight and Corporate Programmes submitted a report which summarised the Council's Performance, Risk and Finance monitoring positions as at the end of July 2021.

The Chairman reminded Members that the Committee was responsible for monitoring the risk aspects of the report.

Resolved

- (1) That the monthly Performance, Risk and Finance Monitoring Report be noted

34 **Review of Those Charged with Governance**

The Director of Finance submitted a report which set out the response to Ernst & Young (EY), the council's external auditor, regarding the view of management assurance.

Resolved

- (1) That the draft response relating to management assurances from Those Charged with Governance (Annex to the Minutes as set out in the Minute Book) be noted.
- (2) That it be agreed that the Director of Finance, in conjunction with the Chairman of the Accounts, Audit and Risk Committee, make any further changes to the response relating to management assurances from Those Charged with Governance (Annex to the Minutes as set out in the Minute Book) that may arise as a result of the audit.

35 **External Audit - Annual Audit Opinion 2020/21**

The Director of Finance submitted a report which set out the External Audit Opinion for 2020/21.

The External Auditor advised the Committee that the quality of data presented by finance for this audit was of a very high standard and an improvement on previous years. The External Auditor thanked the Finance Team for their hard work.

Resolved

- (1) That the contents of the External Audit Opinion (ISA260) for 2020/21 from our External Auditors, Ernst & Young (EY) be noted.

36 **Statement of Accounts Update**

The Director of Finance submitted a report which sought consideration of changes to be incorporated to the draft statement of accounts.

Resolved

- (1) That subject to the changes required, the Draft Statement of Accounts 2019/20 be endorsed and it be agreed that once the final audit opinion is received 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 and 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.
- (2) That the Director of Finance, in consultation with the Chair of the Accounts, Audit and Risk Committee (or Vice Chair in their absence), be authorised to make any further changes to the letters of representation that may arise during completion of the audit.

37 **Treasury Management Q1 Update 2021/22**

The Director of Finance submitted a report which provided information on treasury management performance and compliance with treasury management policy for 2021-22 as required by the Treasury Management Code of Practice.

Resolved

- (1) That the contents of the Quarter 1 2021-22 Treasury Management Report be noted.

38 **Work Programme**

The Committee considered its work programme. The Director of Finance advised Members that confirmation of the November meeting date would be circulated in due course.

Resolved

- (1) That the work programme be noted.

The meeting ended at 8.29 pm

Chairman:

Date:

Cherwell District Council

Accounts, Audit and Risk Committee

17 November 2021

Monthly Performance, Risk and Finance Monitoring Report

Report of 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 September 2021/Quarter 2. The Committee will focus on the risk elements of the report.

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.
- 2.2 This report provides an update on progress made during September 2021, to deliver the Council's priorities through reporting on Performance, the Leadership Risk Register and providing an update on the financial position. The quarter two updates for the Climate Action and Equalities, Diversity and Inclusion action plan updates are also included in this report.
- 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 CEDR (Chief Executive Direct Reports) 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 (appendix 1). 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 CEDR 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 – September 2021

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
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:

Homeless Prevention reported Amber for September and for year to date due to demands on the Housing Team; those presenting in crisis have hampered our ability to focus on 'upstream' prevention work. Resources are being assessed to create more work capacity with households, at an earlier stage, to improve prevention outcomes.



Homes improved through enforcement action reported Green for September and year to date (25 against target of 9 homes). A tremendous improvement from the previous month, achieved through interventions.

Maintain 5-year Land Supply reported Amber for September and year to date, There is no change to the previous quarter's position (4.7 years against target of 5 years).

Net Additional Housing completions reported Green for September and Amber for year to date (311 against target of 285). The provisional housing completions expected for Quarter two exceeded the quarterly target.



Average time taken to process Housing Benefit New Claims reported Green for September and year to date (14.04 against target of 15 days). Another improvement from the previous month.

Major applications overturned at appeal reported Red for September and for year to date (16.67% against a target of 10%). One Major Planning Appeal was overturned by the Planning Inspectorate during September 2021.

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:**



Reduction of fuel consumption used by fleet reported Amber for September and year to date (41,932 against target of 39,878). Slight increase, from last year, however, as per previous months, more vehicles are being used compared to the same period last year.

% of Waste Recycled & Composted reported Green for September and year to date (59.01% against a target of 56%). The dry recycling is still performing at record levels with the contamination rate starting to fall.



Development of Country Parks to support life choices reported Amber for September and year to date. The project is running behind schedule, but with expectations to get back on track as a new Project Manager is to be recruited imminently.

Work with partners to deliver initiatives to improve air quality in the District reported green for September with two portable monitors loaned by Oxfordshire County Council. The monitors, which measure nitrogen dioxide, particulate matter (PM10 and PM2.5), sulphur dioxide and ozone and have been set up to provide live data for these pollutants. Also, we were awarded a grant of £17,300 from the Department for Environment, Food and Rural Affairs (Defra) towards projects for raising awareness of air quality. The grant money will be used for promotional material and to purchase two portable air



quality monitors that can be moved around schools in the district to show the changes in air pollution levels at peak times (drop off and pick up times).

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:

Council Tax collected, increase Council Tax Base Reported Green for September and Amber for year to date (9.11% against target of 8.50%), due to the amount of Council Tax to be collected, which has risen by nearly £1.6m, since the 01st April 2021, to just over £116.9m. Whilst the in-month collection & year-to-date figures are both slightly short of target, recovery action remains ongoing. Reminder notices continue to be issued, and those in arrears are being pursued through court action.



Business Rates collected, increasing NNDR reported Green for September and Red for year to date (11.01% against a target of 9.50%). The amount of business rates to be collected in 2021/22, stands at £80.8m, reduced collection due to multiple assessments of rateable value reductions. The team continues to formally recover arrears by issuing reminder notices and taking court action, where appropriate.

Promote the district as a visitor destination reported Green for September and year to date. The district's hospitality venues and visitor attractions have been welcoming domestic visitors since the lifting of social restrictions. International visitor numbers remain low due to travel restrictions. Still, Experience Oxfordshire launched a new digital countywide Hospitality Guide with significant Cherwell content.



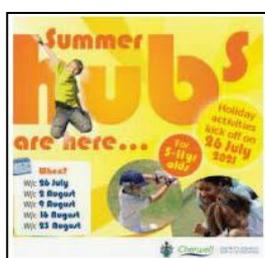
Establish new Building Regulations partnership reported Amber for September and year to date. A draft report has been prepared to consider the options for providing Building Control services in the future, particularly a potential partnership with another local authority. The aim is to achieve a resilient service for the future that benefits from economies of scale and maximises opportunities for income generation.

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:

Number of visits / usages of District Leisure Centres reported Red for September and Green for year to date (110,527 against target of 150,000). The usage figures for three of the main Leisure Centres showed an increase against the August figures. However, one centre showed a decrease on the previous month, which was not unexpected, due to the change in seasonal programming for the outdoor swimming pool.



Promote Health and Wellbeing is Reporting Green for September and year to date, with Youth Activators restarting school sessions and, the adherence of 55 people to the Move Together pathway - a specific programme for residents who had been asked to shield during the first phases of the pandemic, encouraging them to become more socially and physically active.

Summary of Performance

3.12 The Council reports on performance against 38 Business Plan Measures, with 21 Programme Measures and 17 Key Performance Indicators.

Programme Measures and Key Performance Indicators (38)

Status	Description	Q2/ September	%	YTD	%
Green	On target	31	82%	29	77%
Amber	Slightly off target	5	13%	7	18%
Red	Off target	2	5%	2	5%

3.13 Climate Action Programme – Quarter two update

This report updates Executive on the delivery of the 21 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 Quarter two, actions were rated:

Status	Description	Quarter 2	Quarter 2%	YTD	YTD %
Green	On target	13	62%	14	66%
Amber	Slightly off target	7	33%	6	29%
Red	Off target	1	5%	1	5%

Performance highlights:

- Delivery of heat decarbonisation and energy efficiency projects funded by £6m grant from Public Sector Decarbonisation Scheme proceeding in leisure centres and corporate buildings. Deadline extended to March 2022 to accommodate nationwide supply chain issues.
- Fleet audits completed to inform a fleet replacement programme and assess charging infrastructure needs.
- £3m bid submitted to the Sustainable Warmth Fund to increase the energy efficiency of homes in fuel poverty.
- Cherwell Local Plan Review Options Paper under consultation.
- Local businesses engaged in COP26 Zero Carbon Tour, part of the council's COP26 comms campaign.

Additionally, delivery of the council's climate action commitments is being supported by the following initiatives:

- Three teams have now requested to take part in the Carbon Literacy peer-to-peer training course, after a successful pilot with the Leisure Services in July.
- Staff joined a Climate Café in September to learn about the new requirement to include Equalities and Climate Impact Assessments in reports to CEDR and Exec proposing a new policy, procedure, service change, service planning or programme.



3.14 Equality, Diversity and Inclusion Action Plan – Quarter two update

This is the second quarter summary report of the Including Everyone action plan. There are 32 actions in total, spread across the three areas of activity: Inclusive Workforce, Inclusive Communities and Inclusive Service Delivery.

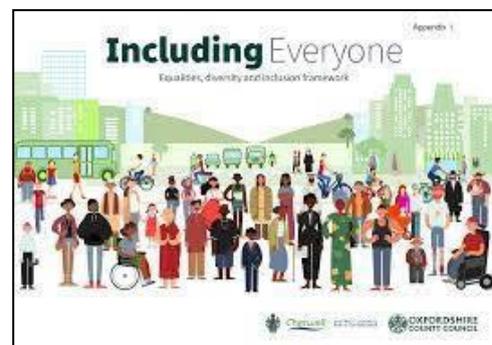
Status	Description	Quarter 2	Quarter 2 %	YTD	YTD %
Green	On target	21	66%	22	67%
Amber	Slightly off target	11	34%	10	33%
Red	Off target	0	0%	0	0%

Performance highlights:

- Stakeholder engagement workshops have helped to shape our first draft of the Recovery and Prosperity Strategy for Cherwell and further consultation will be held during October and November.
- The 'Mentoring for Diversity' programme has been extended for an additional three months as feedback continues to be positive. All of the mentors involved in the scheme have said that it has been beneficial both for the organisation and on an individual basis.
- A final draft of the Social Value Policy has been developed which will embed both climate action and equalities considerations into our procurement practices.

It has become clear that a number of actions will need to be re-designed as part of developing the new action plan in January 2022. This will include:

- Developing more detailed actions that link to a project to re-design our digital presence
- Understanding how we can improve the links between addressing climate change and tackling health inequalities
- Ensuring that we embed key learning from Covid into actions to address inequality



3.15 Service in Focus - Place and Growth /Growth and Economy

The work of the Growth and Economy section falls into four areas: the Bicester Delivery Team; Strategic Transport; Economic Growth and the Build! Team.

The Bicester Delivery Team has continued to progress the Bicester Garden Town Programme infrastructure projects which are needed to facilitate the new housing growth, including in April the construction of the rail under bridges to the north west of the town. The work undertaken by the Bicester Town Centre Task Group has also been further developed with a project progressing to procure a Business Plan for the revitalisation of the town centre.

Cherwell's Strategic Transport interests have been represented at a number of significant groups, including the Oxford-Cambridge Arc Collaboration Forum; the A34 Improvements Steering Group; East West Rail; and the Oxfordshire Strategic Transport Forum.

The Economic Growth team has worked with colleagues in Finance and CSN Resources on the disbursement of HM Government's COVID-19 business grants. The Council has successfully participated in a number of the Government-funded COVID-19 recovery schemes, including the 'Meanwhile in Oxfordshire' project which brings vacant retail units back into use. To promote investment in the district, the team exhibited with partners at the September OxProp Fest event at Bicester Motion,

liaising directly with commercial property agents and business leaders. A new ten-year economic strategy, the Recovery and Prosperity Strategy for Cherwell, is under preparation.

The Build! Team completed the construction of three two-bedroomed accessible bungalows in Middleton Stoney at the start of May, with two being let for affordable rent and the third being a shared ownership sale. Two of the team’s projects have been selected as finalists for housing awards – the best development under £5 million, for the Admiral Holland development in Banbury; and a community regeneration award for Banbury’s Bretch Hill development.

Risk Update

- 3.16 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.
- 3.17 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					
	4 - Major		L06- L08 - L15	L03 - L04 - L05 - L10	L01 - L16	
	3 - Moderate		L09 -	L02 - L11 - L13 - L17- L18	L14	L12
	2 - Minor					
	1 - Insignificant					

3.18 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	↔	Risk reviewed - 04/10/21 Mitigations and Comments updated
L02 Statutory functions	9 Low Risk	↔	Risk reviewed - 13/10/21 Mitigating actions and comments updated
L03 CDC Local Plan	12 Medium Risk	↔	Risk reviewed - 14/10/21 - Comments updated
L04 Business Continuity	12 Medium Risk	↔	Risk Reviewed 11/10/21 - Comments and mitigating actions updated
L05 Emergency Planning	12 Medium Risk	↔	Risk Reviewed 11/10/21 - Mitigating actions updated
L06 Health & Safety	8 Medium Risk	↔	Risk reviewed 01/10/21 - No changes
L07 Cyber Security	15 Medium Risk	↔	Risk Reviewed 11/10/21 - No changes
L08 Safeguarding the Vulnerable	8 Medium Risk	↔	Risk reviewed 04/10/21 - Mitigations updated
L09 Sustainability of Council owned companies and delivery of planned financial and other objectives.	6 Low Risk	↔	Risk reviewed 13/10/21 - No changes
L10 Financial sustainability of third-party suppliers and contractors	12 Medium Risk	↔	Risk reviewed 04/10/2021 - No changes
L11 Corporate Governance	9 Low Risk	↔	Risk reviewed 13/10/2021 - Comments updated
L12 Oxfordshire Growth Deal	15 Medium Risk	↔	Risk reviewed 08/10/21 - No changes.
L13 Joint Working	9 Low Risk	↔	Risk reviewed 14/10/2021 - Comments updated
L14 Legacy Shared Services Partnership – West Northamptonshire Council	12 Medium Risk	↔	Risk reviewed 14/10/2021 - Comments updated
L15 Workforce Strategy	8 Medium Risk	↔	Risk reviewed 20/10/21 - Mitigating actions and comments updated
L16 COVID-19 Community and Customers	16 High Risk	↔	Risk reviewed 01/10/2021 - No changes
L17 COVID-19 Business Continuity	9 Low Risk	↔	Risk reviewed 13/10/2021 – Mitigating actions updated
L18 Post COVID-19 Recovery	9 Low Risk	↔	Risk reviewed 13/10/2021 - Controls, mitigating actions and comments updated

There were no score changes to the Leadership Risk Register during September.

Finance Update

3.19 The Council's forecast position for 2021/22 at the end of September shows a £0.810m overspend as shown in Table 1. This is made up of potential non-delivery of savings targets of £0.666m and an overspend of £0.144m on business-as-usual costs as shown in Table 2.

3.20 Report Details

Table 1: Forecast Year End Position

	Original Budget	Current Budget	Year End Position at September	September Variance (Under) / Over	% Variance to current budget	August Forecast Over / (Under)	Change since August (better) / worse
Forecast overview - September 2021	£m	£m	£m	£m	%	£m	£m
Environment and Place	6.699	10.018	11.176	1.158	11.6%	1.171	(0.013)
Customers, Org. Dev. And Resources	5.682	6.399	6.808	0.409	6.4%	0.554	(0.145)
Adults and Housing Services	1.844	2.700	2.690	(0.010)	-0.4%	0.015	(0.025)
Public Health and Wellbeing	1.816	2.969	3.129	0.160	5.4%	0.160	0.000
Comm. Dev. Assets and Inv.	0.076	0.185	1.539	1.354	731.9%	0.987	0.367
Subtotal Directorates	16.117	22.271	25.342	3.071	13.8%	2.887	0.184
Executive Matters	2.769	(3.613)	(4.072)	(0.459)	-12.7%	(0.457)	(0.002)
Policy Contingency	3.487	3.715	1.913	(1.802)	-48.5%	(1.628)	(0.174)
Total	22.373	22.373	23.183	0.810	3.6%	0.802	0.008
FUNDING	(22.373)	(22.373)	(22.373)	0.000	0.0%	0.000	0.000
(Surplus)/Deficit	0.000	0.000	0.810	0.810		0.802	0.008

Table 2: Analysis of Forecast Variance – September

Breakdown of current month forecast	Forecast Variance	Forecast Base Budget Over/ (Under)	Mitigations	Savings Non-Delivery
	£m	£m	£m	£m
Environment and Place	1.158	0.754	0.000	0.404
Customers, Org. Dev. And Resources	0.409	0.316	0.000	0.093
Adults and Housing Services	(0.010)	(0.020)	(0.030)	0.040
Public Health and Wellbeing	0.160	0.131	0.000	0.029
Comm. Dev. Assets and Inv.	1.354	1.302	(0.048)	0.100
Subtotal Directorates	3.071	2.483	(0.078)	0.666
Executive Matters	(0.459)	(0.459)	0	0.000
Policy Contingency	(1.802)	(1.802)	0	0.000
Total	0.810	0.222	(0.078)	0.666
FUNDING	0.000	0.000	0.000	0.000
(Surplus)/Deficit	0.810	0.222	(0.078)	0.666

- 3.21 Of the £0.666m savings not expected to be delivered in 2021/22, £0.507m of this is also not expected to be delivered in future years. The Council is working on ways to address this, including reviewing whether budget is available within Policy Contingency to mitigate some of the non-delivery in year.
- 3.22 The Council has incurred costs and lost income during 2021/22 in relation to Covid-19 across all areas of the Council. As the Covid-19 restrictions have eased additional costs linked to Covid-19 are reducing. 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.
- 3.23 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 £3.715m 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 £0.095m from the Sales, Fees and Charges compensation scheme which is open until the end of June. 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	0.430
Customers, Org. Dev. And Resources	0.004
Adults and Housing Services	0.000
Public Health and Wellbeing	0.199
Comm. Dev. Assets and Inv.	2.006
Subtotal Directorates	2.639
Executive Matters	(0.815)
Policy Contingency	0.000
Total	1.824

Note: Executive Matters holds the General Covid funding received.

3.24 Report Details

Environment and Place

Environment and Place have forecast an overspend of £1.158m against a budget of £10.018m (11.6%). This forecast overspend includes £0.754m expected base budget costs and £0.404m in potential savings non-delivery

Environment and Waste	The forecast variance for Environmental Services for September is due to continued pressure within Car Parks, £0.752m reduction in anticipated car parks income, (of which £0.358m is due to the impact of Covid-19). There is also a £0.107m increase in national non-domestic rates.
Variation £1.016m overspend	
Variance to last month's forecast £0.045m	A new pressure has risen within Waste and Recycling regarding a possible delay to the food and garden waste roll out. The collection start date is uncertain due to supply problems with the vehicles. That issue should be resolved imminently, and a start date confirmed.
	The anticipated income is expected to see a £0.472m reduction, this is part off set by (£0.387m) saving in employee costs due to non-recruitment to posts, refuse disposal charges and reductions in gate fees plus other small variances across the service of £0.072m.

<p>Planning & Development</p> <p>Variation £0.037m overspend</p> <p>Variance to last month's forecast £0.022m</p>	<p>Planning and Development are forecasting a £0.037m overspend due to minor variances across the service.</p>
<p>Growth & Economy</p> <p>Variation £0.105m overspend</p> <p>Variance to last month's forecast £0.010m</p>	<p>Growth and Economy are forecasting £0.105m overspend which is made up of £0.025m consultancy costs, £0.025m relocation costs of tenants of Town Centre House and £0.055m corporate costs in relation to Oxford to Cambridge ARC and the annual Growth board contribution</p>

Customers, Organisational Development and Resources

Customers & Organisational Development have forecast an overspend of £0.409m against a budget of £6.399m (6.4%). This forecast overspend includes £0.316m base budget costs and savings of £0.093m at risk of delivery.

<p>HR/IT/Comms/Cultural Services</p> <p>Variation £0.112m overspend</p> <p>Variance to last month's forecast (£0.038m)</p>	<p>There is a forecast overspend of £0.117m within IT due to a pressure on the delivery of savings required of £0.093m and small overspends across the service of £0.024m.</p> <p>A full review is underway to identify in-year mitigations including a review of joint working costs and potential savings through working with OCC, and the legacy costs associated with delivery of service to what was South Northants Council.</p> <p>Customer and Cultural Services are largely on target, apart from a forecast overspend on salaries of £0.020m.</p> <p>HR are forecasting an underspend of (£0.025m) due to having Health & Safety within their service, 0.035m overspend due joint working income no longer being received this is partly offset by an underspend in Computer software. (£0.060m) underspend in due to vacant post</p>
<p>Finance</p> <p>Variation £0.297m</p>	<p>There is a forecast overspend for Revenue and Benefits due to £0.174m recovery of overpaid Housing Benefit subsidy by the Department of Works and</p>

overspend	Pensions.
Variance to last month's forecast (£0.107m)	The one off project and recruitment costs relating to the establishment of the new Revenues and Benefits team has been offset by additional government grants. There is a forecast £0.070m overspend on insurance premiums, a £0.027m forecast overspend on personnel costs in Finance and £0.026m overspend on software support contracts.

Adults and Housing Services

Adults and Housing Services have forecast an underspend of (£0.010m) against a budget of £2.700m, (0.4%). This forecast underspend includes (£0.020m) base budget savings and £0.040m in potential savings non-delivery

Housing & Social Care	The forecast outturn for Housing is expected to be largely on track with (£0.010m) underspends across the service.
Variation (£0.010m) overspend	
Variance to last month's forecast (£0.025m)	

Public Health & Wellbeing

Public Health & Wellbeing forecast an overspend of £0.160m against a budget of £2.969m (5.4%). This forecast overspend includes £0.131m within the base budget and £0.029m in potential savings non-delivery

Wellbeing	Wellbeing is forecasting an overspend of £0.199m which relates to loss of benchmarking income in relation to the leisure contract as a direct impact of Covid and (£0.039m) underspend across the department.
Variation £0.160m overspend	
Variance to last month's forecast (£0.000m)	
Healthy Place Shaping	Healthy Place Shaping are currently projecting to be on target.
Variation £0.000m	
Variance to last month's forecast £0.000m	

Commercial Development, Assets and Investments

The Directorate is forecasting an overspend of £1.354m against a budget of £0.185m (731.9%). This forecast overspend includes £1.302m base budget costs and £0.100m in potential savings non-delivery

Property	Broadly in line with expectations, Castle Quay is anticipating a net reduction in income of £1.700m. This is a deterioration of £0.302m compared to August's forecast.
Variation £1.350m overspend	
Variance to last month's forecast £0.322m	Of the net reduction in income £2.165m is due to reduction in commercial income alongside additional void costs for empty units associated with the impact of Covid-19. Partially mitigating this are potential savings of (£0.465m) on other costs. Income levels for the current year are 64% of pre pandemic levels and are anticipated to rise to 91% of pre-pandemic levels in 2022/23.
	The Council has set aside a contingency of up to £1.603m for these costs, which will be brought into the accounts once the final outturn is known. Taking into account Policy Contingency there is a net overspend of £0.097m forecast for Castle Quay.
	The rest of the Property service area is forecasting an underspend of (£0.350m). This is as a result of improved commercial income of (£0.170m), staff savings of (£0.130m) and (£0.050m) various underspends across the department.
Procurement	Procurement is forecasting on track with budget.
Variation (£0.000m) underspend	
Variance to last month's forecast £0.00m	
Law and Governance	There is a pressure within legal of £0.100m due to an under recovery of income - steps are being taken to put into place income generation milestones.
Variation £0.102m overspend	
Variance to last month's forecast £0.050m	

Growth and Commercial	The underspend forecast is due to savings on a vacant post.
Variation (£0.048m) underspend	
Variance to last month's forecast £0.000m	
Regulatory Services	The Regulatory Services forecast underspend is due to (£0.115m) underspend on staff costs and vacant posts offset by £0.065m forecast loss of licensing income plus other minor savings across the service.
Variation (£0.050m) underspend	
Variance to last month's forecast (£0.005m)	

Executive Matters

Executive Matters forecast is an underspend of (£0.459m) against the budget of (£3.613m) (12.7%).

Interest	There is an underspend forecast against the budget of (£0.434m) for 2021/22 mostly as a result of lower interest rate on borrowings.
Variation (£0.434m) underspend	
Variance to last month's forecast (£0.002m)	
Corporate	The council is forecasting receipt of £0.095m Covid-19 funding as 75% compensation for lost Sales Fees and Charges Income from the Government for the period to 30 June 2021
Variation (£0.095m) underspend	
Variance to last month's forecast £0.000m	
External Audit Fees	External Audit fees are anticipated to be £0.070m more than budgeted due to higher-than-expected final 2019/20 audit fees and an increase in forecast for this year's audit.
Variation £0.070m overspend	

Variance to last month's forecast
£0.000m

Policy Contingency

Policy contingency is planned to meet the reduction in commercial income in Commercial Development, Assets and Investments and is forecasting an underspend of (£1.603m), in addition (£0.199m) is forecast for the Leisure Contract benchmarking payments. There remains £0.974m unallocated after these assumptions are taken into account.

3.25 Forecast Earmarked Reserves and General Balances at September 2021

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 September 2021	Forecast Balance 31 March 2022
	£m	£m	£m	£m	£m
General Balance	(£5.087)	£0.000	£0.000	£0.000	(£5.087)
Earmarked	(£21.328)	(£0.577)	£0.984	£0.065	(£20.856)
Ringfenced Grant	(£31.556)	£22.073	£4.934	£0.000	(£4.549)
Subtotal Revenue	(£57.971)	£21.496	£5.918	£0.065	(£30.492)
Capital	(£0.676)	£0.000	£0.020	£0.000	(£0.656)
Total	(£58.647)	£21.496	£5.938	£0.065	(£31.148)

3.26 Government Grants

Grant funding received by the Council this month of £0.025m in relation to Covid Test and Trace.

3.27 Aged Debt

As at 30 September the Council had outstanding debt of £4.167m, of which £0.960m is current and £3.208 is in recovery. Of the £3.208m in recovery, £2.811 is over 120 days old. A review of debt will be carried out within the next quarter

3.28 Capital

There is a forecast in-year underspend of £4.062m, of which £3.678m is anticipated to be reprofiled in future years. There is an overall forecast decrease in the total cost of schemes of £0.384m.

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	1.244	0.806	0.063	(0.375)	(0.375)
Comm Dev Assets total	28.577	26.417	2.059	(0.101)	(0.054)
Customers, Org Dev & Resources Total	1.269	1.044	0.225	(0.000)	(0.045)
Environment and Place Total	9.308	8.119	1.331	0.142	0.142
Public Health Wellbeing Total	0.561	0.557	0.000	(0.004)	(0.004)
Total	40.959	36.943	3.678	(0.339)	(0.337)

3.29 Forecast Variances

Housing:

Housing is forecasting an underspend of (£0.375m) due to reduced activity in delivering Disabled Facilities Grant works during the pandemic. It is expected that the capital programme will increase by £1.240m due to the 2021/22 Better Care Allocation once approval has been given by Full Council until this has happened, we are only forecasting spend against existing budget.

Commercial Development, Assets & Investments:

Property is forecasting to spend £26.417m across various capital schemes. It is anticipated that there will be a saving of (£0.101m) across a few capital projects but with most schemes still anticipating full utilisation of budget by the end of the year. Although there is the possibility that some projects may need to be reprofiled to 2022/23 depending on progress made. This is to be reviewed as part of Q3 forecasting.

Regulatory Services are forecasting to spend £0.015m this year to enable agile working.

Customers Organisational Development & Resources:

ICT are currently forecasting a £0.033m 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. If this is agreed the net effect will be zero. Finance is forecasting as on target. The remaining £0.045k budget has been vired under delegated approvals.

Environment and Place:

Forecasting to spend £5.320m by year end. This is an overspend of £0.142m of which £0.078m relates to retention payments due next year.

Environmental Services are forecasting no variances for 2021/22.

Public Health & Wellbeing:

Wellbeing are forecasting spend of £0.559m which is £0.010m over budget in relation to Community grants. The scheme reported a (£0.025m) underspend in 20-21 as the commitment due to a project being cancelled in error. The works are however going ahead in this financial year, resulting in the reported overspend.

3.30 Re-profile beyond 2021/22

Housing

£0.063m 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.

Commercial Development, Assets & Investments:

£1.859m Castle Quay Waterside - reprofiling of the budget beyond 21/22 is necessary because retention payments will be due following the 12 month defect period from September 2021. Also delays to the project have been incurred due to reduced productivity to maintain social distancing.
£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.
£0.100m Feasibility of utilisation of proper space.

Environment and Place:

Growth and Economy

£0.160m 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.

£0.525m 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 70% of the budget has been reprofiled beyond 2021/22. This will be continually reviewed in line with the project programme.

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 2022/23 Financial Year. The supplier payment will be aligned with timeline.

4.0 Conclusion and Reasons for Recommendations

4.1 It is recommended that the contents of this report are noted.

5.0 Consultation

5.1 This report sets out performance, risk and budgetary information for the sixth 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. As this is a monitoring report, no further options have been considered. However, members may wish to request that officers provide additional information.

7.0 Implications

Financial and Resource Implications

7.1 Financial implications are detailed within sections 3.19 to 3.30 of this report.

Comments checked by:

Lorna Baxter, Executive Director Finance, 07393 001218, Lorna.Baxter@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

September 2021. A revised and refreshed risk management strategy is in place and the Leadership risk register has been fully reviewed.

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: No

Community Impact Threshold Met: No

Wards Affected

All

Links to Corporate Plan and Policy Framework

All

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

Background papers

None

Report Author and contact details

Louise Tustian – Head of Insight and Corporate Programmes

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Appendix 1 – Leadership Risk Register as at 20/10/2021

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 - L15	L03 - L04 - L05 - L10	L01 - L16	
	3 - Moderate		L09 -	L02 - L11 - L13 - L17- L18	L14	L12
	2 - Minor					
	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																	
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.	Fully effective Partially effective Not effective	Councillor Tony Illot	Lorna Baxter	Michael Furness	4	4	16	↔	Review of workload and capacity across the team. Interim Capital Accountant post recruited to. New Corporate Accountant starting in October. Permanent appointment made to support VAT and S106. Job advert placed for permanent support to the corporate accountant. 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.	Risk reviewed - 04/10/21 - 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 2021/22 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. Updated budget monitoring for 2021/22 with a greater focus on savings delivery.	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				Regular utilisation of advisors as appropriate.	Review of borrowing approach being considered alongside our financial advisors.										
	Independent third party advisers in place	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.										
	Regular bulletins and advice received from advisers	Fully				Assessment of national picture via external advisor has identified that the funding available in later years is likely to be significantly reduced, adding longer term resilience challenges.	Medium/long term position assessed as significantly worse, increasing risk alongside the capacity needed to work on activity to reduce spending levels. The ongoing impact of Covid on business rates and council tax income will be carefully monitored. When the Spending Review is announced this will be analysed to assess what implications this may have for the Council.										
	Property portfolio income monitored through financial management arrangements on a regular basis	Partially				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.	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 Government has announced that a 3 year Spending Review for 2022/23 - 2024/25 will be announced on 27 October 2021. This will provide the resource envelope for Government Departments to operate in, but is not expected to provide any specific funding allocations for individual local authorities.										
	Asset Management Strategy in place and embedded. Transformation Programme in place to deliver efficiencies and increased income in the future	Partially Fully	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 will begin shortly to identify further savings necessary to operate within this 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.														

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											
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. Partially Clear accountability for responding to consultations with defined process to ensure Member engagement Fully National guidance interpreting legislation available and used regularly Fully Risks and issues associated with Statutory functions incorporated into Directorate Risk Registers and regularly reviewed. Fully Clear accountability for horizon scanning, risk identification / categorisation / escalation and policy interpretation in place Partially Robust Committee forward plans to allow member oversight of policy issues and risk management, including Scrutiny and Audit Fully Internal Audit Plan risk based to provide necessary assurances Fully Strong networks established locally, regionally and nationally to ensure influence on policy issues. In addition two Directors hold leading national roles. Fully Senior Members aware and briefed regularly in 1:1s by Directors Fully Arrangements in place to source appropriate interim resource if needed Fully Ongoing programme of internal communication Fully Programme Boards in place to oversee key corporate projects and ensure resources are allocated as required. Fully CDC Extended Leadership Team (ELT) Meetings established to oversee and provide assurance on key organisational matters including resourcing. Fully Partnership Working Group established with OCC to oversee joint working opportunities. 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 CDC/OCC joint working, Growth Deal and IT Transformation Programme.	Following Brexit and the end of the EU transition period legal advice is provided upon emerging issues. 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 . This risk is undergoing a review with steps being undertaken to update processes and procedures for internal oversight and control. Steps are being undertaken to track income, recorded hours and expenditure. This is an ongoing process to allow greater oversight and accountability and to ensure that the correct resources are in place.	Risk reviewed - 13/10/2021 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																	
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. An issues consultation for the Cherwell Local Plan Review was undertaken completed on 14 Sept 2020. An Options consultation commenced on 29 Septemeber 2021. The programmes for work on the Canalside SPD and CIL have been re-aligned to the Local Plan review timetable in the new LDS.	Risk reviewed 14/10/2021 - 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 reviewed annually 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 continue to be collated and reviewed bi-weekly as 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.	Risk Reviewed 11/10/2021 - Comments and mitigating actions updated

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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 Co-ordinators 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	The Emergency Plans which were enacted and command structures established with partner organisations to support the response to the Covid-19 pandemic are now being relaxed as the situation improves. Recovery work continues. 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 is being developed following changes in personnel.	Risk Reviewed 11/10/2021 - Mitigating actions updated

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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 Jorden	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.	Risk score remains amber to reflect increasing COVID cases nationally and in Cherwell. H&S Risk Assessments and Procedures remain effective in controlling workplace exposure and reducing transmission alongside vaccination programme. To achieve 'Green' RAG rating a downward trend and low case numbers needed to reduce likelihood of exposure. Currently at Stage 4 of Roadmap. Important to note legal duties under H&S legislation still apply including req to assess risks to our staff and customers and take appropriate mitigations in line with the current gov working safely guidance. H&S/FM developing proposals for return to offices with focus on improving ventilation, regular cleaning and encouraging hand hygiene and wearing of face coverings.	Risk reviewed 01/10/2021 - No changes
Criminal prosecution for failings Breach of legislation and potential for enforcement action.	Fully	Clearly identified accountability and responsibilities for Health and Safety established at all levels throughout the organisation Risk Assessments completed including COVID-19.				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)	Fully	Provision of PPE is priority area of focus for both standard work issue and additional infection control requirements for COVID-19.				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	Fully	Information and training programmes in place for staff and volunteers. Communications channels in place including COVID-19 focussed H&S information.				New project initiated for replacement H&S reporting system (Joint-OCC/CDC)											
	Fully	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.															

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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.	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 table top 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 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.	Risk Reviewed 11/10/2021 - No changes

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L08-	Safeguarding the vulnerable (adults and children) - Failure to follow our policies and procedures in relation to safeguarding vulnerable 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 established 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	New information sharing events have been scheduled to encourage staff to broad their understanding. Member training is under consideration.	Risk reviewed 04/10/2021 Mitigations updated
L09-	Sustainability of Council owned companies and delivery of planned financial and other objectives - failure of council owned companies to achieve their intended outcomes or fail to meet financial objectives	Unclear governance leading to lack of clarity and oversight in terms of financial 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 and 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 Jorden	Robert Fusezi	2	3	6	↔	Changes in the shareholder support side line management been put in place. Additional oversight and capacity from senior managers including performance 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 longer exist after Nov 2021. Services being brought back in house. Graven Hill – company continues to respond to market changes as a result of Covid and supply chain restrictions, no areas of concern at this stage. Crown House continues to enjoy high occupancy rates but there is some concern over cash flow, which is being looked in to. Management of Crown House now 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. Governance review completed and accepted by Shareholder committee. Action plan developed to ensure all identified improvements are implemented appropriately.	Risk reviewed 13/10/2021 - No changes

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L10-	Financial sustainability of third-party suppliers and contractors	<p>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.</p> <p>Reduced resilience and business continuity</p> <p>Increased complaints and/or customer dissatisfaction</p> <p>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</p>	3	4	12	<p>Ensure contract management in place review and anticipate problems within key service suppliers and partners</p> <p>Business continuity planning arrangements in place in regards to key suppliers</p> <p>Ensuring that proactive review and monitoring is in place for key suppliers to ensure we are able to anticipate any potential service failures</p> <p>Intelligence unit set up procurement Hub to monitor supplier and contractor market</p> <p>Analysis of third party spend undertaken to identify and risk assess key suppliers/contractors</p>	<p>Partially</p> <p>Partially</p> <p>Partially</p> <p>Fully</p> <p>Fully</p>	Councillor Tony Illot	Steve Jorden	Melissa Sage	3	4	12	↔	<p>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.</p> <p>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 Business continuity plans in place</p>	Risk reviewed 04/10/2021 - No changes	

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L11-	Corporate Governance - Failure of corporate governance leads to negative impact on service delivery or the implementation of major projects providing value to customers.	<p>Threat to service delivery and performance if good management practices and controls are not adhered to.</p> <p>Risk of ultra vires activity or lack of legal compliance</p> <p>Risk of fraud or corruption</p> <p>Risk to financial sustainability if lack of governance results in poor investment decisions or budgetary control.</p> <p>Failure of corporate governance in terms of major projects, budgets or council owned companies impacts upon financial sustainability of the council.</p> <p>Inability to support Council's democratic functions / obligations (e.g. return to physical public meetings and public access to meetings).</p> <p>Elements of the COVID-19 response and recovery work may be compromised, delayed or not taken forwards.</p>	4	4	16	<p>Clear and robust control framework including: constitution, scheme of delegation, ethical walls policy etc.</p> <p>Clear accountability and resource for corporate governance (including the shareholder role).</p> <p>Integrated budget, performance and risk reporting framework.</p> <p>Corporate programme office and project management framework. Includes project and programme governance.</p> <p>Internal audit programme aligned to leadership risk register.</p> <p>Training and development resource targeted to address priority issues; examples include GDPR, safeguarding etc.</p> <p>HR policy framework.</p> <p>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.</p> <p>CGAG also mapping respective (CDC/Oxon CC) 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</p>	<p>Fully effective</p> <p>Partially effective</p> <p>Not effective</p> <p>Fully</p> <p>Fully</p> <p>Fully</p> <p>Partially</p> <p>Fully</p> <p>Partially</p> <p>Partially</p> <p>Partially</p>	Councillor Barry Wood	Yvonne Rees	Anita Bradley	3	3	9	↔	<p>Standing item at senior officer meetings – regular review of risk and control measures.</p> <p>Post election member induction programme has been delivered, including governance sessions to councillors on the Constitution, data protection and FOI, finance, equalities and code of conduct.</p> <p>Monitoring Officer to attend management team meetings.</p> <p>Annual Governance Statement process was reviewed and strengthened and completed. Corporate Lead Statements which identify potential actions for 2021/22 have been produced and reviewed by the Corporate Governance Assurance Group. Signed off by Audit Accounts and Risk Committee. The Corporate Governance Assurance Group continues to map governance processes to ensure visibility and to refresh them.</p>	<p>In January 2019, Council agreed to enter into a Compromise Agreement with South Northants DC to ensure the continuation of key aspects of service delivery that required ongoing joint working (following the ending of the partnership S113 Agreement). The Council continues to exit in an orderly manner from its joint working arrangements in respect of the delivery of a Revenues and Benefits Service to the Council.</p> <p>Model Code of Conduct has been published by LGA and all Oxon Council Monitoring Officers have met to give initial consideration. 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.</p> <p>Meetings in physical form have been successfully and safely held since May 2021 and continue to do so, keeping track of public health advice and developments in guidance.</p> <p>Recruitment process has commenced for the appointment of Independent Persons to assist the Monitoring Officer on member code of conduct complaints. The Standards Committee considered the job profile on 11 October 2021. This will now proceed to advert.</p>	Risk reviewed 13/10/2021 - Comments updated

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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 effective</p> <p>Partially effective</p> <p>Not effective</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	TBA	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. Year Four Plans of Work continue to be delivered and the Cherwell Programme currently remains broadly speaking on track.	Risk reviewed 08/10/21 - 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.</p> <p>HR policies in place to enable joint working proposals to be delivered</p>	The Audit plan for 2021/22 will ensure joint working arrangements are included. Plans are in place to consider further opportunities for joint working and these are reported to the Partnership Working Group. Additional briefings have taken place with new Members at OCC to ensure the scope and scale of the partnership is understood and embedded.	Risk reviewed 14/10/2021 - Comments updated
L14	Legacy Shared Services Partnership – West Northamptonshire Council: Failure to effectively manage legacy partnership arrangements with WNC results in increased costs 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, recruitment 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) 	<p>Partially effective.</p> <p>Full effectiveness requires ongoing engagement from WNC. It is anticipated that this risk will reduce during 2021/22</p>	Councillor Barry Wood	Yvonne Rees	Claire Taylor	4	3	12	↔	<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 the affected services. These are monitored through project governance and bi-lateral discussions between the s151 officers of the two councils.</p>	<p>On-going service delivery arrangements to SNC (now WNC) set out clearly and underpinned by the Collaboration Agreement with protocols in place for dealing with any emerging issues.</p> <p>WNC have now set out a timeframe for or transitional arrangements for revenues and benefits services going into West Northamptonshire Unitary. Legal advice has been sought with regards to governance and technical advice has been sought regarding technology. CEDR level shareholder and governance roles clarified with regards to shared services delivery company CSN.</p> <p>It is expected that this risk will reduce further in the coming months, the insourcing of revenues and benefits is on track and will be completed by 5 November 2021.</p>	Risk reviewed 14/10/2021 - Comments updated

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			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	2	4	8	↔	Development of relevant workforce plans. IT has built a new reporting system with a RAG rating to update each area indicating and/or forecasting significant staff pressures when they happen due to COVID-19. This data is collected and monitored fortnightly. HR monitors and report sickness absence data on a weekly basis. Development of new L&D strategy, including apprenticeships. Development of specific recruitment and retention strategies. It is planned for CDC to join the Commensura 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.	Sickness absence continues to be monitored along with the impact on services across the council. HR is working with areas experiencing recruitment difficulties.	Risk reviewed 20/10/21 - Mitigating actions 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. Tactical response to community resilience. Creation of a dedicated telephony helpline to support the most clinically extremely vulnerable (shielded) residents in the county and operating extended hours each day. Provision of additional body storage as temporary place of rest to support the current mortuary provision. 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 Fully Fully Partially	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.	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 01/10/2021 -No changes

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																	
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.	5	4	20	Business Continuity Plans have been reviewed and tested. Guidance has been prepared for managers to support agile working. A survey is taking place to ensure we are meeting remote working needs, facilities management are working to create covid compliant work spaces. Remote working in place. Staff 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. Regular teleconference with local councils and emergency services discussing updates, concerns and best practice. (in-line with usual business continuity and emergency planning protocols). Regular communication messages following Public Health advice. Sanitisers in washrooms. Agile working being tested further across services, ensuring equipment and access is in place. Posters around the offices encouraging regular hand washing. Hand sanitisers available in washrooms and shared spaces.	Fully Partially Fully Fully Fully Fully Fully Fully	Councillor Barry Wood	Yvonne Rees	Claire Taylor	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. Review and updating of service level business continuity plans to commence during Quarter 3	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 as the final stages of the covid roadmap are implemented. Hybrid meetings are tested and operational. Staffing absence remains low. 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 13/10/2021 - Mitigating actions 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																			
L18-	Post Covid-19 Recovery challenges associated with adverse impact on customers, our workforce and the budget.	Long term response to the current covid-19 pandemic	4	4	16	Local plans have been revised in line with the national winter plan and revised contain strategy. Most legal restrictions now removed.	Partially	Councillor Barry Wood	Yvonne Rees	Claire Taylor	3	3	9	↔	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 13/10/2021 - Controls, mitigating actions and comments updated		
Requirement to review service delivery	CDC fully participates in cross county partnerships to plan for the post-pandemic period.	Lessons learnt review underway and actions will inform future plans				Working through a new corporate programme underpinned by policy research and budget planning.									Partially			Programme support arrangements in place and work underway to formally review lessons learnt and next steps. Executive received full update to offer assurance and begin lessons learnt review at committee 5 July 2021	Longer term recovery and renewal strategy is under development for Executive in Jan.
Budget implications						Partially									In year budget on track.			The COMF (contain outbreak management fund) allocation to Cherwell has been confirmed and plans are under development to ensure effective allocation of this grant to reduce the incidence of COVID in Cherwell and support the community.	

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 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.
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. There has been some delay to the original programme. Consultation on an Options Paper commenced on 29 September 2021.
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
Staff resources are presently focused on the Oxfordshire Plan and Local Plan Review. In that context, an SPD is not being prioritised at present.
Community Infrastructure Levy (CIL)
The timetable for CIL as set out in the new Local Development Scheme is aligned to Local Plan preparation. It requires: - re-commencement: March 2021 - focused consultation on a draft charging schedule: October-November 2021 - formal consultation on a draft charging schedule: July-August 2022 - potential (if approved) submission of charging schedule: November 2022
Work on CIL has not yet recommenced due to other priorities. Expected changes to the planning system may affect the decision whether or not to proceed.

Cherwell District Council

Accounts Audit and Risk Committee

17 November 2021

Update on Counter Fraud Annual Plan 2021/22

Report of 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 latest Local Government Counter Fraud and Corruption Strategy – Fighting Fraud and Corruption Locally was launched in 2020. The Council's Counter-Fraud arrangements are designed to adhere to the "6 C's" Themes contained within this national Strategy, which are:

- **Culture** – creating a culture where fraud and corruption are unacceptable
- **Capability** - assessing the full range of fraud risks and ensuring that the range of counter fraud measures deployed is appropriate
- **Capacity** - deploying the right level of resources to deal with the level of fraud risk that is monitored by those charged with governance
- **Competence** - having the right skills and standards commensurate with the full range of counter fraud and corruption activity
- **Communication** - raising awareness internally and externally, deterring fraudsters, sharing information, celebrating successes
- **Collaboration** - working together across internal and external boundaries: with colleagues, with other local authorities, and with other agencies; sharing resources, skills and learning, good practice and innovation, and information

- 2.2 The Council has a Counter-Fraud Strategy (previously presented to the July 2021 committee) which guides the Council's approach to its fraud response. The Strategy states that "the Council has a duty to prevent fraud and corruption, whether it is attempted by someone outside or within the Council such as another organisation, a resident, an employee or Councillor. The Council is committed to a **zero-tolerance** approach to fraud, corruption and theft."

The Counter-Fraud team's purpose is therefore to adhere and to promote the zero-tolerance approach to fraud 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 newly formed Counter-Fraud Team continues to develop within the organisation, making links into the relevant teams and responding promptly and professionally to new referrals and queries. The team is fully staffed with a Counter Fraud Officer / Financial Investigator; a Counter Fraud Officer; and an Intelligence & Data Analysis Officer (who has just commenced their Intelligence Analysis apprenticeship).
- 3.2 The new Counter-Fraud Team have held meetings with various teams within CDC as follows to establish key contacts and agree processes:
- Revenues & Benefits Team: A process has been agreed with the Revenues & Benefits team for Single Person Discount (SPD) referrals. A flowchart documenting this process has been developed.
 - Housing: Fraud risks were discussed and agreed with the Housing team and since then several referrals to the Counter-Fraud Team have been submitted for potential housing application fraud.
 - Sanctuary Housing: Roles and responsibilities for investigating housing-related fraud (e.g. subletting and abandonment) has been agreed with CDC's largest housing association. This will be kept under review going forwards.
 - The team's knowledge of CDC as an organisation and the various systems, processes and procedures in place is expanding and further meetings have been scheduled to continue to grow this awareness.
- 3.3 The Counter-Fraud Team have been members of the Midlands Fraud group for some time (attending bi-annual meetings to discuss fraud developments and cases). The Team are now also members of the South East Fraud group, in order to extend contacts and share knowledge across a wider geographical area. As part of the latter group, a meeting was arranged between the Officers (not managers) of our counterparts in Herts, Bucks and Essex to discuss fraud risk areas, share knowledge & best practice and discuss cases in common. These networks are

proving extremely beneficial in building anti-fraud partnerships and fostering joint working between Local Authorities.

Key Performance Indicators & Trends:

Indicator	Value
New Cases YTD 2021/22	61 new cases April – Oct 2021
Current open cases	34 cases currently open
With the Police	There are currently no cases with the Police
YTD New Cases by type	SPD: 31 Housing – Subletting: 7 Housing Application: 4 Council Tax Support (CTS): 3 Housing – Tenancy: 3 Council Tax: 2 Covid Business Grants: 2 Employee: 2 Housing – Abandonment: 2 Business Rates: 1 Council Tax/Planning: 1 Electoral: 1 Housing Benefit: 1 Test & Trace Grant: 1
YTD New Cases by referral source	Employee/internal control: 26 Member of public Anon (webform): 13 DWP: 8 Member of public Anon (phone): 4 Housing Association: 2 Member of public Anon (letter): 3 Member of public (webform): 2 Member of public (phone): 1 Member of public Anon (email): 1 NATIS: 1
Outcomes YTD (dismissals, prosecutions, repayments, Investigation Reports etc)	Out of the 27 cases closed so far this year, 24 were closed not proven NFA. Of the other 3 the outcomes were: CTS Re-calculated: 1 Not added to electoral roll: 1 SPD removed: 1
Loss, recovery and prevented future loss YTD	CTS (1 case): Loss = £480.22; Recovered = £480.22; Future loss prevented = £743.60 SPD (1 case): No loss or recovery. Future loss prevented = £401.53
Fraud Awareness, Comms and Training sessions delivered YTD	1 Fraud Team Awareness in CDC News Headline April 2021

Update against the Counter-Fraud Plan 2021/22

Objective	Actions	
<p>Strategic: Establish BAU referral and investigation processes; agree and start using the Performance framework; move into building proactive anti-fraud work</p> <p>Culture Capacity Competence</p>	<ol style="list-style-type: none"> 1. Document key processes and flow charts for the Counter-Fraud Team (Q2) 2. Sign-off the proposed Performance Framework to monitor the team's performance, case levels and outcomes. (Q2) 3. Monitor team performance and outcomes (Ongoing) 	<ol style="list-style-type: none"> 1. Counter-Fraud Strategy agreed 2. Performance Methodology with PI's agreed 3. Costs Methodology developed and in use 4. PI s/s developed to monitor cases & progress & outcomes 5. Regular Performance Meetings scheduled and taking place (with S151) 6. Process flowchart for SPD documented 7. Housing investigation roles clarified
<p>Proactive: Undertake proactive counter-fraud activities to reduce the risk of fraud in the Council.</p> <p>Culture Capability Capacity Communication Collaboration</p>	<ol style="list-style-type: none"> 1. Complete and routinely update the Fraud Risk Register (Q2) 2. Deliver fraud awareness training (as identified from fraud risk assessment) (ongoing and by Q4) 3. Undertake joint fraud/audit exercises (ongoing and by Q4) 4. Deliver fraud communications in line with a comms strategy under development (internal and external) 5. Maintain fraud procedures, webpages and referral routes up to date (ongoing and by Q4) 	<ol style="list-style-type: none"> 1. Fraud RR developed and populated. Meeting scheduled Nov to agree methodology for use. 2. Fraud awareness training not yet delivered but starting to scope areas that would benefit. 3. Comms Fraud Awareness Strategy under development. Comms awareness due for International Fraud Awareness Week w/c 16th November. 4. Fraud pages updated with new contact details.
<p>Reactive: Manage fraud referrals and investigations</p>	<ol style="list-style-type: none"> 1. Manage fraud referrals 2. Investigate 	<ol style="list-style-type: none"> 1. Fraud referrals received and investigated ongoing as appropriate. Currently

Capacity Competence Collaboration	3. Implement appropriate sanctions 4. Make recommendations to improve the control environment 5. Work with partner agencies and teams.	34 open cases. 2. Sanctions applied as appropriate (see KPI's 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).

Cases to Note (open/closed)

3.4 There are currently no cases to note that are under joint investigation with the Police.

3.5 As noted in the KPI's, by far the largest number of referrals received are for SPD. The vast majority of these turn out to be un-proven. The Counter-Fraud Team will work with the Revenues & Benefits team to explore efficiencies in how these are managed. The second highest number of cases by type are related to Housing (subletting, abandonment and tenancy). It has been agreed that the responsibility for investigating these primarily lies with the Housing Associations (unless there is an SPD/CTS or Housing Application element). We therefore expect to see these numbers reduce.

3.6 There are a number of cases that require joint investigation with DWP. However, as DWP have not yet fully resumed their fraud investigation services following the pandemic, the Counter-Fraud Team have decided to investigate these for the elements that affect CDC (e.g. SPD/CTS) rather than delay the investigations further. The results will then be shared with the DWP.

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

3.7 The NFI reports have been reviewed, but this exercise is not yet complete. A full update on the NFI checks and outcomes will be provided to the March 2022 Committee meeting, when the NFI matching exercise should be complete.

3.8 The Fraud Risk Register for CDC has been compiled. A meeting with the Assistant Director of Finance for both CDC and OCC will take place in November to agree the methodology to be used for using the risk register, identifying areas for further review, etc. Initial analysis identifies a potential need for Fraud Awareness training in the Revenues & Benefits team due to their move back into CDC and recruiting new staff.

- 3.9 Initial discussions between the Counter-Fraud Team and the Revenues & Benefits team regarding a proactive SPD review exercise have taken place and these will resume in the new year, once the NFI data matching has been completed.
- 3.10 A Fraud Communications Strategy is under development, with a calendar and programme of awareness – raising communications being compiled. The first will be some communications activity during International Fraud Awareness week w/c 16th November 2021.

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 – Mandatory paragraph

- 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:

Richard Hawtin, Team Leader – Non-contentious, 01295 221695
richard.hawtin@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

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 Financial Management.

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

17 November 2021

Treasury Management Report – Q2 (September 2021)

Report of the Director of Finance

This report is public

Purpose of report

To receive information on treasury management performance and compliance with treasury management policy and Prudential Indicators 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 Q2 (September 2021) 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

- 3.1 At the end of September 2021 the Council had borrowing of £167m and investments of £44.1m - a net borrowing position of £122.9m (30/6/21 - £135.7m).
- 3.2 Lower interest rates have lowered the cost of short-term, temporary loans and investment returns from cash assets that can be used in lieu of borrowing. The Council pursued its strategy of keeping borrowing and investments below their underlying levels, sometimes known as internal borrowing, in order to reduce risk. However, in order to mitigate the cost of future interest rate rises and provide certainty of cost, consideration is given to securing long term borrowing at current low rates.
- 3.3 All treasury management activities undertaken during the first 6 months of 2021-22 complied with the CIPFA Code of Practice and the Council's approved Treasury Management Strategy, and all Prudential Indicators were met during, and at the end of, the reporting period (see 3.10 and 3.18 below).

Borrowing performance for 6 months ended 30 September 2021

- 3.4 The Council requires external borrowing to fund its capital programme and had total debt of £167m at the report date. £75m (45%) 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).
- 3.5 The Council's chief objective when borrowing has been to strike an appropriately low risk balance between securing low interest costs and achieving cost certainty over the period for which funds are required.
- 3.6 The table below shows the borrowing position during and at the end of the reporting period:

	Borrowing Amount £	Interest Rate	Interest Budget* £	Interest Actual* £	Variance £
Apr-Sep 2021	£176.2m (average)	1.11% (annualised)	£1.096m	£0.977m	£119k
As at 30/9/21	£167m	1.09%	-	-	-

* Interest payable relates to external loans only, excluding finance lease and other interest of £126k

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

Borrowing Benchmarking	3-year	5-year	10-year	20-year
PWLB Maturity rate	1.24%	1.43%	1.86%	2.26%

- 3.8 Interest payable for the full year is forecast to be £398k below budget (positive variance).
- 3.9 A full list of current borrowing is shown below:

Lender	Principal Borrowed £	Maturity Date
West Yorkshire Fire & Rescue	5,000,000	12/10/2021

Lincolnshire County Council	5,000,000	15/10/2021
Derbyshire Pension Fund	10,000,000	29/10/2021
West Yorkshire Fire & Rescue	5,000,000	29/10/2021
Wandsworth BC	5,000,000	15/11/2021
Wandsworth BC	5,000,000	10/12/2021
South Derbyshire DC	5,000,000	20/01/2022
West Midlands Combined Auth	10,000,000	14/02/2022
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
South Northamptonshire / West Northamptonshire	2,000,000	15/12/2022
East Sussex County Council	5,000,000	13/01/2023
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
TOTAL	167,000,000	

3.10 Compliance with the authorised limit and operational boundary for external debt is demonstrated in the table below:

	2021/22 Maximum	30/9/21 Actual	2021/22 Operational Boundary	2021/22 Authorised Limit	Complied?
Borrowing / Total debt	£184m	£167m	£270	£300m	Yes

Treasury Investment performance for 6 months ended 30 September 2021:

3.11 Funds available for investment are on a temporary basis, and the level of funds available was mainly dependent on the timing of precept payments, receipt of grants and funding of the Capital Programme.

3.12 In 2021-22 the Council expects to continue to receive lower income from its cash and short-dated money market investments than it did in previous years due to the ongoing low interest rate environment.

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

	Investment Amount £	Interest Rate	Interest Budget £	Interest Actual £	Variance £
Apr-Sept 2021	£46.9m (average)	0.09% (annualised)	£51k	£22k	£29k
As at 30/9/21	£44.1m	0.08%	-	-	-

3.14 The average money-market rates for the reporting period:

Investment Benchmarking	Overnight	7-day	1-month	3-month
LIBOR	0.04%	0.04%	0.05%	0.08%
SONIA	0.05%	-	-	-

3.15 Interest receivable for the full year is forecast to be £70k below budget (adverse variance).

3.16 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.

3.17 A full list of current investments at is shown below:

Counterparty	Principal Deposited £	Maturity Date/ Notice period
<u>Fixed Term Deposits</u>		
Aberdeen City Council	3,000,000	14/10/2021
Epping Forest DC	5,000,000	14/10/2021
Thurrock BC	2,000,000	14/10/2021
DMADF	4,090,000	15/10/2021
Merthyr Tydfil CBC	2,000,000	29/10/2021
Telford & Wrekin Council	5,000,000	29/10/2021
Lancashire County Council	2,000,000	01/11/2021
Slough BC	5,000,000	16/11/2021
Eastleigh BC	5,000,000	22/11/2021
Redcar & Cleveland BC	2,000,000	02/12/2021
South Cambridgeshire DC	2,000,000	16/12/2021
Thurrock BC	2,000,000	13/01/2022

Surrey Heath BC	1,000,000	23/02/2022
<u>Money Market Funds</u>		
Goldman Sachs Asset Management	1,775,000	Same day
Federated Investors UK	2,280,000	Same day
TOTAL	44,145,000	

3.18 Compliance with investment limits is shown in the table below:

	2021/22 Maximum	30/9/21 Actual	2021/22 Limit	Complied?
Any single organisation, except the UK Government	£5.0m	£5.0m	£5m	Yes
UK Central Government	£19.3m	£4.1m	Unlimited	Yes
Any group of organisations under the same ownership	£5.0m	£5.0m	£5m per group	Yes
Any group of pooled funds under the same management	£5.0m	£2.28m	£5m per manager	Yes
Money Market Funds total	£10.0m	£4.1m	£15m in total	Yes

Non-treasury investment activity

- 3.19 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.
- 3.20 As at 30 September 2021, the Council holds £94.3m of investments in the form of shares (£33.1m) and loans (£61.2m) to subsidiary companies and other organisations, primarily Graven Hill and Crown House.
- 3.21 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.
- 3.22 For the 6 months to 30 September 2021 these loans have earned interest of £2.196m, a positive variance of £48k against budget income of £2.148m. The full year forecast is expected to show a positive variance of £106k.

Overall performance

- 3.23 The overall performance for the 6 months to 30 September 2021 is as follows:

	Budget £k	Actual £k	Variance £k
Borrowing costs*	1,223	1,104	(119)
Treasury income	(51)	(22)	29
Non-treasury income	(2,148)	(2,196)	(48)
Total cost/(income)	(976)	(1,114)	(138)

*Borrowing costs include finance lease and other interest of £126k

3.24 The full year forecast is expected to show an overall positive variance against budget of £434k:

	Budget £k	Actual £k	Variance £k
Borrowing costs	2,445	2,047	(398)
Treasury income	(101)	(31)	70
Non-treasury income	(4,296)	(4,402)	(106)
Total cost/(income)	(1,952)	(2,386)	(434)

4.0 Conclusion and Reasons for Recommendations

4.1 This report details the Treasury Performance and compliance with the Prudential Indicators for the Council for the period ending 30 September 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 The following alternative options have been identified and rejected for the reasons as set out below.

Option 1: To request further information on the performance reported.

7.0 Implications

Financial and Resource Implications

7.1 There are no financial implications arising directly from any outcome of 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 any outcome of this report.

Comments checked by:

Richard Hawtin, Team Leader – Non-contentious Business
01295 221695, richard.hawtin@cherwell-dc.gov.uk

Risk Management 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

17 November 2021

Appointment of External Auditors

Report of Director of Finance

This report is public

Purpose of report

This report asks the Accounts Audit and Risk Committee to make a recommendation to Council for how external auditors will be appointed from the financial year 2023/24.

1.0 Recommendations

The meeting is recommended to:

- 1.1 recommend to Council to allow Public Sector Audit Appointments (PSAA) to appoint external auditors on behalf of the Council.

2.0 Introduction

- 2.1 The process for retendering for external audit in local authorities in England, for contracts due to start from 2023/24, is now underway and shortly the council will need to decide whether to procure its own external auditor or opt into the national procurement framework. The Council's current external auditor is Ernst & Young was appointed by Public Sector Audit Appointments Limited (PSAA).
- 2.2 The scope of the audit will still be specified nationally, the National Audit Office (NAO) is responsible for writing the Code of Audit Practice which all firms appointed to carry out the Council's audit must follow. Not all accounting firms will be eligible to compete for the work, they will need to demonstrate that they have the required skills and experience and be registered with a Registered Supervising Body approved by the Financial Reporting Council.

3.0 Report Details

- 3.1 The Council must have its accounts audited annually by external auditors. The nature and scope of the audit is determined by codes of practice and guidance and the regulation of the audit market is undertaken by a third party, currently the Financial Reporting Council. Therefore, despite being the client in the contract, a council has little influence over what it is procuring.

- 3.2 Councils find themselves operating in what amounts to a suppliers' market and there is little ability to influence the market without acting collectively. It is generally acknowledged that the supply side of the market needs to be expanded, which includes encouraging bids from challenger firms. Public Sector Audit Appointments Ltd (PSAA), the body nominated by the Government to run the national arrangements to procure and appoint auditors, has suggested various ways this could be done, but these initiatives are much more likely to be successful if a large number councils sign up to the national scheme.
- 3.3 Appointments of auditors must be made by an independent panel. If the Council were to choose to appoint its auditors separately it would be required to set up an Audit Panel with an independent chair to oversee the procurement and running of the contract. This would require an additional layer of bureaucracy for the Council to manage.

Advantages/benefits of using PSAA to make the appointment

- 3.4 The costs of setting up the appointment arrangements and negotiating fees would be shared across all authorities using PSAA.
- 3.5 By offering large contract values the audit firms will be able to offer better rates and lower fees than are likely to result from local negotiation
- 3.6 The appointment decision would not be made by a locally appointed independent panel. Instead a separate body set up to act in the collective interests of local authorities would decide.

4.0 Conclusion and Reasons for Recommendations

- 4.1 The continued use of PSAA will allow local government to benefit from its ability to represent local government as a sector. This will allow the Council to receive the benefits of economies of scale in negotiating the price of contracts.

5.0 Consultation

None 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: To make a stand-alone appointment

In order to make a stand-alone appointment the Council will need to set up an Audit Panel. The members of the panel must be wholly independent or have a majority of independent members. Independent members for this purpose are independent appointees, this excludes current and former elected members (or officers) and their close families and friends. This means that elected members would not have a majority input to assessing bids and choosing which firm of accountants to award a

contract for the Council's external audit. A new independent Audit Panel established by the Council will be responsible for selecting the auditor.

It is very unlikely that the Council would be able to negotiate as competitive audit rates as the PSAA from running its own procurement. The appointment of an independent Audit Panel would also create additional costs to the Council. Additional staff time would also be necessary to carry out the procurement process appropriately. The scope of the audit is also very tightly defined and as such the Council would not be able to specify any changes to the audit.

Therefore, there is additional work, cost and bureaucracy that would not result in an improved audit package.

Option 2: Set up a Joint Audit Panel and local joint procurement arrangements

This is similar to option 1 but would involve joining up with other Local Authorities, so is likely to be more complex in arranging a Joint Audit Panel with independent members. Further legal advice will be required on the exact constitution of such a panel having regard to the obligations of each Council under the Act and the Council will need to liaise with other local authorities to assess the appetite for such an arrangement.

The Council is not aware of any other local Councils looking to set up a Joint Audit Panel. It is highly unlikely that a joint arrangement would be able to generate the same economies of scale as the national PSAA approach. This approach has all of the disadvantages of making a stand-alone appointment with the added complexities of having to carry out the approach in collaboration with other authorities and as such this option has been discounted.

7.0 Implications

Financial and Resource Implications – Mandatory paragraph

- 7.1 The Council must have its accounts audited annually and budget is available to fund this. Entering into a large scale collective procurement arrangement with PSAA is likely to result in the most cost effective approach for the Council.

Comments checked by:

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

Legal Implications

- 7.2 Section 7 of the Local Audit and Accountability Act 2014 (the Act) requires a relevant authority to appoint a local auditor to audit its accounts for a financial year not later than 31 December in the preceding year. Section 8 governs the procedure for appointment including that the authority must consult and take account of the advice of its auditor panel on the selection and appointment of a local auditor. Section 8 and Schedule 3 provide that where a relevant authority is a local authority operating executive arrangements, the function of appointing a local auditor to audit its accounts is not the responsibility of an executive of the authority under those arrangements and that the appointment decision is a matter for full council.

- 7.3 Section 8 further provides that the council must, within 28 days of the date of the appointment, publish a notice that:
- (a) states that it has made the appointment,
 - (b) identifies the local auditor that has been appointed,
 - (c) specifies the period for which the local auditor has been appointed,
 - (d) sets out the advice, or a summary of the advice, of its auditor panel about the selection and appointment of a local auditor, and
 - (e) if it has not followed that advice, sets out the reasons why it has not done so.
- 7.4 Section 12 makes provision for the failure to appoint a local auditor: the authority must immediately inform the Secretary of State, who may direct the authority to appoint the auditor named in the direction or appoint a local auditor on behalf of the authority.
- 7.5 Section 17 gives the Secretary of State the power to make regulations in relation to an 'appointing person' specified by the Secretary of State. This power has been exercised in the Local Audit (Appointing Person) Regulations 2015 (SI 192) and this gives the Secretary of State the ability to enable a Sector Led Body to become the appointing person.

Comments checked by:

Richard Hawtin, Team Leader – Non-Contentious, Tel: 01295 221695, Email: richard.hawtin@cherwell-dc.gov.uk

Risk Implications

- 7.6 There are no risks to the Council directly associated with this report.

Comments checked by:

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

Equalities and Inclusion Implications

- 7.7 There are no equality and inclusion implications associated with this report.

Comments checked by:

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

Sustainability Implications

- 7.8 There are no sustainability issues associated with this report.

Comments checked by:

Sarah Gilbert, Climate Action Team Leader, sarah.gilbert@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

Lead Councillor

N/A

Document Information

Appendix number and title

- None

Background papers

None

Report Author and contact details

Michael Furness, Assistant Director of Finance, 01295 221845,
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Agenda Item 11

Account Audit & Risk Committee Work Programme 2021 -2022

19 January 2022	Internal Audit Progress Update 2021/22 Draft Capital and Investment Strategy and Treasury Management Strategy 2022/23
16 March 2022	Counter Fraud Update 2021/22 Annual Report of AARC Performance, Finance and Risk Monitoring Report - Q3 - December 2021 Treasury Management Q2 2021/22 Housing Benefit Subsidy Audit Housing Benefit Risk Based Verification Policy External Audit Update

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