

# Blackpool Council

11 January 2023

To: Councillors Burdess, Critchley, Galley, Roberts and Wright

Mr David Swift, Independent Co-opted Members

The above members are requested to attend the:

## AUDIT COMMITTEE

Thursday, 19 January 2023 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 24 NOVEMBER 2022 (Pages 1 - 8)

To agree the minutes of the last meeting of the Audit Committee held on 24 November 2022 as a true and correct record.

### 3 ANNUAL GOVERNANCE STATEMENT - MID-TERM REVIEW (Pages 9 - 26)

To provide the Audit Committee with an update on progress made on the actions

identified in the Annual Governance Statement 2021-2022.

**4 INTERNAL AUDIT FOLLOW-UP: CLIMATE CHANGE** (Pages 27 - 38)

To consider a progress report on the recommendations made in the internal audit report of Climate Change issued on the 31 March 2022.

**5 JOINT ROLE WITH LANCASHIRE AND SOUTH CUMBRIA INTEGRATED CARE BOARD (ICB)** (Pages 39 - 42)

To consider an update in relation to the risks and opportunities presented by the appointment of the Council's Director of Adult Services to the Integrated Care Board as Director of Health and Care Integration.

**6 STRATEGIC RISK REGISTER DEEP-DIVE - FINANCIAL** (Pages 43 - 54)

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 finance.

**7 STATEMENT OF ACCOUNTS 2021/2022**

To receive a verbal update from the external auditor on progress to sign-off the Annual Statement of Accounts 2021/2022.

**8 AUDIT COMMITTEE ACTION TRACKER** (Pages 55 - 56)

To consider the Committee's updated Action Tracker.

**9 DATE OF NEXT MEETING**

To note the date and time of the next meeting of the Committee as Thursday 2 March 2023, commencing at 6.00pm.

**Venue information:**

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

**Other information:**

For queries regarding this agenda please contact John Greenbank, Democratic Governance Senior Adviser, Tel: 01253 477229, e-mail [john.greenbank@blackpool.gov.uk](mailto:john.greenbank@blackpool.gov.uk)

Copies of agendas and minutes of Council and committee meetings are available on the Council's website at [www.blackpool.gov.uk](http://www.blackpool.gov.uk).

### **Present:**

Councillor Galley (in the Chair)

Councillors

Burdess	Hunter	R Scott
Critchley	Roberts	

David Swift, Independent Co-opted Member

### **In Attendance:**

Councillor Mrs Maxine Callow JP, Scrutiny Lead Member

Neil Jack, Chief Executive

Steve Thompson, Director of Resources

John Blackledge, Director of Community and Environmental Services

Tracy Greenhalgh, Head of Audit and Risk

Lorraine Hurst, Head of Democratic Governance

John Greenbank, Democratic Governance Senior Adviser (Scrutiny)

### **1 DECLARATIONS OF INTEREST**

Councillor Burdess declared a personal interest in item 3 of the agenda in respect of any discussions around the Council's wholly-owned companies as she was a Non-Executive Director of Blackpool Transport Services Limited.

Councillor Critchley declared a personal interest in item 3 of the agenda in respect of any discussion around the Council's wholly-owned companies as she was a Non-Executive Director of Blackpool Operating Company Limited.

Councillor Galley declared a personal interest in item 3 of the agenda in respect of any discussion around the Council's wholly-owned companies as he was a Non-Executive Director of Blackpool Entertainment Company Limited and Blackpool Transport Services Limited.

Councillor Jason Roberts declared a personal interest in item 3 of the agenda in respect of any discussion around the Council's wholly-owned companies as he was a Non-Executive Director of Blackpool Airport Operations Limited.

### **2 MINUTES OF THE LAST MEETING HELD ON 20 OCTOBER 2022**

**Resolved:** To agree that the minutes of the meeting held on 20 October 2022 be signed by the Chair as a true and correct record.

### 3 INTERNAL AUDIT FOLLOW-UP - GOVERNANCE OF WHOLLY OWNED COMPANIES

Ms Lorraine Hurst, Head of Democratic Governance, presented a progress report on the recommendations made in the internal audit report of the Governance of Wholly Owned Companies issued on the 30 November 2021. She explained that the audit had been undertaken by Mersey Internal Audit Agency, whom had made 7 recommendations.

It was reported that a new common governance framework for all companies had been agreed by the Shareholder Committee and adopted by the various company boards, along with a number of accompanying governance documents. The Committee raised examples of governance issues in other local authorities and lessons learned from those. Ms Hurst advised that the governance framework had been based on best practice guidance for local authority companies.

The Committee queried, in relation to Recommendation 1, if the companies and Shareholder Committee had sufficient skills to carry out the work in respect of effective risk management. Ms Hurst responded that a rolling training programme had been developed for NEDs and made available to Shareholder Committee members which included the role of audit and management of risk. It was noted that the new Governance Framework included a role-description for Audit Committee Chairs and the skills requirement for the role.

The impact of the Council's overall net risk score by the inclusion of companies on the Strategic Risk Register was raised by members. Ms Tracy Greenhalgh, Head of Audit and Risk, explained that the Council's Audit Committee had a role in monitoring strategic risk and thus oversight of this particular risk, but that implementation of the recommendations made would have a positive impact on the overall risk score.

Members noted the target date of September 2022 in relation to Recommendation 2 and asked that more detail on progress be added. That operating agreements had yet to be put in place for some companies was recognised by Ms Hurst and she agreed that further detail on progress could be included on the tracker, with an amended date for completion. It was noted that a draft Management Services Agreement was being developed that would accompany the service level agreements that were already in place and would be rolled out to all companies in 2023.

The link between the companies' audit committees and the Council's Audit Committee was discussed. Ms Hurst explained that the Governance Framework outlined that each company Strategic Risk Register along with the Chair of Audit report would be reported to the Shareholder Committee on an annual basis and that, in turn the Chair of the Shareholder Committee would report to the Council's Audit Committee on strategic risk across the company group. It was noted that this reporting process had commenced and would be fully embedded during 2023.

**Resolved:** That the progress against the recommendations of the internal audit of the Governance of Wholly Owned Companies be noted.

#### 4 STRATEGIC LEISURE ASSETS UPDATE

Mr Lee Frudd, Head of Strategic Leisure Assets, presented a report outlining the details of the framework within which risks associated with the Strategic Leisure Assets Portfolio (SLAP) were managed. He reported that risk within the SLAP were managed, in part, through the Leisure Assets Steering Group. This group sought to monitor the financial performance and risk of assets and consider what support was necessary for them.

Reporting on the relationship between Merlin Entertainment and the Council's members was discussed. Mr Frudd explained that control of Merlin's operation of Council owned assets was through the terms of the contracts between them. In respect of minutes of relationship meetings, these were considered commercially sensitive and so would not be shared, however consideration was being given to how Merlin could report to the Shareholder Committee on the operation of assets. As part of this, monitoring information would be made available to members of the Council.

Mr Frudd also informed the Committee that the external auditor role for Blackpool Entertainment Company Ltd and the attractions operated by Merlin was undertaken by Smith Craven. In terms of reassurance to the Committee regarding work at these companies, details of performance would be available via the public statement of accounts.

Ms Tracy Greenhalgh, Head of Audit and Risk, added that details of risk controls for the SLAP was included in the Council's strategic risk register. Going forward, the operator would report into the Shareholder Committee who would then provide the necessary reassurance to the Committee.

The framework for the controls in place was discussed with members asking if they were flexible enough to allow change if necessary. Ms Greenhalgh responded that the existing framework was robust and the controls were effective in managing risk as confirmed in the previous audit report in this area. Mr Frudd added that flexibility within the framework to respond to issues that could arise did exist.

**Resolved:** That the report be noted.

#### 5 STRATEGIC RISK REGISTER DEEP DIVE - COMMERCIAL

The Committee considered a deep dive into the Strategic Risk 'Commercial' which included the sub-risks (a) 'Local Economy fails to recover', (b) 'Tourism economy fails to recover' and (c) 'Supply chain failure (goods and services)'.

##### a) Local Economy Fails to Recover

Mr Neil Jack, Chief Executive, provided an update in respect of sub-risk (a). He reported that the local economy had recovered well since the Covid-19 pandemic and the Council worked to ensure that it was supported. This work included using local suppliers whenever possible, the adoption of the Joseph Rowntree Foundation Living Wage for all Council and Wholly Owned Company staff, promotion of the Blackpool Airport Enterprise Zone and

## MINUTES OF AUDIT COMMITTEE MEETING - THURSDAY, 24 NOVEMBER 2022

development of infrastructure to support businesses.

Further support for businesses was also provided through business hubs, such as The Edge, which sought to help businesses establish themselves and provide space for them to operate. This work had been secured as part of the Town Fund.

The Council had also established The Platform youth employment and training hub with the Job Centre at Bickerstaffe House. This sought to link young people with employment and training opportunities and had been very successful, with the Council seeking to expand its offer and reach.

Work with the Blackpool and Fylde Coast College (BFCC) was raised by the Committee. It was explained that the Council had a close working relationship with BFCC and that the Council's Assistant Chief Executive, Mr Antony Lockley, was a Board Member at the college. This allowed the Council to influence BFCC's offer and ensure it linked with Council plans. A training centre had also been established with support from BFCC at Bickerstaffe House to deliver health and social care courses in Blackpool.

The Council's relationship with the local Integrated Care Board (ICB) was discussed with Mr Jack informing members that the Council's Director of Adult Services had been appointed to a role with the ICB facilitating a close working relationship based on the locality first model.

Development of the enterprise zone was considered, with the Committee asking if new ideas were being considered in addition to the work outlined in the report. Mr Jack responded that significant green economy projects were planned and underway. Substantial investment in the central leisure quarter project and the development of the Multiversity was planned. He noted that these had not been included in the report as its focus had been on work that had taken place.

The need to address the skills gap in the local economy as part of the mitigation for this sub-risk was discussed. Mr Jack reported that the development of the Multiversity project in the town centre would be important in building skills in Blackpool and retaining them. The Council was also working with BFCC to deliver training with employers and determine what skills were needed in the Blackpool economy so that the educational offer matched it. He acknowledged that failure to address the skills gap was a significant long-term risk and the Committee agreed that a referral should be made to the Council's scrutiny committees to consider if the work planned and taking place was sufficient to meet the challenge posed.

In addition Mr Jack noted that there were also other non-Council partnerships operating in Blackpool to improve business support and employment opportunities.

Measuring productivity in Blackpool was considered, with it being noted that the town was behind the national average. Mr Jack stated that this was in part due to the seasonal economy, low paying jobs and youth unemployment. The key to addressing productivity issues was the improvement of health outcomes for Blackpool residents and national data had shown that better health outcomes had a positive impact on productivity.

## MINUTES OF AUDIT COMMITTEE MEETING - THURSDAY, 24 NOVEMBER 2022

It was noted that health had not been included in the details of the sub-risk in the report, with Ms Greenhalgh, Head of Audit and Risk explaining that health was included in the strategy category of the Strategic Risk Register but would be a key factor in most risks considered by the Committee. The Committee noted this but asked that information on the impact of health factors on risk in future deep dives be highlighted. Ms Greenhalgh responded that the reporting template could be amended to ensure this.

### b) Tourism Economy Fails to Recover

Mr Neil Jack, Chief Executive, provided an update in respect of sub-risk (b). He reported that the tourist economy had been severely impacted by the Covid-19 lockdowns with a significant loss of cash by businesses, despite government intervention. Despite this the sector had recovered well, with an extended tourist season and a quick return of popular events. Although some of the recovery was related to the lack of international travel due to Covid restrictions, the Council and partners had invested in future proofing the resort through the new Conference Centre, new hotels and attractions. The importance of moving away from a seasonally dependent economy had also been recognised.

Employment opportunities for young people in the tourist economy was discussed. Mr Jack reported that it had been recognised that such opportunities needed to be made available and that work with partners to highlight what was available was taking place. The example of Merlin Entertainments was raised, with Mr Jack explaining that employing an individual in Blackpool could lead to them having the opportunity across the world as part of their leisure portfolio.

### c) Supply Chain Failure (Goods and Services)

Mr John Blackledge, Director of Community and Environmental Services, provided an update in respect of sub-risk (c). He highlighted Waste Services as a significant part of the sub-risk, explaining that as a collection and disposal authority the Council experienced constant demand to manage waste in Blackpool.

In order to address these risks therefore the Council had sought to undertake more waste work internally. Part-ownership of two processing plants meant that the Council could plan more easily to increase sustainability by controlling how operations took place. Plans to convert some waste into fuel and use food waste in energy generation were also outlined. In addition to this Mr Blackledge informed members that the ending of the landfill contract in 2025 presented a significant challenge to what Blackpool did with its waste.

Training to encourage waste prevention and reduction was discussed, with Mr Blackledge reporting that Blackpool Waste Services Ltd had employed staff to engage with communities on waste creation. This also included highlighting what could be recycled and how residents could contribute.

Mr Blackledge added that it was expected that this work would have a positive impact of the sub-risks net score going forward.

## MINUTES OF AUDIT COMMITTEE MEETING - THURSDAY, 24 NOVEMBER 2022

Mr Steve Thompson, Director of Resources provided an update in respect of risks to the supply chain. It was reported that procurement cost the Council £200m annually, representing a significant portion of its expenditure. He informed the Committee that a number of global circumstances meant however that some risks were beyond the Council's control. For example, the British departure from the European Union and Covid had increase the costs of imports, while the war in the Ukraine had caused fuel costs to rise and Avian Flu had resulted in food prices increasing.

Although the Council had a Procurement team Mr Thompson informed members that its role was not to managing every procurement contract. Instead its role was to support the specialist services which operated the contracts and ensure consistency across departments and contractors complied with the Council's values. He also reported that as part of this role the Procurement team would be delivering training to other departments. The Council would also be developing a Contracts Register that would allow the Procurement team oversight of all Council contracts and their management.

The risk to the Council of suppliers leaving the market was raised, with Mr Thompson advising that a business could sometimes go out of business without warning. This was mitigated by ensuring that before agreements were signed with suppliers robust due-diligence had taken place.

In respect of training on contract management the Committee queried if some departments had under performed. Mr Thompson explained that the training would initially target areas where it was needed the most. It was added that Adult Services had been an area where this had been the case, however work by the Quality Assurance Team to address issues had taken place to ensure services provided quality.

### **Resolved:**

1. That the update be noted;
2. That the issue of work to address the employment and skills gap within Blackpool's local economy be referred to scrutiny; and
3. That an additional box be added to the Strategic Risk Register – Deep Dive template to allow health risk to be highlighted in future reports.

### **6 CIPFA POSITION STATEMENT: COMPLIANCE REPORT**

Ms Lorraine Hurst, Head of Democratic Governance and Ms Tracy Greenhalgh, Head of Audit and Risk, presented CIPFA Position Statement 2022. The report provided details of the Council's progress to ensure compliance against these principles set out. These principles included the purpose of an Audit Committee, ensuring it is independent and effective, and has oversight of financial, governance and risk arrangements.

Ms Hurst reported upon progress made against the principles in the statement and remaining areas for development including more frequent reporting by the Audit Chair to full Council, a mid-year update to Committee on the Strategic Risk Register, wider involvement of members of the Executive at Audit Committee meetings and consideration



## MINUTES OF AUDIT COMMITTEE MEETING - THURSDAY, 24 NOVEMBER 2022

of further reports where external inspections had been carried out.

Progress monitoring of the areas for development was discussed, with Ms Greenhalgh informing members that monitoring could be undertaken by the Committee. It was noted that an annual session with audit members was also held to discuss work taking place and ongoing issues could be reported to the Chair and Vice-Chair through their regular briefings.

The opinion of the external auditor, Deloitte, was sought by the Committee, regarding compliance with the statement with Mr Stuart Kenny, External Auditor, responding that they considered the details in the report a fair reflection of the work of the Audit Committee. He added that Blackpool's Committee provided an effective audit function and was regarded as performing well with no concern being expressed.

**Resolved:** That the report be noted.

### 7 AUDIT COMMITTEE ACTION TRACKER

The Committee gave consideration to the updated Action Tracker.

**Resolved:** To note the Action Tracker.

### 8 DATE OF NEXT MEETING

The date and time of the next meeting was confirmed as Thursday, 19 January 2023 at 6pm.

### Chairman

(The meeting ended at 7.50pm)

Any queries regarding these minutes, please contact:  
John Greenbank, Democratic Governance Senior Adviser  
Tel: 01253 477229  
E-mail: [john.greenbank@blackpool.gov.uk](mailto:john.greenbank@blackpool.gov.uk)

This page is intentionally left blank

<b>Report to:</b>	<b>AUDIT COMMITTEE</b>
<b>Relevant Officer:</b>	Mark Towers, Director of Governance and Partnerships
<b>Date of Meeting:</b>	19 January 2023

## ANNUAL GOVERNANCE STATEMENT 2021-22 HALF-YEAR REVIEW

### 1.0 Purpose of the report:

1.1 To provide Audit Committee with an update on progress made on the actions identified in the Annual Governance Statement 2021-2022.

### 2.0 Recommendation(s):

2.1 Audit Committee is asked to note the Annual Governance Statement half-year review for 2021/2022.

### 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. Best practice states that this should be a continual process throughout the year and not just undertaken as an annual exercise.

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

3.2b Is the recommendation in accordance with the Council's approved budget? Yes

3.3 Other alternative options to be considered:

None.

### 4.0 Council priority:

4.1 The Annual Governance Statement is relevant to all Council priorities.

## 5.0 Background Information

5.1 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 Code of Governance, agreed by Full Council in September 2021, includes the governance framework which 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.

This report provides an update in terms of the progress which has been made in implementing the actions identified in the Annual Governance Statement.

Does the information submitted include any exempt information?

No

### List of Appendices:

Appendix 3(a) – Annual Governance Statement 2021-22 Half-Year Review

**6.0 Legal considerations:**

6.1 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.

**7.0 Human Resources considerations:**

7.1 There are no additional human resource implications as a result of this report.

**8.0 Equalities considerations:**

8.1 There are no equalities considerations as this is a monitoring report.

**9.0 Financial considerations:**

9.1 Each of the actions identified in the Annual Governance Statement will be delivered within the constraints of the agreed budget for 2021/2022.

**10.0 Risk management considerations:**

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

**11.0 Ethical considerations:**

11.1 This report is in line with the council's values in particular to be accountable.

**12.0 Internal/ External Consultation undertaken:**

12.1 In October 2016 a Good Governance Group was formed at the Council. One of the roles of the group will be to prepare the Annual Governance Statement and oversee the delivery of the identified actions.

The Good Governance Group comprises of:

- Director of Governance and Partnerships
- Head of Accountancy
- Head of ICT
- Transformation Manager
- Head of Democratic Governance

- Head of HR and Organisational Development
- Head of Legal Services
- Head of Information Governance
- Head of Audit and Risk

The outcome of the half-yearly review was approved by the Corporate Leadership Team on the 10 January 2023.

**13.0 Background papers:**

13.1 None.

**Appendix 3(a) - Annual Governance Statement 2021-22 Half-Year Review**

Issue	Actions	Responsible Officer (s)	Target Date	Progress
<b>Code of Conduct and Behaviours</b>	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	<u><b>Not Yet Started</b></u> This has been deferred until after the local elections in May 2023.
	Reinstate the regular reminder to elected members around registering gifts and hospitality.	Director of Governance and Partnerships	Before mid-term review	<u><b>Implemented</b></u> Six monthly reminders are now being sent.
<b>Organisational Culture</b>	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	<u><b>Implemented</b></u> Process now in place where if the Shareholder requires any policies to be adopted by wholly-owned companies, items are taken to company boards for adoption. For example the Care Leaver Covenant which is currently going to each company board.
<b>Ethical and Responsible Governance</b>	Develop an Ethical Policy clearly defining expectations of the wholly owned companies and the	Director of Governance and Partnerships	Before mid-term review	<u><b>In Progress</b></u> Some initial research has been undertaken as to what could be

Issue	Actions	Responsible Officer (s)	Target Date	Progress
	Shareholder and the decision making process.			included and a draft statement is in place which will be progressed.
	During 2022-23 a statutory review of the Council's Equality Objectives will be conducted.	Director of Resources	After mid-term review	<p><b><u>In Progress</u></b></p> <p>The review has commenced with a scoping paper and consultation brief agreed by the Cabinet Member and Corporate Leadership Team in November 2022.</p> <p>The next stage will be an extensive period of stakeholder engagement, which will take place until March 2023.</p>
	Refresh employee equalities data as part of the roll out of the new HR system.	Chief Executive	Before mid-term review	<p><b><u>Implemented</u></b></p> <p>A new Employee Self Service system launched 7th November 2022 and employees have been invited to refresh their data.</p>
<b>Commitment to Openness, Communication and Consultation</b>	Continue to deliver the channel shift agenda to improve accessibility to residents and reduce demand on Council resources. This will include consideration of the	Director of Resources / Director of Communication and Regeneration	After mid-term review	<p><b><u>In Progress</u></b></p> <p>A new concessionary travel application form is now live and progress continues to be made in Benefits and Revenues with</p>



Issue	Actions	Responsible Officer (s)	Target Date	Progress
	recommendations made in the Channel Shift Scrutiny Review.			<p>changes to introduce new and simplify existing online forms and the ability to report digitally.</p> <p>A corporate post scanning project is underway and several online forms have been developed for recent government initiatives e.g. Household Support with residents being assisted to complete them where they are unable to use online channels.</p> <p>Changes to corporate telephony continue to be made to assist services to manage demand.</p> <p>Other Channel Shift projects are ongoing but progress is slow due to existing demand on services and available resources.</p> <p>Statistics for a number of services continues to show that overall 69% of requests are completed online.</p> <p>The Channel Shift Scrutiny Report was agreed by the Executive in September 2022. A number of</p>

Issue	Actions	Responsible Officer (s)	Target Date	Progress
				recommendations were made with a target date for implementation being September 2023. The Scrutiny Leadership Board will be monitoring the implementation of recommendations going forward.
	Undertake a resident's survey and use the results to help inform future decision making. Consideration will be given as to how to engage a wide range of residents as part of the survey.	Director of Strategy and Performance (Assistant Chief Executive)	After mid-term review	<p><b><u>In Progress</u></b></p> <p>The Resident's Survey was undertaken by QRS Research and closed on 3rd December 2022.</p> <p>The methodology was a random sample using both landline and mobile telephone numbers.</p> <p>The research company worked to quotas to ensure adequate coverage of all wards, and collecting information on age, sex, disability, ethnicity and sexuality to ensure representation.</p> <p>The results of the survey will be analysed and used to inform future decision making at the Council.</p>
	Implement a Community Engagement Framework and	Director of Strategy and	Before mid-term review	<b><u>Implemented</u></b>

Issue	Actions	Responsible Officer (s)	Target Date	Progress
	supported guidance to ensure a coordinate and robust approach is in place, building on the learning gained during responding to the current pandemic.	Performance (Assistant Chief Executive)		<p>The Community Engagement Framework was approved by Executive in October 2022 and work commenced on the implementation process across services.</p> <p>In addition, the Council are opening discussions with wholly owned companies for potential adoption as requested by the Executive.</p>
<b>Performance Management</b>	Prepare for the expected OFSTED inspection of children's services in 2022.	Director of Children's Services	After mid-term review	<p><b><u>In Progress</u></b></p> <p>The inspection of Children's social care took place over a two week period commencing on the 5<sup>th</sup> December 2022. Once the formal report is received action will be taken as appropriate to address any recommendations arising.</p>
	Prepare for the potential CQC inspection of adult social care in 2023.	Director of Adult Services	After mid-term review	<p><b><u>In Progress</u></b></p> <p>Work is ongoing to ensure preparedness for the expected CQC inspection through self-assessment and initiative's to</p>

Issue	Actions	Responsible Officer (s)	Target Date	Progress
				further improve services. The date of the actual inspection has yet to be confirmed but is expected at some point in 2023.
<b>Decision Making</b>	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	<p><b><u>Implemented</u></b></p> <p>An informal working group has been established comprising Deputy Leader, Audit Chair, Scrutiny Leadership Board Chair and Standards Chair. Two meetings have been held so far to review the Articles of the Constitution and Procedural Standing Orders.</p> <p>A report to Council on 30 November 2022 of recommended changes was approved.</p>
<b>Compliance with laws, regulations and internal procedures.</b>	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	<p><b><u>In Progress</u></b></p> <p>Early preparation for implementation is underway however Central Government has advised that legislation will now not come into effect until late 2023 at the earliest.</p>

Issue	Actions	Responsible Officer (s)	Target Date	Progress
	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	<p>A framework for learning has been rolled out by Central Government and consideration will be given to how to disseminate this across the Authority.</p> <p><b><u>Implemented</u></b></p> <p>The Town Deal programme amounts to £39.5m across 7 schemes which provide a major element of the regeneration programme across the town.</p> <p>To meet with Government requirements on fund oversight and assurance a “Programme Management Framework” has been developed which oversee the whole approach to the delivery of the programme including :</p> <ul style="list-style-type: none"> <li>● Claims and monitoring and role of Programme Monitoring Office (PPMO)</li> <li>● Accountability role of Council</li> </ul>

Issue	Actions	Responsible Officer (s)	Target Date	Progress
				<ul style="list-style-type: none"> <li>• Governance &amp; project management</li> <li>• Project Management (project manager roles)</li> <li>• Board(s) oversight including Town Deal Board, Town Deal Investment Panel, Town Deal Project Board, Growth and Prosperity Board</li> </ul> <p>This framework approach has been used for the Community Renewal Fund which is nearing closure and will also be adopted for the forthcoming Shared Prosperity Fund and any Levelling Up Fund approvals.</p>
<b>Audit Arrangements</b>	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	<p><b><u>In Progress</u></b></p> <p>A meeting has been arranged for the 11<sup>th</sup> January 2023 between the Chair of Audit Committee, Director of Governance and Partnerships and Head of Audit and Risk to</p>

Issue	Actions	Responsible Officer (s)	Target Date	Progress
				discuss succession planning for the Audit Committee.
	Improve the link between Audit Committee and the Scrutiny process.	Director of Governance and Partnerships	After mid-term review	<p><b><u>In Progress</u></b></p> <p>The Chair of Audit sits on the Scrutiny Leadership Board (SLB) and has also taken part in scrutiny reviews where the SLB have taken a lead as a cross-cutting review.</p> <p>Progress to further integrate is ongoing via referrals from the Audit Committee to the SLB.</p>
	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	<p><b><u>In Progress</u></b></p> <p>Training for wider group of members to form part of Members Induction Scheme.</p> <p>Audit training programme is in place for non-executive directors for wholly owned companies.</p>
<b>Risk Management</b>	Review the strategic risk register and the deep dive review process for 2022/23 to better group the risks and enable a better	Director of Resources	Before mid-term review	<p><b><u>Implemented</u></b></p> <p>The strategic risk register for 2022/23 was reviewed and now has a number of risk categories to help theme the risks.</p>

Issue	Actions	Responsible Officer (s)	Target Date	Progress
	understanding of the actions being taken by the Council.			A programme of deep dive reviews has also been developed, using a revised template. This enables the Corporate Leadership Team and Audit Committee to gain assurance that risks are being managed, opportunities sought and controls challenged where there are concerns.
	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	<p><b><u>In Progress</u></b></p> <p>The vast majority of service level business continuity plans are now on the new template. Work is due to commence early in 2023 to update the Corporate Business Continuity Plan and Critical Activity List based on the revised service level plans. This should be concluded by March 2023.</p>
<b>Counter Fraud</b>	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	<p><b><u>Implemented</u></b></p> <p>A quarterly programme of fraud awareness communications is in place for employees and residents.</p>



Issue	Actions	Responsible Officer (s)	Target Date	Progress
				This includes the use of various methods of communication including the Employee Newsletter, the Hub, social media, Your Blackpool Electronic Newsletter and the press.
<b>Scrutiny Arrangements</b>	Follow-up external 'peer' assessment of North West Employers on scrutiny arrangements.	Director of Governance and Partnerships	After mid-term review	<b><u>In Progress</u></b> Scope of review has been agreed with North West Employers and programme of review has been scheduled.
<b>Learning and Development</b>	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	<b><u>In Progress</u></b> Emerging Leaders programme developed as a co-production exercise with the Senior Leadership Team and signed off by the Corporate Leadership Team. The application process for first cohort underway.  A succession planning exercise for SLT roles has been undertaken with each Chief Officer reviewing/validating the feedback. This will then be taken to a

Issue	Actions	Responsible Officer (s)	Target Date	Progress
				dedicated review/ challenge session with CLT to determine opportunities, risks and priorities for action.
	Use the findings from the employee survey to develop a new Workforce Development Strategy for the Council.	Chief Executive	After mid-term review	<b><u>Not Yet Started</u></b> Still outstanding due to the need to prioritise the implementation of the new HR and Payroll system.
	Review of member induction programme ahead of the local elections in 2023.	Director of Governance and Partnerships	After mid-term review	<b><u>In Progress</u></b> Outline of induction programme has been reviewed by the Member Training Panel. New induction programme currently being developed ahead of the elections in 2023.
<b>Partnership and Joint Working</b>	Develop a register of existing partnerships so that governance arrangements can then be assessed.	Director of Governance and Partnerships	Before mid-term review	<b><u>In Progress</u></b> A template register has been produced. Consultation has been undertaken with directorates to start to populate the register based on the Partnership Framework criteria.

Issue	Actions	Responsible Officer (s)	Target Date	Progress
	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	<p><b><u>Implemented</u></b></p> <p>All wholly owned companies have adopted the governance framework as well as the revised accompanying documents including non-executive director agreements, conflicts of interest policy, board member disputes policy and procedures for dealing with senior management disciplinary matters.</p>
	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	<p><b><u>In Progress</u></b></p> <p>See report to Audit Committee on 24 November 2022 for progress. Ongoing progress will continue to be reported to the Shareholder Committee.</p>
	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	<p><b><u>In Progress</u></b></p> <p>The Fibre Blackpool project continues to make good progress and is currently provisioning fibre to the new housing at the Grange. The Digital Blackpool project in partnership with Public Health,</p>

Issue	Actions	Responsible Officer (s)	Target Date	Progress
				Blackpool Libraries, Adult Learning, Groundworks and ICT Services is now getting high take up of the recycled laptops and connectivity and is looking for further funding to expand.

<b>Report to:</b>	<b>AUDIT COMMITTEE</b>
<b>Relevant Officer:</b>	Scott Butterfield, Strategy, Policy and Research Manager
<b>Meeting</b>	19 January 2023

## INTERNAL AUDIT FOLLOW UP: CLIMATE CHANGE

### 1.0 Purpose of the report:

1.1 To consider a progress report on the recommendations made in the internal audit report of Climate Change issued on the 31 March 2022.

### 2.0 Recommendation(s):

2.1 To consider the actions being implemented to address the audit recommendations relating to the Climate Change audit.

### 3.0 Reasons for recommendation(s):

3.1 To enable 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 None.

### 5.0 Council priority:

5.1 Climate change impacts on all of the Council's priorities.

### 6.0 Background information

6.1 The Climate Emergency Declaration, passed at a meeting of Full Council on 26th June 2019, committed the Council to making its operations "net zero" by 2030 (i.e. that the total amount of carbon emissions generated is equal to the amount removed from the atmosphere), and to "work towards" the same timescale as a town. The Blackpool Climate Emergency Action Plan (Climate Action Plan) has been developed to address both of these goals.

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

## Scope

To review the Blackpool Climate Emergency Action Plan, and whether the structure, project management arrangements and resources in place will enable the delivery of the Plan.

## Assurance Statement

We consider that the controls in place are adequate, with some risks identified and assessed and several changes suggested.

In particular, our review found that a very detailed Climate Action Plan had recently been developed and project management, structure and monitoring arrangements established in a number of key areas.

It is relatively early in the implementation process of the Climate Action Plan and a number of suggestions have been made to build upon the considerable progress that already has been made in establishing the arrangements. These are particularly in relation to addressing the significant resource challenges that the Climate Action Plan has identified, strengthening communications efforts on climate change and in finalising performance indicators and targets.

6.3 Does the information submitted include any exempt information? No

## **7.0 List of Appendices:**

7.1 Appendix 4(a): Internal Audit Recommendations and Agreed Actions.

## **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 An equality analysis was undertaken whilst developing the original action plan, with further analyses to be used as necessary on the detailed implementation of action plan actions.

## **12.0 Sustainability, climate change and environmental considerations:**

12.1 As described in the Climate Emergency Action Plan, the Strategy and Climate Team has implemented a Sustainability Impact Assessment process to assist with consideration of this section in Council

reports. A tool has been approved by the Council's Leadership Team which can be referred to and completed with support from the Team to assess the implications of projects and initiatives across a range of sustainability topics. Use of the tool depends on the scale and impact of the project, with the intention being to influence design of schemes to reduce carbon emissions and other environmental impacts.

**13.0 Internal/external consultation undertaken:**

13.1 The progress report has been prepared in conjunction with the relevant Head of Service and Chief Officer, and other officers as identified in the action plan.

**14.0 Background papers:**

14.1 None.

**Appendix 4(a) - Agreed Action Plan**

<b>Recommendation</b>		<b>Priority</b>	<b>Agreed Action</b>	<b>Responsible officer</b>	<b>Target Date</b>	<b>Revised Target Date for outstanding actions</b>	<b>Progress</b>
<i>R1</i>	The identification and preparation of climate change funding bids where appropriate should take place.	2	Agreed. Subject to CLT approval, a Climate Change and Sustainability Project Officer post has been created and will take responsibility for this. If approved, it is anticipated that the post will be recruited to by the end of April 2022. In the meantime, existing resource will be utilised to identify and prepare funding bids as appropriate.	Strategy, Policy and Research Manager	May 2022	N/A – ongoing identification of funding and development of bids	Post was recruited to successfully. Potential funding sources have been identified including government grants, prudential borrowing and private sector investment. At least £760k of Shared Prosperity Fund will be used to deliver 4 projects with outcomes in line with the Action Plan. £25k of LGA funding awarded to a project developing a financial model for solar panels on BCH properties.



	<b>Recommendation</b>	<b>Priority</b>	<b>Agreed Action</b>	<b>Responsible officer</b>	<b>Target Date</b>	<b>Revised Target Date for outstanding actions</b>	<b>Progress</b>
R2	Climate change funding should be included in the Medium Term Financial Sustainability Strategy review and there should be consideration of establishing a climate action fund.	2	Agreed. Climate Change is referred to in the MTFSS as an area for investment where the business case justifies it. Bids for funding will compensate for there being no climate action fund in place, and will be used to maximise funding. New business cases will also be developed.	Strategy, Policy and Research Manager	December 2022	N/A	Subsequent to previous update, a Climate Action Fund has been established and an initial award of £42k made in December 2022 to fund the Green Doctor scheme, delivering carbon and financial savings for residents.
R3	Financial models for potential climate change investments and a carbon costing process should be researched and considered.	2	Agreed. This action has been delayed, but a meeting has been arranged in April to present the final version of the financial model.	Strategy, Policy and Research Manager	June 2022	April 2023 (scope 3 monitoring); in line with project timescales (financial models)	Carbon monitoring of scope 3 emissions will be pursued following the completion of the financial system upgrade. Item on "Green Finance" presented to Lancashire Finance Officers has led to the exploration of UK Investment Bank funding for local projects.

	<b>Recommendation</b>	<b>Priority</b>	<b>Agreed Action</b>	<b>Responsible officer</b>	<b>Target Date</b>	<b>Revised Target Date for outstanding actions</b>	<b>Progress</b>
R4	Initial climate change 'shovel ready' projects should be identified and considered for the viability of potential investment.	2	Agreed. Work is ongoing, with progress on a solar panel project as an example. It is anticipated that the projects in place will be reviewed in September to see how the scope sits, and ensure that all options are being looked at.	Strategy, Policy and Research Manager	September 2022	N/A – ongoing identification of funding and development of bids	Initial list of projects has been developed and a financial viability model produced. Work is progressing on a number of fronts regarding Council assets with decisions on the airport solar farm, BCH solar roofs and Winter Gardens imminent.
R5	A diagram setting out climate change responsibilities should be produced to assist with communications.	3	Agreed.	Strategy, Policy and Research Manager	Implemented	N/A	A diagram has now been completed, and will be used in communications going forward.
R6	Terms of Reference for the Climate Action Partnership Group should be finalised and agreed.	3	Agreed. Terms of Reference for the Climate Action Partnership Group have now been finalized and will be taken to the next meeting for approval.	Strategy, Policy and Research Manager	31st May 2022	N/A	Completed.

	<b>Recommendation</b>	<b>Priority</b>	<b>Agreed Action</b>	<b>Responsible officer</b>	<b>Target Date</b>	<b>Revised Target Date for outstanding actions</b>	<b>Progress</b>
R7	The results of the review of the CESG should be considered and any changes necessary to make group working more effective should be implemented.	3	Agreed.	Strategy, Policy and Research Manager	Implemented	N/A	The results of the CESG review have been considered and new sub groups and a strategic group have been created as a result.
R8	In line with the Climate Action Plan, a full climate change communications and marketing plan should be developed and an internal communications campaign delivered.	2	Agreed. Further delays have been experienced, but it is anticipated that the climate change communications and marketing plan will be developed by the end of June.	Strategy, Policy and Research Manager	30th June 2022	N/A	Plan is in place. Internal communications are underway e.g. via newsletter items, "Staff Sustainability Alliance" group and "Eco-friendly Friday" items on the Hub.

<b>Recommendation</b>		<b>Priority</b>	<b>Agreed Action</b>	<b>Responsible officer</b>	<b>Target Date</b>	<b>Revised Target Date for outstanding actions</b>	<b>Progress</b>
R9	Staff 'climate champions' should be appointed and champions' role descriptions developed and agreed.	2	Agreed. A staff group has been established and will meet for the first time in April. The approach to climate champions will then be considered and implemented thereafter.	Strategy, Policy and Research Manager	30th June 2022	31st January	Most Council departments regularly attend the internal Steering Group meetings. Three Climate Champions have been identified, with further representatives to be sought via Directors. There is a draft Role outline which includes a actions that the Representatives will be working on collaboratively.

	<b>Recommendation</b>	<b>Priority</b>	<b>Agreed Action</b>	<b>Responsible officer</b>	<b>Target Date</b>	<b>Revised Target Date for outstanding actions</b>	<b>Progress</b>
R10	An initial climate change training plan for 2022 – 23 should be considered, with links to an internal communications campaign and training made available to Council wholly owned companies staff where considered appropriate.	2	<p>Agreed. A Carbon Literacy training rollout plan has been prepared, and plans for IPool modules are being considered. Training for Heads of Service and Senior Managers has commenced.</p> <p>The Strategy, Policy and Research Manager is meeting with Non-Executive Directors of the wholly owned companies in May, to give an overview of the benefits of Carbon Literacy Training, and offer it's delivery.</p>	Strategy, Policy and Research Manager	30th September 2022	31st March 2023	88 staff and members have been trained, including some from WOC's. Feedback from frontline staff has highlighted a more people-centred course would be appropriate and so an alternative is being developed. Rollout of an Ipool module has been delayed by the departure of the Training Officer. New training plan will be put in place for 23/24.

	<b>Recommendation</b>	<b>Priority</b>	<b>Agreed Action</b>	<b>Responsible officer</b>	<b>Target Date</b>	<b>Revised Target Date for outstanding actions</b>	<b>Progress</b>
R11	Build on established joint working by considering establishing the climate expert panel with Lancashire partners, if they are in agreement to this.	3	Agreed. A summit at Lancashire level has taken place and a follow up will occur in June at which establishing a climate expert panel with Lancashire partners will be raised.	Strategy, Policy and Research Manager	30th June 2022	N/A	There is no current interest in establishing a climate expert panel across Lancashire. This will be revisited when progress is made on the Lancashire 2050 action plan. We are linking to specific academics on a topic by topic basis where needed e.g. on Motion for the Ocean.
R12	An external evaluation of progress against the Climate Action Plan should be commissioned, from the Climate Expert Panel to be established or another expert external body, at, for example, 18 months from the start of the Climate Action Plan.	2	Agreed. Declare a Climate Emergency will be undertaking another review in January 2023 which will look at progress made against the action plan. Consideration is also being given to the possibility of commissioning a further independent review around March 2023.	Strategy, Policy and Research Manager	31st January 2023	June 2023	Declare a Climate Emergency published their review methodology in November 2022, which will report in June 2023. As an objective judgement on all Local Authority Climate Action Plans, we will use this as the independent assessment to save resources and benefit from benchmarking.

	<b>Recommendation</b>	<b>Priority</b>	<b>Agreed Action</b>	<b>Responsible officer</b>	<b>Target Date</b>	<b>Revised Target Date for outstanding actions</b>	<b>Progress</b>
R13	Climate Action Plan performance indicators should be finalised and performance targets, including interim targets where appropriate, should be established and agreed.	2	Agreed. Indicators and most baseline data has now been agreed/obtained.	Strategy, Policy and Research Manager	31st May 2022	30 <sup>th</sup> April 2023	Headline indicators are now included in the corporate performance reporting framework. Further work is needed on more detailed indicators across all scopes and the setting of interim targets.
R14	The work with the Carbon Trust should be finalised and a forward route map identified with their assistance.	2	Agreed. The Service Manager for Energy and Utilities has indicated that the route map should be ready early April.	Service Manager for Energy and Utilities	30th April 2022		Carbon Trust report has been finalised but a route plan for future work will come internally from further work on R13 and R15.

	<b><i>Recommendation</i></b>	<b><i>Priority</i></b>	<b><i>Agreed Action</i></b>	<b><i>Responsible officer</i></b>	<b><i>Target Date</i></b>	<b><i>Revised Target Date for outstanding actions</i></b>	<b><i>Progress</i></b>
R15	Consideration should be given to recording carbon emissions centrally particularly around fleet and waste to enable the Council to have an overall view. A way forward and a nominated officer should also be agreed in relation to the 2019/2020 emissions and consumption data.	2	Agreed. A plan has been formulated but timescales have not yet been mapped. A Project Team is in place and fleet data will be addressed first, before moving on to waste.	Strategy, Policy and Research Manager	30th April 2023		Work is underway with an assessment of the fleet data held and how it can be used to estimate emissions.



<b>Report to:</b>	<b>AUDIT COMMITTEE</b>
<b>Relevant Officer:</b>	Karen Smith - Director of Adult Services / Director of Health and Care Integration.
<b>Meeting</b>	19 January 2023

## **JOINT ROLE WITH LANCASHIRE AND SOUTH CUMBRIA INTEGRATED CARE BOARD (ICB).**

### **1.0 Purpose of the report:**

- 1.1 To consider an update in relation to the risks and opportunities presented by the appointment of the Council's Director of Adult Services, Ms Karen Smith, to the Integrated Care Board as Director of Health and Care Integration.
- 1.2 Following discussions in relation to the Strategic Risk Register Deep Dive in September 2022 relating to the Strategy risk category, the Audit Committee asked for an update regarding Ms Smith's appointment.

### **2.0 Recommendation(s):**

- 2.1 To consider the update in relation to the joint role with Lancashire and South Cumbria Integrated Care Board.

### **3.0 Reasons for recommendation(s):**

- 3.1 To enable Audit Committee to consider an update as requested at a previous meeting.
- 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 None.

### **5.0 Council priority:**

- 5.1 The relevant Council priority is;
- "Communities: Creating stronger communities and increasing resilience"

## 6.0 Background information

6.1 An integrated care board (or ICB) is a statutory NHS organisation which is responsible for developing a plan for meeting the health needs of the population, managing the NHS budget and arranging for the provision of health services in a geographical area. ICBs were legally established on 1 July 2022, replacing clinical commissioning groups (or CCGs), taking on the NHS planning functions previously held by CCGs (as well as absorbing some planning roles from NHS England).

In Lancashire and South Cumbria the ICB has replaced NHS Blackpool and NHS Fylde and Wyre CCGs (which were previously known as the Fylde Coast CCGs), NHS Morecambe Bay CCG, West Lancashire CCG, NHS Chorley and South Ribble and NHS Greater Preston CCGs (previously known as Central Lancashire CCGs) and NHS Blackburn with Darwen CCG and NHS East Lancashire CCG.

ICBs have their own leadership teams, which include a chair and chief executive, and also include members from NHS trusts/foundation trusts, local authorities, general practice, and an individual with expertise and knowledge of mental illness. The Council's Director of Adult Services has been appointed to the ICB and now holds a joint role.

Under the Lancashire and South Cumbria ICB model, Blackpool has been recognised as its own footprint which in turn brings a number of risks and opportunities. Some of the key challenges are summarised in the table:

Risk	Opportunity
<ul style="list-style-type: none"> <li>• Shared Director Post between the Council and the ICB.</li> </ul>	<ul style="list-style-type: none"> <li>• Additional Senior Management Resources in place across Adult Services to support the Director of Adult Services therefore building resilience.</li> <li>• Increased ability of the Director of Adult Services to influence the direction of health and social care across the Blackpool footprint.</li> </ul>
<ul style="list-style-type: none"> <li>• Conflicting demands / interests between health and social care.</li> </ul>	<ul style="list-style-type: none"> <li>• Work is underway to develop a business plan / strategy for the ICB which will then formulate some clear priorities for delivery.</li> <li>• Going forward the Council should be able to measure how the deliverables are impacting on the local community.</li> <li>• National policy direction is for increased integration between health and social care</li> </ul>
<ul style="list-style-type: none"> <li>• Inadequate funding for the provision of health and social care.</li> </ul>	<ul style="list-style-type: none"> <li>• The joint director post should help increase influence from Blackpool Council on the importance of adequate funding for social care to help reduce impacts on the health service.</li> <li>• The Integrated Care Board (ICB),</li> </ul>

	Integrated Care Partnership (ICP) and Placed Based Partnership (PBP) embed more clearly the integral interrelationship between social care resources and health resources and the opportunities from collaboration
<ul style="list-style-type: none"> <li>• People are unable to access appropriate levels of care.</li> </ul>	<ul style="list-style-type: none"> <li>• The identification of Blackpool as a footprint will help ensure that services are delivered which are more tailored to the needs of the community.</li> </ul>
<ul style="list-style-type: none"> <li>• Lack of resource to deliver what is required.</li> </ul>	<ul style="list-style-type: none"> <li>• The creation of the ICB provides the potential for shared resource across health and social care where appropriate to do so.</li> </ul>
<ul style="list-style-type: none"> <li>• The ICB does not contribute towards the achievement of the Council's priorities.</li> </ul>	<ul style="list-style-type: none"> <li>• The work of the ICB is aligned with that of the Council's community priority which is very much focused on improving the health and wellbeing of our residents.</li> <li>• As a lead organisation, the ICB is also committed to supporting wider benefits such as economic prosperity of the population.</li> </ul>
<ul style="list-style-type: none"> <li>• Loss of a 'local' CCG has the potential to make Blackpool's needs less visible or diminish in the context of the overall size of Lancashire and South Cumbria</li> </ul>	<ul style="list-style-type: none"> <li>• Arrangements are still being finalised, but Blackpool will have ICB staff attached to Blackpool, some aligned to Blackpool, and some available to call in as and when needed.</li> </ul>
<ul style="list-style-type: none"> <li>• Some issues are across Fylde Coast, not just Blackpool and some services are not only for Blackpool.</li> </ul>	<ul style="list-style-type: none"> <li>• There is an established close working arrangement with the DHCI and the lead covering Fylde and Wyre as part of the North Coastal area, part of Lancashire's Place Based Partnership</li> <li>• Working arrangements crossing Fylde coast, for example with the hospital, will continue – with input from both DsHCI and teams where appropriate.</li> </ul>

6.2 Does the information submitted include any exempt information?

No

**7.0 List of Appendices:**

7.1 None.

**8.0 Financial considerations:**

8.1 The role of the ICB is to join up health and care services, improve people's health and wellbeing, make

sure everyone has the same access to services and gets the same outcomes from treatment. They will also oversee how money is spent and make sure health services are working well and are of high quality.

## **9.0 Legal considerations:**

9.1 NHS Lancashire and South Cumbria ICB was formally established as a new statutory body on 1 July 2022, replacing the eight clinical commissioning groups across Lancashire and South Cumbria. Although the ICB is a new organisation, it will build on the successful work by all health and care organisations, including Clinical Commissioning Groups, over the last few years. The ICB now holds commissioning responsibilities held previously by Clinical Commissioning Groups, as well as some of NHS England's commissioning functions.

## **10.0 Risk management considerations:**

10.1 See body of the report.

## **11.0 Equalities considerations:**

11.1 NHS Lancashire and South Cumbria Integrated Care Board (ICB) is committed to:

- Eliminating unlawful discrimination, harassment and victimisation and other conduct prohibited by the Equality Act (2010);
- Advancing equality of opportunity between people who share a protected characteristic and those who do not; and
- Fostering good relations between people who share a protected characteristic and those who do not.

## **12.0 Sustainability, climate change and environmental considerations:**

12.1 Sustainability, climate change and environmental matters will be considered, where necessary, when decisions are made.

## **13.0 Internal/external consultation undertaken:**

13.1 None.

## **14.0 Background papers:**

14.1 None.

<b>Report to:</b>	<b>AUDIT COMMITTEE</b>
<b>Relevant Officer:</b>	Steve Thompson, Director of Resources Karen Smith, Director of Adult Services Victoria Gent, Director of Children’s Services
<b>Meeting</b>	19 January 2023

## STRATEGIC RISK REGISTER DEEP DIVE – FINANCIAL

### 1.0 Purpose of the report:

1.1 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 finance.

### 2.0 Recommendation(s):

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

### 3.0 Reasons for recommendation(s):

3.1 To enable the 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 None.

### 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 6(a) - Strategic Risk Register Deep Dive – Financial

**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 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 None.

## Appendix 6(a)

### Risk Category: Financial

#### Risk: a) Insufficient funding to deliver services.

Risk Owner: Director of Resources

Gross Risk Score	25	Impact - 5	Likelihood – 5
------------------	----	------------	----------------

#### What impact does this have?

- Insufficient capacity to deliver stretched budget savings plans, income recovery and external funding applications.
- Unplanned overspends for a variety of reasons including demographic pressures, political and/or economic factors such as interest rate rises.
- Erosion of working balances and earmarked reserves.
- Impact on staff morale and recruitment and retention.

#### What opportunities does this create?

- Income generation opportunities.
- Partnership working.
- Mid-year budget reviews.

#### What controls do we already have in place?

- Medium Term Financial Sustainability Strategy in Place.
- Statutory requirement to balance the budget.
- Financial assurance processes set out in the Medium Term Financial Plan.
- Priority led budgeting process including investment of resources where needed.
- Monthly financial monitoring including achievement of saving targets and collection of income.
- Financial governance including Statutory Finance Officer, Corporate Leadership Team, Treasury Management Panel, Executive, Scrutiny Committee, Audit Committee and Full Council.

Net Risk Score	20	Impact - 5	Likelihood – 4
----------------	----	------------	----------------

#### What are we doing to further manage the risk?

**Ongoing financial modelling to assess the impact of funding cuts particularly given the level of uncertainty beyond 2022/23 such as the review of the Fair Funding Formula (consultation due in the Spring), Business Rate Retention and New Homes Bonus.**

The Council buy into LG Futures and SIGOMA who undertake modelling across the local government sector and provide insights for the Council. Following a recommendation made in an independent review of the Medium Term Financial Sustainability Strategy, the Council have recently signed up to undertake financial monitoring with a company called Pixel.

Some modelling of grants is undertaken by the Finance team to understand how various scenarios will impact on the level of funding received by the Council.

**Ensure delivery of the Medium Term Financial Sustainability Strategy.**

The 6-year Medium Term Financial Sustainability Strategy (MTFSS) covering 2021/22 – 2026/27 was approved by the Executive on 8th November 2021 and whilst the principles still stand, the current economic climate has had a significant impact on the supporting Medium Term Financial Plan (MTFP).

In order to respond to this volatile environment, fortnightly meetings are held between the Director of Resources and Finance team to review the Strategy and monthly refreshers are undertaken and reported to the Executive as part of the standard financial monitoring cycle.

**What will these additional actions achieve?**

The principles of the Medium-Term Financial Sustainability Strategies 2016/17-21/22 and 2021/22-26/27 have been used to successfully keep pace with and deliver budget savings plans year after year. However, this position is becoming more and more challenging as further budget savings are required coupled with increasing demand for services.

**What barriers do we face?**

The last 12 years has seen unprecedented volatility within local government finance: 9 years of successive central government funding cuts between 2011/12 – 2019/20 were followed by the United Kingdom’s exit from the European Union, 2 years of a global pandemic with ongoing consequences and now a war within the European continent.

This has all conspired to produce a perfect storm of labour and supply shortages, pay demands, spiraling inflation and rising interest rates in an attempt to stem the pressure. During this period the Council has continued to i) deliver its annual budget in line with statutory requirements; ii) maintain its reserves and balances at stable and appropriate levels that reflect the risk environment; iii) consistently fund and deliver the ambitions of successive administrations; and iv) deliver for the people of Blackpool.

However, here in the present, sector experts and economic commentators cannot agree how and when these key drivers of the economy will land, which makes medium-term financial planning and financial management extremely challenging.

**Do these actions contribute to the sustainability of the Council?**

Current forecasts for 2023/24 at month 7 suggest that additional savings in the region of £35 million will need to be found thus potentially having an impact on the sustainability of a number of services across the Council.

**Do these actions impact on the Council’s finances?**

Over the 12-year period 2011/12 – 2022/23 cumulative Revenue Budget savings amounting to £194.6m have been required to be made by Blackpool Council.

This is greater than the Council’s current annual Net Requirement Budget of £160m and even more starkly the compound effect over the same period amounts to nearly £1.4bn of resource that has been removed from the Blackpool economy.

This reflects one of the highest cuts per head of population across local authorities in England and in an environment of growing demands upon services as befalling an authority with such recognised pockets



of significant deprivation.

Whilst the actions identified in the strategic risk register help to manage the budget situation this is becoming more difficult given additional and ongoing pressures.

**How does this contribute to the Council Plan?**

The financial sustainability of the Council impacts on all of the priorities and actions set out in the Council Plan.

**Any links to other strategic risks?**

The current economic climate is the most challenging of recent times. High inflation, rising interest rates, supply chain issues (particularly in relation to steel) and a lack of labour are leading to increased costs, primarily on capital schemes that are likely to span a number of years. A full review of capital schemes is therefore to be undertaken to establish any schemes where approved budgets may become insufficient, and potential overspends identified. Despite the pressures, all schemes are assumed to proceed. This impacts on a number of risks on the strategic risk register around commercial, project / programme and property.

In addition, the level of revenue budget available has a direct impact on how services are delivered impacting on all other risks included in the strategic risk register.

**Any additional changes to this strategic risk?**

The full-year forecast position at this stage of 2022/23 shows a deterioration in the Council's financial standing when compared with the estimated draft unaudited position as at the close of 2021/22 which show working balances of £6,075k. At month 7 working balances are expected to fall to a surplus of £1,319k by the end of 2022/23 after taking account of the budgeted transfer of £6,138k to working balances. Plans are still being developed to address the 2022/23 savings targets and also the in-year pressures identified in this report. At month 7, reported to the Executive on the 5<sup>th</sup> December 2022, the forecast overspend is £10,894k.

The revised MTFP identifies for planning purposes (at month 7) a financial gap of c£35m in 2023/24 reducing to c£8m in 2024/25, c£7m in 2025/26 and c£8m in 2026/27. Given the level of uncertainty, a number of assumptions have had to be made, and these will need to be revised throughout the budget planning process, and in advance of setting the budget at Council in February 2023. A more up to date position will be provided verbally at the Committee meeting post settlement.

---

**Risk: b) Insufficient central government funding for social care.**

**Risk Owner: Director of Adult Services, Director of Children's Services**

**Gross Risk Score**

25

Impact - 5

Likelihood – 5

**What impact does this have?**

- Can't achieve what we need on our own for Blackpool residents.
- Council unable to balance budget.

- Council unable to meet statutory duties and deliver reforms.
- External care market becomes unsustainable.

**What opportunities does this create?**

- Greater alignment and joint working between the NHS and social care.
- Broader planning and delivery as part of the place based partnership for Blackpool.
- Consider options for shared services and opportunities for flexible use of new funding streams.

**What controls do we already have in place?**

- Medium terms financial planning in place for Adult Services due to the complexity of funding.
- Heads of Services and Finance Lead report budget issues to the Directors so that these can be addressed.
- Heads of Services and Finance Lead actively contribute to commissioning reviews and potential service developments.
- Performance and quality impact information is accurate and kept up to date to ensure a comprehensive view of actual performance. The vast majority of expenditure relates to fees for the provision of social care.
- National Association of Directors of Children's Services and Directors of Adult Services lobbying government for additional funding.
- Various time limited grants available however these are received at short notice and cover a short duration with little information on what purpose they are for.
- Participation in national reviews, such as the children's care review, to consider wider system issues with the care service.
- Adult social care link in with the ADASS performance networks and the LGA Care and Improvement Programme. This enables the Council to contribute to the discussions around national pressures.
- Adult Services were part of the national trailblazer pilot on charging reforms therefore being able to influence the future direction.
- A peer review planned for Adult Services later in 2023.
- Use of the CIPFA predictive financial model for Adult and Children's Services to help budget setting.
- Finance lead works within the finance network for social care and has provided some leadership to this.

<b>Net Risk Score</b>	<b>20</b>	Impact - 5	Likelihood -4
-----------------------	-----------	------------	---------------

**What are we doing to further manage the risk?**

**Ensure delivery of the medium term financial plan for Adult Services to stabilise expenditure across the service.**

Work has begun on updating the Department's Medium Term Financial Strategy (MTFS) as part of a wider exercise to refresh the Council's overall financial plans for the next six years. Work is well underway with Finance and the Adults Senior Management Team to understand the current levels of activity and to model future demand.

**Implement the adult social care charging reforms from the Build Back Better government paper once clarity is received.**

The announcement of extra funding for the health and social care sector, as part of the government's Build Back Better plan, to increase capacity in the NHS and reform adult social care, in particular by introducing a lifetime cap on care costs of £86k, was progressing but has now been placed on hold by the government for review.

Blackpool were chosen as one of six Trailblazer authorities and have engaged with our residential and domiciliary market to conduct a Fair Cost of Care exercise. This has not been published as a comprehensive response was not received and the Council were not in control of how the information was provided therefore impacting on the robustness of the results.

A Market Sustainability plan will be developed to detail how Blackpool will attempt to bridge any gaps between our current fee rates and working towards the results from our costing exercise over the forthcoming years. National funding will be needed in order for this to be affordable and therefore the progression of this scheme will be dependent on decisions from the Government about when the scheme will go live and how this will be funded.

There is significant fragility in the social care sector which will impact on fee levels. Not only is recruitment in the sector difficult the current economic climate has seen overheads significantly increase due to inflation pressures.

**Ensure delivery of the medium term financial plan for Children's Services to stabilise expenditure across the service.**

In 2020, Children's Social Care and Resources worked together to develop a MTFS spanning 5 years. A two year check point is currently underway to review how the strategy is progressing and update the projections to support effective service planning and budget management. Once completed, an updated Medium Term Financial Plan will be presented to the Executive for approval.

**What will these additional actions achieve?**

The new joint post with the ICB for Adult Services should help focus available funding in the right area, whether this be health or social care, with an integrated approach to funding to help better manage demand across the Blackpool footprint. The strategic aims of the ICB include:

- Improve outcomes in population health and healthcare;
- Tackle inequalities in outcomes, experience and access;
- Enhance productivity and value for money; and
- Help the NHS support broader social and economic development.

In addition to the above as part of the Better Care Fund a Section 75 pooled budget agreement is in place which enables joint decisions being made by health and social care to help alleviate pressures in the NHS.

The Children's Services MTFS is underpinned by actions across the service that are designed to ensure that more children and families receive coordinated and effective early help. In 2021, a new Early Help

strategy across the partnership was launched, focussed on ensuring that services working closely with families can coordinate effective support for them when it is needed, and feel supported in doing so. The MTFS developed in 2020 set out a number of interventions designed to:

- Support the right families with early, targeted support that makes a difference;
- Challenge and support partner agencies to support families and prioritise children and families at risk of intervention so that they receive the help they need from the whole system;
- See fewer children and young people in our care; and
- See fewer children in residential homes, with a greater percentage of our children living with foster families recruited by the Council.

#### **What barriers do we face?**

Soaring demand for child protection services and adult social care provision, plus the rising costs of providing care and increased overheads for providers, are still creating a burden that current levels of local taxation and Government funding struggle to meet.

#### **Do these actions contribute to the sustainability of the Council?**

The two main areas for pressures in Adults Services are within Complex Cases and Short Term Care. There was a significant investment in this year's budget for Complex Cases yet demand has continued to increase at pace, likewise investment was made to increase the Short Term Care budget linked in to the impact of speedier hospital discharges and an emphasis on avoiding admission to hospital. The service has benefited by being able to reclaim some of this expenditure through the NHS and further savings have been seen against Homecare packages. Reviewing how services are delivered and funded to help minimise financial risk will help the service deliver against its Medium Term Financial Plan however this is difficult given the pressures described elsewhere in this report.

A new model for complex cases to better attribute costs to health and social care is currently being considered. One of the issues is that due to capacity in the NHS service, users are being passed over to social care earlier and therefore have more complex needs as well as an increased number of service users.

Another key challenge for adult social care is given the fragility of the care sector, if it fails the Council has to step in and this can also increase costs.

Therefore, whilst there is a Medium Term Financial Plan in place for adult social care which is used to forecast budget pressures and requirements, there are a number of factors which can impact on this.

Delivery of the savings described in Children's Services MTFS is critical to the sustainability of the Council and can only be achieved through a cross-council effort. While many aspects of delivery squarely lie with Children's Services social work professionals and managers, experience shows that the degree of change required will need extensive support from other officers with complementary skills, especially colleagues in Finance, Legal Services and the Corporate Delivery Unit. A cross-council project team working cohesively on the major projects listed in the paper and reporting to a senior officer in Children's Services, will be essential to maintaining momentum and achieving the scale of change

required. Given its centrality to the council's budget planning, there also needs to be regular progress reports to the Corporate Leadership Team, both overall, but also for the critical individual component projects. This is a significant transformational programme and needs to be managed as such.

#### **Do these actions impact on the Council's finances?**

Demographic pressures or changes in the volume of activity due to demand are evident in the adult social care system. These pressures include:

- An increase in the number of adults requiring a Complex Case package of care at an annual cost of £750k to the service;
- The requirement for more short-term support both at home and in residential care as people are discharged from hospital within very short timescales at an annual cost of £300k to the service; and
- A reduction in income from Nursing Placements causing a pressure of £200k to the service.

Within the past two years, since the last Medium Term Financial Plan, Children's Services have seen:

- Emerging impacts from the pandemic now increasing demand; and
- Growing pressure on the market for delivery of accommodation based services, both Fostering and Residential.

All of these factors have an impact on the Council's budget and without additional funding to cover the costs of these demands, more of the Council's budget needs to be allocated to Adult and Children's Services having a detrimental effect on other services.

#### **How does this contribute to the Council Plan?**

The work of Adult and Children's Services make a significant contribution to the Council's community priority.

#### **Any links to other strategic risks?**

The work of Adult and Children's Services impacts on a number of the Council's strategic risks. Those with direct links include:

- Poor health and wellbeing outcomes;
- Poor educational attainment;
- Provision for children with special educational needs and disabilities (SEND) is inadequate;
- Failure / unsustainability / removal of Children's Services;
- Failure of Adult Services;
- Lack of capacity and capability; and
- Supply chain failure (goods and services).

#### **Any additional changes to this strategic risk?**

As at the end of October 2022 the Adult Services Directorate is forecasting an overall overspend of £2,347k for the financial year to March 2023 on a net budget of £65m.

It should be noted that in previous years adult social care have always managed to deliver their service in budget and the fact that an overspend is forecast this year is a feature of the pressure that all services are under. During the Covid-19 pandemic some of the pressures were offset against temporary Covid funding however this sources of funds has now ended. National policy has moved to a model of discharge to assess therefore service users are coming to social care earlier in their journey and often require more acute levels of care.

As at the end of October 2022 the Children’s Services Directorate is forecasting an overspend of £6,285k for the financial year to March 2023.

Therefore there is a need to continue to lobby central government (Department for Levelling Up, Housing and Communities, Department for Health and Social Care and Department for Education in particular) along with local authority peers and networks and the Local Government Association for the funding necessary to cope with the burdens and demands presenting as a result of exceptional inflationary pressures and demographic demands upon statutory services.

**Risk: c) Increased fraud and error.**

**Risk Owner: Director of Resources**

<b>Gross Risk Score</b>	<b>20</b>	Impact - 4	Likelihood – 5
-------------------------	-----------	------------	----------------

**What impact does this have?**

- Erosion of internal controls and less resource to tackle fraud.

**What opportunities does this create?**

- Increased use of civil and criminal sanctions to further act as a deterrent.

**What controls do we already have in place?**

- Fraud Prevention Charter in place and reviewed annually which includes a fraud risk assessment, zero tolerance policy and fraud prevention proactive work programme.
- Various training courses available to staff including fraud awareness, and more tailored training is available for areas such as procurement and election fraud.
- Participation in the National Fraud Initiative.
- Anti-Money Laundering Policy and Procedure in place supported by an iPool course.
- Annual internal and external audit plans in place.

<b>Net Risk Score</b>	<b>12</b>	Impact - 4	Likelihood – 3
-----------------------	-----------	------------	----------------

**What are we doing to further manage the risk?**

**Deliver the actions identified in the Fraud Prevention Charter 2022/23.**

Progress is being made on the implementation of all of the actions identified in the Fraud Prevention Charter for the current financial year. These include:

- The Council has fully participated in the National Fraud Initiative 2020/21 exercise, ensuring all high risk data matches are investigated and pursuing all areas relating to Council Tax data matches. This exercise is in the process of being closed and new data submitted in preparation for the 2022/23 exercise where new matches are expected to be received late January / early February;
- Undertake the mandatory post-payment assurance exercise in respect of paid Covid-19 Business Grants, by use of National Fraud Initiative data matches and continuing to respond to requests for evidence by Central Government;
- One of the Counter Fraud Officers has now received training in the use of IDEA (data interrogation) software. This learning will be used to develop plans to enable proactive targeting of resources for fraud and error testing including creditors, council tax and business rates;
- Completion of the competency assessments contained within the Government Counter Fraud Professional Standards to identify potential areas of future personal development for staff. All Counter Fraud staff now hold the Accredited Counter Fraud Specialist qualification and further continual professional development is identified through the appraisal process;
- An internal Corporate Fraud and Investigations procedure manual is being developed and will include how joint work is undertaken with the Police, DWP and other local authorities;
- Continued participation in the cross-departmental supported housing project to ensure due diligence is undertaken on prospective providers and that good quality, value for money accommodation is provided; and
- A quarterly communication strategy is in place to help residents and staff understand how to deter fraud, report fraud and prevent themselves from being a victim to fraud or being accused of potential fraud.

**What will these additional actions achieve?**

The implementation of the above actions will help ensure that fraud risk to the Council is minimised through proactive and reactive work.

**What barriers do we face?**

The biggest challenge over the last 2 to 3 years has been that the majority of the Council's Counter Fraud resource was redeployed to lead on pre and post assurance work for the various business grant schemes available due to the pandemic. However, resource is now moving back into the team which has enabled some progress to be made on the proactive work programme and this will now continue.

The fraud landscape is constantly changing and therefore the team need to be alert to new potential types of fraud and work with Council services to try and safeguard against such risks through ensuring robust controls are in place alongside Internal Audit.

The cash economy continues to be a very challenging area as such transactions often occur outside of formal systems and processes which are used to provide intelligence to the team. However, ways in which to address this, including close working with other Council services such as Public Protection,

helps ensure continued awareness.

**Do these actions contribute to the sustainability of the Council?**

Any fraud committed against the Council impacts on public funds. Therefore, ongoing fraud reduces access to available funds to deliver essential frontline services to our residents.

**Do these actions impact on the Council's finances?**

Fraud committed against the Council results in a loss.

**How does this contribute to the Council Plan?**

The work of the Counter Fraud team contributes to the organisational resilience priority.

**Any links to other strategic risks?**

Fraud risk could be a feature of the vast majority of actions which the Council takes and therefore links to most risks on the strategic risk register. Areas of higher risk would include financial systems, procurement and contract management all which feature in the strategic risk register.

**Any additional changes to this strategic risk?**

The Charter is reviewed on an annual basis and this will be done in preparation for the new financial year. As part of this the fraud risk assessment is reviewed and updated and is included in an appendix in the document and will highlight any potential areas of new or increased risk. This will take into account that current economic climate which could give greater incentive for people to commit fraud.



**AUDIT COMMITTEE ACTION TRACKER**

	DATE OF REQUEST	ACTION	TARGET DATE	RESPONSIBLE OFFICER	UPDATE	RAG RATING
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.	September 2021	Ms Nicola Wright, Deloitte	The 2020/21 accounts have not yet been signed off due to some technical accounting issues affecting a number of local authorities. Therefore time spent on the audit is not yet known pending an outcome from CIPFA and the sign-off of the accounts.	In progress
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.	March 2023	Mrs Tracy Greenhalgh, Head of Audit and Risk	The Chair and Head of Audit and Risk have started to give some thought to how this can be delivered. There is some planned training on how the Audit Committee can add value and after this consideration will be given as to how this can be adapted to procurement.	Not yet due
4	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	The 2020/21 accounts have not yet been signed off due to some technical issues affecting a number of local authorities.	In Progress
5	16.06.22	That an update on the progress of the data infrastructure centre be provided to the July meeting.	March 2023	Tony Doyle, Head of IT Services	To be provided in the Audit and Risk Quarterly report once the priority one recommendation is due.	Not yet due
6	Sept 22	To invite the Director of Adult Services to attend committee to provide an overview of the risks associated with her new	January 23	Ms Karen Smith, Director of Adult Services.		Not yet due

	DATE OF REQUEST	ACTION	TARGET DATE	RESPONSIBLE OFFICER	UPDATE	RAG RATING
		joint role with health.				
7	Oct 22	To invite the Director of Children's Services to provide an update in relation to progress made against implementing the actions identified in the financial systems audit.	June 23	Ms Victoria Gent, Director of Children's Services.		Not yet due