



Uttlesford District Council

Chief Executive: Dawn French

Governance, Audit and Performance Committee

Date: Thursday, 8th February, 2018

Time: 7.30 pm

Venue: Committee Room - Uttlesford District Council, Council Offices, London Road, Saffron Walden, Essex CB11 4ER

Chairman: Councillor E Oliver

Members: Councillors G Barker, J Davey, M Foley, J Gordon, N Hargreaves, S Harris, D Jones (Vice-Chair), G LeCount and B Light

Substitutes: Councillors A Anjum, A Dean, J Freeman and M Lemon

Public Speaking

At the start of the meeting there will be an opportunity of up to 15 minutes for members of the public to ask questions and make statements subject to having given notice by 12 noon two working days before the meeting.

AGENDA PART 1

Open to Public and Press

1 Apologies for Absence and Declarations of Interest

To receive any apologies for absence and declarations of interest.

2 Minutes of the Previous Meeting

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To consider the minutes of the meeting held on 16 November 2017.

3 Audit Plan

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To consider EY's audit plan report.

4	2016/2017 Benefit Subsidy Audit	49 - 70
	To consider the 2016/2017 Benefit Subsidy Audit report.	
5	Health and Safety Update	71 - 78
	To consider the Health and Safety Update report.	
6	Internal Audit Progress Report	79 - 86
	To consider the Internal Audit Progress Report for 4 November 2017 to 26 January 2018.	
7	General Data Protection Regulation (GDPR) Compliance Progress Report	87 - 94
	To consider the General Data Protection Regulation (GDPR) Compliance Progress Report.	
8	Internal Audit Counter Fraud and Corruption Work	95 - 98
	To consider the Internal Audit Counter Fraud and Corruption Work report.	
9	Election of the Chairman and Vice-Chairman	99 - 102
	To consider whether to recommend the proposed constitutional amendment to Council.	
10	Procedure for Moving Amendments at Council Meetings	103 - 108
	To consider whether to recommend the proposed constitutional amendment to Council.	
11	LGA Peer Challenge Action Plan	109 - 136
	To consider the LGA Peer Challenge Action Plan.	
12	2017/18 Quarter 3 Performance Indicator Outturn	137 - 150
	To consider the 2017/18 Quarter 3 Performance Indicator Outturn Report.	
13	Corporate Risk Register	151 - 160
	To consider the report on the Council's risk register.	
14	Annual Report	161 - 164

To consider whether to approve the annual report.

15 Any Other Items Which the Chairman Considers to be Urgent

To consider any other items which the Chairman considers to be urgent.

MEETINGS AND THE PUBLIC

Members of the public are welcome to attend any of the Council's Cabinet or Committee meetings and listen to the debate. All agendas, reports and minutes can be viewed on the Council's website www.uttlesford.gov.uk. For background papers in relation to this meeting please contact committee@uttlesford.gov.uk or phone 01799 510548/369.

Members of the public and representatives of parish and town councils are permitted to speak or ask questions at any of these meetings. You will need to register with the Democratic Services Officer by midday two working days before the meeting.

The agenda is split into two parts. Most of the business is dealt with in Part I which is open to the public. Part II includes items which may be discussed in the absence of the press or public, as they deal with information which is personal or sensitive for some other reason. You will be asked to leave the meeting before Part II items are discussed.

Agenda and Minutes are available in alternative formats and/or languages. For more information please call 01799 510510.

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For information about this meeting please contact Democratic Services

Telephone: 01799 510369 or 510548

Email: Committee@uttlesford.gov.uk

General Enquiries

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**GOVERNANCE, AUDIT AND PERFORMANCE COMMITTEE held at
COUNCIL OFFICES LONDON ROAD SAFFRON WALDEN at 7.30pm on 16
NOVEMBER 2017**

Present: Councillor E Oliver (Chairman)
Councillors G Barker, J Gordon, N Hargreaves and B Light.

Officers in attendance:

R Auty (Assistant Director - Corporate Services), S Bronson (Audit Manager), B Ferguson (Democratic Services Officer), R Harborough (Director – Public Services), P Snow (Electoral and Democratic Services Manager) and A Webb (Director – Finance and Corporate Services).

Also Present: Councillor S Howell (Cabinet Member for Finance and Administration)

GAP20 APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST

Apologies for absence were received from Councilors Davey, Harris, Jones and Rolfe.

GAP21 MINUTES

The minutes of the meeting held on 21 September 2017 were signed and approved as a correct record of the meeting.

GAP22 ANNUAL AUDIT CERTIFICATION FEES 2017-18

Members received the letter from EY confirming the fee for audit and certification work for 2017/18.

GAP23 PROCUREMENT ARRANGEMENTS

Members received an update on the Council's procurement arrangements for the first six months of the financial year (April – September 2017).

In response to a question from Councillor Hargreaves regarding the £500,000 contribution to the Superfast Essex Rural Broadband project, the Director – Financial and Corporate Services said the Council had no say in what part of Uttlesford the money was spent, although it would primarily be the eastern part of the district where the 'superfast' cable would be laid, as this part of the district was less commercially attractive to Broadband providers. The money would provide 4000 properties with superfast broadband that otherwise would have been left behind by commercial providers. Councillor Light said the problem with broadband speeds occurred when the cable entered a home and she asked if the superfast cable would be connected directly to homes. The

Director - Finance and Corporate Services said the cable would be laid at the roadside of properties in Uttlesford but individual households would be required to pay if they wanted this cable connected directly to their homes.

GAP24 LOCAL PLAN COST 2016-17

The Local Plan costs for 2016-17 were outlined to members.

Councillor Hargreaves said the net spend on the Local Plan was £810,000. The Director - Finance and Corporate Services agreed but said recharges had to be taken into account.

GAP25 INTERNAL AUDIT PROGRESS REPORT – 16 SEPTEMBER TO 03 NOVEMBER

The Audit Manager presented her report, updating members on the audit work which had been carried out since September.

In response to a question from the Chairman, the Audit Manager said the audit of Street Services had been stopped as an effective audit could not be carried out at this time. Instead, an interim report had been issued with recommendations for the service as well as a realistic timeframe to implement them. She said that eight recommendations had already been implemented and a full audit would be carried out in due course.

The report was noted.

GAP26 GENERAL DATA PROTECTION REGULATION (GDPR)

The Audit Manager presented her report concerning the implementation of GDPR.

Councillor Barker asked if more staff would be needed and if the additional work would slow the Council down. The Audit Manager said a Compliance Officer had been recruited on a one year contract for the implementation of GDPR, although she added that she was unsure how long that role would be in operation. She said the burden of work would be greater with the regulation, although it would not slow processes down if the new information management system worked as efficiently and as effectively as she thought it would.

Councillor Hargreaves asked if a fee would be charged when members of the public requested information, especially if such files were requested as paper copies. The Audit Manager said the current guidance was not to charge although she hoped that all files would be electronic to save on printing and to allow easy access when searching for a file. She said the period of time to make a response to an information request would be reduced from 40 days to one month and if the Council was at fault for an information breach, it would be required to notify all individuals concerned within 72 hours.

In response to a question from Councillor Gordon, the Audit Manager said the new regulation would come into force in May and that it applied to all data held by the Council, including files from the past. She was unsure if there would be a spike in requests when the regulation came into effect, but as there would no longer be a charge she suspected there would be more interest.

Councillor Howell said the GDPR would have a significant financial impact on the Council in terms of resourcing staff, software and information management systems.

Councillor Light asked if this regulation had any impact on Freedom of Information (Fol) requests. The Audit Manager said the same information management systems could be utilised for FOI requests, although GDPR related to the holding of personal information. In the case of GDPR, the data subject was any individual that had supplied personal data to any organisation. Whilst this was primarily aimed at corporations, all institutions had a duty to protect such data.

The report was noted.

GAP27

REVIEW OF POLLING DISTRICTS AND PLACES

The Electoral and Democratic Services Manager presented his report reviewing polling districts and places within Uttlesford.

Members were told that an interim review would be needed in the district before the next scheduled election in 2019. Although a full review would be carried out between 2018-20, there was a degree of uncertainty regarding a number of polling stations and an interim review was required to provide accountability if any changes were needed.

Councillor Light asked if breaching the 3,000 population figure in a single polling district would automatically trigger a boundary review. The Electoral and Democratic Services Manager said this figure was for general guidance only rather than a formal limit but would be one factor taken into account in conducting a review.

In response to a question from Councillor Light, the Electoral and Democratic Services Manager said secrecy at the ballot box was absolute and privacy was taken into account when selecting a polling station. He said schools could be closed for elections but this was not imposed unless absolutely necessary. The Director – Public Services said he was aware of an incident at RA Butler School during the general election in June where a teacher had been posted in the polling station for safeguarding reasons and had to be asked to leave due to the importance of preserving the secrecy of the vote when voting.

RESOLVED to approve the timetable and terms of reference for the polling review as set out in the report.

GAP28

PARLIAMENTARY BOUNDARY REVIEW

The Electoral and Democratic Services Manager presented his report on the proposed change to the parliamentary boundary in the Saffron Walden constituency.

Members were informed that the new rules laid down by Parliament had resulted in significant changes to constituency boundaries and a reduction in the number of seats in Essex. The Electoral and Democratic Services Manager said the review had treated Uttlesford favourably as it would continue to be included within a single constituency, although 10,000 electors would be imported from the Braintree district to meet the minimum quota of electors. The Chairman said this was similar to the make up of the Saffron Walden constituency in the past. The Electoral and Democratic Services manager said the proposal was favourable for the district in terms of administering an election, as well as precedent and social cohesion.

RESOLVED to request Full Council to make representations to the BCE supporting the revised proposals for the Saffron Walden constituency.

GAP29

2017-18 QUARTER 2 PERFORMANCE INDICATORS

The Assistant Director - Corporate Services presented the performance indicators for quarter 2 2017-18. He highlighted the following indicators:

PI03 - Percentage of minutes from meetings made available to the public within 10 working days (Max)

The Electoral and Democratic Services Manager said a number of minutes had not been published in the allotted 10 day period but this was a consequence of administering two elections within a year, as well as the transition to a new meeting management system.

PI22 - Museum users: Total visitors to the museum building and on-site events (Max)

Members were informed that a new Outreach Officer had been employed by Saffron Walden Museum who had successfully increased the number of school visits in a short space of time.

PI16 - Number of households living in temporary accommodation (Min)

With reference to the latest note for PI16, Councillor Hargreaves asked how a 'non-compliant tenant' was defined. The Assistant Director - Corporate Services said he would find out and get back to him.

The meeting ended at 8:15pm.

Agenda Item 3

Committee: Governance, Audit and Performance

Date:

Title: Audit Plan 2017/18

8 February 2018

**Report
Author:** EY

Item for decision:
No

Summary

1. The attached Audit Plan sets out how EY intends to carry out its responsibilities as auditor. It summarises an initial assessment of key risks and outlines the planned audit strategy in response to those risks.

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**Uttlesford District
Council**
Audit planning report
Year ended 31 March 2018

January 2018



Governance, Performance and Audit Committee
Uttlesford District Council
London Road
Saffron Walden
Essex CB11 4ER

26 January 2018

Dear Governance, Performance & Audit Members

Audit planning report

We are pleased to attach our Audit Plan which sets out how we intend to carry out our responsibilities as auditor. Its purpose is to provide the Governance, Performance and Audit Committee with a basis to review our proposed audit approach and scope for the 2017/18 audit in accordance with the requirements of the Local Audit and Accountability Act 2014, the National Audit Office's 2015 Code of Audit Practice, the Statement of Responsibilities issued by Public Sector Audit Appointments (PSAA) Ltd, auditing standards and other professional requirements. It is also to ensure that our audit is aligned with the Committee's service expectations.

This plan summarises our initial assessment of the key risks driving the development of an effective audit for the Council, and outlines our planned audit strategy in response to those risks.

This report is intended solely for the information and use of the Governance, Performance and Audit Committee and management, and is not intended to be and should not be used by anyone other than these specified parties.

We welcome the opportunity to discuss this report with you on 08 February 2018 as well as understand whether there are other matters which you consider may influence our audit.

Yours faithfully

MARK HODGSON

For and on behalf of Ernst & Young LLP

Enc

Contents



In April 2015 Public Sector Audit Appointments Ltd (PSAA) issued "Statement of responsibilities of auditors and audited bodies". It is available from via the PSAA website (www.PSAA.co.uk). The Statement of responsibilities serves as the formal terms of engagement between appointed auditors and audited bodies. It summarises where the different responsibilities of auditors and audited bodies begin and end, and what is to be expected of the audited body in certain areas. The "Terms of Appointment (updated February 2017)" issued by the PSAA sets out additional requirements that auditors must comply with, over and above those set out in the National Audit Office Code of Audit Practice (the Code) and in legislation, and covers matters of practice and procedure which are of a recurring nature. This report is made solely to the Governance, Performance and Audit Committee and management of Uttlesford District Council in accordance with the statement of responsibilities. Our work has been undertaken so that we might state to the Governance, Performance and Audit Committee and management of Uttlesford District Council those matters we are required to state to them in this report and for no other purpose. To the fullest extent permitted by law we do not accept or assume responsibility to anyone other than the Governance, Performance and Audit Committee and management of Uttlesford District Council for this report or for the opinions we have formed. It should not be provided to any third-party without our prior written consent.



01

Overview of our 2017/18 audit strategy



Overview of our 2017/18 audit strategy

The following 'dashboard' summarises the significant accounting and auditing matters outlined in this report. It seeks to provide you with an overview of our initial risk identification for the upcoming audit and any changes in risks identified in the current year.

Risk / area of focus	Risk identified	Change from PY	Details
Risk of fraud in revenue and expenditure recognition	Fraud risk	No change in risk or focus	Under ISA 240 there is a presumed risk that revenue may be misstated due to improper revenue recognition. In the public sector, this requirement is modified by Practice Note 10 issued by the Financial Reporting Council, which states that auditors should also consider the risk that material misstatements may occur by the manipulation of expenditure recognition. One area susceptible to manipulation is the capitalisation of revenue expenditure on Property, Plant and Equipment given the extent of the Council's Capital programme.
Misstatements due to fraud or error	Fraud risk	No change in risk or focus	As identified in ISA 240, management is in a unique position to perpetrate fraud because of its ability to manipulate accounting records directly or indirectly and prepare fraudulent financial statements by overriding controls that would otherwise appear to be operating effectively. We identify and respond to this fraud risk on every audit engagement.
Group Accounting	Other financial statement risk	Increase in risk or focus	The Council will be required to prepare group accounts to consolidate Aspire Holdings (UDC) Limited and its three subsidiaries, for rental, land agreements and property services. This is the first year the Council will prepare group accounts and the Council needs to ensure that the consolidation of the subsidiary is undertaken in line with the relevant accounting standards and in line with the code of practice. We will need to liaise with the component auditor in order to gain the necessary assurances over the balances that are to be consolidated.

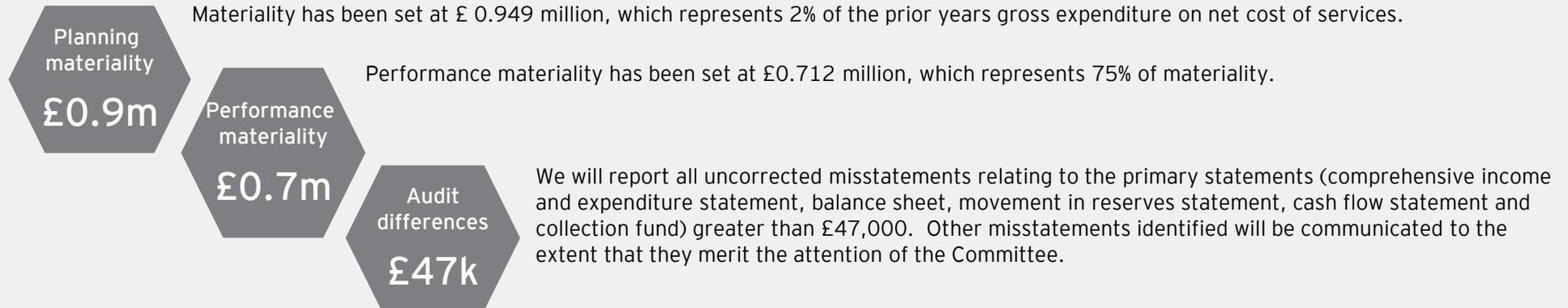
Overview of our 2017/18 audit strategy

The following 'dashboard' summarises the significant accounting and auditing matters outlined in this report. It seeks to provide you with an overview of our initial risk identification for the upcoming audit and any changes in risks identified in the current year.

Risk / area of focus	Risk identified	Change from PY	Details
Property, Plant and Equipment Valuation	Other financial statement risk	No change in risk or focus	<p>Property, Plant and Equipment (PPE) and Investment Properties represent the largest asset values on the Council's balance sheet. These assets are initially measured at cost and then revalued to fair value (determined by the amount that would be paid for the asset in its existing use) on a 5 year rolling basis.</p> <p>This is carried out by an external valuer and is based on a number of complex assumptions. Annually assets are assessed to identify whether there is any indication of impairment.</p> <p>ISAs (UK and Ireland) 500 and 540 require us to undertake procedures on the use of experts and assumptions underlying fair value estimates. Due to the nature, size and complexity of PPE and investment property accounting we consider this an inherent risk.</p>
Pensions Liability - IAS19	Other financial statement risk	No change in risk or focus	<p>The Local Authority Accounting Code of Practice (the code) and IAS19 require the Council to make extensive disclosures within its financial statements regarding the Local Government Pension Scheme (LGPS) in which it is an admitted body.</p> <p>The Council's current pension fund deficit is a material and sensitive item and the Code requires that this liability be disclosed on the Council's balance sheet.</p> <p>The information disclosed is based on the IAS 19 report issued to the Council by the actuary to the administering body.</p> <p>Accounting for this scheme involves significant estimation and judgement.</p> <p>ISAs (UK and Ireland) 500 and 540 require us to undertake procedures on the use of management experts and the assumptions underlying fair value estimates.</p>

Overview of our 2017/18 audit strategy

Materiality



Audit scope

Page 17

This Audit Plan covers the work that we plan to perform to provide you with:

Our audit opinion on whether the financial statements of Uttlesford District Council (the Council) give a true and fair view of the financial position as at 31 March 2018 and of the income and expenditure for the year then ended; and

- Our conclusion on the Council's arrangements to secure economy, efficiency and effectiveness.

We will also review and report to the National Audit Office (NAO), to the extent and in the form required by them, on the Council's Whole of Government Accounts return.

Our audit will also include the mandatory procedures that we are required to perform in accordance with applicable laws and auditing standards.

When planning the audit we take into account several key inputs:

- Strategic, operational and financial risks relevant to the financial statements;
- Developments in financial reporting and auditing standards;
- The quality of systems and processes;
- Changes in the business and regulatory environment; and,
- Management's views on all of the above.

By considering these inputs, our audit is focused on the areas that matter and our feedback is more likely to be relevant to the Council.



02 Audit risks





Audit risks

Our response to significant risks

We have set out the significant risks (including fraud risks) identified for the current year audit along with the rationale and expected audit approach. The risks identified below may change to reflect any significant findings or subsequent issues we identify during the audit.

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Risk of fraud in revenue and expenditure recognition

What is the risk?

Under ISA 240 there is a presumed risk that revenue may be misstated due to improper revenue recognition. In the public sector, this requirement is modified by Practice Note 10 issued by the Financial Reporting Council, which states that auditors should also consider the risk that material misstatements may occur by the manipulation of expenditure recognition.

One area susceptible to manipulation is the capitalisation of revenue expenditure on Property, Plant and Equipment given the extent of the Council's Capital programme.

What will we do?

Our approach will focus on:

- ▶ Review and discuss with management any accounting estimates on revenue or expenditure recognition for evidence of bias;
- ▶ Perform substantive testing over material revenue and expenditure streams;
- ▶ Review and test revenue cut-off at the period end date;
- ▶ Test the appropriateness of journals entries moving expenditure items from revenue codes to Capital codes; and
- ▶ Review capital expenditure on property, plant and equipment to ensure it meets the relevant accounting requirements to be capitalised.

Management override

What is the risk?

As identified in ISA (UK and Ireland) 240, management is in a unique position to perpetrate fraud because of its ability to manipulate accounting records directly or indirectly and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. We identify and respond to this fraud risk on every audit engagement.

What will we do?

Our approach will focus on:

- ▶ Testing the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements;
- ▶ Reviewing accounting estimates for evidence of management bias.
- ▶ Evaluating the business rationale for significant unusual transactions; and
- ▶ Review capital expenditure on property, plant and equipment to ensure it meets the relevant accounting requirements to be capitalised.

Other areas of audit focus

We have identified other areas of the audit, that have not been classified as significant risks, but are still important when considering the risks of material misstatement to the financial statements and disclosures and therefore may be key audit matters we will include in our audit report.

What is the risk/area of focus?

Property, Plant and Equipment Valuation

Property, Plant and Equipment represents a significant balance in the Council's accounts and are subject to valuation changes, impairment reviews and depreciation charges.

Material judgemental inputs and estimation techniques are required to calculate the year-end fixed assets balances held in the balance sheet.

The Council have engaged a new external expert for 2017/18 (Wilkes Head and Eve), to value the Council's asset base, who will apply a number of complex assumptions and assess the Council's assets to identify whether there is any indication of impairment and changes to their useful life.

ISAs (UK and Ireland) 500 and 540 require us to undertake procedures on the use of management experts and the assumptions underlying fair value estimates.

What will we do?

Our approach will focus on:

- ▶ Consider the work performed by the Council's valuers, including the adequacy of the scope of the work performed, their professional capabilities and the results of their work;
- ▶ Sample testing key asset information used by the valuers in performing their valuation (e.g. floor plans to support valuations based on price per square metre); and agreeing this to what has been recorded in the GL.
- ▶ Consider the annual cycle of valuations to ensure that assets have been valued within a 5 year rolling programme as required by the Code for PPE and annually for IP. We have also considered if there are any specific changes to assets that have occurred and that these have been communicated to the valuer;
- ▶ Review assets not subject to valuation in 2017/18 to confirm that the remaining asset base is not materially misstated;
- ▶ Consider changes to useful economic lives as a result of the most recent valuation; and
- ▶ Test accounting entries have been correctly processed in the financial statements

What is the risk/area of focus?

Group Accounting

We are aware that there has been an acquisition of a subsidiary by the Council resulting in changes to the entity and group structure during the year. The incorporation of Aspire Holdings (UDC) Limited in the current period will result in group accounting. It is important that the Council performs a detailed assessment to ensure that all potential associates and joint ventures are appropriately recognised in the accounts.

What will we do?

Our approach will focus on:

- ▶ Review and understand the group boundary assessment completed by the council to ensure all related associates and joint ventures have been correctly accounted for;
- ▶ Consider the completeness and accuracy of the entities included within the group structure;
- ▶ Providing group audit instructions to the component auditor specifying which specific balances we wish them to provide assurance over;
- ▶ Reviewing the outcomes of the component auditor's work;
- ▶ Reviewing and testing the accounting treatment proposed by management to ensure that it is in accordance with accounting standards and the Code and has been recognised at the correct value and in the correct financial year; and
- ▶ Considering the completeness and accuracy of any related disclosures.

Other areas of audit focus - Continued

What is the risk/area of focus?

Pensions Liability - IAS19

The Local Authority Accounting Code of Practice and IAS19 require the Council to make extensive disclosures within its financial statements regarding the Local Government Pension Scheme (LGPS) in which it is an admitted body.

The Council's current pension fund deficit is a material and sensitive item and the Code requires that this liability be disclosed on the Council's balance sheet.

The information disclosed is based on the IAS 19 report issued to the Council by the actuary to the administering body.

Accounting for this scheme involves significant estimation and judgement.

IFAs (UK and Ireland) 500 and 540 require us to undertake procedures on the use of management experts and the assumptions underlying fair value estimates.

What will we do?

Our approach will focus on:

- ▶ Liaising with the auditors of the administering authority (Essex County Council), to obtain assurances over the information supplied to the actuary in relation to Uttlesford District Council;
- ▶ Assessing the conclusions drawn on the work of the actuary by the Consulting Actuary, PwC; and
- ▶ Reviewing and testing the accounting entries and disclosures made within the Council's financial statements in relation to IAS19.

03

Value for Money Risks





Value for Money

Background

We are required to consider whether the Council has put in place 'proper arrangements' to secure economy, efficiency and effectiveness on its use of resources. This is known as our value for money conclusion.

For 2017/18 this is based on the overall evaluation criterion:

"In all significant respects, the audited body had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people"

Proper arrangements are defined by statutory guidance issued by the National Audit Office. They comprise your arrangements to:

- Take informed decisions;
- Deploy resources in a sustainable manner; and
- Work with partners and other third parties.

When considering your proper arrangements, we will draw on the requirements of the CIPFA/SOLACE framework for local government to ensure that our assessment is made against a framework that you are already required to have in place and to report on through documents such as your annual governance statement.

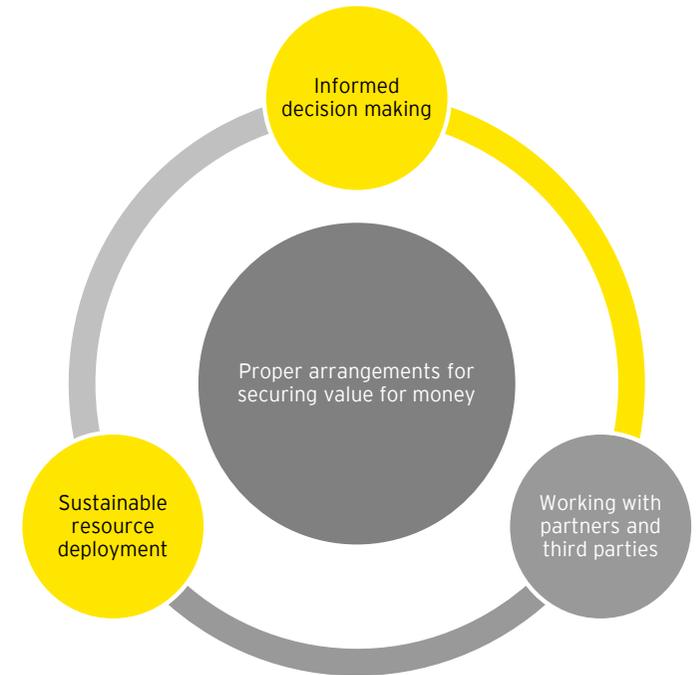
We are only required to determine whether there are any risks that we consider significant, which the Code of Audit Practice defines as:

"A matter is significant if, in the auditor's professional view, it is reasonable to conclude that the matter would be of interest to the audited body or the wider public"

Our risk assessment supports the planning of sufficient work to enable us to deliver a safe conclusion on arrangements to secure value for money and enables us to determine the nature and extent of further work that may be required. If we do not identify any significant risks there is no requirement to carry out further work.

Our risk assessment has therefore considered both the potential financial impact of the issues we have identified, and also the likelihood that the issue will be of interest to local taxpayers, the Government and other stakeholders.

This has not identified any risks which we view as relevant to our value for money conclusion at this stage of our audit.





04

Audit materiality



Materiality

Materiality

For planning purposes, materiality for the 2017/18 single entity (Council) financial statements has been set at £0.949 million. This represents 2% of the Council's prior year gross expenditure on net Cost of Services. It will be reassessed throughout the audit process. We have provided supplemental information about audit materiality in Appendix D.

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Gross expenditure on Net of services
£47m

Planning materiality
£0.9m

Performance materiality
£0.7m

Audit differences
£47k

We request that the Committee confirm its understanding of, and agreement to, these materiality and reporting levels.

Key definitions

Planning materiality - the amount over which we anticipate misstatements would influence the economic decisions of a user of the financial statements.

Performance materiality - the amount we use to determine the extent of our audit procedures. We have set performance materiality at £0.712 million which represents 75% of planning materiality.

Component performance materiality range - we will determine materiality for both the Group financial statements and for the component elements. The performance materiality of the component will be a percentage of Group performance materiality based on risk and relative size to the Group.

Audit difference threshold - we propose that misstatements identified below this threshold are deemed clearly trivial. We will report to you all uncorrected misstatements over this amount relating to the comprehensive income and expenditure statement, balance sheet, and collection fund that have an effect on income or that relate to other comprehensive income.

Other uncorrected misstatements, such as reclassifications and misstatements in the cashflow statement and movement in reserves statement or disclosures, and corrected misstatements will be communicated to the extent that they merit the attention of the Governance, Performance and Audit Committee, or are important from a qualitative perspective.

Specific materiality - We have set a materiality of £5,000 for remuneration disclosures, related party transactions, members' allowances and exit packages which reflects our understanding that an amount less than our materiality would influence the economic decisions of users of the financial statements in relation to this.

05

Scope of our audit



Our Audit Process and Strategy

Objective and Scope of our Audit scoping

Under the Code of Audit Practice our principal objectives are to review and report on the Council's financial statements and arrangements for securing economy, efficiency and effectiveness in its use of resources to the extent required by the relevant legislation and the requirements of the Code.

We issue an audit report that covers:

1. Financial statement audit

Our objective is to form an opinion on the financial statements under International Standards on Auditing (UK and Ireland).

We also perform other procedures as required by auditing, ethical and independence standards, the Code and other regulations. We outline below the procedures we will undertake during the course of our audit.

Procedures required by standards

- Addressing the risk of fraud and error;
- Significant disclosures included in the financial statements;
- Entity-wide controls;
- Reading other information contained in the financial statements and reporting whether it is inconsistent with our understanding and the financial statements; and
- Auditor independence.

Procedures required by the Code

- Reviewing, and reporting on as appropriate, other information published with the financial statements, including the Annual Governance; and
- Reviewing and reporting on the Whole of Government Accounts return, in line with the instructions issued by the NAO.

2. Arrangements for securing economy, efficiency and effectiveness (value for money)

We are required to consider whether the Council has put in place 'proper arrangements' to secure economy, efficiency and effectiveness on its use of resources.

Our Audit Process and Strategy (continued)

Audit Process Overview

Our audit involves:

- ▶ Identifying and understanding the key processes and internal controls; and
- ▶ Substantive tests of detail of transactions and amounts.

For 2017/18 we plan to follow a substantive approach to the audit as we have concluded this is the most efficient way to obtain the level of audit assurance required to conclude that the financial statements are not materially misstated.

Analytics:

We will use our computer-based analytics tools to enable us to capture whole populations of your financial data, in particular journal entries. These tools:

- ▶ Help identify specific exceptions and anomalies which can then be subject to more traditional substantive audit tests; and
- ▶ Give greater likelihood of identifying errors than random sampling techniques.

We will report the findings from our process and analytics work, including any significant weaknesses or inefficiencies identified and recommendations for improvement, to management and the Governance, Performance and Audit Committee.

Internal audit:

As in prior years, we will review internal audit plans and the results of their work. We will reflect the findings from these reports, together with reports from any other work completed in the year, in our detailed audit plan, where we raise issues that could have an impact on the year-end financial statements

Our Audit Process and Strategy (continued)

Earlier deadline for production of the financial statements

The Accounts and Audit Regulations 2015 introduced a significant change in statutory deadlines from the 2017/18 financial year. From that year the timetable for the preparation and approval of accounts will be brought forward with draft accounts needing to be prepared by 31 May and the publication of the accounts by 31 July 2018.

These changes provide risks for both the preparers and the auditors of the financial statements:

- ▶ The Council now has less time to prepare the financial statements and supporting working papers and has the added complexity of preparing Group financial accounts.
- ▶ As your auditor, we have a more significant peak in our audit work and a shorter period to complete the audit. Risks for auditors relate to delivery of all audits within same compressed timetable. Slippage at one client could potentially put delivery of others at risk.

Page 29 mitigate this risk we will require:

- ▶ good quality draft financial statements and supporting working papers by the agreed deadline;
- ▶ appropriate Council staff to be available throughout the agreed audit period; and
- ▶ complete and prompt responses to audit questions.

If you are unable to meet key dates within our agreed timetable, we will notify you of the impact on the timing of your audit, which may be that we postpone your audit until later in the summer and redeploy the team to other work to meet deadlines elsewhere. Where additional work is required to complete your audit, due to additional risks being identified, additional work being required as a result of scope changes, or poor audit evidence, we will notify you of the impact on the fee and the timing of the audit. Such circumstances may result in a delay to your audit while we complete other work elsewhere.

To support the Council we will:

- ▶ Work with the Council to engage early to facilitate early substantive testing where appropriate.
- ▶ Provide an early review on the Council's streamlining of the Statement of Accounts where non-material disclosure notes are removed.
- ▶ Facilitate faster close workshops to provide an interactive forum for Local Authority accountants and auditors to share good practice and ideas to enable us all to achieve a successful faster closure of accounts for the 2017/18 financial year.
- ▶ Put in place portal to streamline communication and sharing of audit evidence.
- ▶ Agree the team and timing of each element of our work with you.
- ▶ Agree the supporting working papers that we require to complete our audit.

Scoping the group audit

Scoping coverage

At the present time we are awaiting further information to be able to conclude on the scope of Uttlesford District Council's group structure. However, based on our discussions with management to date we are aware that the Council will be consolidating Aspire Holdings (UDC) Limited a wholly owned subsidiary into its 2017/18 financial statements. Our focus will be on the consolidated balances that could contain a risk of material misstatement.

Once we have further information on the figures involved we will update our scoping and provide any updates to the Governance, Performance and Audit Committee as required.

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Key changes in scope from last year

2017/18 is the first year that Aspire Holdings (UDC) Limited will be consolidated into the Uttlesford District Council's group accounts.

Details of specified procedures

In order to provide us a reasonable assurance over Aspire, we will request the component team to perform specified procedures once we have completed our full scoping analysis.

Group audit team involvement in component audits

Auditing standards require us to be involved in the work of our component teams. We have listed our planned involvement below where we should need to rely on the work of a component auditor.

- We provide specific instruction to component team and our expectations regarding the detailed procedures;
- We set up initial meeting with component team to discuss the content of the group instructions;
- We will consider the need to perform a file review of component team's work where appropriate; and
- We will attend a closing meeting with component team to discuss their audit procedures and findings.



06

Audit team



Audit team

Audit team structure:

Mark Hodgson
Associate Partner

Mark Russell
Manager

Wesley Allison
Senior

Calum Jacobs Pelliser
Associate

The engagement team is led by Mark Hodgson, who has significant experience on Local Authorities and their audits. Mark Hodgson is supported by Mark Russell who is responsible for the day-to-day direction of audit work while Wesley Allison will be the key point of contact for the finance team.

Use of specialists

- ▶ Our approach to the involvement of specialists, and the use of their work.

When auditing key judgements, we are often required to rely on the input and advice provided by specialists who have qualifications and expertise not possessed by the core audit team. The areas where either EY or third party specialists provide input for the current year audit are:

Area	Specialists
Property, Plant and Equipment, and Investment Properties	Management expert - valuation specialists (Wilkes, Head & Eves)
Pension valuations and disclosures	Management expert - actuarial specialists to the Essex Pension Fund (Barnett Waddington) Auditor expert - EY Pensions Advisory, PwC (Consulting Actuary to the PSAA)
National Domestic Rates Provision Valuation	Management expert - valuation of the NDR provision (Inform CPI)

In accordance with Auditing Standards, we will evaluate each specialist's professional competence and objectivity, considering their qualifications, experience and available resources, together with the independence of the individuals performing the work.

We also consider the work performed by the specialist in light of our knowledge of the Council's business and processes and our assessment of audit risk in the particular area. For example, we would typically perform the following procedures:

- ▶ Analyse source data and make inquiries as to the procedures used by the specialist to establish whether the source data is relevant and reliable;
- ▶ Assess the reasonableness of the assumptions and methods used;
- ▶ Consider the appropriateness of the timing of when the specialist carried out the work; and
- ▶ Assess whether the substance of the specialist's findings are properly reflected in the financial statements.



07

Audit timeline





Audit timeline

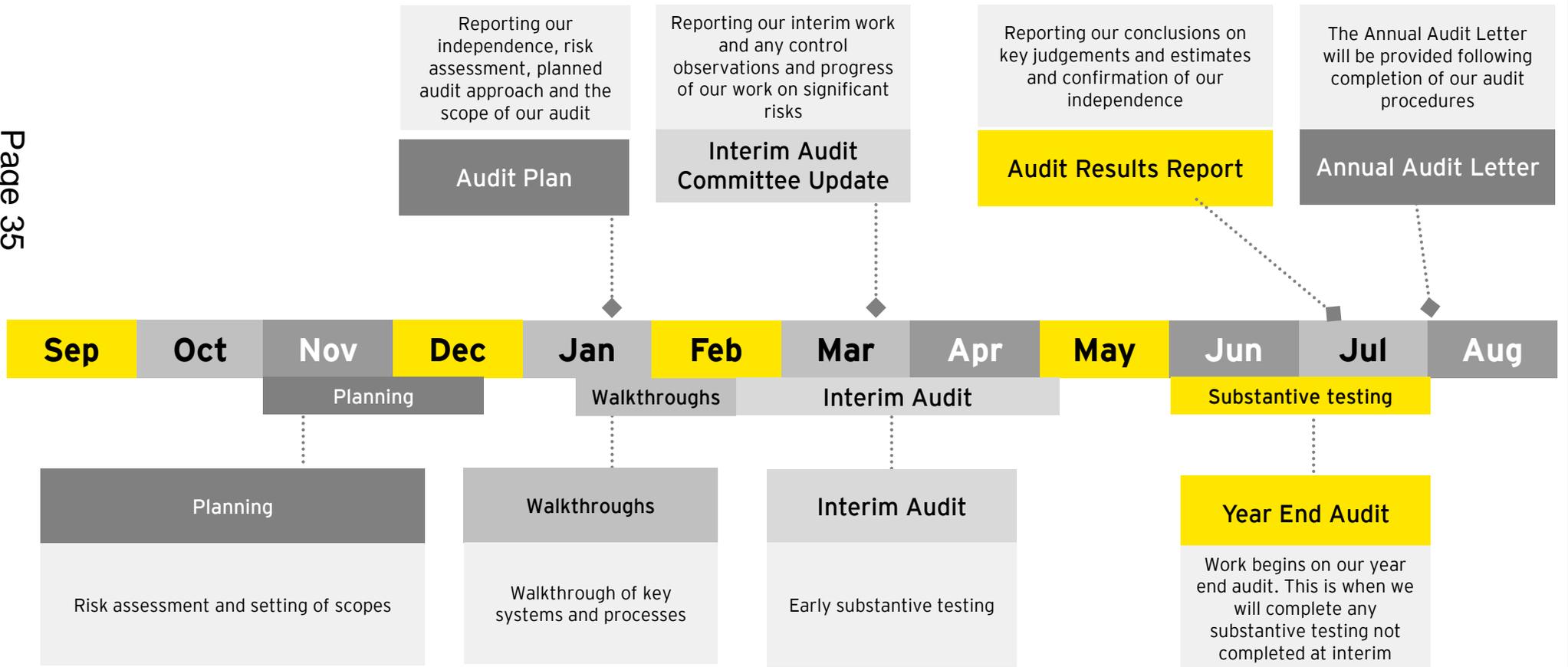
Timetable of communication and deliverables

Timeline

Below is a timetable showing the key stages of the audit and the deliverables we have agreed to provide to you through the audit cycle in 2017/18.

From time to time matters may arise that require immediate communication with the Governance, Performance and Audit Committee and we will discuss them with the Governance, Performance and Audit Committee Chair as appropriate. We will also provide updates on corporate governance and regulatory matters as necessary.

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08

Independence



Introduction

The FRC Ethical Standard and ISA (UK) 260 “Communication of audit matters with those charged with governance”, requires us to communicate with you on a timely basis on all significant facts and matters that bear upon our integrity, objectivity and independence. The Ethical Standard, as revised in June 2016, requires that we communicate formally both at the planning stage and at the conclusion of the audit, as well as during the course of the audit if appropriate. The aim of these communications is to ensure full and fair disclosure by us to those charged with your governance on matters in which you have an interest.

Required communications

Planning stage	Final stage
<ul style="list-style-type: none"> ▶ The principal threats, if any, to objectivity and independence identified by Ernst & Young (EY) including consideration of all relationships between you, your affiliates and directors and us; ▶ The safeguards adopted and the reasons why they are considered to be effective, including any Engagement Quality review; ▶ The overall assessment of threats and safeguards; ▶ Information about the general policies and process within EY to maintain objectivity and independence. 	<ul style="list-style-type: none"> ▶ A written disclosure of relationships (including the provision of non-audit services) that may bear on our integrity, objectivity and independence. This is required to have regard to relationships with the entity, its directors and senior management, its affiliates, and its connected parties and the threats to integrity or objectivity, including those that could compromise independence that these create. We are also required to disclose any safeguards that we have put in place and why they address such threats, together with any other information necessary to enable our objectivity and independence to be assessed; ▶ Details of non-audit services provided and the fees charged in relation thereto; ▶ Written confirmation that the firm and each covered person is independent and, if applicable, that any non-EY firms used in the group audit or external experts used have confirmed their independence to us; ▶ Written confirmation that all covered persons are independent; ▶ Details of any inconsistencies between FRC Ethical Standard and your policy for the supply of non-audit services by EY and any apparent breach of that policy; ▶ Details of any contingent fee arrangements for non-audit services provided by us or our network firms; and ▶ An opportunity to discuss auditor independence issues.

In addition, during the course of the audit, we are required to communicate with you whenever any significant judgements are made about threats to objectivity and independence and the appropriateness of safeguards put in place, for example, when accepting an engagement to provide non-audit services.

We also provide information on any contingent fee arrangements, the amounts of any future services that have been contracted, and details of any written proposal to provide non-audit services that has been submitted;

We ensure that the total amount of fees that EY and our network firms have charged to you and your affiliates for the provision of services during the reporting period, analysed in appropriate categories, are disclosed.

Relationships, services and related threats and safeguards

We highlight the following significant facts and matters that may be reasonably considered to bear upon our objectivity and independence, including the principal threats, if any. We have adopted the safeguards noted below to mitigate these threats along with the reasons why they are considered to be effective.

Overall Assessment

Overall, we consider that the safeguards that have been adopted appropriately mitigate the principal threats identified and we therefore confirm that EY is independent and the objectivity and independence of Mark Hodgson, your audit engagement partner and the audit engagement team have not been compromised.

Self interest threats

A self interest threat arises when EY has financial or other interests in the Council. Examples include where we receive significant fees in respect of non-audit services; where we need to recover long outstanding fees; or where we enter into a business relationship with the Council. At the time of writing, there are no long outstanding fees.

We believe that it is appropriate for us to undertake permissible non-audit services and we will comply with the policies that you have approved.

A self interest threat may also arise if members of our audit engagement team have objectives or are rewarded in relation to sales of non-audit services to you. We confirm that no member of our audit engagement team, including those from other service lines, has objectives or is rewarded in relation to sales to you, in compliance with Ethical Standard part 4.

There are no other self interest threats at the date of this report.

Self review threats

Self review threats arise when the results of a non-audit service performed by EY or others within the EY network are reflected in the amounts included or disclosed in the financial statements.

There are no self review threats at the date of this report.

Management threats

Partners and employees of EY are prohibited from taking decisions on behalf of management of the Council. Management threats may also arise during the provision of a non-audit service in relation to which management is required to make judgements or decision based on that work.

There are no management threats at the date of this report.

Other threats

Other threats, such as advocacy, familiarity or intimidation, may arise.

There are no other threats at the date of this report.

Other communications

EY Transparency Report 2017

Ernst & Young (EY) has policies and procedures that instil professional values as part of firm culture and ensure that the highest standards of objectivity, independence and integrity are maintained.

Details of the key policies and processes in place within EY for maintaining objectivity and independence can be found in our annual Transparency Report which the firm is required to publish by law. The most recent version of this Report is for the year ended 1 July 2017 and can be found here:

<http://www.ey.com/uk/en/about-us/ey-uk-transparency-report-2017>



09

Appendices



Appendix A

Fees

The duty to prescribe fees is a statutory function delegated to Public Sector Audit Appointments Ltd (PSAA) by the Secretary of State for Communities and Local Government.

PSAA has published a scale fee for all relevant bodies. This is defined as the fee required by auditors to meet statutory responsibilities under the Local Audit and Accountability Act 2014 in accordance with the NAO Code.

	Planned fee 2017/18	Scale fee 2017/18	Final Fee 2016/17
	£'s	£'s	£'s
Total Fee - Code work	52,916*	52,916	52,916
Total audit	52,916	52,916	52,916
Other non-audit services not covered above (Housing Benefits)	22,808	22,808	19,427
Total other non-audit services	22,808	22,808	19,427
Total fees	75,724	75,724	72,343

All fees exclude VAT

*Note 1 - Audit Fee - 2017/18 Code work.

The planned fee does not include any additional audit costs associated with the additional work to be performed around the group accounting of the new investment in the subsidiary, Aspire. As a result of consolidated accounts being required we may have to request a scale fee variation to reflect the additional work required for the consolidation including instructing and relying upon the component auditor and in reviewing the disclosures required to meet the group consolidation requirements of the Code of Practice and International Accounting Standards.

We will perform the necessary work required for opinion purposes and agree the fee variation with management and report it within our Audit Results Report. The Scale Fee Variation will also be approved by Public Sector Audit Ltd (PSAA).

The agreed fee presented is based on the following assumptions:

- ▶ Officers meeting the agreed timetable of deliverables;
- ▶ Our accounts opinion and value for money conclusion being unqualified;
- ▶ Appropriate quality of documentation is provided by the Council; and
- ▶ The Council has an effective control environment.

If any of the above assumptions prove to be unfounded, we will seek a variation to the agreed fee. This will be discussed with the Council in advance.

Fees for the auditor's consideration of correspondence from the public and formal objections will be charged in addition to the scale fee.

Regulatory update

In previous reports to the Governance, Performance and Audit Committee, we highlighted the issue of regulatory developments. The following table summarises progress on implementation:

Earlier deadline for production and audit of the financial statements from 2017/18	
Proposed effective date	Effective for annual periods beginning on or after 1 April 2017.
<p>Details</p> <p>Page 42</p>	<p>The Accounts and Audit Regulations 2015 introduced a significant change in statutory deadlines from the 2017/18 financial year. From that year the timetable for the preparation and approval of accounts will be brought forward with draft accounts needing to be prepared by 31 May and the publication of the audited accounts by 31 July.</p>
<p>Impact on Uttlesford District Council</p>	<p>These changes provide challenges for both the preparers and the auditors of the financial statements.</p> <p>We held a faster close workshop for clients in November 2017 to facilitate early discussion and sharing of ideas and good practice.</p> <p>We are now working with the Council on ideas coming from the workshop, for example:</p> <ul style="list-style-type: none"> • Streamlining the Statement of Accounts removing all non-material disclosure notes; • Bringing forward the commissioning and production of key externally provided information such as IAS 19 pension information, asset valuations; • Providing training to departmental finance staff regarding the requirements and implications of earlier closedown; • Re-ordering tasks from year-end to monthly/quarterly timing, reducing year-end pressure; • Establishing and agreeing working materiality amounts with the auditors.

Appendix C

Required communications with the Governance, Performance and Audit Committee

We have detailed the communications that we must provide to the Governance, Performance and Audit Committee.

		 Our Reporting to you
Required communications	 What is reported?	 When and where
Terms of engagement	Confirmation by the Governance, Performance and Audit Committee of acceptance of terms of engagement as written in the engagement letter signed by both parties.	The statement of responsibilities serves as the formal terms of engagement between the PSAA's appointed auditors and audited bodies.
Our responsibilities	Reminder of our responsibilities as set out in the engagement letter	The statement of responsibilities serves as the formal terms of engagement between the PSAA's appointed auditors and audited bodies.
Planning and audit approach	Communication of the planned scope and timing of the audit, any limitations and the significant risks identified. When communicating key audit matters this includes the most significant risks of material misstatement (whether or not due to fraud) including those that have the greatest effect on the overall audit strategy, the allocation of resources in the audit and directing the efforts of the engagement team	Audit planning report
Significant findings from the audit	<ul style="list-style-type: none"> ▶ Our view about the significant qualitative aspects of accounting practices including accounting policies, accounting estimates and financial statement disclosures ▶ Significant difficulties, if any, encountered during the audit ▶ Significant matters, if any, arising from the audit that were discussed with management ▶ Written representations that we are seeking ▶ Expected modifications to the audit report ▶ Other matters if any, significant to the oversight of the financial reporting process 	Audit Results Report

Appendix C

Required communications with the Governance, Performance and Audit Committee



Our Reporting to you

Required communications	 What is reported?	 When and where
Going concern Financial statements	Events or conditions identified that may cast significant doubt on the entity's ability to continue as a going concern, including: <ul style="list-style-type: none"> ▶ Whether the events or conditions constitute a material uncertainty ▶ Whether the use of the going concern assumption is appropriate in the preparation and presentation of the financial statements ▶ The adequacy of related disclosures in the financial statements 	Audit Results Report
Financial statements	<ul style="list-style-type: none"> ▶ Uncorrected misstatements and their effect on our audit opinion, unless prohibited by law or regulation ▶ The effect of uncorrected misstatements related to prior periods ▶ A request that any uncorrected misstatement be corrected ▶ Corrected misstatements that are significant ▶ Material misstatements corrected by management 	Audit Results Report
Fraud	<ul style="list-style-type: none"> ▶ Enquiries of Governance, Performance and Audit Committee to determine whether they have knowledge of any actual, suspected or alleged fraud affecting the entity ▶ Any fraud that we have identified or information we have obtained that indicates that a fraud may exist ▶ A discussion of any other matters related to fraud 	Audit Results Report
Related parties	<ul style="list-style-type: none"> ▶ Significant matters arising during the audit in connection with the entity's related parties including, when applicable: <ul style="list-style-type: none"> ▶ Non-disclosure by management ▶ Inappropriate authorisation and approval of transactions ▶ Disagreement over disclosures ▶ Non-compliance with laws and regulations ▶ Difficulty in identifying the party that ultimately controls the entity 	Audit Results Report

Appendix C

Required communications with the Governance, Performance and Audit Committee (continued)

		 Our Reporting to you
Required communications	 What is reported?	 When and where
Independence	<p>Communication of all significant facts and matters that bear on EY's, and all individuals involved in the audit, objectivity and independence</p> <p>Communication of key elements of the audit engagement partner's consideration of independence and objectivity such as:</p> <ul style="list-style-type: none"> ▶ The principal threats ▶ Safeguards adopted and their effectiveness ▶ An overall assessment of threats and safeguards ▶ Information about the general policies and process within the firm to maintain objectivity and independence 	Audit Planning Report and Audit Results Report
External confirmations	<ul style="list-style-type: none"> ▶ Management's refusal for us to request confirmations ▶ Inability to obtain relevant and reliable audit evidence from other procedures 	Audit Results Report
Consideration of laws and regulations	<ul style="list-style-type: none"> ▶ Audit findings regarding non-compliance where the non-compliance is material and believed to be intentional. This communication is subject to compliance with legislation on tipping off ▶ Enquiry of the Governance, Performance and Audit Committee into possible instances of non-compliance with laws and regulations that may have a material effect on the financial statements and that the Governance, Performance and Audit Committee may be aware of. 	Audit Results Report
Internal controls	<ul style="list-style-type: none"> ▶ Significant deficiencies in internal controls identified during the audit 	Annual Audit Letter/Audit Results Report

Appendix C

Required communications with the Governance, Performance and Audit Committee (continued)

		 Our Reporting to you
Required communications	 What is reported?	 When and where
Representations	Written representations we are requesting from management and/or those charged with governance	Audit Results Report
Material inconsistencies and misstatements	Material inconsistencies or misstatements of fact identified in other information which management has refused to revise	Audit Results Report
Auditors report	<ul style="list-style-type: none"> ▶ Key audit matters that we will include in our auditor's report ▶ Any circumstances identified that affect the form and content of our auditor's report 	Audit Results Report
Fee Reporting	<ul style="list-style-type: none"> ▶ Breakdown of fee information when the audit plan is agreed ▶ Breakdown of fee information at the completion of the audit ▶ Any non-audit work 	Audit planning report Audit Results Report
Certification work	Summary of certification work undertaken	Certification report
Group audits	<ul style="list-style-type: none"> ▶ An overview of the type of work to be performed on the financial information of the components ▶ An overview of the nature of the group audit team's planned involvement in the work to be performed by the component auditors on the financial information of significant components ▶ Instances where the group audit team's evaluation of the work of a component auditor gave rise to a concern about the quality of that auditor's work ▶ Any limitations on the group audit, for example, where the group engagement team's access to information may have been restricted ▶ Fraud or suspected fraud involving group management, component management, employees who have significant roles in group-wide controls or others where the fraud resulted in a material misstatement of the group financial statements 	Audit planning report Audit results report

Additional audit information

Other required procedures during the course of the audit

In addition to the key areas of audit focus outlined in section 2, we have to perform other procedures as required by auditing, ethical and independence standards and other regulations. We outline the procedures below that we will undertake during the course of our audit.

Our responsibilities required by auditing standards

- ▶ Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- ▶ Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control.
- ▶ Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ▶ Concluding on the appropriateness of management's use of the going concern basis of accounting.
- ▶ Evaluating the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- ▶ Obtaining sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Council to express an opinion on the consolidated financial statements. Reading other information contained in the financial statements, including the board's statement that the annual report is fair, balanced and understandable,
- ▶ The Governance, Performance and Audit Committee reporting appropriately addresses matters communicated by us to the Governance, Performance and Audit Committee
- ▶ and reporting whether it is materially inconsistent with our understanding and the financial statements; and
- ▶ Maintaining auditor independence.

Additional audit information (continued)

Purpose and evaluation of materiality

For the purposes of determining whether the accounts are free from material error, we define materiality as the magnitude of an omission or misstatement that, individually or in the aggregate, in light of the surrounding circumstances, could reasonably be expected to influence the economic decisions of the users of the financial statements. Our evaluation of it requires professional judgement and necessarily takes into account qualitative as well as quantitative considerations implicit in the definition. We would be happy to discuss with you your expectations regarding our detection of misstatements in the financial statements.

Materiality determines:

- ▶ The locations at which we conduct audit procedures to support the opinion given on the Group financial statements; and
- ▶ The level of work performed on individual account balances and financial statement disclosures.

The amount we consider material at the end of the audit may differ from our initial determination. At this stage, however, it is not feasible to anticipate all of the circumstances that may ultimately influence our judgement about materiality. At the end of the audit we will form our final opinion by reference to all matters that could be significant to users of the accounts, including the total effect of the audit misstatements we identify, and our evaluation of materiality at that date.

Agenda Item 4

Committee: Governance, Audit and Performance

Date:

Title: 2016/2017 Benefit Subsidy Audit

8 February 2018

Report Author: Caroline Saych, Benefits Manager

Item for decision:
No

Summary

1. The 2016/17 Housing Benefit (HB) Auditor-Certified Subsidy Claim was submitted to the Department for Work and Pensions (DWP) by the 30th November 2017 deadline.
2. An increased subsidy income of £25,887 over previous years has been achieved.

Recommendations

3. None, this is an information only report.

Financial Implications

4. None, this is an information only report.

Background Papers

5. None.

Impact

Communication/Consultation	None
Community Safety	None
Equalities	None
Health and Safety	None
Human Rights/Legal Implications	None
Sustainability	None
Ward-specific impacts	None
Workforce/Workplace	None

Situation

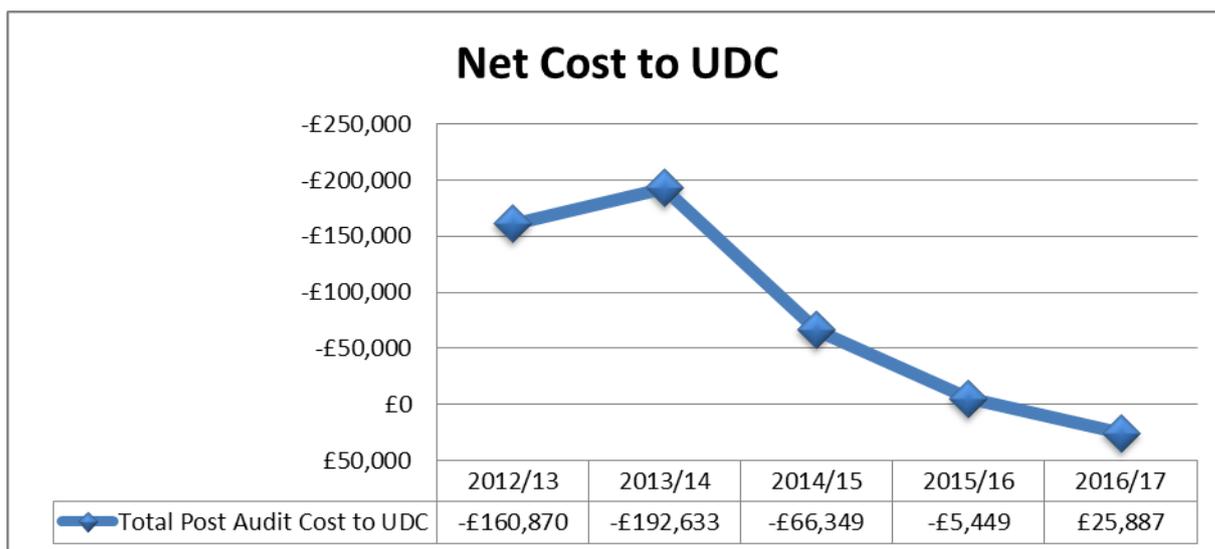
6. The 2016/17 subsidy claim consisted of 225 cells and a total claim value of £16,161,133.
7. The EY Annual Certification Report is attached as Appendix A and the Auditors Notification letter to the DWP is attached as Appendix B.

8. As detailed below, unlike subsidy claims over the previous 4 years, Uttlesford District Council (UDC) this year achieved, and retained post audit, an increased subsidy income of £44,458 in Local Authority (LA) Error/Admin Delay subsidy due.
9. The LA Error/Admin Delay initiative enables LA's to claim subsidy according to the level of their LA Error/Admin Delay overpayments. The level of subsidy that LAs can claim for these overpayments is determined by thresholds, expressed as a percentage, of total correct Housing Benefit (HB) payments. The thresholds are:
 - Lower threshold 0.48%
 - Upper threshold 0.54%

When the total LA Error/Admin Delay overpayment figures are less than or equal to 0.48% of total expenditure attracting 100% subsidy, the subsidy rate that can be claimed by the LA relative to these overpayments is 100%. If the overpayment amounts are greater than 0.48% but less than 0.54%, a reduced subsidy rate of 40% can be claimed. If the overpayments equate to over 0.54%, no subsidy can be claimed.

10. Due to the benefit team's proactive and preventative work over the past few years, UDC LA Error/Admin Delay overpayments during 2016/17 equated to only £43,524. During EY's audit, only a further £1,443 worth of HB assessment errors were identified taking the total auditor-certified LA error/Admin Delay overpayment values to £44,458. UDC's 0.48% threshold for 2016/17 equated to £75,551 meaning 100% of the £44,458 could be claimed.
11. Whilst the identified overpayment values equate to only 0.0089% of the total subsidy claimed for 2016/17, EY's extrapolation process results in a qualification cost to UDC of £19,454 (the formula's used to calculate this figure can be found within EY's report attached).
12. As detailed in EY's report, relatively small financial errors can result in large extrapolated values. Proactive work by UDC officers reduced this cost where possible and positive adjustments of £883 were also identified. This work by UDC officers resulted in a net, of £18,571 cost.
13. EY officers have noted in their report that the quality of the work undertaken by UDC officers was excellent meaning they could place full reliance on their work. A reduction in 2016/17 auditor fees of £3,379 compared to 2015/16 helps to support this.
14. Looking at the overall subsidy picture therefore, if you net the extrapolation cost of £18,571 against the LA Error/Admin Delay income gain of £44,458, there is a resulting income increase to UDC of £25,887; an improvement of £31,336 compared to 2015/16, £92,236 compared to 2014/15 and £218,520 compared to 2013/14.
15. The table below shows a breakdown of these figures.

Year	Gross Extrapolation Value	Positive Adjustments	Net Extrapolation Value	LA Error/Admin Delay Subsidy	Net Cost to UDC	Movement from Prior Year
2012/13	-£160,870	£0	-£160,870	£0	-£160,870	
2013/14	-£192,633	£0	-£192,633	£0	-£192,633	-£31,763
2014/15	-£66,349	£0	-£66,349	£0	-£66,349	£126,284
2015/16	-£8,712	£3,263	-5,449	£0	-£5,449	£60,900
2016/17	-£19,454	£883	-£18,571	£44,458	£25,887	£31,336



16. In accordance with EY's 2016/17 findings, the benefits team will continue to address the recommendation that the Council continues to ensure further improvements in the accuracy of processing.

Risk Analysis

Risk	Likelihood	Impact	Mitigating actions
The quality and accuracy of the benefit team deteriorates and/or improvements in accuracy are not achieved.	2 - Difficulty in recruiting/retaining experienced assessment officers have resulted in a relatively new/inexperienced team. Training programmes and subsidy/quality checking processes in place	3 – As seen in report above, the identification of small financial errors can result in large extrapolated values.	Dedicated Subsidy officer in post until December 2018. Subsidy maximisation and high risk areas of assessment targeted as part of this post.

- 1 = Little or no risk or impact
- 2 = Some risk or impact – action may be necessary.
- 3 = Significant risk or impact – action required
- 4 = Near certainty of risk occurring, catastrophic effect or failure of project.

Certification of claims and returns annual report 2016/17

Uttlesford District Council

11 December 2017

Ernst & Young LLP



Building a better
working world

The Members of the Governance, Audit and Performance Committee
Uttlesford District Council
Council Offices
London Road
Saffron Walden
CB11 4ER

11 December 2017

Ref: UDC 2017

Direct line: 01223 394547

Email: MHodgson@uk.ey.com

Dear Members

Certification of claims and returns annual report 2016/17

Uttlesford District Council

This report summarises the results of our work on Uttlesford Council's 2016/17 claims and returns.

Scope of work

Local authorities claim large sums of public money in grants and subsidies from central government and other grant-paying bodies and must complete returns providing financial information to government departments. In some cases these grant-paying bodies and government departments require appropriately qualified auditors to certify the claims and returns submitted to them.

From 1 April 2015, the duty to make arrangements for the certification of relevant claims and returns and to prescribe scales of fees for this work was delegated to the Public Sector Audit Appointments Ltd (PSAA) by the Secretary of State for Communities and Local Government.

For 2016/17, these arrangements required only the certification of the housing benefits subsidy claim. In certifying this we followed a methodology determined by the Department for Work and Pensions and did not undertake an audit of the claim.

Summary

Section 1 of this report outlines the results of our 2016/17 certification work and highlights the significant issues.

We checked and certified the housing benefits subsidy claim with a total value of £16.16 million. We met submission deadline and issued a qualification letter in relation to the housing benefit claim which detailed a number of issues identified as a result of our work. A copy of the qualification letter is included in Appendix A.

Our certification work found some errors which the Council corrected. Rent Rebates (tenants of non HRA properties) the whole population of claims were tested. Rent allowances - termination dates being incorrectly applied, EY selected an additional sample to test of all claims which terminated in the period under review. Rent allowances the incorrect application of child care costs, EY selected an additional sample of all cases which had child care costs.

Rent allowances the use of an incorrect start date when a claim was backdated, EY selected an additional sample of all cases which had backdated start dates. The amendments had a marginal effect on the grant due increasing subsidy by £883.

We followed up the issues identified last year in relation to the housing benefit claim following the completion of our certification work for 2015/16. Further details of our findings are included in section 1 of this report.

Fees for certification work are summarised in section 2. The housing benefits subsidy claim fees for 2016/17 were published by the Public Sector Appointments Ltd (PSAA) in March 2016 and are available on the PSAA's website (www.psaa.co.uk).

We welcome the opportunity to discuss the contents of this report with you at the next Governance, Audit and Performance Committee.

Yours faithfully

Mark Hodgson
Associate Partner
Ernst & Young LLP
Inc

Contents

1. Housing benefits subsidy claim	1
2. 2016/17 certification fees.....	3
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1. Housing benefits subsidy claim

Local Government administers the Government's housing benefits scheme for tenants and can claim subsidies from the Department for Work and Pensions (DWP) towards the cost of benefits paid.

Details of the audit work undertaken in relation to this claim and our findings are summarised below:

Scope of work	Results
Value of claim presented for certification	£16,160,250
Amended	Yes - certified claim increased by £883 to £16,161,133
Qualification letter	Yes
Fee – 2015/16 (Actual)	£22,808
Fee – 2016/17 (Actual)	£19,429
Recommendations from 2015/16:	Findings in 2016/17
In 2015/16 we made the following recommendation: Continue with the agreed actions taken to address the recommendations made in previous years.	Our audit work identified a number of errors as outlined below and in Appendix A. We recommend that the Council continues to ensure that further improvements in the accuracy of processing are achieved.

Our certification work of the housing benefit subsidy claim is undertaken in line with the approach agreed with the DWP, which requires detailed testing of individual benefit cases.

The certification guidance also requires the completion of more extensive '40+' or extended testing if initial testing identifies errors in the calculation of benefit or compilation of the claim. 40+ testing may also be carried out as a result of errors that have been identified in the audit of previous years' claims.

Our initial testing in 2016/17 identified:

- 1 underpayment which occurred as a result of incorrectly applied as the child care.
- 1 underpayment which occurred as a result of an incorrect start date when a claim was backdated.
- 1 overpayment which occurred as a result of benefit terminated on the incorrect date.

Based on the above findings and previous years' findings the following extended testing was undertaken:

- Rent Allowances– Income assessment (40 cases);
- Rent allowances – drill down cases with termination within the year (94 cases)
- Rent allowances – drill down cases with child care costs (58 cases)
- Rent allowances – drill down cases backdated claim start dates (17 cases)
- Rent Rebates - Income assessment (40 cases);
- Rent Rebates - Eligible overpayment classification testing (40 cases)
- Rent Allowances – Eligible overpayment classification testing (40 cases)
- Rent Rebates(tenants of non HRA properties) –whole population (44 cases)
- Modified Schemes – whole population (7 cases)

We agreed with the Council that the benefits team would perform most of this additional testing and we would re-perform a sample of the cases to confirm we could place reliance on the Council's work. The outcome of this additional testing and the potential impact on the Council's claim is documented within the qualification letter to the DWP and attached at Appendix A. We would note that the quality of the 40+ testing undertaken by the Council's team was excellent and we were able to place full reliance on it.

We reported underpayments, uncertainties and the extrapolated value of other errors in our qualification letter to the DWP, which is attached at Appendix A. On the basis of the information within the qualification letter, the

DWP will decide on the appropriate course of action, which may include whether to ask the Council to carry out further work to quantify the error or to claw back the benefit subsidy paid on the basis of the extrapolated figures reported in the qualification letter.

Testing of all the Rent Rebates (tenants of non HRA properties) cases and the drill down sub population testing identified errors which the Council amended. These changes had a small net impact on the claim, increasing the overall subsidy amount due to the Council by £883.

Members may wish to note that although the individual errors identified as a result of audit are small, under the requirements of the Certification Instruction there is no materiality applied to our work on the claim and every error above rounding has to be reported. The errors identified from the sample testing are extrapolated across the total population of cases in our reporting to the DWP. Consequently a small error on individual cases can result in a larger extrapolated error, and potential recovery of subsidy paid to the Council by the DWP.

2. 2016/17 certification fees

The Audit Commission determines a scale fee each year for the audit of claims and returns. For 2016/17, these scale fees were published by the Audit Commission in March 2016 and are now available on the PSAA's website (www.psaa.co.uk).

Claim or return	2015/16	2016/17	2016/17
	Actual fee £'s	Indicative fee £'s	Actual fee £'s
Housing benefits subsidy claim	£22,808	£19,429	19,429
Total	£22,808	£19,429	19,429

3. Looking forward

From 1 April 2015, the duty to make arrangements for the certification of relevant claims and returns and to prescribe scales of fees for this work was delegated to (PSAA) by the Secretary of State for Communities and Local Government.

The Council's indicative certification fee for 2017/18 is £22,808. This was set by PSAA and is based on final 2015/16 certification fees.

Details of individual indicative fees are available at the following web address:
<https://www.psa.co.uk/audit-fees/201718-work-programme-and-scales-of-fees/individual-indicative-certification-fees/>

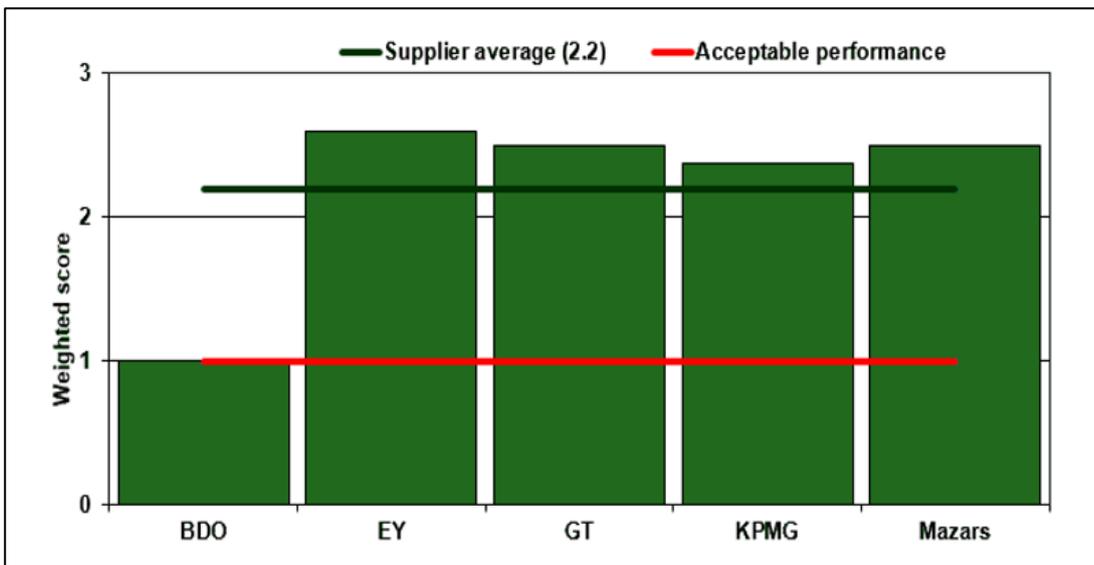
We must seek the agreement of PSAA to any proposed variations to these indicative certification fees. We will inform you before seeking any such variation.

2018/19

From 2018/19, the Council will be responsible for appointing their own reporting accountant to undertake the certification of the housing benefit subsidy claim in accordance with the Housing Benefit Assurance Process (HBAP) requirements that are being established by the DWP. DWP's HBAP guidance is under consultation and is expected to be published around January 2018.

We would be pleased to undertake this work for you, and can provide a competitive quotation for this work.

We currently provide HB subsidy certification to 106 clients, through our specialist Government & Public Sector team. We provide a quality service, and are proud that in the PSAA's latest Annual Regulatory and Compliance Report (July 2017) we score the highest of all providers, with an average score of 2.6 (out of 3).



As we also expect to be appointed by PSAA in December 2017 as your statutory auditor we can provide a comprehensive assurance service, making efficiencies for you and building on the knowledge and relationship we have established with your Housing Benefits service.

Looking forward

EY | Assurance | Tax | Transactions | Advisory

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Department for Work and Pensions
Housing Benefit Unit
Room B120D
Warbreck House
Blackpool
Lancashire
FY2 0UZ

28 November 2017

Ref: EY Uttlesford District Council
Your ref: EY/16-17/UDC/MPF720A

Email: Mhodgson@uk.ey.com

Dear Sir/Madam

Uttlesford District Council

**Housing Benefit and Council Tax Benefit Claim for the year ended 31 March 2017
(Form MPF720A)**

Details of the matters giving risk to our qualification of the above claim are set out in the Appendix to this letter.

The factual content of our qualification had been agreed with the officers of the Authority.

No amendments have been made to the claim for the issues raised in this qualification letter (unless otherwise indicated in the letter).

Yours faithfully



Mark Hodgson
Associate Partner
For and on behalf of Ernst & Young LLP
United Kingdom

Appendix: Matters giving rise to qualification

Cell 55: Rent Rebates – Total Expenditure (benefit granted)

Cell Total: £6,695,430

Cell population: 1,728

Incorrect Calculation of income

No cases were identified in the initial random sample of 20 claims where income had been incorrectly calculated. . However, based on our audit knowledge from the prior year an additional random sample of 40 cases with income was selected from cell 55.

As issues were reported in the 2015/16 Qualification letter and the nature of the error was such that either an underpayment or overpayment may arise, we have undertaken the testing of an additional random sample of 40 cases selected from a sub population of claims containing income, and identified the following errors:

- ▶ 2 cases (total value £46.42) where the earnings have been incorrectly assessed resulting in an underpayment of benefit;
- ▶ 1 case where the earnings have been incorrectly assessed but there was no impact on benefit paid; and
- ▶ 1 case (total value £0.07) where the earnings have been incorrectly assessed resulting in an overpayment of benefit. The effect of these overpayments is to overstate the benefits.

The result of our testing is set out in the table below:

Sample:	Movement / brief note of error:	Original cell total:	Sample error:	Sample value:	Percentage error rate:	Cell adjustment:	Revised cell total if adjustment applied:
		[CT]	[SE]	[SV]	[SE/SV]	[SE/SV times CT]	[RA]
Initial sample – 20 cases	Incorrect assessment of earned income	£ 6,695,430	£Nil	£ 76,533			
Additional sample – 40 cases	Incorrect assessment of earned income	£ 6,695,430	(£0.07)	£ 146,819			
Combined sample – 60 cases	Incorrect assessment of earned income	£ 6,695,430	(£0.07)	£ 223,352	(0.00%)	(£2.10)	
Adjustment	Combined sample. Cell 61 overstated.	£ 6,695,430	(£0.07)	£ 223,352	(0.00%)	(£2.10)	
Adjustment	Combined sample. Cell 64 overstated.	£ 6,695,430	£Nil	£ 223,352	£Nil	£Nil	
Total Corresponding adjustment	Total understatement.					£2.10	

The percentage error rate in our sample reflects the individual cases selected. The value of the errors found was £0.07. Similar findings were included in our qualification letter last year.

Given the nature of the population and the variation in the errors found, it is unlikely that even significant additional work will result in amendments to the claim form that will allow me to conclude that it is fairly stated.

Cell 67: Rent Rebates – Eligible Overpayments (Current Year)

Cell Total £67,056

Cell Population 476

Our initial testing of claims in Cell 55 did not identify any eligible overpayment misclassifications. However based on our audit knowledge from the prior year an additional random sample of 40 cases with overpayments was selected for testing from cell 67.

Additional testing identified 2 cases where overpayments had been misclassified in cell 67 eligible excess (£242), which should have been classified as: LA error and administrative delay in cell 65 (£242),

The result of my testing is set out in the table below:

Sample:	Movement / brief note of error:	Original cell total:	Sample error:	Sample value:	Percentage error rate:	Cell adjustment:	Revised cell total if cell adjustment applied:
		[CT]	[SE]	[SV]	[SE/SV]	[SE/SV times CT]	[RA]
Initial sample -	Misclassification of overpayment	£ 67,056	(£0)	£0			
Drill down sample - 40 cases	Misclassification of overpayment	£ 67,056	(£242)	£12,576			
Combined sample – 41 cases	Misclassification of overpayment	£ 67,056	(£242)	£12,576	(1.92%)	(£1,289)	
Adjustment	Cell 67 is overstated	£ 67,056	(£242)	£12,576	(1.92%)	(£1,289)	
Total Corresponding adjustment						£1,289	
Total adjustment to subsidy	Subsidy at 40%					£516	

The percentage error rate in my sample reflects the individual cases selected. The value of the errors found range from £0.10 to £242 and the benefit period range was 1 week to 2 weeks. Similar findings were included in my qualification letter last year.

Given the nature of the population and the variation in the errors found it is unlikely that even significant additional work will result in an amendment to this cell that will allow me to conclude it is fairly stated.

Cell 94: Rent Allowance – Total Expenditure (benefit granted)

Cell Total: £9,552,550

Cell population: 2,014

Incorrect Calculation of income

No cases were identified in the initial random sample of 20 claims where income had been incorrectly calculated.

As issues were reported in the 2015/16 Qualification letter and the nature of the error is such that either an underpayment or overpayment may arise, we have undertaken the testing of an additional random sample of 40 cases selected from a sub population of claims containing income, and identified the following errors:

- ▶ 4 cases (total value £672.06) where the earnings have been incorrectly assessed resulting in an underpayment of benefit;
- ▶ 1 case where the earnings have been incorrectly assessed but there was no impact on benefit paid; and
- ▶ 4 cases (total value £475.24) where the earnings have been incorrectly assessed resulting in an overpayment of benefit. The effect of these overpayments is to overstate Case not requiring referral to the Rent Officer (Cell 102), LHA Expenditure (Cell 103) and Overpaid rent allowances eligible overpayment (Cell 114) with a corresponding understatement of cell 113; there is no effect on cell 094.

The result of our testing is set out in the table below:

Sample:	Movement / brief note of error:	Original cell total:	Sample error:	Sample value:	Percentage error rate:	Cell adjustment:	Revised cell total if adjustment applied:
		[CT]	[SE]	[SV]	[SE/SV]	[SE/SV times CT]	[RA]
Initial sample – 20 cases	Incorrect assessment of earned income	£ 9,552,550	£Nil	£ 87,200			
Additional sample – 40 cases	Incorrect assessment of earned income	£ 9,552,550	(£475)	£ 207,025			
Combined sample – 60 cases	Incorrect assessment of earned income	£ 9,552,550	(£475)	£ 294,226	(0.162%)	(£15,429)	
Adjustment	Combined sample. Cell 102 overstated.	£ 9,552,550	(£5)	£ 294,226	(0.002%)	(£169)	
Adjustment	Combined sample. Cell 103 overstated.	£ 9,552,550	(£470)	£ 294,226	(0.160%)	(£15,260)	
Adjustment	Combined sample. Cell 114 understated.	£ 9,552,550	£Nil	£ 294,226	0.00%	£Nil	
Total Corresponding adjustment						£15,429	

The percentage error rate in our sample reflects the individual cases selected. The value of the errors found range from £1 to £170 and the benefit periods range from 1 week to 12 weeks.

Given the nature of the population and the variation in the errors found, it is unlikely that even significant additional work will result in amendments to the claim form that will allow me to conclude that it is fairly stated.

Cell 114: Rent Allowances – Eligible Overpayments (Current Year)
Cell Total £141,936
Cell Population 781

Our initial testing of claims in Cell 94 did not identify any eligible overpayment misclassifications. However based on our audit knowledge from the prior year an additional random sample of 40 cases with overpayments was selected for testing from cell 114.

Testing of an additional sample of 40 cases from cell 114 eligible excess overpayments, identified 6 cases where overpayments had been misclassified in cell 114 eligible excess (£731) which should have been classified as LA error and Administrative delay benefit in cell 113 overpayments.

The result of my testing is set out in the table below:

Sample:	Movement / brief note of error:	Original cell total:	Sample error:	Sample value:	Percentage error rate:	Cell adjustment:	Revised cell total if cell adjustment applied:
		[CT]	[SE]	[SV]	[SE/SV]	[SE/SV times CT]	[RA]
Initial sample -	Cell 94 initial testing	£141,936	(£0)	£0			
Drill down sample - 40 cases	Misclassification of overpayment	£141,936	(£731)	£11,841			
Combined sample – 60 cases	Misclassification of overpayment	£141,936	(£731)	£11,841	6.18%	(£8,767)	
Adjustment	Total overstatement.	£141,936				(£8,767)	
Total Corresponding adjustment						£8,767	
Total adjustment to subsidy	Subsidy at 40%					£3,507	

The percentage error rate in our sample reflects the individual cases selected. The value of the errors range from £5 to £507 and the benefit periods range from 1 week to 5 weeks. Similar findings were included in our qualification letter last year.

Given the nature of the population and the variation in the errors found, it is unlikely that even significant additional work will result in amendments to the claim form that will allow us to conclude that it is fairly stated.

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Agenda Item 5

Committee: Governance, Audit and Performance

Date:

Title: Health and Safety Update

8 November 2017

Report Author: David Cottrell, Grad IOSH, Dip OHS, Am CIEH,
Corporate Health and Safety Officer

Item for decision:
No

Summary

1. This report is the bi-annual summary of health and safety activity and statistics for the council.

2. It summarises the last 6 months of 2017 from 22 July 2017 up to 30 December 2017 and provides statistics for the full 2017 year. It gives details of accident report types, training, policy, risk assessment, costs and savings. The report shows how year on year there has been an increased level of accident reporting, but a marked decrease in the severity and time off work as a result. RIDDORs currently sit at a five year low.

Recommendations

3. None.

Financial Implications

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

Background Papers

5. None

Impact

6.

Communication/Consultation	Regular communication with staff about health and safety issues, including personal communication and visibility exercises, on site safety clinics, monthly tool box talks, learning exercises and a quarterly newsletter
Community Safety	Health and safety awareness and training improves the safety of the community when in contact with our staff
Equalities	None
Health and Safety	Effective policies and procedures have improved health and safety in the council
Human Rights/Legal Implications	Ineffective health and safety in the workplace could lead to serious legal implications
Sustainability	None
Ward-specific impacts	None
Workforce/Workplace	Health and safety is an essential part of the workplace.

Situation

7. The safety calendar runs from 1 January to 31 December and this report gives an overview of Health and Safety within UDC. The Council has become a much safer work place with a record low over the past 5 years in RIDDORS and a marked reduction in work place related injuries, including slips trips and fall (reduced by 50%). Road traffic collisions are down as well (reduced by + 80%) however acts of aggression against staff are at a 4 year high. See later review on this subject.

8. Attached as Appendix 1 are the accident statistics for 2017. These are broken down by accident type and service area, in this case giving details of the most vulnerable service areas and the type of incident.

Total reports 2016 end	RIDDOR HSE informed	+7 days off work	-7 days off work	Injured no time off work minor	Near Miss	Road Traffic Collisions	Acts of aggression and/or violence
75	2	2	8	25	11	25	5

Total reports 2017 to 30/12/17	RIDDOR HSE informed	+7 days off work	-7 days off work	Injured no time off work minor	Near Miss	Road Traffic Collisions	Acts of aggression and/or violence
67	2	1	5	28	10	5	14

9. RIDDOR still at 4 year low, all injury related work absence is down. RTC's are down. Acts of aggression and/or violence are up at an all-time high.

Policies, risk assessments, safe systems of work, etc.

10. Apart from the main Health & Safety Policy, the Council has many other supporting documents associated with Health & Safety. All of the policies are available on the Health & Safety section of the intranet.

11. In 2017 there remains a library of 23 Generic Corporate Risk Assessments and 31 Safe Systems of Working Procedures which have also been prepared and are available on the Health & Safety section of the intranet. All service areas have their own bespoke risk assessments and safe systems of work again all available to view on the intranet. Hard copies of these documents have been printed and placed at the 3 UDC depots for colleagues who are unable to view these online and will be reviewed and renewed every 2 years.

12. Policy and guidance brought in by Health and Safety in 2017 includes:

- Asbestos management
- Legionella management
- Council meeting threat/risk analysis tool
- CDM Regulation compliance (Construction Design Management)

13. All risk assessments, safe systems of work and instructions are subject to review as necessary, including COSHH assessments. There is no intention at this time to grow the number of Generic Corporate Risk Assessments above. All assessments have been reviewed and are currently up to date.

Management of risk

14. The Corporate Health and Safety Officer and the Emergency Planning and Fire Officer joined forces to become the UDC safety team in January 2017 and became the Corporate Safety Team. Each officer has trained in each other's role and obtained additional professional qualifications to enable each to support each other's role at times of high workload or project work as well as providing resilience at times of unavailability.

15. By forming the Safety Team where each officer complements each other's role this provides support and joint enterprise during times of high demand as required. Advice, guidance and professional opinion on health and safety, fire, emergency planning and fire is now much more likely to be readily available which is particularly welcome during times of recognised holiday periods. This system of mutual cover and support is working well.

16. The risk of being injured at work and being signed off as a result still remains low at the council, as does the chances of being involved in a road traffic collision whilst at work. Even with a raised profile with aggression and/or violence incidents recorded in 2016 and 2017, the likelihood of suffering such an incident again at work remains very low.

Training

17. Courses delivered in 2017 have been as follows;

Course 2017	Attendance/courses
Conflict resolution	15/2
Asbestos awareness	30/4
Health and safety risk assessment	30/4
Manual handling	40/4
COSHH assessments	30/4
Ladders, steps and working at height	30/4
Tool box talks (various)	80/8

Cost savings 2017

18. Health and Safety Training courses delivered in house still continue to save this authority considerable amounts in training costs with a total of 255 staff trained across this authority in varying service areas, including Street Services, Housing Services, CSC, stewards and cleaners.

19. There is a significant cost saving set against each student when training is delivered internally by an accredited trainer as is done at this council.

20. Over Christmas we ran a "Distracted Drivers Take Lives" campaign which continues into January 2018. A poster campaign has been used to support this and a series of training sessions aimed at raising awareness on driving safely at work, with 2 course delivered in December 2017 and a schedule to train all essential car users and UDC driver of liveried council vehicles in 2018 planned. This flows on from the work done with Zurich on accident reduction measures. Just over 1/3 of all road traffic collisions in the UK are work related.

Accidents and near miss reporting

21. The level of near miss reporting has stabilised, with between 11 and 16 incidents per annum over the last four years. There were 10 recorded for 2017. However it is still likely that there is under reporting. Campaigns around near miss reporting do continue. The upside of requesting accidents and near misses be captured and reported has cascaded down as more injuries with no work absence being recorded

22. The near miss campaign continues with the placement of safety message boards at various high usage locations within council buildings helping to deliver this and other safety messages. Currently “Distracted drivers take lives” is being displayed.

RIDDOR

23. There have been two RIDDORs reported in 2017. We are at a four year all-time low for RIDDORs. One RIDDOR was a Gas Safe incident reported to the HSE. The other was a loader with a back injury who was off work for 10 days so qualified as a RIDDOR. Both incidents do not raise any cause for concern for the Safety Team.

Asbestos and Legionella control

24. The UDC Asbestos Management Group took place in August following its creation in May 2016 the previous year. At the meeting a review is carried out by the membership of all asbestos works, incidents, the council’s asbestos register, risk assessments, safe systems of work and more. The meeting is chaired in Housing Services by the Property Services Manager. We are now fully compliant with the Control of Asbestos Regulations 2015.

25. A UDC Legionella Management Group was set up in 2017. Following a similar process as for asbestos management, this group meets with our contractors and manages our risks from Legionella, examining our policy, maintenance regime, incidents, training issues and more. This group again is run within Housing Services by the Property Services Manager. Again we are now fully compliant with HSE advice on monitoring and control.

Communications

26. Communication methods have included poster campaigns, newsletters, tool box talks, team meetings, face to face discussion and emails. There were three additions of the Uttlesford Safety Times in 2017. We aim to print two to three per annum. Various safety messages and advice are explored in each issue.

Aggression

27. There continues to be a trend of aggressive incidents and/or violence at work. There 2016 there was a record number of five reported. This number was surpassed in the July 2017 report to the committee which stood at 8 and ended 2017 at 14, with another 6 reported from 1 August to 30 December 2017.

28. Of this running total of 19 incidents, in 2016 and 2017 nine can be attributed to one individual making the threats of violence towards housing repairs staff as previously reported in July 2017. The remaining 10 are unconnected and at the lower end of violent/aggressive/abusive behaviour towards UDC staff. This does show that aggressive incidents are still on the rise, which is worrying.

29. The suspect for these nine aggressive incidents faces a criminal court case brought by Essex Police originally in July 2017, postponed and due for hearing a not guilty plea in February 2018 at Chelmsford Magistrates Court.

30. Having identified aggression as a possible longer term issue, we began monitoring our CSC staff and others to identify the issues. Generally the incidents reported have been low level with mainly threats and gesturing and no physical violence. Nevertheless, any aggressive behaviour or bad language is unwelcome and continues to be recorded. UDC will work with Essex Police and our legal department as required so we can continue to tackle this trend.

31. Aside from the court cases mentioned above, Essex Police issued two behaviour warnings in 2017 for incidents where Street Services staff have been abused by members of

the public. UDC will continue to pursue these outcomes and assist as needed, provided they have sufficient evidence to act.

32. We will continue to support staff, monitor incidents and will report back to the committee. Moving forward we believe this figure of 14 is probably a truer reflection of the actual figures involved. It is suspected much like near misses, that aggressive, threatening and abusive incidents are often not reported, for example being sworn at in the street.

Year	2013	2014	2015	2016	2017
Number	0	2	2	5	14

Health and safety objectives

33. These remain unchanged from 2017 and will continue into 2018 as:

- Healthy staff – ensuring health monitoring and appropriate referrals providing health advice and support for work related illness and injury
- Safety reviewing – looking at our procedures ensuring what we are doing is safe, lawful and best for everyone
- Safety training – delivery of relevant training to the right people at lower cost, in house through accredited trainers
- Site Safety Inspections – Last year we passed a safety audit, where we did well, now using site safety inspections let’s check to see that we are doing what we are say

Risk Analysis

34. Low

Risk	Likelihood	Impact	Mitigating actions
Low risks to health and safety within the current format	1	4	Robust health and safety procedures and initiatives as outlined in this report

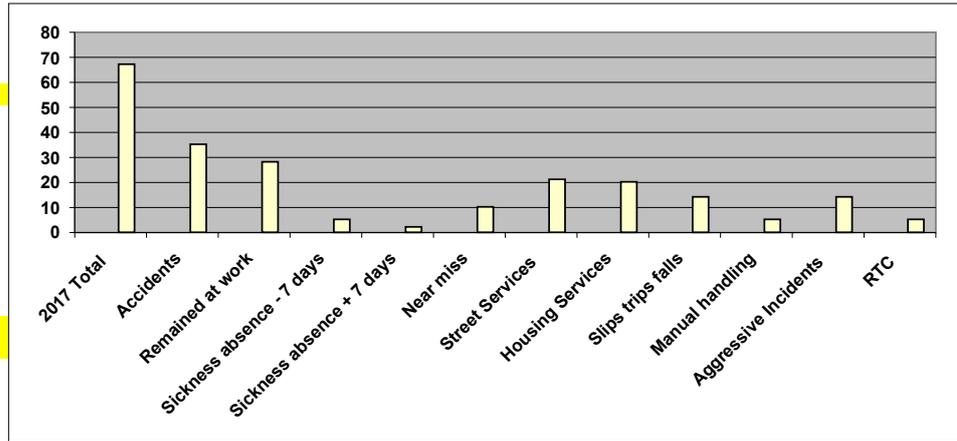
- 1 = Little or no risk or impact
- 2 = Some risk or impact – action may be necessary.
- 3 = Significant risk or impact – action required
- 4 = Near certainty of risk occurring, catastrophic effect or failure of project.

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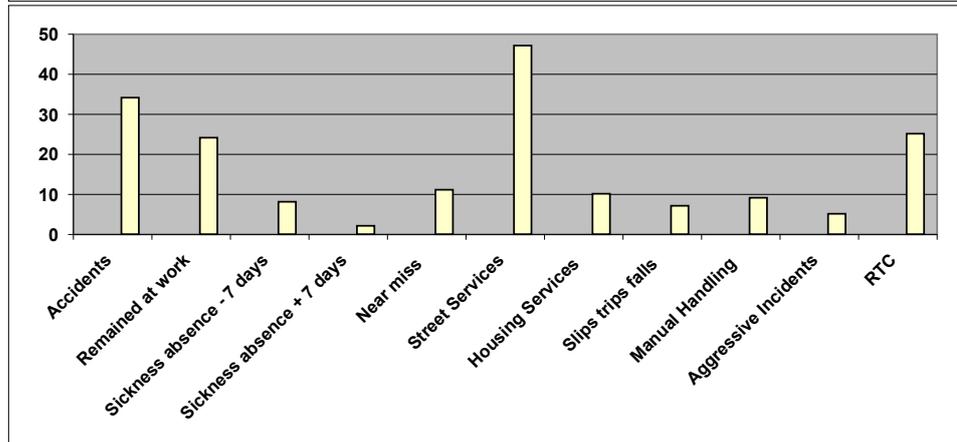
Appendix 1

2017 Total	67
Accidents	35
Remained at work	28
Sickness absence - 7 days	5
Sickness absence + 7 days	2
Near miss	10
Street Services	21
Housing Services	20
Slips trips falls	14
Manual handling	5
Aggressive Incidents	14
RTC	5

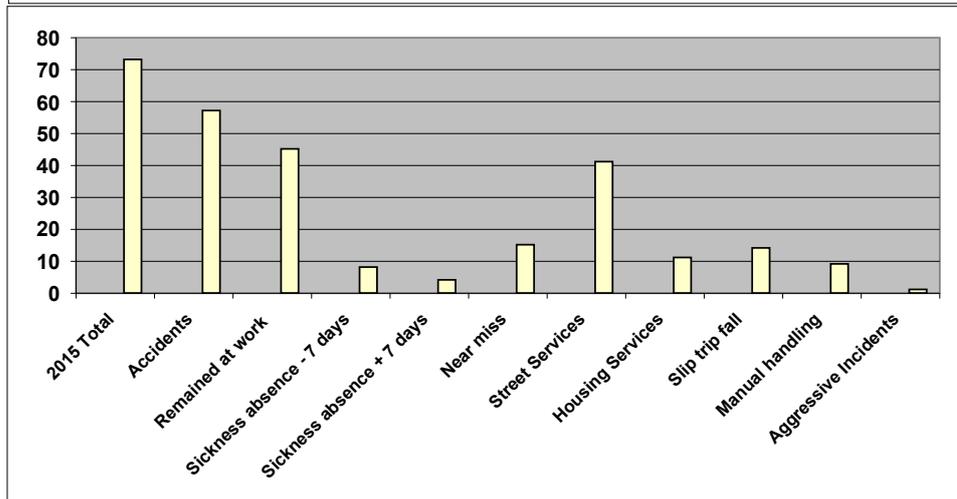
Full year stats 2017
 Road Traffic Collision
 Figure includes 1 Gas Safe incident
 no injury but RIDDOR



2016 Total	75
Accidents	34
Remained at work	24
Sickness absence - 7 days	8
Sickness absence + 7 days	2
Near miss	11
Street Services	47
Housing Services	10
Slips trips falls	7
Manual Handling	9
Aggressive Incidents	5
RTC	25



2015 Total	73
Accidents	57
Remained at work	45
Sickness absence - 7 days	8
Sickness absence + 7 days	4
Near miss	15
Street Services	41
Housing Services	11
Slip trip fall	14
Manual handling	9
Aggressive Incidents	1



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Agenda Item 6

Committee:	Governance, Audit and Performance	Date:	8 February 2018
Title:	Internal Audit Progress Report, 04 November 2017 to 26 January 2018		
Report Author:	Sheila Bronson, Internal Audit Manager, 01799 510610	Item for decision:	No

Summary

1. To report to the Governance, Audit & Performance Committee details of work undertaken by Internal Audit since the last report to the Committee on 16 November 2017 and to provide an update on implemented and outstanding internal audit recommendations.

Recommendations

2. That the Internal Audit Progress Report (04 November 2017 to 26 January 2018) be noted

Financial Implications

3. None. There are no costs associated with the recommendations.

Background Papers

4. None

Impact

- 5.

Communication/Consultation	The Internal Audit Work Programme 2017/18 referred to in this report have been approved by the Corporate Management Team and endorsed by the Governance, Audit & Performance Committee.
Community Safety	none
Equalities	none
Health and Safety	none
Human Rights/Legal Implications	none
Sustainability	none

Ward-specific impacts	none
Workforce/Workplace	none

Situation

6. The purpose of this report is to provide management and members with:
- i) Details of the work completed by Internal Audit since the last report to the Governance, Audit & Performance Committee at its meeting 28 September 2017;
 - ii) Performance against the Internal Audit Work Programme 2016/17;
 - iii) Performance against the Internal Audit Work Programme 2017/18;
 - iv) Details of risk level 3 and 4 highest priority recommendations implemented since the last report to Members;
 - v) Details of any recommendations not implemented within the agreed timescale.

Work Undertaken by Internal Audit (04 November 2017 to 26 January 2018)

7. Since the last report to the Committee:
- i) One audit from the 2016/17 audit programme has been completed and final report issued with a total of 3 recommendations made. There is currently 1 audit from the 2016/17 audit programme to be concluded, this audit was assigned to the Internal Audit Manager who has had to delay audit work as other corporate work has taken priority.
 - ii) Between 04 November 2017 to 26 January 2018, 5 audits from the 2017/18 audit programme were completed and final reports issued with a total of 21 recommendations made.
 - iii) All final audit reports issued have been copied to Governance, Audit & Performance committee Members and are available on the Council's Intranet. A summary of final reports issued is presented at Appendix A (i).
 - iv) Between 04 November 2017 to 26 January 2018 work has started 4 audits from the 2017/18 Audit Programme; progress on the 2017/18 programme is presented at Appendix A (ii).

Recommendations Implemented 04 November 2017 to 26 January 2018

8. There are 3 level 3 and 4 recommendations which have been implemented in this period; a summary is presented at Appendix A (iii).

Recommendations Not Implemented by due date at 26 January 2018

9. As of 26 January 2018, there are no recommendations reported in Pentana as not being implemented in accordance with their agreed due dates.

Risk Analysis

10.

Risk	Likelihood	Impact	Mitigating actions
The issues highlighted in the internal audit reports are not acted upon	1 Action is already being taken towards the implementation of the recommendations contained in the reports.	2 There would be varying levels of impact from non-implementation of recommendations given the significance of the control risks identified.	Internal audit reports are followed up to ensure compliance. There are escalation procedures in the event of non compliance

1 = Little or no risk or impact

2 = Some risk or impact – action may be necessary.

3 = Significant risk or impact – action required

4 = Near certainty of risk occurring, catastrophic effect or failure of project.

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FINAL & INTERIM REPORTS ISSUED 04 November 2017 – 26 January 2018

ref	2017/18 Audits	Risk	Revised potential days	Final Report Issued	2017/18 Days Taken	Recommendations Made					Audit Opinion
						No.	Risk Level				
						total	4	3	2	1	
13O	Corp Services - Grants to Voluntary Organisations	3	13	10/01/18	15.07	8	0	2	6	0	satisfactory
21O	Housing & Health - Wellbeing - Services for Older People	3	13	28/11/17	15.48	6	0	0	3	3	satisfactory
26O	Planning - Energy Efficiency	3	10	17/01/18	7.87	2	0	0	1	1	substantial
08KF	Resources - Main Accounting System	1	10	24/01/18	11.16	2	0	0	2	0	substantial
09KF	Resources -Taxation	1	10	24/01/18	10.62	3	0	1	2	0	satisfactory
						21	0	3	14	4	

ref	2016/17 Audit	Risk	Revised potential days	Final Report Issued	2017/18 Days Taken	Recommendations Made					Audit Opinion
						No.	Risk Level				
						total	4	3	2	1	
43 O	Partnerships	4	10	10/01/18	9.25	3	0	2	1	0	satisfactory

PROGRESS ON THE AUDIT PROGRAMME 2017/18

Internal Audit Programme 2017/18 – Revised 01 August 2017										
ref	Audit	2017/18 revised potential days	qtr	IA Risk 2017/18	Started	Draft	Final	Days Taken	Status	Comment
01C	Corporate Commercial Enterprise & Investment	15	3	4	21/11/17			11.17	testing	previously 2 separate audits
02C	Corporate Governance & Ethical Culture	15	2	3	14/08/17			12.97	testing	
03C	<i>Corporate Investment - combined with 01C</i>									<i>combined with 01C</i>
04C	Corporate Value for Money	0	0	2				0.00		to 2018/19 if training sourced
05KF	Res - Budgets	5	4	2				0.00		
06KF	Res - Council Tax	10	3	2	19/10/17			2.50	planning	
07KF	Res - LCTS	10	3	2	05/12/17			5.03	planning	
08KF	Res - Main Accounting System	10	2	1	13/07/17	05/01/18	24/01/18	11.16	final	
09KF	Res -Taxation	10	2	1	13/07/17	05/01/18	24/01/18	10.62	final	
10KF	<i>Corp Serv – Payroll - combined with 140</i>									
110	Corp Serv - Communication	10	2	3	12/06/17	13/09/17	26/09/17	8.33	final	
120	Corp Serv- Day Centres	12	1	3	09/05/17	03/08/17	07/08/17	13.49	final	new audit
130	Corp Serv - Grants to Voluntary Organisations	13	2	3	07/08/17	22/12/17	10/01/18	15.14	final	service changes
140	Corp Serv – HR & Payroll	10	4	4	18/12/17			0.14	planning	new iTrent system
150	Corp Serv - Leisure - PFI	15	3	3	30/10/17			14.86	testing	service changes
160	H&H - Environmental Health - Enforcement	0	0	2				0.00		to 2018/19 service changes
170	H&H - Environmental Health - Food Safety & Infectious Disease Control	12	1	3	04/07/17	09/08/17	30/08/17	12.93	final	
180	H&H - Community - Equality & Diversity incl Access to Services	10	4	3				0.00		
190	H&H - Community - Health Improvement	10	3	3	10/11/17			1.55	planning	services changes
200	H&H – Community - Safety	0	0	4				0.00		to 2018/19 service changes

PROGRESS ON THE AUDIT PROGRAMME 2017/18

210	H&H - Wellbeing - Services for Older People	13	1	3	03/05/17	14/11/17	28/11/17	15.48	final	
220	Legal Services	10	4	3				0.00		service changes
230	Planning - Car Parking Partnership (NEPP)	10	4	2				0.00		
240	Planning - Conservation	8	1	3	10/05/17	18/07/17	09/08/17	8.12	final	service changes
250	Planning - Economic Development Service	10	2	3	14/08/17	26/09/17	27/09/17	7.89	final	
260	Planning - Energy Efficiency	10	3	3	31/10/17	08/01/18	17/01/18	7.87	final	
270	Planning - Housing Strategy	10	4	4				0.00		
280	Planning - Landscape	7	1	3	10/05/17	18/07/17	09/08/17	7.58	final	
290	Planning - Local Plan	5	4	4				0.00		review of Reg 18 & Reg 19 consultations
300	Street Services - Trade Waste and Income Generating Services	30	1	4	25/05/17	06/10/17	20/10/17	29.53	interim	previously 2 separate audits
TOTAL AUDIT DAYS		280						196.37		

LEVEL 3 AND 4 RECOMMENDATIONS IMPLEMENTED 04 November 2017 – 26 January 2018

Code & Title	Description	Risk Level	Managed By	Due Date	Completed
1617 180 Customer Service Centre 02	<p>It is recommended that:</p> <p>a) a response list and procedure is put in place for responding to the internal alarm system when triggered.</p> <p>b) the Health and Safety Officer and the Customer Services Manager review the lone working arrangements for the Customer Service Advisor based in Thaxted Library.</p> <p>c) that guidance is obtained from the Health & Safety Officer on the risk controls that need to be in place to safeguard UDC employee's</p> <p>d) that any recent threats made in the direction of staff at Great Dunmow Library or those incidents which leave staff vulnerable or uneasy are reported to Health & Safety</p> <p>e) that all Customer Service Staff attend Conflict resolution training as soon as possible.</p>	3	Assistant Director Corporate Services	16-Jan-18	30-Sep-17
1718 300 Street Services - Income Generating Services & Admin 01	It is recommended that all Trade Waste route list information is reviewed and updated.	4	Operations Manager	02-Jan-18	31-Dec-17
1718 300 Street Services - Income Generating Services & Admin 04	It is recommended that all Trade Waste customer information as detailed on the ACCESS database is checked for accuracy.	4	Operations Manager	02-Jan-18	31-Dec-17

Agenda Item 7

Committee:	Governance, Audit and Performance	Date:	8 February 2018
Title:	General Data Protection Regulation (GDPR) Compliance Progress Report		
Report Author:	Sheila Bronson, GDPR Project Lead Officer, 01799 510610	Item for decision:	No

Summary

1. To provide an update to the Governance, Audit & Performance Committee details of work being undertaken by the Council's towards compliance with the EU General Data Protection Regulation (GDPR) which come into force on 25 May 2018.

Recommendation

2. That the General Data Protection Regulation (GDPR) Compliance Progress Report be noted.

Financial Implications

3. None

Background Papers

4. None

Impact

- 5.

Communication/Consultation	An officer Project Team has been set up with representation from all departments. A communication strategy is be a key part of implementing the GDPR.
Community Safety	none
Equalities	None direct, although the need to protect sensitive personal data may be more significant for groups with one or more protected characteristics.
Health and Safety	none
Human Rights/Legal Implications	The Council is under a legal obligation to comply with the terms of the GDPR when they take effect on 25 May 2015. Penalties

	can be imposed, and reputational damage suffered, if it does not. Non-compliance may also lead to an infringement of the rights of individuals, in particular their “Article 8” right to respect for their private life and home.
Sustainability	none
Ward-specific impacts	none
Workforce/Workplace	All Council employees need to be aware of data protection requirements and to carry out their work in a compliant manner. This is particularly important for employees who have access to sensitive personal information about members of the public.

Situation

6. The EU General Data Protection Regulation (GDPR) come into force on 25 May 2018.
7. GDPR will replace the Data Protection Act 1998, and will be supplemented by the Data Protection Bill 2017-19 currently progressing through Parliament.
8. The Council has established a GDPR Project Team to undertake a programme of work to review the Council’s current level of compliance and the actions needed to ensure gaps in compliance are rectified by 25 May 2018.
9. Two temporary posts (12 months) have been created to oversee the GDPR compliance work; with the Internal Audit Manager appointed as GDPR Lead Officer and a GDPR Compliance Officer in post from 13 November 2017.

Work Programme

10. The Information Commissioner has published guidance on the twelve principal steps that organisations should take to ensure GDPR compliance and form the basis of the Council’s work towards this.
11. The GDPR Project Plan includes the actions needed to address the twelve steps identified by the Information Commissioner and is kept under review and adapted as further guidance becomes available and as the Data Protection Bill proceeds through Parliament.
12. GDPR Project Team meets monthly to review progress on its Project Plan; a summary of the progress towards completion of the Project Plan is presented at Appendix A to this report.

13. A Council wide data mapping and flowcharting exercise is in progress, all high risk services (those service areas processing the highest volume of personal and sensitive data) have been reviewed; Medium and Lower risk service areas are currently under review. Through Data Protection Impact Assessments (DPIA), this exercise is identifying the areas where further action is required to ensure compliance.
14. Work will commence shortly on drafting Privacy Notices which are required to ensure that people are made fully aware of the reasons that the Council has gathered and will be processing their data and of their rights as data subjects under GDPR.
15. A programme of GDPR awareness for staff has been launched through the GDPR intranet page which includes Frequently Asked Questions and an updated GDPR Project Plan Summary. The GDPR Team are giving GDPR overview presentations at service team meetings.
16. Regular updates on the Project Plan progress are reported to the Corporate and Senior Management Teams.

Update on Progress

17. A GDPR Compliance Progress Report will continue to be brought to future meetings of this committee during the lifetime of the GDPR Project.

Risk Analysis

18.

Risk	Likelihood	Impact	Mitigating actions
The Information Commissioner can impose sanctions on the Council if it fails to show its compliance with GDPR from 25 May 2018	1 The Council may not achieve full compliance by 25 May 2018	3 Data breaches due to non-compliance will be subject to sanctions varying in severity from warnings, reprimands, corrective orders to fines of up to €20m	Action is being taken to towards ensuring the Council is in a position to demonstrate GDPR Compliance by 25 May 2018

1 = Little or no risk or impact

2 = Some risk or impact – action may be necessary.

3 = Significant risk or impact – action required

4 = Near certainty of risk occurring, catastrophic effect or failure of project.

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GDPR Compliance Report – Appendix A

GDPR PROJECT PLAN – SUMMARY

Due by:	Tasks	Status
	Establish CMT support for a GDPR compliance project: – Resources (people, money, time) – Top management support (tone from the top)	Completed 14/06/17
	Establish a GDPR Project Team	Completed 24/07/17
31/10/2017	Carry out Data inventory & Identify high risk data flows / databases	Completed 15/11/17
31/10/2017	Create a Communications strategy	Completed 21/11/17
30/11/2017	Identify other already-implemented standards, frameworks or management systems that may be impacted or could contribute to GDPR	Completed 24/11/17
30/11/2017	Consider the GDPR data retention implications of the ten year retention of emails in Mimecast	Completed 06/12/17
30/11/2017	Review security controls and breach reporting processes currently in place	Completed 24/11/17
30/11/2017	Identify Internet-facing IP addresses and URLs: – Ensure there are up-to-date penetration tests – Ensure there is an effective plan for vulnerability remediation	Completed 24/11/17
31/12/2017	Consider moving to 100% electronic record keeping systems throughout the council including back-scanning exercises and limited access to service staff for self-scanning	In progress
31/01/2018	Identify all privacy notices currently in use and confirm areas where privacy notices should be used	High Risk Services completed 09/01/18 All other Services – In Progress
31/01/2018	For ALL HIGH RISK SERVICES Carry out Data Mapping & Data Flow Audit to: <ul style="list-style-type: none"> • Identify all data processing activities, personal data sources and the basis on which we are collecting and using personal data. • Establish the process for recording all personal data processing activities • Consider if the personal data being collected is adequate, relevant and limited to what is necessary • Confirm whether data can be corrected, or erased • Identify the retention and disposal of 	All High Risk Services Deep Dive meetings completed 09/01/18

GDPR Compliance Report – Appendix A

GDPR PROJECT PLAN – SUMMARY

	<p>data</p> <ul style="list-style-type: none"> • Confirm if processing data relating to children applies in UDC data processing activities • Identify all service areas where consent is used for processing. 	
31/01/2018	For HIGH RISK SERVICES establish the current Data Subject Access Request (SAR) process	In progress
31/01/2018	For HIGH RISK SERVICES identify and prioritise necessary contract reviews where personal data is shared e.g. with payroll providers; contractors; partners; cloud based organisations	In progress
28/02/2018	Draft Article 13 and Article 14 Privacy Notices	In progress
28/02/2018	Carry out Data Gap Analysis on all services	In progress
28/02/2018	Carry out Data Protection Impact Assessments where required	In progress
28/02/2018	<p>If data is being transferred outside the UK: Confirm if this applies to any of the Council's processing activities Identify which entities will be in scope:</p> <ul style="list-style-type: none"> – Business units, territories, jurisdictions – Interfaces and dependencies – identify third party relationships in which the council is the processor or controller – Identify contract managers for them all <p>Assess detailed compliance with</p> <ul style="list-style-type: none"> – Data privacy principles – Requirements on controllers and processors – Appropriate technical and organizational measures – Trans-border data flows 	In progress
28/02/2018	<p>For ALL OTHER SERVICES Carry out Data Mapping & Data Flow Audit</p> <ul style="list-style-type: none"> • Identify all data processing activities, personal data sources and the basis on which we are collecting and using personal data • Establish the process for recording all personal data processing activities • Consider if the personal data being collected is adequate, relevant and 	In Progress

GDPR Compliance Report – Appendix A

GDPR PROJECT PLAN – SUMMARY

	<p>limited to what is necessary</p> <ul style="list-style-type: none"> • Confirm whether data can be corrected, or erased • Identify the retention and disposal of data • Confirm if processing data relating to children applies in UDC data processing activities • Identify all service areas where consent is used for processing. 	
28/02/2018	For ALL OTHER SERVICES establish the current Data Subject Access Request (SAR) process	
28/02/2018	For ALL OTHER SERVICES identify and prioritise necessary contract reviews where personal data is shared e.g. with payroll providers; contractors; partners; cloud based organisations	In Progress
31/03/2018	Designate the Role of Data Protection Officer	
31/03/2018	Establish procedure to ensure appropriate privacy notices are in place for all new data collection and processing	
31/03/2018	Review and update Document Retention Policy and Schedule, including procedures for appropriate erasure, anonymisation or pseudonymisation techniques.	
31/03/2018	Establish procedures to ensure the safe transfer of data	
31/03/2018	Establish procedures for obtaining consent from Children for aged 16 (13) and above and for obtaining parental or guardian consent for Children under 16 (13)	
31/03/2018	Ensure that consent is a positive action and can be easily withdrawn	
31/03/2018	Implement a process for logging, evaluating and responding to all requests for information, ensuring decision letters are drafted to include retention period, legal basis of processing and how to have data corrected.	
30/04/2018	Regular briefings to CMT, SMT and Members	In progress
30/04/2018	Ensure staff are trained in the Data Subject Access Request (SAR) process	
30/04/2018	Publish reviewed and updated Data Protection Policy	

GDPR Compliance Report – Appendix A

GDPR PROJECT PLAN – SUMMARY

30/04/2018	Ensure that the website is amended to reflect new Data Subject Rights.	
30/04/2018	Ensure that the website is amended to reflect new SARs timescale and charging/exemption rules.	
30/04/2018	Establish Incident response and breach reporting process – Integrate with existing service desk/helpdesk processes – Integrate with existing business continuity processes	
30/04/2018	Incorporate data protection risk into corporate risk management and internal control framework.	
30/04/2018	Establish procedures to ensure Data Protection Impact Assessment (DPIA) are undertaken as required in GDPR	
30/04/2018	Establish Data Protection by Design through involvement of the DPO at early stages of all projects, new processes and procedures where data processing is concerned	
30/04/2018	Establish Records of processing activities compliance statements	
30/04/2018	Raise Staff Awareness - Cover all staff within scope - Reflect contract negotiations - Regular staff awareness and briefings – Integrate with Cyber Security Staff awareness – Consider e-learning for staff awareness - Administrative aspects i.e. proof of attendance, proof of knowledge	
30/04/2018	Ensure all staff are trained in incident response and breach reporting procedures	

Agenda Item 8

Committee: Governance, Audit and Performance **Date:**
Title: Internal Audit Counter Fraud and Corruption Work 8 February 2018
Report Author: Sheila Bronson, Internal Audit Manager, 01799 510610 **Item for decision:** No

Summary

1. The purpose of this report is to update members on the counter fraud and corruption work undertaken by the council's Internal Audit section.

Recommendations

2. The Committee is requested to note this report.

Financial Implications

3. There are no direct financial implications.

Background Papers

None

Impact

- 4.

Communication/Consultation	none
Community Safety	none
Equalities	none
Health and Safety	none
Human Rights/Legal Implications	none
Sustainability	none
Ward-specific impacts	none
Workforce/Workplace	none

Situation

5. From 01 April 2010, Internal Audit assumed responsibility for promoting the council's anti-fraud and corruption policies and our objective is to raise internal and external awareness of fraud and corruption, and of the various actions that the council is taking to prevent, identify and counteract it. These include the Internal Audit Manager chairing of the Counter Fraud Working Group (CFWG), Fraud & Bribery Risk Assessments, revision of the Council's Corporate Anti-Fraud & Corruption Strategy and Policies, and co-ordination of the Council's National Fraud Initiative (NFI) data matching exercises.

Counter Fraud Working Group

6. The council's Counter Fraud Working Group (CFWG) meets at least two times a year, and at its November 2017 meeting it reviewed and updated its Terms of Reference. The CFWG Terms of Reference and meeting minutes can be made available to members on request.
7. The council's Counter Fraud Strategy and Policies were published in April 2015 and are available on the Counter Fraud & Corruption pages on the council's website. The Internal Audit Manager is currently co-ordinating the review and updating of the Counter Fraud Strategy and Policies for agreement at the next meeting of the CFWG.

External Initiatives

8. A number of initiatives to assist local authorities in their counter fraud activities have been launched; the most applicable of these for this authority is the CIPFA Fighting Fraud & Corruption Locally Strategy 2016-2019 published by the CIPFA Counter Fraud Centre.

Fraud Risk Assessment 2017

9. A Fraud Risk Assessment using the checklists from the Fighting Fraud & Corruption Locally Strategy 2016-2019 has been carried out by the Internal Audit Manager as part of the Audit of Fraud 2016/17. In conjunction with the Fraud Risk Assessment, a Bribery Act Risk Assessment has also been carried out.
10. From these two risks assessment it can be concluded that the Council has an acceptable level of risk associated with the Bribery Act 2010 and is demonstrating an increasing level of fraud awareness and prevention, but further action is needed to be able to meet the requirement of the new CIPFA's Fighting Fraud & Corruption Locally checklist.
11. The results of the two assessments were reported to CMT along with a draft management action plan to address actions needed to be taken in the areas identified for improvement. Progress towards implementation of the plan will be reviewed with CMT reported to the Counter Fraud Working Group.

National Fraud Initiative (NFI)

12. From 01 April 2015, the Cabinet Office has taken on responsibility for the National Fraud Initiative (NFI) from the Audit Commission. This is a data matching exercise which compares information held by around 1,300 organisations including councils, the police, hospitals and nearly 100 private companies to identify potentially fraudulent claims, errors and overpayments for investigation by participating organisations. All district councils are required to participate, each council appointing a NFI Key Contact responsible for coordinating and monitoring the overall exercise within their council and providing feedback on its outcome.
13. The Internal Audit Manager is the Council's NFI Key Contact and has responsibility for coordinating the 2016/17 NFI exercise from which 1179 potential fraud data matches were made available to services in January 2017 for checking and investigation. To date checks have been completed on 755 matches (64%); no frauds have been identified but 1 claimant error (valued at £1,592) identified.
14. A separate annual Council Tax to Electoral Register data matching exercise is also carried out. In the 2016 exercise there were 1699 potential fraud data matches made available to councils for checking and investigation. To date checks have been completed on 451 matches (27%); no frauds have been identified but 8 claimant errors (valued at £6,920) identified.

Risk Analysis

15.

Risk	Likelihood	Impact	Mitigating actions
Financial and reputational risk to the Council if it fails to actively commit to an anti-fraud and corruption strategy	2 = Some risk if public and staff unaware of anti-fraud and corruption commitment	3 = Significant risk of financial loss / penalties and reputation	Participation in NFI Initiatives Corporate Counter Fraud & Corruption Strategy and Policies

1 = Little or no risk or impact

2 = Some risk or impact – action may be necessary.

3 = Significant risk or impact – action required

4 = Near certainty of risk occurring, catastrophic effect or failure of project.

16.

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Committee:	Governance, Audit and Performance	Date:	8 February 2018
Title:	Election of a Chairman and Vice-Chairman		
Report Author:	Simon Pugh, Interim Head of Legal Services	Item for decision:	Yes

Summary

1. UDC adopts a two-stage procedure for electing the Chairman and Vice-Chairman. Nominations are made at the meeting preceding the Annual Meeting, with the election at the Annual Meeting. This works but may give rise to problems, especially every four years when there is a full Council election.

Recommendations

2. That the Committee recommends to Council that it adopt the changes to Article 5 of the Council's Constitution set out in the Appendix to this report to provide for nominations for the posts of Chairman and Vice-Chairman to be made at the Annual Meeting.

Financial Implications

3. None.

Background Papers

4. No background papers were referred to by the author in the preparation of this report.

Impact

- 5.

Communication/Consultation	None
Community Safety	None
Equalities	None
Health and Safety	None
Human Rights/Legal Implications	None
Sustainability	None
Ward-specific impacts	None

Workforce/Workplace	None
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Situation

6. UDC adopts a two-stage procedure for electing the Chairman and Vice-Chairman. Nominations are made at the meeting preceding the Annual Meeting, with the election at the Annual Meeting. This works but may give rise to problems, especially every four years when there is a full Council election.
7. Issues with the present arrangement include:
 - a. The procedure allows retiring councillors to have a say in nominations, and bars new councillors elected in May from the nomination process;
 - b. By convention, speeches in support of nominations are made at the April meeting but not at the Annual Meeting. New councillors will not have heard speeches made at the April meeting.
 - c. It is not clear what benefit the current two-stage process has.
8. In most years, this is not a major issue, but it could be significant every fourth year, when all Council seats are contested.
9. Suggested amendments to Article 5 of the Constitution are set out in the Appendix to this report.

Risk Analysis

10.

Risk	Likelihood	Impact	Mitigating actions
This proposes a small improvement to the current procedure. There are no significant risks associated with the proposal.	1	1	None needed.

1 = Little or no risk or impact

2 = Some risk or impact – action may be necessary.

3 = Significant risk or impact – action required

4 = Near certainty of risk occurring, catastrophic effect or failure of project.

Appendix 1.

5.1. Election of Chairman and Vice-Chairman

5.1.1. The Chairman and Vice-Chairman will be elected by the Council annually as the first business at its annual meeting.

5.1.2. Nominations for the posts of Chairman and Vice- Chairman for the Council year shall be made at the ~~last ordinary meeting of the Council prior to the~~ annual meeting.

~~and at the annual meeting the Chairman and Vice- Chairman shall be elected from those so nominated. If any person nominated as Chairman or Vice-Chairman shall no longer be a Member of the Council at the date of the annual meeting or informs the Chief Executive that he or she no longer wishes to be considered for such office at or before the annual meeting then alternative candidates may be proposed at the meeting.~~

5.1.3. Any casual vacancy in the office of Chairman or Vice-Chairman shall be filled at the first ordinary meeting of the Council after such vacancy occurs.

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Committee:	Governance, Audit and Performance	Date:	8 February 2018
Title:	Procedure for Moving Amendments at Council Meetings		
Report Author:	Simon Pugh, Interim Head of Legal Services	Item for decision:	Yes

Summary

1. The Council Procedure Rules allow for amendments to be moved at Council meetings without notice. This carries a risk that amendments may be considered and approved without proper deliberation and appropriate professional advice. This report proposes a change to the Rules to provide for notice of amendments to be given by noon on the day preceding the meeting, subject to exceptions. This would allow members the opportunity to consider the merits of amendments in advance of the meeting and would allow for professional advice to be given.

Recommendations

2. That the Committee recommends to Council that it adopt the changes to the Council Procedure Rules set out in the Appendix to this report.

Financial Implications

3. Notice of amendments will allow for advance consideration of any financial implications.

Background Papers

4. No background papers were referred to by the author in the preparation of this report.

Impact

- 5.

Communication/Consultation	None
Community Safety	None
Equalities	None
Health and Safety	None
Human Rights/Legal Implications	Notice of amendments will allow for advance consideration of any legal implications.

Sustainability	None
Ward-specific impacts	None
Workforce/Workplace	None

Situation

6. Under the Council Procedure Rules, it is possible at present to move an amendment at Council without notice and with no prior discussion with officers. This can cause difficulties with major items, such as the Local Plan and the budget.

7. Particular risks associated with budget amendments moved without notice include:
 - There is little time to consider their merit and whether they stack up, for instance whether proposed revenue allocations are adequate for the purpose intended.
 - The wording of amendments may be unclear and, if carried, may lead to difficulties in their implementation.
 - One budget change may have knock-on implications for the remainder of the budget and it is difficult to assess this without notice of an amendment.
 - It is difficult for officers, especially the s151 officer, to provide professional advice in these circumstances.

8. There are also risks associated with planning policy amendments moved without notice. It is difficult for officers to provide advice on the impact or legality of local or other plan amendments moved without advance notice. There is a risk that changes made without proper consideration or advice could undermine the strength of the local plan proposals and the prospect of confirmation following the inspection in public.

9. The benefits of providing for notice to be given of amendments include:
 - Officers would have opportunity to assess the impact of amendments and to provide advice.
 - Officers can ensure that amendments are worded clearly in a way that, if carried, they can be implemented.
 - Members would have opportunity to give careful consideration to the merits of amendments, to ask questions and to seek advice.
 - Where it considers that amendments have merit, the Cabinet or majority group could indicate support, which would promote consensus, or could

negotiate a compromise amendment likely to have support across the Council.

- Notice of amendments helps to ensure effective management of meetings, including assisting the Chairman in presiding over business and in giving clear guidance to the public and members on the procedure being followed.
- It will also help to ensure that meetings are run in a professional manner, showing the Council in a good light to the public.

10. It is important that care is taken to ensure that that rules requiring notice to be given of amendments do not undermine the right of members to offer alternatives to Cabinet proposals or undermine the effectiveness of opposition groups.

11. Appendix 1 sets out a proposed amendment to the Council Procedure Rules, requiring notice to be given of amendments by 12 noon on the day preceding the meeting. It also allows for some flexibility where, for instance, the need for an amendment became apparent late in the day, or where amendments improve, rather than materially alter, a recommendation.

12. These proposals relate only to Council meetings, and not to Committee or Working Group Meetings.

Risk Analysis

13.

Risk	Likelihood	Impact	Mitigating actions
That the current rules for moving amendments at Council without proper advice or consideration.	3	3	The action proposed in this report of providing for notice to be given of amendments, subject to exceptions to provide for flexibility.

1 = Little or no risk or impact

2 = Some risk or impact – action may be necessary.

3 = Significant risk or impact – action required

4 = Near certainty of risk occurring, catastrophic effect or failure of project.

Appendix 1.

Notice of amendments at Council (proposed additional text in bold)

12.6 Amendments to motions

12.6.1 An amendment to a motion must be relevant to the motion and will either be:

- (i) to refer the matter to an appropriate body or individual for consideration or reconsideration;
- (ii) to leave out words;
- (iii) to leave out words and insert or add others; or
- (iv) to insert or add words as long as the effect of the amendment is not to negate the motion.

12.6.2 Only one amendment may be moved and discussed at any one time. No further amendment may be moved until the amendment under discussion has been disposed of.

12.6.3 If an amendment is not carried, other amendments to the original motion may be moved.

12.6.4 If an amendment is carried, the motion as amended takes the place of the original motion. This becomes the substantive motion to which any further amendments are moved.

12.6.5 After an amendment has been carried, the Chairman will read out the amended motion before accepting any further amendments, or if there are none, put it to the vote.

12.6.6 Subject to the exceptions in Rule 12.6.7, amendments to recommendations or motions set out in the Council Agenda for a meeting shall only be considered if they have been delivered in writing to the Democratic and Electoral Services Manager or to a Democratic Services Officer by noon on the day preceding the meeting. Amendments submitted shall then be circulated to all members of the Council. (This rule does not apply to meetings of the Cabinet or to meetings of committees.)

12.6.7 The exceptions to Rule 12.6.6 are:

- 1. The Chairman shall have discretion to permit amendments from members when satisfied that the need for the amendment could not have been anticipated before the deadline. The Chairman should also be satisfied that advance notice of such amendments was given as soon as**

reasonably practical, and not left to the day of the meeting unless this was unavoidable.

2. The Chairman may permit amendments if satisfied that they are necessary to improve the wording or to correct factual inaccuracies and do not make substantive changes to motions or recommendations, or to amendments of which notice has been given in accordance with rule 12.6.6. The Chairman shall give reasons for permitting such amendments to the meeting.

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Committee:	Governance Audit and Performance	Date:	8 February 2018
Title:	Local Government Association Corporate Peer Challenge – Progress report		
Report Author:	Dawn French, Chief Executive, 01799 510400	Item for decision:	N

Summary

1. This report provides an update to members on the progress made against the recommendations arising from the Local Government Association corporate peer challenge.

Recommendations

2. That the progress be noted.

Financial Implications

3. There are no financial implications associated with this report.

Background Papers

4. None

Impact

- 5.

Communication/Consultation	The LGA Peer Challenge team spoke to more than 75 people as part of their review; one of the recommendations related to improving communication and engagement.
Community Safety	N/A
Equalities	N/A
Health and Safety	N/A
Human Rights/Legal Implications	N/A
Sustainability	N/A
Ward-specific impacts	N/A
Workforce/Workplace	A focus group was held with staff and their feedback incorporated into the report. One

	of the recommendations related to improving the council's holistic workforce strategy.
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Situation

6. During November 2016 the Local Government Association undertook a peer challenge. Peer challenges are a tool for assisting councils to identify areas for improvement, provide challenge and share learning. The process involved small team of local government peers spending time with the Council. Peer challenges are not a formal inspection and are designed to complement and add value to the Council's own performance and improvement.
7. The final report was considered by full council on 25 July 2017 and is attached at appendix 1 for ease of reference.
8. An action plan addressing the key recommendations was also approved at that meeting; it was noted that that progress against the plan would be regularly monitored and reported to this Committee.
9. Attached at appendix 2 is the action plan with progress noted against each item.
10. Whilst good progress has been made on a number of recommendations, others have fallen behind their scheduled implementation date. However, work has commenced on all of them and outstanding actions will be monitored through the council's staff appraisal programme, U-Perform.
11. A further report on progress will be brought to the committee later in 2018, at which time an update will be provided on a follow up visit.

Risk Analysis

12.

Risk	Likelihood	Impact	Mitigating actions
There is a risk that the council fails to monitor progress of the action against the recommendations made, resulting in missed opportunities for the residents, communities and businesses in the district and the	1	3	Regular consideration by this committee demonstrates a commitment to auctioning the recommendations; a revisit will be arranged at a suitable time.

staff and members of the organisation.			
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- 1 = Little or no risk or impact
- 2 = Some risk or impact – action may be necessary.
- 3 = Significant risk or impact – action required
- 4 = Near certainty of risk occurring, catastrophic effect or failure of project.

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Corporate Peer Challenge

Uttlesford District Council

8th – 10th November 2016

Feedback Report

1. Executive Summary

Uttlesford District Council (UDC) is a well-run and stable council that is highly regarded by partner organisations, stakeholders and staff. The view of members is one of UDC being efficient and effective. Members who have experience of representing more than one council feel this strongly. Uttlesford itself is a great place to live with high employment (80.2%). It has a mix of heritage sites, thriving towns and rural landscape. Uttlesford also benefits from good transport links. Stansted Airport is within the district, there are train connections to London and it has the M11 and the A120 running through it connecting it to other parts of the region and London.

UDC has a fairly new leadership team. The chief executive has been in post less than a year and the leader has been in post for approximately 18 months. The peer team felt that this new leadership team was bringing energy to the council and its partnership working. The leader has been described as accessible to staff, members and partners and the chief executive is seen to be already having a positive impact on the district.

UDC is thought to be a positive and friendly place to work by its staff. The council is supportive and staff are proud to say that they work for UDC. It was evident that staff hold strong public service values and want to serve the community in the best way possible. There is a good skills base within the council and staff are well-motivated and keen to deliver. The council could maximise this asset by developing a comprehensive workforce strategy. This would help the council with its talent management, change agenda and succession planning. The council could also be strengthened through the creation of a member development strategy. This would ensure that all members in the council were confident about the expectations of their role within the council and as community leaders.

The council had a financial crisis in 2007 which had a profound impact on the organisation. Since then it has benefited from good financial management and is currently in a more fortunate position than many other councils. It has the capacity to deliver its own services, support partners and provide a high level of grant aid to the voluntary sector. One consequence of this is that the council lacks a burning platform. Without this there is less of a driver for change, although this is not to say that there isn't an appetite within the council for improvement and modernisation. The council does need to consider how it avoids complacency, maintains momentum for innovation and how it fosters a culture of change and modernisation. Whilst Uttlesford is currently financially stable, many other parts of the public sector are changing and evolving to deliver innovative services with less funding and UDC needs to reflect and respond so that it doesn't get left behind when facing future challenges.

Partnership working is strong in Uttlesford and the council has solid links and relationships with the business sector, the police, health and the voluntary sector. The council is well regarded by its partners both regionally and sub-regionally but there is further work to be done in strengthening existing relationships to enable different types and the intensity of service delivery. This would create some resilience for the council. It has good working relationships with two LEPs - Greater

Cambridge Greater Peterborough (GCGPLEP) and South East (SELEP) as well as the London Stansted Cambridge Consortium (LSCC). The council needs to continue to develop its position as a place of opportunity with regional and sub- regional partners and maximise its resources, assets and great transport links to enhance the councils influence and role on a wider economic development stage

Communication is one aspect of work within the council that has room for improvement. Partners know that UDC is committed to working together but they don't always know the outcomes of discussions. It is essential that UDC create a feedback loop for all their interactions, with staff, partners, and residents so that there is universal awareness of any results and decisions. Often it is the case that a matter has been dealt with or a problem has been solved. UDC needs to be braver in shouting about its successes but also informing stakeholders of any outcomes generally. This will result in greater buy-in and more satisfaction and understanding from residents and partners.

2. Key recommendations

We have included a range of suggestions and observations within the main section of the report that will inform some 'quick wins' and practical actions. The following are the peer team's key recommendations to the council:

1. ***Continue to develop your position as a place of opportunity with regional and sub-regional partners***
2. ***Communicate and engage effectively at every level***
3. ***Create a compelling narrative and subsequent transformation agenda***
4. ***Review and re-provide member development / investment***
5. ***Improve your holistic workforce strategy***
6. ***Strengthen the partnership relationships and increase the intensity of delivery***
7. ***Continue to take pride in what you do.....***

3. Summary of the Peer Challenge approach

The peer team

Peer challenges are delivered by experienced elected member and officer peers. The make-up of the peer team reflected your requirements and the focus of the peer challenge. Peers were selected on the basis of their relevant experience and

expertise and agreed with you. The peers who delivered the peer challenge at Uttlesford District Council were:

- Andrew Muter, Chief Executive, Newark & Sherwood District Council
- John Cotton, Leader of South Oxfordshire District Council
- Sal Khan, Head of Service, East Staffordshire Borough Council
- Thomas Gower, NMT Officer, West Sussex
- Ami Beeton, Peer Challenge Manager, LGA

Scope and focus

The peer team considered the following five questions which form the core components looked at by all Corporate Peer Challenges cover. These are the areas we believe are critical to councils' performance and improvement:

1. Understanding of the local place and priority setting: Does the council understand its local context and place and use that to inform a clear vision and set of priorities?
2. Leadership of Place: Does the council provide effective leadership of place through its elected members, officers and constructive relationships and partnerships with external stakeholders?
3. Organisational leadership and governance: Is there effective political and managerial leadership supported by good governance and decision-making arrangements that respond to key challenges and enable change and transformation to be implemented?
4. Financial planning and viability: Does the council have a financial plan in place to ensure long term viability and is there evidence that it is being implemented successfully?
5. Capacity to deliver: Is organisational capacity aligned with priorities and does the council influence, enable and leverage external capacity to focus on agreed outcomes?

In addition to these questions, you asked the peer team to provide feedback on member support, engagement and the change readiness of the organisation.

The peer challenge process

It is important to stress that this was not an inspection. Peer challenges are improvement-focussed and tailored to meet individual councils' needs. They are designed to complement and add value to a council's own performance and improvement focus. The peer team used

their experience and knowledge of local government to reflect on the information presented to them by people they met, things they saw and material that they read.

The peer team prepared for the peer challenge by reviewing a range of documents and information in order to ensure they were familiar with the Council and the challenges it is facing. The team then spent 3 days onsite at Uttlesford District Council, during which they:

- Spoke to more than 75 people including a range of council staff together with councillors and external partners and stakeholders.
- Gathered information and views from more than 18 meetings, visits to key sites in the area and additional research and reading.

This report provides a summary of the peer team's findings. It builds on the feedback presentation provided by the peer team at the end of their on-site visit (8th -10th November 2016). In presenting feedback to you, they have done so as fellow local government officers and members, not professional consultants or inspectors. By its nature, the peer challenge is a snapshot in time. We appreciate that some of the feedback may be about things you are already addressing and progressing.

4. Feedback

4.1 Understanding of the local place and priority setting

Uttlesford is made up of two market towns - Saffron Walden and Great Dunmow, a range of key villages; Elsenham, Takeley, Great Chesterford, Newport, Stansted Mountfitchet and Thaxted and a number of smaller parishes. The towns within the district are thriving and have not suffered greatly with the recession. Saffron Walden in particular is a busy successful market town with many independent retailers.

It is a predominantly rural district with transport links to London and Cambridge and it also hosts an international airport – London Stansted Airport. The connectivity via public transport links within the district itself is poor outside of the road network. This has caused problems of rural isolation and loneliness for some residents who have trouble accessing services or finding employment if they do not own a car. Whilst there is high employment generally across the district and large areas of affluence, the council is aware of pockets of deprivation within Uttlesford and strives to ensure that all residents can access the services that they need.

The council has recently refreshed its corporate priorities and senior management at the council have a strong understanding of the council's strengths and how they fit with the priorities for the council. The council needs to ensure that all members, staff and partners are aware of these priorities and that they are the driver for any decisions or changes that the council makes. A

strong evidence base needs to be in place to support the decision making process and align service delivery to the corporate priorities. The council currently looks to support partners and services it can but in the wake of future funding challenges it needs to consider a rigorous evidence based approach to support and deliver only those services that align with the council's priorities and objectives. This will also make the performance monitoring process more streamlined and effective.

Currently, UDC has a positive working relationship with Manchester Airport Group (MAG) who now own and operate London Stansted Airport. This has evolved and strengthened over the years moving from a position of opposition to the airport to one where it sees the benefit of working with the airport and works together to facilitate growth and development for the district (whilst being clear about its opposition to a second runway). This pragmatic approach is also demonstrated in the relationships that the council has with the business sector and the support that is available for the many micro businesses. The council needs to continue to demonstrate to partners within the sub- region and region that Uttlesford is a great area for growth and economic opportunity. At the same time as championing growth opportunities, the Council is sensitive to challenges such as rural deprivation that some parts of the district face. Linking the benefits of growth to measures which address pockets of disadvantage is an opportunity for the Council. One issue which the Council is aware of is the demand for additional employment land so that local companies can grow and expand in the district. This was identified through work on the Local Plan. The peer team recommend that UDC should consider whether this should be a stronger priority for the council. If more employment land was found this could help the council to build its position with partners and the LEPs as a key area which can grow. The council also has an opportunity to use its investment strategy to place itself in a strong position with economic development partners.

The council is active in the health and wellbeing delivery to residents and the leader has a strong understanding of the health needs and requirements of the district. He is keen for the council to get more involved with the Hertfordshire and West Essex Sustainability and Transformation Plan (STP) which covers the area of Uttlesford. But it is proving difficult, as it is for many councils across the country to effectively influence the STP process with partners. UDC needs to continue its current role of understanding partners' strategic health programmes so that it can effectively lead, reflect and influence where and when it can as the agenda moves forward.

The average house price in the district is currently £450,300 compared to a regional average of £299,400 (August 2015). With an average income of £24,575, the average house is more than 18 times the average income and housing affordability is a continuing issue that the council and its communities have to face. This has put a strain on housing stock and other housing solutions. In terms of housing development the council has a strong focus on the social rented sector. The council needs to consider strengthening the contributions of other affordable housing and the private rented sector to help solve the housing challenges that the district faces. This is something the council is already looking at.

4.2 Leadership of Place

Officers and members are recognised and valued as community and place based leaders by partners and stakeholders. Both the leader and chief executive are described as accessible and keen to deliver services well. Externally the key contacts for the council are the leader and chief executive. There could be room here to maximise capacity within the council and for other members and staff to increase their visibility outside of the district and look to work with and share good practice with other councils and partner organisations in the region. Partners reported that the new chief executive was already having a positive impact on the district.

There are strong partnership arrangements in place with the business sector, the police through the community safety partnership and the voluntary sector as well as with the County Council. This is demonstrated through the council's support of the voluntary sector, the Police hub within the council building and the positive relationship that has been created with MAG, who operate London Stansted Airport. UDC has been successful in working with the airport and the county council to progress the potential for the first HE college to be built in the district..

The council has taken a supportive and traditional community role, partly due to its stable financial position but it needs to now consider whether there are new opportunities to build more effective relationships. Partners feel that sometimes the council has an inward focus and that the council looks to provide all the solutions to any problem that arises rather than sharing this responsibility externally. Now would be a good time for the council to change its focus and reach outwards encouraging and empowering partners to deliver services and avoid possible duplication. It should also consider whether all of the work with partners is aligned to deliver the council's objectives. A stronger partnership approach will provide the council with some needed resilience in case the financial situation changes and it is unable to deliver everything as it has done previously. A good example of where this has already happened is the delivery of the council's own sports and health improvement service; this has been reviewed and new commissioning arrangements have been put in place that facilitate these services being delivered more efficiently and effectively by their sports and fitness facilities provider. The council needs to continue this programme of reviews.

4.3 Organisational leadership and governance

There is a good organisational spirit at UDC. Staff were proud to work for the council and it is perceived as a friendly place to work by staff, members and stakeholders. It was clear to the peer team that the new chief executive and corporate management team have brought a new energy to the organisation which has been well received by staff and members. Staff and stakeholders generally see leading members as accessible and approachable.

Regular appraisals are taking place throughout the organisation with a completion rate of 86% which is a great improvement on previous years but is still short of a 100% completion rate. Staff expressed concern that in the past they felt it was difficult to follow the golden thread from

the council's vision and objectives through to individual and team activities. Communication around this needs to be strengthened to ensure that all staff understand their contributions to the council's objectives. There is an appetite in the council for change and improvement. This needs to be supported by good engagement of staff and members and excellent communication with effective feedback loops.

Communication was a recurring theme that cropped up in discussions with staff, members and stakeholders. Some of the issues will be picked up in this section whilst other issues are covered later in the report under engagement.

There is scope across the council to improve communications internally and externally. This is a key issue for the council and one that it needs to get right. At times it can appear that the council is not acting on an important issue when in reality it just hasn't communicated about actions which they have taken. An example of this is when some UDC members have learnt about UDC issues via their parish council colleagues. This has a reputational impact for the council and also makes members feel isolated and disengaged.

Staff also feel that communications need to be improved. Some staff felt that they had to ask what issues are being discussed or find out what the outcome has been after something has been agreed. They are keen to be involved earlier in decision making so that they can contribute and be involved in the delivery process. Staff want to understand how their role contributes to delivery of the council's objectives. More regular and proactive communications will help members and staff to take ownership and feel more involved in the whole council delivery of services rather than just a service or ward area. Staff understanding the issues across the council could also lead to greater innovation and cross team working. This will build on the existing dedication that staff have towards public service and supporting vulnerable people

Whilst members and officers worked generally well together there were a few areas where this was more strained. Members were pleased that the forward planning process had been improved. Some members said they did not always feel that they were listened to and that sometimes they did not feel sufficiently well-informed to be able to contribute effectively to decision-making. Whilst these were not universally held views, it is clear that this has meant that some relationships within the Council have been strained at times. The process to develop the Local Plan is an example of an issue where some Members feel they could have been better informed and more involved. Following the decision to pause the local plan process the council has an opportunity to reassess and support all members to gain a clearer level of understanding about how the decision-making process will work and what role and influence members have at different stages of the process.

The Peer Team recognise that the Council has a number of relatively recently elected members and that different levels of knowledge and experience can sometimes leave some Members with a perception that they are not as involved as they should be. We therefore stress the importance of the recommendations in section 4.6 of the Report

4.4 Financial planning and viability

UDC has strong financial health which demonstrates the effective political and managerial leadership that is in place e.g. the council has had early sign off of its Statement of Accounts. This is a very different position to the financial crisis that the council faced in 2007. There is no doubt that this crisis has shaped the way the council has operated and staff are very proud of their contribution to the council operating at a difficult time when it continued to deliver key services to residents. The council is now in an enviable position, being in the top quartile for many financial indicators. Members are proud of the progress the council had made in terms of financial performance in recent years. The council may need to consider how far the crisis of 2007 continues to shape the focus on finances and the mostly traditional way in which the council operates. The peer team believe that UDC need to consider the different approaches that can be applied to encourage innovation and allow the council to find untapped opportunities for cost saving and efficiencies. This would help to support its long term viability and modernise the way in which it operates, allowing the council to be flexible and responsive to change.

The peer team found that the council has a credible Medium Term Financial Strategy with a sound understanding of future financial risks, including potential business rate appeals, especially in regard to Stansted Airport, the outcome of business rate retention consultation, reforms to new homes bonus and the fair funding review. The council has identified potential for further cost savings if required but the peer team feel that this could be strengthened by looking at the current expenditure on discretionary services that do not support the council's priorities and agency staff. Whilst agency staff may be required in the short term, the council needs to look at other options to reduce its reliance on this. It was acknowledged that many councils in the East of England had trouble recruiting and retaining professionals, often losing out to London and Cambridge. Again a holistic workforce strategy will help to identify solutions for this.

The council takes a positive approach to supporting partners financially and supporting voluntary sector projects. Whilst this is to be commended the changes that are being made in regards to the application processes for grants for the voluntary sector and the increased accountability of the recipients will ensure a more robust and sustainable process. The more rigorous approach that the council is adopting will demonstrate how the council aligns its funding and grants to meet councils objectives and the needs of its residents.

The council operates most of its services in-house which is a traditional approach to service delivery. It has had limited success so far with shared services due to a variety of reasons. However, Essex County Council delivers part of the HR role for the council and there are other smaller examples, including delivery of the council's insurance service by a neighbouring district. Nonetheless, the peer team believe that, notwithstanding the challenges, this is a route that the council should continue to explore with partners and other councils. Sharing services with other councils could provide opportunities for efficiencies and provide the council with some resilience which it will need as the funding regime changes. It would also help recruit and retain high quality staff.

The council is in the process of rationalising some of its assets e.g. moving 3 depot sites into 1 more efficient site that would serve the district and free up the land to help with housing numbers; it is also marketing some of its main office accommodation that is surplus to requirement. This is an example of how the council is looking to be more commercially minded - thinking about income generation but also about the needs of the economy and community. The council has also set up wholly owned subsidiary companies of the council around housing and maintenance. Whilst these have not started trading yet it does show that UDC is keen to think about alternative sources of income.

The council also has a solid resource base in its staff. UDC could harness the knowledge and enthusiasm of its staff to identify further income streams and efficiencies. This approach would be supported by more cross organisational working and less silo based service delivery. The peer team felt that officers were not always empowered to take appropriate decisions. For example the decision on cleaning of the council building is an operational decision for officers. Where members have set clear organisational priorities and policies, officers should be able to take decisions about the best way to deliver priorities within the council's policy framework.

4.5 Capacity to deliver

It is clear from speaking to stakeholders that the council is seen as having well motivated competent and professional teams. This is supported by the positive results of the customer satisfaction survey results, particularly for frontline services and feedback from partners. It is clear that UDC is doing a good job in delivering lots of services and currently has the capacity for this. The council may need to review this in future years as the funding changes. A prioritisation exercise will be fundamental to any review to ensure that the right services are being delivered.

There are good examples of career progression throughout the council with staff being able to rise up through the organisation via development and promotion. To ensure that this is sustainable, UDC needs to develop a comprehensive workforce strategy. This would allow them to take into account the difficulties they face in the recruitment of professional roles e.g. planning, staff retention, rewards and talent management. UDC needs to look at options to address staff salary levels as they are currently in the lowest quartile for pay. When needed UDC has the option of paying market supplements for key posts. Whilst this addresses the problem in the short term, the council needs to think about longer term sustainability and resilience. Market supplements will also be extending the pay gap even further with permanent members of staff which could potentially lead to staff looking elsewhere for a new job with a higher salary.

Whilst there is capacity within the organisation, there is a lack of agile working and of a corporate resource across the council. Currently projects, training and development and innovation happen within a team or silo environment. The council would benefit from cross

organisational working as this would increase resilience and innovation. A holistic workforce strategy would help with this whilst also looking at talent, development and succession planning.

There is a recognition within the council of the potential that Information Technology could help to enable improvement e.g. technological changes in digital and customer services. There is not currently a corporate approach to IT and it is felt that silo based decision making has resulted in some systems not being joined-up. This has caused issues in terms of accessing and sharing data of vulnerable people. To work more effectively the council needs to review its corporate IT strategy to ensure that it is more clearly aligned to corporate priorities and supports their digital strategy, customer service changes and achieves cost savings.

The use of evidence to support decision making is not always applied consistently or to its full effect across the organisation. To improve evidence based decision making the council could develop its research, policy and project and programme management capabilities. This would help to give members more confidence when making decisions and would also support and underpin any future transformation process that the council undertakes.

Following on from decision making, the peer team feel that the outcomes of decisions could also be measured in a more consistent way. The council could ask 'What does success look like?' more often. This is a question which could be asked internally of staff and members and externally of partners who are receiving grants. This would help all stakeholders to understand how their projects and services are contributing to delivering the councils objectives and the role and impact they have had, ensuring that the council is focusing its resources in the right places.

4.6 Support to Members

There are a number of experienced and knowledgeable members at UDC. There are also some fairly new members who bring energy and fresh perspectives but who would benefit from having a greater understanding of their role and responsibilities as members of the council and as ward councillors. Some members indicated that they were unsure of the expectations on them and what powers they had or didn't have. The peer team believes that the council could carry out some rapid member development and;

- refresh the member induction and create a comprehensive member development programme so that all members have the same understanding and a chance to develop and refresh their skills
- Centrally manage/ co-ordinate the member development programme and training needs analysis so that there is a corporate overview

- Strengthen member engagement through further involvement in the corporate plan, target setting and monitoring of the councils objectives. This would help to increase member understanding of their wider council role.
- Consider a community leadership training programme for members. This will provide a greater role for backbench and opposition members
- Continue to develop the way the Forward Plan is used to give all members a better understanding of future decisions and their part in them. Use the Forward plan process to reinforce the link between individual decisions and the Council's corporate plan.
- Update member and officer protocols and offer guidance so that all members understand the relationships.
- Ensure that members are well informed about activities within their wards and work with town and parish councils.

4.7 Engagement

The peer team found evidence that staff were receptive to the regular briefings and focus groups that had been established since the arrival of the new chief executive. Staff were very positive about this approach and appreciated being asked their views. However they didn't always feel that they had been listened to as they were not sure of the changes or outcomes as a result of their contributions. The introduction of a strong feedback loop would strengthen internal communications and ensure staff understood any outcomes from their input and discussion.

Whilst staff reported having team meetings it was understood by the team that the frequency of these varied leading to some staff feeling ill informed about key decisions and key information. The council needs to build on the work it has already started with the briefings by developing a coherent narrative on the organisation's vision and progress, ensuring that there is a golden thread between the corporate plan and individual and service objectives. Key messages could then be cascaded to all staff, fortnightly following the Corporate Management Team (CMT) meetings ensuring that all staff within the organisation are aware of the decisions and objectives that are being considered by the council. This would empower junior staff and address the communication issues felt by some staff at different levels of seniority because there would be a universal understanding of key issues and objectives. Inclusion of a wider range of managers in some of the CMT discussions would also be welcomed.

The council has a number of enthusiastic and motivated staff members who could play a greater role in innovation across the council but who currently do not feel empowered enough to do so. There is some innovation, including suggestions by staff for new ways of working, but this appeared to be mainly within teams and service areas. Sharing the key decisions and objectives

of the council and providing a clear narrative will go some way to opening this up as all staff will have the same understanding. The staff suggestion scheme could be developed and enhanced to encourage and empower staff to suggest innovative ideas for work across the council. This would also help to break down some of the silos in the council and increase engagement and communication between staff whilst supporting a culture of innovation across the council. This would also help with identifying and managing talent within the organisation.

Partners also fed back their views on communication with the council. As mentioned above, partners were complimentary about the role of UDC in delivering services to the community however they too felt unsure at times about what action had been taken as a result of discussions, consultations and meetings. UDC needs to be bolder in telling its partners and the community that it has acted on their needs and wants and delivered services and objectives as a result. There is a risk that partners and residents feel that UDC are listening but not acting on feedback and input from others. A clear 'we asked, you said, we did' approach could be adopted by the council. This would ensure that engagement is improved and more transparent.

4.8 Change Readiness

There is no 'burning platform' for change within UDC because it does not face the same immediate financial pressures that are being faced elsewhere in local government. This means that the council needs to create its own compelling narrative that defines the clear business imperatives, which fit with its own context and challenges. There is a danger in feeling safe and comfortable with the council's current position. The council can avoid this by keeping abreast of the changes that are happening in the sector. There is an opportunity for the council to lead the change rather than have it imposed. UDC is in a fortunate position in that it can make changes and explore innovative ways of working without huge financial pressures hanging over it. If it acts now and modernises its way of working the council will be in a stronger position when possible changes to delivery and structures happen within the sector e.g. devolution, more systematic sharing of services or even reorganization etc. The council could seize this opportunity to position itself with partners and talk about the opportunities that can be found in the district and the work that the council is already doing e.g. new college, development of business parks, the very good strategic transport links and the role that Uttlesford has to play in maintaining and growing economic prosperity for the area. There is an opportunity for UDC to lead and promote change with neighbouring councils within Essex, demonstrating that the Council has an outward focus on public sector transformation.

UDC has the opportunity right now to plan and do things differently. Not just to fill future budget gaps but also deliver and create some innovative outcomes for its residents and stakeholders. The council needs to develop a sustained, integrated, proactive and engaging transformation programme around its change objectives and shape the cultural values that will help achieve the change that is needed within the organisation. There should be more systematic use of staff across the organisation to innovate and bring scale and pace to support the rate of change. It is clear that they staff are motivated, competent and keen to be involved in future decision making and design of service delivery. The council could use some benchmarking, both in terms of

CIPFA nearest neighbours and geographically close districts for inspiration and ideas for shaping their own agenda that is appropriate to UDC.

To prepare for the changes that lie ahead the council should look to invest in its leadership team (political and managerial). An exercise in creating a narrative and clear future vision for the council will help with any future direction, transformation and cultural programme that the council undertakes. The council is in an enviable and exciting position and the peer team look forward to hearing about what happens next.

5. Next steps

Immediate next steps

We appreciate you will want to reflect on these findings and suggestions with your senior managerial and political leadership in order to determine how the Council wishes to take things forward.

As part of the peer challenge process, there is an offer of further activity to support this. The LGA is well placed to provide additional support, advice and guidance on a number of the areas for development and improvement and we would be happy to discuss this. Gary Hughes, Principal Adviser and Rachel Litherland, Principal Adviser are the main contact between your authority and the Local Government Association (LGA). Their contact details are: gary.hughes@local.gvo.uk and rachel.litherland@local.gov.uk

In the meantime we are keen to continue the relationship we have formed with you and colleagues through the peer challenge. We will endeavour to provide additional information and signposting about the issues we have raised in this report to help inform your ongoing consideration.

Follow up visit

The LGA peer challenge process includes a follow up visit. The purpose of the visit is to help the Council assess the impact of the peer challenge and the progress it has made against the areas of improvement and development identified by the peer team. It is a lighter-touch version of the original visit and does not necessarily involve all members of the original peer team. The timing of the visit is determined by the Council. Our expectation is that it will occur within the next 12-24 months.

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Recommendation	Area of focus	Detailed action	Indicative Timescale	Resources	Update/comments	Lead Officer
<p>Continue to develop your position as a place of opportunity with regional and sub-regional partners</p>	<p>Understanding of the local place and priority setting/Leadership of place</p>	<p>Revise corporate Economic Development strategy. To include: Ensure the availability of a portfolio of sites to provide opportunities for inward investment and local businesses to grow. Workspace will be an integral element of the sustainable garden communities planned.</p>	<p>Strategy adopted by October 17</p>	<p>Within existing</p>	<p>A Corporate Economic Development Strategy has now been prepared and is scheduled to be considered for adoption by Cabinet in February 2018. The Strategy includes an Action Plan for the delivery of the key actions which will be regularly monitored and updated.</p>	<p>Gordon Glenday</p>
		<p>Target Council investment at opportunities within the District that supports growth (including grow on space) and attracts new businesses</p>	<p>Ongoing</p>	<p>To be identified with each business case</p>	<p>Investment in CRP complete. An investment strategy is being prepared to inform future decisions.</p>	<p>Adrian Webb</p>
		<p>Continue to work with the LSCC to progress the Core's 'offer' including its liveability strengths</p>	<p>Ongoing</p>	<p>Within existing</p>	<p>Work has been commissioned to identify the opportunities for collaborative working with Harlow, Epping Forest, East Herts and Broxbourne councils, who make up the LSCC 'Core'; this will conclude with a presentation to the 'core' Leaders in January.</p>	<p>Dawn French</p>

Recommendation	Area of focus	Detailed action	Indicative Timescale	Resources	Update/comments	Lead Officer
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 13 of 15</p>		Identify and liaise with key partners around targeted topics, to include: - M11 J8 - Four tracking for the West Anglia main line - Improved rail connectivity to and from Stansted	Ongoing	Within existing	Quarterly liaison meetings under the Airport Transport Forum arrangements ensure that liaison continues with key partners such as MAG, Essex County Council, Highways England, Network Rail and Train Operating Companies. Joint lobbying continues through the LSCC and all-party parliamentary group.	Gordon Glenday
Create a compelling narrative and subsequent transformation agenda	Understanding of the local place and priority setting/Leadership of place	Define and communicate compelling case for change, to include: - drivers for change – why do we need to be different - target operating model (<i>crossover with workforce strategy</i>) - action plan (<i>crossover with workforce strategy</i>) - Align with corporate plan priorities	December 17	Within existing but outputs to be incorporated in 18/19 budget and MTFS	Work has been undertaken since June to identify the programmes of work, where the council could invest and/or refocus its resources to ensure the priorities of the council are progressed. This will be presented to Council in February together with a draft corporate plan delivery plan for 18/19. This will then inform the people plan.	Dawn French

Recommendation	Area of focus	Detailed action	Indicative Timescale	Resources	Update/comments	Lead Officer
<p>Communicate and engage effectively at every level</p>	<p>Organisational leadership and governance</p>	<p>Develop internal communication plan. Staff focus to include: - embedding 'you said, we did' - 'late opening' for team meetings - staff recognition - more regular and coordinated internal communications - more channels of communication, including a mechanism for staff suggestions</p>	<p>Plan agreed September 17</p>	<p>Within existing</p>	<p>Internal Communications improvements have been embedded, including SnapComms for instant dissemination of key messages to staff and establishment of regular staff bulletin emails via GovDelivery.</p> <p>Late opening to the public has been established on the last Thursday of every month, increasing networking opportunities between teams</p> <p>Staff recognition is a regular feature of the Chief Executive's staff briefings and a particular focus of the annual long service awards.</p> <p>SMT (service manager) group now holds monthly meetings to discuss key topics and projects.</p> <p>Staff suggestions are being fed through the Continuing the Conversation sessions, through which staff can</p>	<p>Richard Auty</p>

Recommendation	Area of focus	Detailed action	Indicative Timescale	Resources	Update/comments	Lead Officer
Page 132					<p>discuss ideas informally with the Chief Executive</p> <p>Further internal communication improvements will be outlined in the communications strategy, currently in draft.</p>	
		<p>Member focus to include: - Revised member/officer protocol (including communications programme) - Better use of members bulletin</p>	<p>Adopted May 17</p> <p>Ongoing</p>		<p>A revised member/officer protocol has been agreed.</p> <p>Members' bulletin is now being coordinated by the Communications Team and delivered through GovDelivery. It has led to a better corporate focus on key issues members are interested in.</p> <p>In addition the Chief Executive issues a weekly local plan update.</p> <p>Also, various member workshops have been provided including the local plan, garden communities,</p>	<p>Simon Pugh</p> <p>ALL</p>

Recommendation	Area of focus	Detailed action	Indicative Timescale	Resources	Update/comments	Lead Officer
Page 13					<p>meeting of the group.</p> <p>The Local Councils Liaison Forum met in September; agenda items included an update from the West Essex CCG, PCSO's and Code of Conduct. The next meeting is scheduled for 13 Feb.</p> <p>The Statement of Community Involvement was approved by Cabinet in Jan 18</p>	Gordon Glenday
Review and reprovide member development /investment	Capacity to deliver	<p>Engage with member development group to:</p> <ul style="list-style-type: none"> - develop general induction/member training - review role profile and 'person specification' - review current development programme and realign - plan whole programme - communicate and promote - keep under review, seek feedback 	Plan to be agreed out of initial engagement	Within existing (unless plan dictates otherwise)	Some work has been undertaken with cabinet members; work to support all members is scheduled for 2018	Dawn French
Improve your holistic workforce strategy	Capacity to deliver	Develop a workforce strategy to ensure our people are equipped to	Timescale to produce the plan	Within existing (unless plan dictates	Formalised management training is now in place; ILM 2 and 3 courses have already	Richard Auty

Recommendation	Area of focus	Detailed action	Indicative Timescale	Resources	Update/comments	Lead Officer
<p>Continue to take pride in what you do</p> <p style="text-align: center;">Page 135</p>		<p>deliver the future council agenda and retain the best of the culture in terms of pride, commitment, etc. <i>Overlaps with narrative and communication recs.</i></p>	<p>with key outputs and milestones to be developed</p>	<p>otherwise)</p>	<p>been run, ILM 5 course scheduled for Feb 18</p> <p>Apprenticeship Levy is being looked at as a means to upskill existing workforce to ensure we have the right skills in the organisation to meet future challenges.</p> <p>Development of a Workforce Strategy (“People Plan”) will be developed in 2018 with external support. Work is underway to identify suitable organisation to help the council develop an effective plan.</p>	
<p>Strengthen the partnership relationships and increase the intensity of delivery</p>	<p>Leadership of place</p>	<p>Review of LSP structure to ensure clarity, focus, governance, etc. - consider establishing an innovation fund</p> <p>Review grants to consider match funding criteria, development of SLA’s, etc.</p>	<p>Timescale to produce the plan with key outputs and milestones to be developed</p> <p>Review to be completed</p>	<p>Within existing (unless plan dictates otherwise)</p> <p>Within existing</p>	<p>All working groups of the Local Strategic Partnership (LSP) now have clearer plans and targets with regular updates to LSP chairs to ensure the work of the groups is addressing cross cutting issues</p> <p>Grants Policy in draft. Some initial work has been done on the possibility of moving large</p>	<p>Dawn French</p> <p>Richard Auty</p>

Recommendation	Area of focus	Detailed action	Indicative Timescale	Resources	Update/comments	Lead Officer
Page 136		Pilot strengthening communities approach to tackle social isolation	October 17 Timescale to produce the plan with key outputs and milestones to be developed	Within existing (unless plan dictates otherwise)	grant recipients onto SLAs. Working with partners on a sustainable community project around social isolation. Research and evaluation work completed and stakeholders identified. Events held to share findings with community and LSP. An action plan is now being developed that will enable local stakeholders to work together to best support the people and projects contributing to community wellbeing and reducing social isolation	Roz Millership

Committee:	Governance, Audit and Performance	Date:	8 February 2018
Title:	2017/18 Quarter 3 Performance Indicator Outturn		
Report Author:	Richard Auty, Assistant Director Corporate Services	Item for decision:	No

Summary

1. This report presents the 2017/18 Q3 outturn for all quarterly-reported Key Performance Indicators (KPIs) and Performance Indicators (PIs).

Recommendations

2. None

Financial Implications

3. There are no financial implications associated with this report.

Background Papers

4. None

Impact

- 5.

Communication/Consultation	None
Community Safety	None
Equalities	None beyond service improvement on the equality and diversity performance indicators
Health and Safety	None beyond service improvement on any health and safety related performance indicators
Human Rights/Legal Implications	None
Sustainability	None
Ward-specific impacts	None
Workforce/Workplace	None

Situation

6. Appendix A presents the data for Quarter 3 of 2017/18 (1 October to 31 December) against the targets agreed at Governance, Audit and Performance in May. All outturn data is in bold.
7. For comparison purposes, the report also contains data for Quarters 3 and 4 for 2016/17 and Q1 and Q2 2017/18.
8. Short and long term trend arrows are also included in the report and are defined as follows;

Short Term Trend - compares current quarter with previous quarter performance

Long Term Trend- compares current quarter with previous four quarters average performance

9. All data and performance comments have been reviewed by the Corporate Management Team.
10. The long term performance trends for both KPIs and PIs are positive. However the short term trends for KPIs and PIs has dropped marginally from Q2 to Q3.

Overall performance for the Key Performance Indicators has declined slightly, with 11 of the 16 indicators meeting target compared to 13 in Q3. Four indicators have an amber status and one indicator is red.

The four KPIs that were amber (within 10% of their target) are as follows:

KPI 01 % Supplier invoices paid within 30 days of receipt by the council

The performance of this indicator has dropped due to delays in Finance receiving invoices from high volume service areas because of staff sickness among authorising officers

KPI 17 Local Council Tax Support Collection Rate

The performance of this indicator has dropped this quarter because there were no court hearings in December due to the Christmas period. The team is confident that the collection rate will stabilise and be on target by the end of Q4.

KPI 12 Processing of Planning Applications: Minor

The performance of this indicator has dropped due mainly to an unsuccessful recruitment campaign for a vacant Senior Planning Officer post.

KPI 13 Processing of Planning Applications: Other

Although the target for the quarter was not met there was a rise in the performance level from Q2. This indicator's performance has also been affected by the Senior Planning Officer post remaining vacant.

The KPI that missed its target by more than 10% is as follows:

KPI 08 Average re-let time in days

The performance of this indicator has dropped partly due to there being a new asbestos contract whereby surveys are taking up to 10 days to complete. This issue is being addressed at contract meetings and improvements should be seen by next quarter.

- 11. Overall long term performance of the Performance Indicators has also dropped marginally with seven of the 12 PIs meeting their target compared to nine in Q2. Two indicators were within 10% of target and three missed their targets by more than 10%.
- 12. Full explanations are given in the attached report for all indicators that have not met target this quarter.

Risk Analysis

13.

Risk	Likelihood	Impact	Mitigating actions
That performance indicators will not meet quarterly/ annual targets	2 – The majority of Performance Indicators perform on or above target	3 – In some areas the risk of not meeting targets could impact on areas such as customer satisfaction and statutory adherence to government led requirements	Performance is monitored by CMT and the committee on a quarterly basis. Inclusion of five quarters of data helps identify positive and negative trends.

- 1 = Little or no risk or impact
- 2 = Some risk or impact – action may be necessary.
- 3 = Significant risk or impact – action required
- 4 = Near certainty of risk occurring, catastrophic effect or failure of project.

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2017/18 Quarter 3 KPIs Report

Report Author: Paula Evans
Generated on: 17 January 2018



Directorate: Corporate Services

PI Code & Short Name	Q3 2016/17	Q4 2016/17	Q1 2017/18	Q2 2017/18	Q3 2017/18	Short Term Trend	Long Term Trend	Latest Note
KPI 01 Percentage of supplier invoices paid within 30 days of receipt by the Council (Max)	98.89%	100.00%	100.00%	100.00%	96.22%	↓	↓	Q3 2017/18 Numerator: 1603 Denominator: 1666 During the October period there were delays in invoices being received within finance due to sickness absence levels in higher volume service areas. This delayed the payment of the invoices and is one of the main reasons this target was not reached in Q3.
	97.00%	97.00%	98.00%	98.00%	98.00%			
KPI 17 Local Council Tax Support Collection Rate (Max) *	75.65%	89.12%	27.53%	51.33%	75.26%	↑	↑	Q3 2017/18 Numerator: (Net Receipts) £539,112.48 Denominator: (Total Net Liability) £716,301.72 Due to Christmas there was no court hearing in December. Therefore collection is down for QTR3 but will catch up by end of QTR4.
	63.75%	85.00%	23.00%	48.00%	77.00%			
KPI 03 Percentage of Non-domestic Rates Collected (Max) *	87.34%	99.21%	30.63%	60.00%	88.30%	↑	↑	Q3 2017/18 Numerator : 39,168,712.71 Denominator: 44,360,589.46 Collection level is above target following the successful recovery action taken against a large ratepayer who has now paid in full
	86.98%	98.50%	29.30%	58.75%	87.50%			

PI Code & Short Name	Q3 2016/17	Q4 2016/17	Q1 2017/18	Q2 2017/18	Q3 2017/18	Short Term Trend	Long Term Trend	Latest Note
KPI 04 Accuracy of processing - HB/CTB claims (Max)	98.27%	99.23%	99.48%	99.46%	99.23%			Q3 2017/18 270 new claims and 119 change of circumstances for Housing Benefit and LCTS were checked in QTR 3, and only 3 financial errors were identified. This gives an accuracy rate of 99.23% in QTR 3. The department continues on its current training and development of all Benefits team staff in order to remain above the 98% target and to improve levels of accuracy.
								
	98.00%	98.00%	98.00%	98.00%	98.00%			
KPI 05 Percentage of Council Tax Collected (Max) *	86.82%	99.17%	30.35%	58.52%	86.76%			Q3 2017/18 Numerator: 50,034,644.62 Denominator: 57,669,589.70 Collection is on target for Qtr4. The Qtr 3 collection rate is the highest in Essex.
								
	86.98%	98.60%	29.50%	58.20%	86.00%			
KPI 06 (a) Time taken to process Housing Benefit/Council Tax Benefit new claims (Days) (Min)	18.4	23.7	21.8	21.0	21.3			Q3 2017/18 118 new claims to Housing Benefit (HB) were processed taking a total of 2,253 days. 212 new claims to Local Council Tax Support (LCTS) were processed taking 4,786 days. This is a combined total of 330 new claims taking 7,039 days; an average of 21.3 days.
								
	24.0	24.0	22.0	22.0	22.0			
KPI 06 (b) Time taken to process Housing Benefit/Council Tax Benefit change events (Min)	5.0	5.1	8.1	7.0	6.1			Q3 2017/18 2,410 changes in circumstance to Housing Benefit (HB) were processed taking a total of 16,517 days. 2,633 changes in circumstance to Local Council Tax Support (LCTS) were processed taking 14,263 days. This is a combined total of 5,043 changes taking 30,780 days; an average of 6.1 days.
								
	9.0	9.0	7.0	7.0	7.0			

PI Code & Short Name	Q3 2016/17	Q4 2016/17	Q1 2017/18	Q2 2017/18	Q3 2017/18	Short Term Trend	Long Term Trend	Latest Note
KPI 07 (a) Average number of days lost per employee through short-term sickness absence (Min) *	4.76	6.49	1.47	2.19	3.66			Q3 2017/18 Numerator: 521.5 Denominator: 354 = 1.47 days lost due to sickness for this quarter. Cumulative: Numerator: 1,297.5 Denominator: 354 = 3.66 days per member of staff for the year to date.
								
	5.25	7.00	1.75	3.50	5.25			
KPI 07 (b) Average number of days lost per employee through long-term sickness absence (Min)	35.93	41.77	35.50	40.28	33.73			Q3 2017/18 Numerator: 371 Denominator: 11 = average of 33.73 days off work for the 11 long term sick cases this quarter. Two have now left, 1 resigned under medical retirement, 2 are back at work and on a phased return, 5 remain off work under a fit note, 1 is back at work with no issues.
								
	45.00	45.00	44.00	44.00	44.00			
KPI 16 Rent collected as percentage of rent owed (including arrears b/f) (Max) *	96.78%	97.89%	93.49%	96.47%	97.25%			Q3 2017/18 Numerator: £3,732,495.03 Denominator: £4,056,038.01 Cumulative Numerator: £11,336,665.74 Denominator: £11,656,912.92 This PI has exceeded the target due to the rigorous approach to rent collection and regular checking and support by the Arrears Officer to the tenant in arrears to assist them in maintaining their payment agreements. Collection is holding up despite the move to Universal full service in October 2017.
								
	95.05%	97.00%	89.50%	94.55%	95.55%			

Directorate: Public Services

PI Code & Short Name	Q3 2016/17	Q4 2016/17	Q1 2017/18	Q2 2017/18	Q3 2017/18	Short Term Trend	Long Term Trend	Latest Note
KPI 08 Average re-let time in days (General Needs only)	22	19.6	14	15	26			Q3 17/18 Numerator: 364 Denominator: 14 Target has not been met. This is partly due to the new asbestos contract as surveys are now taking up to 10 days. This is being addressed at contract meetings.
								
	20	20	20	20	20			
KPI 11 Processing of planning applications: Major applications (within 13 weeks or including any agreed extension of time) (Max)	64.29%	92.31%	77.78%	88.89%	88.89%			Q3 2017/18 Numerator: 8 Denominator: 9 Cumulative: Numerator: 23 Denominator: 27 = 85.19% Target achieved
								
	60.00%	60.00%	60.00%	60.00%	60.00%			
KPI 12 Processing of planning applications: Minor applications (within 8 weeks or including any agreed extension of time) (Max)	72.38%	80.65%	65.05%	76.64%	73.63%			Q3 2017/18 Numerator: 67 Denominator: 91 Cumulative: Numerator: 215 Denominator: 300 Target for quarter not quite met. Down on Q2. Cumulatively down for year. Period coincides with failure to recruit to vacant Senior Planning Officer post.
								
	80.00%	80.00%	75.00%	75.00%	75.00%			
KPI 13 Processing of planning applications: Other applications (within 8 weeks or including any agreed extension of time) (Max)	88.42%	78.02%	73.71%	79.15%	79.39%			Q3 2017/18 Numerator: 208 Denominator: 262 Cumulative: Numerator: 709 Denominator: 919 Although not meeting quarterly target improvement on Q2 performance. Cumulatively not achieving but improving. Coincides with not filled Senior Planning Officer vacancy.
								
	82.00%	82.00%	82.00%	82.00%	82.00%			

PI Code & Short Name	Q3 2016/17	Q4 2016/17	Q1 2017/18	Q2 2017/18	Q3 2017/18	Short Term Trend	Long Term Trend	Latest Note
KPI 14 Percentage of household waste sent for reuse, recycling and composting (LAA) (Max)	53.33%	54.36%	54.54%	50.67%	52.24%	↑	↓	Q3 2017/18 ESTIMATE Numerator: 3859.3 tonnes (recycled and composted) Denominator: 7388.08 tonnes (total domestic waste arising). Final value will only be available in late January when the complete information will be available from all of our recycling customers. An increase on the last quarter, this reflection is due to the new recycling guide which went out in December and the additional waste produced due to Christmas.
								
	51.00%	50.00%	51.00%	55.00%	51.00%			
KPI 15 (b) Percentage of domestic collections of waste and recyclables successfully made on first visit (Max)	n/a	n/a	99.89%	99.86%	99.91%	↑	↑	Q3 2017/18 Numerator: 935,180 (Number of successful collections) Denominator: 936,000 (Total number of scheduled collections) = 99.91% (Number of missed bins: 820). Performance is now above target and a great achievement considering the challenges with the adverse weather conditions during December.
								
			99.9%	99.9%	99.9%			

2017/18 Quarter 3 PIs Report

Report Author: Paula Evans
Generated on: 17 January 2018



Directorate: Chief Executive

PI Code & Short Name	Q3 2016/17	Q4 2016/17	Q1 2017/18	Q2 2017/18	Q3 2017/18	Short Term Trend	Long Term Trend	Latest Note
PI 21 Percentage of minutes from meetings made available to the public within 10 working days (Max)	90%	44%	82%	81%	90%	↑	↑	Q3 2017/18 Numerator: 18 Denominator: 20 Out of the total of 20 meetings for which minutes were published during this quarter, 18 were published within 10 working days. Sickness absence within the service and annual leave accounted for the two occasions when the minutes were not published within 10 working days.
	95%	95%	95%	95%	95%			
PI 06 Percentage of standard searches carried out in 10 working days (Max)	100%	100%	100%	93%	100%	↑	↑	Q3 2017/18 Numerator: 203 Denominator: 203. Performance back at 100% for this quarter. Team worked well to achieve 100%.
	100%	100%	100%	100%	100%			

Directorate: Corporate Services

PI Code & Short Name	Q3 2016/17	Q4 2016/17	Q1 2017/18	Q2 2017/18	Q3 2017/18	Short Term Trend	Long Term Trend	Latest Note
PI 03 Percentage of sundry debt income overdue (debts over 90 days old not subject to a payment agreement) (Min)	1.8%	1.0%	4.3%	.8%	1.6%			Q3 2017/18 Numerator: 5,295.79 Denominator: 322,999.49 (£) Still on target for QTR4
								
	4.0%	4.0%	4.0%	4.0%	4.0%			
PI 02 Average time (Days) to pay supplier invoices (Min)	12.2	10.4	8.5	8.5	12.1			Q3 2017/18 Numerator: 20210 Denominator: 1666 The delay on the October/November period has again led to the target not being reached. After this period and during the Christmas break the timing has improved and should stay stable going forwards
								
	11.0	11.0	11.0	11.0	11.0			
PI 20 Percentage of IT help Desk calls resolved within target (Max)	99.20%	99.00%	99.24%	99.18%	98.38%			Q3 2017/18 - 1,421 calls during quarter 1,398 closed within 4 hour SLA target The team has worked hard to maintain this level of service despite carrying a vacant post which is proving difficult to recruit to. The post is being re-evaluated and will be re-advertised in the coming weeks.
								
	95.00%	95.00%	95.00%	95.00%	95.00%			

PI Code & Short Name	Q3 2016/17	Q4 2016/17	Q1 2017/18	Q2 2017/18	Q3 2017/18	Short Term Trend	Long Term Trend	Latest Note
PI 22 Museum users: Total visitors to the museum building and on-site events (Max) #	2,665	2,649	2,903	4,112	2,782	↓	↓	Q3 2017/18 Visitor figures are 10% under target. This indicator was profiled at the start of the year but the new Learning & Outreach Officer started in post later than originally anticipated, so while school groups have returned, we did not get the full benefit of autumn term. In addition, groups visiting have been of small size. We expect visits to pick up once new services are publicised more widely (planned for Feb). Overall users of the museum service, including online and off-site engagement, remains high however, with 16,000 recorded service users during the quarter. Cumulative: 9,797
								
	2,700	3,100	3,400	4,000	3,100			

Directorate: Public Services

PI Code & Short Name	Q3 2016/17	Q4 2016/17	Q1 2017/18	Q2 2017/18	Q3 2017/18	Short Term Trend	Long Term Trend	Latest Note
PI 16 Number of households living in temporary accommodation (Min)	13	14	9	18	12	↑	↑	Q3 2017/18 Count = 12 applicants residing in temporary accommodation at the end of Q3, 1 emergency B&B placement and 11 accommodated in Council owned stock.
								
	14	14	14	14	14			
PI 30 Percentage planning applications validated within 5 days (Max)	100%	98%	100%	100%	100%	-	↑	Q3 2017/18 Numerator: 487 Denominator: 488 Cumulative: Numerator: 1394 Denominator: 1396 = 99.86% The team are proud to achieve these figures and work very hard to keep on achieving.
								
	90%	90%	95%	95%	95%			

PI Code & Short Name	Q3 2016/17	Q4 2016/17	Q1 2017/18	Q2 2017/18	Q3 2017/18	Short Term Trend	Long Term Trend	Latest Note
PI 24 (d) Appeals allowed for enforcement notices (Min)	100.0%	50.0%	.0%	.0%	.0%			Q3 2017/18 No enforcement appeals for this quarter.
	30.0%	30.0%	30.0%	30.0%	30.0%			
PI 40 Number of subscribers to garden waste collection service (Max)	6,178	6,181	6,275	6,674	6,740			Q3 2017/18 Above target and proving to be a popular service.
	5,475	5,800	6,300	6,350	6,400			
PI 41 Percentage of routine food hygiene premises inspections completed within the quarter (Max)	99%	99%	100%	98%	97%			Q3 2017/18 Numerator: 60 Denominator: 62 Currently we have a vacancy for an inspecting officer. Workloads in other EH areas have been adjusted in the short term to compensate.
	95%	95%	98%	98%	98%			
PI 42 Percentage of planning appeals upheld (Min)	n/a	n/a	15%	18%	46%			Q3 2017/18 Numerator (appeals allowed): 6 Denominator (total appeals): 13 = 46.15% Cumulative: Numerator: 11 Denominator: 43 = 25.58%
			30%	30%	30%			

PI Status		Long Term Trends		Short Term Trends	
	Alert		Improving		Improving
	Warning		No Change		No Change
	OK		Getting Worse		Getting Worse
	Unknown				
	Data Only				

Committee: Governance, Audit and Performance

Date:

Title: Corporate Risk Register

8 February 2018

Report Author: Richard Auty, Assistant Director Corporate Services

Item for decision:
No

Summary

1. This report presents the Council's Corporate Risk Register.

Recommendations

2. None

Financial Implications

3. There are no direct financial implications associated with this report.

Background Papers

4. None

Impact

- 5.

Communication/Consultation	Internal communication on risk management required through CMT and SMT meetings
Community Safety	None
Equalities	None beyond general management of equality and diversity impacts for identified risks
Health and Safety	Health and safety risks are managed where appropriate
Human Rights/Legal Implications	None
Sustainability	None
Ward-specific impacts	None
Workforce/Workplace	None

Situation

6. A major review of the council's approach to corporate risk management was carried out last year following revisions to the corporate planning process. In July the Governance, Audit and Performance Committee approved the Council's new Risk Policy and Corporate Risk Register.
7. The risks included in the Corporate Risk Register are cross-cutting risks which if not controlled could have a serious impact on the council's ability to carry out its functions. Previously, the Corporate Risk Register was limited to the risks associated with delivering the objectives of the Corporate Plan.
8. Operation Risk Registers have now been developed for management use and sit alongside Service Plans.

Risk Analysis

9.

Risk	Likelihood	Impact	Mitigating actions
If risks are not properly identified or managed then preventable problems could occur and affect the council's finances, reputation or resources. Conversely opportunities to improve these things may be unexploited.	2 –The revised corporate and operational registers , coupled with the training for relevant officers, ensure a focus on the key risks affecting services	3 – The new registers ensure a focus on the key issues at all levels of the organisation.	The new approach coupled with training for all those with responsibility for risk management ensure a corporate approach which focuses on the real risks facing the authority and its services. The adoption of a new risk policy and register addresses risk management in a more efficient and effective manner.

1 = Little or no risk or impact

2 = Some risk or impact – action may be necessary.

3 = Significant risk or impact – action required

4 = Near certainty of risk occurring, catastrophic effect or failure of project.

UTTLESFORD DISTRICT COUNCIL

Corporate Risk Register 2017/18

Risk Pre-fix and Title:						
17-CR 01 FINANCIAL CONTROL						
Risk Description	Owner	Original Likelihood	Original Impact	Original Score	Current Controls	
If the council does not implement and sustain a robust 5 year financial strategy then reserves may be inadequate to meet unforeseen circumstances leaving the council with undue financial pressures	AW	2	4	8	<ul style="list-style-type: none"> Monthly budget monitoring – Revenue and Capital (including HRA) Quarterly budget monitoring to Members 	
		Current Likelihood	Current Impact	Current Score	Further Action	
		2	4	8	<ul style="list-style-type: none"> Implement year 1 (of 4 year efficiency plan) 	
		Target Likelihood	Target Impact	Target Score	Action owner	Planned Completion date
		1	4	4	CMT	31.03.2018
<u>PROGRESS UPDATE</u>						
January 2018 <ul style="list-style-type: none"> Year One implemented and exceeded 						

Risk Pre-fix and Title:						
17-CR 02 BUSINESS CONTINUITY						
Risk Description	Owner	Original Likelihood	Original Impact	Original Score	Current Controls	
If the council does not have sufficient and robust corporate resilience and Business Continuity Management then a major disruptive event could impact staff, property, or systems and networks leading to a reduction in service delivery, damage to organisational reputation or significant financial loss	RH	2	3	6	<ul style="list-style-type: none"> Existing Business Continuity Plans 	
		Current Likelihood	Current Impact	Current Score	Further Action	
		2	3	6	<ul style="list-style-type: none"> Check all Services have BC plans in place Update as relevant Testing of BC plans 	
		Target Likelihood	Target Impact	Target Score	Action owner	Planned Completion date
		1	3	3	Service Managers (SMT)	31.12.2017
<u>PROGRESS UPDATE</u>						
January 2018						
<ul style="list-style-type: none"> BC policy and procedures have been updated and are awaiting final approval Work has been under taken with each service to analyse the high priority areas for recovery 						

Risk Pre-fix and Title:						
17-CR 03 HEALTH AND SAFETY						
Risk Description	Owner	Original Likelihood	Original Impact	Original Score	Current Controls	
If the council does not manage the Health and Safety and welfare of its general public, visitors and staff then it will not be meeting its statutory organisational responsibilities leading to a loss of reputation as a responsible employer, potential involvement in legal action or loss of life or serious injury	AW	1	4	4	<ul style="list-style-type: none"> Regular H&S Audits/Training/Risk Assessments Up to date Policies and Procedures 	
		Current Likelihood	Current Impact	Current Score	Further Action	
		1	4	4	<ul style="list-style-type: none"> On-going maintenance of systems, procedures and reporting 	
		Target Likelihood	Target Impact	Target Score	Action owner	Planned Completion date
		1	4	4	RM/DC/TC	31.03.2018
<u>PROGRESS UPDATE</u>						
January 2018						
<ul style="list-style-type: none"> On- going maintenance continues 						

Risk Pre-fix and Title:						
17-CR 04 PEOPLE						
Risk Description	Owner	Original Likelihood	Original Impact	Original Score	Current Controls	
If the council's workforce is not reviewed and developed then it may hinder its ability to support transformational programmes and service delivery leading to an inability to achieve corporate objectives, retain and recruit staff and loss of reputation	AW	2	3	6	<ul style="list-style-type: none"> Transformational projects identified through corporate planning process and staff resources identified to deliver 	
		Current Likelihood	Current Impact	Current Score	Further Action	
		2	3	6	<ul style="list-style-type: none"> Workforce Strategy ("People Plan") to be developed as per LGA peer review recommendation in order to identify organisational needs for the coming years and put in place actions to address those needs. Scoping exercise for this piece of work will be carried out in the autumn. 	
		Target Likelihood	Target Impact	Target Score	Action owner	Planned Completion date
		1	3	3	RA	31.10.2017
<u>PROGRESS UPDATE</u>						
January 2018						
<ul style="list-style-type: none"> Initial discussions have been held with possible external bodies who can support this work. The action will be progressed in the 2018/19 year. In the meantime the council continues to invest in the development of its staff, including providing the opportunity for officers to undertake Institute of Leadership and Management training and gain formal qualifications. 						

Risk Pre-fix and Title:						
17-CR 05 DATA PROTECTION						
Risk Description	Owner	Original Likelihood	Original Impact	Original Score	Current Controls	
If the council does not adopt and implement Data Protection controls then there may be a loss of data, inadequate data handling, unlawful sharing of data or security breaches leading to loss of public and partner confidence, reputational damage, breach of legislation and financial loss due to fines	DF	2	4	8	<ul style="list-style-type: none"> E-learning module for all staff Use, storage and sharing protocols Building and IT security 	
		Current Likelihood	Current Impact	Current Score	Further Action	
		2	4	8	<ul style="list-style-type: none"> Full review ahead of GDPR 	
		Target Likelihood	Target Impact	Target Score	Action owner	Planned Completion date
		1	4	4	Project team, led by SP	31.03.18
<u>PROGRESS UPDATE</u>						
January 2018						
<ul style="list-style-type: none"> GDPR project team has been formed. Temporary resource recruited to progress the project plan to ensure GDPR compliance by May 2018 (implementation date). High risk areas of the council have been evaluated for GDPR compliance with further work scheduled for the medium and low risk. Further staff awareness and engagement planned for February. Investment requirements for new/upgraded software has been included in the provisional budget for 2018/19. 						

Risk Pre-fix and Title:						
17-CR 06 INFORMATION TECHNOLOGY						
Risk Description	Owner	Original Likelihood	Original Impact	Original Score	Current Controls	
If the council does not ensure resilient and robust IT security is in place then the organisation may be exposed to network vulnerabilities such as cyber-attacks and system failures leading to reputational damage, liability issues, loss of service provision and reputation	AW	3	4	12	<ul style="list-style-type: none"> The majority of ICT system are held off site in data centres Windows operating system security patches are updated Members of CERT-UK WARP (Warning, Advice and Reporting Point) part of the Centre for protection of National Infrastructure. It provides us with privileged access to cyber threats 	
		Current Likelihood	Current Impact	Current Score	Further Action	
		3	4	12	<ul style="list-style-type: none"> Further investment in system security Robust recovery plan 	
		Target Likelihood	Target Impact	Target Score	Action owner	Planned Completion date
		2	4	8	NW	31.03.2018
<u>PROGRESS UPDATE</u>						
January 2018						
<ul style="list-style-type: none"> Staff awareness campaign has been run (and will be repeated). Additional budget approved for 2018/19 						

Risk Pre-fix and Title:						
17-CR 07 GOVERNANCE						
Risk Description	Owner	Original Likelihood	Original Impact	Original Score	Current Controls	
If the council does not have a clear and robust governance framework then leadership and decision making will not be effective with un-defined responsibilities resulting in a lack of accountability to our stakeholders, potential breaches of legislation and significant financial loss	DF	2	4	8	<ul style="list-style-type: none"> Annual governance statement Have a documented constitution, which is regularly reviewed Adopted corporate plan and service plans 	
		Current Likelihood	Current Impact	Current Score	Further Action	
		2	4	8	<ul style="list-style-type: none"> Review corporate governance framework in accordance with CIPFA guidance notes Update training/awareness 	
		Target Likelihood	Target Impact	Target Score	Action owner	Planned Completion date
		1	4	4	SP	31.03.18
<u>PROGRESS UPDATE</u>						
January 2018						
<ul style="list-style-type: none"> The review of the constitution has progressed with further reports to GAP and Council planned. Review of the governance framework has commenced. Review of the governance requirements fed into a restructure resulting in new Directorate responsible for governance and legal and brings together key services responsible for guiding and supporting good governance in the organisation. 						

Risk Pre-fix and Title:						
17-CR 08 SERVICE DELIVERY						
Risk Description	Owner	Original Likelihood	Original Impact	Original Score	Current Controls	
If the council does not achieve its key priorities and objectives and service plans then opportunities to improve the wellbeing of the community and protect the character of the district will missed leading to dissatisfied residents and stakeholders, reputational damage and potential government intervention	DF	1	4	4	<ul style="list-style-type: none"> Adopted corporate plan, delivery plan and service plans Budget and MTFS to support delivery Regular performance monitoring and reporting to CMT, Cabinet and GAP 	
		Current Likelihood	Current Impact	Current Score	Further Action	
		1	4	4	<ul style="list-style-type: none"> Produce corporate governance framework 	
		Target Likelihood	Target Impact	Target Score	Action owner	Planned Completion date
		1	4	4	SP	31.03.18
<u>PROGRESS UPDATE</u>						
January 2018						
<ul style="list-style-type: none"> Regular monitoring, reporting and action as required has continued. Review of the governance framework has commenced. Refresh of the corporate plan is underway for consideration by Council in February. Resources to deliver actions to further the priorities have been identified in the provisional 2018/19 budget. 						

Committee: Governance, Audit and Performance

Date:

Title: Annual Report

8 February 2018

Report Author: Richard Auty, Assistant Director Corporate Services

Item for decision:
Yes

Summary

1. There is a requirement under the Council's Constitution for the Chairman of the Committee to report annually to Full Council.
2. This used to occur at the Annual Council meeting in May but it was decided to move the report to the April Full Council meeting.
3. The information below will form the report the Chairman will give to the Council meeting and summarises the key work of the committee in the 2017/18 year.

Recommendations

4. The committee approves the content of the Annual Report.

Financial Implications

5. There are no direct financial implications associated with this report.

Background Papers

6. None

Impact

- 7.

Communication/Consultation	None
Community Safety	None
Equalities	None
Health and Safety	None
Human Rights/Legal Implications	None
Sustainability	None
Ward-specific impacts	None
Workforce/Workplace	None

Situation

8. At the beginning of the 2017/18 year, the Performance and Audit Committee took on new responsibilities and became the Governance, Audit and Performance Committee. It now carries out the work previously done by the Constitution Working Group and the Electoral Working Group in addition to retaining responsibilities for internal and external audit, performance and risk monitoring.

External Audit

9. The Council's auditors EY gave an unqualified opinion on the financial statements for 2016/17 for the ninth consecutive year. EY found that the Council has proper arrangements in place to secure value for money in its use of resources and noted that effective and efficient governance arrangements had been put in place with regard to Aspire and its subsidiaries.
10. The Council published its draft accounts on 31 May 2017. There is a new statutory deadline to publish by the end of May which comes into effect in 2018, so the council achieved the new deadline a year early. Uttlesford was subsequently named in the top quartile of public authorities for the timeliness and quality of its financial reporting. A Public Sector Audit Appointments (PSAA) report recognised the Council as one of only 83 public sector authorities (out of 497 councils, police and fire services) to have received an early unqualified opinion on its 2016/17 accounts by 31 July 2017. Only two other councils in Essex, Basildon and Colchester, also managed this achievement.
11. The annual audit of the Housing Benefit Subsidy Claim was completed by EY, which noted in its report that the quality of the work undertaken by Council officers was excellent, meaning EY could place full reliance on the Council's work. This resulted in a reduction in auditor fees. This is the first year that the Council was not required to repay subsidy grant back to the DWP. Instead, the error rate was so low the Council actually gained almost £26,000 in additional subsidy payment.

Local Plan Costs

12. Following a request from a Committee Member, the Governance, Audit and Performance Committee received a report setting out the Local Plan costs.

Internal Audit and GDPR

13. During the course of the year the Committee has reviewed the work of Internal Audit through quarterly monitoring reports and received the Audit Manager's Annual Report and Opinion. The Committee considered and approved the Annual Governance Statement for 2016/17 which is published with the Council's Statement of Accounts.

14. During the 2017/18 year the Committee also received:

- The Internal Audit Strategy and Programme 2017/18 and a later revision
- A report on Internal Audit Counter Fraud and Corruption work
- The results of the annual Self-Assessment, through which members who attended the session concluded the committee is effectively fulfilling its functions in accordance with Chartered Institute of Public Finance and Accountancy (CIPFA) guidance

15. The Governance, Audit and Performance Committee has responsibility for overseeing the Council's approach to the General Data Protection Regulation (GDPR) which comes into force in May 2018.

16. The Internal Audit Manager is leading this large project to ensure the Council is compliant with the new regulations, which replace the Data Protection Act and committee members have looked at staffing arrangements to deliver the project and the implications for public access to data.

Constitutional and Electoral Matters

17. Members have received several reports during the year on constitutional and electoral matters following the decision to transfer these responsibilities to the Committee.

18. The Committee debated a report changing the definition of a key decision and recommended to Council that the new definition be adopted. This was subsequently approved.

19. It also considered the implications of, and approved the timetable for, a Polling District Review and recommended to Council that representations be made to the Boundary Commission for England to support revised proposals for the Saffron Walden Constituency as part of a Parliamentary Boundary Review.

Performance and Risk

20. The Committee has continued to undertake detailed quarterly monitoring of the Council's key performance indicators and a further set of supporting performance indicators. Service performance has in 2017/18 has remained strong.

21. The Committee also approved a new Risk Management Policy and Corporate Risk Register and continues to monitor the Register on a six-monthly basis.

Procurement and Health and Safety

22. The Committee has continued to receive six-monthly reports on Procurement and Health and Safety after deciding last year that it wished to have greater oversight of these two areas of work. It noted a positive picture for Health and

Safety within the Council and received information about a variety of initiatives and campaigns during the year. With regard to Procurement, members received details of contracts let over £50,000 and instances where exceptions to Contract Procedure Rules had been requested. Members also asked questions about the Superfast Essex Rural Broadband project.

Ombudsman Annual Review

23. The Local Government and Social Care Ombudsman's annual review letter was presented to the Committee for the first time during 2017/18. Previously it was reported on a more informal basis through the Members' Bulletin, but officers felt it would be of benefit for members to have a more formal oversight of this important document. The Committee noted that one complaint against the Council had been upheld during 2016/17, but this had been resolved in the form of an apology to the complainant.