

Public Document Pack

Blackpool Council

12 July 2022

To: Councillors Burdess, Critchley, Galley, Green, Hunter, Roberts and R Scott
Dr Stuart Green, and Mr David Swift, Independent Co-opted Members

The above members are requested to attend the:

AUDIT COMMITTEE

Thursday, 21 July 2022 at 6.00 pm
in Committee Room A, Town Hall, Blackpool

A G E N D A

1 DECLARATIONS OF INTEREST

Members are asked to declare any interests in the items under consideration and in doing so state:

(1) the type of interest concerned either a

- (a) personal interest
- (b) prejudicial interest
- (c) disclosable pecuniary interest (DPI)

and

(2) the nature of the interest concerned

If any member requires advice on declarations of interests, they are advised to contact the Head of Democratic Governance in advance of the meeting.

2 MINUTES OF THE LAST MEETING HELD ON 16 JUNE 2022 (Pages 1 - 6)

To agree the minutes of the last meeting of the Audit Committee held on 16 June 2022 as a true and correct record.

3 MANAGEMENT OF INVESTMENT PROPERTIES AUDIT FOLLOW-UP (Pages 7 - 16)

To consider a progress report on the recommendations made in the internal audit report of Management of Investment Properties issued on the 24 September 2021 by Nick Gerrard, Growth and Prosperity Programme Director and Paul Jones, Head of Property Services.

4 INFORMATION COMMISSIONERS OFFICER (ICO) AUDIT FOLLOW UP (Pages 17 - 32)

To consider the final report from the Information Commissioners Officer in respect of recommendations made as a result of their inspection in April 2021.

5 STRATEGIC RISK REGISTER DEEP DIVE - SECURITY (Pages 33 - 40)

To consider a progress report on individual risks identified in the Council's Strategic Risk Register and to consider the controls being implemented to manage the strategic risk relating to security.

6 COMMUNITY AND ENVIRONMENTAL SERVICES AUDIT TRACKER PROGRESS UPDATE

To consider a verbal update from Mr Ian Large, Engineering Manager (Traffic Management) on the progress made by Community and Environmental Services in respect of outstanding items on the Audit Tracker.

7 ANNUAL GOVERNANCE STATEMENT 2021/2022 (Pages 41 - 80)

To provide the Audit Committee with the opportunity to review and approve the Annual Governance Statement for 2021/2022.

8 EXTERNAL AUDIT UPDATE

To receive a verbal update from the Council's External Auditors, Deloitte, on the progress of the audit.

9 RISK SERVICES QUARTER ONE REPORT (Pages 81 - 106)

To consider a summary of the work completed by Audit and Risk Services in quarter one of the 2022/23 financial year.

10 AUDIT COMMITTEE ACTION TRACKER (Pages 107 - 108)

To consider the Committee's updated Action Tracker.

11 DATE OF NEXT MEETING

To note the date and time of the next meeting of the Committee as 15 September 2022, commencing at 6pm.

Venue information:

First floor meeting room (lift available), accessible toilets (ground floor), no-smoking building.

Other information:

For queries regarding this agenda please contact Jenni Cook, Democratic Governance Senior Adviser, Tel: (01253) 477212, e-mail jennifer.cook@blackpool.gov.uk

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Public Document Pack Agenda Item 2

MINUTES OF AUDIT COMMITTEE MEETING - THURSDAY, 16 JUNE 2022

Present:

Councillor Galley (in the Chair)

Councillors

Burdess	Hunter	R Scott
Critchley	Roberts	

In Attendance:

Councillor Mrs Maxine Callow JP, Scrutiny Lead Member

Neil Jack, Chief Executive
Steve Thompson, Director of Resources
Tracy Greenhalgh, Head of Audit and Risk

John Greenbank, Senior Democratic Governance Adviser

1 DECLARATIONS OF INTEREST

There were no declarations of interest on this occasion.

2 MINUTES OF THE LAST MEETING HELD ON 28 APRIL 2022

The Committee agreed that the minutes of the meeting held on 28 April 2022 be signed by the Chairman as a true and correct record.

3 STRATEGIC RISK REGISTER DEEP DIVE - REPUTATION

Mr Steve Thompson, Director of Resources, presented a deep dive into the strategic risk 'reputation'.

The Committee considered the sub-risk "Inability to deliver services". It was noted that the list of updated business continuity plans for Children's Services had not been completed. Mr Thompson explained that this had not been undertaken due to an oversight during a period when the service was subject to an Ofsted inspection and had therefore been given until quarter two to complete the plans, with Internal Audit assisting to make sure that this was achieved. It was also noted that Children's Services had performed well during the unforeseen circumstances of the Covid-19 pandemic. Mr Neil Jack, Chief Executive, added that consideration was being given to how to prevent a reoccurrence of such an oversight, such as the development of a tracker that would highlight to services what risk management work was required in upcoming quarters.

Mr Thompson added that the updated plans across the Council had been placed on a standard format to ensure consistency. Business Continuity plans had also been embedded

MINUTES OF AUDIT COMMITTEE MEETING - THURSDAY, 16 JUNE 2022

into directorate business plans, linking them to the risks in the strategic risk register.

External factors affecting risk, such as the ongoing war in the Ukraine, were also discussed. These factors had created pressures on supply chains and increased the cost of resources such as fuel. Mr Thompson explained that ongoing monitoring of these factors was needed to mitigate risks to the Council. Mr Jack added that the Council had some measures in place to reduce the impact of external shocks and panics, such as maintained stocks of fuel at the Layton Depot which would protect against a sudden increase in fuel costs in the short term. He also highlighted that such measures had allowed the Council to operate during Covid-19, as stocks of resources had allowed services to continue to operate when sourcing additional material had become difficult.

Ms Tracy Greenhalgh, Head of Audit and Risk, informed the Committee that the remaining outstanding Business Continuity plans in the report had been noted by the Risk and Resilience Team and that the work would be undertaken in the upcoming quarter to ensure they were completed.

The Committee further considered the sub-risk “Inability to respond to a major incident”. The impact of Council owned companies delivering an increasing number services on the Council’s volunteer arrangements was discussed. Mr Jack explained that the delivery of services by Council owned services had not impacted on services being able to attract volunteers or draw in further support from the companies. He noted for example that Blackpool Coastal Housing Limited’s Community Centres had been utilised as Rest Centres by Adult Services, and that volunteers for events like Elections had been successfully sought from a wide range of sources, including across the Council.

4 RISK SERVICES QUARTER FOUR REPORT

Ms Tracy Greenhalgh, Head of Audit and Risk, presented the Risk Services Quarter Four Report. She highlighted that many of the areas covered in the report had met or exceeded their targets, although it was recognised that a small number of audit reports had been issued late. This had been due to a training issue which would be addressed going forward. The service was also shown to be working to ensure that the Council’s directorates risk registers were up to date, and a meeting had been arranged with the Director of Children’s Services to ensure that they were aware of all the audit work required.

The Committee discussed the pro-active communications work being undertaken, with Ms Greenhalgh explaining that this work had been launched in quarter one, highlighting the Council approach to fraud. This work had included an article in the local press and online. She also emphasised the importance of considering how to engage with the public, stating that it had been recognised that people were often reluctant to report instances of fraud involving their neighbours. Therefore, communications had sought to show the impact of fraud and its cost to Council services. The Committee noted that it was too early to consider the outcome of this work but further consideration could be given in future Risk Services updates.

Issues in obtaining a satisfactory insurance quote for Council property were also highlighted.

MINUTES OF AUDIT COMMITTEE MEETING - THURSDAY, 16 JUNE 2022

The cost of insurance had increased significantly and the terms offered were worse than in previous years. Members of the Committee were informed that consideration was being given to using the Council's Self-Insurance Fund to ensure that premises were covered. Mr Steve Thompson, Director of Resources, and Chair of the Self Insurance Panel would therefore be looking at claims, the cost of insurance premiums and how Council reserves could be used to manage risk going forward.

With regards the National Fraud Initiative (NFI), Ms Greenhalgh advised the Committee that this was a Cabinet Office initiative that the Council had requested to take part in. The NFI would allow co-operation on issues such as Council Tax fraud. The Council had not taken part during 2021-2022 due to issues with a Covid-19 loan, but that there would be participation in the NFI during 2022-2023. A breakdown of the work could then be provided in future reports.

Ms Greenhalgh also informed the Committee of the service's failure to meet its target for 2021-2022 in respect of professional and technical qualifications which had been missed due to recruitment issues. This had meant that the service's strategy had been changed and a number of trainees had been brought in. Although the new staff lacked qualifications they were working towards them at the Council. Support was being provided financially and professionally by risk services and it was planned that the target for qualifications would be met in the medium term.

Assurance Statements for internal audit work completed in the quarter had also been provided as part of the report. The statement showed that most audits had resulted in good or adequate assurance. Inadequate assurance however had been shown in Highway Enforcement and Carbon Emissions while split assurance had been given for Data Infrastructure.

Highways Enforcement had implemented cross training with Public Protection to address the issues highlighted in the audit. The issues surrounding the lack of carbon emissions data in the Carbon Emissions audit were also being addressed by the Director of Community and Environmental Services.

The Committee was also informed that the Highways Enforcement priority one recommendations made would be undertaken with Enveco to determine their role in enforcement and to ensure that enforcement activity was not duplicated.

The split assurance in Data Infrastructure related to the security of physical assets, mitigation for which had since been identified. Further assurance on the progress cyber risk was sought by the Committee with Ms Greenhalgh advising that Mr Tony Doyle, Head of IT Services, could provide an update to the next meeting.

Ms Greenhalgh further advised the Committee that the high risk identified in the report in respect of Adult Services – Keats and Langdale day Centre, had been the result of the impact of the Covid-19 pandemic. During this time the centre had been closed and the staff redeployed elsewhere. The centre had since reopened and the Council was confident that the identified issues would be addressed.

MINUTES OF AUDIT COMMITTEE MEETING - THURSDAY, 16 JUNE 2022

The eleven priority two recommendations made in the Climate Change audit were discussed. Ms Greenhalgh explained that a Climate Action Plan had been developed and would assist services in delivering against the recommendations. It was also recognised that the Tourism, Economy and Communities Scrutiny Committee had a role in scrutinising the progress being made against the action plan as part of its climate emergency work.

The Committee agreed: That an update on the progress of the data infrastructure centre be provided to the July meeting.

5 ANNUAL AUDIT OPINION

Ms Tracy Greenhalgh, Head of Audit and Risk, presented the Annual Audit Opinion to the Committee. She informed Members that the overall opinion was adequate. However a number of challenges existed including finance, Children's Services, Regeneration and the Council Owned Company finance.

The report showed that a number of audits had yet to be completed. Ms Greenhalgh informed the Committee that these audits had been undertaken and draft reports would be available. The Committee also noted the 'Timetable for Audit Follow-Up' that had been included in the report.

Levels of external work and their impact on risk services resources which consisted of 18% of its work were considered, with Ms Greenhalgh explaining that the majority of work was for Council owned companies. Service Level Agreements were in place for this work and additional recruitment had been undertaken to ensure resources were sufficient.

The outcome of the Taxi advice work was discussed with members being informed that it was advice work that would not normally be considered by the Committee. The audit had engaged taxi operators on the licensing process to feed back to the Council. The response to this work was reported as being good.

Members of the Committee also discussed how unplanned audit work was paid for by Council Services. Ms Greenhalgh advised that any unplanned work was recharged back from central funds. This was based on the number of days used and was undertaken to ensure that all priority areas were covered. Mr Neil Jack, Chief Executive, added that the Council's corporate leadership recognised the value of independent audit for assurance work. Although it was noted that as a scarce resource, consideration was needed to ensure it focussed on risk and control.

The Committee agreed: That the Timetable for Audit Follow-Up be noted.

6 ANNUAL STATEMENT OF ACCOUNTS 2020/2021 UPDATE

Mr Steve Thompson, Director of Resources, provided a verbal update on the progress to receive the Annual Statement of Accounts 2020/2021. He informed the Committee that there had been no change in progress since April 2022 and that the asset depreciation issue

MINUTES OF AUDIT COMMITTEE MEETING - THURSDAY, 16 JUNE 2022

remained unresolved. The Chartered Institute for Public Finance and Accountancy (CIPFA) had provided guidance for councils to assist in resolving this issue and work to progress the accounts could begin in July 2022 to prepare them for September 2022. The Committee also noted that the delay in preparing the accounts was being experienced by other councils.

7 INTERNAL AUDIT QUALITY ASSURANCE AND IMPROVEMENT PROGRAMME 2022/2023

Ms Tracy Greenhalgh, Head of Audit and Risk, presented the Internal Audit Quality Assurance and Improvement Programme 2022/2023. She informed the Committee that the findings in the programme had been based on external assessment and an action plan had been included setting out how the service would be improved and structured.

The Committee noted that some of the target dates for actions in the programme were up to two-years away. Ms Greenhalgh explained that due to the appointment of trainees and other junior staff it would take time to achieve some of the targets, due to the time needed for training and obtaining relevant qualifications.

8 AUDIT COMMITTEE ACTION TRACKER

The Committee gave consideration to the updated Action Tracker, noting that a number of actions had been completed and removed following the previous meeting.

The Committee identified that two outstanding updates were required from Mr John Blackledge, Director of Community and Environmental Services. Ms Greenhalgh advised that these would be provided by Mr Blackledge at the July meeting.

The Committee agreed: That the Audit Committee Action Tracker be noted.

9 DATE OF NEXT MEETING

The date of the next meeting was noted as 27 July 2022 commencing at 6pm.

Chairman

(The meeting ended at 7.30 pm)

Any queries regarding these minutes, please contact:
John Greenbank, Democratic Governance Senior Adviser
Tel: 01253 477255
E-mail: elaine.ireland@blackpool.gov.uk

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Report to:	AUDIT COMMITTEE
Relevant Officer:	Nick Gerrard – Growth and Prosperity Programme Director Paul Jones – Head of Property Services
Meeting:	21 July 2022

MANAGEMENT OF INVESTMENT PROPERTIES AUDIT FOLLOW UP

1.0 Purpose of the report:

1.1 To consider a progress report on the recommendations made in the internal audit report of Management of Investment Properties issued on the 24 September 2021.

2.0 Recommendation(s):

2.1 To consider the actions being implemented to address the audit recommendations relating to the Management of Investment Properties audit.

3.0 Reasons for recommendation(s):

3.1 To enable the Audit Committee to consider an update and progress report on the audit recommendations.

3.2 Is the recommendation contrary to a plan or strategy adopted or approved by the Council? No

3.3 Is the recommendation in accordance with the Council's approved budget? Yes

4.0 Other alternative options to be considered:

4.1 N/A.

5.0 Council priority:

5.1 The relevant Council priority is economy.

6.0 Background information

6.1 Local authorities can purchase commercial property for a range of reasons, for example to support local regeneration or growth. However, a key motive for many local authorities in their investments in commercial property has been to generate rental income in order to

offset reductions in their funding. Blackpool Council follow this mixed economy approach. Blackpool Council has a portfolio of commercial properties that generate a financial return, but which also contribute to other priorities, in particular supporting the local economy.

Local authorities have the legal power to invest in investment properties, however they also need to ensure that exercising its powers is carried out in line with relevant statutory guidance and professional codes of practice. CIPFAs Prudential Property Investment Guidance 2019 sets these out as:

- The application of case law principles concerning the reasonableness of decision making;
- Statutory guidance issued by the government (DLUHC’s Statutory Guidance on Local Government Investments and Statutory Guidance on Minimum Revenue Provision);
- The CIPFA Prudential Code; and
- Good practice in investment management, which considers the appropriateness of investments to the authority’s risk appetite, its financial circumstances and the expected length of the investment need.

In 2017 the Local Government Association (LGA) published practical guidance on how local authorities could turn their commercial plans into reality. The guidance described trading and commercial property activity as “a particularly specialist activity where advice should be sought, if necessary, from a range of experts such as lawyers, property experts and accountants. Councils considering investment activity should be clear around long term risk and benefit modelling, governance and what specialist capabilities may be required to support the activity. They should be aware of the accumulated effect of every decision they take as well as the risks of each individual decision”.

6.2 The scope and assurance statement of the audit was as follows:

Scope

The scope of our audit was to review:

- Investment decision process, including due diligence;
- Compliance with legislation and regulations;
- Management of the investment property portfolio; and
- On-going assessment of and review of investment properties against projected outcomes.

Assurance Statement

Internal Audit found the controls related to Property Services to be largely adequate, but did however consider that the controls relevant to the scope of this audit and in place within the relatively new service of Growth and Prosperity were inadequate. They recommended that Growth and Prosperity’s processes required significant tightening to ensure that the Council

maintains a clear and comprehensive audit trail of all investment property purchasing decisions and their on-going management and oversight and much work has been subsequently undertaken to address the issues raised.

In addition, the impact of the pandemic on the Council's investment portfolio presents a financial risk which will need to be effectively managed throughout the recovery phase.

6.3 Does the information submitted include any exempt information? No

7.0 List of Appendices:

7.1 Appendix 3(a): Internal Audit Recommendations and Agreed Actions and Progress.

8.0 Financial considerations:

8.1 The controls being implemented will be done so within current budget constraints.

9.0 Legal considerations:

9.1 Risks need to be effectively managed in order to comply with relevant legislation.

10.0 Risk management considerations:

10.1 To enable the Audit Committee to gain assurance that risks are being effectively managed.

11.0 Equalities considerations:

11.1 Where equality analysis is appropriate these will have been undertaken whilst making decisions relating to the subject.

12.0 Sustainability, climate change and environmental considerations:

12.1 Any matters relating to sustainability, climate change and environmental considerations will be considered when making decisions relating to the subject.

13.0 Internal/external consultation undertaken:

13.1 The progress report has been prepared in conjunction with the relevant Heads of Service and Chief Officer.

14.0 Background papers:

14.1 None.

Appendix 3(a) - Agreed Action Plan

<i>Recommendation</i>		<i>Priority</i>	<i>Agreed Action</i>	<i>Responsible officer</i>	<i>Target Date</i>	<i>Progress</i>
Joint Recommendations (Growth and Prosperity and Property Services)						
R1	We recommend that the Property Investment Strategy is reviewed to ensure consistency and completeness with current and best practice and with other Council strategies and plans.	2	Agreed.	Head of Property Services / Growth and Prosperity Programme Director	March 2022	Reviewed and included in the Treasury Management Strategy approved by Executive in February 2022
R2	We recommend that roles and responsibilities of Property Services and G&P in particular post-purchase are defined within the Corporate Asset Management plan, this clarification should include mechanisms to aid consistency of approach.	2	Agreed. The Corporate Asset Management Plan is being updated and a discussion around roles and responsibilities will take place as part of this review.	Head of Property Services / Growth and Prosperity Programme Director	March 2022	These have been incorporated in the revised version of the document which will be reviewed by the Corporate Asset Management Group prior to being reported to the Executive in the autumn

<i>Recommendation</i>		<i>Priority</i>	<i>Agreed Action</i>	<i>Responsible officer</i>	<i>Target Date</i>	<i>Progress</i>
R3	We recommend that the Corporate Asset Management Plan identifies and details post purchase management/oversight arrangements including depth of arrangements depending on types and value of properties.	2	Agreed.	Head of Property Services / Growth and Prosperity Programme Director	March 2022	These have been incorporated in the revised version of the document which will be reviewed by the Corporate Asset Management Group prior to being reported to the Executive in the autumn
R4	We recommend that the current asset management plan is reviewed and updated for completeness and is regularly reviewed.	2	Agreed.	Head of Property Services / Growth and Prosperity Programme Director	March 2022	The revised version of the document will be reviewed by the Corporate Asset Management Group prior to being reported to the Executive in the autumn and reviewed regularly thereafter

<i>Recommendation</i>	<i>Priority</i>	<i>Agreed Action</i>	<i>Responsible officer</i>	<i>Target Date</i>	<i>Progress</i>	
Property Services Recommendations						
R5	We recommend the Council reviews its transparency arrangements regarding its properties and land in particular its investment property holdings to ensure that the Blackpool residents are sufficiently informed about investments that its Council have made.	2	Agreed. The way in which the Council publishes this data will be reviewed.	Head of Property Services	March 2022	<p>Vacant land and property available to lease or purchased are advertised on the Council website.</p> <p>The asset list of Council owned land and property will be published on the Council website, identifying the current use of the building and if currently vacant or underused.</p>
R6	We recommend Property Services document their purchasing process to capture the main components, including the level of finance and legal due diligence to be undertaken.	2	Agreed.	Head of Property Services	March 2022	<p>The process flow with key milestones and components for the purchase of land or property investments is jointly being produced for G&P and Property Services.</p>

<i>Recommendation</i>	<i>Priority</i>	<i>Agreed Action</i>	<i>Responsible officer</i>	<i>Target Date</i>	<i>Progress</i>	
Growth and Prosperity Recommendations						
R7	We recommend clarification of G&P's business planning process and a timetabled process to finalise their Strategic Plan.	3	Agreed. The Growth and Prosperity Team feature in the Communication and Regeneration Directorates Business Plan. Therefore no further action is required on this. However the Strategic Plan, which will be a marketing document, has yet to be finalised.	Growth and Prosperity Programme Director	March 2022	Completed: G&P Marketing document completed May 2022.

<i>Recommendation</i>		<i>Priority</i>	<i>Agreed Action</i>	<i>Responsible officer</i>	<i>Target Date</i>	<i>Progress</i>
<i>R8</i>	We recommend a fundamental review of records and file maintenance within G&P to ensure a clear, consistent and complete record is maintained of all investment properties.	1	Agreed. The G&P Team will review their file structure in the first instance and then liaise with relevant support services such as legal and finance to develop a process to capture a complete audit trail.	Growth and Prosperity Programme Director	March 2022	Completed. Following a review with Finance and Legal who both use their own departmental systems it has now been agreed to create shared Teams folders on Sharepoint for complex acquisition projects and all files are saved in this folder in addition to the separate systems held by each department. This system is now live.
<i>R9</i>	We recommend the process diagram and roles and responsibilities documents be reviewed to ensure they represent and reflect actual practice within G&P.	2	Agreed.	Growth and Prosperity Programme Director	March 2022	Completed. Document reviewed and updated in June 2022

<i>Recommendation</i>		<i>Priority</i>	<i>Agreed Action</i>	<i>Responsible officer</i>	<i>Target Date</i>	<i>Progress</i>
<i>R10</i>	We recommend whenever possible Executive Decision papers provide key metrics on decisions particularly when there is any divergence from agreed policy, including exit strategies.	2	Due to commercial sensitivities it is not always possible to publish all data. Where this is the case elected members will be provided with confidential information which is not published in the public domain.	Growth and Prosperity Programme Director	Ongoing	Completed. Now ongoing.
<i>R11</i>	We recommend that the supporting legal decision not to establish a company for Ribble House be confirmed.	2	Agreed. A copy of the legal advice will be located and stored on file.	Growth and Prosperity Programme Director	November 2021	This was agreed at G&P Board following advice from legal and finance, reaffirmed and a written note included on file.
<i>R12</i>	We recommend review of the G&P risk register to ensure all potential risks considered in the risk register.	2	Agreed. Reference will also be made to the various project risk registers which are now in place.	Growth and Prosperity Programme Director	September 2021	Completed. Ongoing and updated every 6 months (most recently in April 10th, 2022

<i>Recommendation</i>		<i>Priority</i>	<i>Agreed Action</i>	<i>Responsible officer</i>	<i>Target Date</i>	<i>Progress</i>
R13	We recommend that training options are considered for relevant Members.	3	Consideration will be given to the merits of delivering such training.	Growth and Prosperity Programme Director	March 2022	Ongoing relevant training needs for Elected Members concerning the Growth and Prosperity programme are kept under consideration
R14	The due diligence/risk assessment process followed on purchases should be consistently documented and some brief guidance/template may be of value.	2	Agreed. This will be linked to the implementation of recommendation 9.	Growth and Prosperity Programme Director	March 2022	Completed Risk Register Template produced which is now in use to which contributions are are also made by finance and legal.The completed document is attached to Executive reports.

Report to:	AUDIT COMMITTEE
Relevant Officer:	Jonathan Pickup – Head of Information Governance Tony Doyle – Head of Information Technology
Meeting:	21 July 2022

INFORMATION COMMISSIONERS OFFICE (ICO) AUDIT FOLLOW-UP

1.0 Purpose of the report:

1.1 To consider the final report from the Information Commissioners Office (ICO) after they followed-up the recommendations made as a result of their April 2021 inspection.

1.2 The initial outcome of the ICO inspection was reported to Audit Committee on 30 September 2021.

2.0 Recommendation(s):

2.1 To consider the progress made in implementing the recommendations made by the ICO in relation to:

- Governance and Accountability
- Information Security
- Freedom of Information

3.0 Reasons for recommendation(s):

3.1 To enable Audit Committee to consider an update and progress report of the ICO inspection recommendations.

3.2 Is the recommendation contrary to a plan or strategy adopted or approved by the Council? No

3.3 Is the recommendation in accordance with the Council's approved budget? Yes

4.0 Other alternative options to be considered:

4.1 N/A.

5.0 Council priority:

5.1 The audit by the Information Commissioner's Office is relevant to all Council priorities.

6.0 Background information

- 6.1 The Information Commissioner's Office is responsible for enforcing and promoting compliance with data protection and freedom of information legislation in the UK.

Blackpool Council undertook a consensual audit by the ICO of its processing of personal data in April 2021. The primary purpose of the audit was to provide the ICO and Blackpool Council with an independent opinion of the extent to which the Council (within the scope of the agreed audit) is complying with data protection legislation and highlight any areas of risk to compliance.

The audit assessed the risk of non-compliance with data protection legislation, the utilisation of ICO guidance and good practice notes and the effectiveness of data protection activities with specific reference to the agreed scope. The three areas of scope were governance and accountability, information security (security of personal data) and freedom of information.

A summary of the ICO findings was presented to Audit Committee on the 30 September 2021. Since then the ICO have revisited the Council to assess what progress has been made in implementing the recommendations and the findings are set out in the appended report.

- 6.2 Does the information submitted include any exempt information? No

7.0 List of Appendices:

- 7.1 Appendix 4(a): ICO Follow-up data protection audit report.

8.0 Financial considerations:

- 8.1 The controls being implemented have been done so within current budget constraints.

9.0 Legal considerations:

- 9.1 Article 58(1) of the UK General Data Protection Regulation (UK GDPR) states that the Information Commissioner's Office has the power to carry out investigations in the form of data protection audits. Section 129 of the Data Protection Act 2018 (DPA 18) also provides provision to carry out consensual audits. Additionally Section 146 of the DPA 18 allows the ICO, through a written 'assessment notice', to carry out an assessment of compliance with the data protection legislation.

10.0 Risk management considerations:

- 10.1 Failure to comply with the UK General Data Protection Regulation (UK GDPR) and Data Protection Act 2018 (DPA 18) can result in harm and distress being inflicted on individuals; as well as resulting in financial and reputational damage against the Council.

The Information Commissioner's Office (ICO) has a range of enforcement powers including enforcement notices, prosecutions and monetary penalties of up to £20 million or four per cent of turnover (whichever is higher). As well as regulatory action, the UK GDPR stipulates that any person who has suffered material or non-material damage as a result of an infringement of this Regulation

shall have the right to seek compensation.

11.0 Equalities considerations:

11.1 Where equality analysis is appropriate these will have been undertaken whilst making decisions relating to the subject.

12.0 Sustainability, climate change and environmental considerations:

12.1 Any matters relating to sustainability, climate change and environmental considerations will be considered when making decisions relating to the subject.

13.0 Internal/external consultation undertaken:

13.1 The progress report has been prepared in conjunction with the relevant Heads of Service.

14.0 Background papers:

14.1 N/A.

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Blackpool Council

Follow-up data protection audit report

April 2022

Page 21

Executive summary



Background

The Information Commissioner is responsible for enforcing and promoting compliance with the UK General Data Protection Regulation (UK GDPR), the Data Protection Act 2018 (DPA18) and other data protection legislation. Section 146 of the DPA18 provides the Information Commissioner's Office (ICO) with the power to conduct compulsory audits through the issue of assessment notices. Section 129 of the DPA18 allows the ICO to carry out consensual audits.

The ICO is an independent, proportionate regulator and sees auditing as a constructive process with real benefits for controllers and so aims to establish a participative approach. High standards of personal data protection compliance help organisations innovate and deliver great services by building trust with the public. The ICO's expertise and consistent approach to regulation provides certainty enabling organisations to feel confident to use personal data responsibly, innovate and support economic growth.

Blackpool Council (BC) agreed to a consensual audit by the ICO of its processing of personal data. An introductory telephone meeting was held on 22 February 2021 with representatives of BC to discuss the scope of the audit.

The purpose of the audit is to provide the Information Commissioner and BC with an independent assurance of the extent to which BC, within the scope of this agreed audit, is complying with data protection legislation.

A desk based review of selected policies and procedures and remote telephone interviews were conducted from 20 April 2021 to 22 April 2021 and covered the following scope areas:

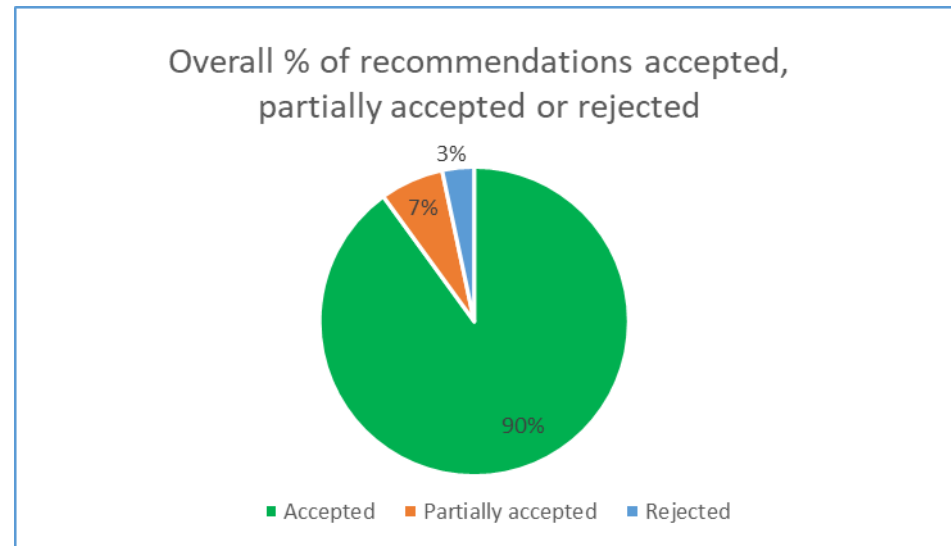
Scope Area	Description
Governance & Accountability	The extent to which information governance accountability, policies and procedures, performance measurement controls, and reporting mechanisms to monitor data protection compliance to both the GDPR and national data protection legislation are in place and in operation throughout the organisation.
Information Security (Security of Personal Data)	There are appropriate technical and organisational measures in place to ensure the confidentiality, integrity and availability of manually and electronically processed personal data.
Freedom of Information (FOI)	The extent to which FOI accountability, policies and procedures, performance measurement controls, and reporting mechanisms to monitor compliance are in place and in operation throughout the organisation.

Where weaknesses were identified recommendations were made, primarily around enhancing existing processes to facilitate compliance with data protection legislation.

30 recommendations were made in the original audit report. In order to assist BC in implementing the recommendations each was assigned a priority rating based upon the risks that they were intended to address. The ratings were assigned based upon the ICO's assessment of the risks involved.

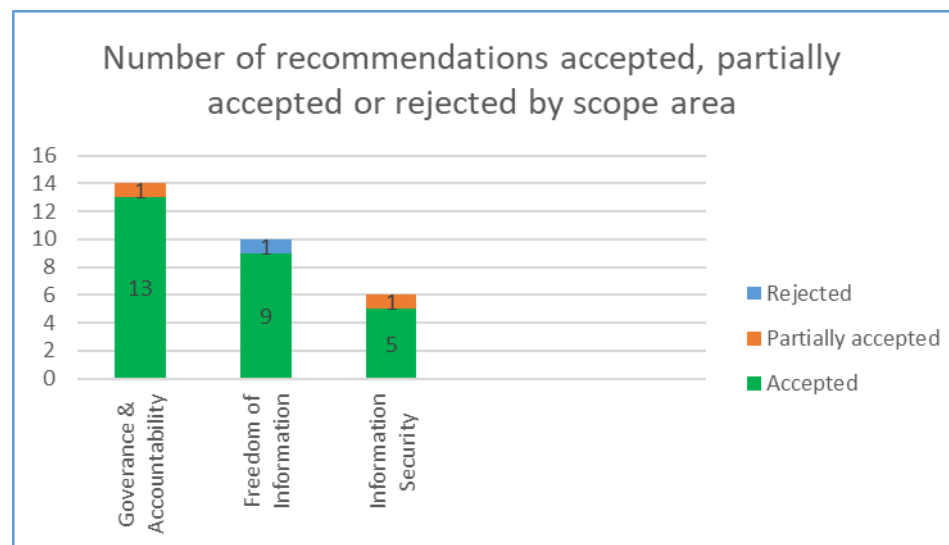
BC responded to these recommendations positively, agreeing to formally document procedures and implement further compliance measures.

The following chart summarises BC's response to the recommendations made.



A pie chart showing the overall percentage of recommendations accepted, partially accepted or rejected.

The pie chart above shows that overall, 90% of recommendations have been accepted, 7% have been partially accepted and 3% have been rejected.



A bar chart showing the number of recommendations accepted, partially accepted or rejected by scope area

The bar chart above shows that for the Governance and Accountability scope, 13 recommendations have been accepted and 1 has been partially accepted.

For the Freedom of Information scope, 9 recommendations have been accepted and 1 has been rejected.

For the Information Security scope, 5 recommendations have been accepted and 1 has been partially accepted.

Follow-up process

The objective of a follow-up audit assessment is to provide the ICO with a level of assurance that the agreed audit recommendations have been appropriately implemented to mitigate the identified risks and thereby support compliance with data protection legislation and implement good practice.

For all Urgent and High priority recommendations made in the original audit report, BC are required to provide an update on the actions they have taken with supporting documentation to evidence progress.

For all Medium and Low priority recommendations made in the original audit report, BC are required to provide an update on the actions they have taken.

The updated Action Plan should be signed off at Board Level.

Follow-up audit summary

A desk based follow-up took place in April 2022 to provide the ICO and BC with a measure of the extent to which BC had implemented the agreed recommendations. In all the scope areas covered by the audit we are pleased to note that all recommendations have been completed.

Key follow-up audit findings

Main improvements include:

- BC have increased their resources by recruiting a new Information Rights Assistant to ensure that the IG team has sufficient resources proportionate to the number and complexity of SAR requests it receives. This will ensure that a higher proportion of SAR requests are responded to within statutory timescales;
- BC have developed new KPI's to ensure they have sufficient oversight of their management of records., including what percentage of records are destroyed in line with the corporate retention schedule;
- BC have documented the procedure to authorise the use of FOI exemptions or exceptions and ensure the authorisations are recorded. This will demonstrate BC's use of exemptions or exceptions is subject to proper approval;
- BC have included key FOI/EIR elements in their training to ensure that staff knowledge and awareness is maintained. This will provide BC with more assurance that staff will operate within internal and legislative requirements.

Follow-up audit conclusion

The follow-up is now complete, BC has completed all the actions agreed in the original audit.

Credits



ICO Auditor

James Donnelly – Lead Auditor

Thanks

The ICO would like to thank Jonathan Pickup, Data Protection Officer for their help in the audit follow up engagement.

Distribution List

This report is for the attention of Jonathan Pickup, Data Protection Officer.

Disclaimer

The matters arising in this report are only those that came to our attention during the course of the follow up audit and are not necessarily a comprehensive statement of all the areas requiring improvement.

The responsibility for ensuring that there are adequate risk management, governance and internal control arrangements in place rest with the management of Blackpool Council.

We take all reasonable care to ensure that our follow up audit report is fair and accurate but cannot accept any liability to any person or organisation, including any third party, for any loss or damage suffered or costs incurred by it arising out of, or in connection with, the use of this report, however such loss or damage is caused. We cannot accept liability for loss occasioned to any person or organisation, including any third party, acting or refraining from acting as a result of any information contained in this report.

This report is solely for the use of Blackpool Council. The scope areas and controls covered by the original audit were tailored to Blackpool Council and, as a result, this report is not intended to be used in comparison with other ICO follow up audit reports.

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Report to:	AUDIT COMMITTEE
Relevant Officer:	Alan Cavill, Director of Communications and Regeneration. Steve Thompson, Director of Resources. Dianne Draper, Consultant in Public Health Tim Coglan, Head of Public Protection.
Meeting:	21 July 2022

STRATEGIC RISK REGISTER DEEP DIVE – SECURITY

1.0 Purpose of the report:

1.1 To consider a progress report on individual risks identified in the Council’s Strategic Risk Register.

2.0 Recommendation(s):

2.1 To consider the controls being implemented to manage the strategic risk relating to security.

3.0 Reasons for recommendation(s):

3.1 To enable the CLT and Audit Committee to consider an update and progress report in relation to an individual risk identified on the Strategic Risk Register.

3.2 Is the recommendation contrary to a plan or strategy adopted or approved by the Council? No

3.3 Is the recommendation in accordance with the Council’s approved budget? Yes

4.0 Other alternative options to be considered:

4.1 N/A.

5.0 Council priority:

5.1 The risk impacts on all of the Council’s priorities.

6.0 Background information

6.1 At its meeting in March 2022, the Audit Committee agreed to continue to invite Strategic Risk Owners to attend future meetings to provide updates and progress reports in relation to the individual risks identified on the Strategic Risk Register.

6.2 Does the information submitted include any exempt information? No

7.0 List of Appendices:

7.1 Appendix 5(a): Strategic Risk Register Deep Dive – Security

8.0 Financial considerations:

8.1 The controls being implemented will be done so within current budget constraints.

9.0 Legal considerations:

9.1 Risks need to be effectively managed in order to comply with relevant legislation.

10.0 Risk management considerations:

10.1 To enable CLT and Audit Committee to gain assurance that strategic risks are being effectively managed.

11.0 Equalities considerations:

11.1 Equality analysis should have been undertaken, where necessary, when decisions were made in relation to the identification of the actions identified in this document. As this report presents monitoring against pre-agreed actions no further equality analysis has been undertaken as part of this report.

12.0 Sustainability, climate change and environmental considerations:

12.1 Sustainability, climate change and environmental matters should have been considered, where necessary, when decisions were made in relation to the identification of the actions identified in this document. As this report presents monitoring against pre-agreed actions no further analysis has been undertaken as part of this report.

13.0 Internal/external consultation undertaken:

13.1 The progress report has been prepared in conjunction with risk owners.

14.0 Background papers:

14.1 N/A.

Risk Category: Security

Risk: a) Terrorism related act at major events and in publicly accessible locations.

Risk Owner: Director of Communications and Regeneration, Director of Resources

Gross Risk Score	20	Impact - 5	Likelihood – 4
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What impact does this have?

- Long term damage to the visitor economy.
- Negative impact on the local community.

What opportunities does this create?

- Develop increased confidence amongst visitors that Blackpool is a safe place to visit.
- Residents feel safe when in Blackpool Town Centre.

What controls do we already have in place?

- Close working with Police, Counter Terrorism Policing and other agencies via the Emergency Planning Team, Lancashire Resilience Forum and Safety Advisory Group for events.
- Action Counters Terrorism (ACT) Awareness training rolled out to council staff. See, Check and Notify (SCaN) training being rolled out to relevant council staff and businesses across the town.
- Emergency Services and partners train and exercise in relation to responding to major incidents.
- Multi and single agency plans in place to respond to a major incident.
- Where known/involved, protective security advice and considerations provided and encouraged for new development schemes across the town.
- Work programme in place to develop and continuously improve Protect and Prepare elements of CONTEST.
- Introduction of an anti-terrorism traffic regulation order (ATTRO) which gives the police stronger powers over the road and pedestrian network in the event of a serious incident.

Net Risk Score	15	Impact - 5	Likelihood – 3
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What are we doing to further manage the risk?
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<u>To work with partners to consider learning from the Manchester Arena inquiry as lessons identified are issued.</u>
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We are still awaiting the outcome from the public inquiry and we will consider any recommendations made and how best to implement these across Blackpool. However, we are receiving updates from the CTSA about potential impacts, and we are also in discussion with major venues across the town to assess their level of preparedness.

An independent review into the preparedness for, and emergency response to, the Manchester Arena

attack on 22nd May 2017 has been published (Kerslake Report), and steps have been undertaken to address some of the outcomes of this such as the planned roll out of Publicly Accessible Trauma First Aid kits.

To embed with the Growth and Prosperity team the requirement to ensure protective security in relation to counter terrorism is considered for development schemes across the town.

The Emergency Planning Team and Counter Terrorism Security Advisors (CTSA) met with the consultants appointed by the Growth and Prosperity Team to develop the Town Centre Strategy.

Where appropriate, security is built into the design. A good example of this is the Quality Corridor Scheme where the pedestrian route between the train station and the conference centre has been protected through the use of bollards. Likewise, security measures were introduced as part of the development of the Conference Centre and retrospectively fitted outside key leisure assets such as Blackpool Tower.

When available, consider any forthcoming legislative requirements in relation to a potential 'Protect Duty' and ensure the Council has a plan in place to meet these duties.

The Council commented on the public consultation to the proposed changes and is broadly in support of the proposals. We are now waiting for the agreement and publication of the legislation in order for us to assess what additional actions we may need to take.

A business group has been established to consider Protect and Prepare issues from the UK's Counter Terrorism Strategy (CONTEST).

There is also investment in a new CCTV control room with additional training for security based scenarios.

It is recognised that the Council is very proactive in its approach and therefore the Emergency Planning Manager has been invited to speak to a number of other local authorities about the approach being taken at Blackpool.

Identify funding for additional protective security measures such as hostile vehicle mitigation.

An outline strategy is in place to improve HVM across the town looking at a whole town solution. Steps are now being taken to understand the costs of the various options so that a delivery plan can be prepared and rolled-out.

What will these additional actions achieve?

Through awareness raising there will be better informed and prepared organisations in relation to terrorist risks.

Security knowledge and advice provided in the design phase of schemes will enable developers to consider designing in protective security measures.

Contribute towards the Council and others meeting potential statutory obligations under a Protect

Duty.

What barriers do we face?

Delays in legislation so the Council is not yet clear what additional actions need to be taken. However, all above measures are based upon taking a pro-active approach to meet anticipated requirements.

Do these actions contribute to the sustainability of the Council?

The Council's ability to prepare for and protect against a potential terrorist attack help to reduce the impact which such as event could have on Council services and the town as a whole.

An attack can take place at anytime and anywhere. It is therefore important that the Council take the risk seriously and by working with our partners the Council consider this and plan appropriately. This is not unique to Blackpool and similar activity will be taking place across the country.

Do these actions impact on the Council's finances?

There may be some costs associated with implementing any actions required from the legislation and this will be factored into the budget setting process.

How does this contribute to the Council Plan?

Creating a safe space for residents and visitors to enjoy Blackpool contributes to both the economic and community priorities in the Council Plan.

Any additional changes to this strategic risk?

The national threat level reduced from SEVERE, meaning an attack is highly likely, to SUBSTANTIAL, meaning an attack is likely, on 09th February 2022.

A National Risk Register is in place which is used to help inform planning undertaken by the Council for a wide range of potential incidents including terrorist threats. A copy can be accessed using the following link: [CCS's National Risk Register 2020 \(publishing.service.gov.uk\)](https://publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/102222/ccs-national-risk-register-2020.pdf)

Risk: b) Pandemic infection / health security concern (human and animals).

Risk Owner: Director of Public Health, Director of Community and Environmental Services

Gross Risk Score	25	Impact - 5	Likelihood -5
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What impact does this have?

- Impact on the local economy and job market.
- Death and / or serious illness as a result of infection.

What opportunities does this create?

- Develop a robust local response to pandemic infection.

What controls do we already have in place?

- Staff signposted to advice provided by UK Health and Security Agency.
- Business continuity plans in place across the Council and system in place to record staff absence re: Covid to inform business continuity planning.
- Multi-agency working via the Lancashire Resilience Forum.
- Arrangements in place for the storage of protective equipment if needed.
- Process in place to ensure that relevant staff are vaccinated where mandated in law (social care sector).
- Outbreak management and track and trace processes implemented.
- Robust communication in place with businesses, visitors and residents.

Net Risk Score

15

Impact - 5

Likelihood – 3

What are we doing to further manage the risk?

Continued participation in planning for health protection as part of the ongoing pandemic and also for future pandemics.

A Health Protection Board is in place, which is a sub-group of the statutory Health & Wellbeing Board, and focuses on the Director of Public Health’s statutory oversight and assurance role of health protection plans to protect the health of the population of Blackpool. The Board provides assurance to the Health & Wellbeing Board and its partner organisations on the delivery of health protection plans including, outbreak management, infection prevention and control, public protection and the performance of screening and immunisation programmes. The Board provides a setting for the exchange of information, scrutiny of plans, and analysis of data with all partners with a role in the delivery of health protection in Blackpool, ensuring they are acting jointly and effectively to protect the population’s health.

The Board is the key mechanism for dealing with health protection / security issues locally however robust links are also in place with the UK Health and Security Agency and the Lancashire Resilience Forum to ensure that effective planning takes place.

The objectives of the Health Protection Board are to:

- Provide assurance to the Health & Wellbeing Board that the Director of Public Health’s plans are in place to protect the population’s health; a mandated function of the Health and Social Care Act 2012.
- Review plans for health protection and surveillance.
- Ensure there is a process in place to assure there are effective arrangements for health protection incidents and outbreaks, with key risks identified and appropriate mitigation measures undertaken.
- Review learning from health protection incidents and outbreaks.
- Develop shared action plans/work plans for the HPF to focus on.
- Provide regular updates to the Blackpool Health & Wellbeing Board (including short information updates and annual reports).

A number of sub-groups are in place or in the process of being formed to cover a wide range of health protection / security issues including:

- Communicable Diseases.
- Non-infectious Sources e.g. Contamination, Poisoning, Radiation.
- Screening and Immunisations.

- Emergency Planning, Resilience and Response (EPRR).
- Infection Prevention and Control (IPC).
- Environmental Hazards and Coastal Water Quality.
- Public Protection e.g. Food Control, Tattoo Parlours, Sunbeds.
- Harm Reduction and Prevention Forum.

These groups will report into the Health Protection Board which meets at least quarterly.

Finalise and embed the plans and procedures for managing animal health outbreaks such as avian flu.

Six members of the Public Protection Team have now achieved a qualification to enable them to effectively respond to an animal health outbreak. A lead officer has been identified in the Public Protection Team to deal with animal health incidents, and a second officer identified to support Public Health with human health incidents.

The Policy and Plan for dealing with such incidents has been fully reviewed and updated and is now in the final draft before implementation. A meeting will take place in August between the Public Protection Team, Public Health, Emergency Planning and key services such as Parks to finalise the document.

Steps have been taken to ensure that key departments who may be the first to identify a suspect animal health outbreak, such as Parks, are aware that they must contact the Public Protection Team so that the qualified officers can coordinate the response.

What will these additional actions achieve?

Effective planning to ensure that the Council is prepared to respond to a health incident, whether this relates to people or animals, has a number of benefits including:

- Improved coordination.
- Improved communication.
- Accurate reporting and notification of incidents / cases.
- The right decisions being made at the right time.
- Minimise the spread of disease.
- Ensuing staff welfare and safety when dealing with an incident.

What barriers do we face?

Any health security events require a multi-agency response and therefore effective partnership working is key to maximise the effectiveness of the response. The development of robust partnership working through the Covid-19 pandemic forged strong relationships with partner agencies to build on going forward. There is also a reliance on the public to follow the advice and guidance given to help safeguard them in such incidents and therefore reliable and timely information is essential. The Communications Team developed crisis management communication skills during the pandemic which will be helpful for any future incidents. Community engagement also improved during the pandemic resulting in the Community Engagement Strategy being redrafted to take account of the lessons learned.

Do these actions contribute to the sustainability of the Council?

The Council's ability to prepare and respond to health security events helps protect residents, businesses and the Council's workforce when incidents occur. Whilst it is difficult to prevent incidents occurring, taking effective action helps minimise the impact and ensures that critical Council services can still be delivered.

Do these actions impact on the Council's finances?

On a day to day basis these actions can be managed within the Council's budget, however, a significant event, such as the Covid-19 pandemic, was extremely costly for a number of reasons. Examples include provision of personal protective equipment, managing the outbreak response, implementing infection control measures, and also loss of income due to the various lockdowns. Government funding was provided, however, which significantly contributed to the cost of managing the pandemic across Blackpool.

How does this contribute to the Council Plan?

Effectively managing incidents which could have a negative impact on health contributes to the economic and community priorities in the Council Plan.

Any additional changes to this strategic risk?

The unexpected spread of Monkey Pox across the world is currently on the agenda for the Public Health Team although no additional actions are required at this stage.

Report to:	AUDIT COMMITTEE
Relevant Officer:	Mark Towers - Director of Governance and Partnerships
Meeting:	21 July 2022

ANNUAL GOVERNANCE STATEMENT 2021/22

1.0 Purpose of the report:

- 1.1 The purpose of this report is to provide Audit Committee with the opportunity to review and approve the Annual Governance Statement for 2021/22.

One approved the Annual Governance Statement will be published as part of the Council's Statement of Accounts. It will also be shared with the Senior Leadership Team.

2.0 Recommendation(s):

- 2.1 To consider and approve the draft Annual Governance Statement for 2021/22.

3.0 Reasons for recommendation(s):

- 3.1 The Accounts and Audit Regulations (2015) require the Council to conduct a review on the effectiveness of its system of internal control and publish an Annual Governance Statement reporting on the review with the Statement of Accounts.

- 3.2 Is the recommendation contrary to a plan or strategy adopted or approved by the Council? No

- 3.3 Is the recommendation in accordance with the Council's approved budget? Yes

4.0 Other alternative options to be considered:

- 4.1 N/A.

5.0 Council priority:

- 5.1 The Annual Governance Statement is relevant to all Council priorities.

6.0 Background information

- 6.1 Blackpool Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards. It needs to ensure that public money is safeguarded, properly accounted for and used economically, efficiently and effectively.

The CIPFA Delivering Good Governance publication (2016) defines the various principles of good governance in the public sector and how they relate to each other and are defined as:

- Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law.
- Ensuring openness and comprehensive stakeholder engagement.
- Defining outcomes in terms of sustainable economic, social and environmental benefits.
- Determining the interventions necessary to optimise the achievement of the intended outcomes.
- Developing the Council's capacity, including its leadership and the individuals within it.
- Managing risks and performance through robust internal control and strong public financial management.
- Implementing good practices in transparency, reporting and audit, to deliver effective accountability.

The governance framework at Blackpool Council comprises the systems and processes, culture and values which the Council has adopted in order to deliver on the above principles. The system of internal control is a significant part of the framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness.

The governance framework incorporated into this report has been in place at Blackpool Council for the year ended 31st March 2020 and up to the date of the approval for the statement of accounts for that year.

6.2 Does the information submitted include any exempt information? No

7.0 List of Appendices:

7.1 Appendix 7(a): Annual Governance Statement 2021/22

8.0 Financial considerations:

8.1 Each of the actions identified in the Annual Governance Statement will be delivered within the constraints of the agreed budget for 2022/23.

9.0 Legal considerations:

9.1 The Accounts and Audit Regulations (2015) require the Council to conduct a review, at least once a year, on the effectiveness of its system of internal control and include an Annual Governance Statement reporting on the review with the Statement of Accounts.

10.0 Risk management considerations:

10.1 Risk management and the control environment have been considered throughout the draft of the Annual Governance Statement 2021/22.

11.0 Equalities considerations:

11.1 Equality analysis should have been undertaken, where necessary, when decisions were made in relation to the identification of the actions identified in this document.

12.0 Sustainability, climate change and environmental considerations:

12.1 Sustainability, climate change and environmental matters should have been considered, where necessary, when decisions were made in relation to the identification of the actions identified in this document.

13.0 Internal/external consultation undertaken:

13.1 Consultation has been undertaken with the Good Governance Group, Extended Corporate Leadership and elected members who have a key role in governance.

14.0 Background papers:

14.1 N/A.

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Annual Governance Statement 2021/2022

Blackpool Council



Annual Governance Statement 2021/2022

Scope of Responsibility

Blackpool Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards and that public money is safeguarded and properly accounted for and used efficiently, economically and effectively.

The Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging this overall responsibility, the Council is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, which includes arrangements for the management of risk.

Blackpool Council has approved and adopted a Code of Corporate Governance in October 2021, which is consistent with the principles of the CIPFA / SOLACE Framework Delivering Good Governance in Local Government.

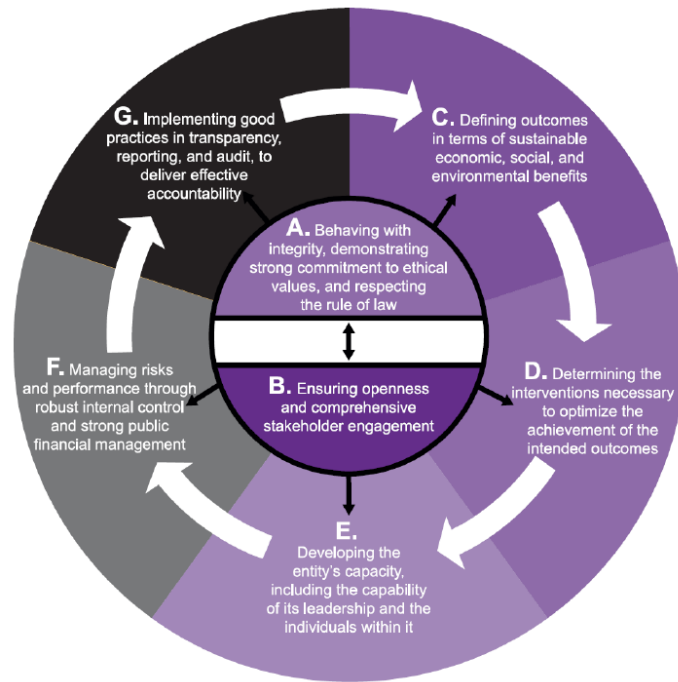
The Accounts and Audit Regulations (2015) also require the Council to conduct a review, at least once a year, on the effectiveness of its system of internal control and include an Annual Governance Statement reporting on the review with the Statement of Accounts. This statement explains how Blackpool Council has complied with the code and in doing so undertaken that review.

The Purpose of the Annual Governance Statement

Blackpool Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards and that public money is safeguarded and properly accounted for and used economically, efficiently and effectively. It also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which it exercises its functions, having regard to a combination of economy, efficiency and effectiveness.

The CIPFA Delivering Good Governance publication (2016) defines the various principles of good governance in the public sector and how they relate to each other and are shown by the following diagram as to how they relate to each other.

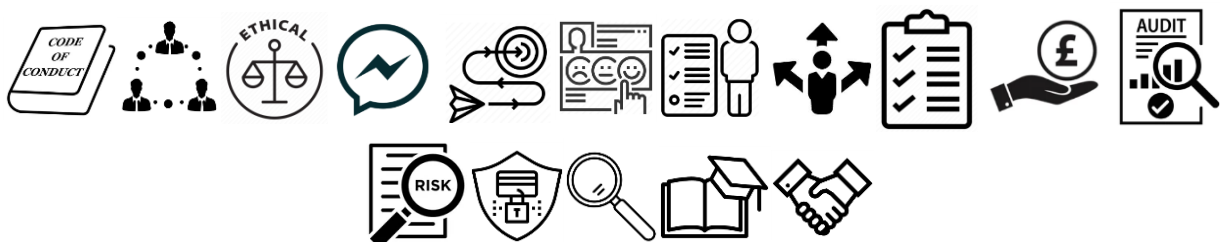
Annual Governance Statement 2021/2022



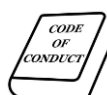
This governance framework which is a part of the Code of Governance has been used to compile this Annual Governance Statement for Blackpool Council to deliver on the aforementioned principles, for the year ended 31st March 2022 and up to the date of the approval for the statement of accounts for that year. The system of internal control is a significant part of the framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness.

The Governance Framework

The key elements of the structures and processes that comprise Blackpool Council’s governance arrangements make up the Governance Framework for the Council and are summarised in the following sections of this statement.



Annual Governance Statement 2021/2022



Code of Conduct and Behaviours

Codes of Conducts are in place that define standards of behaviours for elected members and officers. Adherence to these is a key part of good governance. These are further supported by the Council's Whistleblowing Policy, Registers of Interests and Gifts and Hospitality Policies.

Processes are in place to deal with non-compliance through the Council's Disciplinary Policy for Officers and the Monitoring Officer and/or Standards complaints procedure for Elected Members. Joint working with members of the Standards Committee of Fylde Borough Council has continued and has seen a full review of the members code of conduct, to take on board key recommended areas from the Local Government Association Model Code of Conduct. Both Councils agreed updated and revised Codes of Conduct with the only differences being in relation to the governance form of the relevant councils.

A Leadership Charter is in place which aims to bring to life the vision for the Council's workforce as outlined in the Workforce Strategy 2016-2020 and it has been embedded with the Individual Performance Appraisal Process (IPA). There are plans in place to refresh the Workforce Strategy during 2022/23 based on feedback from the employee survey which has been undertaken during 2021/22.

AGS Actions Completed in 2021/22

- A Code of Governance which includes the Governance Framework was considered by the Audit Committee in June 2021 and adopted by Full Council in September 2021.
- Workshops were held with the Standards Independent members and the Standard Committee members from Blackpool and Fylde Councils to review the LGA model Code of Conduct for members alongside the current version. A revised Code was considered by the Standards Committee in April 2022 and approved by Full Council in May 2022.
- Up-to-date directorate structure charts, with contact details, were emailed to all elected members in November 2021. These are to be revisited quarterly, to ensure the information remains current.

Key Supporting Policies and Procedures

Code of Governance	Agenda for Council on Wednesday, 29th September, 2021, 6.00 pm (blackpool.gov.uk)
Code of Conduct for Members	Agenda for Council on Wednesday, 18th May, 2022, 2.00 pm (blackpool.gov.uk)
Officer Code of Conduct	Blackpool Council constitution Part 5b - Officer code of conduct

Annual Governance Statement 2021/2022



Code of Conduct and Behaviours

Registers of Members' Allowances and Interests	Allowances and registers of Interest (blackpool.gov.uk)
Whistleblowing Policy	Agenda for Standards Committee on Thursday, 20th July, 2017, 6.00 pm (blackpool.gov.uk)

Annual Governance Statement 2021/2022



Organisational Culture

The Council's organisational culture is driven by a set of values which have been defined and previously agreed by Council which all employees and elected members are expected to adhere to and these include:

- We are **accountable** for delivering on the promises we make and take responsibility for our actions and the outcomes achieved
- We are committed to being **fair** to people and treat everybody we meet with dignity and respect
- We take pride in delivering **quality** services that are community focussed and are based on listening carefully to what people need
- We act with integrity and we are **trustworthy** in all our dealings with people and we are open about the decisions we make and the services we offer
- We are **compassionate**, caring, hard-working and committed to delivering the best services that we can with a positive and collaborative attitude.

The Director of Children's Services and her staff are embedding a new culture across Blackpool 'Blackpool Families Rock'. The commitment is to work with families not 'do things to them' with the child at the heart of everything that the Council does and to work with families at the lowest possible level to prevent their needs from escalating to a higher level.

To deliver its ambitions the Council needs to be efficient and resilient. An entrepreneurial culture has been developed across the Council and continues to be embedded in order to develop different ways of working and maximising the Council's chances of achieving its outcomes. Examples of this include the Council's Wholly-Owned Companies, bidding for funding, working in partnership, the business loans fund and making savings whilst transforming services.

AGS Actions Completed in 2021/22

- None identified for this area.

Key Supporting Policies and Procedures

Senior Employees	Blackpool Council Senior employees and officers
Council strategies, policies and plans	Blackpool Council Council strategies policies and plans
Working Well with Children and Families in Lancashire	Early Help and Thresholds for Intervention Blackpool Safeg... (blackpoolsafeguarding.org.uk)

Annual Governance Statement 2021/2022



Ethical and Responsible Governance

At its meeting of 26th June 2019, the Council passed a motion to declare a Climate Emergency. The primary commitments made are to make the Council's activities net-zero carbon by 2030 and achieve 100% clean energy across the Council's full range of functions by the same date. The declaration also covers leadership to achieve a reduction in emissions across the town generally, engagement with the public and stakeholders, effecting a culture change across the Council, wholly-owned companies, staff and partners and taking a role to exert wider influence beyond Blackpool on this issue.

A steering group has been established to lead this issue internally, which includes representation from the Council's wholly-owned companies. The Citizen's Assembly held in 2021 developed actions for inclusion in a Climate Action Plan, progress on which is reported to Tourism, Economy and Communities Scrutiny Committee every six months. A new team has been created and recruited to, ensuring that progress can be made at pace, with new sustainability performance indicators identified to check progress. The Council has also established a Blackpool Climate Action Partnership with representatives from stakeholders across the town to lead on this agenda locally.

The Council's approach to its legal requirements in the Equality Act are expressed by Equality Goals, which are reviewed every 4 years. Each of these goals are linked to specific and measurable improvements which are tracked in accordance with this cycle. The equality goals are:

- All people to experience fair treatment from our services.
- To make our workforce fully representative of our communities and embed Equality in our culture.
- More people from diverse backgrounds are involved in our decision-making.
- We celebrate our town's growing diversity and increase respect and understanding for all.

The Council aims to ensure all its plans/strategies and other decisions are equality assessed to make sure it takes regard of the needs of groups with protected characteristics.

Going beyond this, a rolling programme of departmental and company equality assessments are undertaken. This work helps to consider how to contribute to the Council's wider aims of eliminating discrimination, harassment and victimisation; how to advance equality of opportunity; and help how different groups of people get along together.

With the introduction of the new Human Resources and Payroll system during 2022 an exercise will be undertaken asking employees to use the employee self-service function to add/update their equalities data as part of a Council wide refresh.

Annual Governance Statement 2021/2022



Ethical and Responsible Governance

AGS Actions Completed in 2021/22

- A Public Sector Equality Duty course has been developed and launched in 2022. The course has been delivered to the Council's Executive and is now being rolled out to all Council and company managers.
- The Climate Change Action Plan has been produced and was approved by the Executive on the 8th November 2021.

Key Supporting Policies and Procedures

Climate Emergency Declaration	Blackpool Council climate emergency Climate emergency
Climate Change Action Plan	Agenda for Executive on Monday, 8th November, 2021, 6.00 pm (blackpool.gov.uk)
Workforce Diversity Report	Blackpool Council Workforce diversity report
Gender Pay Gap Report	Gender pay gap report 2021 (blackpool.gov.uk)

Annual Governance Statement 2021/2022



Commitment to Openness, Communication and Consultation

The Council complies with the requirements of the Transparency Agenda and provides a range of information in the public domain through its website.

The Council adopts a priority campaign planning approach using a variety of different marketing communications channels. Key messages are also communicated to residents in the 'Your Blackpool' publication. The Council has enhanced its use of social media and has started to move towards greater use of these platforms as part of a strategic approach to communications.

The Council continue to increase the direct communication and engagement with local businesses so that they have a detailed understanding of the benefits of the regeneration work that the Council is undertaking. This is being done via the Council's own communication channels as well as utilising partner organisations including StayBlackpool, VisitBlackpool, the Town Centre and Tourism BIDs, Blackpool Unlimited, Fylde Coast Responsible Business Network and the Blackpool Business Leadership Group.

The Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority and Police and Crime Panel Meetings) (England and Wales) Regulations 2020 allowed meetings to be held virtually during the pandemic. This increased access to the public with all formal meetings available to view live and after the event on the Council's You Tube page. The public were also able to continue to 'attend' and speak at committee and full Council meetings through this medium.

The Council has in place a system to respond to Freedom of Information requests and compliance with the timelines is managed by the Information Governance Team and reported through to the Corporate Leadership Team by the Data Protection Officer. The team also participated in a consensual inspection by the Information Commissioner's Office in April 2021 which saw 'high' assurance given in areas for freedom of information, governance and accountability and information security.

Consultation and engagement with the public takes place by the lead service area, which can access the Council's in-house cost recovery research team Infusion Research, for wider ranging or more complex consultation exercises. Advice can also be sought from the Community Engagement Team.

The Council last undertook a resident's survey in 2018 and was due to undertake one in 2020. However, the impact of the pandemic has meant that the slot for the survey could not be used. It is important to ensure the data is comparable and this would normally mean that the survey should be undertaken at the same time of the year. Due to the ongoing impact of the pandemic, the survey has been postponed until autumn 2022.

AGS Actions Completed in 2021/22

- A programme of potential schemes / project 'shovel ready' have been identified should a funding stream become available has been developed. Community engagement has been undertaken as part of this process.

Annual Governance Statement 2021/2022



Commitment to Openness, Communication and Consultation

Key Supporting Policies and Procedures	
Council Agendas and Minutes	Browse Meetings, 2021 (blackpool.gov.uk)
Online Council meetings	Blackpool Council - YouTube
Open Government Licence	Open Government Licence (blackpool.gov.uk)
Transparency and Open Data	Transparency and open data (blackpool.gov.uk)
Freedom of Information	Freedom of information (blackpool.gov.uk)

Annual Governance Statement 2021/2022



Developing, Communicating and Translating the Vision

A review of the Council Plan was undertaken in 2021/22 to ensure it continues to address the key issues facing the town. As a result, the Council Plan 2019-2024 sets out the vision for Blackpool to continue to be *'The UK's number one family resort with a thriving economy that supports a happy and healthy community who are proud of this unique town'*. The two priorities remain the same as the previous iteration of the plan:

- The Economy: Maximising Growth and Opportunity across Blackpool.
- Communities: Creating Stronger Communities and Increasing Resilience.

Beneath each priority the plan details the key challenges faced by Blackpool and the key projects and schemes which will be implemented to address these issues. The Council Plan seeks to address the big issues and policy drivers facing local government. The concept of organisational resilience – ensuring that the organisation is capable of delivering the priorities, meeting its legal requirements, and maintaining sustainability into the future - is captured throughout the plan, with the detail included in the Council's wider policy framework. The Council priorities feed into directorate business plans and are a key tool for managers to use when developing business plans. The business plans then feed into Individual Performance Appraisals (IPA).

The Council has a key role in working with partner organisations in order to translate the vision for Blackpool into deliverable actions. This has been particularly demonstrated through the core coordination role that the Council took on board in response to the pandemic from March 2020 to ensure that the local community was effectively supported by a wide range of organisations.

The Council's Annual Staff Conference was not able to be held in the usual way this last year but the Chief Executive, Director of Public Health and Leader of the Council hosted virtual 'Ask a Question' event for staff in December 2021.

AGS Actions Completed in 2021/22

- The informal Scrutiny Leadership Board of 13th July 2021 considered the Capital Strategy 2021/22-23/24 and their work-plan includes capital budget scrutiny on the 19th January 2022 and revisiting the Capital Strategy on 13th July 2022. Regular reporting on capital projects takes place at meetings of the Executive and Council.
- A review of the Council Plan was completed to ensure that the impact of the pandemic is captured and ensure that Council strategies are reviewed in light of the pandemic and amended accordingly.

Key Supporting Policies and Procedures

Council Plan 2019 to 2024

[Agenda for Council on Tuesday, 8th March, 2022, 6.00 pm \(blackpool.gov.uk\)](#)

Annual Governance Statement 2021/2022



Developing, Communicating and Translating the Vision

Capital Strategy

[Agenda for Council on Tuesday, 8th March, 2022, 6.00 pm \(blackpool.gov.uk\)](#)

Annual Governance Statement 2021/2022



Performance Management

A Policy Framework is in place which sets out the corporate strategies and plans which are in place. Corporate resource is available to support services on the development of strategies and shaping them in line with corporate objectives.

The Council's performance management system is now well established, with strategic performance reported to Corporate Leadership Team, members of the Executive and the Scrutiny Leadership Board, whilst local performance indicators are managed through the business planning process. The Deputy Leader's portfolio includes responsibility for oversight of performance management which is achieved through meetings of the Leadership Board which is an informal meeting of Council Chief Officers and the Executive and also be regular reporting to the Scrutiny Leadership Board. The suite of Council Plan headline Key Performance Indicators has been reviewed so that some of the measures around post-COVID recovery are incorporated into ongoing performance reporting.

In March 2019, the Secretary of State appointed a Department for Education Commissioner for Children's Services in Blackpool, following an inadequate judgement by Ofsted of the Council's Children's Services from its inspection in November 2018. One of the recommendations of the Commissioner was to establish a strategic and overarching Children and Families Partnership. This Partnership Board was established in January 2020 and meets quarterly. It is chaired by the Chief Executive and has an emerging set of principles and priorities around inclusion, literacy and the social impact of poverty. The Children's Improvement Board has been replaced by the Getting to Good Board; this partnership meets bi-monthly, monitoring progress and driving improvement in performance and practice in children's social care.

In order to improve performance the Council participates in peer reviews and benchmarking exercises to learn from others and to ensure that services delivered are value for money. The Local Government Association undertook a Corporate Peer Challenge exercise for the Council in March 2020, as part of its work to strengthen the local government sector. The challenge focussed on the Council's understanding of the local context to set an appropriate vision and priorities, provision of effective leadership of external stakeholders, financial planning and viability, organisational leadership and governance, and capacity to deliver. Reflecting on the last Peer Challenge in 2014, the Council developed a position statement outlining its strengths and challenges and hosted the LGA's team for a week of interviews and focus groups. The final feedback was delayed due to the team comprising of senior officers and members at the forefront of responding to the pandemic. Initial feedback focused around three key themes arising related to climate change, medium term financial sustainability and communications. Following this process the outcome of the review has now been considered and the Council's response published.

The Individual Performance Appraisal (IPA) process which is in place is part of the Council's wider approach to performance management. The IPA process is an important tool designed to provide an opportunity to establish and understand expectations and to evaluate performance in order to help employees develop to their full potential. The IPA process is not a replacement for day to day people management so in addition employees are supported by their line managers and should be mentored, coached and directed according to their individual

Annual Governance Statement 2021/2022



Performance Management

needs. This may come through regular one to one meetings, formal supervision meetings, team meetings and informal feedback. During the pandemic flexibility in undertaking IPAs was given to those services which were most impacted by the pandemic to enable them to focus on key priorities, however the Corporate Leadership Team has confirmed that 2022/23 will return to this being mandatory.

The Leadership Charter supports the Council's priorities and values and is included in the Manager's IPA template. The Council has undertaken two Leadership surveys to benchmark performance and progress against the new Charter and this has evidenced that from a good baseline there has been further improvement. Going forward the plan is to undertake this survey at agreed intervals.

AGS Actions Completed in 2021/22

- None identified in this section.

Key Supporting Policies and Procedures

Policy Framework	Blackpool Council constitution Part 8 - Strategic planning process
Children's Service Ofsted Inspections	Ofsted Blackpool Borough Council
Peer Challenge Response	Agenda for Executive on Monday, 8th November, 2021, 6.00 pm (blackpool.gov.uk)

Annual Governance Statement 2021/2022



Roles and Responsibilities

A list of responsibilities and functions for each Council committee are contained within the published Constitution. These are reviewed annually with any changes made at the Council's Annual Meeting to ensure that they continue to be fit for purpose. The Executive has agreed a set of criteria relating to the levels of decision making within the executive framework which provide clarity and consistency for decision makers.

All Council Officers, including the Corporate Leadership Team, have a job description which set out their roles and responsibilities. Annually, through the Individual Performance Appraisal process individual objectives are set for each officer which align with their job description and the Business Plan for the Service in which they work.

The Corporate Leadership Team has been extended fortnightly to involve key Heads of Service in the decision making process. Steps continue to be taken to address some of the concerns with 'hard to recruit to posts' such as Children's Social Workers. In addition, there is ongoing investment in digital technologies to help improve capacity across the Council.

The Council's Constitution, including the Scheme of Delegation, sets out the arrangements and protocols which are in place to enable effective decision making within the authority.

The Council has in place effective arrangements to discharge the Head of Paid Service function and this role is undertaken by the Chief Executive.

The Council has designated a Monitoring Officer and Deputy with appropriate qualifications and experience. The Monitoring Officer has the specific duty to ensure that the Council, its officers and its elected members maintain the highest standards in all they do and is responsible to the Council for ensuring that governance procedures are followed and all applicable statutes and regulations are complied with.

AGS Actions Completed in 2021/22

- None identified for this area.

Key Supporting Policies and Procedures

Responsibilities for Functions	Part 3 - Responsibility for functions (blackpool.gov.uk)
Responsibilities for Functions - Officers	Part 3 - Responsibility for functions (blackpool.gov.uk)
Statutory Officer roles – Article 13	Blackpool Council constitution Part 2 Articles

Annual Governance Statement 2021/2022



The Constitution sets out the functions and responsibilities of the Council, the Executive and committees. Included in this are the delegation arrangements adopted by the Council and the Executive and this is reviewed on a regular basis.

All Executive decisions contain all relevant policy implications including financial, risk management, human resources, equality analysis, legal, sustainability, climate change and environmental considerations and links to Council priorities. All Executive decisions are subject to finance and legal approval before they are taken forward for a decision to be made. The Monitoring Officer or a designated representative, receives all decisions before they are processed and therefore is able to check the robustness of data quality prior to a decision being submitted for formal approval.

Cabinet Member and relevant Officer Decisions are published to meet transparency requirements and inform the public.

A framework for undertaking compliance checks to ensure that decision making processes are appropriate has been developed and these reviews are jointly carried out by the Internal Audit and Democratic Governance teams and the findings reported to Audit Committee. By the end of 2021/22 all directorates had been covered by this process and there has been an improvement across in terms of compliance. Therefore this programme of work will end in 2022/23 but will be reinstated should issues be identified in the future.

AGS Actions Completed in 2021/22

- None identified for this area.

Key Supporting Policies and Procedures

Agendas and Minutes

[Browse Meetings, 2021 \(blackpool.gov.uk\)](#)

[Browse Meetings, 2022 \(blackpool.gov.uk\)](#)

Executive and Cabinet Member Decisions

[, 1 April 2021 - 31 March 2022 \(blackpool.gov.uk\)](#)

Officer Decisions

[Officer decisions, 1 April 2021 - 31 March 2022 \(blackpool.gov.uk\)](#)

Annual Governance Statement 2021/2022



Compliance with relevant Laws, Regulations, Internal Policies and

Procedures

A wide range of corporate policies and procedures are in place to ensure compliance with laws and regulations. These cover all key areas including financial management, human resources, procurement, contract management, risk management, business continuity, data protection, health and safety management arrangements and safeguarding arrangements.

Internal and external audit arrangements are in place to provide a reasonable level of assurance on compliance with the Council's system of internal control.

The Council has obtained PSNN, PCI and N3 security compliance so that it can effectively share data with other organisations including the National Health Service and the Department for Work and Pensions. There is an ongoing review of cyber risks and progress against this is monitored by the Audit Committee. An ICT Security Policy is in place.

An Information Governance Team is in place managed by the Head of Service who carries out the function of the Statutory Data Protection Officer and works with Council services to ensure that personal information is appropriately safeguarded in line with General Data Protection Regulations (GDPR). The Head of Service and his team also carry out that same function for the Council's wholly owned companies, its maintained schools and a selection of academies to ensure consistency and to give the Council assurance over those organisations it has a responsibility for or works closely with.

A Corporate Procurement and Projects Team supports Heads of Services and Service Managers to undertake market engagement for those goods, services and works which are delivered through third-party organisations. Procedures are in place to ensure compliance with the Public Contract Regulations Act 2015, European Union Procurement Directive 2014 and the Council's Contract Procedure Rules. Standard Control Documents are used to ensure consistency of practice, demonstrate value for money and to maximise social value through tendering and contract arrangements.

Reformed procurement legislation is due to be approved by Parliament in 2022 which will lead to an overhaul of the 2015 Public Contract Regulations. As details of the new legislative framework become known the necessary updates will be made to ensure that the Council's Contract Procedure Rules and associated guidance and standard control documents reflect any required changes in practice.

Contract management arrangements are in place and it is expected the robust project management methodologies are applied to projects, including the numerous capital schemes which are planned for the town.

Mandatory training is delivered in a number of ways including a mandatory training pack for non IT users and through the iPool online system for IT users. This ensures casual, temporary and permanent employees are aware of legislative requirements. Reporting tools have been developed to enable Managers to monitor completion of mandatory training courses and completion of Individual Performance Appraisals in real time.

Annual Governance Statement 2021/2022



Compliance with relevant Laws, Regulations, Internal Policies and Procedures

The Council's Monitoring Officer has a role in ensuring that the Council acts within the remit of relevant law and regulations and that a robust democratic process ensures the application of the Constitution. The Monitoring Officer is responsible for the in-house legal team which serves as an additional control to ensure that the Council operates within the constraints of the law and the team hold LEXCEL accreditation.

A number of arrangements are in place to deal with potential non-compliance and these include a Corporate Complaints Panel and Serious Case Reviews. These are chaired independently of the service for which the potential breach has been made to ensure that objective decisions can be taken.

A Disclosure and Barring Service (DBS) Panel is in place which reviews any positive DBS's in relation to pre-employment checks to ensure Council wide robust and consistent decision making.

A Health and Safety Team is in place which provide advice, support and guidance to managers across the Council regarding compliance with health and safety legislation. The team is responsible for issuing the Corporate Arrangements which all employees should adhere too. The Health and Safety Team also undertake a programme of audits to ensure that managers maintain their manuals and comply with statutory requirements.

AGS Actions Completed in 2021/22

- The Council participated in a consensual audit by the ICO and performed well with 'high' assurance given in the 3 areas under review namely freedom of information, governance and accountability and information security. Steps have been taken to implement the recommendations made by the ICO in their audit of the Council's Information Governance arrangements.

Key Supporting Policies and Procedures

Corporate Customer Feedback Policy	Corporate Customer Feedback Policy - 0819 - FINAL VERSION - V1.1 (blackpool.gov.uk)
Data Protection and GDPR	Blackpool Council data protection registration GDPR
Outcome of ICO Audit	Agenda for Audit Committee on Thursday, 30th September, 2021, 6.00 pm (blackpool.gov.uk)

Annual Governance Statement 2021/2022



Financial Management

The Council has an appropriately qualified and experienced designated Chief Finance Officer who holds statutory financial responsibilities and a deputy has also been appointed. The Chief Finance Officer has arrangements in place for financial management, financial reporting and value for money which is assessed annually by the Council's external auditors.

Financial Regulations are in place which are supported by a Scheme of Delegation to ensure that managers are aware of the level of expenditure they are able to authorise.

The Council sets a lawful annual budget and is part way through a six-year Medium Term Financial Sustainability Strategy which runs to the end of the 2026/27 financial year. The associated plan is updated on an annual basis to enable early planning on the financial position to take place. A full review of this strategy was undertaken in 2021/22.

Monthly financial monitoring reports, starting from month 0, are reported to the Corporate Leadership Team with months 3,4,5,7,9,10 and year end going to the Executive and Tourism, Economy and Communities Scrutiny Committee.

The Council's financial management arrangements conform to the governance requirements of the CIPFA Statement on the Role of the Chief Finance Officer in Local Government (2016).

The Council facilitates a Public Inspection of the Accounts and publishes details of all payment transactions over and above the minimum requirements of the Transparency Code.

External audit arrangements are in place and representatives are invited to attend Audit Committee to present the findings of their work and raise any concerns which they may have.

The Redmond Review undertook an independent review into the arrangements in place to support the transparency and quality of local authority financial reporting and external audit. A key recommendation was for clear system leadership to be established across the local audit system. A new regulator, the Audit Reporting and Governance Authority (ARGA), is to be established as the system leader for local audit within a new, simplified local audit framework with shadow arrangements to start at the Financial Reporting Council in September 2022.

AGS Actions Completed in 2021/22

- The Medium Term Financial Sustainability Strategy has been reviewed and was approved by the Executive on the 8th November 2021 and now covers 2021/22 to 2026/27.

Key Supporting Policies and Procedures

Statutory Chief Finance Officer
(holding Section 151
responsibilities)

[Blackpool Council | Senior employees and officers](#)

Annual Governance Statement 2021/2022



Financial Management

Annual Budgets	Annual budgets (blackpool.gov.uk)
Budget and Policy Framework	Blackpool Council constitution Part 4c Budget and policy framework
Financial Procedure Rules	Blackpool Council constitution Part 4f - Financial procedure rules
Medium Term Financial Sustainability Strategy	Agenda for Executive on Monday, 8th November, 2021, 6.00 pm (blackpool.gov.uk)
Statutory Officer roles – Article 13	Blackpool Council constitution Part 2 Articles

Annual Governance Statement 2021/2022



Audit Arrangements

An Audit Committee is in place which is independent of the scrutiny function. As a full committee of the Council it is able to discharge all the core functions of an Audit Committee outlined in the CIPFA Audit Committee: Practical Guidance for Local Authorities (2018), from which the Committee has adopted the model terms of reference. Over the past twelve months the Chair of the Audit Committee has continued to raise the profile of the Audit Committee and has presented a report to Council on the work of the Committee and has proactively requested Chief Officers and Head of Services to attend meetings to be challenged and held to account where controls issues have been identified. Two independent member positions have been co-opted onto the Committee to enhance its robustness and provide valuable experience and support to the Committee in its work.

Modular training is delivered as part of the Audit Training Academy prior to each Audit Committee meeting to ensure that members have the appropriate skills and knowledge to effectively discharge their duties.

The Council has an internal audit team who prepare an Annual Internal Audit Plan which is approved by the Corporate Leadership Team and the Audit Committee. This includes a balance of risk and compliance work. The audit opinion and assurance statement for each audit is reported quarterly to the Audit Committee.

In 2021/22 the Head of Audit and Risk provided an Annual Audit Opinion and is satisfied that sufficient assurance work has been carried out to allow the provision of a reasonable conclusion on the adequacy and effectiveness of Blackpool Council's internal control environment. The opinion of the Head of Audit and Risk is that the overall control environment of the Council is adequate. The regeneration programme being implemented, supported by various funding streams, increases risk in terms of project delivery and financial risks. The financial position of the Council's wholly owned companies also creates a financial sustainability risk as do the ongoing demands for social care provision. The continued fall-out from the pandemic has created a risk to the control environment and placed pressure on already stretched services. Likewise, challenges facing the Council from the year on year funding cuts again places pressure on services to effectively delivery their statutory duties. Where weaknesses have been identified through internal audit work the team has worked with management to agree appropriate remedial actions and a timescale for improvement.

The Council's internal audit arrangements conform to the governance requirements the Public Sector Internal Audit Standards. An external review of the Council's compliance with the Public Sector Internal Audit Standards took place in 2021/22 which confirmed conformance with the standards. The recommendations made in the external assessment report have been incorporated into the Quality Assurance and Improvement Programme for the service.

Annual Governance Statement 2021/2022



Audit Arrangements

AGS Actions Completed in 2021/22

- Quarterly liaison meetings have now been scheduled between internal and external audit.
- An external assessment took place in June / July 2021 and the report confirmed that the internal audit team conform to the Public Sector Internal Audit Standards. The report was presented to Audit Committee in September 2021.

Key Supporting Policies and Procedures

Internal Audit Charter 2021/22	Agenda for Audit Committee on Thursday, 21st January, 2021, 6.00 pm (blackpool.gov.uk)
Internal Audit Plan 2021/22	Agenda for Audit Committee on Thursday, 25th March, 2021, 6.00 pm (blackpool.gov.uk)
Annual Audit Opinion	Agenda for Audit Committee on Thursday, 16th June, 2022, 6.00 pm (blackpool.gov.uk)
Quality Assurance and Improvement Programme 2021/22	Agenda for Audit Committee on Thursday, 29th April, 2021, 6.00 pm (blackpool.gov.uk)
Audit Committee Annual Report to Full Council	Agenda for Council on Wednesday, 22nd June, 2022, 6.00 pm (blackpool.gov.uk)
External Assessment of Internal Audit 2021/22	Agenda for Audit Committee on Thursday, 30th September, 2021, 6.00 pm (blackpool.gov.uk)

Annual Governance Statement 2021/2022



Risk Management

A Corporate Risk Management Group is in place to coordinate and promote risk management activity in line with the Council's Risk Management Framework 2021-2025. It is supported by directorate and thematic risk management groups.

All directorates have nominated risk champions to promote best practice in their areas and ensure that service level risk registers are in place and that risk registers are developed for major projects and partnerships where appropriate.

Overarching responsibility for risk management lies with the Officer Corporate Leadership Team. Chief Officers are identified as owners of the risks identified in the Strategic Risk Register and is reviewed by the Corporate Leadership Team quarterly and approved by the Audit Committee annually. The Audit Committee undertakes a programme of 'deep dives' into each key risk area with Chief Officers identified in the Strategic Risk Register being required to attend to explain how the risks are being managed and what further mitigating controls may be required.

Risk management should be considered for all decisions made by the Council and these are evidenced in the dedicated section on the decision making template.

A Corporate Business Continuity Plan and Critical Activities List are in place and this is supported by service level business continuity plans.

AGS Actions Completed in 2021/22

- Undertaken a project to assess the benefits / risks of hybrid working when employees return to the office post pandemic and subsequently implemented hybrid working as of April 2022.

Key Supporting Policies and Procedures

Risk Management Framework 2021/25	Appendix 8(a) - Agenda for Audit Committee on Thursday, 21st January, 2021, 6.00 pm (blackpool.gov.uk)
Strategic Risk Register 2021/22	Agenda for Audit Committee on Thursday, 25th March, 2021, 6.00 pm (blackpool.gov.uk)
Strategic Risk Register Deep Dive - Pandemic Response	Agenda for Audit Committee on Thursday, 29th April, 2021, 6.00 pm (blackpool.gov.uk)
Strategic Risk Register Deep Dive - Sustainability	Agenda for Audit Committee on Thursday, 17th June, 2021, 6.00 pm (blackpool.gov.uk)
Strategic Risk Register Deep Dive - Economy	Agenda for Audit Committee on Thursday, 30th September, 2021, 6.00 pm (blackpool.gov.uk)

Annual Governance Statement 2021/2022



Risk Management

Strategic Risk Register Deep Dive - Service Failure	Agenda for Audit Committee on Thursday, 11th November, 2021, 6.00 pm (blackpool.gov.uk)
Strategic Risk Register Deep Dive – Change Management	Agenda for Audit Committee on Thursday, 20th January, 2022, 6.00 pm (blackpool.gov.uk)
Business Continuity Framework 2021/25	Appendix 9(a) - Agenda for Audit Committee on Thursday, 21st January, 2021, 6.00 pm (blackpool.gov.uk)

Annual Governance Statement 2021/2022



Counter Fraud and Anti-Corruption Arrangements

The Council has developed counter fraud and anti-corruption arrangements in line with the CIPFA Code of Practice on Managing the Risk of Fraud and Corruption. A Fraud Prevention Charter has been developed and approved by the Corporate Leadership Team and the Audit Committee. Any suspected instance of fraud or corruption should be reported to the Head of Audit and Risk so that an appropriate investigation into the matter can be undertaken.

A dedicated Corporate Fraud Team is in place which deals with a range of corporate fraud issues and proactive work has commenced on high risk areas such as insurance fraud, blue badges and council tax. However, the focus of the team's work during the year is pre and post assurance work on the various business lockdown, restart grants and Omicron grants which have been made available by government as a result of the pandemic.

The Council has appropriate procedures in place to deal with the risk of money laundering and also to raise awareness of the Bribery Act and ensure that appropriate controls are in place to reduce the risk. An Anti-Money Laundering Policy is in place and this is supported by an iPool training course for employees to complete.

The Council participates in the National Fraud Initiative and progress against this and outcomes, are reported to Audit Committee on quarterly basis.

A corporate group is in place to review the Council's use of covert surveillance and to ensure compliance with the Regulatory of Investigatory Powers Act (2000).

AGS Actions Completed in 2021/22

- None identified for this area

Key Supporting Policies and Procedures

Fraud Prevention Charter 2021/22	Agenda for Audit Committee on Thursday, 25th March, 2021, 6.00 pm (blackpool.gov.uk)
Anti-Money Laundering Policy	Appendix 5(a) - Agenda for Audit Committee on Thursday, 8th November, 2018, 6.00 pm (blackpool.gov.uk)
Covert Surveillance Policy	Appendix 6(a) - Agenda for Audit Committee on Wednesday, 27th November, 2019, 6.00 pm (blackpool.gov.uk)

Annual Governance Statement 2021/2022



Scrutiny Arrangements

Three Scrutiny Committees are in place which reflect the Council's priorities namely a Children and Young People's Scrutiny Committee, Tourism, Economy and Communities Scrutiny Committee and an Adults Social Care and Health Scrutiny Committee.

A Scrutiny Leadership Board chaired by an Independent Member of the Council and also consisting of the Chairs and Vice Chairs of the three committees and the Chair of the Audit Committee coordinates the work of the committees and manages the overall scrutiny work programme. In May 2021, the Council agreed that the Scrutiny Leadership Board would scrutinise the wholly owned companies of the Council, following liaison with the proposed Shareholder Committee of the Executive and would also be responsible for monitoring and commenting on the Council's, medium term financial strategy, financial outturn reports and any other overarching financial strategies. There are also regular meetings with senior Executive Members.

The scrutiny committees help empower elected members and provide them with the opportunity to contribute to policy making, hold in-depth reviews and challenge and hold decision makers to account. The committees meet on a regular basis and the minutes of the meetings and supporting documentation are published and the Chair of the Scrutiny Leadership Board reports to Council normally twice a year on scrutiny activities that have taken place (one report to Council during 2021 due to pandemic restrictions). The Scrutiny Leadership Board undertakes an informal self-assessment exercise annually to identify any development areas.

AGS Actions Completed in 2021/22

- None identified for this area.

Key Supporting Policies and Procedures

Scrutiny Committee Agendas and Minutes

[Committee structure \(blackpool.gov.uk\)](https://blackpool.gov.uk)

Scrutiny Annual Report 2021/22

[Agenda for Council on Wednesday, 22nd June, 2022, 6.00 pm \(blackpool.gov.uk\)](https://blackpool.gov.uk)

Annual Governance Statement 2021/2022



Learning and Development

An Induction and Probation process is in place for all new employees in the Council. Following successful completion of the probation process employees will then receive a mandatory Individual Performance Appraisal (IPA). The IPA incorporates an annual and interim review, held at an appropriate time in a private, comfortable space and can be considered as the setting of a 'roadmap' for an employee for the coming twelve months.

A wide range of training is available corporately which is informed from Corporate Leadership team, Senior Leadership team, various workforce groups and the development needs identified in the Individual Performance Appraisals. The Council is committed to leadership development and various courses are available to continue to develop skills and knowledge. An aspiring leadership programme is being developed and further work undertaken in relation to succession planning for Senior Leadership Team roles and this will form part of HRs work plan for 2022/23. The attainment of professional qualifications in relevant disciplines is encouraged and the Council is committed to funding studies where appropriate utilising the Apprenticeship Levy.

Many professionals across the Council maintain continuing professional develop records to ensure they continue to meet the requirements of their professional bodies.

A Workforce Strategy is in place but was due to be refreshed last year. As a result of the pandemic this has been delayed but work will take place during 2023 supported by the employee survey which was completed in 2021/22.

The Council encourages and promotes Apprenticeships to existing employees and through recruitment. The costs of training are funded through the Council's Apprenticeship Levy.

Project Search, the job scheme for young people with learning disabilities also ran where each of the students learn personal and job skills for a two month period before embarking on work placements to find a suitable job for them.

An induction programme is in place for all elected members as well as a three year development plan to provide for ongoing development skills development throughout members' term of office. Elected members can have a personal development plan to help identify and assist with individual training needs. A cross-party Member Training Panel oversees the provision of member training and shapes future programmes.

The Council takes the Health and Wellbeing of employees very seriously and there is a comprehensive suite of support available in addition to an in house Occupational Health Service. This is promoted to employees via regular newsletters and a 'My Wellbeing' section on the Council's Hub. An internal audit of this area in 2021/22 provided positive assurance about the work undertaken in this area.

Annual Governance Statement 2021/2022



Learning and Development

AGS Actions Completed in 2021/22

- Carried out an all employee survey the results of which will be used to inform the refresh of the Workforce Strategy in 2022/23
- Carried out an exercise to identify whether appropriate succession planning arrangements are in place for the Senior Leadership Team. The results of this will be used to develop an Aspiring Leaders Programme in 2022/23.
- Reviewed all elected member role profiles with inclusion of how training can be accessed and hyperlinks to further reading /resources provided by relevant national organisations. Role descriptions are accessible to all members via a MS Teams group, which can be viewed via the iPad.
- Non-Executive Directorships have been reviewed and where appropriate renewed. New role descriptions have been developed for non-executive directors which will be used for succession planning for elected members.

Key Supporting Policies and Procedures

Apprenticeships Levy Return	Annual apprenticeships return (blackpool.gov.uk)
Workforce Strategy	Appendix 3(a) - Agenda for Executive on Monday, 18th January, 2016, 6.00 pm (blackpool.gov.uk)
Supporting The Workforce Scrutiny Report	Appendix 10(a) - Agenda for Resilient Communities and Children's Scrutiny Committee on Thursday, 7th February, 2019, 6.00 pm (blackpool.gov.uk)
Project Search	Project Search (blackpool.gov.uk)

Annual Governance Statement 2021/2022



Partnerships and Joint Working

The Council is involved in a number of key projects with partner organisations in order to transform the way in which services are delivered. Examples include Better Start and HeadStart which focus on early intervention in order to build resilience in the community. Boards with representation from partner organisations are also in place for key risks faced by the Council to introduce an element of independence and challenge. Transformation has also been achieved through the Opportunity Area funding stream which seeks to improve educational attainment.

The Council is invited to attend the Voluntary, Community, Faith and Social Enterprise (VCFSE) Leaders meetings and aims to work alongside and in partnership with third sector colleagues. This includes work around community engagement, community development and working together to ensure a more resilient Blackpool. This includes involving third sector representatives on key boards such as the town deal and working together on projects including a Lancashire wide accord developed in partnership with local authorities, NHS and the third sector, aiming to streamline communication pathways and join working together. The Council's relationships with the third / voluntary sector have been further strengthened due to effectively working together in response to the pandemic starting in March 2020 and forging new ways of working together which can continue to be developed.

Arrangements are in place for the provision of Shared Services with Fylde Borough Council in a number of areas, the most significant being the Revenues and Benefits Service, Health and Safety and Human Resources. Payroll services are also provided to Chorley and South Ribble Councils. Shared arrangements are also in place with Blackpool Teaching Hospital NHS Foundation Trust in relation to emergency planning. The Council is also working jointly with other Fylde Coast authorities on the development of an enterprise zone and other economic prosperity opportunities to improve the local economy.

The Council wholly owns seven companies which are currently operating (six companies limited by shares and one limited by guarantee). Each company has an adopted governance framework based on good practice codes in the corporate sector. The Boards generally comprise both councillor appointed non-executive directors and independent non-executive directors (usually in the majority) recruited from the business sector. There is a group approach to corporate governance with the Company Secretary, Data Protection Officer and Head of Audit and Risk from the Council appointed across the group which helps provide assurance to the Boards of Directors and the Council in its role as shareholder.

A Shareholder Committee of the Executive (chaired by the Deputy Leader of the Council and involving the Leader of the Council and the Deputy Leader of the Conservative group) with decision making powers and more focused accountability was established in 2021. In addition the Governance Framework for the wholly-owned companies was reviewed and strengthened during the year and formally approved by the Shareholder Committee on 18 March 2022 (to be adopted by each company Board).

Annual Governance Statement 2021/2022



Partnerships and Joint Working

The Mersey Internal Audit Agency was commissioned to undertake an independent internal audit of the Council's approach to company governance. Progress in implementing the recommendations in this audit are subject to review by the Shareholder Committee.

AGS Actions Completed in 2021/22

- A Partnership Governance Framework was presented to Audit Committee in September 2021 and adopted by Full Council in November 2021.
- The Shareholder Committee has now been established. The Powers and Duties were approved by the Executive on the 14th June 2021 and revised at the Executive on the 8th November 2021.
- Strengthened communication with and support for the business sector particularly in terms of recovery from the pandemic.
- A training programme for Non-Executive Directors has been developed.

Key Supporting Policies and Procedures

Partnership Governance Framework	Agenda for Council on Wednesday, 24th November, 2021, 6.00 pm (blackpool.gov.uk)
Establishment of a Shareholder Committee	Agenda for Executive on Monday, 8th November, 2021, 6.00 pm (blackpool.gov.uk)
Company Governance Framework	Agenda for Shareholder Committee on Friday, 18th March, 2022, 10.00 am (blackpool.gov.uk)
Independent Internal Audit of Company Governance Arrangements	Agenda for Shareholder Committee on Friday, 21st January, 2022, 10.00 am (blackpool.gov.uk)
Audit Recommendation Tracker	Agenda for Shareholder Committee on Friday, 18th March, 2022, 10.00 am (blackpool.gov.uk)

Annual Governance Statement 2021/2022

Annual Review of Effectiveness

Blackpool Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework, including the system of internal control. The stages included in the review process and the key findings from each are summarised below.

Good Governance Group

A Good Governance Group was established in October 2016 and has led on the review of effectiveness and the production of the Annual Governance Statement to ensure that governance issues identified have subsequently been addressed. This group is chaired by the Director of Governance and Partnerships and attended by the Head of Audit and Risk, Head of Democratic Governance, Transformation Manager, Head of Legal Services, Head of ICT, Chief Accountant, Head of Information Governance and the Head of Organisation and Workforce Development.

Elected Member Workshop

A workshop with elected members who have a key role in governance took place on the 8th July 2022. These were the Deputy Leader of the Council, the Chair of the Audit Committee and the Lead Scrutiny Member.

Extended Corporate Leadership Team Workshop

A workshop with the Extended Leadership Team (the Council's Chief Officers plus key senior managers with key governance roles) took place on the 5th July 2022.

Mid-Term Review

The mid-term review will be presented to the January 2023 Audit Committee so progress against identified actions can be reported.

Assurance Statement

The results of the effectiveness of the governance framework have been considered by the Corporate Leadership Team and Audit Committee who have determined that the arrangements are fit for purpose in accordance with the governance framework.

Annual Governance Statement 2021/2022

Governance Issues

Actions have been identified as part of the 2021/22 review of the effectiveness of the governance framework and these are captured in the following table. It should be noted that some of the issues identified are not deemed significant but have been included to aid openness and transparency.

Issue	Actions	Responsible Officer (s)	Target Date
Code of Conduct and Behaviours	Implement programme of training for members on the revised Code of Conduct which includes specific training for Executive Members, Chairs and those in special responsibility positions.	Director of Governance and Partnerships	After mid-term review
	Reinstate the regular reminder to elected members around registering gifts and hospitality.	Director of Governance and Partnerships	Before mid-term review
Organisational Culture	The Shareholder Committee should ensure that the wholly owned companies are delivering in line with the Council's values.	Director of Governance and Partnerships	After mid-term review
Ethical and Responsible Governance	Develop an Ethical Policy clearly defining expectations of the wholly owned companies and the Shareholder and the decision making process.	Director of Governance and Partnerships	Before mid-term review
	During 2022-23 a statutory review of the Council's Equality Objectives will be conducted.	Director of Resources	After mid-term review
	Refresh employee equalities data as part of the roll out of the new HR system.	Chief Executive	Before mid-term review
Commitment to Openness, Communication and Consultation	Continue to deliver the channel shift agenda to improve accessibility to residents and reduce demand on Council resources. This will include consideration of the recommendations made in the Channel Shift Scrutiny Review.	Director of Resources / Director of Communication and Regeneration	After mid-term review
	Undertake a resident's survey and use the results to help inform future decision making. Consideration will be given as to	Director of Strategy and Performance	After mid-term review

Annual Governance Statement 2021/2022

Issue	Actions	Responsible Officer (s)	Target Date
	how to engage a wide range of residents as part of the survey.	(Assistant Chief Executive)	
	Implement a Community Engagement Framework and supported guidance to ensure a coordinate and robust approach is in place, building on the learning gained during responding to the current pandemic.	Director of Strategy and Performance (Assistant Chief Executive)	Before mid-term review
Performance Management	Prepare for the expected OFSTED inspection of children's services in 2022.	Director of Children's Services	After mid-term review
	Prepare for the potential CQC inspection of adult social care in 2023.	Director of Adult Services	After mid-term review
Decision Making	Undertake a review of the Council's Constitution in conjunction with senior elected members in key governance positions.	Director of Governance and Partnerships	After mid-term review
Compliance with laws, regulations and internal procedures.	Undertake a review of the Council's Procurement Policy and procedures in light of any changes following changes to regulations.	Director of Resources	After mid-term review
	Ensure robust contract and project management procedures are implemented for the regeneration programme being undertaken across the town.	Director of Communications and Regeneration	After mid-term review
Audit Arrangements	Opportunities to review good practice with other Audit Committees will be explored through the new forum established by the Chartered Institute of Internal Auditors / LGA.	Director of Governance and Partnerships / Director of Resources	Before mid-term review
	Improve the link between Audit Committee and the Scrutiny process.	Director of Governance and Partnerships	After mid-term review

Annual Governance Statement 2021/2022

Issue	Actions	Responsible Officer (s)	Target Date
	Consider rolling out access to the Audit Training Academy to all elected members and potentially members of company Audit Committees.	Director of Governance and Partnerships	After mid-term review
Risk Management	Review the strategic risk register and the deep dive review process for 2022/23 to better group the risks and enable a better understanding of the actions being taken by the Council.	Director of Resources	Before mid-term review
	Review the Council's Corporate Business Continuity Plan to ensure that the critical activities list remains up to date.	Director of Resources	After mid-term review
Counter Fraud	Implement a communications strategy for raising fraud awareness and ensuring that employees and the public are aware of how to report fraud to the Council.	Director of Resources	Before mid-term review
Scrutiny Arrangements	Follow-up external 'peer' assessment of North West Employers on scrutiny arrangements.	Director of Governance and Partnerships	After mid-term review
Learning and Development	Undertake further work on succession planning for Senior Leadership Team roles including the development of an aspiring leader programme.	Chief Executive	After mid-term review
	Use the findings from the employee survey to develop a new Workforce Development Strategy for the Council.	Chief Executive	After mid-term review
	Review of member induction programme ahead of the local elections in 2023.	Director of Governance and Partnerships	After mid-term review

Annual Governance Statement 2021/2022

Issue	Actions	Responsible Officer (s)	Target Date
Partnership and Joint Working	Develop a register of existing partnerships so that governance arrangements can then be assessed.	Director of Governance and Partnerships	Before mid-term review
	Wholly owned company Boards to adopt the Governance Framework and further development of associated governance documents.	Director of Governance and Partnerships	Before mid-term review
	Ensure delivery of the recommendations made in the audit report relating to governance of wholly owned companies. This includes improving the way in which company risks are reported to the Shareholder.	Director of Governance and Partnerships	After mid-term review
	Maximise the opportunity for digital literacy via the Fibre Blackpool project in order to improve the health and wellbeing of our residents.	Director of Resources	After mid-term review

Conclusion

We propose over the coming year to take steps to address the significant governance issues identified to further enhance governance arrangements. We are satisfied that these steps will address the need for improvements that were identified in our review of effectiveness and will monitor their implementation and operation as part of our next annual review.

Signed: (Leader of the Council)

Signed: (Chief Executive)

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Report to:	AUDIT COMMITTEE
Relevant Officer:	Tracy Greenhalgh – Head of Audit and Risk
Meeting	21 July 2022

RISK SERVICES QUARTER ONE REPORT

1.0 Purpose of the report:

1.1 To provide the Audit Committee with a summary of the work completed by Audit and Risk Services in quarter one of the 2022/23 financial year.

2.0 Recommendation(s):

2.1 The Audit Committee is asked to note to content of the report.

3.0 Reasons for recommendation(s):

3.1 To ensure that the Council has effective risk management processes in place.

3.2 Is the recommendation contrary to a plan or strategy adopted or approved by the Council? No

3.3 Is the recommendation in accordance with the Council's approved budget? Yes

4.0 Other alternative options to be considered:

4.1 N/A.

5.0 Council priority:

5.1 The work of the internal audit team contributes to the achievement of all of the Council's priorities.

6.0 Background information

6.1 Each quarter the Head of Audit and Risk produces a report summarising the work of Risk Services and this includes the overall assurance statements for all audit reviews completed in the quarter. The Risk Services Quarterly Report is reported to the Corporate Leadership Team prior to being presented at Audit Committee.

On the completion of each audit an overall assurance statement is provided which summarises the strength of controls in the area being audited. The opinions can provide positive assurance, such as when controls are identified to be good or adequate, or negative assurance when the controls are

considered to be inadequate or uncontrolled.

6.2 Does the information submitted include any exempt information? No

7.0 List of Appendices:

7.1 Appendix 9(a): Risk Services Quarter One Report

8.0 Financial considerations:

8.1 All work has been delivered within the agreed budget for Risk Services.

9.0 Legal considerations:

9.1 All work undertaken by Risk Services is in line with relevant legislation. This is particularly important when undertaking fraud investigations where a number of regulations need to be adhered to.

10.0 Risk management considerations:

10.1 The primary role of Risk Services is to provide assurance that the Council is effectively managing its risks and provide support to all services in relation to risk and control. Risks that have been identified in the quarter are reported in the summary report.

11.0 Equalities considerations:

11.1 Where appropriate matter pertaining to equalities will be considered as part of the advice and assurance work of Audit and Risk.

12.0 Sustainability, climate change and environmental considerations:

12.1 Where appropriate matter pertaining to sustainability, climate change and the environment will be considered as part of the advice and assurance work of Audit and Risk.

13.0 Internal/external consultation undertaken:

13.1 The report was considered by the Corporate Leadership Team on the 12 July 2022.

14.0 Background papers:

14.1 N/A.

Audit and Risk Services Quarter One Report
1st April to 30th June 2022

Contents	Page
1. Quarter One Summary	2
Service Developments	2
Performance	3
Risk Services performance indicators	3
Internal Audit Team performance indicators	3
Risk and Resilience Team performance indicators	4
Health and Safety performance indicators	5
Corporate Fraud Team performance indicators	5
2. Appendix A: Performance & Summary Tables for Quarter One	6
Internal Audit reports issued in period	6
Fraud and Error Data	18
Insurance claims data	18
3. Appendix B - Fraud and Error Statistics 2022/23	19
4. Appendix C – Insurance Claim Payments by Financial Year	20

Blackpool Council: Audit and Risk

1. *Quarter One Summary*

Service Developments

1.1 *Internal Audit*

Internal audits that have been scoped in the quarter and/or fieldwork underway include:

Directorate	Internal Audits
Adult Services	<ul style="list-style-type: none">• Supported Living
Children's Services	<ul style="list-style-type: none">• Special Educational Needs• Hornby Road Children's Home• Children's Centres• Financial Systems Development
Chief Executives	<ul style="list-style-type: none">• Social Housing Rents
Communication and Regeneration	<ul style="list-style-type: none">• Growth and Prosperity
Community and Environmental	<ul style="list-style-type: none">• Waste Management
Corporate	<ul style="list-style-type: none">• Wholly Owned Companies – Leases, Asset Registers, Contracts and Operating Agreements
Governance and Partnerships	<ul style="list-style-type: none">• Civil Claims Financial Data
Public Health	<ul style="list-style-type: none">• Health Protection Arrangements
Resources	<ul style="list-style-type: none">• Creditor Payments• Direct Debits
Schools	<ul style="list-style-type: none">• St John Vianney's Primary School

Details of the scope and final outcome for each of the above audits will be reported to Audit Committee in the Audit and Risk quarterly report once the fieldwork has been completed and the draft report agreed.

1.2 *Corporate Fraud*

The Senior Counter Fraud Advisor is leading on the post assurance work which is a requirement of Central Government, in relation to the various grants paid to local businesses who were impacted by the pandemic and which apparently qualified for the various schemes in place. This continues to have a significant impact on resource in order to collate the data required for checking.

Proactive fraud prevention work is underway with a focus on the National Fraud Initiative this includes the relaunch of the checks undertaken on residents claiming single person discount.

The first communications campaign was also undertaken in the quarter with a focus on the Council's zero tolerance stance towards fraud. This campaign included a statement from the Chair of Audit Committee which has helped to increase the gravitas of the message. This statement has been included in the April staff newsletter, Lancashire Live, Blackpool Gazette, Opera News and Your Blackpool e-newsletter which was sent to 25,000 residents. This was followed up by Council posts on social media encouraging residents to report any suspicion of fraud to the Corporate Fraud Team.

1.3 *Risk and Resilience*

Overall 100% of the scheduled risk management groups were held in the quarter. Risk workshops were facilitated for the Care Cap trailblazer project and ZEBRA zero carbon bus network project. Work is also underway with the wholly owned companies in order to review their strategic risk registers to enable effective reporting to the Shareholder Committee.

The work to review service level business continuity plans and transfer these onto the new template which combines business impact analysis and business continuity arrangements is ongoing. Once all

Blackpool Council: Audit and Risk

service level business continuity plans have been reviewed the Corporate Business Continuity Plan will be updated.

The service have started to prepare to run a procurement exercise for leaseholder insurance and are currently evaluating options. Continued liaison with the Growth and Prosperity Team is also taking place to understand any potential insurance risks arising due to the ongoing regeneration programme across the town.

In conjunction with the health and safety team, property services and IT steps are being taken to improve building resilience at Bickerstaffe House.

1.4 **Health and Safety**

The health and safety management audit programme is underway and audits completed in the quarter include Festival House and the Catering Service. Remaining audits to be scheduled are being allocated to team members for completion during the year.

The modernisation of the health and safety management system on the Hub is ongoing as is the transfer of accident reporting onto the new HR system which is due to go live in August 2022. Work has also recommenced on the development of a more user friendly corporate warning register for use by all Council services to help protect staff working in customer facing services. Work has also been undertaken with HR to support the closing down and removal of the Covid-19 area on the Hub.

Support has been provided to the multi-agency building at the Moor Park premises to develop joint working emergency procedures between the Council teams based there, NHS and the property management company.

Core health and safety training has been delivered and there is continued growth for more bespoke training for individual teams and the delivery of toolbox talks by the health and safety team.

Due to the success of the team gaining external work a recruitment exercise has recently been undertaken to appoint a new Trainee Health and Safety Advisor, and the successful candidate started with the team in June. An additional post has also been created to provide a dedicated health and safety resource for highways and tram track and a recruitment campaign is underway for this position.

Performance

Risk Services performance indicators

Performance Indicator (Description of measure)	2022/23 Target	2022/23 Actual
Professional and technical qualification as a percentage of the total.	85%	62%

Internal Audit Team performance indicators

Performance Indicator (Description of measure)	2022/23 Target	2022/23 Actual
Percentage audit plan completed (annual target).	90%	16%
Percentage draft reports issued within deadline.	96%	88%
Percentage audit work within resource budget.	92%	100%
Percentage of positive satisfaction surveys.	85%	88%

Blackpool Council: Audit and Risk

Performance Indicator (Description of measure)	2022/23 Target	2022/23 Actual
Percentage compliance with quality standards for audit reviews.	85%	91%

Risk and Resilience Team performance indicators

Performance Indicator (Description of measure)	2022/23 Target	2022/23 Actual
Percentage of Council service business continuity plans up to date.	100%	85%
Percentage of risk registers revised and up to date at the end of the quarter.	100%	96%
Number of risk and resilience training and exercise sessions held (annual target).	6	0
Percentage of property risk audit programme completed (annual target).	100%	100%

The following table details business continuity plans which have not been updated in the last 12 months:

Directorate	% updated	Business Continuity Plans Not Updated
Adult Services	92%	Adult Social Care
Chief Executives	100%	-
Children's Services	11%	Adoption, Fostering & Supporting Our Children Blackpool Young People's Service Business Support & Resources Duty, MASH, Awaken EDT, Families In Need, Supporting & Strengthening Families School Standards & Effectiveness SEND SQR
Communication and Regeneration	93%	Business Support
Community & Environmental Services	100%	-
Governance & Partnerships	100%	-
Public Health	100%	-
Resources	100%	-

The following table details the risk registers which were not updated by the end of quarter four:

Risk Management Group	% updated	Risk Registers Not Updated
Adult Services	100%	-
Central Support Services	87%	Executive's Management Support Housing Strategy
Children's Services	100%	-
Communications & Regeneration	100%	-

Blackpool Council: Audit and Risk

Community & Environmental Services	100%	-
Public Health	100%	-

Health and Safety performance indicators

Performance Indicator (Description of measure)	2022/23 Target	2022/23 Actual
RIDDOR Reportable Accidents for Employees	0	1

There was one new RIDDOR case relating to employees reported in the quarter a summary of the details as follows:

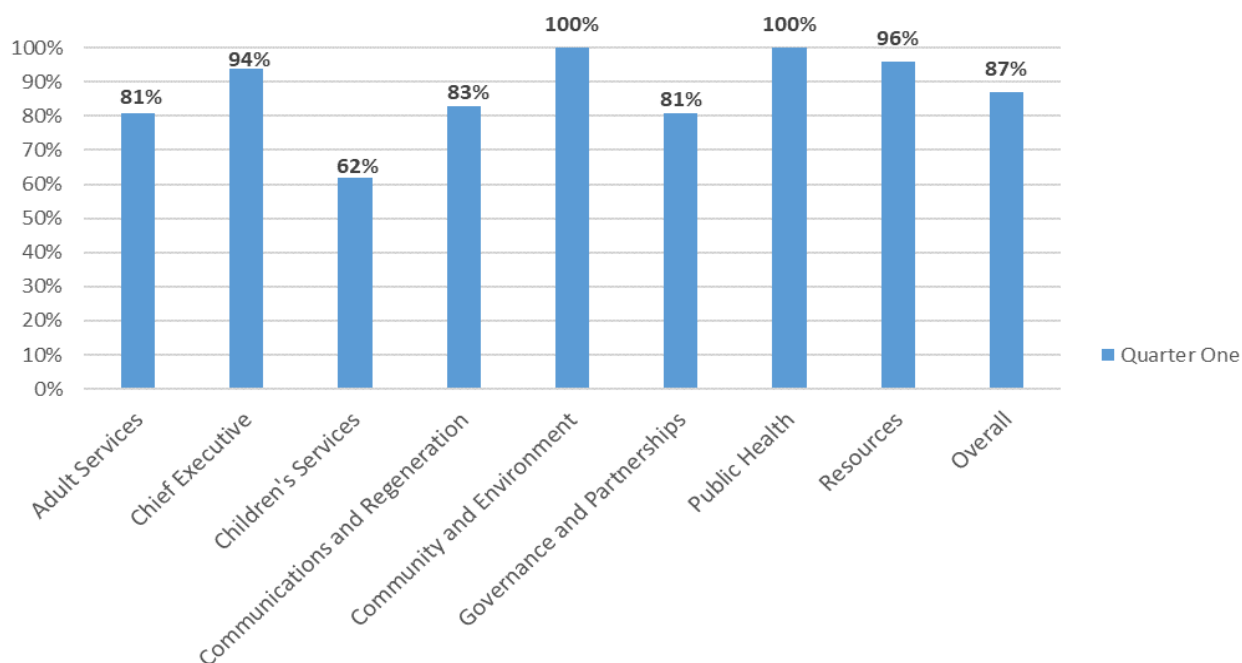
- School – employee was assisting a pupil and this resulted in the employee getting a fractured jaw.

Corporate Fraud Team performance indicators

Performance Indicator (Description of measure)	2022/23 Target	2022/23 Actual
% of agreed Council employees completed i-Pool fraud awareness course.	100%	87%

As at the end of Quarter 1, the overall completion rate has decreased from 89% (as at 31st March 2022), to 87% (as at 30th June 2022). Whilst there have been some changes to the levels of completion within individual Directorates, further analysis has revealed that such fluctuations can be attributed to Directorate staffing changes which have occurred during the quarter.

Mandatory Fraud Awareness Training by Directorate 2022/23



2. Appendix A: Performance & Summary Tables for Quarter One

Internal Audit reports issued in period

Directorate	Review Title	Assurance Statement								
Chief Executive	Commissioning	<p><u>Scope</u></p> <p>The scope of this audit was to review:</p> <ul style="list-style-type: none"> • Commissioning strategy; • Compliance with the Standard Operating Procedures; • Monitoring of contracts and completeness of contracts database; and • Development and shaping of market. <p><u>Overall Opinion and Assurance Statement</u></p> <table border="1" data-bbox="770 763 1465 801"> <tr> <td align="center" colspan="2">Split Assurance</td> </tr> </table> <p>We consider that the controls in place are adequate for the commissioning function within the Commissioning Team and Adult Services.</p> <p>We do however have significant concerns related to aspects of the commissioning process that occurs within Children’s Services that is independent of the usual commissioning process. Therefore we have provided an inadequate assurance on this element.</p> <p><u>Number of Recommendations Made</u></p> <table border="1" data-bbox="770 1171 1465 1279"> <tr> <td>Priority 1</td> <td align="center">1</td> </tr> <tr> <td>Priority 2</td> <td align="center">8</td> </tr> <tr> <td>Priority 3</td> <td align="center">5</td> </tr> </table> <p><u>Management Response</u></p> <p>A process will be agreed by Children’s Services that ensures that spot purchases are procured effectively, utilising the expertise within the Council.</p> <p>Children’s Services will align their involvement and role within the commissioning process to current standard operating procedures.</p> <p>Contract management and the full scope of what it entails will be reviewed to ensure that contract management is being effectively delivered.</p> <p>Market position statements are currently being revised and developed in line with the best examples. They will be presented much clearer on a dedicated webpage and be more outcome focused following a coproduction exercise.</p> <p>Discussions are taking place with OFSTED to determine when to publish a Sufficiency Statement.</p>	Split Assurance		Priority 1	1	Priority 2	8	Priority 3	5
Split Assurance										
Priority 1	1									
Priority 2	8									
Priority 3	5									

Blackpool Council: Audit and Risk

Directorate	Review Title	Assurance Statement								
Children's Services	Supporting Families Grant Certification - 2021/22	<p><u>Scope</u></p> <p>Our agreed testing of the 2021-2022 submissions involved undertaking the following compliance tests:</p> <ul style="list-style-type: none"> • For a sample of at least 10% of families per the claim, check that the family was eligible to be selected for the programme and met at least two of the identified criteria; • For a sample of at least 10% of families per the claim, check that the results have been attained for each of the criteria identified for each of the families tested; • Check that a minimum of 6 months sustainability period has lapsed prior to the submission; • Review evidence of suitable school attendance for all school age children or admission to further education; and • Check for duplications in families being claimed for in the current and previous submissions. <p><u>Overall Opinion and Assurance Statement</u></p> <table border="1" style="width: 100%; text-align: center;"> <tr> <td colspan="2">Adequate</td> </tr> </table> <p>Having carried out an appropriate level of testing we are satisfied that the Supporting Families Payment by Results returns submitted in June 2021, September 2021, December 2021 and March 2022 are satisfactory and comply with the DCLG Supporting Families Programme Guidance published in April 2021. We note that some families were removed from the submission as a result of our testing and as the scope of data collection has been widened, further work is required to ensure all eligibility criteria is identified and recorded against each family at the time of closure.</p> <p><u>Number of Recommendations Made</u></p> <table border="1" style="width: 100%; text-align: center;"> <tr> <td style="width: 70%;">Priority 1</td> <td style="width: 30%;">0</td> </tr> <tr> <td>Priority 2</td> <td>1</td> </tr> <tr> <td>Priority 3</td> <td>0</td> </tr> </table> <p><u>Management Response</u></p> <p>Work will be undertaken to ensure all families submitted for claiming the Supporting Families outcomes have all applicable eligibility criteria identified, to ensure all outcomes are evidenced and transparent when undertaking eligibility testing.</p>	Adequate		Priority 1	0	Priority 2	1	Priority 3	0
Adequate										
Priority 1	0									
Priority 2	1									
Priority 3	0									

Blackpool Council: Audit and Risk

Directorate	Review Title	Assurance Statement								
Children's Services	Early Year Payment Systems	<p><u>Scope</u></p> <p>The scope of this audit was to review:</p> <ul style="list-style-type: none"> • The effectiveness of the new Early Years Payment System; and • Whether there is compliance with system controls. <p><u>Overall Opinion and Assurance Statement</u></p> <table border="1" style="width: 100%; text-align: center;"> <tr> <td colspan="2">Adequate</td> </tr> </table> <p>We consider that overall, the controls in place for the Early Years payments system are adequate, and our testing uncovered no areas of non-compliance. We have however noted that the pre-pandemic approach to the audit of childcare providers has not resumed. We have therefore made a recommendation to strengthen this control which will help reduce risks resulting from fraud and error.</p> <p><u>Number of Recommendations Made</u></p> <table border="1" style="width: 100%; text-align: center;"> <tr> <td style="width: 70%;">Priority 1</td> <td style="width: 30%;">0</td> </tr> <tr> <td>Priority 2</td> <td>1</td> </tr> <tr> <td>Priority 3</td> <td>0</td> </tr> </table> <p><u>Management Response</u></p> <p>The Early Years Payment Team are currently developing a process to reconcile children's codes with the current Early Years Team's information to create a risk register. This information is going to be used to highlight areas with higher risk to determine future Service Provider visits, which will occur twice a month going forward.</p>	Adequate		Priority 1	0	Priority 2	1	Priority 3	0
Adequate										
Priority 1	0									
Priority 2	1									
Priority 3	0									

Blackpool Council: Audit and Risk

Directorate	Review Title	Assurance Statement								
Communication and Regeneration	Library Management	<p><u>Scope</u></p> <p>The scope of this audit was to review:</p> <ul style="list-style-type: none"> • Management and governance arrangements; • The stock budgets and procurement of the digital service; • The plans in place to increase library opening hours to pre-pandemic levels; • The practicality of the library systems in place, whether they are user friendly and the barriers to resolving ICT issues in a timely manner; and • Strategy to move more into digital library and engage more with the community. <p><u>Overall Opinion and Assurance Statement</u></p> <table border="1" style="width: 100%; text-align: center;"> <tr> <td colspan="2">Adequate</td> </tr> </table> <p>We consider that the controls in place are adequate but procedures for library activities and the Library Ambition Plan delivery plan need to be developed and a suitable self-issue solution found.</p> <p><u>Number of Recommendations Made</u></p> <table border="1" style="width: 100%; text-align: center;"> <tr> <td>Priority 1</td> <td>0</td> </tr> <tr> <td>Priority 2</td> <td>3</td> </tr> <tr> <td>Priority 3</td> <td>6</td> </tr> </table> <p><u>Management Response</u></p> <p>Volunteers will be recruited for the At Home library service to pre-pandemic levels. The use of volunteers across the wider team will be considered once the new structure is in place, staff have been recruited and the revised opening hours have been tested.</p> <p>A core set of priority library policies will be produced.</p> <p>A document will be produced that links in the individual library plans with the Ambition Plan. The Ambition Plan will be reviewed once the new structure is in place, staff have been recruited and library visits have increased.</p> <p>Consideration will be given to setting up a group with responsibility for keeping the Collections Policy up to date and to discuss selection and acquisition matters.</p> <p>Monitoring of library visits is undertaken monthly. Once the new structure is in place, staff have been recruited and library visits have increased a report on library usage will be produced for CLT.</p> <p>The service is reviewing all of its ICT systems in libraries with the Head of ICT Services. Funding opportunities have been identified.</p>	Adequate		Priority 1	0	Priority 2	3	Priority 3	6
Adequate										
Priority 1	0									
Priority 2	3									
Priority 3	6									

Blackpool Council: Audit and Risk

Directorate	Review Title	Assurance Statement								
Communication and Regeneration	Conference Centre	<p><u>Scope</u></p> <p>The scope of this audit was to review:</p> <ul style="list-style-type: none"> • The issues experienced during the delivery of the Conference Centre project; • The management arrangements of the Conference Centre and how they will develop going forward. <p><u>Overall Opinion and Assurance Statement</u></p> <table border="1" style="width: 100%; text-align: center;"> <tr> <td colspan="2">Split Assurance</td> </tr> </table> <p>The project to build the Conference Centre has experienced significant difficulties and delays. Therefore, we consider that the controls around the actual build of the conference centre were inadequate although acknowledge that some of the issues were outside of the Council's direct control. Lessons learned have been identified and will be considered for future projects and therefore we are not making any recommendations.</p> <p>Now that the Conference Centre has been built and handed over to Blackpool Entertainment Company Limited (BECL) to operate there is a need for the operator to maximise the offer in order to pay off loans relating to the conference centre build and to break even. A long term business plan has recently been developed by the operator and is currently being reviewed by the Council. The operator's performance against the plan should be closely monitored in order to ensure that the projected recovery is realised and provide assurance that adequate controls are in place.</p> <p><u>Number of Recommendations Made</u></p> <table border="1" style="width: 100%; text-align: center;"> <tr> <td>Priority 1</td> <td>0</td> </tr> <tr> <td>Priority 2</td> <td>5</td> </tr> <tr> <td>Priority 3</td> <td>1</td> </tr> </table> <p><u>Management Response</u></p> <p>All outstanding defects are currently being progressed and work is ongoing to ensure that all defects identified so far are remedied.</p> <p>Management will continue to closely monitor the claims being made against the Council.</p> <p>Management will continue to review the best option in terms of how to reflect the management arrangement detail over the coming months.</p> <p>The revised business plan has been approved, and BECL's performance against the plan will be closely monitored going forward.</p>	Split Assurance		Priority 1	0	Priority 2	5	Priority 3	1
Split Assurance										
Priority 1	0									
Priority 2	5									
Priority 3	1									

Blackpool Council: Audit and Risk

Directorate	Review Title	Assurance Statement								
Communication and Regeneration	Business Support and Recovery	<p><u>Scope</u></p> <p>The scope of this audit was to review:</p> <ul style="list-style-type: none"> • The grants and financial assistance that were provided to businesses during the pandemic; • The assistance and support provided to the business community during the pandemic; • The enhanced events programme, to revitalise tourism; • The communications methods used during the pandemic, particularly Blackpool Unlimited and social media channels; and • Review the lessons learnt over the period. <p><u>Overall Opinion and Assurance Statement</u></p> <table border="1" style="width: 100%; text-align: center;"> <tr> <td colspan="2">Good</td> </tr> </table> <p>We consider that the controls in place are good, with most risks identified and assessed, and only a minor control improvement required. We found that the Council responded swiftly to processing and dispatching grants to local businesses and put in place a range of support mechanisms for businesses to access relevant support information.</p> <p><u>Number of Recommendations Made</u></p> <table border="1" style="width: 100%; text-align: center;"> <tr> <td style="width: 70%;">Priority 1</td> <td style="width: 30%;">0</td> </tr> <tr> <td>Priority 2</td> <td>0</td> </tr> <tr> <td>Priority 3</td> <td>1</td> </tr> </table> <p><u>Management Response</u></p> <p>The Blackpool Council's specific webpage on business support will be updated to reflect the current level of services we can offer to businesses.</p>	Good		Priority 1	0	Priority 2	0	Priority 3	1
Good										
Priority 1	0									
Priority 2	0									
Priority 3	1									

Blackpool Council: Audit and Risk

Directorate	Review Title	Assurance Statement							
Community and Environmental	Food Control	<p><u>Scope</u></p> <p>The scope of this audit was to review:</p> <ul style="list-style-type: none"> • The minimum statutory requirements to ensure the service is meeting its statutory obligations, including the backlog of inspections; and • Whether the current staffing of the function can adequately demonstrate its ability to meet its objectives in line with Food Standards Agency requirements and past recommendations. <p><u>Overall Opinion and Assurance Statement</u></p> <table border="1" style="width: 100%; text-align: center;"> <tr> <td>Adequate</td> </tr> </table> <p>We consider that the controls in place are adequate in terms of clearing the backlog of interventions if the service is able to meet the deadlines set out in the FSA Recovery Plan. We have recommended that the service assesses the situation periodically and report to the FSA if there is a risk that deadlines will not be met.</p> <p>Our testing revealed minor lapses in compliance with the intervention process and controls.</p> <p><u>Number of Recommendations Made</u></p> <table border="1" style="width: 100%; text-align: center;"> <tr> <td>Priority 1</td> <td>0</td> </tr> <tr> <td>Priority 2</td> <td>4</td> </tr> <tr> <td>Priority 3</td> <td>2</td> </tr> </table> <p><u>Management Response</u></p> <p>A deadline will be set for the revision of the Food Law Service Plan for 2022/2023.</p> <p>The service will seek clarification from the FSA as to whether it is appropriate to use the alternative enforcement strategy for some category D businesses.</p> <p>The service will periodically assess the situation with regards to the Recovery Plan and if it is deemed unlikely that targets will be met advise the FSA why this is the case.</p> <p>The service will re-consider the use of agency staff, if financially viable, in order to reduce the volume of overdue interventions.</p> <p>Intervention checklists will be fully completed and any observation made noted in the PACE notebook will be scanned onto ESB to maintain a clear audit trail.</p> <p>The risk register will be reviewed and updated on a regular basis.</p>	Adequate	Priority 1	0	Priority 2	4	Priority 3	2
Adequate									
Priority 1	0								
Priority 2	4								
Priority 3	2								

Blackpool Council: Audit and Risk

Directorate	Review Title	Assurance Statement								
Corporate	Business Loans Fund	<p><u>Scope</u></p> <p>The scope of this audit was to review:</p> <ul style="list-style-type: none"> • Whether the due diligence process has been adhered to for all new business loan applicants since the previous audit, and that a full audit trail is in place to support the decision; • Whether repayments are being made in line with the terms of the agreement for existing loans (taking into account the repayment flexibility applied during the pandemic). <p><u>Overall Opinion and Assurance Statement</u></p> <table border="1" style="width: 100%; text-align: center;"> <tr> <td colspan="2">Adequate</td> </tr> </table> <p>We consider that the controls in place are adequate with some risks identified and assessed. Our testing revealed minor lapses in the application of controls. In particular we have made recommendations to strengthen the approach with regard to ensuring that facility agreements are always in place and decisions are consistently published on the Council website.</p> <p><u>Number of Recommendations Made</u></p> <table border="1" style="width: 100%; text-align: center;"> <tr> <td>Priority 1</td> <td>0</td> </tr> <tr> <td>Priority 2</td> <td>6</td> </tr> <tr> <td>Priority 3</td> <td>1</td> </tr> </table> <p><u>Management Response</u></p> <p>Consideration will be given to reviewing the Expression of Interest form.</p> <p>Consideration will be given as to whether the introduction of a customer feedback system would be of benefit.</p> <p>Discussions regarding the potential early repayment of one outstanding loan in full have commenced and are ongoing between the payee and Director of Resources.</p> <p>It will be ensured that a signed facility agreement is always in place.</p> <p>The Head of Economic and Cultural Services will facilitate a discussion between the Assistant Accountant and Executive and Regulatory Support Manager on how to strengthen the current process of publishing loan decisions going forward.</p> <p>Steps will be taken to ensure that the BAOL Recovery plan is monitored via the Shareholder Committee.</p> <p>The risk register is to be updated on an annual basis.</p>	Adequate		Priority 1	0	Priority 2	6	Priority 3	1
Adequate										
Priority 1	0									
Priority 2	6									
Priority 3	1									

Blackpool Council: Audit and Risk

Directorate	Review Title	Assurance Statement								
Governance and Partnerships	Children's Legal Services	<p><u>Scope</u></p> <p>The scope of this audit was to review:</p> <ul style="list-style-type: none"> • The effectiveness of Children's Legal Services following the recent structural and operational changes; • Whether Children's Services are receiving the required level of support from Children's Legal Services; and • Whether any further operational changes to the delivery of the service are required. <p><u>Overall Opinion and Assurance Statement</u></p> <table border="1" style="width: 100%; text-align: center;"> <tr> <td colspan="2">Adequate</td> </tr> </table> <p>We consider that controls relating to the operation of Children's Legal Services are adequate with most risks identified and assessed and some changes necessary. Significant improvements have been made over recent years to ensure that Children's Services receive the required level of support from the Childcare Legal Team. We have made recommendations to further strengthen the approach.</p> <p><u>Number of Recommendations Made</u></p> <table border="1" style="width: 100%; text-align: center;"> <tr> <td>Priority 1</td> <td>0</td> </tr> <tr> <td>Priority 2</td> <td>2</td> </tr> <tr> <td>Priority 3</td> <td>3</td> </tr> </table> <p><u>Management Response</u></p> <p>The requirement for Children's Services to timeously share information with the Childcare Legal Team will be raised with the new Assistant Director of Children's Services. Outstanding information is already chased by the Childcare Legal Team Manager via ICO Permanence Panel meetings which take place every 3 weeks.</p> <p>To ensure that the best possible information is available to Children's Social Care when they request advice relating to a case the practice of outlining various options and their implications will be encouraged across the Childcare Legal Team.</p> <p>In order to obtain feedback from Children's Services relating to the quality of different external counsel representation a feedback form will be piloted.</p> <p>The structure of the Childcare Legal Team will continuously be reviewed to help identify efficiencies.</p> <p>A conversation will take place to identify how the Childcare Legal Team and Children's Services can support one another with training requirements.</p>	Adequate		Priority 1	0	Priority 2	2	Priority 3	3
Adequate										
Priority 1	0									
Priority 2	2									
Priority 3	3									

Blackpool Council: Audit and Risk

Directorate	Review Title	Assurance Statement							
Resources	Medium Term Financial Sustainability Strategy	<p><u>Scope</u></p> <p>The scope of this audit was to review:</p> <ul style="list-style-type: none"> • The robustness of plans in place in terms of the deliverability of the proposed savings and expected service levels; • The level of risk being taken as a result of the proposals being put forward; • The derivation of the savings figures, ensuring their full consequences have been taken into account; and • The robustness of the process of developing the MTFSS. <p><u>Overall Opinion and Assurance Statement</u></p> <table border="1" style="margin-left: auto; margin-right: auto;"> <tr> <td style="text-align: center;">Adequate</td> </tr> </table> <p>We consider that the controls in place are adequate, with some risk identified and assess, several changes necessary. The continued pressure of budgets is not easing, and finding savings is becoming more difficult therefore it is essential that robust systems and processes are in place for business planning and the assessment of impact and risk against savings being offered. Particularly important as the quality and depth on delivering our statutory function starts to be effected by budget pressures.</p> <p><u>Number of Recommendations Made</u></p> <table border="1" style="margin-left: auto; margin-right: auto;"> <tr> <td style="width: 60%;">Priority 1</td> <td style="text-align: center;">0</td> </tr> <tr> <td>Priority 2</td> <td style="text-align: center;">7</td> </tr> <tr> <td>Priority 3</td> <td style="text-align: center;">3</td> </tr> </table> <p><u>Management Response</u></p> <p>The use of the finance B2 form will be enforced, as part of the budget setting process, to ensure that an impacts from savings have been formally documented.</p> <p>Directorates will be reminded that any risks and impacts identified in the budgetary process need to be captured in service level risk registers.</p> <p>Formal recording and managing pressure points, within business plans and linking in with service level risk registers, will be encouraged.</p> <p>Equality impact assessments on financial decisions, such as rents and car park increases, will be considered.</p> <p>All Directors will have early meetings to discuss budgets and savings proposals involving key council officers such as the Equality and Diversity Manager.</p>	Adequate	Priority 1	0	Priority 2	7	Priority 3	3
Adequate									
Priority 1	0								
Priority 2	7								
Priority 3	3								

Blackpool Council: Audit and Risk

Directorate	Review Title	Assurance Statement								
Schools	Layton Primary School	<p><u>Scope</u></p> <p>The audit testing which was carried out included:</p> <ul style="list-style-type: none"> • Governance • Risk Management • Financial Planning & Budgetary Control • Payroll / HR Management • Expenditure • Income • Unofficial Funds • Security Of Assets • Core Assurance Testing <p><u>Overall Opinion and Assurance Statement</u></p> <table border="1" style="width: 100%; text-align: center;"> <tr> <td colspan="2">Split Assurance</td> </tr> </table> <p>We consider that the controls in place are adequate with some risks identified and assessed and several changes necessary. We do however consider that the lack of controls relating to the Unofficial School Fund creates unnecessary risk and have therefore assessed this element of the scope as inadequate.</p> <p><u>Number of Recommendations Made</u></p> <table border="1" style="width: 100%; text-align: center;"> <tr> <td style="width: 70%;">Priority 1</td> <td style="width: 30%;">1</td> </tr> <tr> <td>Priority 2</td> <td>0</td> </tr> <tr> <td>Priority 3</td> <td>6</td> </tr> </table> <p><u>Management Response</u></p> <p>The School Business Manager has made contact with the bank holding the School Fund, requesting closure of the account in writing and confirming that Layton wishes to transfer the balance to the main school current account. The bank has confirmed that, upon closure, they will issue the last five years of bank statements so the School Business Manager will be able to reconcile final balance.</p> <p>It has been agreed by Governors that out of the six annual meetings, two per year will be devoted to financial management agenda items to allow time for sufficient discussion and challenge.</p> <p>All governors have been reminded to provide details to the Clerk of external training completed immediately and on an ongoing basis.</p> <p>The school has implemented a new financial management system from 1st April 2022. Once new processes have been agreed and all administration staff are proficient, the Business Support Officer will be trained on preparing financial monitoring reports and processing payroll journals.</p>	Split Assurance		Priority 1	1	Priority 2	0	Priority 3	6
Split Assurance										
Priority 1	1									
Priority 2	0									
Priority 3	6									

Blackpool Council: Audit and Risk

Directorate	Review Title	Assurance Statement								
Schools	Holy Family RC Primary School	<p><u>Scope</u></p> <p>The audit testing which was carried out included:</p> <ul style="list-style-type: none"> • Governance • Risk Management • Financial Planning & Budgetary Control • Payroll / HR Management • Expenditure • Income • Unofficial Funds • Security Of Assets • Core Assurance Testing <p><u>Overall Opinion and Assurance Statement</u></p> <table border="1" style="width: 100%; text-align: center;"> <tr> <td colspan="2">Adequate</td> </tr> </table> <p>We consider that the controls in place are adequate with some risks identified and assessed and several changes necessary.</p> <p><u>Number of Recommendations Made</u></p> <table border="1" style="width: 100%; text-align: center;"> <tr> <td>Priority 1</td> <td>0</td> </tr> <tr> <td>Priority 2</td> <td>4</td> </tr> <tr> <td>Priority 3</td> <td>4</td> </tr> </table> <p><u>Management Response</u></p> <p>The school will continue to remind governors that they can access the training opportunities along with the importance of keeping training as up to date as possible.</p> <p>The school will continue to remind governors the importance of the declaration of interest via GovernorHub.</p> <p>The school will ensure VAT receipts are gained where possible and be prudent when coding transactions. The school will re issue the credit card user manual so staff know what to look out for when gaining a VAT receipt.</p> <p>The school will remind staff of the receipt requirements, and advise them to check that these can be accessed before making a purchase.</p> <p>The school will ensure that transactions between the school fund and school budget are kept separate. This will be updated in the financial procedures manual.</p> <p>The school will review and amend the scope for the school fund document to ensure it includes the use of the school fund account.</p>	Adequate		Priority 1	0	Priority 2	4	Priority 3	4
Adequate										
Priority 1	0									
Priority 2	4									
Priority 3	4									

Blackpool Council: Audit and Risk

Progress with Priority 1 audit recommendations

One priority one recommendation was implemented in the quarter including:

- Management of Investment Properties x 1

A number of priority one recommendations which were due in the quarter have had their deadline extended following discussion between the relevant Head of Service and the Head of Audit and Risk and include:

- Community Engagement x 1
- Water Self-Supply x 1
- Managing the Leavers Process x 1
- CCTV x 1
- Animal Health Outbreak Management x 2
- Track Maintenance Programme x 1
- Wholly Owned Companies Governance Arrangements x 1
- Energy Management x 2

The Regulation of Investigatory Powers Act 2000

In line with best practice it has been agreed that the Council will report to the Audit Committee the number of RIPA authorisations undertaken each quarter, which enables the Council to undertake directed and covert surveillance. Between April 2022 and June 2022 the Council authorised no RIPAs.

Fraud and Error Data

The fraud and error statistics are now in the new format agreed as part of this year's Fraud and Error Prevention Charter and can be found in Appendix B.

Insurance claims data

The graphs at Appendix C show the cost of liability insurance claims paid to date during each financial year by the Council.

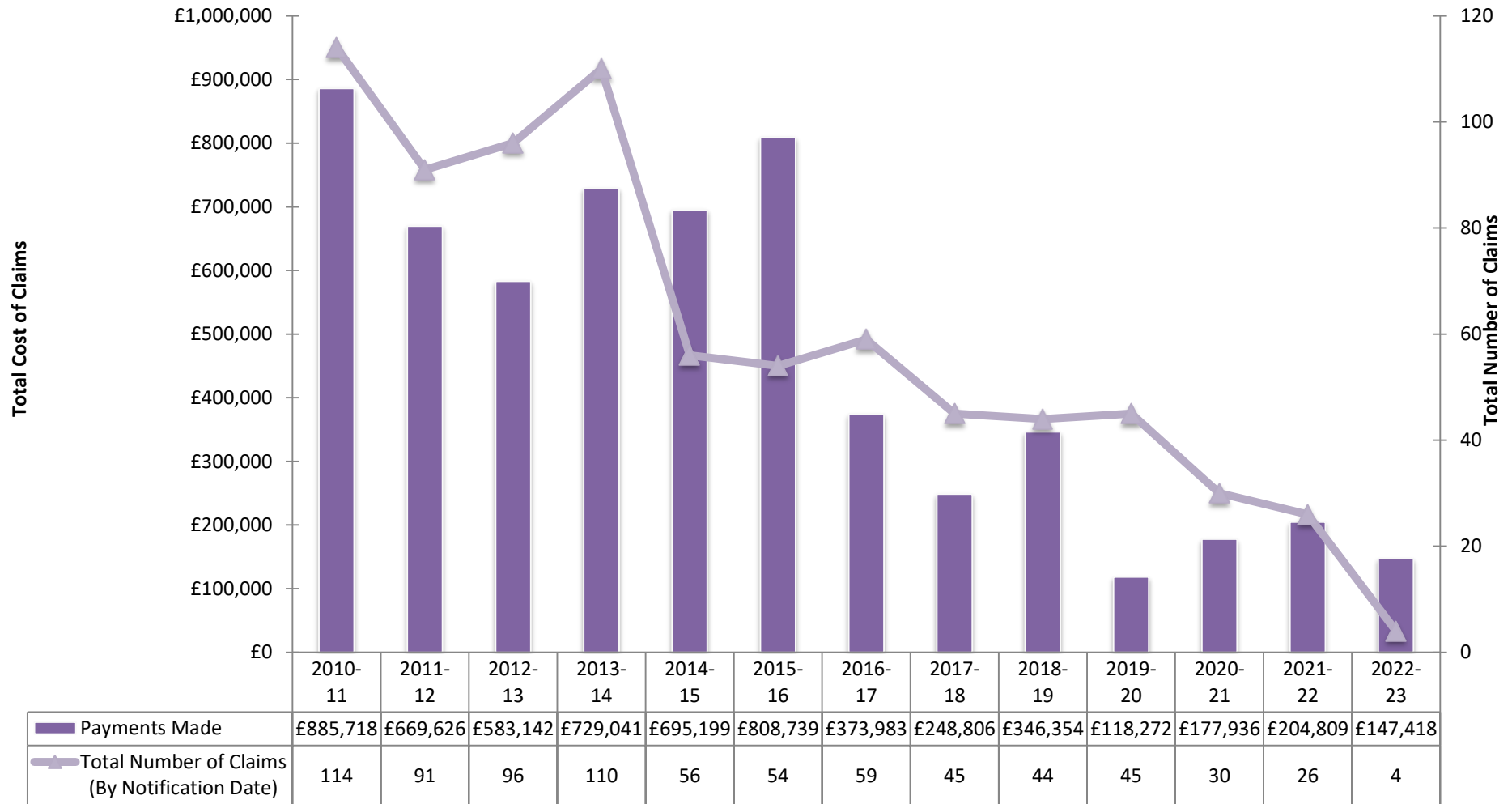
Blackpool Council: Audit and Risk

3. Appendix B - Fraud and Error Statistics 2022/23

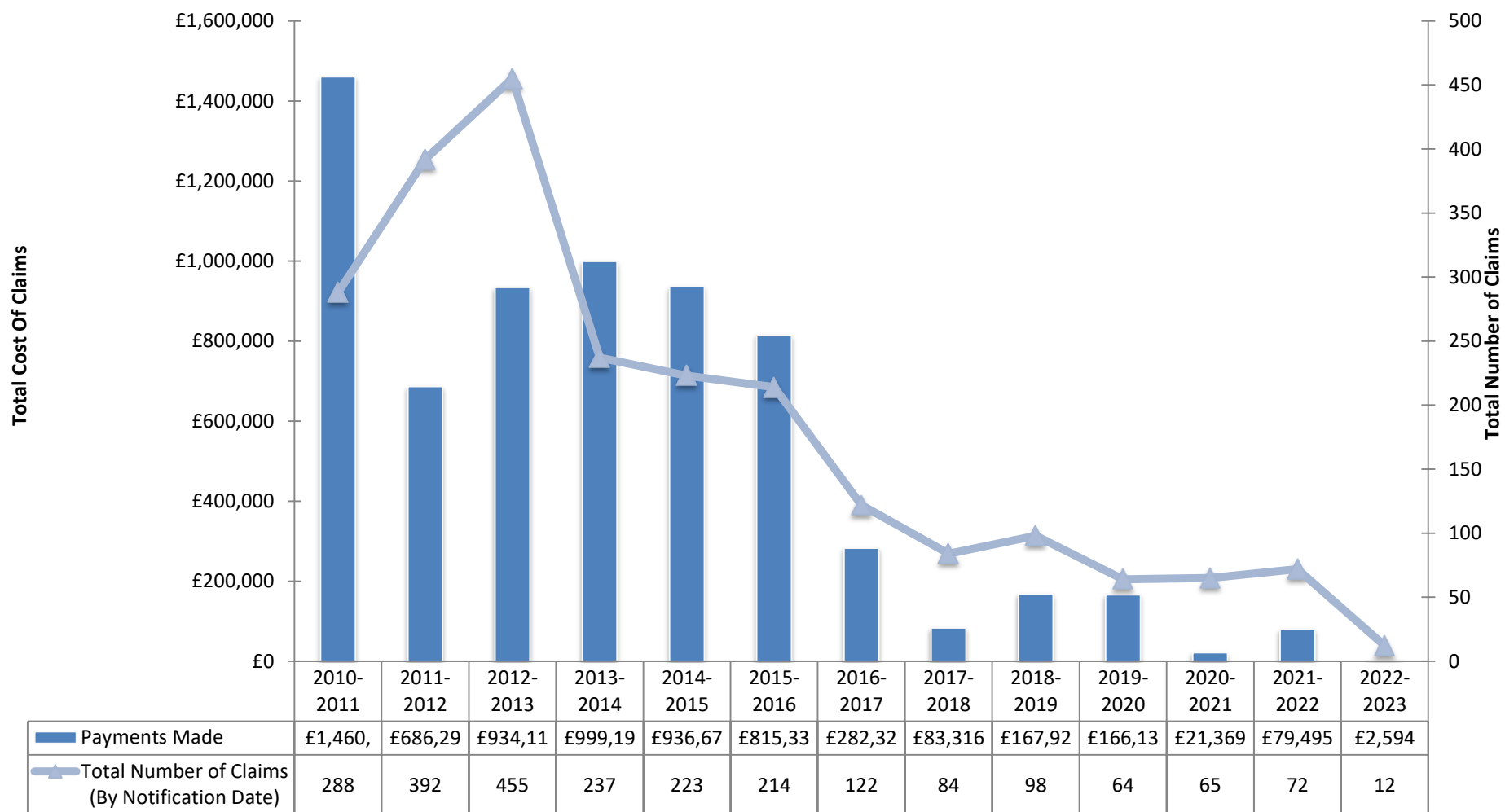
CORPORATE FRAUD AND ERROR STATISTICS - 2022/2023	Number of Cases Brought Forward from 2021/22	Referrals Received				Case Closures									Total Value of Fraud Proven / Error Identified	Action Taken on Closed Cases					Number of Cases Currently Under Investigation
		Internal	External	NFI	Total Number of Referrals Received	Fraud Proven			Error Proven			No Fraud/Error Identified				No Further Action	Recommendation	Disciplinary	Administrative Penalty	Prosecution	
						Internal	External	NFI	Internal	External	NFI	Internal	External	NFI							
ANNUAL SUMMARY 2022/23																					
Council Tax - Single Person Discount	2,121	22	6	35	63	0	0	0	11	0	38	9	4	661	£ 25,104.18	723	0	0	0	0	1,461
Council Tax Reduction (CTR)	762	8	5	271	284	0	0	0	1	0	1	2	1	51	£ 10,024.58	56	0	0	0	0	990
Housing Benefit Claims	7	0	0	0	0	0	0	0	0	0	0	0	0	1	£ -	1	0	0	0	0	6
Housing Tenants	129	0	0	0	0	0	0	0	0	0	0	0	0	6	£ -	6	0	0	0	0	123
Payroll	11	1	0	0	1	0	0	0	0	0	0	0	0	-	£ -	-	0	0	0	0	12
Business Rates	4	0	0	0	0	0	0	0	0	0	0	0	0	-	£ -	-	0	0	0	0	4
Procurement	2,538	0	0	0	0	0	0	0	0	0	0	0	0	2,524	£ -	2,524	0	0	0	0	14
Fraudulent Insurance Claims	2	0	0	0	0	0	0	0	0	0	0	0	0	-	£ -	-	0	0	0	0	2
Social Care	3	0	0	0	0	0	0	0	0	0	0	0	0	-	£ -	-	0	0	0	0	3
Abuse of Position - Financial Gain	-	0	0	0	0	0	0	0	0	0	0	0	0	-	£ -	-	0	0	0	0	-
Abuse of Position - Data	-	2	0	0	2	0	0	0	0	0	0	0	0	-	£ -	-	0	0	0	0	2
General Financial Fraud	17	1	1	0	2	1	0	0	0	0	0	1	0	-	£ -	1	0	1	0	0	17
Blue Badge Parking/Travel Concessions/Resident Parking	23	2	0	0	2	0	0	0	1	0	0	0	0	-	£ 515.91	1	0	0	0	0	24
Housing/Right to Buy	-	0	0	0	0	0	0	0	0	0	0	0	0	-	£ -	-	0	0	0	0	-
Totals:	5,617	36	12	306	354	1	0	0	13	0	39	12	5	3,243	£ 35,644.67	3,312	0	1	0	0	2,658

4. Appendix C – Insurance Claim Payments by Financial Year

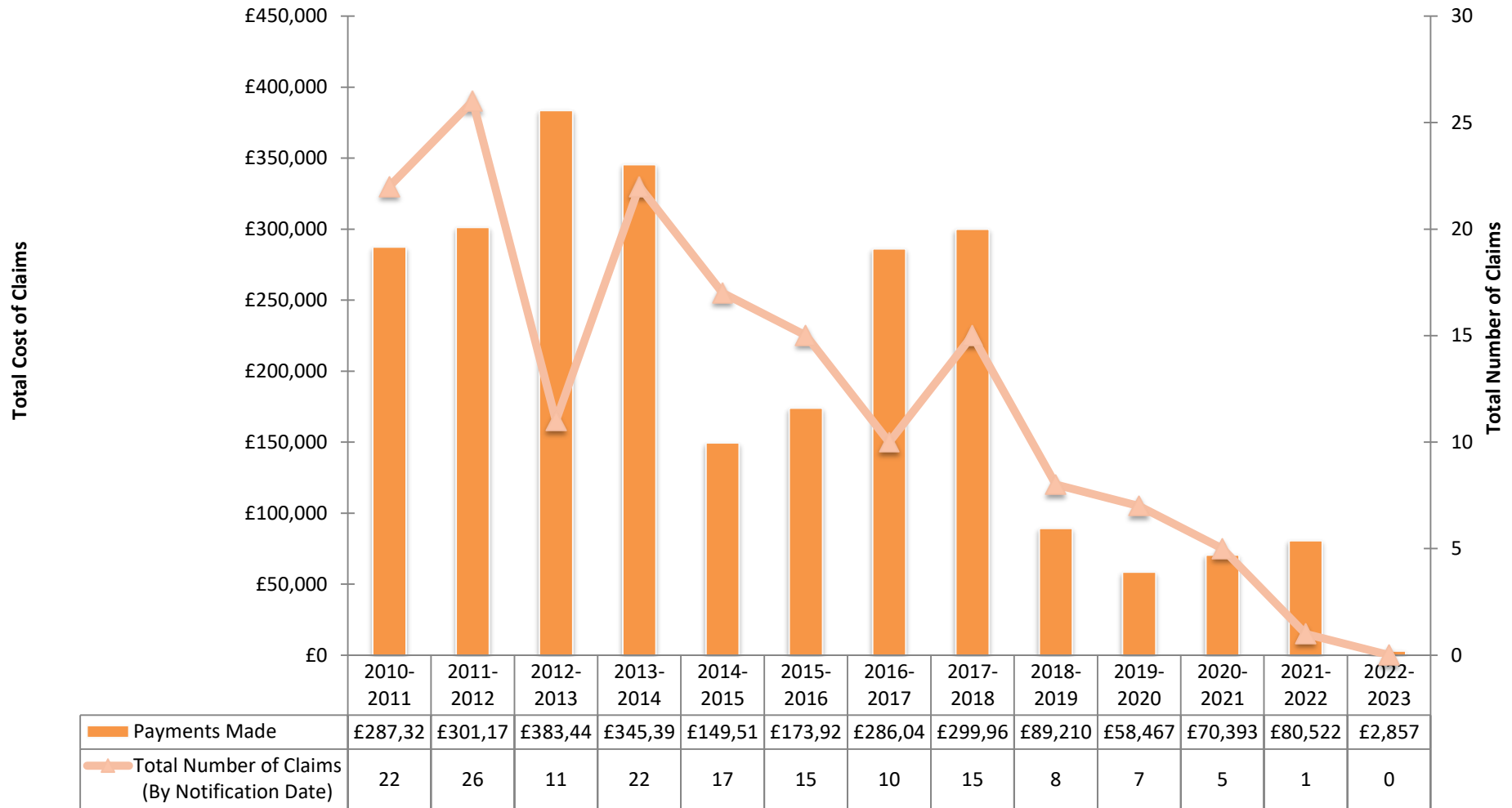
Total Number and Cost of Public Liability Claims (Paid) as at 30.06.2022



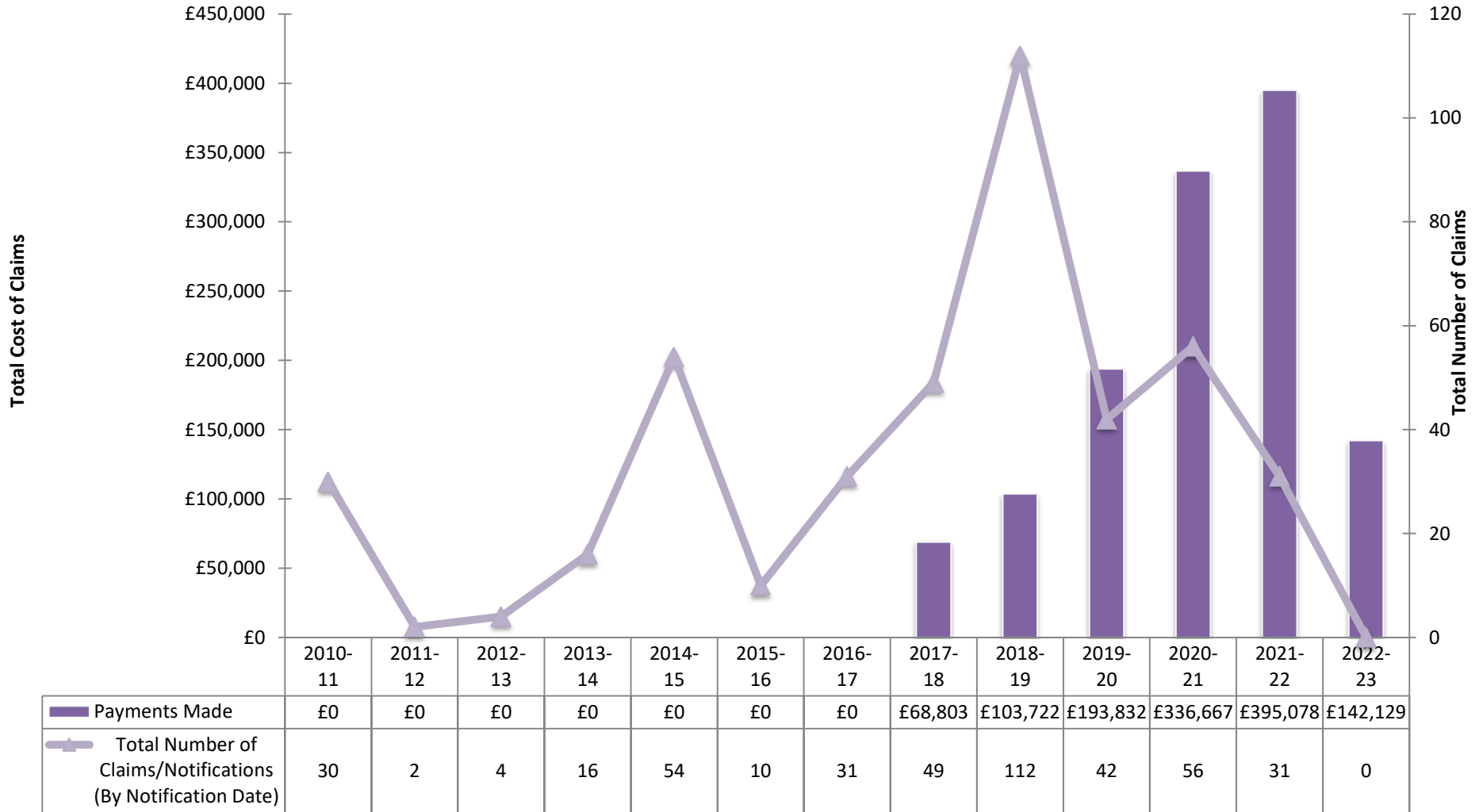
Total Number and Cost of Public Liability Highways Claims (Paid) as at 30.06.2022



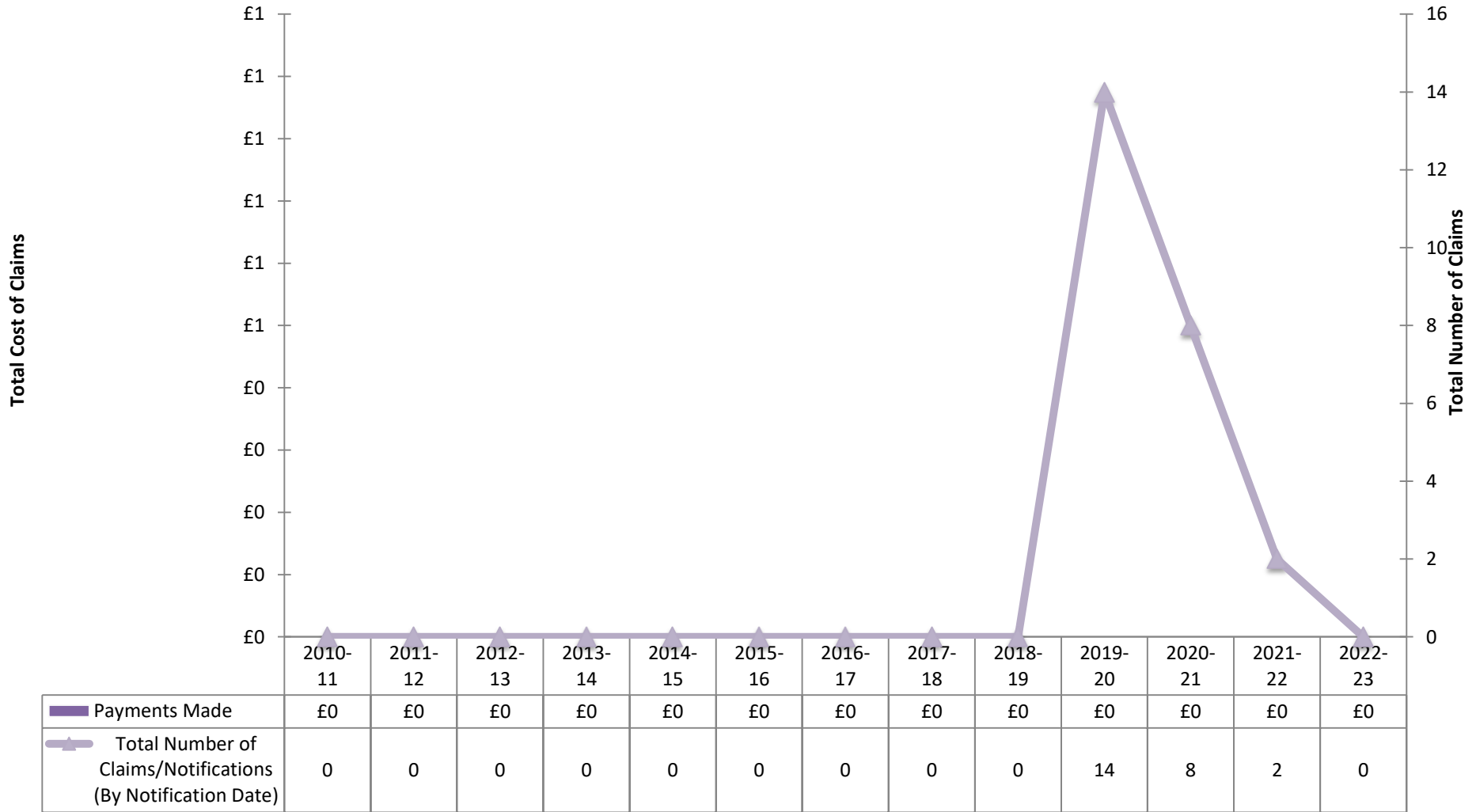
Total Number and Cost of Employer Liability Claims (Paid Amounts) as at 30.06.2022



Total Number and Cost of Sensitive Claims/Notifications (Paid) as at 30.06.2022



Total Number and Cost of Data Breach Claim (Paid) as at 30.06.2022



AUDIT COMMITTEE ACTION TRACKER

	DATE OF REQUEST	ACTION	TARGET DATE	RESPONSIBLE OFFICER	UPDATE	RAG RATING
1	30.11.20	To receive an update report on the cost analysis findings of Traffic Regulations Orders at a future meeting of the Committee.	March 2022	Mr John Blackledge, Director of Community and Environmental Services	To be provided to July meeting	
2	21.01.21	To receive, in due course, Deloitte's detailed log of all additional work and the associated costs, with any materially significant queries identified.	TBC	Ms Nicola Wright, Deloitte		Not yet due
3	29.04.21	That the Chair of the Audit Committee give further consideration as to the role of the Committee in relation to contract management and procurement arrangements, in conjunction with Mrs Tracy Greenhalgh, Head of Audit and Risk.	TBC	Mrs Tracy Greenhalgh, Head of Audit and Risk		Not yet due
4	30.09.21	The Committee to receive a progress update on the development of the junction of Common Edge Road following the appointment of a consultant and designers.	March 2022	Mr John Blackledge, Director of Community and Environmental Services	To be provided to July meeting	

	DATE OF REQUEST	ACTION	TARGET DATE	RESPONSIBLE OFFICER	UPDATE	RAG RATING
5	11.11.21	That more specific details around the Council's Strategic Leisure Assets be brought back to the Committee at a future meeting.	TBC	Mr Lee Frudd, Head of Strategic Leisure Assets		Not yet due
6	11.11.21	Due to the nine Priority Two recommendations arising from the audit of 'Management of Investment Properties,' the Chair requested that the relevant service manager be invited to attend a future meeting of the Audit Committee to provide a progress update.	TBC			Not yet due
7	20.01.22	That an updated ISA 260, along with the final accounts be presented to the next meeting of the Audit Committee.	April 2022	Deloitte		
8	16.06.22	That an update on the progress of the data data infrastructure centre be provided to the July meeting.	July 2022	Tony Doyle, Head of IT Services		