Governance and Audit Committee

Tuesday, 24 September 2024 at 2.00 pm
Council Chamber - South Kesteven House, St. Peter's Hill, Grantham. NG31 6PZ

SOUTH KESTEVEN DISTRICT COUNCIL

Committee Members: Councillor Tim Harrison (Chairman)
Councillor Helen Crawford (Vice-Chairman)

Councillor Bridget Ley, Councillor Charmaine Morgan, Councillor Rob Shorrock, Councillor Peter Stephens, Councillor Paul Stokes, Councillor Mark Whittington and Councillor Sue Woolley

Agenda

This meeting can be watched as a live stream, or at a later date, via the SKDC Public-I Channel

1. **Apologies for absence**

2. **Disclosure of interests**
    Members are asked to disclose any interests in matters for consideration at the meeting.

3. **Minutes of the meeting held on 16 July 2024** (Pages 3 - 15)

4. **Internal Audit Progress Report** (Pages 17 - 38)
    Update from the Council's Internal Auditors

5. **Annual Health and Safety Report 2023/24** (Pages 39 - 59)
    This report presents the Annual Health and Safety report for 2023/24. It provides an overview of South Kesteven District Council's management of health and safety. It summarises progress made and areas of focus for the coming year and identifies the accident rates and types for this period. This report includes the Emergency Planning and Business Continuity actions and plan for that same period.

Meeting of the Governance and Audit Committee

Tuesday, 16 July 2024, 10.00 am

SOUTH KESTEVEN DISTRICT COUNCIL

Committee Members present

Councillor Tim Harrison (Chairman)
Councillor Helen Crawford (Vice-Chairman)
Councillor Bridget Ley
Councillor Charmaine Morgan
Councillor Paul Stokes
Councillor Mark Whittington

Cabinet Members
Leader of the Council, Councillor Ashley Baxter
Cabinet Member for Corporate Governance and Licensing, Councillor Philip Knowles

Officers
Richard Wyles, Deputy Chief Executive, Section 151 Officer
Graham Watts, Assistant Director (Governance and Public Protection) and Monitoring Officer
Paul Sutton, Interim Head of Finance, Deputy 151 Officer
Tracey Elliot, Governance and Risk Officer
Lucy Bonshor, Democratic Officer

---

15. Apologies for absence

Apologies for absence were received from Councillor Sue Woolley and Councillor Peter Stephens.

16. Disclosure of interests

No interests were disclosed.

17. Minutes of the meeting held on 19 June 2024

The minutes of the meeting held on 19 June 2024 were proposed, seconded and **AGREED** as a correct record.

18. Updates from previous meeting

All actions were complete.

19. External Audit Plan and Strategy for the Year Ending 31 March 2024

The External Auditor from KPMG, Audit Director Salma Younis presented the draft External Audit Plan and Strategy for the year ending 31 March 2024 to the Committee. The Audit Plan set out the risk assessment of the work carried out by the External Auditors and the significant risk areas that the Auditors would be focusing on. Other standard risk areas would be looked at but were not included in the significant risk areas.

The Committee were referred to page 19 of the agenda pack which outlined the scope of the work to be carried out in respect of the audited accounts and the materiality levels that would be looked at. An audit threshold of £82.5m had been set and anything audited above this amount would be reported to the Governance and Audit Committee.

Page 20 of the agenda pack listed specialist teams that supported the auditors and this included KPMG's Pensions Centre of Excellence which would look at the balances in respect of the Council's local government pensions scheme and also a Real Estate Valuation Team that would look at the Council's asset valuation in respect of the audit.

The group audit scope included LeisureSK Ltd but this would be audited separately by another auditor, however, it would be looked at for the purposes of consolidating the group accounts only.

The Audit Director then referred to the five significant risk areas summarised within the Audit Plan and these were:

- Land and buildings
- Investment property
- Management override of controls
- Valuation of post-retirement benefit obligations
- Expenditure recognition

A further audit risk was where Revenue expenditure was inappropriately recognised as capital expenditure.

The Auditor then spoke about Revenue Recognition which was a mandatory audit risk that auditors had to apply across all areas and this was explained within the plan and covered the income streams such as;

- Council tax
- Business rates
- Fees and charges

- Grant income

The rationale was included in the plan against each income stream which had been rebutted as it was felt that often, rather than income this was an expenditure risk to allow a balance budget for the end of year.

As well as auditing financial statements the auditors also looked at Value for Money (VFM) arrangements. The risk assessment approach of the auditors was set out in the plan but unfortunately this had been unable to be progressed at the current time and the Committee would receive the arrangements at a future meeting, as they were still awaiting final documents from management. The three areas that would be looked at covered; Financial sustainability, Governance, and Improving economy, efficiency and effectiveness. There was no change to the framework that had been outlined by the previous auditors.

The appendices to the plan and strategy included details on the audit team, confirmation of independence, KPMG's Audit quality framework and the auditing standards.

The Auditor was thanked for her report and the well laid out documents presented. Comments were made about the challenges nationally with the late sign off of accounts by Auditors and the backlog that was being experienced nationally. South Kesteven District Council were in a better position than most other authorities.

The changing regulator requirements were unhelpful, but plans had been put in place to address the backlog with some auditors issuing Audit Disclaimers.

A question was asked in respect of actual and potential risks and the Member was referred to the plan and the risks outlined.   A further question was asked in respect of the Value for Money documentation and the Interim Head of Finance indicated that the documents would be available by the end of the week, as it was a new auditor it had necessitated a completely new document being compiled.

A comment was made about the valuation of assets and it was confirmed that the District Valuer was used to value assets for the accounts. Another comment was made about the audit risks and the overriding of controls by management to which the Deputy Chief Executive and Section 151 Officer replied that there was no concern at the present time.

Members noted the draft plan and strategy.

20. Counter Fraud Annual Report 2023/24

The Deputy Chief Executive and Section 151 Officer presented the Counter Fraud Annual Report 2023/24. As part of the Committee's terms of reference it was a requirement to produce an annual report on the counter fraud arrangements in place and the activities undertaken. The report documented the work undertaken during 2023/24 and indicated the work that would be undertaken during 2024/25.

The document was split into four broad headings covering:

- Counter Fraud Risk Assessments
- Housing Benefit and Council Tax Support Fund
- Single Person Discount
- Business Rate Relief – Retail Discount

It was stated that one area of work for the Committee to consider receiving information on was in respect of the risk assessment work carried out by the previous internal auditors RSM, working with senior officers to develop a Fraud Risk Register which had been developed and independently verified.

The document highlighted key theoretical risk areas across the authority around internal controls such as:

- Segregation of duties
- Separation of roles and responsibilities
- External frauds around claimants and inappropriate declarations

The document would help direct future work plans of the internal audit and also senior management. The information could be used to generate a Heat Map using the RAG status to show where vulnerabilities lie and what measures and processes could be put in place to help strengthened these areas. Work was still progressing on the document and the Committee would be kept informed of its progress during the year.

Further work was being done in respect of Housing Benefit and Council Tax Support Fund and the potential for fraud vulnerabilities in this area. The council was working closely with the DWP on any referrals and false declaration information. Members were referred to the table at 4.7 of the report which detailed the Housing Benefits Overpayments made during 2023/24. There was around a quarter of million pounds of fraud debt that had been identified either through the DWP or whistleblowers. There was a dedicated officer that was focused solely on this type of work looking at referrals and reclaimants.

The other area of work was in respect of Single Person Discount (SPD) and this was where a person self-declared that they lived in a property on their own and received a 25% discount on their Council Tax. This was policed by the individual and it was their responsibility to notify the council of any changes. This area was open to fraud and the Council had worked with an external provider in March 2024 to review the SPD which had resulted in the removal of 573 from the Council Tax account and generated revenue of £75,611. The review would be complete in August 2024 and it was proposed that a rolling review rather than an annual review be put in place and that the analysis of further options would be explored including the use of a fraud referral service to identify historic cases for revenue collection and options to pursue sanctions, including prosecution. The use of a fraud referral service provided all the information required to demonstrate strong grounds to challenge those claimants who appear to have deliberately lied to maintain their

discount or exemption and those who had not declared appropriately were open to a £70 fine.

The other area where fraud work had been undertaken was in respect of the Business Rate Relief in respect of the retail, hospital and leisure sector post the Covid pandemic. The Chancellor had announced a new business rates relief scheme for retail, hospitality and leisure properties for 2023/24 with a 75% relief, up to a cash cap of £110,000 per business.   The Council had applied the relief when the annual business rates bill had been raised in March 2023. Included in the bill was a letter requesting the ratepayer to complete an on-line form either opting-in or opting-out of the relief scheme. For those who had opted-out or did not complete the form their relief was removed and amended bills issued on 1 May 2023. As of 31 March 2024, the Council had awarded business rates relief in the sum of £3,625,161.

Comments were made in respect of the banding areas where most Council Tax fraud took place, housing and planning allocations, benefit overpayments, Single Persons Discounts, the effect of Universal Credit on benefits to which the Deputy Chief Executive and Section 151 Officer responded.

It was proposed, seconded and **AGREED** to approve the Counter Fraud Annual Report for 2023/24.

Decision

That the Governance and Audit Committee approve the Counter Fraud Annual Report for 2023/24.

21. **Counter Fraud Strategy 2024-26**

The Cabinet Member for Corporate Governance and Licensing introduced the report. As part of the Committee's terms of reference, one of the key areas was the monitoring and review of the counter fraud arrangements in place. The Counter Fraud framework had been reviewed and the Whistleblowing and the Anti-Money Laundering Polices had been removed as it was felt that these should be standalone policies as they may cover things that may not be related to fraud.

The Counter Fraud, Bribery, and Corruption Strategy 2024-26 aligned to the Fighting Fraud and Corruption Locally (FFCL) 2020: A strategy for the 2020s, the counter fraud and corruption strategy for local government which was endorsed by a range of organisations including the Local Government Association, CIPFA Counter Fraud Centre and SOLACE.

The Counter Fraud, Bribery, and Corruption Strategy 2024-26 aligned to the FFCL's pillars of activity; Govern, Acknowledge, Prevent, Pursue and Protect and these were detailed within the report.

Members were supportive of the document and it was stated that the detail within the document was at a high level. The Governance and Risk Officer referred Members to page 68 of the agenda pack which detailed the key priorities for the period and the proactive programme of activity to be undertaken.

The Interim Head of Finance stated that the document would influence the Internal Audit Plan and the key controls in place, although they would not look directly at fraud.

One Member referenced the Corporate Risk Group at the County Council to which the Governance and Risk Officer replied that there was a Risk Management Group which covered, fraud, internal audit and insurance which was similar. The Statutory Officers within the Council received regular reports on any issues raised.

The Cabinet Member for Corporate Governance and Licensing thanked the Governance and Risk Officer for her work on the document together with the other officers involved. Reference was also made to the mandatory training sessions on counter fraud that Members should be attending.

It was proposed, seconded and **AGREED** to approve the Counter Fraud, Bribery, and Corruption Strategy 2024-26.

Decision

That the Governance and Audit Committee approves the Counter Fraud, Bribery, and Corruption Strategy 2024-26 as appended to the report at Appendix A.

22. **Whistleblowing Annual Report 2023/24**

The Cabinet Member for Corporate Governance and Licensing introduced the report and reminded the Committee that they had approved the Whistleblowing Policy 2024-26 at the last meeting of the Committee.   The report before the Committee summarised the instances of whistleblowing allegations that had been received during 2023/24.

The Whistleblowing Policy had been separated from the Counter Fraud Framework. During 2023/24 14 allegations of whistleblowing had occurred, 11 had been reported through the whistleblowing hot line and three direct from members of the public direct to the Council. All allegations had been made by external people.

Paragraph 4.3 of the report summarised the categories of disclosures made during 2023/24. The Statutory Officers Group received a monthly whistleblowing report which included any investigation reports in respect of whistleblowing disclosures and the Group reviewed the reports and agreed the actions to be taken where appropriate.

A comment was made about vexatious whistleblowing allegations and it was stated that due diligence was carried out on all allegations made.

Identification of whistleblowers was highlighted and it was stated that it was often more difficult to investigate anonymous allegations and an example was given of an incident that more information had been gained by repeat contact with the person making the allegation. To enable a clear audit trail in respect of allegations a Confidential Whistleblowing Investigation Report template was appended to the report to be completed in respect of all allegations made.

Comments were made in respect of the alleged incidents and the outcomes and other reporting mechanisms to which the Governance and Risk Officer replied.

The Committee noted the report.

23. 2023/24 Statement of Accounts Audit Update

The Leader of the Council introduced the report which updated the Committee on the progress of the Statement of Account for 2023/24. A full statement of accounts was not expected before November 2024. The issues with the close down and auditing of the Statement of Accounts within Local Government had been well documented. Nationally there was a shortage of auditors, the issue had become so severe that the Department of Levelling Up, Housing and Communities (DLUHC) had intervened and had created phased deadline dates or back stop dates for each financial year's accounts and these were detailed in the report.

Some local authorities had two years outstanding accounts, with some having three and four years outstanding accounts, it was not known what the consequence of not meeting the back stop dates would be, but it was expected that auditors would make a modified or disclaimer opinion on the outstanding accounts.

The Council was not in that position with the accounts for 2022/23 as they had been in only 10% of local authorities who had their accounts audited. Progress on the 2023/24 Statement of Accounts had been positive, however there were a small number of issues that had delayed the provisional outturn, including the implementation of a new housing rent system and staffing capacity issues.

The main issue that had impacted the closedown of the financial year had related specifically to the implementation of a new housing rent system. The system had gone live in January 2024 and the information required for the outturn of the accounts had proven difficult to acquire. The implementation of the Council's new finance system, Unit 4, was also having an impact as the finance officer's input was required throughout the implementation.

Comments were made about staffing capacity around the new systems that had been implemented to which the Interim Finance Officer replied.

The Committee noted the current position.

24. Draft Annual Governance Statement 2023/24

The Leader of the Council introduced the report. The Draft Annual Governance Statement 2023/24 formed part of the Statement of Accounts and was a statutory document required by the Accounts and Audit Regulations 2015. The document assessed how the Council had complied with the Local Code of Corporate Governance, provided an opinion of the effectiveness of the Council's arrangements and provided details of how the continued governance would be achieved. The Statement was issued annually and would be issued with the Statement of Accounts in November. The content of the Foreword of the document remained the same, how the Council would be held to account and how the Corporate Plan goals would be achieved in an effective way.

The Deputy Chief Executive and Section 151 Officer stated that the document was for noting, but also for the Committee to provide feedback that the document reflected accurately the work that the Council had undertaken. It was a key document that the external auditors, KPMG would look at together with external bodies to see the work of the Council. The document should show how the Council was open and transparent in how it dealt with governance. The document followed the seven principles that had been set out by CIPFA and SOLACE in 2016 and the Council operated within that set framework. Reference was made to the Foreword which had been refreshed and updated to give a more open and pragmatic approach to the work of the Council and the journey that the Council was on and the changes to the Corporate Plan. The document was in draft format and would come back to the Committee with the Statement of Accounts in November 2024.

The Committee considered and noted the content of the report.

25. Provisional Outturn Report 2023/24

The Leader of the Council presented the report which concerned the Provisional Outturn Report for 2023/24. He thanked Officers for their hard work and diligence in putting all the reports together for the Committee. The report covered:

- The General Fund (GF) Revenue Budget
- The Housing Revenue Account (HRA) Budget
- The Capital Programmes – General Fund and Housing Revenue Account
- The Reserves Statement – General Fund and Housing Revenue Account

In introducing the report, the Leader commented on the new Housing System which had not interacted with the other accounting systems as expected, which had caused problems in retrieving the necessary data for the outturn report. The Leader also commented on the scheduling of the report to the Governance and Audit Committee, ideally the report should have been to the Finance and Economic

OSC first, however, this had not happened even with the change of date for the Finance and Economic OSC.

The Council was in a relatively positive position, it had been anticipated that £1.534m of the Budget Stabilisation Reserve would be needed during 2023/24 in response to an unprecedented increase in budgets relating to utilities, inflation, material and fuel costs. However, the Budget Stabilisation Reserve had not been required as the situation had improved which had given the Council more flexibility with the General Fund and the Housing Revenue Account budgets. The Provisional Outturn report had been considered and debated at a recent Cabinet meeting and would be going before the next Finance and Economic OSC.

The Cabinet had considered a number of budget carry forwards which were listed within tables 1 and 3 of the report in respect of General Fund budget carry forwards and tables 6 and 8 of the report in respect of Housing Revenue Account budget carry forwards. Regular monitoring reports had been provided throughout the year to keep Members informed of the accounting position and that the requirement to use the Budget Stabilisation Reserve was not needed due to the Council's investments performing better than expected and the way that the Council had managed its money internally.

It was proposed that two reserves were strengthened and these were the ICT Reserve, an increase of £200K and the Property Maintenance Reserve, an increase of £250K which reflected the importance of keeping these reserves at a level that enabled continued investment to be made. Reference was made to the recent cyber-attacks on ICT systems nationally and the need to have systems that were up to date and resilient to attacks. It was proposed that new reserves were formed and these were:

- The creation of a Flood Reserve of £30K to fund unforeseen costs in the event of extreme weather conditions such as Storm Babet.
- The creation of a Leisure Investment Reserve of £200K in order to provide one-off funding in respect of leisure initiatives, with reference being made to the investments required in respect of the management and maintenance of the leisure centres and the change in government policy following the recent election. Reference was also made to the £850K reserve already in place in respect of the Deepings Leisure Centre if and when it materialised.

The report gave a positive position in respect of the outturn for 2023/24 taking into account the concerns that had been made at the beginning of the year in respect of energy prices and investment returns and he asked the Committee to approve the recommendations contained within the report.

The Deputy Chief Executive and Section 151 Officer reminded the Committee that they approved the recommended reserve movements that had been outlined by the Leader.   The Deputy Chief Executive and Section 151 Officer also highlighted the delegation within the recommendation which had been amended at Cabinet to also

include the Cabinet Member for Housing. The reason for the delegation was that work was continuing in respect of the Statement of Accounts and the working balances would need to be signed off and the end of year entries were still to be confirmed.   The GF and HRA balances needed to work within a tolerance of between 10% - 15% of the net operating expenditure which had been set by Council and was a target that needed to be worked towards. It was possible that amendments could be required to reach this target.

The Deputy Chief Executive and Section 151 Officer confirmed that the Cabinet had approved the carry forwards as outlined within the report at their recent meeting which were for noting by the Committee. He referred Members to the appendices of the report which gave greater detail in respect of the General Fund and Housing Revenue Account and also the Revenue Capital and Reserves for each area. Members were referred to table 4 and table 9 of the report which detailed the General Fund Capital Outturn Position and the Housing Revenue Account Capital Outturn Position and the capital programme that had changed significantly from the start to the end of the year, with most budgets being carried forward to the current financial year.   The bolstering of the budgets that had been mentioned had been made in consultation with the Cabinet and were due to either spending pressures or the ambition to carry through with the project work.

Members noted the comments that had been made around the sequencing of the report to the various committees and the recommendations proposed and the reasons put forward for strengthening certain budgets and creating new budgets. The Leader made reference to recommendation 3 which was the transfer of £100K from the HRA Priorities Reserve to create a HRA Climate Change Reserve which he felt was something to celebrate as it would enable climate change mitigation and adaptation measures within the Council's housing stock and he wanted to draw the Committees attention to that recommendation.

One Member commented on the carryover of funding in respect of the Rough Sleeper project which she had concerns about, she asked what progress had been made with the project and what action was being taken to spend the funding this year.   The Deputy Chief Executive and Section 151 Officer indicated that updates were given to the Housing OSC and that the Officer in charge of this funding was the Head of Housing, he stated that he would be happy to ask that an update be given to the Member concerned.

Further comments were made in respect of the layout of the report which was easy to follow and the explanations given. The recommendations contained within the report were proposed, seconded and **AGREED.**

Decision:

That the Governance and Audit Committee:

1. *Reviewed and approved the provisional Revenue and Capital Outturn Position and associated appendices for the financial year 2023/24.*

2. *Reviewed and approved the following reserve movements in respect of the General Fund:*

   - *£680k of the Business Rates Volatility Reserve to be transferred to the:*

     - *ICT Reserve – to be increased by £200k*
     - *Property Maintenance Reserve – to be increased by £250k*
     - *The creation of a Leisure Investment Reserve of £200k*
     - *The creation of a Flood Reserve of £30k*

3. *Reviewed and approved the following reserve movement in respect of the Housing Revenue Account:*

   - *Transfer £100k from the HRA Priorities Reserve to create a HRA Climate Change Reserve*

4. *Delegate to the Deputy Chief Executive and s151 Officer in consultation with the Cabinet Member for Finance & Economic Development and the Cabinet Member for Housing to finalise the reserve movements in order to ensure the Working Balance level for the General Fund and the Housing Revenue Account are maintained at prudent levels.*

5. *Notes the Budget Carry Forwards as shown within the report at Sections 3, 4, 5 & 6.*

26. **Proposed amendments to the Council's Constitution**

The Cabinet Member for Corporate Governance and Licensing presented the report to the Committee. He withdrew recommendation 2 as outlined within the report as there was already a mechanism within the Constitution for a Committee to deal with these policies.

The Committee was only dealing with the recommendations contained at recommendation 1 which was split into three:

   a) Provision of a public open forum at meetings of Cabinet.
   b) Provision of Member questions at meetings of Cabinet.
   c) Provision of Member questions at the annual meeting of Full Council.

The recommendations introduced further measures to allow Members and the public to question the Leader and the Cabinet in a formal meeting. Currently there was a public forum at the beginning of Full Council to allow the public to ask questions. However, due to the length of recent Full Council meetings Members open questions, where there was an opportunity to ask questions of the Leader and Cabinet Members, had not been able to take place. The Cabinet Member for Corporate Governance and Licensing felt that it was an important right of Members to be able to question the Leader and other Cabinet Members and ask questions about their communities and also the business of the Cabinet.

During the last few months, the Leader had given Members the opportunity to ask questions at Cabinet meetings and it was now proposed that this became a right of Members to be able to ask questions at Cabinet meetings and that this be added to the Constitution. It was also proposed that this right be extended to the public and that a public open forum be held at the start of Cabinet meetings, the rules of which would be included within the Constitution and follow the rules already in place for public speaking at other meetings.

A further proposal was that the Constitution was amended to allow for Members Open questions to be included on the agenda at the Council AGM.

Members welcomed the proposals put forward. Comments were made in respect of when questions could be asked and it was stated that the Members Open Questions proposed at Cabinet was in addition to Members being able to ask questions on particular agenda items. Further comments were made in respect of the submission of written questions and timeframes and it was stated that having questions in advance, allowed for a more informative response to be given. The Leader stated that questions could be asked of the Leader and Cabinet at any time, not just in the public domain via the Council's meetings.

Further comments were made about time and the length of Full Council meetings and the timing of Lincolnshire County Council meetings. It was commented that the agenda for Full Council meetings at South Kesteven were often "heavy" however, the length of time was not helped by some Members taking too long to make their point on an agenda item. Questions in advance of any meeting were always better as a more informative response could be given.

The recommendations as outlined within the report at recommendation 1 were proposed, seconded and unanimously **AGREED.**

Decision

**That the Governance and Audit Committee recommends the following constitutional amendments to Full Council:**

> _**a) Provision of a public open forum at meetings of Cabinet.**_
> _**b) Provision of Member questions at meetings of Cabinet.**_
> _**c) Provision of Member questions at the annual meeting of Full Council**_

27. Work Programme 2024-2025

Nothing was added to the Work Programme.

28. Any other business, which the chairman, by reasons of special circumstances, decides is urgent.

There was no other business to discuss and the meeting closed at 11:51.

This page is intentionally left blank

INTERNAL AUDIT PROGRESS REPORT

SOUTH KESTEVEN DISTRICT COUNCIL

September 2024

IDEAS | PEOPLE | TRUST

CONTENTS

SUMMARY OF SEPTEMBER 2024 WORK

INTERNAL AUDIT

This report is intended to inform the Governance and Audit Committee of progress made against the September 2024 internal audit plan. It summarises the work we have done, together with our assessment of the systems reviewed and the recommendations we have raised. Our work complies with Public Sector Internal Audit Standards. As part of our audit approach, we have agreed terms of reference for each piece of work with the risk owner, identifying the headline and sub-risks, which have been covered as part of the assignment. This approach is designed to enable us to give assurance on the risk management and internal control processes in place to mitigate the risks identified.

INTERNAL AUDIT METHODOLOGY

Our methodology is based on four assurance levels in respect of our overall conclusion as to the design and operational effectiveness of controls within the system reviewed. The assurance levels are set out in Appendix 1 of this report and are based on us giving either 'substantial', 'moderate', 'limited' or 'no'. The four assurance levels are designed to ensure that the opinion given does not gravitate to a 'satisfactory' or middle band grading. Under any system we are required to make a judgement when making our overall assessment.

SEPTEMBER 2024 INTERNAL AUDIT PLAN

We have made good progress in the delivery of the September 2024 audit plan.

We have completed and are pleased to present the following reports to this Governance and Audit Committee meeting:

▶ Staffing Capacity and Capability

▶ Social Housing Decarbonisation Fund

▶ Independent Grant Assurance - we have undertaken a third-party assurance assignment and provided reasonable assurance for the Council's Spending (Expenditure) Summary under the Transition Fund (Reference: IPTF-00591771(Lottery)) for 1 April 2023 to 5 July 2024. This is a grant administered by the Arts Council England.

Planning is underway in respect of the following audits:

▶ Homelessness

▶ Income Generation

▶ Business Continuity and Disaster Recovery.

We anticipate presenting these reports at the next Governance and Audit Committee meeting.

REVIEW OF SEPTEMBER 2024 WORK

AUDIT	EXEC LEAD	GOVERNANACE AND AUDIT COMMITTEE	PLANNING	FIELD WORK	REPORTING	DESIGN	EFFECTIVENESS
Staffing Capacity and Capability	Fran Beckitt	24 September 2024	✓	✓	✓	M	S
Social Housing Decarbonisation Fund	Alison Hall-Wright	24 September 2024	✓	✓	✓	M	M
Art Council Grant Review (3rd party assurance)	Richard Wyles	24 September 2024	✓	✓	✓	N/A	
Homelessness	Alison Hall-Wright	27 November 2024	✓	✓			
Income Generation	Paul Sutton	27 November 2024	✓	✓			
Business Continuity and Disaster Recovery	Alison Hall-Wright	27 November 2024	✓				
Council Tax and NNDR	Richard Wyles	22 January 2025	✓				
Main Financial Systems	Paul Sutton	19 March 2025	✓				
Data Protection and FOI, EIR and SAR	Graham Watts	19 March 2025	✓				

STAFFING CAPACITY AND CAPABILITY

SRR REFERENCE: UNABLE TO MAINTAIN AND BUILD SUFFICIENT STAFFING CAPACITY AND CAPABILITY

Design Opinion	M Moderate	Design Effectiveness	S Substantial

Recommendations	0	0	3

SCOPE

BACKGROUND

▶ Staffing capacity and capability requires having the right number of employees to meet operational needs, including effective workforce planning, recruitment and retention strategies and the right skills, knowledge and competencies required to perform the roles effectively to meet strategic organisational objectives. This includes assessing skill frameworks, training programmes, performance management systems and leadership development initiatives.

▶ Effective workforce planning is key to ensuring the right number of people with the right skills, are in the right place at the right time to deliver short and long-term organisational objective. It also forecasts the future workforce needs to ensure organisations will continue to thrive with a talented and competent workforce.

▶ South Kesteven District Council (the Council) recognises the importance of maintaining a skilled, diverse, and engaged workforce to effectively serve its community. It has c570 staff across its service areas, with a significant portion of this staff in older age brackets (above 40 years). To maintain service delivery to residents, it is critical the Council has effective workforce and succession planning arrangements to ensure the continuity of essential functions, retain critical knowledge and skills, and maintain a stable and competent workforce.

▶ The Council's 2022-2025 People Strategy approved by the Employment Committee in 2022, focuses on six key areas: Recruitment/Workforce Planning; Reward and Recognition; Engagement, Equality, Diversity and Inclusion; Development; and Wellbeing. These key focus areas are centred around attracting and retaining the right people, developing high-performing individuals and strengthening staff engagement to create an inspired workforce. As a key component towards driving high performance, the strategy aims to create a flexible, innovative organisation that has the right skills, resilience and motivation to deliver and achieve the Council's objectives.

PURPOSE

▶ The purpose of the audit is to analyse the Council's workforce planning and succession planning arrangements, and how strategically positioned it is to attract the younger generation towards driving continuity of process and ascertain whether there are appropriate controls in place to support identification of critical and senior roles, strategy development, staff networks and changing organisational needs.

AREAS REVIEWED

As part of the scope of this audit the following areas were reviewed:

▶ The Council's workforce and succession plans, to assess alignment with the People Strategy and clarity of staff development opportunities

▶ Existing strategies for engaging younger demographics, including apprenticeships and graduate programmes

▸ Identification of senior and business-critical roles, and development of succession plans for these positions and whether external recruitment was being considered as an alternative option

▸ The performance appraisal process and its link to development opportunities and whether high-performing or talented staff are identified through the appraisal process

▸ Whether leadership training programs are being provided to current and potential leaders to carry out their roles, to promote retention and career progression within the Council

▸ The existence and effectiveness of employee resource groups or support networks within the Council

▸ The Council's Equality, Diversity and Inclusion (EDI) Strategy to determine if it adequately outlines the intentions of the organisation, and if these intentions have been implemented

▸ Evidence of documented career progression pathways and how these are communicated to employees and analysed exit interview data to identify whether exit trends relate to career growth factors; we sampled five exit interviews to assess if there were key themes identified for leaving the Council

▸ Whether skills base reviews have been conducted within service areas to identify potential skill gaps and if training has been implemented to correct these areas where they exist.

AREAS OF STRENGTH

We have identified the following areas of good practice:

▸ A workforce plan is in place at the Council which was developed in April 2024. It provides a road map on how the Council plans to develop staff experience, staff capability, build leadership capacity, and a fit to deliver culture while ensuring the staff are ready for the future needs of the Council. Staff development activities included budgeted training plans for identified staff with training needs informed through the appraisal process; planned and current apprenticeship training programmes; lists of available training courses offered through the Council's learning management system (LMS); development initiatives ie Line Manager mentoring programmes; 'Take your colleague to work day', available where required; bitesize courses provided internally on topics such as project management, climate change and Finance and Budget for managers. These are monitored quarterly to ensure they have been completed by staff, and effectively planned by the People Team.

▸ The Council maintains a detailed tracker for appraisals. This documents all staff appraisals which have been received, the service areas they are from, and the learning and development needs which have been identified and agreed for each appraised staff.

▸ There is a guidance document in place on how appraisals should be completed. Although this is aimed at the appraisee, there are training slides available for line managers to guide them through the process. A workshop was organised in March 2024 to educate line managers on the appraisal management process.

▸ The Council has published its annual equality position statement, which was reviewed and approved by the Employment Committee and Corporate Management Team respectively. It has set and published its four-year equality objective and has an up-to-date equality policy in as required by the Public Sector Equality Duty, set by law as part of the Equality Act 2010. The policy is comprehensive, covering multiple aspects of EDI, including workforce development, community engagement, and service delivery. It sets clear objectives and outlines specific actions to achieve these goals, such as introduction of the new Equality Impact Assessment (EIA) process requiring consultation and review of impact of processes, projects and policies on protected characteristics, implementing EDI Allies across service areas. There is

ongoing EDI training for the Senior Leadership Team, with sessions covering topics such as the importance of EDI in the workplace, current EDI practices and plans.

‣ The Council maintains a comprehensive career development policy, which provides clear development opportunities for staff at all levels, from entry-level apprentice to experienced professionals. It includes career grades, pathways, apprenticeships, and a graduate scheme. The policy outlines clear strategies for talent attraction and growth, emphasising continuous learning and talent management. This is demonstrated in the detailed career progression plan for Environmental Health Officers, which provides a structured framework for advancement, linking experience, qualifications, and skills to specific salary grades (SK13-SK16). The career development initiatives demonstrate the Council's commitment to 'growing their own' talent.

‣ The Council holds monthly business partnership meetings where evaluation of the learning and development progress made in each area is discussed. There is a detailed analysis of learning and development efforts of staff in the service areas, including a review of the qualifications members of the team are working towards and relevant bitesize training applicable for staff in the service area, to address skills gap and improve employee engagement. There is also a Senior Team Training Needs Analysis completed by the Council in July 2024, demonstrating a structured approach to leadership development, where competences across crucial areas such as emotional intelligence, HR processes and operational skills were assessed.

‣ There is a work placement scheme in which pupils at local schools can reach out to the Council to undertake work experience. The Council maintains a tracker to monitor when the placement is taking place and the area in which the individual wishes to undertake their placement. There is a clear induction PowerPoint in place which outlines key information about the Council and the intended service area of placement.

‣ The Council has developed the line manager and senior managers forums to help support managers, identify development opportunities and encourage shared learning experiences, and how to deal with and have difficult conversations.

The following development opportunities and training have been provided for managers and senior managers:

- Project Management Bitesize Sessions
- Presentation skills workshop
- Decision making bitesize workshops
- Recruitment and interviewing skills for managers
- MBA Leadership Level 7 personal development for a Senior Manager aspiring to progress to Director
- Director Course for an Assistant Director as part of succession plan deployment to create 'ready' Directors.

	Finding	Recommendation and Management Response
AREAS OF CONCERN	There were three lows, which covered the areas of feeling in gaps for successors, emergency cover, and development needs, enhancing the degree apprenticeship programme as a recruitment pathway as well as staff networks and forums not having documented terms of reference.	Management has provided reasonable responses and has committed to show progress on improving these areas by 31 March 2025 Responsible Officer and Implementation date Fran Beckitt - Head of Service, Human Resources and Organisational Development 31 March 2025

CONCLUSION	We provide Moderate assurance over the design of controls and Substantial assurance over the effectiveness of controls relating to the Council's staffing capacity and capability arrangements. Control Design: ▸ The Council generally has a sound system of controls designed to achieve its workforce planning and development objectives, although there are some exceptions. ▸ There was evidence of good practice in the workforce plan being aligned with the 2022-2025 People Strategy, focusing on key areas such as recruitment, development and engagement, and a detailed career development policy providing clear progression pathways for stall at all levels. ▸ However, the opinion is principally driven by the following low findings: • The Succession Plan while in place, has some gaps of information which should be completed and updated. • Staff networks and forums lacking sufficient governance arrangements, such as formal terms of reference, potentially limiting their effectiveness. Control effectiveness: ▸ Significant good practices were identified in several areas, including: • Regular business partnership meetings to evaluate learning and development progress • Implementation of line manager and senior manager forums for shared learning and development • Detailed Senior Team Training Needs Analysis demonstrating a structured approach to leadership development.

SOCIAL HOUSING DECARBONISATION FUND

SRR REFERENCE: SUPPORTING COMMUNITIES

Design Opinion	M Moderate		Design Effectiveness	M Moderate

Recommendations	0	7	0

SCOPE

BACKGROUND

▶ The Social Housing Decarbonisation Fund (SHDF) is a UK government initiative aimed at improving the energy performance of social housing in England. The SHDF aims to upgrade a significant portion of social housing stock currently below Energy Performance Certificate (EPC) Band C up to that standard. It supports the installation of energy performance measures in social homes and facilitates the adoption of decarbonised heating systems. The SHDF aims to:

- Deliver warm, energy-efficient homes

- Reduce carbon emissions

- Tackle fuel poverty

- Support green jobs

- Develop the retrofit sector

- Improve the comfort and well-being of social housing tenants.

▶ Since 2019, the government have committed £3.8 billion to be invested over a 10-year period to improve the energy performance of social rented homes. This forms part of the wider net zero ambitions by 2050.

▶ There have been various waves of funding (Wave 1, Wave 2.1, Wave 2.2 and Wave 3) made available to support projects across England. The SHDF primarily targets local authorities, housing associations, and large residential landlords with aging property portfolios.

▶ South Kesteven District Council (The Council) is the largest local authority housing provider in the East Midlands, with a residential housing stock of approximately 6,000 properties.

▶ The Council was awarded £7.26m (with 50% co-funding) in April 2023 in Wave 2.1 of the Social Housing Decarbonisation Fund (SHDF), announced by the then Department for Business, Energy and Industrial Strategy (BEIS[1]).

▶ The Council has identified 367 properties within its housing stock with EPC rating of Band D-G that are eligible for the SHDF.

▶ The Council, in partnership with E.ON Energy Ltd (E.ON), is delivering the home modifications in three phases:

---

[1]BEIS split into three departments in 2023 but administered the SHDF. These departments are now: Department for Business and Trade (DBT), the Department for Energy Security and Net Zero (DESNZ) and the Department for Science, Innovation and Technology (DSIT). Any references to BEIS in this document are now superseded by these departments.

- Phase 1- Solar PV installation

- Phase 2 – Air Source Heat Pumps (ASHP) installations

- Phase 3 – External Wall Installations (EWI).

PURPOSE

▶ The purpose of the audit was to determine whether appropriate controls are in place to manage the use of the £7.26m SHDF funding that has been allocated to upgrade the planned 367 social housing properties and whether energy efficiency targets for these properties have been met.

▶ For clarity, this report is to provide the Council with assurance over the adequacy of the controls in place and is not designed to provide assurance to any other parties that the grant was used in line with any grant agreement or to detect fraud.

AREAS REVIEWED

▶ As part of the scope of this audit, the following areas were reviewed:

▶ The project plan to assess it was robust and aligned to the SHDF Wave 2.1 objectives

▶ The monitoring and oversight processes throughout the entire project to assess whether there was adequate governance of projects by accountable officers

▶ Monthly Delivery Confidence Assessment (DCA) project meeting reports between the Project team and the BEIS's appointed consultant (Turner and Townsend) between November 2023 and June 2024 to assess whether information was clearly reported to external stakeholders on the project's progress

▶ The contract with E.ON for the delivery of the SHDF Wave 2.1 project to assess whether it complied with SHDF guidance and clearly stated the roles and responsibilities of the Council and E.ON

▶ Financial management and oversight of contractor payments, including invoices paid, valuation reports and monthly progress reports to DESNZ to ascertain the forecasted and actual spend reporting and assurances over the financial controls in place

▶ Minutes of weekly meetings between E.ON and the Council between November 2023 and June 2024 to assess whether the project was appropriately scrutinised with the contractors, with sufficient monitoring of actions agreed and issues identified

▶ A sample of 10 properties in receipt of funding for Phase 1 Solar PV upgrades to ascertain whether these were inspected to ensure that the upgrade works met the required standards, with sufficient quality control documentation retained, before the payment was made to the contractor

▶ Six-monthly reports presented to the Housing Overview and Scrutiny Committee to assess the accuracy and quality of information provided to members

▶ Arrangements for identifying and sharing lessons learnt to inform the grant management controls for Wave 3 funding.

AREAS OF STRENGTH

We identified the following areas of good practice:

▶ There was a robust procurement process for the appointment of E.ON as the principal contractor for the project. E.ON were directly awarded the contract using the Fusion21 Decarbonisation Framework, providing assurance over its credentials and experience to complete the works.

▶ The roles and responsibilities of the Council and E.ON were clearly defined in the contract. This established terms for the installations, inspections and performance monitoring arrangements for Wave 2.1.

▶ There was monthly reporting to BEIS's consultant (Turner and Townsend) through the DCA meetings, supporting effective stakeholder management and demonstrating the Council's commitment to transparency over the use of the grant funding.

▶ The Council, in partnership with E.ON, used digital tools such as Greenlake to analyse its housing stock and obtain the energy ratings of each property. It also engaged InfraRed Technologies (IRT) Surveys Ltd to use their DREam platform for quantified

energy modelling, demonstrating a data-driven approach to effectively identify and prioritise properties below EPC band C for the SHDF Wave 2.1 funding. This approach is aligned with the objectives of the grant funding scheme.

▶ The project plan was comprehensive, covering key stages from project inception to completion with defined milestones and expected timelines, although there were delays in the commencement of the project (see Finding 1)

▶ Six-monthly reporting to the Housing Overview and Scrutiny Committee provided a clear overview of the project's progress and identified challenges and mitigation plans for issues arising. The reporting frequency was aligned to SHDF guidance for regular oversight.

AREAS OF CONCERN

Finding	Recommendation, Management Response, Responsible Officer and Implementation date
Due to gaps in skills and capacity within the existing team, there was a seven-month delay in the start of the Wave 2.1 project while the Council recruited a project manager (Finding 1 - Medium).	1a. The Director of Housing should prepare a business case ahead of the application for Wave 3 funding to cover the following areas: • Resources and staff capacity to manage and deliver the project • Skills assessment of existing staff to manage and deliver the project. Once Wave 2.1 has been completed, the Council may also wish to conduct a post-project review of lessons learnt to prevent similar incidents arising for future funding applications. 1b. Where projects are delayed, this should be reported to the relevant committees or groups within the governance and oversight structures, with explanations for the reasons for delays. **Management Response** 1a. The Management already have a team in place to both support the delivery of wave 3. A working group has been formed to support the development of the bid. The established team who are delivering wave 2.1 are currently- • Reviewing delivery capacity • Stock analysis • Further training requirements within team • Consideration to internal RLO/TLO within team • Lessons learned to be logged monthly 1b. Delays were communicated at committee meeting, problems/delays and reasonings will be included in future updates on SHDF report. Responsible Officer and Implementation date Alison Hall-Wright -Director of Housing Mark Rogers – Head of Service, Housing Technical Service Peter Park- Decarbonisation Project Manager Immediately

	We identified instances where properties had been upgraded beyond EPC Band C which requires contributions from the Council. There were other instances where documentation had not been retained to demonstrate the completion of the work (Finding 2 - Medium).	2a. The Council should engage with E.ON to review the upgrade strategy for properties achieving above EPC Band C to ensure cost-effectiveness and alignment with project goals to ensure all identified properties within Council stock with EPC Band D to G, are upgraded 2b. The Council should review all upgraded properties to identify how many have been improved beyond EPC Band C and perform a cost analysis to quantify the additional expenses incurred due to over-improvements which will need to be covered by Council 2c. If the Council has claimed the full funding for properties that have been upgraded beyond EPC Band C it should inform the DESNZ of this and agree further steps, ie repayment of contributions 2d. The Decarbonisation Project Manager should review the completed retrofit works to verify data accuracy, identify and update missing documentation as well as cross check all EPC certificates on file against online record to rectify any discrepancies. Management Response 2a. Modelling is completed prior to applying the measures, once the medium-term plan has been reviewed. Solar PV scores highly on the current rdSAP, however is only a single measure. 2b. As agreed with DESNZ/BEIS, if a single measure results in a property exceeding a EPC of C, providing this is only through match funding of a single measure and value for money can be evidenced, the property will still be eligible. 2c. This has been communicated with the department and discussed with the assigned SPOC at the monthly reviews with Turnor & Townsend as part of the DCA. 2d.The data is reviewed pre and post completion and numerous discrepancies have been highlighted, we have a DEA within the team who reviews each EPC lodged. Responsible Officer and Implementation date Peter Park- Decarbonisation Project Manager Immediately
	Based on the narrative on the June 2024 invoice from E.ON, it appears that an invoice was raised for Phase 2 installations despite the DCA Report stating that this work had been delayed and was subject to an underspend (Finding 3 - Medium).	3a. The Decarbonisation Project Manager should investigate the June 2024 invoice discrepancy highlighted in the finding to obtain assurance over the accuracy of the financial reporting in the DCA Report 3b. The Decarbonisation Project Manager should amend the Valuations Sheet to cross-reference each installation to the invoice reference. Management Response

	29	3a. Valuation and invoice sent evidencing spend in response, the DCA reporting shows committed spend, not actual spend. 3b. Process has been put in place to review valuations with QS on a monthly basis and to be reviewed with technical services monthly monitoring. Responsible Officer and Implementation date Peter Park- Decarbonisation Project Manager Immediately
	Key performance indicators (KPIs) have not been identified with E.ON to report and monitor at the weekly contractor meetings. Additionally, actions agreed with E.ON were not given due dates or action owners (Finding 4 - Medium).	4a. The Decarbonisation Project manager should establish a set of clear KPIs similar to the DCA project monitoring report to monitor project milestones and deadlines, and ensure these are reviewed and updated at meetings, for tracking overall project progress and identifying potential issues early 4b. The Decarbonisation Project manager should implement standardised action log showing the agreed actions, owners, due dates, and status. This log should be reviewed and updated at each meeting to ensure accountability and timely completion of tasks. Management Response 4a. Extensive KPI's are reported monthly to the DESNZ as part of the funding requirement. The Head of Technical Services has now implemented internal KPI's for SKDC monitoring. 4b. As recommended action logs are now taken at weekly meetings to ensure dates are set and persons responsible are held to account to enable effective project management. Responsible Officer and Implementation date Mark Rogers – Head of Service, Housing Technical Service Peter Park- Decarbonisation Project Manager Immediately
	Inspection certificates were not retained for any of the ten Phase 1 upgrades that we reviewed and we were unable to trace each installation to the invoice from E.ON, thereby confirming that the contractor was not paid prior to the inspection of the works (Finding 5 - Medium).	5a. The inspection certificate should be saved in the project folder once the Retrofit Assessor has completed their inspection of the property 5b. The Decarbonisation Project Manager should retain an audit trail to show which invoice each installation relates to so they can obtain assurance that the invoice was not paid until the works have been inspected. In accordance with Recommendation 3B, this could be recorded on the Valuations Sheet. Management Response 5a. Extensive QC checks have been undertaken by SKDC to ensure quality and photographic schedule. Record of date and action log will be kept going forward,

		as email communications are not sufficient
		5b. An audit trail will be retained to evidence that works have been completed prior to invoices being paid.
		Responsible Officer and Implementation date
		Peter Park- Decarbonisation Project Manager
		Immediately
	The Council have not developed a formal tenant engagement strategy, as required by the SHDF Wave 2.1 guidance. Furthermore, despite it being part of its funding application, a Tenant Liaison Officer has not been appointed to manage engagement and communication with tenants (Finding 6 - Medium).	6a. The Decarbonisation Project Manager should collaborate with E.ON to create a formal tenant engagement strategy, aligned to the requirements of the SHDF Wave 2.1 guidance. Once developed, this should be reviewed and approved in accordance with the Council's internal governance arrangements
		6b. Within its tenant engagement strategy, the Council should establish the complaints process for tenants to use to raise concerns or complaints, with defined resolution timelines. It should also be clear as to who complaints should be raised to
		6c. Future correspondence with tenants should be from either the Council or E.ON to prevent any confusion from tenants
		6d. The Council should assess whether a TLO should be recruited with the primary role of liaising with tenants to obtain any feedback on the works and manage any issues.
		Management Response
		6a. EON handle all resident engagement currently, with communications agreed by the Project Manager. Given this is a delivery partnership, both have a responsibility. An RLO/TLO will need to be considered for the next round of funding.
		6b. Complaints process in place, and escalation process that residents can access. Generally, complaints are made to EON in the first instance, then referred to SKDC if not resolved.
		6c. It was agreed any comms from EON should have the SKDC logo, to show they are working on behalf of SKDC. This to be addressed when reviewing the resident engagement strategy.
		Responsible Officer and Implementation date
		Mark Rogers – Head of Service, Housing Technical Service
		Peter Park- Decarbonisation Project Manager
		30 September 2024
	Lessons learnt throughout the project were not documented and shared, although, actions were discussed regularly at contractor meetings (Finding 7 - Medium).	7a. In accordance with the SDHF guidance, the Decarbonisation Project Manager should implement a robust process identifying and documenting lessons learnt throughout the project lifecycle.

This may include some of the areas we have identified in this finding.

7b. The Decarbonisation Project Manager should assess whether they can incorporate relevant quantitative data into the lessons learnt exercise for areas such as:

- Cost savings or additional costs incurred
- Time saved or delays experienced
- Disparity in energy efficiency improvements achieved (e.g., changes in EPC ratings post upgrade)
- Tenant satisfaction metrics per phase to establish what phase presented the most challenge.

Management Response

7a. Lessons learnt frequency to be established between the Contract Manager and Head of Technical Services, proposed this is completed either monthly or quarterly.

7b. KPI's and tenant satisfaction to be addressed as previously stated in responses.

7c. Response to retentions in final point reduces any financial risk and administration by returning annually. Email confirmation between EON and SKDC, contractual amounts unchanged.

Responsible Officer and Implementation date

Mark Rogers – Head of Service, Housing Technical Service

Peter Park- Decarbonisation Project Manager

31 October 2024

CONCLUSION

We conclude that the Council has a Moderate design of controls and a Moderate effectiveness of controls for the SHDF Wave 2.1 grant management controls.

Control Design

The control design is Moderate because there was generally a sound system of internal controls designed to achieve the system objectives, with some exceptions. Critically, the Council did not have formal arrangements for monitoring key performance indicators with E.ON or lessons learnt throughout the project lifecycle. Additionally, a tenant engagement strategy has not been developed and a Tenant Liaison Officer has not been appointed, creating a gap in communication channels with residents.

Despite this, the Council demonstrated strong stakeholder engagement, with regular reporting on the progress of the project through its own governance structures and to the DESNZ. Similarly, there were reasonable controls in place to ensure installations were completed to an acceptable standard, although documentation was not always retained in the project file to support this.

Control Effectiveness

The control effectiveness was Moderate as there was evidence of non-compliance with some controls, that may put some of the system objectives at risk.

The start of the project was delayed by seven months due to the resourcing and capacity within the Project team, but the Decarbonisation Project Manager was appointed in August 2023 to oversee the project. As a result, Phase 1 was not fully completed at the time of our audit, despite the project plan expecting that it would be. We also noted exceptions around the retention of inspection certificates and documentation to provide a clear audit trail for each property.

The grant funding agreement requires any upgrades beyond EPC Band C to be 50% co-funded by the local authority. In our sample, there were six properties that had been upgraded beyond EPC Band C, but the full cost appeared to be used from the grant funding.

Therefore, there were some key processes and controls that the Council could improve on for the later waves of funding and for future funded projects to support effective grant management.

SECTOR UPDATE

Our quarterly Local Government briefing summarises recent publications and emerging issues relevant to local authority providers that may be of interest to your organisation. It is intended to provide a snapshot of current issues for Senior management and Members.

TRANSFORMING PUBLIC PROCUREMENT – INTRODUCING THE PROCUREMENT ACT

THE RULES GOVERNING PUBLIC PROCUREMENT ARE CHANGING - THE NEW PROCUREMENT ACT INTRODUCES SEVERAL KEY BENEFITS WHICH ARE DUE TO GO LIVE ON MONDAY 28 OCTOBER 2024.

One in every three pounds of public money, some £300 Billion a year, is spent on public procurement.

The reforms proposed within the Procurement Act are important, because they will shake up our outdated procurement system, so that every pound goes further for our communities and public services. They will place value for money, public benefit, transparency and integrity at the heart of our procurement system; they will modernise and unify our systems and processes; and they will get tough on the poor performers and fraudsters.

The Act will reform the UK's public procurement regime, making it quicker, simpler, more transparent and better able to meet the UK's needs while remaining compliant with our international obligations. It will introduce a new regime that is based on value for money, competition and objective criteria in decision-making. It will create a simpler and more flexible, commercial system that better meets our country's needs. And it will more effectively open public procurement to new entrants such as small businesses and social enterprises so that they can compete for and win more public contracts. It will strengthen the approach to excluding suppliers where there is clear evidence of their involvement in Modern Slavery practices, and running throughout each part of the Bill is the theme of transparency. We want to deliver world-leading standards of transparency in public procurement and this Act paves the way for that.

The Transforming Public Procurement programme aims to improve the way public procurement is regulated in order to:

- ▶ Create a simpler and more flexible, commercial system that better meets our country's needs while remaining compliant with our international obligations
- ▶ Open up public procurement to new entrants such as small businesses and social enterprises so that they can compete for and win more public contracts
- ▶ Embed transparency throughout the commercial lifecycle so that the spending of taxpayers' money can be properly scrutinised.

The Procurement Bill, which will reform the existing Procurement Rules, has now received Royal Assent. You can view the new Procurement Act on the UK legislation website, and the official record of the Bill's progress through Parliament, with all supporting documents on the Parliamentary website.

https://www.gov.uk/guidance/the-official-transforming-public-procurement-knowledge-drops

FOR INFORMATION

For the Governance and Audit Committee and Executive Directors

THE NEW WORKER PROTECTION ACT & SEXUAL HARASSMENT IN THE WORKPLACE

We explore the introduction of the Worker Protection Act 2023; outlining what the Act is, the intended impact, implications for employers and reasonable steps to addressing the compliance requirements.

We also explore how employers can go beyond compliance to create a psychologically safe and ethical working environment for their people.

The Worker Protection Act 2023 comes into effect in October 2024 and places a legal duty on UK employers to actively prevent and address sexual harassment in the workplace. The Act is an amendment of the 2010 Equality Act and holds employers accountable to "take reasonable steps to prevent sexual harassment of employees in the course of their employment".

Rather than redressing past incidents, the Act will introduce the requirement for employers to take reasonable steps to protect their employees from the occurrence of sexual harassment. This includes when employees are working outside of their normal workplace and at workplace social events which will be considered an extension of the workplace under the Act.

At this time, it isn't clear what these "reasonable steps" will look like. However, as the guidance will introduce a mandate and onus for organisations to define and embed ethical preventative measures into their workplaces to prevent sexual harassment, it will require the urgent proactive assessment of processes, policies and working practices for many UK employers against the new requirements.

The New Worker Protection Act & sexual harassment in the workplace - BDO

FOR INFORMATION

For the Audit and Governance Committee Members and Executive Directors

---

FIVE SOCIAL LANDLORDS FAIL TO MEET RSH'S STANDARDS

ON 9 JULY 2024 THE REGULATOR OF SOCIAL HOUSING PUBLISHED REGULATORY JUDGEMENTS FOR FIVE SOCIAL HOUSING LANDLORDS

Bristol City Council, Guildford Borough Council, Octavia Housing and Sheffield City Council have each failed to meet RSH's new consumer standards, which were introduced on 1 April 2024 as part of a series of changes to its role, intended to drive landlords to deliver long-term improvements for tenants.

Cambridge City Council has not met RSH's rent standard and as a result overcharged around 3,600 tenants.

Following investigations into each landlord, RSH found that:

- Bristol City Council could not evidence that it is meeting carbon monoxide safety requirements for over 22,000 homes (out of 26,700 total homes). It also reported 1,900 open damp and mould cases, more than 16,000 overdue repairs and 3,000 overdue fire safety actions. In addition, the council does not have up-to-date data about the condition of tenants' homes.

- Guildford Borough Council has around 1,700 homes without an up-to-date electrical condition report (out of 5,200 total homes), and it could not provide evidence that it has completed around 1,300 fire safety actions. In addition, it has not collected Tenant Satisfaction Measures from tenants, which all social landlords are required to do.

- Octavia Housing currently has 1,200 overdue fire safety remedial actions across its 5,000 homes. It was unable to provide evidence that it is meeting other health and safety requirements, and it does not hold complete and accurate records for safety inspections.

- Sheffield City Council had around 10,000 outstanding repairs across its 38,500 homes and, between January and April 2024, more than 90% of disrepair cases were outstanding for extended periods. RSH also found evidence that the council does not have an accurate record of the condition of tenants' homes.

- Cambridge City Council has previously overcharged around 3,600 tenants (half the total number) as a result of rent-setting errors over a prolonged period. The overcharge is estimated to be around £3.2 million.

All the landlords are working to address these issues and put things right for their tenants, and RSH is working with the landlords proactively as they do this.

Bristol City Council, Guildford Borough Council, Octavia Housing and Sheffield City Council have each been given a C3 grading by RSH, which means there are serious failings, and they need to make significant improvements. This is the first time RSH has published consumer gradings for social landlords, following the changes to its role in April 2024. RSH does not give gradings in relation to the rent standard.

https://www.gov.uk/government/news/five-social-landlords-fail-to-meet-rshs-standards

FOR INFORMATION

For the Governance and Audit Committee and Executive Directors

DISTRICTS WANT COUNCIL TAX FLEXIBILITY, DEVOLUTION AND OTHER POWERS FROM NEW GOVERNMENT

COUNCIL TAX REFERENDUM LIMITS SHOULD BE RAISED TO AT LEAST 10% NEXT YEAR AS A FIRST STEP TO SCRAPPING THEM ALTOGETHER, DISTRICT COUNCILS HAVE SAID.

The measure is part of an ambitious package of proposals aimed at securing the financial sustainability of district councils and giving them the freedom and flexibility to transform local areas.

In a prospectus, the District Council Network is calling for a permanent commitment to multi-year settlements and a radical streamlining of one-off capital and revenue funding pots, with competitive bidding replaced by larger, more flexible sources of funding which maximise local discretion.

All formula-based specific grants should be rolled into the main local government finance settlement, the group says.

It also wants to see greater local control over business rates, with councils retaining 75% of receipts, and local housing authorities handed all additional income generated by the council tax supplement on second homes.

A wider shake-up of fiscal devolution is needed to help districts raise the income needed to regenerate high streets and town centres, it says, and new sources of local revenue such as tourist taxes should be easier to introduce.

The group argues that district councils have taken a disproportionate hit in recent years, with their core spending power having dwindled by 15% in real terms since 2015, compared with an 11% increase for local government.

In response, they had no choice but to deliver 10% in savings and service cuts to balance their budgets last year, it said.

"By forging a strong partnership between district councils and central government, we can secure the long-term sustainability of district funding… and deliver the financial freedoms and flexibilities that will allow districts to respond to the local needs we are uniquely placed to identify," it said.

Elsewhere in the prospectus, districts set out how they can accelerate the delivery of new homes, boost the supply of social and affordable housing and prevent homelessness.

https://www.publicfinance.co.uk/news/2024/07/districts-want-council-tax-flexibility-devolution-and-other-powers-new-government

FOR INFORMATION

For the Governance and Audit Committee and Executive Directors

KEY PERFORMANCE INDICATORS

QUALITY ASSURANCE	KPI	RAG RATING
The auditor attends the necessary, meetings as agreed between the parties at the start of the contract	All meetings attended including Governance and Audit Committee meetings, pre-meetings, individual audit meetings and contract reviews have been attended by either the Partner or Audit Manager	G
Positive result from any external review	Following an External Quality Assessment by the Institute of Internal Auditors in May 2021, BDO were found to 'generally conform' (the highest rating) to the International Professional Practice Framework and Public Sector Internal Audit Standards	G
Completion of audit plan	We have completed two reviews and a third-party assurance grant review and are therefore, progressing in accordance with the internal audit plan.	G

APPENDIX I

OPINION SIGNIFICANCE DEFINITION

LEVEL OF ASSURANCE	DESIGN OPINION	FINDINGS FROM REVIEW	EFFECTIVENESS OPINION	FINDINGS FROM REVIEW
Substantial	Appropriate procedures and controls in place to mitigate the key risks.	There is a sound system of internal control designed to achieve system objectives.	No, or only minor, exceptions found in testing of the procedures and controls.	The controls that are in place are being consistently applied.
Moderate	In the main, there are appropriate procedures and controls in place to mitigate the key risks reviewed albeit with some that are not fully effective.	Generally, a sound system of internal control designed to achieve system objectives with some exceptions.	A small number of exceptions found in testing of the procedures and controls.	Evidence of non-compliance with some controls, that may put some of the system objectives at risk.
Limited	A number of significant gaps identified in the procedures and controls in key areas. Where practical, efforts should be made to address in-year.	System of internal controls is weakened with system objectives at risk of not being achieved.	A number of reoccurring exceptions found in testing of the procedures and controls. Where practical, efforts should be made to address in-year.	Non-compliance with key procedures and controls places the system objectives at risk.
No	For all risk areas there are significant gaps in the procedures and controls. Failure to address in-year affects the quality of the organisation's overall internal control framework.	Poor system of internal control.	Due to absence of effective controls and procedures, no reliance can be placed on their operation. Failure to address in-year affects the quality of the organisation's overall internal control framework.	Non-compliance and/or compliance with inadequate controls.

RECOMMENDATION SIGNIFICANCE DEFINITION

RECOMMENDATION SIGNIFICANCE
High A weakness where there is substantial risk of loss, fraud, impropriety, poor value for money, or failure to achieve organisational objectives. Such risk could lead to an adverse impact on the business. Remedial action must be taken urgently.
Medium A weakness in control which, although not fundamental, relates to shortcomings which expose individual business systems to a less immediate level of threatening risk or poor value for money. Such a risk could impact on operational objectives and should be of concern to senior management and requires prompt specific action.
Low Areas that individually have no significant impact, but where management would benefit from improved controls and/or have the opportunity to achieve greater effectiveness and/or efficiency.

FOR MORE INFORMATION:

Gurpreet Dulay
Gurpreet.Dulay@bdo.co.uk

SOUTH KESTEVEN DISTRICT COUNCIL

Governance and Audit Committee

Tuesday, 24 September 2024

Report of Councillor Philip Knowles
Cabinet Member for Corporate
Governance and Licensing

Annual Health and Safety Report 2023/24

Report Author
Phil Swinton, Emergency Planning and Health & Safety Lead
✉ Phil.swinton@southkesteven.gov.uk

Purpose of Report

This report presents the annual Health and Safety report for 2023/24. It provides an overview of South Kesteven District Council's management of health and safety. It summarises progress made and areas of focus for the coming year and identifies the accident rates and types for this period. This report includes the Emergency Planning and Business Continuity actions and plan for that same period.

Recommendations

That the Committee:

1. **Note the attached Health and Safety report for the period 2023/24.**

2. **Provide comments or feedback to assist with maintaining the effectiveness of the Council's health and safety arrangements.**

Decision Information	
Does the report contain any exempt or confidential information not for publication?	No
What are the relevant corporate priorities?	Effective council
Which wards are impacted?	(All Wards);

1. Implications

Taking into consideration implications relating to finance and procurement, legal and governance, risk and mitigation, health and safety, diversity and inclusion, safeguarding, staffing, community safety, mental health and wellbeing and the impact on the Council's declaration of a climate change emergency, the following implications have been identified:

Finance and Procurement

1.1   There are no specific financial comments arising from this report

Completed by: Paul Sutton Interim Head of Finance and Deputy S151 officer

Legal and Governance

1.2   Failure to comply with health and safety requirements can result in significant legal implications for the authority. There are no such implications arising from this report to bring to the attention of the Committee.

Completed by: Graham Watts, Monitoring Officer

Risk and Mitigation

1.3   Failure to comply with Health and Safety could have significant reputational and financial impact should an incident occur, and a claim is made against the Council. Having robust health and safety measures in place will protect the employees, and members of the public, and provide strong mitigation in the event of a claim.

Completed by: Tracey Elliott, Governance & Risk Officer

Diversity and Inclusion

1.4   Whilst Health and Safety requirements are necessary to manage risk, the Council must be mindful of its responsibilities under the Equality Act 2010. Therefore, due regard must be paid to any reasonable adjustments required (where practical) by staff and Members in the delivery of their duties. No adjustment that would risk the safety of an employee, elected Member or contractor could be considered and therefore officers would need to work to ensure all suitable alternatives were explored to provide and equitable outcome for all.

Completed by: Carol Drury, Community Engagement Manager

Human Resources

1.5 The annual Health and Safety report holds significant implications for Human Resources. There is a clear link with employee wellbeing and ensuring people have the right working environment that does not jeopardise their physical or mental health. There are also links with employment laws, employee productivity, absenteeism and employee satisfaction. Insights derived from the report inform the training and development plan enabling the Council to address specific skill gaps and ensure employees are adequately trained and equipped to manage health and safety.

Completed by: Fran Beckitt, Head of HR

Mental Health and Emotional Wellbeing

1.6 Inadequate Health and Safety policies, processes and controls would pose a risk to employees' mental health and wellbeing. There is a clear link between the two and so it's important that the health and safety and wellbeing strategies align.

Completed by: Fran Beckitt, Head of HR

2. Background to the Report

2.1 The Health and Safety Annual Report for 2023/24 (attached at Appendix A) demonstrates the Council's continued commitment to monitoring safety and ensuring it provides transparency with regard to safety standards and implements controls to not only manage but improve safety wherever possible.
Members will be aware that the council provides a number of services which present a higher risk level than others and a number of sites which are open to the public which can present their own challenges.

3. Key Considerations

3.1 The annual report highlights an increase in the number of reported accidents linked to Council activities or at Council operated locations. The increase in the number of reported accidents was forecast and is linked to several factors noted in the report.

3.2 This report invites feedback from Members of the Governance and Audit Committee.

4. Other Options Considered

4.1 To note the report.

4.2   For individual Members or the Committee to provide comments or feedback to assist with maintaining the effectiveness of the Council's health and safety arrangements.

5.   Reasons for the Recommendations

5.1   The Management of Health and Safety is a legal requirement which also carries a moral and financial obligation to ensure, so far as is reasonably practicable, the health, safety and welfare of any persons who may be impacted by failings in safety management. Failures could not only lead to injury and loss but could see the Council facing Civil and Criminal actions.

This report is presented to the Governance and Audit Committee on an annual basis.

6.   Appendices

6.1   Appendix A Annual Health and Safety Report 2023/24

SOUTH KESTEVEN DISTRICT COUNCIL

Corporate Health and Safety Annual Report 2023–2024

Philip Swinton
Health, Safety and Compliance Manager

South Kesteven District Council
September 2024

TABLE OF CONTENTS

LIST OF TABLES, CHARTS & FIGURES

LIST OF APPENDICES

INTRODUCTION

1.0   EXECUTIVE SUMMARY

This report provides an overview of South Kesteven District Council's Health and Safety performance during the 2023/24 financial year. This report will also cover business continuity and emergency planning actions for the same financial period.

The council's overall performance is strong with a good level of assurance that these key areas have robust policies and procedures with risk mitigation in place. As with previous years this is based on both internal and external audit findings.

The Chemical Regulation Division of Health and Safety Executive completed a visit during this period to inspect the control and use of Chemicals at SKDC, with particular focus on the storage and use of Pesticides. This inspection was passed without issue and no concerns were raised.

The number of accidents/ incidents reported to the council has seen a significant increase from the previous year. In isolation this rise would be cause for concern however there are a number of factors which have contributed and are detailed later in the report. These include a welcome increase in near miss reporting across the authority and a greater level of reporting as a result of awareness sessions and training, the recent return of Grounds maintenance to an house service and a large number of incidents involving members of the public at our sites but with no fault of SKDC and categorised as human error

Business Continuity and Emergency Planning saw one of the most challenging periods in recent years. Unprecedented levels of rainfall and the subsequent impact on the fluvial system saw flooding within SKDC reach levels not seen in over 50 years, this led to a significant impact on a number of communities The Council provided support to these communities both in response and through recovery and a program of providing support for the creation of community plans is underway with a number of Parish Councils. The Councils response was swift, comprehensive and ensured the impact to the community was reduced as much as possible.

1.1   The Health and Safety Management Approach

The direction for health and safety is set by the Corporate Management Team with Cabinet Members involvement. This sets the corporate priorities for health and safety across the council's activities. The Corporate Management Team (CMT) and Senior Management Team (SMT) have overall responsibility for ensuring sufficient time and resources, making sure these are available to council officers to fulfil health and safety responsibilities and provide staff with any additional support and training. Members and staff at every level carry a moral, legal, and financial obligation to adhere and actively support health and safety. This approach has proven effective and there are no plans to change this.

As noted in last years report, the Council has created an Officer Safety Working Group which is now embedded in the management approach towards safety improvement. The group meets 4 to 5 times a year depending on need and discusses a wide range of items including accident trends and behaviours to increase the knowledge, build awareness for colleagues to share and be able to take some actions.

Significant matters or concerns raised will be led on by the H&S team but will include the individuals/ service area raising this and ultimately the H&S lead will report any actions and strategic concerns to CMT /SMT where appropriate and when a wider council response is required.

1.2 Corporate Health and Safety Role

The Corporate Health and Safety team's role remains unchanged from the last annual report. It is the responsibility of the Health and Safety team to monitor accidents and trends, ensuring investigations are prompt and appropriate. Should it be required at any point the Health and Safety team will notify the HSE, or other relevant bodies of any reportable matters and coordinate the council's cooperation and response.

The team continue to produce and provide guidance to managers and all service areas on a number of topics, as well as carrying out other core functions including, risk management support and audit, technical support on health and safety related matters and training provision.

The team has successfully recruited into a new post within the team which has increased the operational and support and the capacity the team can provide to the management and service areas.

2.0   BUSINESS CONTINUITY & EMERGENCY PLANNING

2.1   Business Continuity

The Business Continuity (BC) arrangements at SKDC is a two part process, both of which will be undergoing a full review to ensure compliance with the latest standards and will be completed by June 2024. The first part is an overarching BC plan which, much like the Emergency plan, provides the strategic level approach to an event interrupting service provision and which may impact a number of service areas and wider corporate activities.

This plan identifies those areas which are classified as a critical service, and which would take priority in a widespread business interruption event.

The second part is a service specific assessment known as a Business Impact Analysis (BIA) This is effectively a risk assessment for service provision and looks at the threats to the service, ranging from loss of power or location to failure of a provider or contractor, and anything in between, which may affect the service.

Service areas are then required to identify the mitigations they can introduce at service level and those areas with which they would need corporate support to continue to provide the service, the level at which they could tolerate operating and the projected time for which they could operate at this level before business impact became critical.

A programme of awareness and information training will be provided to those officers responsible for the BIA completion in July 2024, with an additional session planned later in the year.

2.2   Emergency Planning

The Emergency Planning team of the Council has continued to provide the general "day-to-day" support such as flooding response and providing information and flood defence to parish councils and residents, as well as supporting emergency services as requested.

Following Storms Henk and Babet a number of parish councils have attended meetings on this topic and been provided support with the creation of their own emergency plans through our continued partnership with the Lincolnshire County Council (LCC) Emergency Planning team. The Councils

response to flooding was challenged during January 2024. The response was scrutinised at Committee in March 2024 with some actions identified which will further increase the Council's ability to respond in an emergency. It is worthy to note again that the Council went above and beyond the expected level of support in both the Response and Recovery phase for the communities affected.

SKDC continues to maintain a strong approach to emergency planning and supporting other agencies, which is acknowledged by our partners. There is a duty officer on call 24/7 who will work with our CCTV operators to triage/manage any calls received. In addition to this, the council's senior officers also operate a rota system for on call duties should the situation require additional resource, or it carries a wider council impact and escalation by the duty officer.

Officers regularly attending training/refresher training sessions to maintain their understanding of the actions required at both a tactical and strategic level, with several more officers added to the rota this year. SKDC now also has staff trained to command a Multi-Agency Incident (MAGIC) should that be required.

3.0 HEALTH AND SAFETY TRAINING

Providing suitable training for employees is a legal requirement and essential to ensuring employees can work safely, this also provides management with a level of assurance that their teams are health and safety competent and confident in their roles. Employee training needs are identified in one-to-ones, as well as training required for a particular role as highlighted in role or specialist works risk assessments.

The ability to provide a range of training options online has allowed the council to continue to meet its legal and moral obligations in these areas.

The move to a new online training model for Display Screen Equipment (DSE) was completed last year and is now fully embedded with users able to choose multiple options to identify their exact working style in line with hybrid working.

As with previous reports, Corporate Health and Safety continues to support the following training as part of its function:

- Health and Safety (induction for new employees)
- Workstation Safety Plus (mandatory online training for all DSE users).
- Fire Safety Awareness and Manual Handling to be provided through the new LMS.
- Fire Warden (training needs for all council workplace premises).
- First Aid at Work (3-days and 2-days refresher).
- Accident Investigation training (provided in house for those with responsibility to investigate)
- Business Continuity training (provided in conjunction with LCC EP team) to the senior team and rolling out to team leaders.
- Evacuation chair training
- Risk Assessment training.

Corporate responsibility Training Courses 2023 - 2024

TRAINING	DATES	DELEGATES
Fire Warden	25-07-2023	14
	15-08-2023	18
	13-02-2024	11
Total		**43**
First Aid at Work	July 2023	1
	August 2023	1
	September 2023	2
	October 2023	1
	November 2023	6
	March 2024	1
Total		**12**
CARDINUS PACE TRAINING	**2023 - 2024**	**TOTAL**
Delegates on Cardinus		367
Health and Safety Plus Complete		315
Outstanding Training		52

Services are responsible for reporting, recording, and investigating accidents and incidents that occur within their own service area and those that involve the public. In significant incidents, the Corporate Health and Safety team may assume the lead on the investigation. The council must identify the root cause of an incident and reduce the likelihood of reoccurrence. All health and safety incidents must be submitted to the Corporate Health and Safety team, who oversee a central database and provide assurance to the council that suitable and sufficient investigations are taking place, proportionate to the level of incident.

4.1 Accident and Incident Trends

In 2023/24 83 accidents were reported which is an increase of 45 reported incidents when compared with 2022/23.

This number includes accidents which involved a member of the public at one of our sites with no fault of SKDC, which accounted for 23 accidents. There has been a welcome increase of almost four times the near miss reporting from last year and the reintroduction of Grounds Maintenance into the Councils portfolio, another higher risk activity has contributed to the increase as expected.

Slip, trip or fall incident numbers remain constant and are usually the most common causes of accidents. They also make up 80% of the incidents that meet the Reporting of Incidents, Disease and Dangerous Occurrences Regulations (RIDDOR) in 2023/24

While all accidents carry the potential for significant injury or loss and are investigated on that basis, the Councils reported accidents are, for the most, made up of minor accidents that resulted in sprains, cuts, and lower-level injuries.

4.2 Accident and Incident Numbers and Charts

Chart A shows the number of reported accidents/incidents over the last three years for council work - related activities by reporting area.

The Waste services have maintained a low number of recorded accidents involving staff and while this is encouraging given the size of the service and its operations It requires constant attention to safety controls and behaviours within the service to ensure that accidents remain as low as possible and that all accidents are reported.

The sharpest increase has been seen in the Arts and Culture service area. Increased footfall for events and visits to the site will always bring with them the increased risk of accidents and incidents with the public and two thirds of this increase are related to this as noted in 4.1. There is no evidence that these accidents are linked to the site maintenance but are connected to behaviours of visitors and site users when in the building

Tables 1 Provides a breakdown by type of accident and the overall percentage for the periods 2022/23 and 2023/24.

Table 2 Provides the specific service area and type of accident to highlight any trends within service areas.

The largest accident category figures for 2023/24 are slips and trips, accounting for 33 accidents. This remains in line with the main cause of accidents nationally.

Regardless of the context, the council, its officers and members have a legal, moral and financial responsibility to constantly review all its activities and procedures and to drive safety improvements wherever practical.

Although the numbers are still considered low for the size of organisation and the activity undertaken, it is important to note an increase in the number of near miss reports for the second year running. The reporting of near misses has always been a challenging area with people either not understanding what a near miss is or simply not being willing to report them.

The work of the H&S team over the last 12 months to reset the understanding of the importance has improved reporting levels and whilst we do not wish for incidents this is one category the Council should be interested to see increase.

The Corporate Health and Safety team continue to highlight this message through training and awareness sessions and the continued support of the leadership team is key to improving this aspect of the safety culture a SKDC.

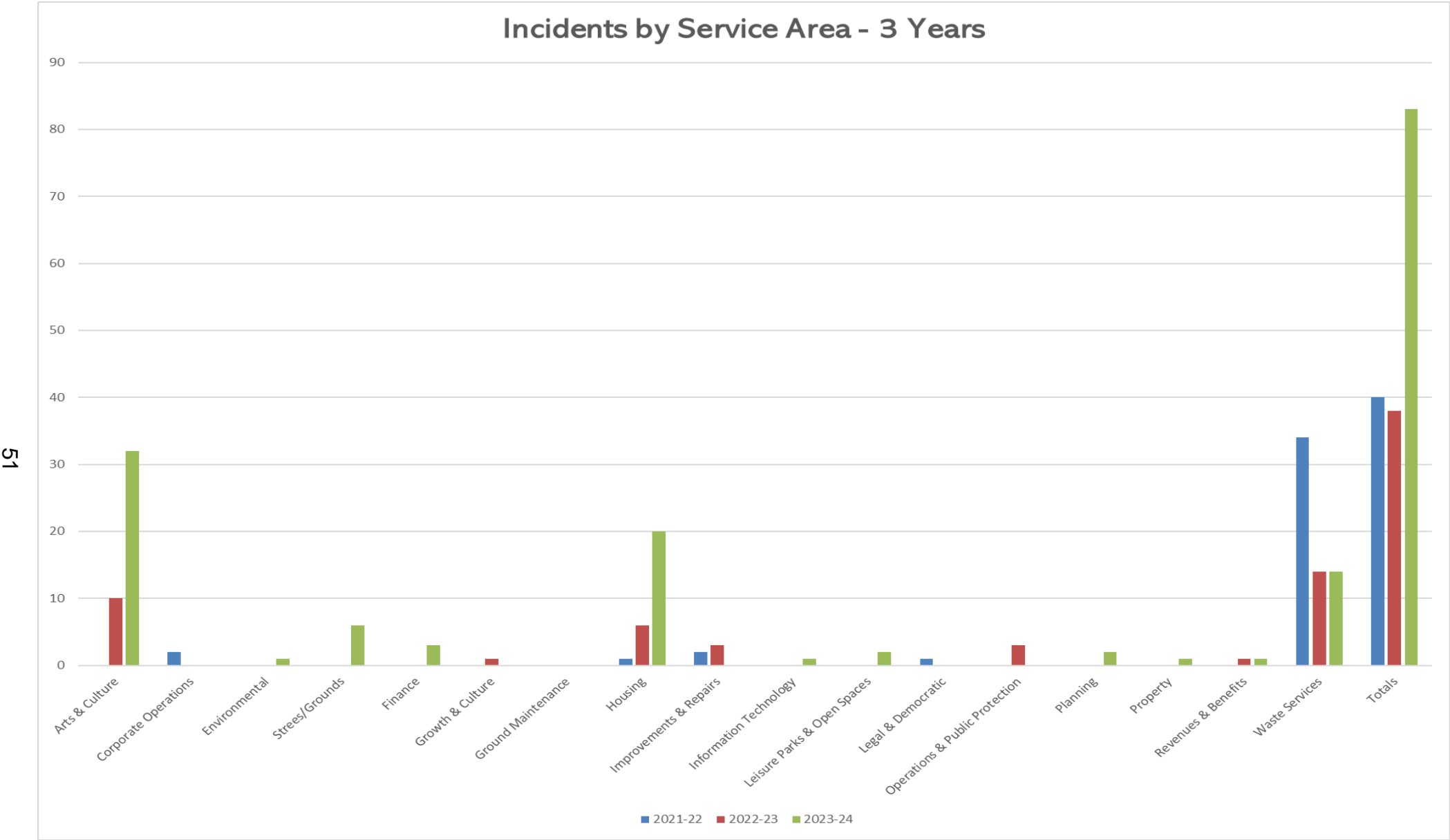**CHART A - This chart shows the trend in accident numbers by service areas over the last 3-years.**

Incidents by Service Area – 3 Years

51

TABLE 1 - Comparison by Accident Type 2022/23 - 2023/24

CATEGORY	2022/23	% OF TOTAL	2023/24	% OF TOTAL
Assault - Verbal	1	3.00%	1	1%
Bruising/Swelling/Grazing	7	18.00%	0	0%
Exposure/Contact with Harmful Substance	0	0%	4	5%
Injured while handling an person	0	0%	1	1%
Injured while handling an object	0	0%	5	6%
Lacerations/Cuts	8	18%	1	1%
Manual Handling	0	0%	1	1%
Medical	0	0%	5	6%
Multiple Injuries	1	3%	0	0%
Near Miss	3	8%	11	13%
Needlestick	1	3%	0	0%
Slips/Trips/Falls	2	8%	33	40%
Sprains/Strains	3	8%	0	0%
Struck Against	0	0%	6	7%
Tendon/Tissue Damage	1	3%	0	0%
Vehicle Accidents/Incidents	11	29%	15	18%
TOTALS	38		83	

TABLE 2 - Comparison by Service Area 2022/23 - 2023/24

CATEGORY / INJURY TYPE	ARTS & CULTURE		ENVIRONMENTAL HEALTH		STREETS / GROUNDS		FINANCE		GROWTH & CULTURE		HOUSING		IT SUPPORT		LEISURE PARKS & OPEN SPACES		OPERATIONS & PUBLIC PROTECTION		PLANNING		PROPERTY		REVENUES & BENEFITS		WASTE SERVICES		TOTAL	
	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24
Assault - Verbal	1	1																									1	1
Bruising/Swelling/ Grazing	2										3						1						1				7	
Exposure/Contact with Harmful Substance						1						3																4
Injured while Handling a person		1																										1
Injured while handling object		2										1								1						1		5
Lacerations/Cuts	3						1		1		1														1	1	7	1
Manual Handling												1																1
Medical		4										1																5
Multiple Injuries	1																										1	
Near Miss	1	2				2					1	4					1			1						2	3	11
Needlestick																									1		1	
Slips/Trips/Falls	1	17						2				9		1		1								1	2	2	3	33
Sprains/Strains											2														1		3	
Struck Against		5										1																6
Tendon/Tissue Damage	1																										1	
Vehicle Accidents / Incidents		1		1		3		1			1						1					1			9	8	11	15
TOTAL	10	33	0	1	0	6	1	3	1	0	8	20	0	1	0	2	3	0	0	2	0	1	1	1	14	14	38	83

53

4.3 Reporting of Injuries, Diseases and Dangerous Occurrences Regulations (RIDDOR)

RIDDOR regulations require certain specified accidents, ill health, and dangerous occurrences to be reported to the relevant enforcing authority, in this instance the Health and Safety Executive.

In 2022/23 the council had one reportable accident. This financial year 2023/24 the council reported five accidents as detailed below. These were reportable due to 7 day incapacitations and one specified injury. The number of these reports will fluctuate dependant on several factors but an increase is not a cause for immediate concern

RIDDOR (Reporting of Injuries, Diseases and Dangerous Occurrences Regulations)

TABLE 3 – RIDDOR Summary of Accidents Reported

SECTION	ACCIDENT	REPORTED TO HEALTH & SAFETY	TRIGGER (Over 7 days or specified injury)	PERSON EXPOSED	DESCRIPTION OF INJURY	CATEGORY TYPE	HAZARD TYPE
Arts & Culture	10-08-2023	11-08-2023	Over 7-day absence	Employee	Broken coccyx by slipping on wet floor around pool.	Dislocation of a Joint	Slips/Trips/Falls
Arts & Culture	25-01-2024	30-01-2024	Specified injury	Employee	Fell down steps while vacuuming - caught foot in cable.	Fracture	Slips/Trips/Falls
Housing - Voids	16-10-2023	02-11-2023	Over 7-day absence	Employee	Tripped on a divet in the lawn which resulted in lower back injury.	Sprains/Strains	Slips/Trips/Falls
Street Scene	21-07-2023	21-07-2023	Over 7-day absence	Contractor	Chemical burns to back. Dizziness, tightening of chest.	Chemical Burns	Exposure/Contact with Harmful Substance
Street Scene	12-01-2024	15-01-2024	Over 7-day absence	Employee	Rolled and sprained ankle.	Sprains/Strains	Slips/Trips/Falls

4.4   Leisure Centres

Table 4 shows the number of incidents at each leisure centre, along with the number of visitors and overall visitor per accident rate. These numbers are provided by Leisure SK who are ultimately responsible for recording accidents and reporting them to the relevant authority.

The accident rates across the three sites are consistent with previous years and this is with an increase in recorded footfall and visits which is a positive marker.

Over 860,000 people attended all three sites for a total of just 330 incidents.

LEISURE CENTRE ACCIDENT RATES (OVER 5 YEARS)

Footfall per Incident 2023 - 2024

Area	Footfall	Accidents	Visitors per Accident	% Rates
Bourne	255,201	155	1646	0.06
Stamford	125,102	52	2406	0.04
Grantham	481,315	123	3913	0.03
Deeping Closed				
Total	**861618**	**330**	**2611**	**0.04**

Footfall per Incident 2022 - 2023

Area	Footfall	Accidents	Visitors per Accident	% Rates
Bourne	175,293	110	1594	0.06
Stamford	83,277	22	3785	0.03
Grantham	468,525	123	3809	0.03
Deeping Closed				
Total	**727095**	**255**	**2851**	**0.04**

Footfall per Incident 2021 - 2022

Area	Footfall	Accidents	Visitors per Accident	% Rates
Bourne	120,769	70	1725	0.06
Stamford	62,779	14	4484	0.02
Grantham	289,675	71	4080	0.02
Deepings Closed				
Total	**473223**	**155**	**3053**	**0.03**

Footfall per Incident 2020 - 2021

Area	Footfall	Accidents	Visitors per Accident	% Rates
Bourne				
Deepings	**Closed because of Covid-19 (No figures)**			
Stamford				
Grantham				
Total	**0**	**0**	**0**	**0.00**

Footfall per Incident 2019 - 2020

Area	Footfall	Accidents	Visitors per Accident	% Rates
Bourne	176,591	100	1766	0.06
Deepings	251,485	92	2734	0.04
Stamford	142,577	50	2852	0.04
Grantham	598,569	138	4337	0.02
Total	**1169222**	**380**	**3077**	**0.03**

**TABLE 4 : Leisure Centre Accident Rates (over 5 years)**

5.0 HEALTH AND SAFETY PERFORMANCE MEASURES

Along with the KPI's below, a quarterly dashboard of performance indicators is shared with Corporate Management Team and Heads of Service and covers accidents and incidents, quarterly monitoring activities and any trends identified or areas which require increased focus.

TABLE 5 – Health and Safety Target Performance Indicators

HEALTH AND SAFETY TARGET/PERFORMANCE INDICATOR	2021/22	2022/23	2023/24
Number of staff RIDDOR notifications to the enforcing authority	2	1	5
Number of staff lost days as the result of accidents (*based upon information received*)	169	58	135
Number of accidents/incidents	40	38	83

APPENDIX 1 – Exert from Quarterly Dashboard (Overview and Status)

INCIDENT RECORDING

SERVICE AREA	INCIDENTS OVERVIEW AND STATUS RED — Immediate Action AMBER — Increased Monitoring and Review GREEN — No Further Action	
Arts & Culture : Guildhall	• Incidents : 7 • Accident Type :Slips/Trips/Fall, Struck Against, Injured while handling a person, Injured while handling object, Medical Issue • Broader Causes : Behaviour/Human Error, Mechanical/Structural Failure, Medical Issue	🟠
Arts & Culture : Stamford	• Incidents : 2 • Accident Type : Injured while handling object, Near Miss • Broader Causes : Behaviour/Human Error, Mechanical/Structural Failure	🟢
Bourne Leisure SK : Bourne	• Incidents : 1 • Accident Type : Slips/Trips/Falls • Broader Causes : Behaviour/Human Error	🟢
Meres Leisure SK : Grantham	• Incidents : 1 • Accident Type : Slips/Trips/Falls • Broader Causes : Behaviour/Human Error	🟢
Housing : Repairs	• Incidents : 1 • Accident Type : Vehicle Incident • Broader Causes : Behaviour/Human Error	🟢
Improvements & Repairs : Voids	• Incidents : 1 • Accident Type : Medical • Broader Causes : Medical Issue	🟠
Information Technology : Support	• Incidents : 1 • Accident Type : Slips/Trips/Falls • Broader Causes : Behaviour/Human Error	🟢
Street Scene : Waste & Recycling	• Incidents : 7 • Accident Type : Slips/Trips/Falls, Contact with Electricity, Struck Against, Vehicle Incident, Near Miss • Broader Causes : Behaviour/Human Error, Environmental, Mechanical/Structural Failure	🟢

6.1   Health and Safety Plan

The H & S Corporate teams planned works for the coming year will include several specific actions in addition to the day-to-day role of providing frontline support and guidance to the corporate body as noted below.

6.1a: Working with colleagues across service areas to support and advise on the development and site safety during the construction phase through into the operational use and ongoing safety of the site once completed. The site presents a fantastic opportunity to increase the Health, Safety and Welfare of all those using the new location.

6.1b: Annual reviews of Risk Assessments, Fire action logs and the Control of Substances Hazardous to Health (COSSH) have now been implemented as reported in the previous report and to acknowledge the audit action. While there may not be significant change year on year with a number of services or tasks this is recognised best practice and will allow greater insight into activities and oversight/ support to be provided by the Corporate Safety team. The regular review of risk and mitigation is a fundamental requirement to ensuring safety is at the forefront of decisions the Council makes and how it manages its undertakings.

6.1c: Although this is very much a feature of day to day work and interactions for the team, the need to promote and drive cultural improvement related to safety is also a key action which demands specific focus and highlights the importance of always seeking to improve on processes, information, training and the skills of the team and officers outside of the team.

6.1d: The review and implementation of Health Surveillance in services identified with frequent / greater risk of exposure to Noise and Hand Arm Vibration (HAV's) as outlined in the Corporate guidance created to support those Managers in controlling this risk.

6.2   Business Continuity and Emergency Planning 2024/25

Working with partners in the LCC Emergency Planning team we will continue to provide training and advice to all identified tactical and strategic officers to ensure the knowledge and skills required in an emergency are current and that SKDC remains well placed to respond and has built in operational resilience.

The Council will continue to offer support with community resilience plans and engage with all those Parish and Town Councils who wish to create their own plans. As part of our continued partnership the LCC team and to support SKDC communities the Health and Safety Manager at SKDC will be chairing a working group of partners across the County to encourage and develop community plans throughout Lincolnshire.

In the event of an emergency, these plans will allow the local community to act and support themselves and other residents without delay while additional resource is organised. This can reduce the impact of the event and enhance that community spirit and is something the Council have and will continue to actively drive.

The Council will also establish a working group of officers and subject experts in relation to event safety to ensure that staff and venues are informed and trained on the requirements to protect these events and meet any requirements placed on the Council under any new legislation passed.

59

This page is intentionally left blank

SOUTH KESTEVEN DISTRICT COUNCIL

Governance and Audit Committee
Tuesday, 24 September 2024

Report of Councillor Philip Knowles, Cabinet Member for Corporate Governance and Licensing

Strategic Risk Register

Report Author
Tracey Elliott, Governance & Risk Officer
✉ tracey.elliott@southkesteven.gov.uk

Purpose of Report

To provide an update on the Council's Strategic Risk Register.

Recommendation

The Committee is asked to approve the updated and revised Strategic Risk Register.

Decision Information	
Does the report contain any exempt or confidential information not for publication?	No
What are the relevant corporate priorities?	Effective council
Which wards are impacted?	(All Wards);

1. Implications

Taking into consideration implications relating to finance and procurement, legal and governance, risk and mitigation, health and safety, diversity and inclusion, safeguarding, staffing, community safety, mental health and wellbeing and the impact on the Council's declaration of a climate change emergency, the following implications have been identified:

Finance and Procurement

1.1   There are no specific financial implications associated with this report.   The Strategic Risk Register is regularly reviewed to ensure agreed actions are implemented and new risks and remedial actions are identified as necessary.

Completed by: Richard Wyles, Deputy Chief Executive and s151 Officer

Legal and Governance

1.2   There are no specific legal and governance implications arising from this report which are not already set out in the body of the report.

Completed by: Graham Watts, Monitoring Officer

Risk and Mitigation

1.3   These are contained within the report.

Completed by: Tracey Elliott, Governance & Risk Officer

2.   Background to the Report

2.1   One of the key areas for Governance and Audit Committee, as part of its terms of reference, is to monitor and review the risk management arrangements in place and the activities that are being undertaken to mitigate those risks. In accordance with Governance and Audit Committee's workplan, the Strategic Risk Register is presented to Committee twice a year for review.

2.2   Ensuring the on-going effectiveness of the internal control environment is incumbent on those charged with governance at the Council. In doing so, the Council can demonstrate that it is protecting public funds, resources, and assets as well as staff, customer, and wider stakeholder interests. The Governance and Audit Committee rely on a number of assurance mechanisms for this purpose, including reports generated from within the Council, Scrutiny and Overview, and externally generated eg internal audit.

2.3   The Strategic Risk Register was last reviewed by the Committee at its meeting on 13 March 2024 where an updated register was presented detailing the proposed strategic risks, along with the potential key causes of each of the risks, and possible effects if realised. This consisted of 15 risks that were considered to significantly impact on the Council's objectives and, if not effectively engaged with and managed, could result in material failure, loss, or lost opportunity. A commitment was made at that meeting for Corporate Management Team and Assistant Directors to undertake an assessment of the effectiveness of the strategic risk controls.

2.4   The assessment would consider the existence of the control, the consistency of application, and the outcome of the control ie was it achieving what it should. The assessment would be based on Corporate Management Team and Assistant Directors cumulative knowledge, and experience of the controls and enablers, included in the Strategic Risk Register. The outcomes of the exercise will provide a management assurance provision which may also be supplemented by more specific reviews of these risks and the work of internal audit or other independent bodies.

Summary

2.5   An effectiveness assessment of the key controls that manage the strategic risks was facilitated by RSM on 2 September 2024, with officers from the Corporate Management Team. The risk score was reviewed, and actions were identified that will help better manage these risks in the future.

2.6   The assessment led to a conclusion that controls were:
Effective – Controls and enablers were deemed to exist, be consistently applied, and achieve the outcome expected
Partially effective – There were improvements that could be made with regards to strengthening the controls and enablers, with improvement actions at a macro level identified
Not effective – Controls were not performing as required and improvement actions at a more detailed level identified

2.7   In completing the exercise:
a) No strategic risk scores were refined as these were still considered appropriate
b) Risks 5 and 6 include the same control in connection with succession planning. This was deemed "Partially effective" and further action is proposed to strengthen this control
c) Risk 7 controls were all deemed "Partially effective". A key action was identified with regards to the development of a Council digital transformation strategy which would strengthen all the controls identified

d) Risk 8 has three controls deemed "Partially effective". Actions have been identified that will address these, as well as the development of a Council collaboration/partnership strategy

e) Otherwise, all strategic risk controls were deemed "Effective"

Conclusion

2.8   The Committee can take assurance from this review that the strategic risk control environment is deemed effective with some specific controls classified as partially effective, all of which are being addressed by actions identified.

2.9   The residual strategic risk exposure remains constant since the previous report to Committee.

Next steps

2.10   A further review by Corporate Management Team and Assistant Directors of the strategic risk controls will be undertaken ahead of the Strategic Risk Register that will be presented to Committee in March 2025.

2.11   Any specific matters that may arise in connection with the strategic risk controls that the senior management team become aware of will be separately reported including remedial or improvement actions.

3.   Key Consideration

3.1   The Committee should monitor and review the risk management arrangements currently in place and the activities that are being undertaken to mitigate those risks.
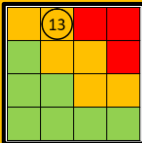
4.   Reasons for the Recommendations

4.1   Governance and Audit Committee, as part of its terms of reference, 9.1 (xi) reviews the Strategic Risk Register and other key risks (including partnerships) and seek assurances that appropriate mitigating action has been taken where necessary.
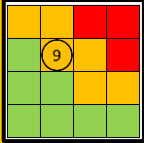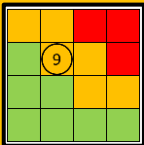
5.   Appendices

5.1   Appendix A – Draft Strategic Risk Register
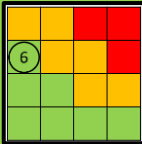5.2   Appendix B – RSM Emerging Risk Radar

Strategic Risk Description *(not listed by priority)*	Potential key causes of the strategic risk and possible effects if realised	Existing Key Controls & Enablers (including effectiveness assessment)	Residual score	Actions
1. Successful/serious cyber security attack on the Council Corporate Priority **Effective Council**	Potential causes: • Lack of effective cyber security policy and procedures (out of date, not communicated, not understood) • Lack of relevant and timely training relating to cyber security • Lack of clarity in roles and responsibilities relating to cyber security • Cyber security culture not bought into • Insecure digital systems and records (Council and third-party providers) Possible effects: • Inability to access systems – unable to deliver services • Data compromised – potential harm to individual/ICO fine • Investigation and rectification costs • Council reputation damage	– Up to date and effective IT and Cyber Security Policy in place which is reviewed annually and is communicated to staff who are required to read and accept the policy before using organisation systems *Effective* – Cyclical mandated IT and cyber security training provided to all staff *Effective* – Elected Member cyber security training *Effective* – Defined roles and responsibilities in relation to cyber security with an IT security lead *Effective* – Regular communications, reminders, and updates to staff in connection with cyber risk *Effective* – Programme for continuous updating/ installation of software (including firewall) and new hardware etc *Effective* – Regular reporting and monitoring of IT security/cyber incidents and remedial plans produced and actioned *Effective* – Engagement with national organisations to ensure ongoing learning of threats and prevention *Effective*	Likelihood 2 x Impact 4 = High 13	
2. Serious safeguarding failure by the Council Corporate Priority **Effective Council**	Potential causes: • Lack of effective safeguarding policy and procedures (out of date, not communicated, not understood) • Lack of relevant and timely training relating to safeguarding	– Safeguarding policy and procedure in place which are communicated, accepted, and understood by staff *Effective* – Cyclical and mandated staff safeguarding training *Effective* – Safeguarding leads in place *Effective*	Likelihood 2 x Impact 3 = High 9	➢ Undertake a review of the safeguarding training content and method of delivery

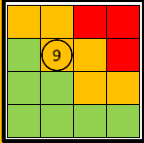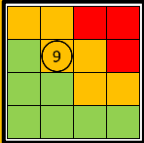| Strategic Risk Description *(not listed by priority)*	Potential key causes of the strategic risk and possible effects if realised	Existing Key Controls & Enablers (including effectiveness assessment)	Residual score	Actions
	• Lack of clarity in safeguarding roles and responsibilities • Safeguarding culture not bought into • Poorly maintained systems and records (*Reliance on volunteers in some areas increases the likelihood of above*) Possible effects: • Harm to service use • Investigation and rectification costs • Council reputation damage • Regulatory intervention	− DBS checks when required undertaken in connection with staff and contractors *Effective* − Defined roles and responsibilities in relation to safeguarding included in job descriptions *Effective* − Physical deterrents including secure sites eg perimeter fencing, CCTV, site security and access to sites by authorised staff *Effective* − Monthly reporting on safeguarding to Statutory Officers Group *Effective* − Safeguarding annual report with continuous improvement plan *Effective* − County Council S11 independent audit to validate safeguarding arrangements with outcomes reported to Governance & Audit Committee *Effective*	9	
3. Serious health, safety, and well-being failure by the Council Corporate Priority **Effective Council**	Potential causes: • Lack of effective application of health, safety and well-being policies and procedures (out of date, not communicated, not understood) • Lack of relevant and timely training relating to health, safety and well-being • Lack of clarity in health, safety and well-being roles and responsibilities • Health, safety and well-being culture not bought into • Lack of effective health, safety and well-being risk assessment • Poorly maintained systems and records	− Corporate Health & Safety Policy and procedures in place which is accessible via intranet and included as part of induction for all new starters *Effective* − Health & Safety Manager in post to provide safety advice and coordinate health and safety activities ie policy, procedures, communications, initiatives etc *Effective* − Roles and responsibilities defined within the Health & Safety Policy *Effective* − Health & Safety annual report to Governance & Audit Committee *Effective* − Health & Safety monthly report presented to Statutory Officers Group *Effective*	Likelihood 2 x Impact 3 = High 9 9	➢ Formalise the follow up of lessons learned actions stemming from incidents/near misses

67

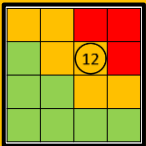| Strategic Risk Description *(not listed by priority)*	Potential key causes of the strategic risk and possible effects if realised	Existing Key Controls & Enablers (including effectiveness assessment)	Residual score	Actions
	Possible effects: • Harm to service user/staff member/visitor etc • Investigation and rectification costs (including potential fines) • Council reputation damage	− Monthly meetings with Chief Executive and Health & Safety Manager *Effective* − Health & Safety Manager communicates important issues to Senior Leadership Team for their consideration and agreement of action necessary *Effective* − Service and activity risk assessments undertaken across the Council by managers and cyclically reviewed annually (as a minimum) *Effective* − Monthly housing compliance review and reporting to ensure embeddedness of safety and wellbeing arrangements for tenants *Effective* − Exercise with Caution List maintained and subject to regular review *Effective* − Programme of Health & Safety audits with outcomes reported and actions monitored *Effective*		
4. Ineffective financial management Corporate Priority **Effective Council**	Potential causes: • Increasing costs (out of controls) eg energy, supplies etc, or unforeseen financial event – major repair cost or fraud loss • Poor financial planning and budgetary control • Weak financial controls – financial procedures are out of date, not communicated, not understood, not followed	− Financial Regulations (and Contract Procedure Rules) in place and regularly reviewed and updated *Effective* − Medium Term Financial Plan supported by relevant policies *Effective* − Monthly financial reports including assessment/discussion of financial position produced and presented at CMT *Effective* − Financial training for all finance staff and budget holders *Effective*	Likelihood 1 x Impact 3 = Medium 6	➢ Review financial regulations to ensure fitness for future

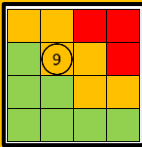| Strategic Risk Description *(not listed by priority)*	Potential key causes of the strategic risk and possible effects if realised	Existing Key Controls & Enablers (including effectiveness assessment)	Residual score	Actions
	• Lack of clarity in roles and responsibilities relating to financial management • Poorly maintained systems and records Possible effects: • Council financial stability threatened • Council plans stifled • Council reputation damage • Qualified Audit Opinion	− Scheme of Delegation in place and transparency in ODD reporting *Effective* − Service management monthly budget management routines including meetings with finance team as required *Effective* − Statutory Officer review of committee reports for financial implications including commentary as appropriate *Effective* − Quarterly report to Finance and Economic OSC and Cabinet *Effective* − Annual Budget Joint Overview & Scrutiny Committee *Effective* − Experienced finance team including procurement officer and support from Welland Procurement Partnership *Effective* − Internal audit plan adopted by Governance & Audit Committee and monitored *Effective* − Annual Governance Statement production and publication *Effective* − Annual financial statements produced and signed off by CMT (and subject to external audit – unqualified opinion) *Effective*		
5. Unable to maintain and build quality and consistency in service provision by the Council	Potential causes: • Inadequate operating environment – outdated materials, technology, buildings etc • Lack of (loss of) knowledge and experience in those involved in service provision • Deficiencies in service delivery and poor performance not being addressed	− Development and improvement plans in place with SMART KPIs *Effective* − Regular consideration of partnerships and collaborations to improve quality and consistency of service provision, with a Partnership Register in place (see Risk 8 partnership and collaboration risk) *Effective*	Likelihood 2 x Impact 3 = High 9	➢ Undertake and complete a succession planning exercise to ensure continuity of services and on-

68

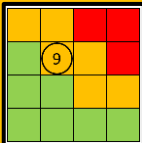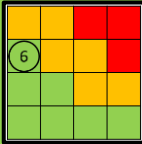| Strategic Risk Description *(not listed by priority)*	Potential key causes of the strategic risk and possible effects if realised	Existing Key Controls & Enablers (including effectiveness assessment)	Residual score	Actions
Corporate Priorities **Effective Council** **Housing**	• Development and improvement plans not fit for future (coupled with lack of effective measurement SMART KPIs, monitoring and reporting) • Lack of innovation with regards to provision of services (lack of innovation culture) Possible effects: • Sub-optimal outcomes and experiences for service users • Negative regulatory outcome • Loss of confidence in the Council amongst stakeholders/reputation damage	– Links with other local authorities/forums for knowledge sharing/identification of what others are doing differently and innovatively *Effective* – Review Corporate Complaints for lessons learned *Effective* – Annual service planning, aligned with budget and financial planning *Effective* – Corporate project planning *Effective* – Business continuity planning *Effective* – Action plans developed to address identified poor service/service failures *Effective* – Succession planning *Partially effective*	⑨	going resilience, including considering outsourcing partnering etc
6. Unable to maintain and build sufficient staffing capacity and capability Corporate Priority **Effective Council**	Potential causes: • Recruitment – the Council doesn't know what skills and experiences are required • Recruitment – competition in the marketplace for candidates to fill vacancies • Recruitment – the Council is not seen as sufficiently attractive as an employer (image and profile, rewards and benefits, culture, and values etc) • Recruitment – lack of quality candidates to recruit • Retention – lack of personal/career development, progression, and succession opportunities • Retention – the Council culture and behaviours are not bought into (for various reason)	– HR/People/Recruitment Strategy in place and monitored by Employment Committee *Effective* – All vacant and new posts subject to a business case and challenged to review if the post is still required at the requested grade prior to progression *Effective* – Alternative service provision options considered/explored as appropriate eg buying in services/sharing posts etc *Effective* – Job evaluation scheme with regular review of market conditions *Effective* – Regular JCNC meetings *Effective* – Employee Assistance Programme in place *Effective* – Internal development through training and apprenticeships *Effective*	Likelihood 2 x Impact 3 = High 9 ⑨	➢ See action related to Risk 5

69

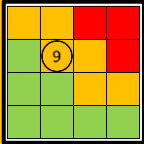| Strategic Risk Description *(not listed by priority)*	Potential key causes of the strategic risk and possible effects if realised	Existing Key Controls & Enablers (including effectiveness assessment)	Residual score	Actions
	• Retention – more attractive employment elsewhere • Retention – poor performance goes unchecked – not identified and not addressed Possible effects: • Inconsistencies or deterioration in quality of service/provision • Deterioration in service user/stakeholder experience and outcomes • Inefficiency/increased costs experienced	− Corporate training plan in place with focus on middle managers for upskilling and training *Effective* − Talent Management Strategy *Effective* − Succession Planning *Partially effective* − Employment Committee receive quarterly HR dashboard data *Effective* − Annual appraisal and staff development plans in place for all staff completion and outcomes subject to monitoring and review *Effective* − Annual staff survey with outcomes reported to the Employment Committee *Effective* − Equality & Diversity/gender pay gap assessment *Effective*		
7. Failure to explore digital transformation of Council Services Corporate Priority **Effective Council**	Potential causes: • No clear/consistent technology development and transformation strategy at the Council • No visibility of technology activities, application, and use (no embedded technology change culture) • No (or unreliable) mechanism to measure value generated at the Council through use of technology • Lack of capacity and capability in connection technology and digital provision • Lack of budget available to invest in future technologies	− Business Development Plan for key projects *Partially effective* − Option appraisal *Partially effective* − Post implementation reviews undertaken to identify benefits realised *Partially effective* − Customer access strategy including up to date website with online communications channel *Partially effective*	Likelihood 3 x Impact 3 = High 12	➢ Develop a Council digital transformation strategy

70

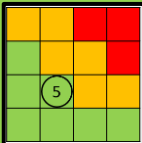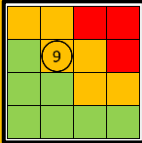| Strategic Risk Description *(not listed by priority)*	Potential key causes of the strategic risk and possible effects if realised	Existing Key Controls & Enablers (including effectiveness assessment)	Residual score	Actions
	Possible effects: • Sub-optimal service provision by the Council • Reduced service users experience • Inefficiency experienced – technology not used/not used to its full potential			
8. Not maintaining and developing fruitful partnerships and collaborations Corporate Priority **Effective Council**	**Potential causes:** • No clear or up to-date strategy or mandate re exploring, identification and engagement with other agencies to collaborate and partner with • Lack of reliable measures and assessment of outcomes (return on investment) from partnerships and collaborations • Lack of Council resources, capacity, and capability to create and sustain effective collaborations and partnerships with businesses and other agencies **Possible effects:** • Resource waste – poor VFM • Sub-optimal outcomes for the Council • Reduced profile of the Council amongst key stakeholders	− Partnership Register maintained *Effective* − Member appointment to Board of partnership where appropriate *Effective* − SMART Key Performance Indicators (KPIs) in place in relation to collaborations and partnerships with regular monitoring and reporting, with action plans being taken to address issues *Partially effective* − Budgeting accommodates partnerships/ collaborations *Effective* − Existing partnerships and collaborations identified and are subject to review to ensure that they are effective including governance structure *Partially effective* − Partnership and collaboration agreements in place and are subject to regular review *Partially effective*	Likelihood 2 x Impact 3 = High 9 9	➢ Develop a Council collaboration/ partnership strategy ➢ Undertake a review of existing partnerships for the purpose of establishing their effectiveness and contribution to Council objectives ➢ Develop collaboration/ partnership KPIs

71

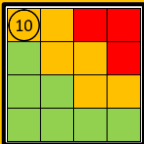| Strategic Risk Description *(not listed by priority)*	Potential key causes of the strategic risk and possible effects if realised	Existing Key Controls & Enablers (including effectiveness assessment)	Residual score	Actions
9. #TeamSK values/ culture are not lived Corporate Priority **Effective Council**	Potential causes: • Behavioural expectations are not clearly set out (not communicated or recognised) • Lack of measurement with regards to Council culture • Lack of organisation development capacity and capability re culture • Poor performance and behaviours are not tackled/good performance not recognised and celebrated Possible effects: • Reduced quality of provision – poor service user experience and lack of innovation • Weakened governance – the Council make poor decisions • Staff dissatisfaction • Sub-optimal delivery and achievement of the Council plans • Reputation damage	− Behavioural expectations clearly set out *Effective* − Staff and Member Codes of Conduct in place *Effective* − Staff annual engagement survey *Effective* − Staff job descriptions and appraisals include values and behaviours *Effective* − Organisational Development plan *Effective* − Equality, Diversity, and Inclusion Strategy *Effective* − Review of the SK Values *Effective* − Effective People Panel *Effective* − Back to the floor services by senior officers *Effective* − Annual staff recognition awards *Effective* − Monthly 'All Hands Call' *Effective*	Likelihood 2 x Impact 3 = High 9	
10. Unable to meet requirements of new regulations and legislation affecting the Council Corporate Priority **Effective Council**	Potential causes: • Lack of awareness or visibility of emerging/new regulations and legislation • Ineffective (untimely) interpretation to enable understanding of requirements and implications • Lack of communications/learning and development to meet new requirements across the Council • Ineffective response plans – what, how, who and when	− Departments undertake regular horizon scanning for new legislation *Effective* − Monitoring Officer in place *Effective* − Regular reporting on breaches of legislation/regulations produced by Monitoring Officer *Effective* − Attendance at events (CIPFA, AEA, ADSO, SOLACE/LGA) *Effective*	Likelihood 1 x Impact 3 = Medium 6	

72

73

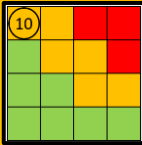| Strategic Risk Description *(not listed by priority)*	Potential key causes of the strategic risk and possible effects if realised	Existing Key Controls & Enablers (including effectiveness assessment)	Residual score	Actions
	• Ineffective response – lack of resources, knowledge and experience, funding etc Possible effects: • Ultra vires activities – the Council could be subject to legal challenge • Deterioration in quality of services • Council reputation damage	− LGA links and APSE wider networks used to raise awareness of legislative and regulatory changes *Effective* − Daily briefing from the DLUHC *Effective* − OFLOG data set review to identify where the Council may be an outlier *Effective*	*(green)*	
11. Not sufficiently responding to climate change <u>Corporate Priorities</u> **Effective Council** **Sustainable South Kesteven**	Potential causes: • No clear sustainability strategy and plan for the Council (or lack of commitment to plans in place) • No visibility of sustainability activities or mechanism to measure sustainability value provided by the Council • Lack of capacity and capability available in connection with sustainability • The Council do not prioritise the green agenda/sustainability – it is not core to decision making, communications etc • Lack of budget commitment to the green agenda/sustainability Possible effects: • Sub optimal value from sustainability being realised by the Council • Loss of Council profile amongst stakeholders and partners – reputation damage • Inefficiency experienced	− Dedicated climate change reserve within budget for the purpose of funding climate/carbon reduction initiatives *Effective* − Climate change strategy *Effective* − Carbon Reduction Plan in place and monitored by Environment Committee *Effective* − Maximise external funding SHDF etc *Effective* − Local plan policies to support climate change response/mitigation *Effective* − Communication includes climate change updates and information to raise staff awareness, communicate progress of initiatives and advice/best practice *Effective* − Regular reports to Members on progress of response to climate emergency as part of a detailed work programme *Effective*	Likelihood 2 x Impact 3 = High 9 *(risk matrix, 9)*	

Strategic Risk Description *(not listed by priority)*	Potential key causes of the strategic risk and possible effects if realised	Existing Key Controls & Enablers (including effectiveness assessment)	Residual score	Actions
12. Not effectively engaging with our key external stakeholders Corporate Priorities **Effective Council** **Enabling Economic Opportunity**	Potential causes: • The Council has not determined its key stakeholders • Insufficient channels, systems, and process through which to collate, assess stakeholder intelligence (coupled with ineffective monitoring, reporting and responding by the Council) • Lack of forward planning, prioritisation, and agility to make changes required as a result of stakeholder engagement • Ineffective communications, marketing, and publicity – function, systems, process and platforms Possible effects: • Stakeholders interests not best served • Erosion of confidence in the Council • Lack of learning – unable to exploit opportunities arising and poor performance remains invisible	− Local Economic Forum *Effective* − Engagement of SK Team with key partnerships *Effective* − Community engagement strategy *Effective* − Community consultation framework adopted *Effective* − Community engagement plan in place *Effective* − External communications plans including digital comms (web site and social media) *Effective* − Youth Council *Effective* − CEO/Directors/Cabinet/Members networking *Effective* − Parish councils *Effective*	Likelihood 2 x Impact 2 = Medium 5 ⑤	➢ Undertake a review of stakeholders to ensure the Councl is seeking to continually effectively engage, including ways and means of communication
13. Governance failure Corporate Priority **Effective Council**	Potential causes: • Lack of clearly defined committee structure and procedures, including terms of reference to support effective decision making and scrutiny • Behavioural expectations of members (eg adherence with the Nolan Principles/Standards in Public Life) are not clearly set out (not communicated or recognised) This is currently heightened	− Up to date Constitution in place (and subject to regular review) *Effective* − Clearly defined committee structure in place *Effective* − Up to date Terms of Reference for all committees *Effective* − Member and Officer Scheme of delegation in place *Effective*	Likelihood 2 x Impact 3 = High 9 ⑨	

75

Strategic Risk Description *(not listed by priority)*	Potential key causes of the strategic risk and possible effects if realised	Existing Key Controls & Enablers (including effectiveness assessment)	Residual score	Actions
	due to a large number of new members following recent elections • Lack of governance measurement – ineffective processes, non-adherence and poor behaviours go unidentified/not tackled • Lack of member development programme Possible effects: • Ineffective/inefficient decision making • Illegality • Stakeholder dissatisfaction • Local democracy undermined - reputation damage	− Governance training provided at induction and cyclical updates, including standards in public life *Effective* − Committee effectiveness assessment (annually). Action plans developed to address areas of concern *Effective* − Committee chairs are sufficiently experienced and trained to fulfil role *Effective* − Up to date policies and procedures including compliance which are subject to cyclical review and are communicated to staff (and accepted) *Effective* − Council decisions published *Effective* − The Annual Governance Statement compilation and review *Effective* Note: Recent internal audit review of Governance (substantial opinion provided)		
14. Significant fraud/ theft successfully committed against the Council <u>Corporate Priority</u> **Effective Council**	Potential causes: • Lack of effective anti/counter fraud (theft and corruption) policy and procedures (out of date, not communicated, not understood), including whistle-blowing arrangements • Lack of relevant and timely training relating to preventing/detecting fraud (theft and corruption) • Lack of clarity in fraud/theft prevention roles and responsibilities • Anti-fraud culture not bought into	− Counter Fraud Strategy in place *Effective* − Whistleblowing Policy in place *Effective* − Anti-Money Laundering Policy in place *Effective* − Internal audit appointed *Effective* − Governance & Audit Committee *Effective* − Monthly Statutory Officers Group meeting *Effective* − Appropriately trained staff, appropriate culture and awareness, segregation of duties, whistleblowing procedures and closure reports *Effective*	Likelihood 1 x Impact 4 = High 10 	➢ Develop fraud risk assessment action plan ➢ Deliver counter fraud, whistleblowing, and anti-money laundering training

Strategic Risk Description *(not listed by priority)*	Potential key causes of the strategic risk and possible effects if realised	Existing Key Controls & Enablers (including effectiveness assessment)	Residual score	Actions
	• Poorly maintained systems and records Possible effects: • Investigation and rectification costs • Council reputation damage	− Financial Regulations/Standing Orders, budget monitoring regime, financial management systems, indemnity insurance *Effective* − National Fraud Initiative/data matching *Effective* − External audit opinion explicitly addresses regularity *Effective* − Fraud risk assessment undertaken *Effective*		
15. Unable to effectively respond to national and local political priorities Corporate Priority **Effective Council**	Potential causes: • Political shifts and movement - both at national and local level, including party and individuals creates a lack of clarity • Ineffective response plans – what, how, who and when. Difficulty in unwinding existing arrangements and commitments • Lack of available resources Possible effects: • Deterioration in quality of services • Dissatisfied stakeholder – Council reputation damage • Legal challenge	− Weekly meeting between Chief Executive and Council Leader *Effective* − Regular officer and Member liaison meetings, including Portfolio Holder and officer meetings *Effective* − CMT horizon scanning *Effective* − Executive briefing *Effective* − Executive/Senior team attendance at/participation in networks and forums – local, regional, and national *Effective* − Professional/association body membership alerts and journals eg LGA, SOLACE, CIPFA, AEA, APSE, ADSO *Effective* − Stakeholder engagement and consultation − Reference to corporate plan in all decision-making reports *Effective* − Regular review of priorities and plans by the Senior Team *Effective* − Member/Corporate Management Team positive and effective relationship	Likelihood 1 x Impact 4 = High 10	

76

Impact			Likelihood			
Critical None or very low tolerance to the risk	4	10 Medium	13 High	15 Very High	16 Very High
Major Some tolerance to the risk	3	6 Medium	9 High	12 High	14 Very High
Moderate Risk can be tolerated in most cases	2	3 Low	5 Medium	8 High	11 High
Minor Risk can be tolerated	1	1 Low	2 Low	4 Medium	7 Medium
		1	2	3	4
		Unlikely	Possible	Likely	Certain
		Low but not impossible <20%	Fairly likely to occur 21% - 50%	More likely to occur than not 51% - 80%	Expected to occur in most circumstances >80%

Likelihood

77

This page is intentionally left blank

Emerging Risk Radar

Emerging risk considerations

July 2024

Emerging Risk Radar – July 2024

Given your strategic objectives, what do you see as the **emerging events or threats that could impact on your business,** either negatively or positively, and that you believe should be watched?

We received **237 survey responses** from board members across all industries/sectors.
(over the last 6 months to July 2024).

Key risks in summary

New emerging risks in the form of **access to and availability of finance and funding** – impacting both private, public and not for profit sectors. A **more specific reference to homelessness** as a risk and the implications thereon for society.

9 emerging risks identified as more prevalent (1 less than 6 months previous), with the **impacts of artificial intelligence (AI)** and **geo-political instability** being identified more so as an emerging risk. The **physical effects of climate change** in the form of weather pattern shifts moving towards more prevalent.

The top 3 most prevalent emerging risks:

01
Changes in government priorities
New or changes in laws, policies and regulations affecting all businesses and individuals.

02
Geo-political instability
Reduced spending by consumers and reduction or changes in spending by government.

03
Continued economic slow-down
Reduced spending by consumers and reduction or changes in spending by government.

Emerging Risk Considerations

01
What do you see as the emerging risks?

02
How far will these emerging risks affect your business?

03
How far will these emerging risks play through into your existing strategic risks?

04
How far will they change the way you currently manage your strategic risks?

05
How will you respond?

How will you continue to review the emerging risks?

Emerging risk – why and what?

Why?
The board should establish and keep under review the risk and internal control framework and determine the nature and extent of the principal risks it is willing to take to achieve its strategic objectives.

What?
An emerging risk might be defined as:
"a new or unforeseen level of uncertainty driven by external events – the risk may still be forming, and it may not be clear as to the implications for the business, be these negative or positive."

To be watchful of these emerging risks and how they might play through is an important element of preparedness and the business management of risk.

We have framed the emerging risks as:

- **Most prevalent:** risk themes that were more regularly identified in responses;

- **Keep monitoring:** to represent the risk themes that had a moderate prevalence in responses;

- **Worth watching:** those emerging risk themes that were less prevalent.

These risk themes are constantly evolving and shifting, and so are all worthy of consideration.

Emerging areas of risk – July 2024

Direction of travel

Consistent ❯
Increasing ⋀
Decreasing ⋁

Most prevalent

2.1	Changes in government priorities following change in UK Government resulting in new or changes in laws, policies and regulations affecting all businesses and individuals.	❯
2.2	Geo-political instability, including fall-out from and expansion of conflicts eg the Middle East, the US Elections, Ukraine / Russia, relationships with China, North Korea aggression, terror organisations etc and the influence on society.	⋀
5.1	Continued economic slow-down. Reduced spending by consumers or reduced / changes in spending by government / public sector.	❯
7.1	Shortages in skills and experience - reduced investment in staff development, temporary contracts becoming more frequent, reduced pool of experienced / skilled staff available with regular movement between employers versus increasing lack of commitment to longer term career.	❯
4.2	Impact of artificial intelligence both positive and negative implications – still unknown and what this may mean for business (all sectors) i.e. governance, costs, staffing implications and wider aspects e.g. energy use and impact on the environment.	⋀
4.1	Cyber-attacks increasing in frequency and complexity. Unable to sufficiently invest in defence – attacks more disabling, coupled with loss of data in serious targeted attacks.	❯
5.2	Reduced investment in research and development as businesses take a short-term approach and focus on business as usual (reducing agility and innovation) due to macro-economic conditions including geo-political challenges.	❯
6.1	Shifts in inflation, interest rates, salaries and wages, energy costs etc creating financial forecasting and planning uncertainties.	❯
3.1	Ability to effectively engage with and leverage off the sustainability agenda and ability to meet green agenda targets (coupled with potential for Green Washing).	❯

Emerging areas of risk – July 2024

Keep monitoring

3.2	Increasing weather pattern shifts / extreme weather impacting the UK (and globally) – storms, floods, temperature changes impacting supplies and productivity.	⌃
8.1	Tick box governance. Lack of transparency in decision making, conflicts of interest justified, and loss of accountability creating a loss of trust.	⌄
6.2	Availability of supplies leading to increased costs across all ranges of materials.	⌄
6.3	NEW: Access to and availability of finance and funding – impacting both private, public and not for profit sectors, including cost of finance, funding changes.	**New**

Worth watching

1.1	Availability and effectiveness of public services are reduced due to under investment, lack of resources and increased demand from the public.	⌄
1.2	Increasing awareness of mental health and physical well-being issues impacting individuals stemming from post pandemic fall-out, increasing poverty etc. Impacting on public services and employers (as well as having potential duty of care implications).	⌄
1.3	Societal tensions stemming from, by example, racial, ethnicity, diversity, wealth, age, and cultural extremes.	⌄
1.4	NEW: homelessness and poor conditions of housing e.g. damp and mould hazards. Access to affordable housing and the impact on individuals, families and society more widely.	**New**
8.2	Maintaining & building board member capacity and capability - fitness for future, including availability of non-executives for appointment and hold modern world insights.	⌄

**Emerging Risk Radar
July 2024**

Societal and Community

1.1 – Availability and effectiveness of public services are reduced.

1.2 – Increasing awareness of mental health and physical well-being issues.

1.3 – Societal tensions stemming from, by example, racial, ethnicity, diversity, wealth, age, and cultural extremes.

1.4 – Homelessness and poor housing conditions.

Governance

8.1 – Tick box governance. Lack of transparency in decision making, conflicts of interest justified, and loss of accountability and trust.

8.2 – Maintaining board member capacity and capability – fitness for future.

Economic and Financial

6.1 – Shifts in inflation, interest rates, salaries and wages, energy costs.

6.2 – Availability of supplies leading to increased costs across all ranges of materials.

6.3 – Access to and availability of finance and funding including cost of finance and funding changes

People Resources

7.1 – Shortages in skills and experience – reduced investment in staff development, temporary contracts more frequent, reduced pool of skilled staff with movement between employers and increasing lack of commitment to longer term career.

Political, Policy and Regulation

2.1 – Change in government priorities resulting in new or changes to laws, policies, regulations affecting businesses.

2.2 – Geo-political instability, including fall-out from and expansion of conflicts and the influence on society.

Environmental

3.1 – Ability to effectively engage and leverage off the sustainability agenda.

3.2 – Increasing weather pattern shifts / extreme weather impacting the UK (and globally).

Technological

4.1 – Cyber-attacks increasing in frequency and complexity.

4.2 – Impact of artificial intelligence both positive and negative implications.

Commercial

5.1 – Continued economic slow-down. Reduced spending by consumers and reduced / changes in spending by Government.

5.2 – Reduced investment in research and development due to macro-economic conditions.

Worth watching

Keep monitoring

Most prevalent

Emerging Risk Radar
January 2024
Previous edition comparison

Societal and Community

1.1 – Availability and effectiveness of public services are reduced.

1.2 – Increasing awareness of mental health and physical well-being issues.

1.3 – Societal tensions stemming from, by example, racial, ethnicity, diversity, wealth, age, and cultural extremes.

Governance

8.1 – Tick box governance – 'Don't walk the talk'. Lack of transparency in decision making, conflicts of interest justified, and loss of accountability.

8.2 – Maintaining board member capacity and capability – fitness for future.

Economic and Financial

6.1 – Shifts in inflation, interest rates, salaries and wages, energy costs.

6.2 – Availability of supplies leading to increased costs across all ranges of materials.

People Resources

7.1 – Shortages in skills and experience – reduced investment in staff development, temporary contracts more frequent, reduced pool of skilled staff with movement between employers and increasing lack of commitment to longer term career.

Political, Policy and Regulation

2.1 – Change in government and political instability.

2.2 – Geo-political instability, including fall-out from and expansion of conflicts and the influence on society.

2.3 – *Ability to effectively respond to new legislation. This forms part of 2.1 in July 2024 radar.*

Environmental

3.1 – Engaging effectively with the Green Agenda including lack of finance and resources to commit to the environment and sustainability.

3.2 – Increasing weather pattern shifts / extreme weather impacting the UK (and globally).

Technological

4.1 – Cyber-attacks increasing in frequency and complexity.

4.2 – Impact of artificial intelligence both positive and negative implications.

Commercial

5.1 – Economic slow-down resulting from reduction in income through reduced spending.

5.2 – Reduced investment in research and development due to macro-economic conditions.

5.3 – *Reduced competition in the market. Not specifically identified as an emerging risk in July 2024 radar.*

Worth watching
Keep monitoring
Most prevalent
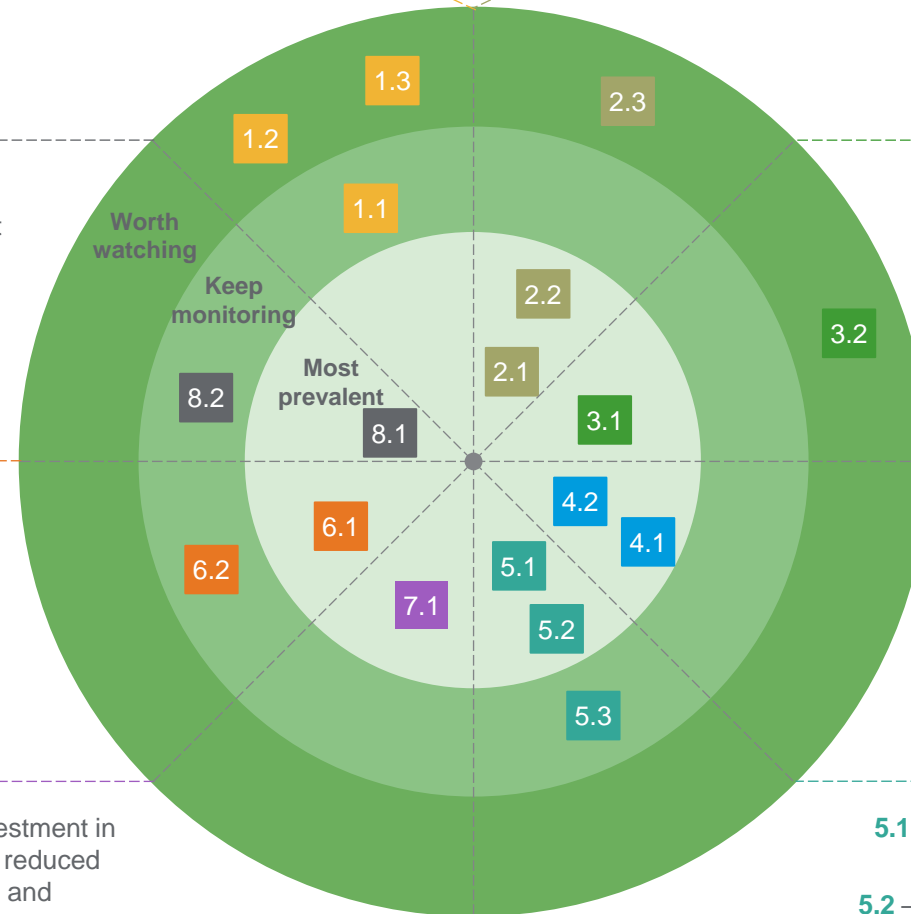
Further insights

Insight4GRC™
RSM's Governance, Risk Management and Compliance Digital Solution.
www.insight4grc.com

4risk: https://youtu.be/12NyJhSNK3o

4action: https://youtu.be/xEuFSwzbzvw

4policies: https://youtu.be/ufXYt1juwhA

4questionnaires: https://youtu.be/NW17EoRJsjs

The NED Network - for non-executive directors | RSM UK

We've created this network specifically for non-executive directors and those in interim roles, to enable networking, sharing of ideas and upskilling within the community.

Contact

Matt Humphrey

Risk & Governance Consulting Partner

Matthew.Humphrey@rsmuk.com

Note re contents of the emerging risk radar:

This is not subject to any form of validation. RSM cannot guarantee the completeness, accuracy or validity of the contents. The content is based on the views of board members and others with whom RSM have interacted as part of this process with the information gathered being collated, interpreted and summarised by RSM. The views are not necessarily representative of all sectors. There is no relationship of any kind created between RSM and the recipient / user of the emerging risk radar publication. The publication is for purposes of reference, compare, contrast and discussion as required by the recipient / user.

Governance and Audit Committee
Tuesday, 24 September 2024

Report of Councillor Philip Knowles, Cabinet Member for Corporate Governance and Licensing

Proposed amendment to the Council's Constitution – method of voting at public meetings

Report Author

Graham Watts, Assistant Director (Governance and Public Protection) and Monitoring Officer

✉ graham.watts@southkesteven.gov.uk

Purpose of Report

To consider an amendment to the Council's Constitution regarding the method of voting used by Members during public meetings of the Council.

Recommendations

The Governance and Audit Committee recommends to Full Council that the Council Procedure Rules in Part 4 (Rules of Procedure) of the Constitution be amended, as set out in paragraph 3.3 of the report, to allow use of the electronic voting system in the Council Chamber.

Decision Information

Does the report contain any exempt or confidential information not for publication?	No
What are the relevant corporate priorities?	Effective council
Which wards are impacted?	(All Wards)

1. Implications

Taking into consideration implications relating to finance and procurement, legal and governance, risk and mitigation, health and safety, diversity and inclusion, safeguarding, staffing, community safety, mental health and wellbeing and the impact on the Council's declaration of a climate change emergency, the following implications have been identified:

Finance and Procurement

1.1   There are no financial implications associated with this report.

Completed by: Richard Wyles, Deputy Chief Executive and Section 151 Officer

Legal and Governance

1.2   There are no significant legal and governance implications arising from this report, which seeks to introduce another method for the recording of votes at the Council's public meetings, utilising technology which already exists in the Council Chamber.

Completed by: Graham Watts, Monitoring Officer

2. Background to the Report

2.1.   Paragraph 15.3 of the Council Procedure Rules at Part 4 (Rules of Procedure) of the Council's Constitution currently prescribes that votes at the Council's meetings shall be taken by means of a show of hands for, against and abstention.

2.2.   The Council Chamber is equipped with an electronic voting system whereby Members can press a button next to their respective microphone to indicate whether they are for, against or abstaining from a proposal. The results of this vote can then be displayed on the screen in the Council Chamber.

3. Key Considerations

3.1.   The Council has previously used the electronic system in the Council Chamber to facilitate voting at its meetings, however, a decision was taken in 2020 to cease its use. The current administration is keen to re-introduce its use and therefore seeks to amend the Constitution in order that it can be used at the Council's meetings in the future.

3.2.   It is considered that use of this system will be more open and transparent in terms of clearly displaying the outcome of votes taken in the Council Chamber, both to those in the Chamber itself as well as to those watching the meeting live or via a recording of the meeting. Additionally, it would speed up the process of recorded

votes which can be time consuming given that each Members' name currently needs to be read out in order that they can indicate whether they are for, against or abstaining from a proposal. Use of the system would enable all Members to indicate their vote at the same time with the results immediately available for viewing on the screen.

3.3. The Governance and Audit Committee is therefore invited to consider making a recommendation to Full Council which amends paragraph 15.3 of the Council Procedure Rules to read:

"Unless otherwise provided by legislation or in these Council Procedure Rules, the vote on any motion or amendment proposed at any meeting of Full Council shall be taken by means of a show of hands for, against and abstention **or by using the electronic voting system in the Council Chamber. The person presiding the meeting will determine the most appropriate means of facilitating votes**".

3.4. The bold text above denotes additions made to the existing procedure rule.

4. Other Options Considered

4.1 To maintain the existing arrangements of limited voting to a show of hands.

5. Reasons for the Recommendations

5.1. To make use of the technology already available in the Council Chamber, provide more flexibility as to how voting can be facilitated at meetings of the Council and ensure more openness and transparency in respect of the result of votes in presenting votes cast for, against and abstentions on the screen.

This page is intentionally left blank

SOUTH KESTEVEN DISTRICT COUNCIL

Governance and Audit Committee

Tuesday, 24 September 2024

Report of Councillor Ashley Baxter, Leader of the Council and Cabinet Member for Finance, HR and Economic Development

LeisureSK Limited – Board of Directors

Report Author

Graham Watts, Assistant Director (Governance and Public Protection) and Monitoring Officer

✉ graham.watts@southkesteven.gov.uk

Purpose of Report

To consider extending the terms of office of those Directors of LeisureSK Limited appointed by the Governance and Audit Committee at its extraordinary meeting held on 26 April 2024.

Recommendations

The Committee is recommended to:

1. **Approve the permanent appointment of Councillors Patsy Ellis and Councillor Philip Knowles to the Board of LeisureSK Limited.**

2. **Approve the extension of Mr Paul Sutton's appointment on the Board of LeisureSK Limited to until the cessation of his interim contract with South Kesteven District Council.**

Decision Information

Does the report contain any exempt or confidential information not for publication?	No
What are the relevant corporate priorities?	Effective council
Which wards are impacted?	(All Wards)

Implications

Taking into consideration implications relating to finance and procurement, legal and governance, risk and mitigation, health and safety, diversity and inclusion, safeguarding, staffing, community safety, mental health and wellbeing and the impact on the Council's declaration of a climate change emergency, the following implications have been identified:

Finance and Procurement

1.1   There are no financial implications arising from this report.

Completed by: Richard Wyles, Deputy Chief Executive and Section 151 Officer

Legal and Governance

1.2   Councillor Patsy Ellis, Councillor Phil Knowles and Mr Paul Sutton were appointed as Directors of the LeisureSK Limited Board for a period of six months. Should their terms of office not be extended, the Board would consist of two Directors with effect from 26 October 2024. In such circumstances the Board would still be quorate in accordance with the provisions of the Companies Act 2006 and the company's Articles of Association, which specify at least one Director must be appointed to the Board. It would, however, represent good governance to maintain wider representation on the Board.

Completed by: Graham Watts, Monitoring Officer

2.   Background to the Report

2.1.   LeisureSK Limited was established as a company to manage the Council's leisure facilities. It is wholly owned by the Council.

2.2.   The membership of the Board currently consists of Miss Debbie Roberts (the Council's Head of Corporate Projects, Performance and Climate Change and Chairman of the Board), Councillor Patsy Ellis (District Councillor), Councillor Philip Knowles (Cabinet Member for Corporate Governance and Licensing), Mr Paul Sutton (the Council's Interim Deputy Section 151 Officer) and David Monkhouse (Non-Executive Director).

2.3.   The Governance and Audit Committee at its extraordinary meeting on 26 April 2024 appointed Councillor Ellis, Councillor Knowles and Mr Sutton onto the Board of LeisureSK Limited as Directors for a period of six-months.

3. Key Considerations

3.1. The Governance and Audit Committee is invited to consider extending the terms of office for the appointments referenced in paragraph 2.3 above.

3.2. To assist the Governance and Audit Committee in its deliberations, statements from Councillor Ellis, Councillor Knowles and Mr Sutton are set out below which outline their experience, qualifications or other information pertinent to the role of Director of LeisureSK Limited:

3.3 Councillor Patsy Ellis

Councillor Ellis has issued a statement attached at Appendix A to this report.

3.4 Councillor Philip Knowles

Councillor Knowles graduated the London School of Economics with a BSC (ECON) Degree. He joined the NFC (the nationally owned arm of road transport) as a Management Trainee and worked for British Road Services in the North-West for 20 years. In 1972 he became the then youngest Branch Manager in the Company and then worked in Line Management and Personnel Management with a brief period in Planning and Development until in 1989 when he was head-hunted to join John Dee Transport. He subsequently came to Lincolnshire as Distribution Manager for Geest Fresh Produce in Spalding in 1991.

He was head-hunted once again in 1995 by Fowler-Welch part of the Dart Group of Companies to become Distribution Director where he worked until 2004 when he retired. He worked for 18 months as MD of a haulage company in Devon who had lost their licence but won it back on appeal to revive its business. Between 2000 and 2007 Councillor Knowles was a Non-Executive Director of Royal Liver Assurance the Mutual Financial Business and was Chair of Remuneration for four years. He had been a Delegate to The Royal Liver for 20 years and was one of only four delegates ever to Chair its Annual or Special meeting twice.

3.5 Mr Paul Sutton

Paul has extensive experience in the setting up of and running Local Authority Trading Companies. This is both from the Council shareholder side and acting as a Board Member within Trading Companies.
Mr Sutton states: "the past six months have been challenging for the new LSK Board; however it is clear they have worked together and real progress has been demonstrated".

3.6 It is recommended that Councillor Ellis and Councillor Knowles be appointed onto the LeisureSK Limited Board permanently.

3.7   It is recommended that Mr Sutton's term of office on the LeisureSK Limited Board be extended until the cessation of his interim contract with the Council.

4.   Other Options Considered

4.1   To not extend the terms of office of those Directors referenced in the report.

4.2   To consider any further appointments onto the Board of LeisureSK Limited.

5.   Reasons for the Recommendations

5.1.   To ensure that LeisureSK Limited is properly constituted and has adequate membership on its Board.

6.   Appendices

6.1   Appendix A – Statement by Councillor Patsy Ellis

Reasons for me to be retained on the board of LSK

I should like to make it absolutely clear that I have treated my appointment as totally separate to my role as a Councillor and have approached the issue as I would do if appointed to any other business as a board member.

My first reaction was to question the financial management of LSK up to the date of my appointment. As I explained in my email to other members of the board, this is what I would have done in any other situation. However, this issue was addressed by the appointment of Paul Sutton (interim Finance Director) to the board and his subsequent and ongoing great work with Ash in the Finance Department.

I have also requested that the accounts be broken down by Leisure Centre to enable us to see where the successes and issues are. This has now been done and will be refined going forward.

Over the past 5 months I have brought my considerable business experience and acumen to the board and believe that I have injected energy, enthusiasm and passion into the board.

I have visited all three sites to view them and discussed the various issues/successes with the relevant personnel. I have brought to the attention of the relevant cabinet member the issues regarding maintenance issues, chief amongst these was the urgent requirement for a new boiler at the Stamford Leisure centre. This is now being addressed.

All board members were required to complete a Skills Set Assessment and it is my understanding that we are a very balanced board in terms of skills.

I am also the only member of the board who is the most experienced in terms of marketing and P/R. I requested that the current marketing company make a presentation to the board which they did in July. One of the items that was discussed was the use of the Marketing Company's use of national data for demographics. I suggested that they contact Charles to understand the SKDC demographic data which they have done. I also arranged a teams meeting with the Marketing Company and the Contracts Manager to discuss the way forward in terms of marketing and P/R. We have a great story to tell but we are not getting it out there. I also connected LSK up with the Comms team of SKDC to enable them to get any new initiatives into the public forum.

I attended the appraisal of the Contract Manager and would like to think that I made a useful contribution to this. Included in this conversation was the requirement to ensure that there will be training for the Contract Manager and other employees. We also requested that the various Centre Managers present to the board on a rotating monthly

basis so that they feel engaged with the board, and also to promote accountability (not that we feel that it is lacking).

As referred to above, I do think that the current board is a very strong and effective one. The last thing that LSK needs now is a change of leadership and would therefore urge you to consider extending my directorship. It should also be noted that this is a non-remunerated position and requires a considerable amount of my time, but as I said to the Committee when I was appointed, failure is never an option for me.

Finally, I should like to take this opportunity to praise the amazing work of other members of the board, who have also acted in an independent manner and who have given enormous amounts of their time to the board. I ask you to put your trust in us.

Patsy Ellis

SOUTH KESTEVEN DISTRICT COUNCIL

Governance and Audit Committee

24 September 2024

Councillor Philip Knowles, Cabinet Member for Corporate Governance and Licensing

Local Government and Social Care Ombudsman – Annual Review Letter 2023-24

Report Author

Graham Watts, Assistant Director of Governance and Public Protection (Monitoring Officer)

✉ Graham.watts@southkesteven.gov.uk

Purpose of Report

To report the content of the Local Government and Social Care Ombudsman's Annual Review Letter for 2023-24.

Recommendations

That the Committee notes the content of the Local Government and Social Care Ombudsman's Annual Review Letter for 2023-24.

Decision Information

Does the report contain any exempt or confidential information not for publication?	No
What are the relevant corporate priorities?	High performing Council
Which wards are impacted?	All

1.   Implications

Taking into consideration implications relating to finance and procurement, legal and governance, risk and mitigation, health and safety, diversity and inclusion, safeguarding, staffing, community safety, mental health and wellbeing and the impact on the Council's declaration of a climate change emergency, the following implications have been identified:

Finance and Procurement

1.1   There are no specific finance or procurement implications arising from this report.

Completed by: Richard Wyles, Chief Finance Officer

Legal and Governance

1.2   There are no specific legal and governance implications arising from this report.

Completed by: Graham Watts, Monitoring Officer

2.   Background to the Report

2.1   The Local Government and Social Care Ombudsman is responsible for investigating complaints about Councils, all adult social care providers and some other organisations providing local public services.

2.2   The Ombudsman would expect a complainant to have gone through all of the stages of an organisation's own complaints process before receiving a complaint on any matter.

2.3   Any complaint to the Ombudsman must be about something it has authority to investigate and in most cases a complainant should:

- Complain to the Ombudsman within 12 months of becoming aware of the matter
- Have been directly affected by the matter and suffered a 'personal injustice'

2.4   This report sets out the content of the Ombudsman's Annual Review Letter for 2023/24 for South Kesteven District Council.

3.   Key Considerations

3.1   The Local Government and Social Care Ombudsman's Annual Review Letter covers a twelve-month period up to 31 March 2024. This is attached to the report at **Appendix A**.

3.2 The Annual Review Letter focuses on three key areas that help to assess the Council's commitment to put things right when they go wrong. These are:

- Complaints upheld
- Compliance with recommendations
- Satisfactory remedy provided by the Authority

3.3 19 complaints were considered by the Ombudsman during the period of the Annual Review Letter, broken down into the following areas:

- Planning & Development – 6
- Environmental Services and Public Protection & Regulation – 5
- Housing – 4
- Corporate & Other Services – 2
- Benefits & Tax – 1
- Highways & Transport – 1

3.4 Of these 19 complaints, the Annual Review Letter reports that for South Kesteven District Council:

- The Ombudsman carried out **three** detailed investigations during the period
- The Ombudsman upheld **one** complaint following a detailed investigation during this period and was not satisfied the Council had provided a satisfactory remedy before the complaint was received by the Ombudsman
- The Ombudsman was satisfied the Council had successfully implemented its recommendations relating to the case it upheld

3.5 It should be noted that the Council's number of upheld decisions equates to 0.7 per 100,000 residents, with the average for authorities of this type being 1.2 per 100,000 residents.

3.6 The complaint upheld by the Ombudsman following a detailed investigation related to the Council's failure to deal with breaches of planning control that affected the complainant's home. The Ombudsman found fault in the Council's enforcement investigation. The Council agreed to implement a number of actions, as set out in the decision notice which can be viewed via the following link:

23 006 419 - Local Government and Social Care Ombudsman

3.7 Further statistical information for South Kesteven District Council and comparisons with other Local Authorities can be viewed via the following link:

https://www.lgo.org.uk/your-councils-performance

4.   Other Options Considered

4.1   No other options are considered other than to note the report.

5.   Reasons for the Recommendations

5.1   The report is for noting.

6.   Appendices

6.1   Appendix A – The Local Government and Social Care Ombudsman's Annual Review Letter 2023-24

Local Government & Social Care OMBUDSMAN

50 years 1974 – 2024

17 July 2024

By email

Ms Bradford
Chief Executive
South Kesteven District Council

Dear Ms Bradford

Annual Review letter 2023-24

I write to you with your annual summary of complaint statistics from the Local Government and Social Care Ombudsman for the year ending 31 March 2024. The information offers valuable insight about your organisation's approach to complaints, and I know you will consider it as part of your corporate governance processes. As such, I have sought to share this letter with the Leader of your Council and Chair of the appropriate Scrutiny Committee, to ensure effective ownership and oversight of complaint outcomes, which offer valuable opportunities to learn and improve. In addition, this year, we have encouraged Monitoring Officers to register to receive the letter directly, supporting their role to report the decisions we uphold to their council.

For most of the reporting year, Paul Najsarek steered the organisation during his tenure as interim Ombudsman, and I was delighted to take up the role of Ombudsman in February 2024. I look forward to working with you and colleagues across the local government sector to ensure we continue to harness the value of individual complaints and drive and promote systemic change and improvement across the local government landscape.

While I know this ambition will align with your own, I am aware of the difficult financial circumstances and service demands that make continuous improvement a challenging focus for the sector. However, we will continue to hold organisations to account through our investigations and recommend proportionate actions to remedy injustice. Despite the challenges, I have great confidence that you recognise the valuable contribution and insight complaints, and their swift resolution, offer to improve services for the public.

Complaint statistics

Our statistics focus on three key areas that help to assess your organisation's commitment to putting things right when they go wrong:

Complaints upheld - We uphold complaints when we find fault in an organisation's actions, including where the organisation accepted fault before we investigated. We include the total number of investigations completed to provide important context for the statistic. This year, we also provide the number of upheld complaints per 100,000 population.

Compliance with recommendations - We recommend ways for organisations to put things right when faults have caused injustice and monitor their compliance with our recommendations. Failure to comply is rare and a compliance rate below 100% is a cause for concern.

Satisfactory remedy provided by the authority - In these cases, the organisation upheld the complaint and we agreed with how it offered to put things right. We encourage the early resolution of complaints and give credit to organisations that accept fault and find appropriate ways to put things right.

Finally, we compare the three key annual statistics for your organisation with similar authorities to provide an average marker of performance. We do this for County Councils, District Councils, Metropolitan Boroughs, Unitary Councils, and London Boroughs.

Your annual data, and a copy of this letter, will be uploaded to our interactive map, Your council's performance, on 24 July 2024. This useful tool places all our data and information about councils in one place. You can find the detail of the decisions we have made about your Council, read the public reports we have issued, and view the service improvements your Council has agreed to make as a result of our investigations, as well as previous annual review letters.

Supporting complaint and service improvement

In February, following a period of consultation, we launched the Complaint Handling Code for councils, setting out a clear process for responding to complaints effectively and fairly. It is aligned with the Code issued to housing authorities and landlords by the Housing Ombudsman Service and we encourage you to adopt the Code without undue delay. Twenty councils have volunteered to take part in an implementation pilot over the next two years that will develop further guidance and best practice.

The Code is issued to councils under our powers to provide guidance about good administrative practice. We expect councils to carefully consider the Code when developing policies and procedures and will begin considering it as part of our processes from April 2026 at the earliest.

The Code is considered good practice for all organisations we investigate (except where there are statutory complaint handling processes in place), and we may decide to issue it as guidance to other organisations in future.

Our successful complaint handling training programme continues to develop with new modules in Adult Social Care and Children's Services complaint handling available soon. All our courses include practical interactive workshops that help participants develop their complaint handling skills. We delivered 126 online workshops during the year, reaching more than 1,700 people. To find out more visit www.lgo.org.uk/training or get in touch at training@lgo.org.uk.

Returning to the theme of continuous improvement, we recognise the importance of reflecting on our own performance. With that in mind I encourage you to share your view of our organisation via this survey: https://www.smartsurvey.co.uk/s/ombudsman/. Your responses will help us to assess our impact and improve our offer to you. We want to gather a range of views and welcome multiple responses from organisations, so please do share the link with relevant colleagues.

Yours sincerely,

Amerdeep Somal
Local Government and Social Care Ombudsman
Chair, Commission for Local Administration in England

South Kesteven District Council
For the period ending: 31/03/24

Complaints upheld

33%
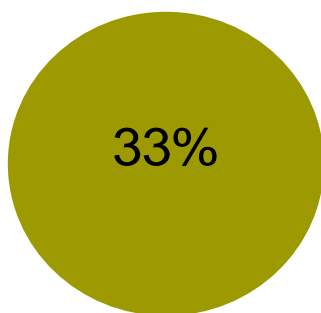
33% of complaints we investigated were upheld.

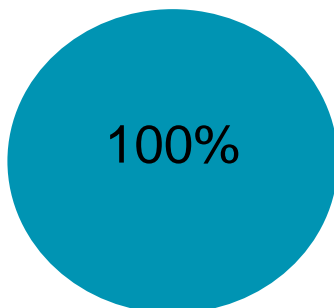This compares to an average of **63%** in similar organisations.

1

upheld decision

This is 0.7 upheld decisions per 100,000 residents.

The average for authorities of this type is 1.2 upheld decisions per 100,000 residents.

Statistics are based on a total of **3** investigations for the period between 1 April 2023 to 31 March 2024

## Compliance with Ombudsman recommendations

100%

In **100%** of cases we were satisfied the organisation had successfully implemented our recommendations.

This compares to an average of **99%** in similar organisations.

Statistics are based on a total of **1** compliance outcome for the period between 1 April 2023 to 31 March 2024

- Failure to comply with our recommendations is rare. An organisation with a compliance rate below 100% should scrutinise those complaints where it failed to comply and identify any learning.

Satisfactory remedy provided by the organisation

0%
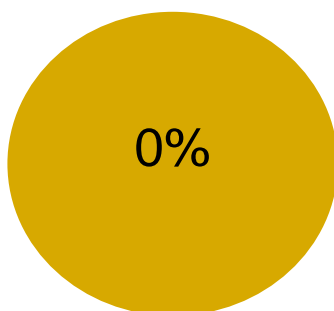
In **0%** of upheld cases we found the organisation had provided a satisfactory remedy before the complaint reached the Ombudsman.

This compares to an average of **21%** in similar organisations.

0

satisfactory remedy decisions

Statistics are based on a total of **1** upheld decision for the period between 1 April 2023 to 31 March 2024

This page is intentionally left blank

Governance and Audit Committee Work Plan 2024-2025

Committee Membership:

Chairman: Councillor Tim Harrison

Vice-Chairman: Councillor Helen Crawford

Item	Current Issues/Status	Outcome Sought
24 September 2024		
Proposed Amendment to SKDC's Constitution	Consideration of an amendment to the Council's Constitution regarding the method used for casting votes at public meetings of the Council.	
Internal Audit Progress Report	Update from the Council's Internal Auditors	To review and note the contents of the report
Review Appointments to LeisureSK Limited	6 monthly review of Director appointments to LeisureSK Limited	To consider the report and any recommendations.
Treasury Management Activity Updates	Update on treasury and debt management operations during the financial year.	To review and note the contents of the report.
Strategic Risk Register	The Strategic Risk Register is presented to the Committee bi-annually as part of the monitoring and review of the risk management arrangements.	To review and consider approving the Strategic Risk Register.
Annual Health and Safety Report 2023/2024	Report to give an overview of the health and safety management arrangements within South Kesteven District Council and identify key areas of focus.	To review and note the contents of the report.
Ombudsman Annual Report 2023/2024	Annual review of complaints received and decisions made from the Local Government Ombudsman Letter.	To review and note the contents of the report.
27 November 2024		

Agenda Item 11

Item	Current Issues/Status	Outcome Sought
Internal Audit Progress Report	Update from the Council's Internal Auditors	To review and note the contents of the report
ISA 260 Report	Report by the Council's External Auditors outlining the key findings arising from the statutory audit of South Kesteven District Council.	To review and note the contents of the report.
Statement of Accounts 2023/2024	To be approved each year by the statutory deadline.	To approve the 2023/2024 Statement of Accounts and their publication on the Council's website.
Annual Governance Statement	To consider the Draft Annual Governance Statement for 2023/2024	To consider approving the Draft Annual Governance Statement for 2023/2024
Review of Effectiveness and Terms of Reference	Consider the outcome of a self-assessment of the effectiveness of the Committee's work.	To consider amending Terms of Reference
Safeguarding Report 2023/2024	An overview of the Council's involvement in the safeguarding of children, young people and vulnerable adults for 2023/2024.	To review and note the contents of the report.
Mid-Year KPIs (Q2 2024/25)	To provide an update on the Council's Mid-Year (Q2 2024/25) performance against the Corporate Plan 2024-27 KPIs.	For the consideration of the Committee.
22 January 2025		
Internal Audit Progress Report	Update from the Council's Internal Auditors	To review and note the contents of the report
Indicative Internal Audit Plan 2025/2026	Internal Audit to present the indicative Internal Audit Plan for 2025/2026.	To review and note the contents of the report.
Treasury Management Activity Updates	Update on treasury and debt management operations during the financial year.	To review and note the contents of the report.

Item	Current Issues/Status	Outcome Sought
Treasury Management Strategy	Monitor the Council's Treasury Management Strategy.	Monitor, review and amend as appropriate.
Risk Management Annual Report 23/24	The Annual Report on Risk Management Procedure and Policy.	To review and note the contents of the report.
Risk Management Framework 2024/2026	A presentation of the Risk Management Framework 2024/2026	To review and note the contents of the report.
19 March 2025		
Internal Audit Progress Report	Update from the Council's Internal Auditors	To review and note the contents of the report
Annual Report on Grants and Returns	To review activity from grants and returns for the year.	To review and note the contents of the report.
Indicative Internal Audit Plan 2025/2026	Internal Audit to present the indicative Internal Audit Plan for 2025/2026.	To agree the Plan for 25/26
Statement of Accounting Policies	Annual report prior to the preparation of the Statement of Accounts to ensure that the policies are up to date and in line with the CIPFA Code of Practice.	To consider approving the Statement of Accounting Policies.
Strategic Risk Register	The Strategic Risk Register is presented to the Committee bi-annually as part of the monitoring and review of the risk management arrangements.	To review and consider approving the Strategic Risk Register.
Review of RIPA Programme	Annual review of RIPA activity	To review and note the contents of the report.
Items to be allocated as and when required		
Financial Regulations		
Constitutional Amendments		

Item	Current Issues/Status	Outcome Sought
Code of Corporate Governance		
Code of Conduct		
Contract Procedure Rules		
Risk Management Framework		
Committee Members Meeting with Auditors		
Counter Fraud Framework		
Review of Subject Access Requests		