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DIRECTOR OF STRATEGY,
PERFORMANCE AND
GOVERNANCE'S OFFICE
DIRECTOR OF STRATEGY, PERFORMANCE
AND GOVERNANCE
Paul Dodson

17 June 2020

Dear Councillor

You are summoned to attend the meeting of the;

PERFORMANCE, GOVERNANCE AND AUDIT COMMITTEE

on **THURSDAY 25 JUNE 2020** at 1.00 pm.

Please note that this will be a **remote meeting** – Members to access the meeting via Microsoft Teams. Members of the press and public may listen to the live stream on the Council's website.

<https://democracy.maldon.gov.uk/ieListDocuments.aspx?CId=284&MIId=2165>

A copy of the agenda is attached.

Yours faithfully



Director of Strategy, Performance and Governance

COMMITTEE MEMBERSHIP

CHAIRMAN

Councillor E L Bamford

VICE-CHAIRMAN

Councillor K W Jarvis

COUNCILLORS

B S Beale MBE
Mrs P A Channer, CC
M F L Durham, CC
A S Fluker
B E Harker
M S Heard
J V Keyes
S P Nunn
N J Skeens
W Stamp
Mrs J C Stilts
C Swain
Mrs M E Thompson

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AGENDA
PERFORMANCE, GOVERNANCE AND AUDIT COMMITTEE
THURSDAY 25 JUNE 2020

1. **Chairman's Notices**
2. **Apologies for Absence**
3. **Minutes of the last meeting** (Pages 5 - 16)

To confirm the minutes of the Committee held on 27 February 2020, (copy enclosed).

4. **Disclosure of Interest**

To disclose the existence and nature of any Disclosable Pecuniary Interests, other Pecuniary Interest or Non-Pecuniary Interests relating to items of business on the agenda having regard to paragraphs 6 – 8 of the Code of Conduct for Members.

(Members are reminded that they are also required to disclose any such interest as soon as they become aware should the need arise through the meeting.)

5. **Public Participation**

To receive the views of members of the public, of which prior notification in writing has been received (no later than noon on the Tuesday prior to the day of the meeting).

Should you wish to submit a question please complete the online form at:
www.maldon.gov.uk/publicparticipation.

6. **Internal Audit Reports: - Progress, Follow-up of Recommendations and Network Security** (Pages 17 - 52)

To consider the report of the Director of Resources, (copy enclosed).

7. **End of Year Review of Corporate Performance** (Pages 53 - 82)

To consider the report of the Director of Strategy, Performance and Governance (copy enclosed).

8. **Quarterly Review of Corporate Risk** (Pages 83 - 92)

To consider the report of the Director of Strategy, Performance and Governance (copy enclosed).

9. **Corporate Health and Safety - Quarter 4** (Pages 93 - 100)

To consider the report of the Director of Service Delivery (copy enclosed).

10. **Section 106 Update Report** (Pages 101 - 108)

To consider the report of the Director of Strategy, Performance and Governance (copy enclosed).

11. **Any other items of business that the Chairman of the Committee decides are urgent**

NOTICES

Sound Recording of Meeting

Please note that the Council will be recording and publishing on the Council's website any part of this meeting held in open session. At the start of the meeting an announcement will be made about the recording.



**MINUTES of
PERFORMANCE, GOVERNANCE AND AUDIT COMMITTEE
27 FEBRUARY 2020**

PRESENT

Chairman	Councillor E L Bamford
Vice-Chairman	Councillor K W Jarvis
Councillors	B S Beale MBE, Mrs P A Channer, CC, A S Fluker, B E Harker, M S Heard, J V Keyes, S P Nunn, W Stamp, Mrs J C Stilts, C Swain and Mrs M E Thompson

815. CHAIRMAN'S NOTICES

The Chairman drew attention to the list of notices published on the back of the agenda.

816. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors M F L Durham and N Skeens.

817. MINUTES OF THE LAST MEETING

RESOLVED that the Minutes of the meeting of the Committee held on 9 January 2020 be approved and confirmed.

818. DISCLOSURE OF INTEREST

Councillor Mrs P A Channer declared a non-pecuniary interest as a member of Essex County Council regarding any items on the agenda pertaining to that organisation.

819. PUBLIC PARTICIPATION

No requests had been received.

820. ACTIONS TAKEN TO THE FINDINGS AND COMMENT OF THE EXTERNAL AUDITOR ARISING FROM THE 2018/19 AUDIT OF ACCOUNTS

The Committee considered the report of the Interim Section 151 Officer together with appendices 1 and 2 that detailed actions taken in response to the findings of the external auditor arising from the audit of 2018/19 accounts.

The Chairman introduced the report noting how comprehensive it was. In response to questions raised officers reported the following:-

- That Ignite highlighted the risk of losing staff in the transformation programme blueprint. From their experience with other like organisations they forecast a straight line in terms of departures, however, this Council experienced a curved line as some staff left due to the transformation and some for other reasons. This resulted in a more rapid reduction than anticipated.
- That senior management direction was impacted by a number of issues as outlined in the report. Given that the same senior officer was responsible for both the local elections, as Returning Officer, and the production of the Statement of Accounts, as Director of Resources, had a major impact on delivery of the accounts. This was further compounded by the departure of said member of staff as detailed in the report. In order to prevent a re-occurrence, the Council would ensure the Director of Resources post is supported by an experienced deputy Section 151 Officer. In addition, since September 2019, the Director of Resources role had been separated from the Returning Officer role which would also preclude the same situation re-occurring. The Returning Officer role was now under the remit of the Director of Strategy, Performance and Governance.
- That all actions identified in the report were already in hand and being actioned by the Tier 2 Managers in liaison with Finance Specialists. All roles, responsibilities and timescales were clearly delineated in the timetable at appendix 2 to ensure the process remained on track for the production of a set of accounts by 31 May 2020. Any deviation from this would be covered by decisive urgent action on the part of the Director of Resources to bring it back on track.
- That the content of both appendices made it clear to officers the focus must be on production of working papers in advance, thereby precluding auditors the opportunity of adding more time to their charges. However, it was also noted that the working papers this time round were the same as previous years, but the auditors were new to the process. This would always be an issue as the Council cannot legislate for who the auditors appoint in their respective team (s).
- That knowledge and experience had been built back up within the finance team. In respect of treasury management, staff were following the operational guidance agreed by Council in February 2019 whereby qualified officers (a qualified accountant), would identify where an investment deposit could be made, with the final decision taken by the Section 151 Officer. The appropriate processes were now in place and the clean audit opinion corroborated that. It may now be timely to look at the financial accounting system in use. It was noted that SAGE 200 reporting was onerous in that information had to be downloaded into excel for reporting purposes. A system with inbuilt reporting

tools that allowed reports provided directly from the system, cutting out the unwieldy excel process, would be more efficient, particularly now the Council was operating with leaner teams.

- Finally, it was noted that since the abolition of the audit commission the Council, along with councils nationally, opted into the Public Sector Audit Appointments Ltd company to appoint their own auditors on a three yearly cycle. By opting in it saved the council expensive procurement costs on a three year cycle.

The Chairman thanked the Interim Section 151 Officer for the report and input from Members. She then put the recommendation to the committee and it was agreed.

RESOLVED that the Committee considered and noted the reasons for the issues identified by the external auditor in the 2018/19 audit of accounts, actions taken by the Interim Section 151 Officer as set out in section 3 of the report and appendix 1 and appendix 2 and the risks as identified in paragraph 3.5.

821. INTERNAL AUDIT REPORTS - PROGRESS, IT DISASTER RECOVERY AND KEY FINANCIAL SYSTEMS

The Committee considered the report of the Interim Section 151 Officer covering three reports from BDO LLP, the Council's internal audit service provider. The reports were titled:- Internal Audit Progress Report February 2020 at appendix 1; IT Disaster Recovery – Final Report at appendix 2; and Main Financial Systems (Accounts Payable, Accounts Receivable, Expenses) – Final Report at appendix 3.

The Chairman introduced the Internal Audit reports and deferred to the BDO Partner, Mr Greg Rubins, to present the first report, namely the Progress Report.

He advised that the report covered the progress against the audit plan 2019/20 and explained the four assurance levels used by internal audit on each of the audits. He said that there were two other reports currently in draft covering Workforce Management and Network Security scheduled for the next committee and that the two reports under this agenda item today would be presented by the Internal Audit Manager, Ms Emma Donnelly.

In response to a query regarding items in the plan being deferred to 2020 he advised that these were in response to requests for deferment by officers who felt that reporting them in 2020 would be more useful.

The Internal Audit Manager then took the Committee through the IT Disaster Recovery report. She advised that it was part limited on assurance at the time of the audit which was a direct result of not having a testing schedule in place. Members were reassured that the Business Impact Assessment and the Business Continuity Plan were now fully documented. In addition, the outstanding testing schedule at the time of the audit had now been set up with a test scheduled for 29 February 2020. The recommendations were all on track due for implementation by the end of March 2020.

Concerns were raised around areas colour coded red and whether appropriate risk assessments had taken place prior to adoption of the transformation programme. The

Director of Strategy, Performance and Governance, noting that the testing schedule was key to IT disaster recovery, advised that once this had been flagged by internal audit the speed with which staff were able to respond and put a schedule in place demonstrated that a lot of work had already been undertaken and that staff took the issue very seriously. In terms of risk assessment, he informed the Committee that the Ignite Blueprint for Transformation, available to all Members on the I:\ Drive, included a risk assessment. It was agreed that the risk assessment would be circulated to all Members following the meeting.

In summary it was noted that the new server should mitigate these issues going forward, that the Council took IT issues very seriously, it was accepted that some areas required improvement and others work completed. The Chairman asked when this issue would be reported back to the Committee and the Audit Manager advised that it would be covered at the next Performance, Governance and Audit Committee (PGA) under the Follow-up of Recommendations report.

The Audit Manager then took the Committee through the Main Financial Systems report looking at accounts payable, accounts receivable, expenses, including Members' expenses. Within the aforementioned areas she highlighted good practice together with areas where there were weaknesses in terms of reporting controls and policies.

The Interim Section 151 Officer and the Audit Manager, addressing areas of concern raised in the report and from Members, advised the following:-

- That the Sundry Debtor Policy and Procedure had been revised, this was an operational document underpinning the Corporate Debt Strategy approved by Council in November 2019. It had been circulated to the Tier 2 Manager responsible for the accounts receivable function as an accounting instruction from the Interim Section 151 Officer. The revised policy did not need committee approval as it operated via an instruction from the Section 151 Officer and had already been actioned.
- That delivery of debt recovery actions and staff training on the system were adversely impacted by the transition from the old structure to the new. Debt recovery actions have now commenced, based on information from the Debt Recovery Agency.
- That the council decided not to pursue receipts for fuel as this was not cost effective to administer, however, all staff and Members were required to complete a mileage form.
- That all write-offs were undertaken in accordance with the Council's Financial regulations, procedure rules and scheme of delegation in accordance with the Constitution. Anything above £20,000 was referred to the Strategy and Resources Committee for approval, nothing was written off by officers. Debt recovery action was now in hand and would form part of the handover to the Interim Director of Resources to address in accordance with the Council's constitution.
- That it was not the role of internal audit to undertake risk assessments on the part of the Council. However, it was important to note that in previous years all areas were generally very well controlled. This was the first year with significant

issues reported and in terms of senior management this was a moving picture throughout the year, impacted by a resignation.

- That the budget underspend had already been reported to the Finance and Corporate Services Committee on 24 September 2019 (now Strategy and resources Committee) in an outturn report. This was the result of a host of issues, principally the budget for 2018/19 was set under the old structure and the impact of transformation changes resulted in the large underspend. It was suggested that Members revisit the outturn report which can be found under this link:- 10 Financial Outturn 2018-19.docx
- That all outstanding items would be reported back to Committee as appropriate through the Follow-up of Recommendations report.
- That urgent action had already been taken to put in place an operational procedure around supplier issues. From now all changes to suppliers' bank accounts, address details, names or new suppliers were followed up through independent checks by the Financial Resources section via email or direct contact, in order to confirm suppliers were bona-fide.

With reference to the Members Expenses' claim form both Councillor Fluker and Councillor Mrs Channer suggested that a form, similar to that at Essex County Council be adopted, using a start and finish postcode to calculate journeys. This to be introduced by April 2020, accompanied by clear guidance on completion. It was felt that this would mitigate the issues raised in the report.

In addition, Councillor Fluker, addressing the issue of write-offs proposed that the Director of Strategy, Performance and Governance bring a report to the Strategy and Resources Committee on 'Aged Debtors'. This was agreed.

There being no further queries the Chairman then put the recommendations to the Committee and they were agreed

RESOLVED that the Committee considered, commented and approved the following:

- (i) Internal Audit Progress Report February 2020 at appendix 1;
- (ii) IT Disaster Recovery – Final Report at appendix 2;
- (iii) Key Financial Systems (Accounts Payable, Accounts Receivable, Expenses) – Final Report at appendix 3.

822. INTERNAL AUDIT FOLLOW-UP OF RECOMMENDATIONS REPORT - FEBRUARY 2020

The Committee considered the report of the Interim Section 151 Officer covering the Internal Audit Follow-up of Recommendations report that provided an overall update of Audit actions, including both open and closed actions, and those recommended and

approved by BDO and Maldon District Council (MDC) staff for removal, at appendix 1 to the report.

The Chairman introduced the report and deferred to the Interim Section 151 Officer to cover the key issues before handing over to the Internal Audit Partner.

The Interim Section 151 Officer drew Members' attention to page 80, the section titled new superseded/closed actions. He reminded Members that this section followed on from a report 'Historic Audit Actions' that was previously deferred by the committee. This was part of a necessary housekeeping exercise and both the internal auditors and internal officers confirmed the original recommendation was either out of date or being picked up in other ways. The aim was to result in a coherent list of outstanding actions that Members could follow through and decide how they were delivered.

The Internal Audit Partner reiterated that the report outlined the current situation as explained by the Section 151 Officer, namely where recommendations were closed and where they were superseded. He said this was a sensible piece of work in light of all the changes that had taken place and that internal audit would continue to follow up on recommendations, focusing on the risk and best approach under the Council's new structure. In response to a query regarding the way work was categorised in the report the Internal Audit Partner said that BDO was looking at introducing less complicated reporting mechanisms.

The Interim Section 151 Officer, in response to a query around work outstanding in respect of fraud advised that within the authority this area was the responsibility of the Section 151 Officer and that work was now in hand. All areas where the Council's Anti-Fraud and Corruption Strategy impacted had been identified. In order to raise awareness of anti-fraud and corruption risk, key documents had been shared with Tier 2 Managers who in turn cascaded the information to their respective service managers and officers. This was also on the agenda for both the Extended Leadership Team (ELT) meetings that included the Corporate Leadership Team (CLT) and Tier 2 Managers.

He reassured Members that considerable work had already been undertaken in this area as a result of previous audits where weaknesses had been identified and actioned:- understanding collusion, pricing cartels, accounts payable and additional checks around changes in suppliers which in turn addressed anti-fraud/corruption activity. He clarified that the reference to a substantive piece of work in the report related to constitutional changes reflecting where the responsibility lay for this area of work in the scheme of delegation, namely with the Section 151 Officer. This, together with other constitutional changes would be reported back to Committee for recommendation to Council.

In addition, he reported that the Section 151 Officer would be supported by a member of staff responsible for embedding awareness of the potential risks. That work and necessary action around this area would require a corporate approach, led by the Section 151 Officer with input from Human Resources, the Strategy, Performance and Governance Directorate etc. to ensure a comprehensive programme of periodic awareness was in place, including training programmes for new and existing staff together with regular review of document processes and procedures.

He concluded that the Council was actively addressing and monitoring how it might be defrauded, how to avoid fraud and embed an understanding of fraud risks across the Council, as issues of this nature remained live.

There being no further questions the Chairman put the recommendations to the Committee and they were agreed.

RESOLVED

- (i) That the Members reviewed the audit actions update, including removal of audit actions which have been addressed and delivered in other ways operationally, or are no longer relevant and approved the current list;
- (ii) That Members reviewed this report bearing in mind the future internal audit plan and are reassured that actions will continue to be reviewed as part of our internal audit process;
- (iii) That this report is provided quarterly in order to monitor internal audit actions going forwards;
- (iv) The progress report on the implementation of the Committee's resolution as set out in section 3.6 of this report be noted including appendix 2.

823. INTERNAL AUDIT - DRAFT STRATEGIC PLAN 2018/19 - 2020/21 AND DRAFT ANNUAL AUDIT PLAN 2020/21

The Committee considered the report of the Interim Section 151 Officer and Internal Audit that sought approval of the Draft Internal Audit Strategic Plan 2018/19 -2020/21 and the 2020/21 Operational Plan attached as appendix 1 to this report.

The Chairman introduced the report and then deferred to the Interim Section 151 Officer. He advised the Committee that some of the items identified in the superseded section of the *Follow-up of Recommendations* report were likely to be re-assessed in future audits that were already identified in the proposed Internal Audit Draft Annual Plan on pages 106-107 namely audits on:- *Flood Management and Information Management*.

The Internal Audit Partner then took the Committee through the report reminding Members that it was based on the highest risks on the Council's risk register. He said there were audits going forward that alluded to transformation but were more granular in detail e.g. *Customer Service and Communications, Workforce* etc. There was also an audit on the new corporate plan and strategy and how that flowed through into detailed objectives and performance reporting. Internal audit work would continue on the usual audits around *Main Financial Systems* etc.

There being no further issues raised the Chairman put the recommendation to the Committee and it was agreed.

RESOLVED that the indicative internal audit plan covering the draft internal audit strategic plan 2018/19 -2020/21 and 2020/21 draft annual audit plan be approved, attached at appendix 1.

824. QUARTERLY REVIEW OF CORPORATE RISK REPORT (Q3)

The Committee considered the report of the Director of Strategy, Performance and Governance that required the Committee to undertake a quarterly review of the Corporate Risk Register as assurance that the corporate risks were being managed effectively. Appendix 1 was attached to the report for this purpose.

The Chairman introduced the report and deferred to the Programmes, Performance and Governance Manager to take the Committee through the report.

The Programmes, Performance and Governance Manager reminded the Committee that as a result of the new corporate risk management strategy agreed in November 2019 all scores had been revised to a 5:5 scoring scale. Appendix 1 detailed the risk scoring criteria and, that based on its contents the risk 'Poor Financial Accounting' would be titled 'Financial Resource and Process Issues' in future reports. It was noted that the risk score on the following three risks had been lowered:- R4 *Failure to influence Community Safety Partners to address the key areas of public concern (including rural crime) and the negative perception of crime*; R22 *Contracts not managed or owned and not providing Value for Money, out of contract on many across Council. Procurement process not adhered to resulting in fines, loss of reputation and* R6; *Failure to have a clear shared plan regarding strategic ownership of coastal, fluvial and surface flood mitigation and long term maintenance responsibilities.*

There being no issues raised the Chairman put the recommendations to the Committee and they were agreed.

RESOLVED

- (i) Members noted the change in scoring in this report, to reflect recent policy updates;
- (ii) Members reviewed the Corporate Risk Register in appendix 1 and provided comment and feedback for consideration;
- (iii) Members were assured through this review that corporate risk was being managed effectively;
- (iv) Members challenged risk where the Committee felt that the Council's corporate goals may not be achieved.

825. QUARTERLY REVIEW OF CORPORATE PERFORMANCE (Q3)

The Committee considered the report of the Director of Strategy, Performance and Governance that required the committee to undertake a quarterly review of the Thematic Strategy's performance, as assurance that performance was being managed effectively to achieve the Corporate outcomes, and where necessary make consensus suggestion of improvement. Appendix 1 to the report provided the first view of performance as of the end of Quarter 3 (31 December 2019). Online versions were available to view on the Members SharePoint site using the following link: [Corporate Performance Report](#)

The Chairman introduced the report and deferred the detail to the Programmes, Performance and Governance Manager.

She took the Committee through the report that highlighted performance progress against the corporate outcomes, as outlined in the corporate plan. It was noted that the areas of concern detailed in appendix 1 were highlighted in amber or red colour.

Addressing performance against the Council's three Thematic Strategies she reported that there were no initial concerns in relation to the Community theme, however in the Place theme there were concerns around the maintenance of open places. With reference to the Prosperity theme there were no initial concerns but there were gaps in data and these would be addressed by quarter 4.

A query was raised regarding the community theme, in particular the area D) 'Support health and wellbeing - priority: Older peoples' health. The Programmes, Performance and Governance Manager explained that this activity was at the supporting plan level. There were plans and areas reported as amber within the three strategies, however the overall measure for the strategy would still be on track due to the impact of other ongoing work. She then drew Members' attention to the high level outcome for the three strategic themes on pages 132,136 and 142 that provided an overview of how the Council was performing.

There being no further issues raised the Chairman put the recommendations to the Committee and they were agreed.

RESOLVED

- (i) Members reviewed the information as set out in this report and appendix 1 with priority focus given to the Strategic Outcome level performance;
- (ii) Members were assured through this review that corporate performance was being managed effectively;
- (iii) Members challenged the performance where the Committee felt that the Council's corporate goals may not be achieved;
- (iv) Members questioned Members and Officers on decisions and performance, relating to comparisons with the Corporate Plan outcomes or in respect of decisions, initiatives or projects.

826. ANNUAL REVIEW OF FINANCIAL REGULATION AND CONTRACT PROCEDURE RULES

The Committee received a verbal update on Annual Review of Financial Regulation and Contract Procedure Rules. The Chairman introduced the item and deferred to the Interim Section 151 Officer for the update.

The Interim Section 151 Officer reported that as a result of transformation and the new committee structure the financial regulations, contract procedure rules, standing orders and scheme of delegation were now out of date and needed to be aligned to the new Council structure. This would be covered in a handover to the new Interim Director of

Resources to take forward. A report would then come back to this committee for recommendation to Council.

RESOLVED that a report on this issue be brought back to committee for recommendation to Council.

827. CORPORATE HEALTH AND SAFETY (Q3)

The Committee considered the report of the Director of Service Delivery that provided an update on corporate health and safety activity from 1 October to 31 December 2019 (quarter three) together with the health and safety action plan for 2019-20.

The Chairman introduced the report and deferred to the Director of Service Delivery to take the Committee through the report.

The Director of Service Delivery highlighted the incident/ accidents that had taken place. There were five incidents of unacceptable behaviour by members of the public. The areas effected were within customer services, environmental health and planning enforcement respectively. It was noted that quarter three had been a particularly busy time in the organisation therefore less progress had been made regarding the action plan. However there had been specific progress within customer solutions and conflict management.

He advised Members that all recommendations following the Health and Safety Executive (HSE) visit to Promenade Park had been completed and following a revisit by HSE all work had been approved. That prior to the initial visit by HSE a health & safety review had been undertaken and all was now in order for the new season. In addition, first aid arrangements were being updated across the organisation.

In response to a query regarding a lack of response to emails the Director of Service Delivery said he would liaise with staff and ensure a prompt response system was in place. He further advised that health & safety was a standing agenda item for this Committee and would be reported back as appropriate.

There being no further issues raised the Chairman put the recommendations to the Committee and they were agreed.

RESOLVED that the following was noted:-

- (i) accident and incident statistics for the quarter;
- (ii) progress with the health and safety action plan 2019/20;
- (iii) information pertaining to corporate health and safety matters.

828. SECTION 106 UPDATE

The Committee received a verbal update on Section 106 from the Director of Strategy, Performance and Governance as follows:-

- That Stephen Andrews had been appointed to the s106 Officer role as of 27 January 2020, on a permanent basis.
- There were no new reporting requirements for the income and expenditures from s106 set out in the National Planning Policy Framework (NPPF) 2019. It required a report on income, outgoings and banked holdings in the year April 2019 to March 2020. In this light the s106 Officer had been asked to undertake the following key tasks in preparation for the reporting date in December 2020.
 1. A comprehensive review of the Council's existing spreadsheets and the necessary monitoring visits to ensure the records were up to date.
 2. To ensure these findings were reconciled with the finance department records for s106.
 3. To carry out a review of the Maldon District Council's (MDC) business processes related to the gathering and expenditure of s106 funding.
 4. To improve partnership working with s106 recipient organisations to ensure, where appropriate, better collaboration and information sharing.
 5. To maintain the day to day running of the process and to deal with s106 related issues as they arise.

The s106 Officer had also been asked to prepare advice on making the s106 system more robust for any future periods of change and thus less dependent on individual post holders. The system should become more easily understood and accessible e.g. via a web site page. This will help the system to be more transparent in its working and more readily accountable to Developers, Members and the Public alike.

In taking these steps Officers believe they offer the best means of ensuring a smooth transition into the future period when s106 funding was being brought in at the same time as the Community Infrastructure Levy.

- The s106 accounts were last presented in October 2019 and there had been little income since then. Two health payments have been sought recently (based on house sales trigger points) and we are awaiting income. A single payment of £7,500 has been made to the NHS in terms of delivering s106.
- Training – the Section 106 Officer was also helping to broaden knowledge of the s106 processes among MDC staff and had provided a staff training session ensuring a sound baseline of understanding. Further sessions will be made available on request. If it would be found helpful a session of up to an hour could be made available to Members.

It was requested that the s106 Officer review all previous s106 decisions emanating from committee minutes, in particular the former Planning and Licensing Committee. It was further agreed that the verbal update be reflected fully in the minutes and circulated to committee members following the meeting.

RESOLVED that an update report be brought to the April 2020 meeting of the committee.

829. ANY OTHER ITEMS OF BUSINESS THAT THE CHAIRMAN OF THE COMMITTEE DECIDES ARE URGENT

In accordance with the Council decision (minute No. 542) the Chairman drew the Committee's attention to the report for noting, the Annual Audit Letter 2018/19, which was also available on the I:Drive. It was agreed that this be circulated to the committee following the meeting.

The Chairman then extended sincere thanks on behalf of herself and the Committee to the Interim Section 151 Officer for all the work he had done and wished him all the best for the future. Councillor Mrs Channer also thanked him for his informed clear responses and his openness and transparency.

The Interim Section Section 151 Officer thanked all for the kind words. He said that whilst it had been a challenging seven months it had also been satisfying.

There being no further items of business the meeting closed at 9:20pm.

E L BAMFORD
CHAIRMAN



REPORT of DIRECTOR OF RESOURCES

to
PERFORMANCE, GOVERNANCE AND AUDIT COMMITTEE
25 JUNE 2020

INTERNAL AUDIT REPORTS – PROGRESS, FOLLOW-UP OF RECOMMENDATIONS, NETWORK SECURITY

1. PURPOSE OF THE REPORT

1.1 To present for consideration, comment and approval by the Committee the following reports issued by BDO LLP, the Council's internal audit service provider

- Internal Audit Progress Report June - 2020 at **APPENDIX 1**;
- Follow-up of Recommendation Report – June 2020 at **APPENDIX 2**;
- Network Security Audit – March 2020 at **APPENDIX 3**.

2. RECOMMENDATIONS

That the Committee considers, comments and approves the:

- (i) Internal Audit Progress Report June 2020 at **APPENDIX 1**;
- (ii) Follow-up of recommendations Report June 2020 at **APPENDIX 2**; and
- (iii) Network Security Audit March 2020 at **APPENDIX 3**.

3. SUMMARY OF KEY ISSUES

- 3.1 BDO LLP are the Council's contracted Internal Audit Service provider. The Partner, Mr. Greg Rubins, fulfils an equivalent role to that of Head of Internal Audit.
- 3.2 The Internal Audit Service is there to provide assurance to the Director of Resources, Management and Members of the adequacy of internal controls and checks in the organisation and to highlight any risks that the Council may be exposed to in its overall and day to day operations.
- 3.3 As such, Internal Audit is independent of Management and operates, performs to and is measured against The UK Public Sector Internal Audit Standards (PSIAS) issued by the Chartered Institute of Public Finance and Accountancy (CIPFA). In addition CIPFA has also issued a Statement on the Role of the Head of Internal Audit.
- 3.4 The reports attached in the three appendices will be presented to the Committee and discussed by Mr. Greg Rubins or his representative on his behalf.

4. CONCLUSION

- 4.1 This report together with the reports attached as Appendices allows the Committee to fulfil its remit of overseeing governance.

5. IMPACT ON STRATEGIC THEMES

- 5.1 Internal Audit cuts across the delivery of all the Strategic Themes of the Council.

6. IMPLICATIONS

- (i) **Impact on Customers** – any impact on customers will be highlighted with the reports in the appendices.
- (ii) **Impact on Equalities** – any impact on equalities will be highlighted with the reports in the appendices if it is within the scope of the audit work carried out.
- (iii) **Impact on Risk** – Any risks identified as a result of the findings of the internal audit work are highlighted with the individual reports and summarised in the Progress Update and Follow Up of recommendations reports.
- (iv) **Impact on Resources (financial)** – Same comment applies here as for Impact on Risk above.
- (v) **Impact on Resources (human)** – Same comment applies here as for Impact on Risk above.
- (vi) **Impact on the Environment** – Same comment applies here as for Impact on Risk above.

Background papers: None.

Enquiries to: Chris Leslie, Director of Resources, Maldon District Council
Greg Rubins (BDO LLP)
Emma Donnelly (BDO LLP)

INTERNAL AUDIT PROGRESS REPORT

MALDON DISTRICT COUNCIL

JUNE 2020

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SUMMARY OF 2020/21 WORK

This report is intended to inform the Performance, Governance & Audit Committee of progress made against the 2019/20 and 2020/21 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.

As a result of the impact of Covid-19 there have been some delays to completion of the 19/20 plan and start of the 20/21 plan. We have been working with officers to minimise these and to agree audits that can be done remotely by our team. We have agreed timings on all remaining audits and our work has recommenced accordingly. The 20/21 Audit Plan will need to be flexible to accommodate new risks resulting from Covid-19; we will agree any proposed changes with the Director of Resources and the Audit Committee.

Remaining 2019/20 Internal Audit Plan

The following audits have been issued in draft since the last Committee:

- Community Safety

The following audits have been finalised since the last Committee:

- Network Security

The following 2019/20 audits are in fieldwork or scheduled:

- Flooding Risk Management (fieldwork completed)
- Corporate Governance (fieldwork scheduled 8 June 2020)

Reports for this Committee

- Follow Up of Internal Audit Recommendations

2020/21 Internal Audit Plan

The following audits are in planning:

- Corporate Plan and Priorities (mid-July start date)

[Type here]

REVIEW OF 2020/21 WORK

Audit Area	Audit Days	Planning	Fieldwork	Reporting	Opinion Design	Effectiveness
Main Financial Systems	20		Q2	November 2020		
Customer Service-CRM Post Implementation	20		Q2	November 2020		
Communications & Stakeholder Management	20	✓	Q1	September 2020		
Information Management	15	✓	Q1	September 2020		
Workforce Management	15		Q3	February 2021		
Safeguarding	20	✓	Q1	September 2020		
Policy Review	15		Q2	September 2020		
Corporate Plan and Priorities	15	✓	Q2	August 2020		
Knowledge Management & Transfer	15		Q4	March 2021		
Management of Property	15		Q4	March 2021		
Housing Needs and Affordable Housing	15		Q4	March 2021		

SECTOR UPDATE

Our quarterly Local Government briefing summarises recent publication and emerging issues relevant to Local Authorities that may be of interest to your organisation. It is intended to provide a snapshot of current issues for senior managers, directors and members.

Councils could need additional £6bn to balance Covid-19 spend

The organisation analysed returns councils submitted to the Ministry of Housing, Communities and Local Government on the financial impact of the pandemic earlier this month. The LGA found that the two emergency tranches of £3.2bn allocated by the government covered costs and income losses so far, but around £2bn more is likely to be needed to cover further costs of responding to the pandemic. An additional £4bn may be needed to deal with the impact of lost income from sources such as council tax, business rates and sales, fees and charges, the LGA said - stressing these figures were based on the assumption that things return to normal in July. "Vital emergency funding from government has helped meet extra cost pressures and lost income in the past three months, James Jamieson, LGA chairman said. "Concerns remain about the ongoing financial pressures ahead. Councils will need further funding and financial flexibilities in the weeks and months ahead to meet ongoing Covid-19 pressures and to keep services running normally. "Certainty around this is desperately-needed so councils can balance their budgets this year and take vital decisions about how to pay for vital local services next year."

<https://www.publicfinance.co.uk/news/2020/05/councils-could-need-additional-ps6bn-balance-covid-19-spend>



Coronavirus: LGA statement on local government funding crisis

"Extra funding for councils will be helpful but they will need up to four times the funding they have been allocated by government so far." Cllr Richard Watts, Chair of the Local Government Association's Resources Board, said:

"Local government continues to lead local efforts to beat this virus but is being stretched to the maximum. Many councils continue to face spiralling cost and demand pressures at the same time as seeing a huge drop in income. This is unsustainable. "Extra funding for councils will be helpful but they will need up to four times the funding they have been allocated by government so far. We are working with councils to provide the most robust evidence to government on the financial challenges they face. Their latest monthly returns should show the impact of a full month of cost pressures and income reductions and the impact of lower council tax and business rates collection rates.

<https://www.local.gov.uk/coronavirus-lga-statement-local-government-funding-crisis>



Spelthorne receives 90% of commercial rent despite Covid disruption

The council has gained attention over recent years for its investment strategy, which relies on borrowing significant sums from the Public Works Loan Board to invest in commercial property. In a report on its economic response to the pandemic, the council said of the 10% outstanding rent, all but 3.6% has been addressed through rent deferral plans agreed between the council and the tenants. The council's most high-profile venture was the purchase of a £360m business park in Sunbury-on-Thames in 2016, for which it took out 50 separate PWLB loans. The report said that the council's property portfolio is valued at £1bn, and that the income is critical in funding services and tackling the Covid-19 pandemic.

"As a result of our investments, we have improved the financial resilience of and increased service delivery resources in areas such as homelessness and independent living," the report said. "This has enabled the council to pro-actively and rapidly move in response to COVID-19 to meet the needs of its vulnerable communities without reliance on government funding in advance." The council redeployed staff to almost exclusively focus on maximizing rent receipts in order to ensure rental income was received, spending around 75% of their time in March and April on the task, the report said.

<https://www.publicfinance.co.uk/news/2020/05/spelthorne-receives-90-commercial-rent-despite-covid-disruption>



Council deploys tech to identify fraud

St Albans City and District Council says it is making "good progress" in tackling fraud, after adopting new technology to identify residents who are potentially abusing council tax discounts for single occupancy. Last year, the council subscribed to a government service that pinpoints properties where suspect claims are being made, and has since begun investigating an "unusually high number" of people claiming the single person's discount of 25% for council tax. It's doing so by matching discount claims with other financial and personal data that public bodies are entitled to hold. During the first three months of this year, 139 people were identified as high risk and were sent letters stating they were in receipt of single-occupancy reduction that they were not entitled to, according to a report given to a council audit committee last week. Further investigations will begin after the coronavirus pandemic passes.

"Already, more than 100 people suspected of incorrectly claiming a council tax discount have been identified along with four council homes where there may be tenancy fraud. We will look to recover any money which the council is owed and free up properties that are in the wrong hands."

<https://www.publicfinance.co.uk/news/2020/05/council-deploys-tech-identify-fraud>



Local government has done pretty well in cyber defence, but the model only works well if you are not the first to be attacked. So, as the internet of things takes off in care and other areas of our communities, it's clear that the current reactive model to cyber defence will be severely tested. There are already some powerful lessons to be learned from other countries. It is now possible to put cyber defence on the front foot; you don't need to have seen the type of attack before to trap it and kill it.

<https://www.lgcplus.com/services/health-and-care/how-councils-can-collaborate-to-harness-the-power-of-social-care-data-05-02-2020/>

PWLB Future Lending Terms

A recent report by the National Audit Office (NAO) highlights how a minority of local authorities have started using low-cost loans from the Public Works Loan Board (a public body that lends to local authorities for capital projects) to buy investment property primarily for rental income.

The case for this 'debt-for-yield' activity can be compelling for the individual local authority. But it introduces risks locally and nationally. At the local level, it exposes ratepayers to the risk that the income does not materialise, leaving the local authority with an inflexible commitment to keep up with the repayments on their loans. Within the wider public sector, it diverts money from core services such as schools, hospitals, and roads. And, because local authorities can often access debt more cheaply than the private sector, it becomes hard for businesses to compete. In the wider economy, it could crowd out public investment, and risks distorting property markets.

The government has launched this consultation to work with local authorities, sector representatives, and wider stakeholders to develop a targeted intervention to stop this activity while protecting the crucial work that local government does on service delivery, housing, and regeneration. The government's overall aim in this is to secure the effective operation of the prudential system for local councils, taxpayers and for all of us that rely on local services.

Alongside the publication of this consultation, the government is cutting the interest rate on new loans for social housing and has offered over £1 billion of discounted lending for high-value local infrastructure projects. The government intends to cut the interest on all new loans from the PWLB, subject to market conditions, following the development and implementation of a robust lending framework co-designed with the sector through this consultation.



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INTERNAL AUDIT FOLLOW UP OF RECOMMENDATIONS REPORT

MALDON DISTRICT COUNCIL

JUNE 2020

IDEAS | PEOPLE | TRUST



Summary

2018/19

	Total Recs	H	M	L	To follow up	Complete		In progress		Overdue		No Response		Not Due		% Recommendations Implemented
						H	M	H	M	H	M	H	M	H	M	
18/19. Fraud Risk Assessment	1	1	-	-	1	-	-	-	-	1	-	-	-	-	-	0%
18/19. Budgets and Performance Management	4	-	1	3	1	-	1	-	-	-	-	-	-	-	-	100%
18/19. Main Financial Systems	2	-	1	1	1	-	1	-	-	-	-	-	-	-	-	100%
18/19. Safe and Clean Environment	6	-	5	1	5	-	4	-	-	-	-	-	-	-	1	80%
18/19. Transformation Programme	1	-	1	-	1	-	1	-	-	-	-	-	-	-	-	100%
18/19. Local Development Plan	3	-	2	1	2	-	2	-	-	-	-	-	-	-	-	100%
18/19. Building Control	5	2	3	-	5	1	3	-	-	-	-	-	-	-	1	80%
	20	3	13	6	16	1	12	-	-	1	-	-	-	-	2	

2019/20

	Total Recs	H	M	L	To follow up	Complete		In progress		Overdue		No Response		Not Due		% Recommendations Implemented
						H	M	H	M	H	M	H	M	H	M	
19/20. GDPR Compliance	3	-	3	-	3	-	3	-	-	-	-	-	-	-	-	100%
19/20. Risk Maturity Assessment	5	-	5	-	5	-	4	-	-	-	1	-	-	-	-	80%
19/20. Procurement & Contract Management	6	1	3	2	4	1	3	-	-	-	-	-	-	-	-	100%
19/20. IT Disaster Recovery	4	1	3	-	4	1	3	-	-	-	-	-	-	-	-	100%
19/20. Key Financial Systems	9	2	7	-	9	2	7	-	-	-	-	-	-	-	-	100%
19/20. Workforce Management	3	-	1	2	1	-	1	-	-	-	-	-	-	-	-	100%
19/20. Network Security	7	1	3	3	4	1	3	-	-	-	-	-	-	-	-	100%
	37	5	25	7	30	5	24	-	-	-	1	-	-	-	-	

Summary

We regularly follow up progress with the implementation of recommendations raised by Internal Audit and we report to the Performance, Governance & Audit Committee. We request commentary by responsible officers on the progress towards implementation of our recommendations and for high and medium priority recommendations we verify the progress to source evidence and conclude either that the recommendation is complete or incomplete. This report represents the status of all internal audit recommendations as at 3 June 2020.

2018/19 Recommendations

3 high and 13 medium recommendations have been raised in 2018/19. The current position of these recommendations is as follows:

- 13 are considered implemented as previously reported relating to Budgets and Performance Management (1 recommendation), Main financial Systems (1 recommendation), Safe and Clean Environment (4 recommendations), Transformation Programme (1 recommendation), Local Development Plan (2 recommendations) and Building Control (4 recommendations)
- Safe & Clean Environment- 1 recommendation has a revised implementation date which is not yet due
- 1 is overdue relating to Fraud Risk Assessment- an update is required for this recommendation.
- The below recommendations are not yet due for follow up:
 - Building Control- One high recommendation not yet due.

2019/20 Recommendations

30 high and medium recommendations have been raised in 2019/20, 29 of these are now considered implemented.

- GDPR Compliance - 3 recommendations (one high, two medium) now implemented
- Risk Maturity Assessment - 4 medium recommendations are complete, 1 medium recommendation is overdue with a request for extension to completion date of July 2020
- Procurement & Contract Management- 1 high, 3 medium recommendations now completed
- IT Disaster Recovery - 1 high, 3 medium recommendations completed
- Key Financial Systems - 2 high and 7 medium recommendations, all considered complete
- Workforce Management - 1 medium recommendation complete
- Network Security - 1 high and 3 medium recommendations are complete

Recommendations: Completed

RECOMMENDATION MADE	PRIORITY LEVEL	MANAGER RESPONSIBLE	DUE DATE	CURRENT PROGRESS
2019/20- IT Disaster Recovery				
<p>Management should review and, where necessary update the Council's IT Disaster Recovery Plan so that it includes, but is not limited to:</p> <ul style="list-style-type: none"> • The IT resources that are required in the event of a disaster and the procedures for obtaining them following the invocation of the plan • The technical procedures for recovering critical IT infrastructure, systems and services in the event of a disaster • The procedures for returning to business as usual. <p>The plan should be approved and communicated to all members of staff and should be stored so as to be easily accessible in the event of a disaster.</p>	Medium	Grant Hulley	31 March 2020	<p>A list of IT resources has now been added to the DR plan with contact and priority details for staff required during the DR. The addition of an IT guide is also now been written to be included with the DR, this will contain step by steps on the recovery process. This will be approved by the Resources Manager and communicated and shared with all staff by 31st March 2020. A link to the plan will be added to the Corporate Sharepoint page accessible for all.</p> <p><u>IA Comments:</u> We have confirmed that the DR plan has now been updated to incorporate the recommended components.</p>
<p>Management should conduct a formally documented test of the Council's IT disaster recovery arrangements and should establish a requirement to test the arrangements on a routine basis.</p> <p>The results of the tests should be reported to Senior Management and any issues identified should be resolved in a timely manner. Furthermore, management should put in place a defined schedule for testing backups for recoverability on a routine basis.</p>	High	Grant Hulley	31 March 2020	<p>IT DR has been updated to include the required sections. A DR recovery was run on the 1st May 2020, the details of this are stored in Appendix C of the updated DR plan.</p> <p>The council will now be running a planned testing plan every 6 months, this testing plan has now been finalised and is ready to be run. It includes testing of the network and services for core functionality. First test will be run 29th Feb / 1st March. Findings and an action plan following this test will be provided to the Resources Manager and to ensure all issues addressed by 31 March 2020.</p> <p><u>IA Comments:</u> We have confirmed that the DR plan has now been implemented and a recovery plan is now in place and has been tested.</p>
<p>Management, in conjunction with appropriate stakeholders from across the Council, should determine the RTO and RPO for the Council's IT infrastructure and remaining IT systems that underpin the Council's critical</p>	Medium	Grant Hulley	31 March 2020	<p>The risk Assessment now has an updated physical server list and the recovery times links to those servers. There is also an updated Master CMDB file which completes a full list of all servers both VM and</p>

services. Management should then use the defined objectives to revise the recovery prioritisation for systems and services in the event of a disaster. The recovery objectives should be reviewed on a routine basis or following a significant change to the Council's operations. Furthermore, the Council should review the procedures that support the recovery of its IT systems on a routine basis, to ensure that backup processes are sufficient to achieve the Council's expectations for the recovery of data in the event of a disaster.

Physical as well as recovery times in days.

IA Comments:

We have confirmed the Risk Assessment has now been updated incorporating the above.

2019/20- Procurement & Contract Management

1a) The procurement team should be involved in the process for all contracts with a total value of £25k or above and should have an overview of the process for all other contracts. Ensure all operational staff involve the procurement team in the tendering of contracts, or inform them of their actions to increase assurance of the approved process being followed.

High

Annette Cardy

28
February
2020

Quote Register set up on SharePoint and no order to be actioned until 3 quotes on register. Message to caseworkers in service delivery to ensure adhere to these rules. Contracts Register now monitored by Procurement for all contract renewals and on Freshservice.

- Reminder for all staff to involve Procurement in all processes for over £25k by Team Talk inclusion, also to include in Fresh serve as an article/reminder
- Online Quotations register, to be set up & reviewed by Procurement regularly to ensure rules are adhered to
- Monitor Contract Register to ensure all contracts due for renewal have Procurement involvement

Communications sent out in One Team advising of rules and staff announcement on Freshservice, 25th September 2019 and rules now in guidance Freshservice and all staff advised in One Team to read guidance. Online quotations register set up.

1b) Review the reasons for the Verge Mowing contract not having a re-tender/ procurement exercise carried out in 2017 and determine whether the appropriate process was followed.

High

Annette Cardy

28
February
2020

Controls implemented to ensure procurement processes are followed appropriately for future exercises. New guidance issued to staff outlining correct procurement processes to follow.

- Investigate and report on reasons for non-adherence to the Procurement rules and provide action plan to ensure compliance in future.

1c) Ensure an internal list of all exemptions is maintained and updated. It should detail all the relevant information for exemptions applied, to provide an accurate and summary

High

Annette Cardy

28
February
2020

Spreadsheet created and linked to contracts register. New exemptions will be saved centrally.

<p>overview of all exemptions.</p> <ul style="list-style-type: none"> •Create formal spreadsheet to log exemptions and link to contracts register. Copy of exemption to be saved in contract folder 				
<p>1d) Clarify in the policy and procedure who has the responsibility for financial and quality checks at the procurement stage and during the contract. Evidence of the checks should be saved in the contract file. Ensure that contract managers are aware of their due diligence responsibilities (please refer to recommendation 2 on training for contract managers).</p> <ul style="list-style-type: none"> •Make clear in Policy & Procedure at time of update for Brexit •Evidence to be saved in contract folder at time of tender by Procurement and by Contract Manager during life of Contract •Contract Manager training in 3 sessions (ALL Contract Managers) 	High	Annette Cardy	28 February 2020	<p>Financial Due Diligence Procedure, Contract Management Procedure. Procurement & Brexit One page notification. Financial Due Diligence procedure clarifies the process and responsibilities from Procurement to Contract end for financial checks.</p>
<p>1e) Ensure all contract documents are saved in a central location, including procurement documents, contract agreements and contract management records. Contract managers and the procurement team should be aware of the location and the need to keep the file up to date.</p> <ul style="list-style-type: none"> •New contracts all saved in central location. •Contract documentation to be held on Procurement drive 	High	Annette Cardy	28 February 2020	<p>New updated contracts register and links to contracts saved in central place on shared drive / SharePoint. Guide & comms sent to and meetings arranged with managers to provide all contracts to procurement to add to contracts register and providing link to contracts register. Procurement responsible for keeping contracts register up to date based on info provided by contract managers</p> <p><u>IA Comments:</u> For recommendations 1a-1e confirmation that these have been implemented and evidence reviewed.</p>
<p>2a) Update the policy to include the need for operational staff to involve the procurement team in all procurement processes for contracts with a total value >£25,000 and for the procurement team to have an overview of all other tenders (please refer to recommendation 1a)</p>	Medium	Annette Cardy	31 March 2020	<p>Policy and guidance amended and sent to managers to ensure all contracts over 25K have meeting with procurement to agree processes. Any changes re Brexit will be amended in the guidance and policy when and if they occur</p>

<ul style="list-style-type: none"> • Make clear in Policy & Procedure at time of update for Brexit 					
2b) Ensure all contract managers receive training on the procurement and contract management procedures at regular intervals.	Medium	Annette Cardy	31 March 2020	New updated contracts register and links to contracts saved in central place on shared drive / SharePoint	
2c) Develop contract management guidance or identify external sources and make available to contract managers	Medium	Annette Cardy	31 March 2020	'How to' guide on Freshservice - improvements will be made by new full time procurement lead from April 2020	
3a) The procurement team should be responsible for completing and updating the contract register to ensure it is accurate and up to date. Contract managers should ensure the procurement team is aware and have overview of changes (please refer to recommendation 1.1).	Medium	Annette Cardy	31 March 2020	New updated contracts register and links to contracts saved in central place on shared drive / SharePoint.	
3b) Where a contract was renewed or extended, the original procurement date should be recorded on the register and a further column should be added to record extensions or renewals. If further services are provided by the same supplier, these should be recorded separately.				Procedure to be sent to all managers saved in central place on shared drive / SharePoint. Contracts will be clarified pre-procurement when identifying value, risk and subject matter of contract	
3c) Clarify whether annual and total amounts should be recorded net of VAT and remove inappropriate columns from the register.				<u>IA Comments:</u> We have confirmed that the recommendations 3a-c have now been implemented and evidence reviewed..	
3d) Ensure all fields are completed consistently.					
4a) Clarify criteria for classification of contracts as high value, high risk or high profile. • Work with MDC internal risk team (Strategy, Performance & Governance) to classify contracts	Medium	Annette Cardy	31 March 2020	<u>IA Comments:</u> We have confirmed that the monitoring and reporting schedule and contract monitoring checklist is now in place.	
4b) Clarify the method for monitoring and evidencing contract monitoring in terms of performance, value for money, compliance with specification and contract cost and user satisfaction and risk management. The Council policy should clearly clarify the need for annual	Medium	Annette Cardy	31 March 2020	Contract Management Procedure. Procedure to be sent to all managers saved in central place on shared drive / SharePoint <u>IA Comments:</u> We have confirmed that the monitoring and reporting	

reporting, report requirements and specify where annual reporting is not applicable. This could be part of the procedure or a separate guidance document (please refer to recommendation 2c)					schedule and contract monitoring checklist is now in place.
<ul style="list-style-type: none"> •Methods and evidence requirements collate with Governance team and add to Policy & Procedure and "How To" Guide •Include in Contract Management training 					
4c) Ensure there is clear monitoring and reporting requirements for every contract, to provide adequate overview of all contracts. The procurement team should create a separate document/plan for all contracts that will contain the classification (in terms of value/risk/profile), the level and kind of monitoring and meetings required for each (and, if different, what currently happens and why), which Director/committee performance is reported to and a RAG rating for performance/overall relationship status (please refer to recommendation 5b).	Medium	Annette Cardy	31 March 2020		<p>A Monitoring & Reporting Schedule based on Crown Commercial Services template, also the Contract Management checklist already in place. The Monitoring & Reporting schedule template from CCS a specific schedule will be created to suit each contract. Contract Management Checklist will be used for all low value, low risk contracts.</p> <p><u>IA Comments:</u> We have confirmed that the monitoring and reporting schedule and contract monitoring checklist is now in place.</p>
2019/20- GDPR Compliance					
All data sources and corresponding applications should be reviewed on at least an annual basis to ensure access risks, security measures and general changes are updated and managed.	Medium	Emma Holmes	29 May 2020		Completed for April 2020. Diarised next year's annual review to be carried out in April 2021
Information Governance Group should provide oversight and ensure contractual addendums are agreed as soon as possible where necessary by responsible management (i.e. contract owners).	Medium	Annette Cardy	29 May 2020		IGG abolished as part of new Council transformation - Corporate oversight and ownership to ensure contracts are effectively managed with review dates etc is now achieved via Quarterly Business Scorecard Reporting. Contractual requirements are managed by Procurement and

are an action under the current Procurement Audit and will be monitored via Procurement part of Scorecard. Therefore this action under GDPR will now be closed and transferred to Procurement audit actions.

IA comments

Closed as part of implementation of Procurement actions.

Recommendations: Overdue

RECOMMENDATION MADE	PRIORITY LEVEL	MANAGER RESPONSIBLE	DUE DATE	CURRENT PROGRESS
2018/19- Fraud Risk Assessment				
The Council should commission external resource to develop the risk assessment further and carry out an annual programme of work to address risks around fraud and corruption.	High	Interim s151 Officer	June 2020	The new Director of Resources is commissioning external support with a view to having an outline action plan agreed with them by end June, with delivery as soon as practical.
2019/20- Risk Management				
Identify KPIs in order to measure the effectiveness of risk management activity at the Council. This can include the proportion of risks operating at the target level and/or the overall effectiveness of risk management (current risk versus target risk etc).	Medium	Cheryl Hughes	28 May 2020	<p>We've identified the KPI and they will be part of the internal balance scorecard which is going to start in July (It was due earlier but got overtaken by a COVID service report).</p> <p>Request for extension to July 2020.</p>

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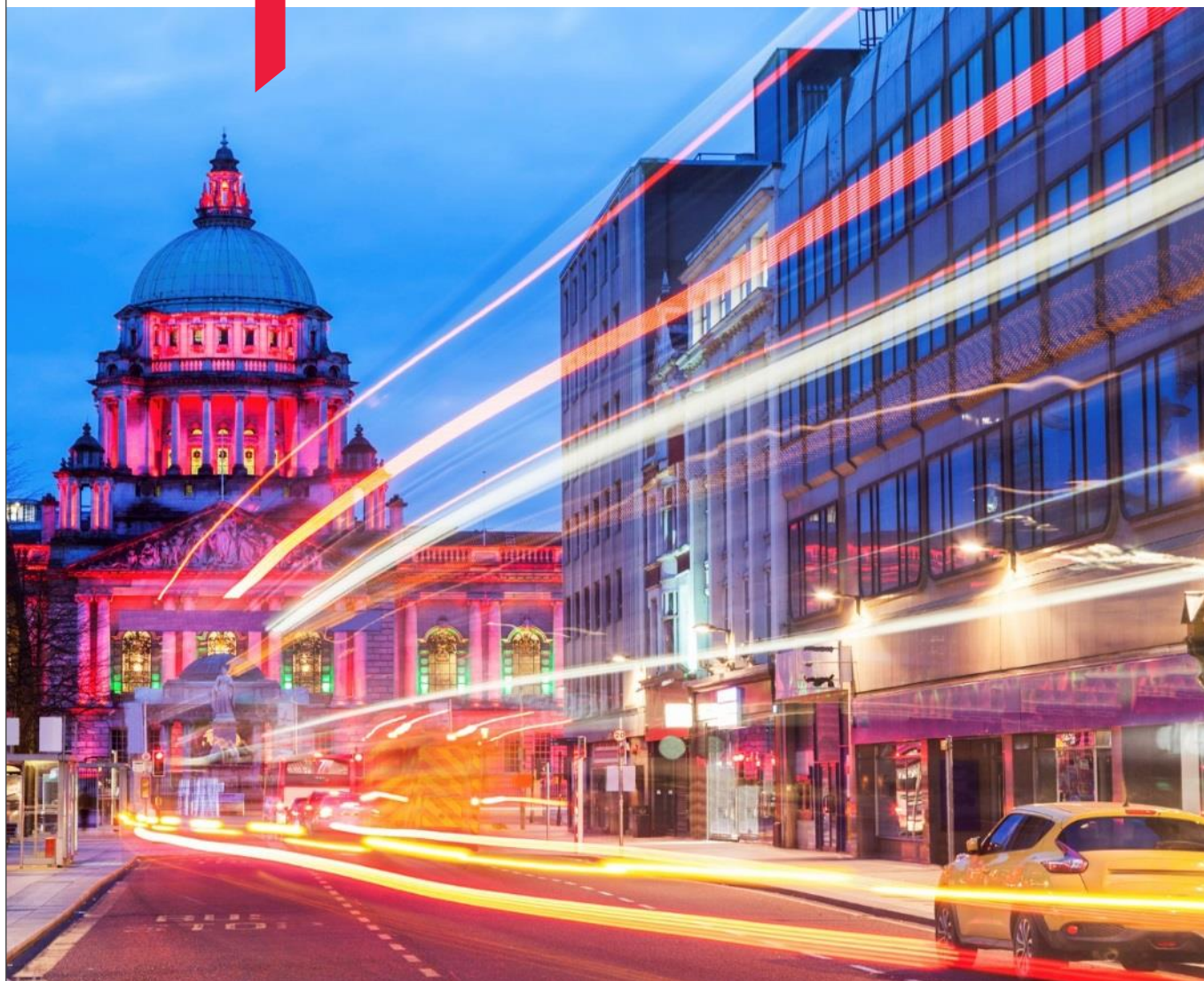
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MALDON DISTRICT COUNCIL

INTERNAL AUDIT REPORT - DRAFT

NETWORK SECURITY
MARCH 2020

LEVEL OF ASSURANCE	
Design	Operational Effectiveness
Moderate	Moderate

EXECUTIVE SUMMARY	2
DETAILED FINDINGS	4
STAFF INTERVIEWED	11
APPENDIX I - DEFINITIONS.....	12
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DISTRIBUTION

Annette Cardy	Resources Specialist Services Manager
Grant Hulley	Senior ICT Specialist

REPORT STATUS LIST

Auditor	Christopher Culbert - IT Audit Manager
Dates work performed	6 January 2020 - 10 January 2020
Draft report issued	30 January 2020
Final report issued	20 March 2020

EXECUTIVE SUMMARY

LEVEL OF ASSURANCE: (SEE APPENDIX I FOR DEFINITIONS)

Design	Moderate	Generally a sound system of internal control designed to achieve system objectives with some exceptions.
Effectiveness	Moderate	Evidence of non-compliance with some controls that may put some of the system objectives at risk

SUMMARY OF RECOMMENDATIONS: (SEE APPENDIX I)

High	1
Medium	3
Low	3

TOTAL NUMBER OF RECOMMENDATIONS: 7

BACKGROUND:

Information Technology (IT) systems enable the Council to provide their critical services to their customers and are used to collect, process and retain ever increasing amounts of confidential information. The vulnerabilities that exist in these IT systems across the Council, as well as the infrastructure that supports them, combined with a perceived lack of awareness regarding security issues, have led to attackers targeting public organisations and may expose the Council to the risk of a cyber-security attack. Cyber security attacks can be launched from any internet connection and can have a significant financial and reputational impact on the Council.

The Council has undergone a strategic transformation and part of this project was to implement a new network infrastructure, provided by Capita. The new network went live eight months ago. The Council have also changed their patch management protocols, which is now deployed through system centre configuration manager (SCCM). Kaspersky antivirus services and Palo Alto firewalls (program which restricts traffic based on rules set) have also been refreshed and are in place. Other changes from the transformation project include: full redundancy (spare programs in case of failures) for all key network resources, updated password policies, a new password manager tool, and two factor authentication for privileged active directory (AD) accounts (i.e. the user can make key changes to the network).

The next external penetration test is scheduled for March 2020 but a preliminary assessment was undertaken on the external environment following go-live of the new network. Internal vulnerability scanning is also being exercised. Physical network access control mechanisms are also in place which segregate unregistered devices using media access control (MAC) address verification (i.e. only allowed MAC addresses are given access). This represents best practice and leads in comparison to other local authorities which have no network authentication control in place.

GOOD PRACTICE:

Good practice was evidenced in the following areas:

- Network topology (i.e. structure of the network and its components) has been documented following the recent network refresh. The diagram sets out at a high level the key components in place and provides oversight to management to ensure all external routes into the network are protected with Alto Palo firewalls. There is an ICT Business Continuity Plan in place, which defines the procedures for ensuring the continuity of the IT services in the event of an incident.
- Review of the Aruba network management console showed that WPA2 - Enterprise settings have been enabled (i.e. all wireless traffic between laptops and access points is encrypted)
- Review of the Clear Pass configuration settings showed authentication rules have been enabled for both wireless and wired networks. Hence, only approved devices and user accounts can gain access to the Council's network. The authentication method used complies with the 802.1x standard (i.e. is in line with best practice). Access to the network is not granted unless both the device and user have been approved.
- Review of the password policies set (i.e. password rules) noted passwords must be of at least 15 characters in length, must meet complexity requirements, failed logins limited to 3 attempts, with 1440 min lockout. Hence, are in line with best practice.
- IT health check reports from previous years confirmed external penetration tests have been held. The Head of IT is in the process of commissioning the 2020 external penetration test. A meeting was held on the 16 January to agree in-scope areas. The Public Services Network (PSN) requirements, as set by the Cabinet Office, were used to dictate in-scope areas for both internal and external assessment. The Head of IT has purchasing authority up to £2m for the Council in line with approval from the Director of Resources and so can approve reactive purchases if necessary.

KEY FINDINGS:

We identified the following areas of improvement:

- There has been limited data and information security training provided to all members of staff (**Finding 1 - High**)
- Risk assessments have not been undertaken on a regular basis since December 2017 (**Finding 2 - Medium**)
- There is no internal vulnerability scanning tool in use to identify and remediate vulnerabilities in relation to how servers and programs are setup (**Finding 3 - Medium**)
- At the time of testing there were three live machines with no Kaspersky antivirus installed (**Finding 4 - Medium**)

CONCLUSION:

Overall, we conclude that the control framework in place for the management of identifying, protecting against, detecting, responding and recovering from cyber incidents is adequately designed and operationally effective, but management need to address the areas of risk identified from this review to ensure a robust approach to cyber security is maintained.

DETAILED FINDINGS

RISK: THE COUNCIL IS UNABLE TO RESPOND TO EXPLOITED VULNERABILITIES WHICH LEAD TO NEGATIVE PUBLICITY, LOSS OF REPUTATION, LOSS OF INTELLECTUAL PROPERTY AND DATA BREACHES

Ref	Significance	Finding
1	High	A budget of £20k has been provisionally approved for ICT specialist training. The budget is likely to be committed for the ICT team to attend Aruba and Palo Alto courses, as there is a lack of understanding in usability. The Connect & Learn online portal is being used for all Council eLearning currently. However it was confirmed with finance that subscriptions fees are still being paid for the MetaCompliance tool. GDPR training is compulsory for all staff members. There is no training specific to data and/or information security awareness, which is a critical need for Council staff to minimise the risk of social engineering attacks. There is a reliance on staff having to acknowledge policies on induction.

RECOMMENDATION:

Management should establish a comprehensive induction training program for all new starters, pertaining to information and data security, and track completion with necessary escalations to Heads of Service for non-completion. Management should assess which learning tool is most effective and terminate use and costs for the other.

MANAGEMENT RESPONSE:

Issues and findings were discussed with the Senior ICT Specialist on the 24th January 2020.

IT Password policy and data security will be provided in a package of E learning for staff, this will be a mandatory course to take with an assessment to show correct completion and understanding and a check that IT policies have been read. HR to monitor completion.

Responsible Officer: Annette Cardy

Implementation Date: 30 June 2020

RISK: THE COUNCIL IS UNABLE TO IDENTIFY VULNERABILITIES WHICH LEAD TO FINES, LAWSUITS AND LEGAL FEES RESULTING FROM NONCOMPLIANCE OR LOSS OF CONFIDENTIAL OR CUSTOMER INFORMATION

Ref	Significance	Finding
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2	Medium	In 2017 the previous Head of ICT performed a comprehensive assessment of all cyber risks in line with the National Cyber Security Centre (20 Critical Controls) guidance. A cyber risk register was developed which identified and assessed the residual risk of all cyber risk at the time. Further to this, cyber training was developed for staff members to aide in mitigating some of the cyber risks relevant to social engineering and weak security controls. There has been no cyber risk assessment conducted since December 2017. Continual review and assessment of risks is needed to ensure mitigating actions remain adequate.
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RECOMMENDATION:

Cyber risk assessments should be undertaken on a regular basis in order to update mitigating actions in the cyber risk register.

MANAGEMENT RESPONSE:

Issues and findings were discussed with the Senior ICT Specialist on the 24th January 2020.

An ITHC is scheduled to run in March which will include a cyber risk assessment on the DR plan, using these results the risk register will be updated and then actioned. Actions will be completed, and Re-test will be completed every 6 months.

Responsible Officer: Grant Hulley

Implementation Date: 31 May 2020

RISK: THE COUNCIL IS UNABLE TO DETECT EXPLOITED VULNERABILITIES WHICH LEAD TO NEGATIVE PUBLICITY, LOSS OF REPUTATION, LOSS OF INTELLECTUAL PROPERTY AND DATA BREACHES

Ref	Significance	Finding
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3	Medium	The Council has never used any internal vulnerability scanning tools. Reliance has been solely placed on the annual penetration test of internal areas. However, this is not conducted sufficiently regularly and will not identify all potential vulnerabilities. Management need to perform a cost assessment of implementing an internal vulnerability scanning tool against the benefits of identifying vulnerabilities in inappropriate user access, configuration vulnerabilities, and unnecessary open ports on critical hosts in the network. Considerations of costs should include resource needs for remediating on a monthly basis.
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RECOMMENDATION:

Management should perform a cost: benefit assessment for implementing an internal vulnerability scanning tool.

MANAGEMENT RESPONSE:

Issues and findings were discussed with the Senior ICT Specialist on the 24th January 2020.

MDC have now installed the OpenVAS scanning tool

Responsible Officer: Grant Hulley

Implementation Date: Completed

RISK: THE COUNCIL IS UNABLE TO DETECT EXPLOITED VULNERABILITIES WHICH LEAD TO NEGATIVE PUBLICITY, LOSS OF REPUTATION, LOSS OF INTELLECTUAL PROPERTY AND DATA BREACHES

Ref	Significance	Finding
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4	Medium	Kaspersky agents are installed with all new devices as part of standardised build procedure. Review of scheduled tasks on the Kaspersky program confirmed automatic updates are run on all machines. Review of Kaspersky Security Centre showed automatic updates every one hour had been enabled. Review of the dashboard showed several definition update failures and non-responsive clients. It is known that there are redundant devices with clients installed which need to be removed. Review of standardised machine build showed installation of Kaspersky as the final process run. Hence, all new devices have Kaspersky installed at build stage. Reconciliation of Kaspersky clients to machines registered to domain in AD identified a total of 15 machines which are registered to the domain but have no Kaspersky client installed on them. Further review confirmed only three machines are not on client listing, but eight are assigned to the wrong management group (i.e. wrong A/V policies applied). Four are public machines which are segregated from the network. We also identified three machines with Kaspersky clients installed on them but are no longer registered to the domain (i.e. redundant machines).
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RECOMMENDATION:

Management should install antivirus clients on outstanding machines in use and registered to the network domain.

MANAGEMENT RESPONSE:

Issues and findings were discussed with the Senior ICT Specialist on the 24th January 2020.

All Client machines now have the full AV installed.

Responsible Officer: Grant Hulley

Implementation Date: Completed

RISK: THE COUNCIL IS UNABLE TO PROTECT AGAINST THREATS WHICH LEAD TO NEGATIVE PUBLICITY RESULTING IN LOSS OF REPUTATION AND LOSS OF INTELLECTUAL PROPERTY OR TRADE SECRETS

Ref	Significance	Finding
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5	Low	Review of the utility report administrators showed a total of four users and one service account. Four users were confirmed to be global administrators in the ICT team. The service account was for redundancy firewall communication. To date the ICT team have used a manual worksheet to document changes and approval to firewall rules, but this has not been consistently used and does not enforce approval. A move to the help desk (FreshDesk) would provide a complete trail and also enforce approval from an ICT Specialist.
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RECOMMENDATION:

Management should use the FreshDesk workflow system to document and approval changes to firewall rules.

MANAGEMENT RESPONSE:

Issues and findings were discussed with the Senior ICT Specialist on the 24th January 2020.

IT now utilising FreshService as a central point to monitor all staff use including firewall. Completed.

Responsible Officer: Grant Hulley

Implementation Date: Completed

RISK: THE COUNCIL IS UNABLE TO PROTECT AGAINST THREATS WHICH LEAD TO NEGATIVE PUBLICITY RESULTING IN LOSS OF REPUTATION AND LOSS OF INTELLECTUAL PROPERTY OR TRADE SECRETS

Ref	Significance	Finding
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6	Low	Server 2008 is not running on any live machines. SCCM clients run on 214 in Win10 group (1909 version of Windows) - this ensures SCCM deploys to them. SCCM polls for updates on a weekly basis - restricted to critical and high releases. There are no test machines or servers in place to allow for errors due to budgetary constraints. Deployment schedules run on a weekly basis. Review of deployment logs showed: only 14 in progress (error code 0x000000), only 4 in error (review showed two were redundant so to be removed, two others can be checked), total of 43 devices listed (however 19 of which passed check and were active). As deployments are run weekly there is no need for intra-monthly exception deployment schedules.
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RECOMMENDATION:

Management should address the OS update deployment failures in a timely manner going forwards.

MANAGEMENT RESPONSE:

Issues and findings were discussed with the Senior ICT Specialist on the 24th January 2020.

This is checked within a 24 hour period of all updates and is monitored

Responsible Officer: Grant Hulley

Implementation Date: Completed

RISK: THE COUNCIL IS UNABLE TO PROTECT AGAINST THREATS WHICH LEAD TO NEGATIVE PUBLICITY RESULTING IN LOSS OF REPUTATION AND LOSS OF INTELLECTUAL PROPERTY OR TRADE SECRETS

Ref	Significance	Finding
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7	Low	Policies were developed and uploaded onto the intranet in 2018 for Access Control, Email and Communications, Acceptable Usage, and Information Security. The Information Security policy needs updating in relation to staff changes but holds adequate responsibilities for key officers in the organisation. The Information Security Incident Reporting and Management Policy has been comprehensively written and captures the key requirements as set out in ISO 27001. However, there is no protocol in place to keep these policies under regular review going forwards. Policies need to be regularly reviewed and disseminated to staff to ensure they relate to current practices and maintain awareness.
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RECOMMENDATION:

Information and data security policies should be regularly reviewed and approved by appropriate sub-committee members going forwards.

MANAGEMENT RESPONSE:

Issues and findings were discussed with the Senior ICT Specialist on the 24th January 2020.

Password and other IT policies will be reviewed and approved at R&S Committee in June 2020 with a programme of review.

Responsible Officer: Grant Hulley

Implementation Date: End June

STAFF INTERVIEWED

BDO LLP APPRECIATES THE TIME PROVIDED BY ALL THE INDIVIDUALS INVOLVED IN THIS REVIEW AND WOULD LIKE TO THANK THEM FOR THEIR ASSISTANCE AND COOPERATION.

Annette Cardy	Resources Specialist Services Manager
Grant Hulley	Senior ICT Specialist
Craig Smith	Specialist - ICT Applications
James Wright	ICT Specialist - Resources Directorate

APPENDIX I - DEFINITIONS

LEVEL OF ASSURANCE	DESIGN OF INTERNAL CONTROL FRAMEWORK		OPERATIONAL EFFECTIVENESS OF CONTROLS	
	FINDINGS FROM REVIEW	DESIGN OPINION	FINDINGS FROM REVIEW	EFFECTIVENESS OPINION
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

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.

APPENDIX II - TERMS OF REFERENCE

PURPOSE OF REVIEW:

This audit appraised the design and operational effectiveness of the Council's procedures for identifying and protecting its information assets and for managing its cyber security risks on an ongoing basis.

Our work was designed to provide an assessment of the information asset and cyber security arrangements that are in place, but cannot provide absolute assurance that the Council would withstand an attack of its systems.

KEY RISKS:

Based upon the risk assessment undertaken during the development of the internal audit operational plan, through discussions with management, and our collective audit knowledge and understanding the key risks associated with the area under review are:

- The Council is unable to identify vulnerabilities which lead to fines, lawsuits and legal fees resulting from noncompliance or loss of confidential or customer information
- The Council is unable to protect against threats which lead to negative publicity resulting in loss of reputation and loss of intellectual property or trade secrets
- The Council is unable to detect exploited vulnerabilities which lead to negative publicity, loss of reputation, loss of intellectual property and data breaches
- The Council is unable to respond to exploited vulnerabilities which lead to negative publicity, loss of reputation, loss of intellectual property and data breaches
- The Council is unable to recover from exploited vulnerabilities which lead to forensic investigation costs, technology improvement costs, and loss of time and productivity

SCOPE OF REVIEW:

The following areas will be covered as part of this review:

- Security threats to the Council have been identified and assessed and action has been taken to prevent vulnerabilities from being exploited
- Members of staff are provided with adequate training and awareness
- Appropriate IT network security controls have been deployed and are operational
- The efficacy of the IT network security controls is reviewed on a routine basis
- There are defined procedures in place for responding to and recovering from an incident

However, Internal Audit will bring to the attention of management any points relating to other areas that come to their attention during the course of the audit. We assume for the purposes of estimating the number of days of audit work that there is one control environment, and that we will be providing assurance over controls in this environment. If this is not the case, our estimate of audit days may not be accurate.

APPROACH:

Our approach was to conduct interviews to establish the controls in operation for each of our areas of audit work. We will then sought documentary evidence that these controls are designed as described. We will evaluate these controls to identify whether they adequately address the risks.

We sought to gain evidence of the satisfactory operation of the controls to verify the effectiveness of the control through use of a range of tools and techniques.

FOR MORE INFORMATION:**Greg Rubins**

Greg.Rubins@bdo.co.uk

The matters raised in this report are only those which came to our attention during the course of our audit and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. The report has been prepared solely for the management of the organisation and should not be quoted in whole or in part without our prior written consent. BDO LLP neither owes nor accepts any duty to any third party whether in contract or in tort and shall not be liable, in respect of any loss, damage or expense which is caused by their reliance on this report.

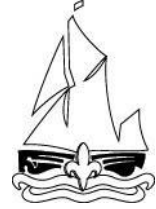
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**REPORT of
DIRECTOR OF STRATEGY, PERFORMANCE & GOVERNANCE**

to
PERFORMANCE, GOVERNANCE & AUDIT COMMITTEE
25 JUNE 2020

END OF YEAR REVIEW OF CORPORATE PERFORMANCE

1. PURPOSE OF THE REPORT

- 1.1 The Corporate Performance framework requires this committee to undertake a quarterly review of the Thematic Strategy's performance, as assurance that performance is being managed effectively to achieve the Corporate outcomes, and where necessary, make consensus suggestion of improvement. **APPENDIX 1** of this report provides the first end of year view of performance as of the end of Quarter 4 (31 March 2020),
- 1.2 Additional visuals have been updated in the appendix key to reflect end of year status
- 1.3 Online versions are available to view on the Members SharePoint site using the following link: [Corporate Performance Report](#)

2. RECOMMENDATIONS

- (i) Members review the information as set out in this report and **APPENDIX 1** with priority focus given to the Strategic Outcome level performance.
- (ii) Members are assured through this review that corporate performance is being managed effectively.
- (iii) Members challenge the performance where the Committee feels that the Council's corporate goals may not be achieved.
- (iv) Members question Members and Officers on decisions and performance, relating to comparisons with the Corporate Plan outcomes or in respect of decisions, initiatives or projects.

3. SUMMARY OF KEY ISSUES

- 3.1 Following the agreement of the Thematic Strategies (2019); key activities and priority measures to be monitored at a corporate level have been determined. All measures have been reviewed against their 2019/2020 targets and rated as `Target met` or `Target not met`.

- 3.2 All measures and associated targets are under a strategic annual review and are now subject to change in readiness for the next financial year's corporate performance monitoring. This is to ensure we are monitoring and progressing the correct activity for the associated outcome.
- 3.3 Where concerns have been raised to affect a Corporate Outcome, these will be highlighted below to focus member review by exception. These are shown in the Community, Place and Prosperity Strategic Performance titled pages in **APPENDIX 1**
 - 3.3.1 Community: Overall the performance delivery is good, however there are areas where indicators have flagged concerns in their delivery which are (F) Effective engagement to support strong and resilient communities
 - 3.3.2 Place: Overall the performance delivery is good, however there are areas where indicators have flagged concerns in their delivery which are (D) Improved air quality, (F) Sound and tested environmentally friendly initiatives delivered & (J) S106 planning agreements are effectively discharged.
 - 3.3.3 Prosperity: Overall the performance delivery is good, however there are areas where indicators have flagged concerns in their delivery which are (C) Rural and coastal business supported
- 3.4 Within **APPENDIX 1**, the additional data and measures sitting behind the outcome to show how it is being measured is also available should members require further background.

4. CONCLUSION

- 4.1 Based on the indicators available, officers will be focusing resource on delivery against the targets
- 4.2 The majority of the reported performance measures are illustrating a positive direction of travel. Where hindrances and data gaps are being experienced, solutions are being sought with officers to enable work to progress.

5. IMPACT ON STRATEGIC THEMES

- 5.1 It is important that performance is monitored and managed effectively, to ensure that Maldon District Council progresses towards and achieves its stated outcomes.

6. IMPLICATIONS

- (i) **Impact on Customers** – Performance management covers the monitoring of strategic objectives. The strategic plan focuses on delivery for our customers.
- (ii) **Impact on Equalities** – None

- (iii) **Impact on Risk** – If performance is not managed effectively by the Council, it puts the Council's strategic delivery at risk and increases unnecessary exposure to potential, operational, reputational or regulatory consequences.
- (iv) **Impact on Resources (financial)** – All performance management is undertaken within existing planned budget. Exceptions being for a potential enactment of a recommendation outside of pre-defined resource.
- (v) **Impact on Resources (human)** – All performance management is undertaken within existing planned budget. Exceptions being for a potential enactment of a recommendation outside of pre-defined resource.
- (vi) **Impact on the Environment** – None
- (vii) **Impact on Strengthening Communities** - None

Background Papers: None

Enquiries to: Paul Dodson, Director of Strategy, Performance and Governance

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Corporate Performance Report Q4/EOY – Appendix 1

5th May 2020




Appendix Context


- The following slides detail the performance of each corporate outcome, supported by the individual measures agreed in the Thematic Strategies
- An overhaul of the performance measures reported has taken place, to ensure that we are only reporting performance related to the corporate plan
- Focus should begin at the outcome level summary, which leads to individual indicator level detail if required.
- The narrative against each outcome indicates if the measures are illustrating the correct direction of travel.
- Where challenges or concerns have impacted the outcomes performance, this will be highlighted in the outcome summary, along with any supporting action if required.

Visual Key

Outcomes




On Track or On Track – All Elements



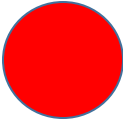
On Track – Conditional Elements

Note: Conditional elements of `On Track` meaning: not all data received due to frequency, or progress happening, awaiting data conformation


Key Performance Indicators



Target met



Target not met



Target ongoing

Community Strategic Performance

Community Outcomes

Reference	Title	Status	Commentary
A	Working with communities and partners to support our health and wellbeing priorities: Obesity	On Track - Conditional Elements	Q4 - participation at Maldon District Council Leisure Centres. This has not met our end of year targets, this will have been influenced by COVID-19 and other associated factors (reduction in attendance due to COVID-19 perception, new rival gym opening in the District).
B	Working with communities and partners to support our health and wellbeing priorities: Mental Health	On Track - Conditional Elements	Q4 - Whilst 2 MAC's were carried out in Q3, it was not possible to carry out a MAC in Q4. However, with the rapid increase in technological usage across the District with COVID-19, we will learn and change our future approach to MAC's to ensure that the best method for engagement is carried out.
C	Working with communities and partners to support our health and wellbeing priorities: Social Isolation & Loneliness	On Track - All Areas	Q4 - This Outcomes measures have been exceeded. We will be reviewing the effectiveness of this promotion and the effect that it has had on the community. Whilst we shall also be taking lessons from COVID-19 in terms of the best way to be engaging with 'hard-to-reach' residents.
D	Working with communities and partners to support our health and wellbeing priorities: Older peoples health	On Track - Conditional Elements	Q4 - These figures demonstrates that we have met our yearly increase on the number of dementia friendly groups/ services promoted. Whilst it has been excellent to promote the groups and services we will need to ensure that the information we are promoting has been utilised by those in need. Lessons from COVID in terms of partnership working and the best way to communicate will be carried over.
E	Partnership working to safeguard vulnerable adults, children & families	On Track - Conditional Elements	<p>Q4 - We are supporting our customer facing staff to receive MECC training. Where possible this year we have invited all staff, it has not always been logistically possible to get all staff trained however. However, we will ensure that all staff are trained. Once this training has been completed we will identify what extra training support is needed for customer facing staff.</p> <p>All staff are now safeguarding and GDPR trained. This will be reviewed annually.</p> <p>All safeguarding cases are dealt with in accordance with SET guidelines.</p>

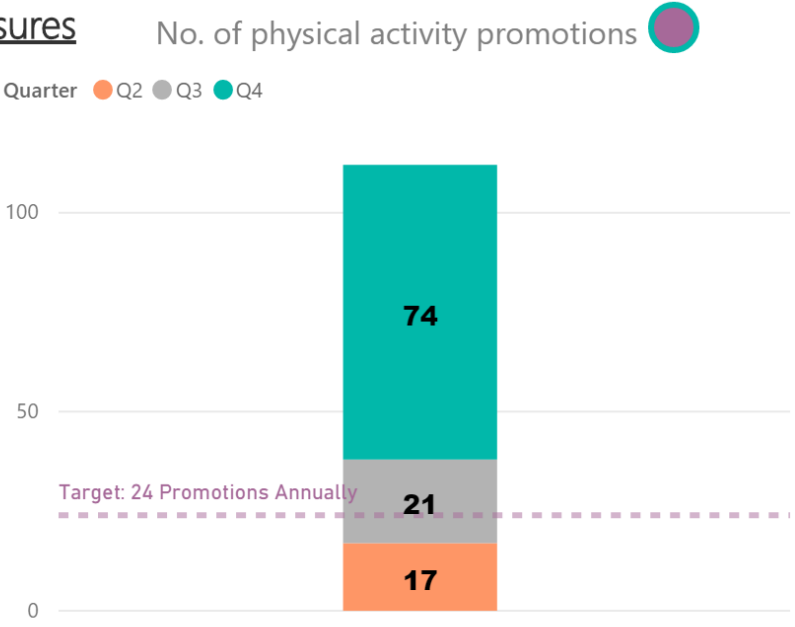
Community Strategic Performance

Community Outcomes

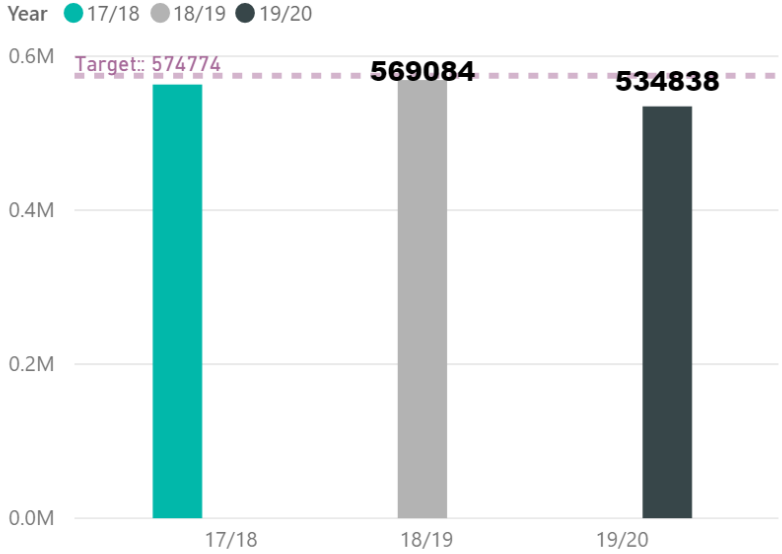
Reference	Title	Status	Commentary
F	Effective engagement to support strong and resilient communities	On Track - Conditional Elements	<p>Q4 - We have met our targets for both Parish/ Town Council engagement and Private Sector Housing Grant/ Loan customer evaluation survey.</p> <p>We will see a big change in MDC assistance to use digital service/ payment at Council Offices post COVID-19. Many residents will have been forced online as no face-to-face contact is available. Therefore, it will be important to revise and review this measure to meet the new changing times.</p> <p>Annual Better Care Fund spend is way below average spend due to staffing changes and lower recommendations coming through for from Occupational Therapists</p>

Community Performance Measures

A) Obesity

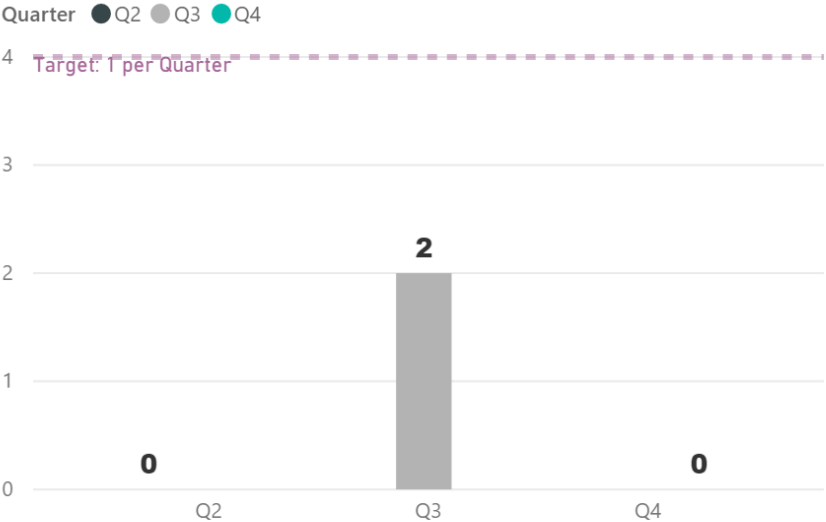


Participation at Maldon leisure centres

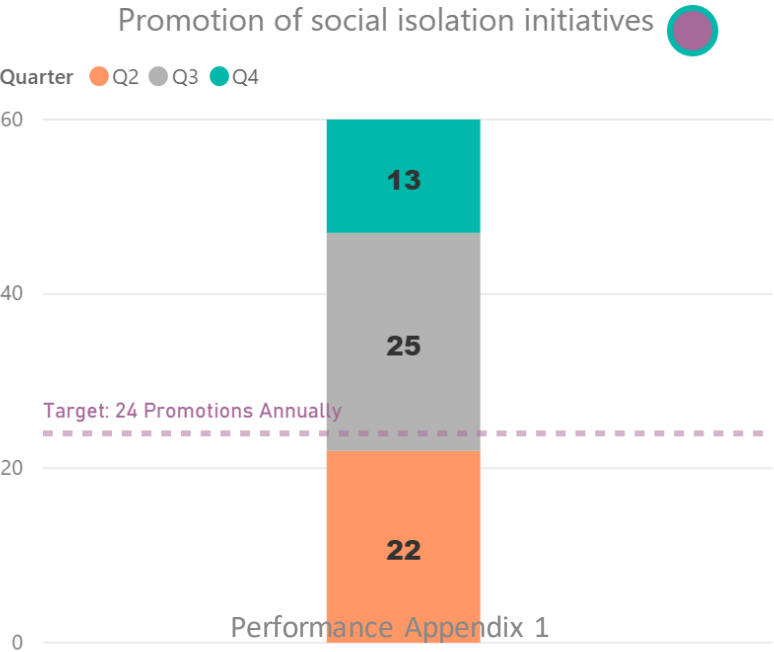


B) Mental Health

Targeted MAC* (Multi Agency Centres) supporting vulnerable residents

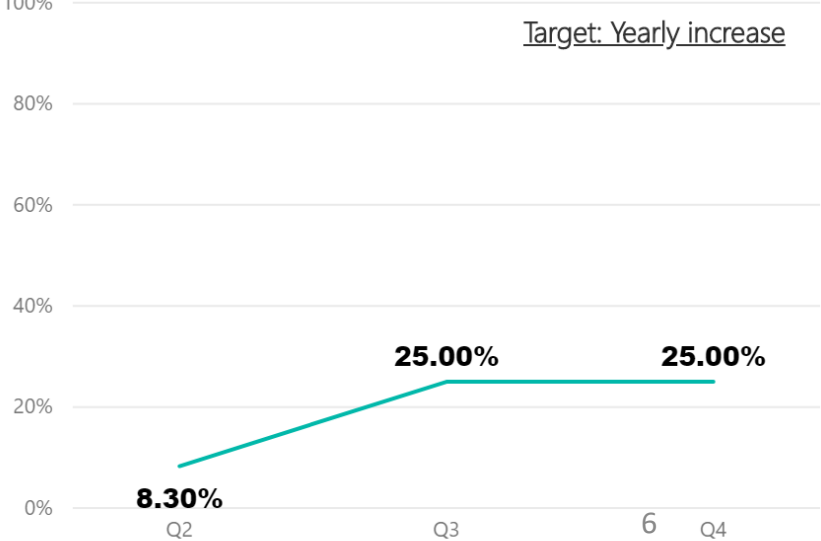


C) Social Isolation/Loneliness



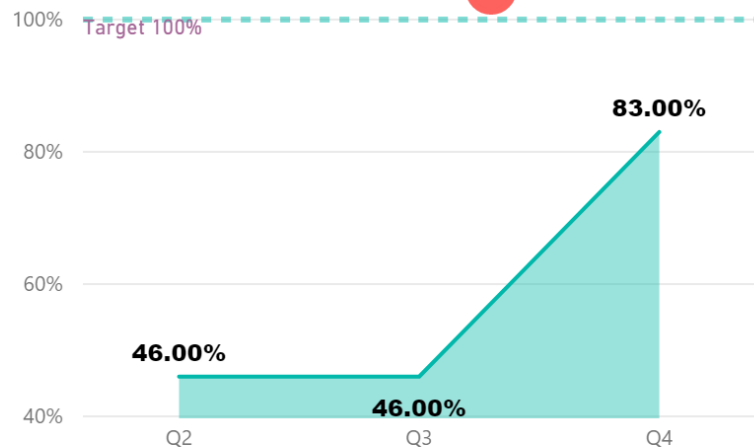
D) Older Health

% of known Maldon District dementia friendly groups/ services promoted

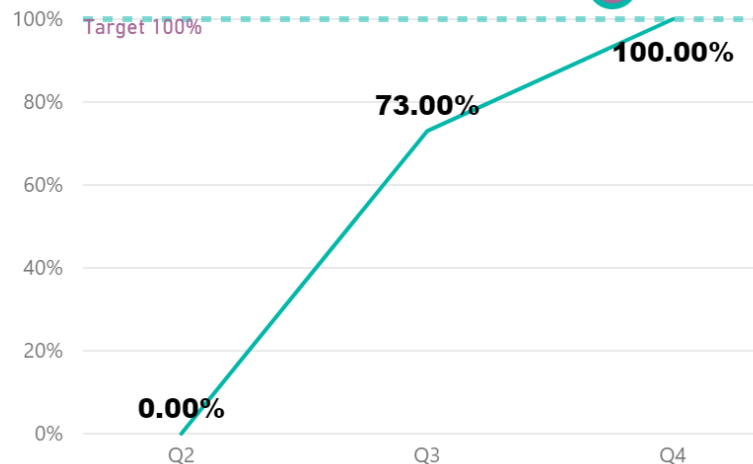


E) Partnership working to safeguard

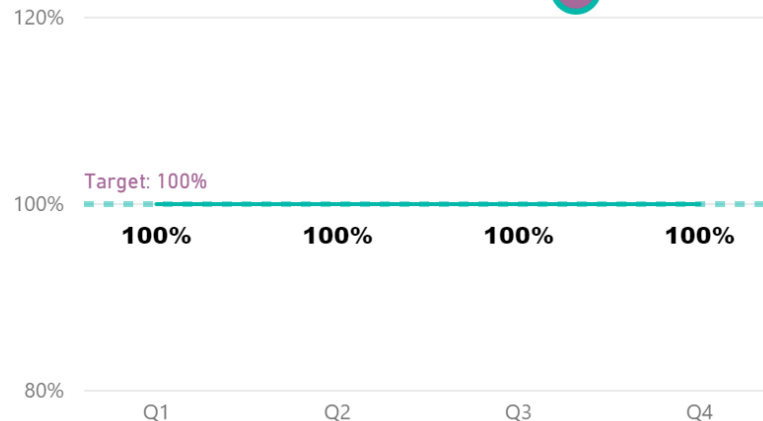
% of customer facing staff who have received MECC* training



Staff completion of e-learning modules on Safeguarding and GDPR

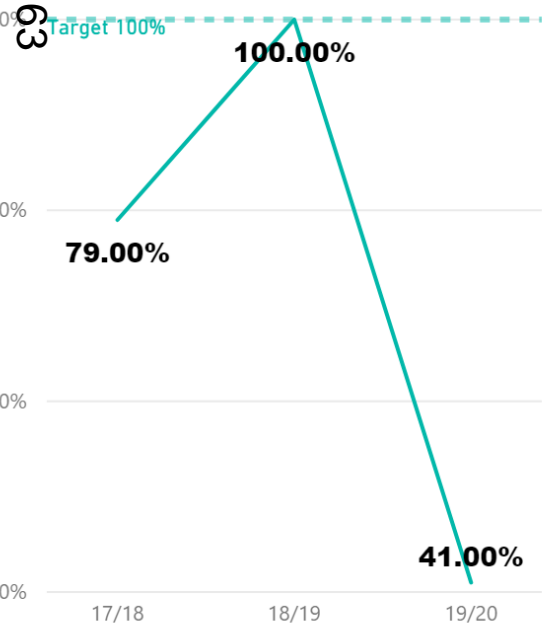


% of safeguarding cases are dealt with in accordance of Southend, Essex and Thurrock (SET) guidelines for adults and children

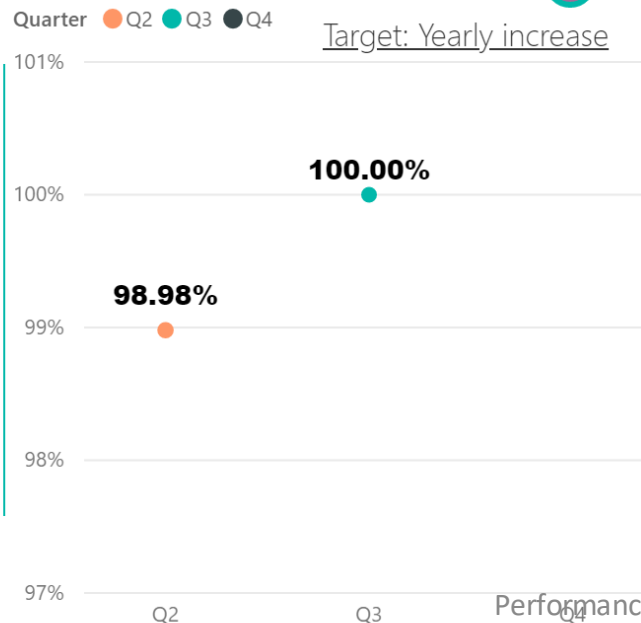


F) Community Engagement

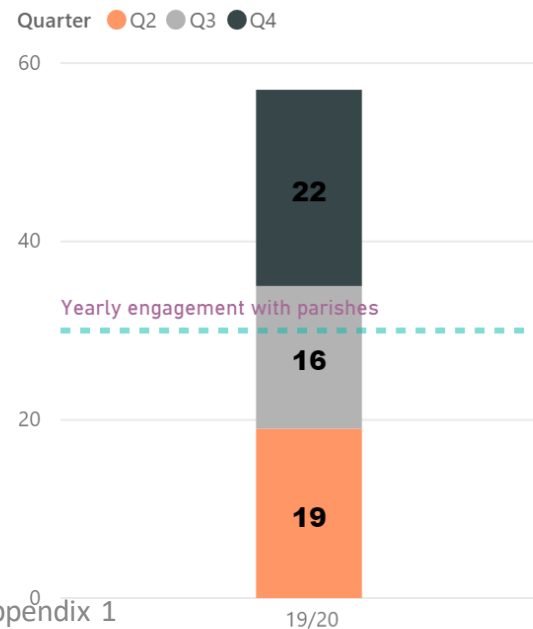
Annual Better Care Fund spend



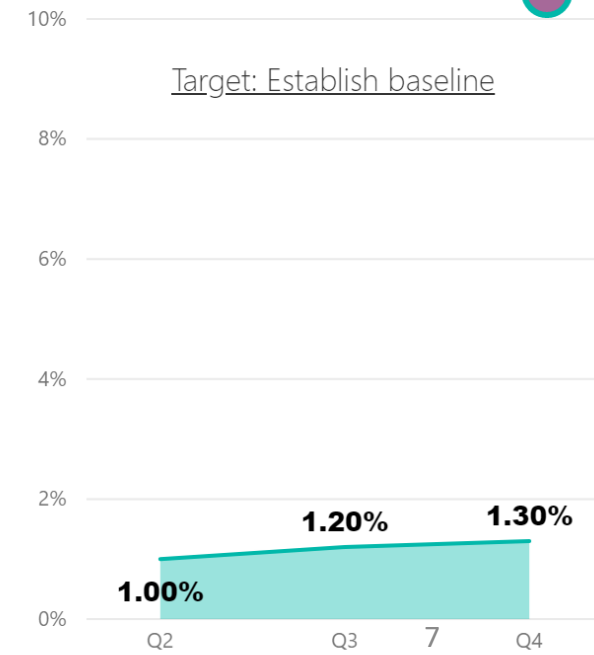
Customer evaluation survey (MDC) – private sector housing grants/ loans






No. of Parish and Town Council engagements by Community team






MDC assistance to use digital service/ payment at Council Offices



Community Supporting Plans

Supportive Outcome	Community Actions Plans	Status	Highlights/Low Lights	Target
A) Support health and wellbeing priority: Obesity	Parishes covered by community weight management sessions	Target Met 	<p>Q4 - Two new ACE weight management sessions have been established. One is being delivered by Places Leisure in Dengie 100 centre and one in Maylandsea GP practice delivered by Maldon CVS.</p> <p>Q3 - Discussed with Essex County Council commissioner of ACE weight management sessions and come to the agreement that more weight management sessions can be established if led by community groups, with minimal support from ACE due to budget cuts. Primary action encouraged is to increase attendance at weight management existing sessions before launching more, so this is being done currently.</p> <p>Q2 - There has been one new community weight management session set up in Tolleshunt D'Arcy. This now takes the number of sessions in the District from 7 to 8. The north of the District now has increased coverage in terms of weight management sessions, we will look to progress the expansion of weight management sessions in the Dengie area.</p>	To increase Parishes by 2 per year
A) Support health and wellbeing priority: Obesity	Campaign delivery for physical activity	Target not met 	<p>Q4 - One physical activity campaign delivered 'Get Maldon Moving for Sport Relief'. One other is targeted and ideas were generated e.g On Your Feet Britain day and Summer Olympic Games but these are at risk due to event cancellations stemming from the COVID19 pandemic.</p> <p>Q3 - Currently planning both PA campaigns as opportunity to deliver on elements of draft health and wellbeing strategy.</p> <p>Q2 - Due to lack of resource we have not been able to release a campaign. However, the identified theme of the campaign has been identified; this is to target the Maldon East area which will focus on highlighting the short and free activities that are available in the District for all ages.</p>	2 Campaigns per year
B) Support health and wellbeing priority: Mental Health	Primary Schools supported by MDC Y6 transition template	Target not met 	<p>Q4 - Currently both secondary schools have signed up and agreed to onboard all Primary Schools within the Maldon District. COVID-19 however has stunted our progress as efforts and focus have now turned to support the community in the response to COVID-19. Once more capacity is made available, focus will resume on the transition template piece of work.</p> <p>Q3 - At this current moment we have agreement from both Secondary schools to have the template rolled out to all Primary Schools in Maldon District as of March 2020. Therefore, we hope to far exceed our target of onboarding 2 schools per year.</p> <p>Q2 - We have worked in partnership with Plume Academy to ensure that they are onboard to deploy the template in March 2020- We are confirming with Ormiston Rivers Academy that they are confirmed and able to send out the template in March 2020.- Between Plume and Ormiston them they will cover 18 primary schools in the District which should meet and complete our target by Q4.</p>	To onboard 2 new schools per year

Community Supporting Plans

Supportive Outcome	Community Actions Plans	Status	Highlights/Low Lights	Target
C) Support health and wellbeing priority: Social isolation/loneliness	The number of intergenerational projects in the District	Target Met 	<p>Q4 - Budget has been allocated for the establishment of another intergenerational project and communication has been initiated with the primary schools to gauge interest.</p> <p>Q3 - All primary schools in the District emailed with the offer to receive financial support to establish an Intergenerational project and/or to adopt the Maldon Up! template that has been a success at All Saints. Working in collaboration with Mid Essex CCG and ARU on this with the intention to launch Up in at least 10 schools throughout the district.</p> <p>Q2 - One new school on boarded. We will seek to get another school on board by the end of the financial year</p>	1 new school participating in intergenerational projects per year
C) Support health and wellbeing priority: Social isolation/loneliness	Campaign delivery for social isolation	Target Met 	<p>Q4 -One social isolation campaign delivered; collaboration with RCCE on their e-learning resource. Rather than the establishment of further social isolation campaigns, support is being offered to existing, well-established campaigns e.g United in Kind.</p> <p>Q3 -Action required to identify specificity and demand for this campaign, will address in Q4. This will most likely be done in partnership with MOAT foundation and United in Kind.</p> <p>Q2 - We have ensured that we have promoted and shared all social isolation and loneliness initiatives that are ongoing in the District. We are supporting the delivery of UnitedInKind campaign which is led by Essex County Council and will be delivering our own social isolation/ loneliness campaign as part of the Winter Warmth project.</p>	1 Campaign per year
D) Support health and wellbeing priority: Older people's health	Health drop-ins for older people's groups provided	Target not met 	<p>Q4 - The health drop in's were scheduled for events that have now been cancelled due to COVID-19 pandemic. When business resumes, these will be coordinated with the service providers in targeted locations, as planned.</p> <p>Q3 - Discussed with Essex County Council commissioner and there is no demand for additional health drop-ins. Alternatively, the promotion of existing health drop in services and social prescribing will be promoted, particularly for older people's groups.</p> <p>Q2 - Due to resource this has not been started yet.</p>	To increase older health drop in sessions, 1 per quarter




Place Strategic Performance

Place Outcomes

Reference	Title	Status	Commentary
A	A clean and tidy District	On Track - All Areas	Q4 - Highest quarterly increase in flytipping incidents. Draft Resident Survey report prepared.
B	Reduced Household waste	On Track - Conditional Elements	Q4 - Increase in recycling rate seen from Q3 but missed target by very narrow margin.
C	Our open spaces maintained for the enjoyment of all	On Track - Conditional Elements	Q4 - Volunteering activity met target. Draft Resident Survey Report prepared.
D	Improved air quality	On Track - Conditional Elements	Q4 - Public consultation completed. Next steps underway for adoption
E	Partnership working to protect our countryside and coastline	On Track - All Areas	Q4 - On track and progressing.
F	Sound and tested environmentally friendly initiatives delivered	On Track - Conditional Elements	Q4 - Environment and Climate Change Strategy is behind schedule due to staff changes, service priorities and Covid 19
G	A five -year housing land supply maintained	On Track - All Areas	Q4 - Housing Delivery Test (District-wide) for 19/20 passed at 101%
H	Strategic sites delivered in accordance with the Local Development Plan bought forward	On Track - Conditional Elements	Q4 - Majority of strategic sites progressing. One strategic site not progressing due to complex S106 and another to planning appeal. Other strategic sites accelerating delivery prior to Covid-19 shutdown of strategic sites.
I	Affordable housing targets in the Local Development Plan achieved	On Track - All Areas	Q4 - Target exceeded.

Place Strategic Performance

Place Outcomes

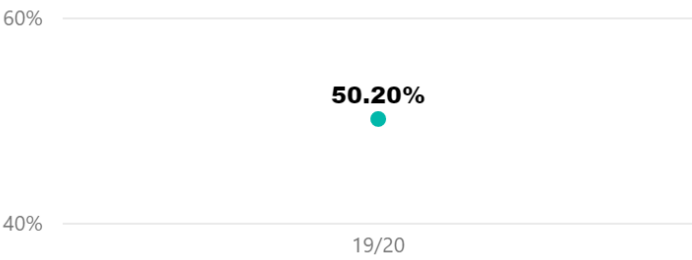
Reference	Title	Status	Commentary
J 	Section 106 planning agreements are effectively discharged	On Track - Conditional Elements	Q4 - Whilst progress made to meet target, shut down of strategic sites has impeded monitoring of S106.
K 	Partnerships are developed to maintain coastal defences	On Track - Conditional Elements	Q4 - On track and progressing.
L 	Improved access to Superfast Broadband across the District	On Track - Conditional Elements	Q4 - On track and progressing.

Place Performance Measures

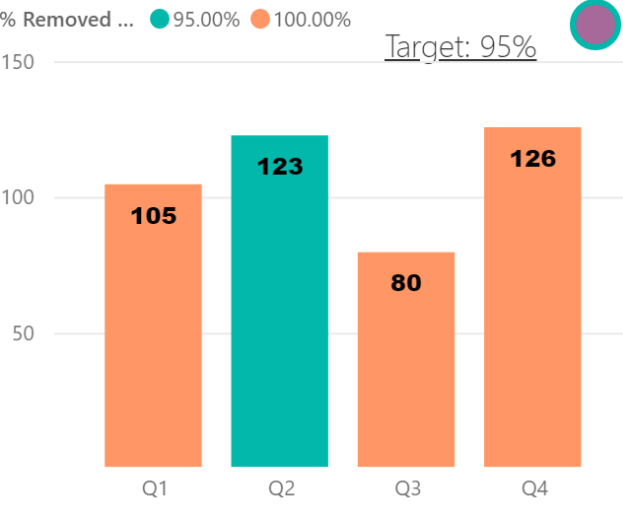
A) Clean and Tidy District

Public satisfaction to cleanliness & tidiness of the District

Target: Establish baseline

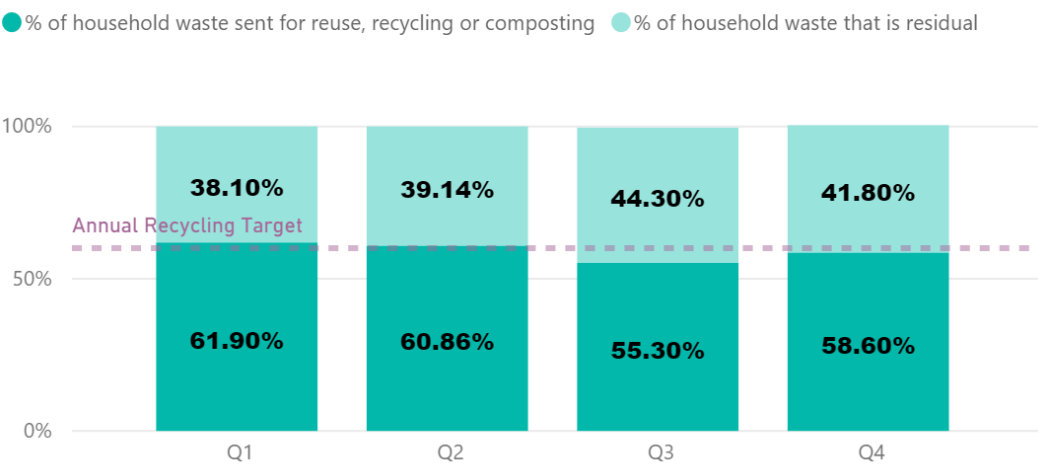


Fly tipping incidents and & Removed in 24rs



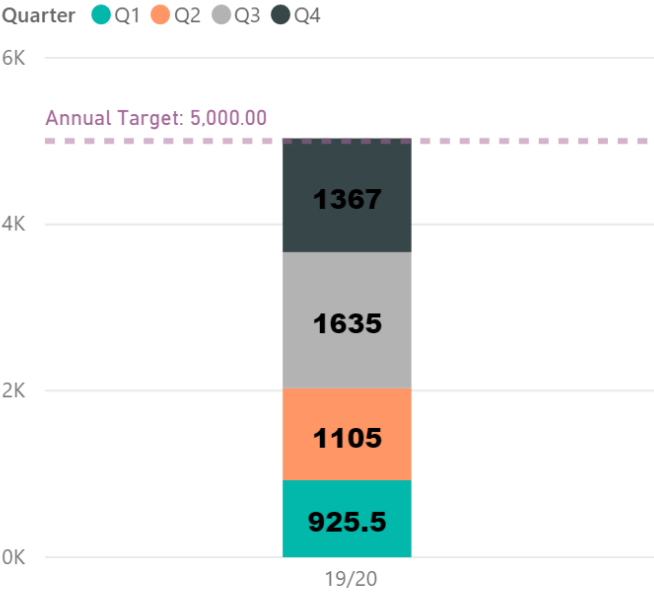
B) Household Waste Reduction

Residual Waste V Recycled Waste

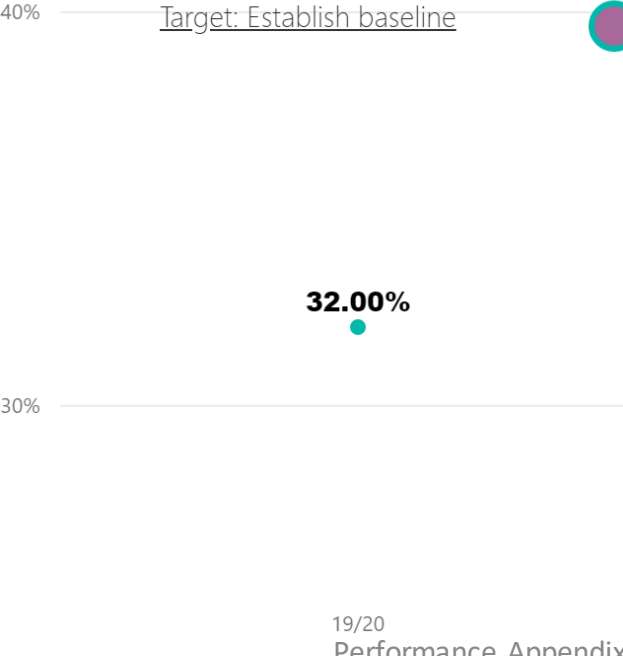


C) Open Spaces

Local volunteering activity facilitated/organised by MDC(Hrs)

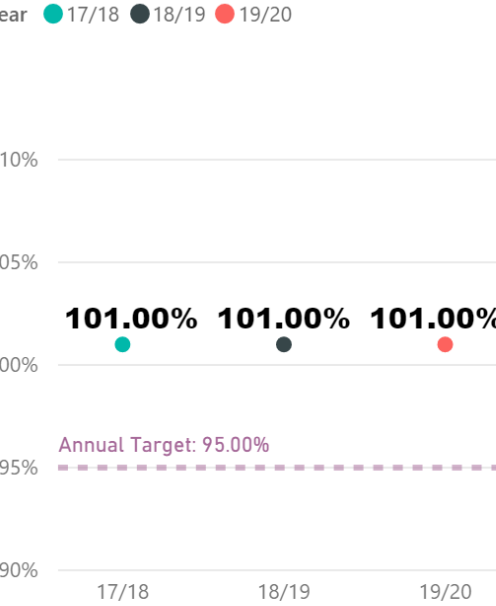


Public satisfaction to Flagship open spaces



G) Housing Land Supply

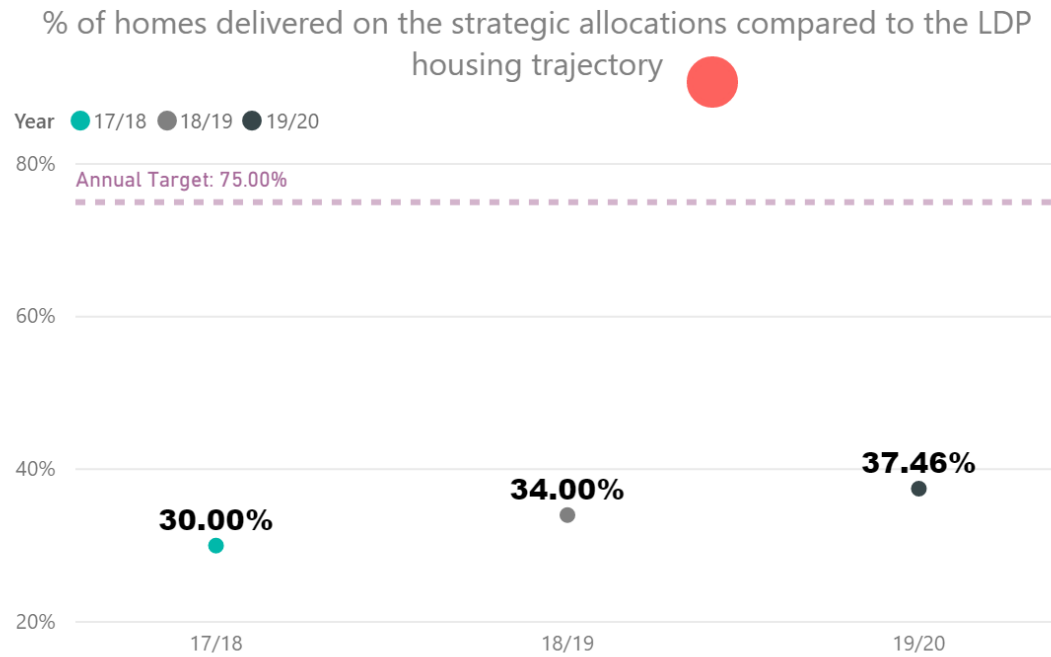
Housing Delivery Test (HDT*) result



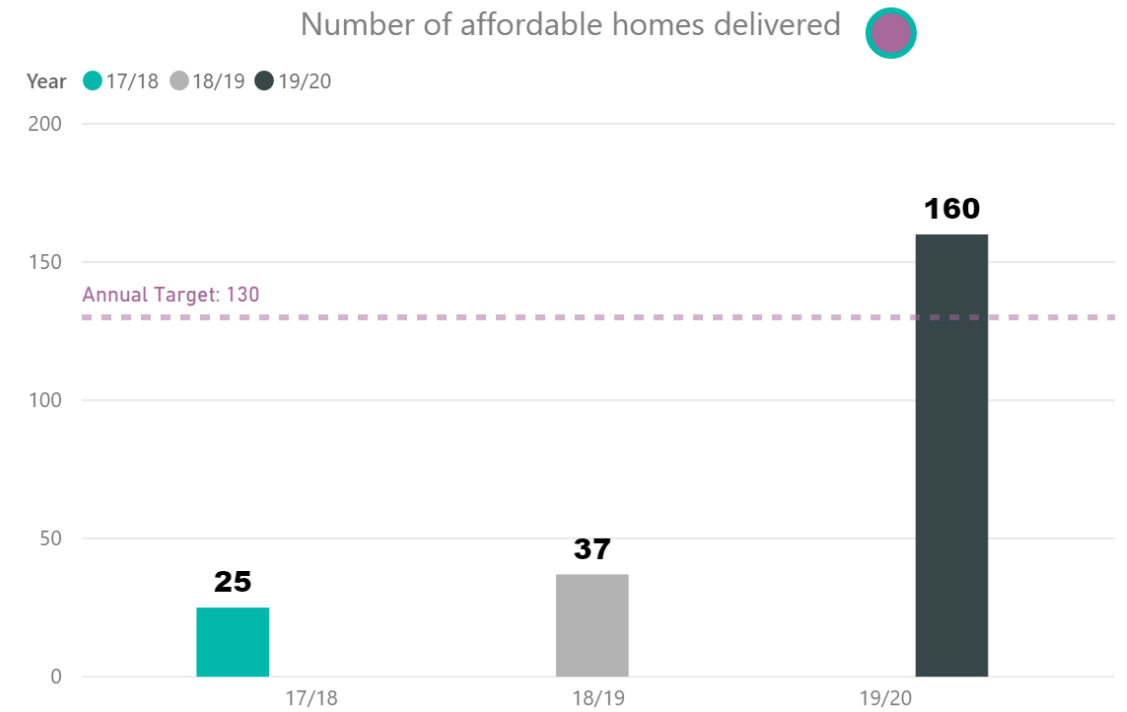
5Yr housing land supply





H) Strategic Site Developement





I) Affordable Homes





Place supporting plans

Supportive Outcome	Place Actions Plans	Status	Highlights/Low Lights	Target
C) Maintaining open spaces	Keep Britain Tidy 'Green Flag' award (well managed parks and open spaces)	Target not met 	<p>Q4 - As per Q3: Management Plans not in place. No submissions will be made to Green Flag Award for 2020/21 round of awards</p> <p>Q3- Management Plans not in place. No submissions will be made to Green Flag Award for 2020/21 round of awards</p> <p>Q2 - Applications for Green Flag Awards depend entirely on Management plans being in place for candidate award sites. Due to Future Council process and key vacancies within Service, capacity for review/writing of the Management Plans is currently very limited.</p>	Two applications submitted for 2020/21 awards
C) Maintaining open spaces	Progress implementation of the Green Infrastructure Strategy [GINS] findings / projects - adopted by Council May 2019	Target Met 	<p>Q4 - Project Officer meeting and GI projects review undertaken 3rd March 2020. Actions for officers with regard to detailing of certain projects, feasibility of timelines & costings, plus ensuring that principles of projects are embedded into wider Strategic Plans such as Place Plan, reflected in CAMP delivery, and where necessary/relevant are also indicated or referenced as opportunities for future s106 and CIL/Infrastructure funding statement</p> <p>Q3 - Strategic priority has been on draft Essex RAMS/"Bird Aware" and consultation which links to GI objectives & projects. EoI for Landscape Partnership funding unsuccessful Meetings with officers from ECC/Highways/ Essex Country Parks regarding Rail Trail links - agreed aspirations all round, but issues with structural defects in places to be resolved and long term maintenance considerations.</p> <p>Q2 - Working group not started; liaison with Strategy team regarding GI projects & opportunities for delivery is in place. See also update for Blackwater Conservation Strategy with regard to EoI for funding.</p>	Establish internal working group to explore taking a programme management approach to GIS [similar to CAMP] to secure strategic delivery




Place supporting plans

Supportive Outcome	Place Actions Plans	Status	Highlights/Low Lights	Target
D) Improved air quality	Development of AQMA Action Plan	Target not met 	<p>Q4 - The action plan was agreed to be put to public consultation. The consultation took longer than expected but is now complete with TF bringing together a report. This will be presented to members for further consideration and adoption in July Council</p> <p>Q3- Additional modelling being completed to establish whether by reducing the height of the boundary fence outside the Limes Guest House will provide a significant reduction in Nitrogen Dioxide levels. This will be presented at the next Steering Group meeting in January 2020. A draft action plan will be presented to the group in January.</p> <p>Q2 - Modelling of possible mitigation measures complete. This will be shared with the next Steering Group due 9 October 2019. The group will consider ToR and receive an update from the Lead, Tim Savage (CCC). The draft plan will start to be formed in partnership with ECC. Public consultation proposed to go ahead in Q3/4</p>	Plan completion by Dec. 2019
D) Improved air quality	Implementation of AQMA Action Plan measures	Target Ongoing 	<p>Q4 - We believe this is still on track for May/June but may be affected by the continued Corona virus restrictions</p> <p>Q3 - Action plan measures not yet agreed a further update will be provided after the January Steering Group meeting.</p> <p>Q2 - None</p>	Jan 2020 + implemented in accordance with agreed timetable



Place supporting plans

Supportive Outcome	Place Actions Plans	Status	Highlights/Low Lights	Target
E) Protect our countryside and coastline	Development of a Blackwater Nature Conservation Strategy	Target Met 	<p>Q4 - Blackwater Conservation Group met on 29th January 2020 to discuss detail and opportunities for both Marine and Terrestrial streams of work. Sub-group for Beach Nesting birds continues quarterly (last meeting 10/3/2020) New sub-group proposed and under development to look at Beneficial Use of Dredged Sediment. Similar project group underway in the Solent; professional tie in as CEFAS representative sits on National MMO led working group. Discussion led by Essex Wildlife as to future development of Nature Recovery Networks [in Blackwater, but also across the County] in line with Government proposal in 25 year Environment Plan. Planned July meeting under review subject to Covid-19 restrictions.</p> <p>Q3 - Eol for Lottery "Heritage Horizons" scheme submitted but unsuccessful (£50m scheme 'oversubscribed' by £1.34bn of projects overall...) Next partnership meetings for Terrestrial and Marine streams scheduled for 29/1/2020</p> <p>Q2 - Blackwater Conservation Partnership development continuing. Vision statement and Objectives for the group/strategy have been drafted and agreed in principle. Next Partnership meeting scheduled for 11th November. Key Partners have also submitted an initial Expression of Interest to the Lottery "Heritage Horizons" scheme, largely based on the discussions of the Partnership to date and includes three projects of the MDC Green Infrastructure Strategy. Eol outcome should be due January 2020, if progressing to the next stage then Report to Committee for approval will be needed.</p>	Initiation March 2019; 10 draft work-streams identified; workstream focus meetings planned July; whole Group meeting & review in October 2019 for further tasking.
F) Environmental Initiatives	Successfully deliver promotional campaigns to support a sustainable Place	Target Met 	<p>Q4 - We had been participating in a number of campaigns which have been suspended due to the Coronavirus outbreak. The campaigns on hold include the plastics campaign, Love Essex campaign, coastal Essex promotion, events including food festivals and VE75 have also been suspended. We have focussed our energy in supporting and advising business and heavily supporting the Government and PHE Coronavirus campaigns.</p> <p>Q3- We have delivered and supported a number of promotional campaigns which have included the Cleaner Essex campaign, Christmas waste collections, Christmas Tree collection, #Warm Maldon. We have supported two New Homes events as well as supporting partner agencies with their Health and Flooding campaigns.</p> <p>Q2 - Supporting delivery of Love Essex's anti-littering campaign - 'See it, Report it'</p>	Deliver three campaigns during 2019/20

Place supporting plans

Supportive Outcome	Place Actions Plans	Status	Highlights/Low Lights	Target
F) Environmental Initiatives	Develop and adopt an Environment and Climate Change Strategy	Target not met 	<p>Q4- Limited progress on updating and adopting the Climate Change strategy, due to conflicting service delivery demands and the subsequent disruption from Corona Virus</p> <p>Q3 - Meeting scheduled for January to discuss CCS and any possible amendments. Results of residents survey under analysis.</p> <p>Q2 - Transformation has taken priority however, draft Strategy is being prepared awaiting results of Resident Survey to complete outcomes. This will ensure the outcomes reflect the view of the residents</p>	Submit draft Strategy to Committee by November 2019
H) Strategic sites development	Infrastructure delivered in relation to the strategic allocations in accordance with Policy S3 and S4 and the negotiated and signed S.106 agreements	Target Met 	<p>Q4 - No infrastructure delivery targets interrupted for projects under way. New starts and part constructed schemes are not being checked on site. Funding monitoring also delayed by lack of site visits - alternative method being implemented to avoid the need for site visits.</p> <p>Q3 - A review of the infrastructure completed and income received was reported to Overview and Scrutiny Committee in October 2019. Since then a S106 Officer has been appointed and a comprehensive review of all outstanding agreements is under way. There are no new risks identified at this time.</p> <p>Q2 - A S106 update report for the period of April to September has been submitted to Overview and Scrutiny Committee. This meeting is taking place on the 31st October. However, performance data for this specific measure cannot be reported on as we are currently without a S106 officer. We hope to have resource from mid-October.</p>	Delivery in accordance with the Infrastructure Delivery Plan
J) Section 106 planning agreements effectively discharged	All s106's are monitored in accordance with the signed legal agreement	Target not met 	<p>Q4 - No requiring site visits on return to business as usual - a desk based remote audit / survey of participating developers has been instigated. All S106 agreements currently under full review</p> <p>Q3 - A review of the infrastructure completed and income received was reported to Overview and Scrutiny Committee in October 2019. Since then a S106 Officer has been appointed to the establishment and a comprehensive review of all outstanding agreements is under way. The monitoring process, including site checks will commence in February following a desktop review of outstanding agreements.</p> <p>Q2 - A monitoring and progress report on S106 for the period of April to September has been submitted to Overview & Scrutiny Committee October meeting.</p>	100% implementation

Place supporting plans

Supportive Outcome	Place Actions Plans	Status	Highlights/Low Lights	Target
K) Maintaining coastal defences	To monitor delivery of the agreed 2019 Maldon District Strategic Flood Projects and Maintenance Plan and maximise grant opportunities towards local coastal defences.	Target Ongoing 	<p>Q4 - Essex County Council supplied a list of flood sites for assessment. DG & JL were due to meet with Dave Chapman however the meeting was cancelled due to Corona virus restrictions and is yet to take place. At present, work on the strategy has paused due disruption caused by Corona virus</p> <p>Q3 - The Action Plan was last updated by partners in December 2019 with projects and maintenance works to be completed during 2020. There is a caveat that some works are dependent on a number of variables so may be delayed or deferred but the group will be kept updated. Next update due in May 2020.</p> <p>Q2 - Revised plan discussed at July Audit Committee and risk score reduce. A number of maintenance projects completed with an addition of 4 new projects in Q2. Next meeting booked in Q3</p>	80% of works/maintenance projects put forward annually are completed in accordance with the project timescales
L) Improved access to Superfast Broadband	To work with Partners to accelerate and maximise the rollout of Superfast Broadband across premises in the District.	Target not met 	<p>Q4 - Superfast Essex Rollout Programme continuing during Covid-19 restrictions to stated percentages. Current coverage 92%. Future work planned to bring the District to 95%, but this will not complete until March 2021. So far 16,320 properties have been enabled, with work planned for 914 properties under our Phase 3.4 (completion date September 2020) and Phase 4b (completion date March 2021).</p> <p>Q3 - As Phase 2 of the Programme is completed and as reported in Q2, Phase 3 is underway and due to complete by June 2020. It has been reported that Phase 3 may take 6 months longer than planned due to the nature of the network build becoming more complex in rural areas. This impacts on 3,000 addresses across 5 Districts including Maldon (also Tendring, Castle Point, Colchester, Rochford). The Parish Councils and Broadband Champions in these areas have been updated in these areas.</p> <p>Q2 - Superfast Essex Programme short term rollout figures are on track and likely to be surpassed. Phase 2 of the Programme will be completed by December 2019. Current status as at 12 August 2019 91% coverage. Phase 3 and Phase 4 roll out to December 2021 forecast coverage 96.2%.</p>	94.7% Superfast broadband available by March 2020

Prosperity Strategic Performance

Prosperity Outcomes

Reference	Title	Status	Commentary
A	Delivery of strategic employment sites in accordance with the Local Development Plan	On Track - Conditional elements	Q4 - Following approval of the Council's Prosperity Strategy, measures are being developed as part of the Prosperity action plan for the promotion of District Strategic Employment Sites. The details of all District Strategic Employment Sites was shared with our Strategic Partner - Invest Essex, part of the Let's Do Business Group, who are commissioned by Essex County Council (ECC). From 2020 ECC have ended their support for Invest Essex as an organisation. The delivery of this objective is now under review as part of the and pending the Economic Response and Recovery Plan to COVID19
B	Partnership working to provide an Enterprise Centre	On Track - Conditional elements	Q4 - The creation of an enterprise centre in the Maldon District is identified as part of the SoP Place Plan for delivery. The operating model and delivery/funding method is under review. Occupancy in Enterprise Hub is 0 as hub is not yet operational
C	Rural business and diversification supported	On Track - Conditional elements	Q4 - Actions are being developed as part of the Prosperity action plan and in partnership with the Place Board. The need to support rural/district businesses in the creation of the Bradwell B supply chain has been identified as part of BRB engagement. Initial targets were not met due to scope change with the KPI activity.
D	Tourism supported and encouraged	On Track - Conditional elements	Q4 - The Council's tourism website and social media have recovered very well following the closure of the Tourist Information Centres, with a large increase in users over the quarter compared to last year. The delivery of a Tourism Industry Event was a big success with a good turnout. An action Plan is being developed with industry stakeholders to be delivered as part of the Sense of Place initiative. Promotional activity is now on hold owing to response to COVID19

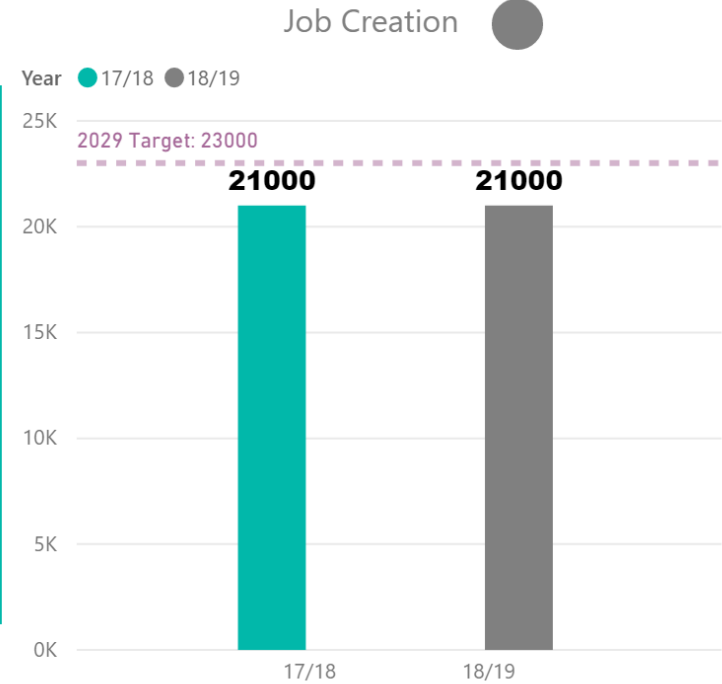
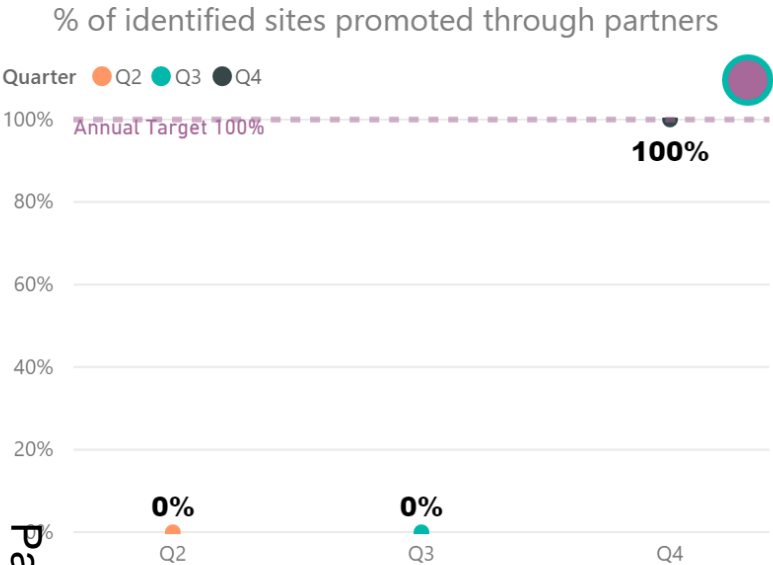
Prosperity Strategic Performance

Prosperity Outcomes

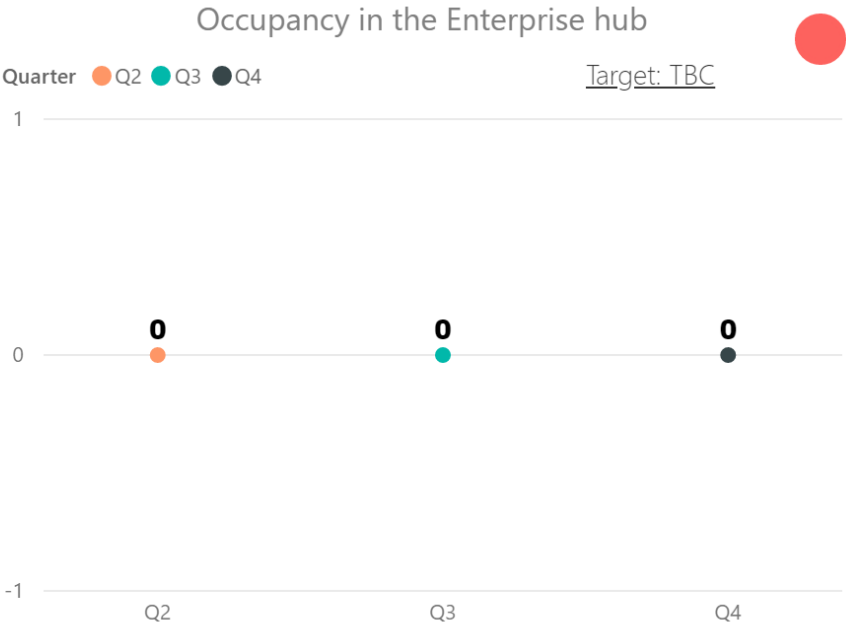
Reference	Title	Status	Commentary
E 	Efficient and effective engagement with businesses	On Track - Conditional elements	Q4 - Working is progressing with strategic and key partners and business groups. A proposal was presented (Place Board on 10th Feb and at the Maldon Business Hub and Lower High Street Group on 19th Feb) to strategically network the Maldon District Business groups via Sense of Place and the creation of a 'Maldon Business Board' (working title) to link local businesses and ensure the coordination Place Plan and Prosperity initiatives. This work forms part of the Central Area Masterplan Project 2 - Lower High Street, due to be ratified by Members in April. Progress has been slowed by COVID19 outbreak but will continue and support economic recovery. Further Business Engagement Action Plan being developed.

Prosperity performance measures

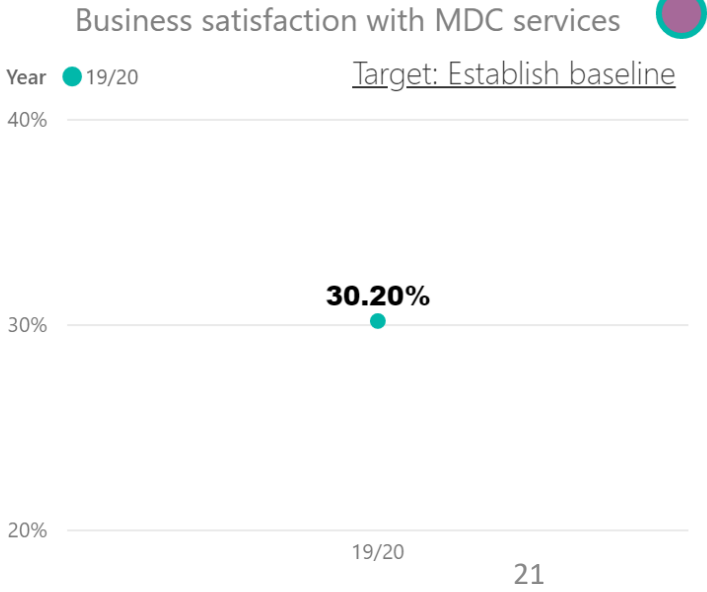
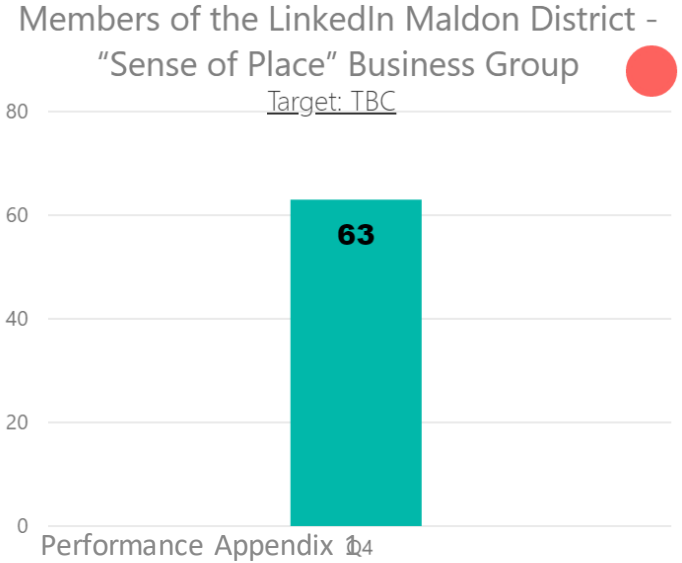
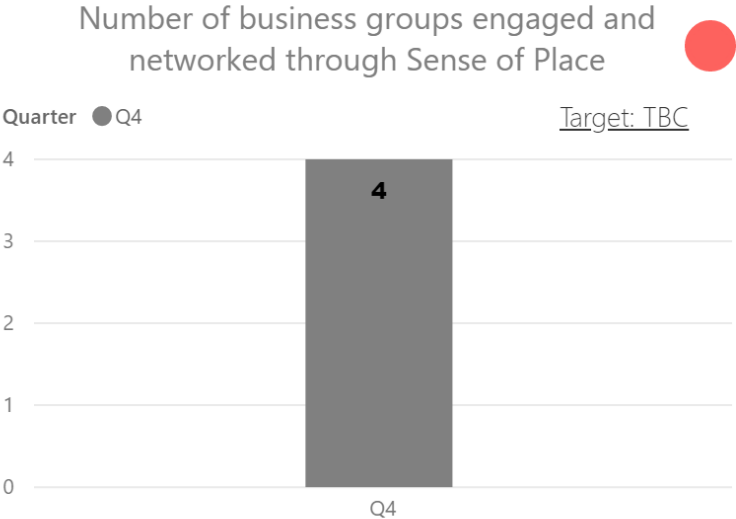
A) Delivery of strategic employments sites



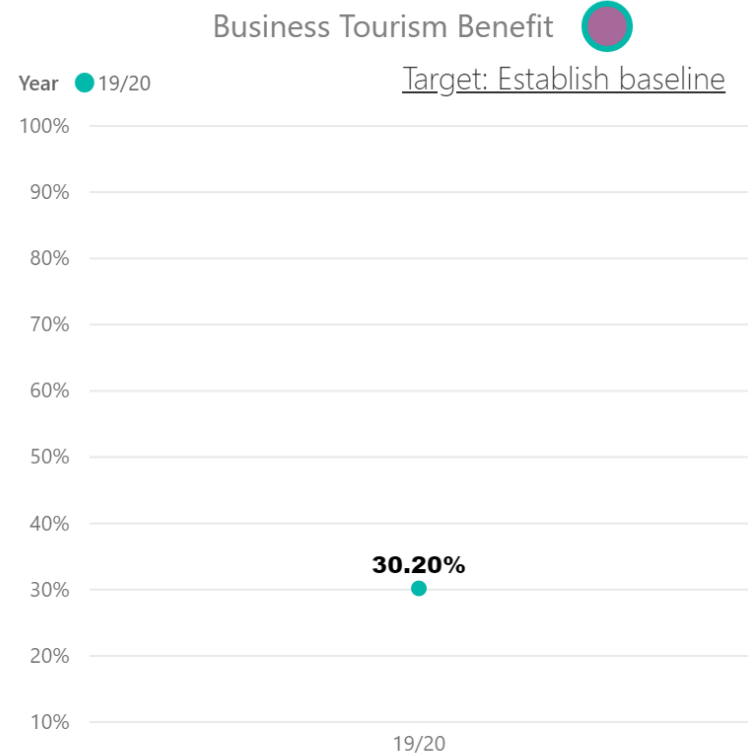
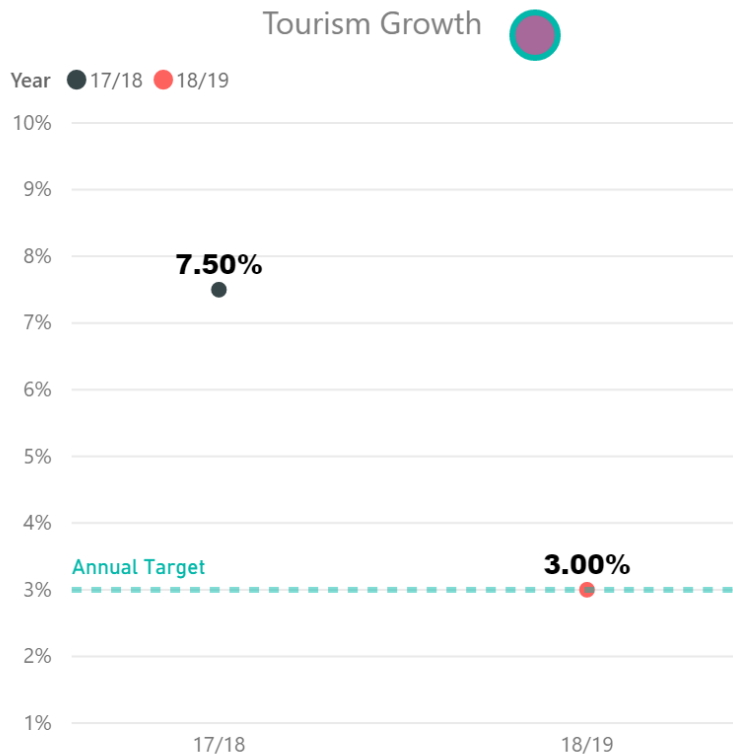
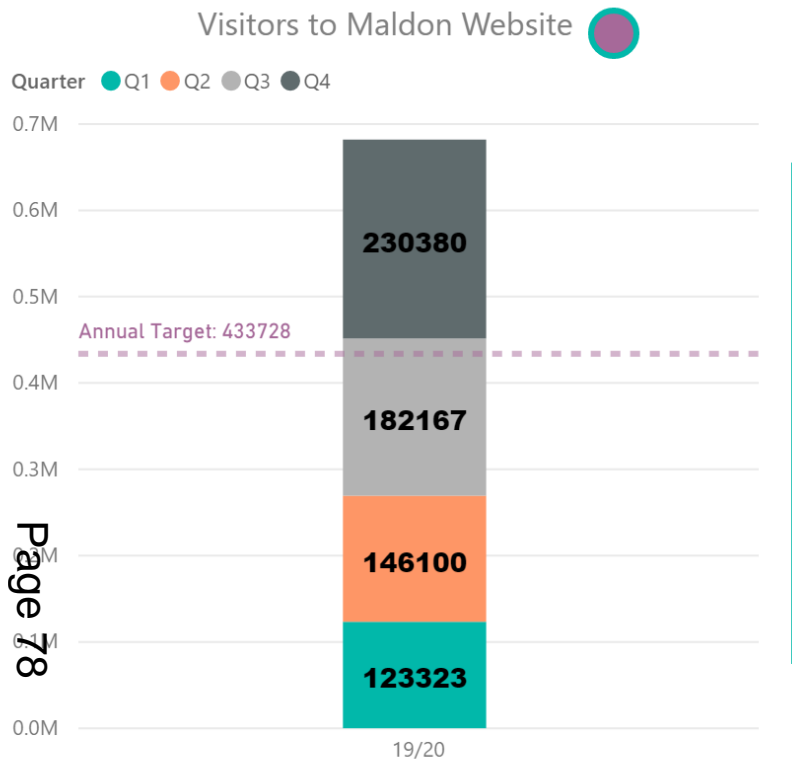
B) Partnership working to provide an Enterprise Centre






E) Efficient & Effective engagement with Businesses




D) Tourism supported and encouraged




Prosperity supporting plans

Supportive Outcome	Prosperity Actions Plans	Status	Highlights/Low Lights	Targets
B) Partnership working to provide an Enterprise Centre	Deliver Enterprise Hub based in Maldon District Council's building	Target ongoing 	<p>Q4 - Review of the space is on-going. Options are being implemented to achieve income targets in 2020, however these are unlikely to meet specific enterprise/start up objectives of the "enterprise" approach. what success looks like for the enterprise approach is not clearly defined at this stage.</p> <p>Q3 - Review of space, approach & security is on-going. Options are being reviewed and income from rental of space within the building is still likely in 2020, however may not meet specific enterprise (new business, start-up) objectives.</p> <p>Q2 - Progress slightly delayed, awaiting start of Commercial Manager, start date Nov 19. Project should still be delivered on track in 2020.</p>	Enterprise Hub delivered by 2020
B) Partnership working to provide an Enterprise Centre	Deliver Enterprise Centre	Target ongoing 	<p>Q4 - Scope & definition has not yet commenced for a enterprise centre within the district</p> <p>Q3 - Business Case for scope of the Enterprise Centre has not started</p> <p>Q2 - Currently reviewing initial feasibility study and reviewing approach, project still within timescales.</p>	Enterprise Centre delivered by 2025
C) Rural and coastal business supported	Establish Maldon Rural Business Growth Strategy	Target ongoing 	<p>Q4 - The establishment of a Maldon District Rural Business Growth Strategy is identified for delivery as part of the draft Sense of Place - Place Plan</p> <p>Q3 - Following the approval of the Council's Prosperity Strategy; Rural Business Actions are being developed as part of the Prosperity Action Plan. Data will be reported from Q4</p> <p>Q2 - Activity pending approval of the Thematic Strategy</p>	Contractual SoP Objectives met

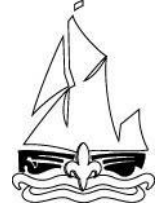
Prosperity supporting plans

Supportive Outcome	Prosperity Actions Plans	Status	Highlights/Low Lights	Targets
C) Rural and coastal business supported	Bradwell B project	Target not met 	<p>Q4 - A full response to BRB's Stage One Consultation is being prepared by Maldon District Council, alongside Essex County Council, in line with the extended consultation time scale. The socio-economic response workstream is progressing on track. Officers remain engaged with BRB and appropriate stakeholders.</p> <p>Q3 - The production of a Supplementary Planning Document is no longer part of the Bradwell B Programme. A Development Plan Document (DPD) for longer term impacts is now being progressed with a report going to the January S&R Committee.</p> <p>Maldon District Council and Essex County Council are engaged with BRB in advance of their Public Consultation and Development Consent Order application.</p> <p>A new target and action plan to ensure Local Businesses engaged in Bradwell B supply chain is being reviewed.</p> <p>Q2 - Bradwell B (BRB) nuclear power plant - The developer BRB, comprised of China General Nuclear (CGN) and EDF Energy commenced scoping working for the Development Consent Order process on July 4th. Consultation with the public will happen from Spring 2020. In parallel to this, the developer is applying for a license for the nuclear reactor. Both activities will take approximately two years. If the project progresses, it will be a further five years before any construction would take place. Maldon District Council are the lead local planning authority for this development and is working with Essex County Council and the Developer to inform all scoping activities. Maldon District Council is actively recruiting a Programme Manager and Senior Specialist - Local Plan to ensure the required supplementary planning document can be produced by March 2020. However, we have found it difficult to recruit permanent staff to these roles.</p>	Production of Supplementary Planning Documents March 2020

Prosperity supporting plans

Supportive Outcome	Prosperity Actions Plans	Status	Highlights/Low Lights	Targets
D) Tourism supported & encouraged	Digital Tourism campaigns delivered	Target not met 	<p>Q4 - Staff resource now in place. Our digital focus in the this quarter has related to supporting our tourism businesses but we have produced a virtual visit video to the District to encourage visitors to stay away. We have been held in high esteem for our virtual visit approach.</p> <p>Q3 - This action has not as yet started due to the staff resource not being in place.</p> <p>Q2 - Delivery of Saltmarsh 2019 comms campaign</p>	TBC

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**REPORT of
DIRECTOR OF STRATEGY, PERFORMANCE & GOVERNANCE**

**to
PERFORMANCE, GOVERNANCE & AUDIT COMMITTEE
25 JUNE 2020**

QUARTERLY REVIEW OF CORPORATE RISK

1. PURPOSE OF THE REPORT

- 1.1 The Risk Management Policy requires this Committee to undertake a quarterly review of the Corporate Risk Register as assurance that the corporate risks are being managed effectively. **APPENDIX 1** is attached to the report for this purpose.

2. RECOMMENDATIONS

- (i) Members note the change in scoring in this report, to reflect recent policy updates.
- (ii) Members review the Corporate Risk Register in Appendix 1 and provide comment and feedback for consideration.
- (iii) Members are assured through this review that corporate risk and is being managed effectively.
- (iv) Members challenge risk where the Committee feels that the Council's corporate goals may not be achieved.

3. SUMMARY OF KEY ISSUES

- 3.1 At PGA on 28th November, the committee approved an updated Risk Management Policy to address internal audit recommendations, including moving to a five-point scoring scale. A copy of the current guidance can be found on Freshservice. <https://maldon.freshservice.com/support/solutions/articles/50000007160-risk-management> For clarity, **APPENDIX 1** also includes risk scoring criteria for the new five point scale.
- 3.2 **APPENDIX 1** shows a table of the Corporate Risk Register, the latest ratings and officer commentary.
- 3.2.1 Summary of risk direction/changes since Q3
There are three risks that have seen a decrease in score: R20, R22 & R29.
R20 has been recommended for closure.

- 3.2.2 There are three risks that have seen an increase in score: R2, R9 & R15. There are two new risk additions to the Corporate risk register, R28 & R29. R28 was raised for inclusion as it temporarily met the Corporate threshold, this has since been mitigated and is now recommended for closure.

4. CONCLUSION

- 4.1 Overall, no major Corporate Risk Register concerns have been raised. Work continues to ensure risks are mitigated, and where possible, working towards their closure.

5. IMPACT ON STRATEGIC THEMES

- 5.1 It is important that risk is monitored and managed effectively, to ensure that Maldon District Council progresses towards &/ achieves its stated outcomes.

6. IMPLICATIONS

- (i) **Impact on Customers** – Those risks in the Corporate Risk Register are defined as having a wider impact on our customers and delivery. The monitoring and mitigation of these will reduce the impact on customers.
- (ii) **Impact on Equalities** – None
- (iii) **Impact on Risk** – If risk is not managed effectively by the Council, it puts the Council's strategic delivery at risk and increases unnecessary exposure to potential, operational, reputational or regulatory consequences.
- (iv) **Impact on Resources (financial)** – All risk management is undertaken within existing planned budget. Exceptions being for a potential enactment of a recommendation outside of pre-defined resource.
- (v) **Impact on Resources (human)** – All risk & performance management is undertaken within existing planned budget. Exceptions being for a potential enactment of a recommendation outside of pre-defined resource.
- (vi) **Impact on the Environment** – None
- (vii) **Impact on Strengthening Communities** - None

Background Papers: None

Enquiries to: Paul Dodson, Director of Strategy, Performance and Governance

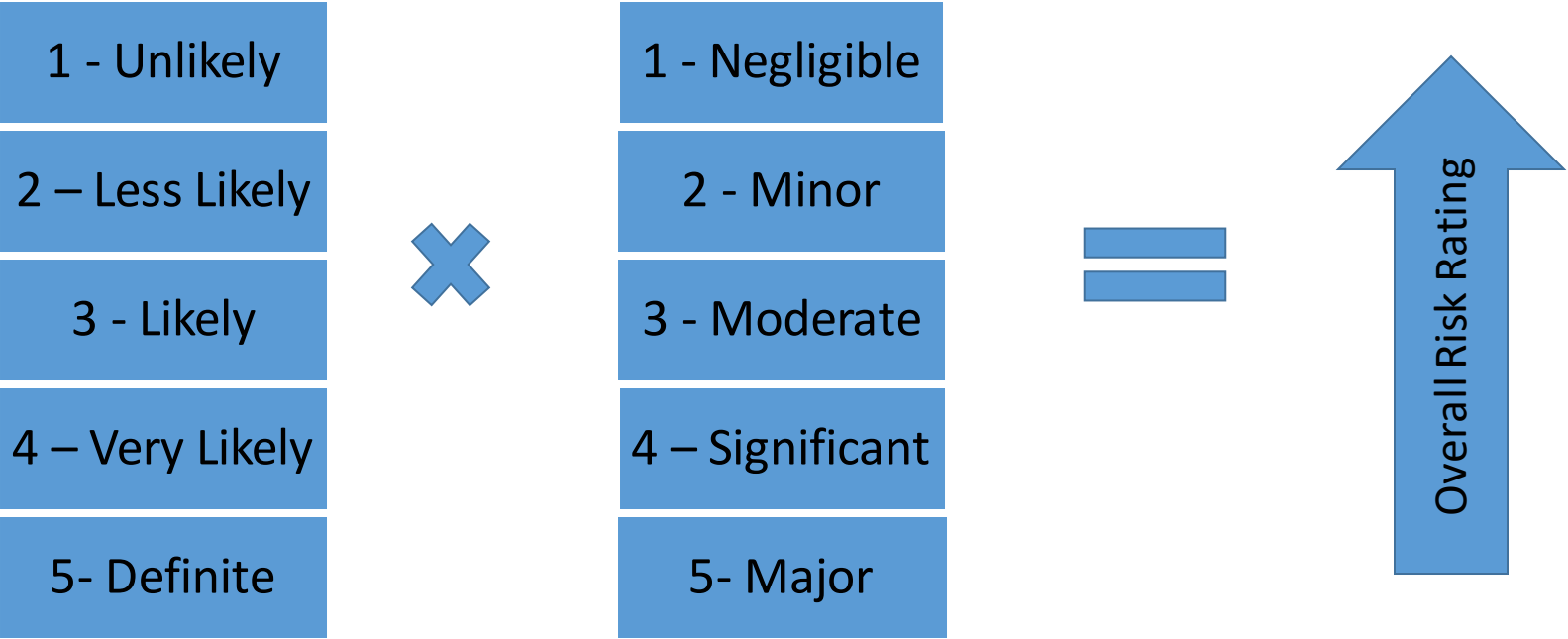
Corporate Risk Report Q4/EOY – Appendix 1

5th May 2020

Please note risks are sorted in 'Overall Risk Rating' descending order



Risk Assessment Scale



Title	Risk Description	Likelihood	Impact	Overall Risk Rating	Rating direction	Commentary
R9	Failure to have a co-ordinated approach to supporting inward investment and maximising business rate growth	5	5	25	Risk rating increased	Q4 - Risk increase. Business rate income suspended - not current priority due to COVID 19 (govt to compensate). Focus now on applying government based business support
R15	Failure to plan and deliver balanced budgets over the medium term	4	5	20	Risk rating increased	Q4 - Covid 19 response requires significant unbudgeted expense and loss of income. Escalating risk to income, e.g. parking Potential impact on lease income huge amount of unknowns in all areas of income. Re-assurance from govt that additional costs of Covid-19 will be underwritten, however the level of financial exposure is increasing daily. Members have instructed to continue with fees and charges increases as scheduled. High risk to income remains.
R5	Failure to deliver the required infrastructure to support development arising from the LDP	4	4	16	Risk rating unchanged	Q4 - The S106 officer continues to progress monitoring and negotiation of S106 Agreements for required infrastructure to support strategic sites.
R23	Financial resource and process issues	4	4	16	Risk rating unchanged	Q4 - A permanent Director of Resources and Financial Lead Specialist are now in place. Additional temporary resources are also currently supporting the financial function. Actions to address process and financial issues are being carried out but it will take time for staff and changes to embed
R1	Failure to safeguard children and vulnerable adults	3	5	15	Risk rating unchanged	Q4 - Lead officer and deputy positions are now filled. Damien Ghela is supported by Al Morrell in overseeing safeguarding arrangements. The core safeguarding team made up from officers from across the three directorates continue to report concerns and the move to remote working has not impacted upon reporting concerns or procedures. All staff eLearning has been rolled out as mandatory training. the move to remote working has caused a delay in Member Training plans but this will be resumed later this year

Title	Risk Description	Likelihood	Impact	Overall Risk Rating	Rating direction	Commentary
R7	Failure to maintain a 5 year supply of Housing Land	3	5	15	Risk rating unchanged	Q4 - Maintaining the 5.27 5YHLS for 19/20 may be impacted by the continued shutdown of construction on strategic sites and delays in the planning process.
R8	Failure to meet the affordable housing need	3	5	15	Risk rating unchanged	Q4 - Working to overcome shortfall, whilst some discussions have been undertaken no real advancement has been made at this time.
R2	Failure to target services and influence partners with the aim of having an effective outcome on the identified (health and wellbeing) needs of the vulnerable population	3	4	12	Risk rating increased	Q4 - The Council will be increasingly focussing on this area of work, and co-ordinating resources. However likely increase in demand due to Covid 19 is likely to outweigh resource. Strong partnership working and focus on service needs in place and strengthening.
R3	Failure to target services/influence partners effectively to support identified housing needs of increasing aging population	3	4	12	Risk rating unchanged	Q4 - No change from last quarter
R4	Failure to influence Community Safety partners to address the key areas of public concern (including rural crime) and the negative perception of crime	3	4	12	Risk rating unchanged	Q4 - Community Safety Partnership has been asked to provide weekly stats to monitor any impact. Tracking in place and police reacting to changing patterns of crime i.e. domestic violence
R29	Failure to deliver services as a result of COVID- 19	3	4	12	Risk rating decreased	Q4 - Service focussed on greatest need and other services will be scaled back or stopped where required. Corporate plan targets may need to be amended or suspended. Operational arrangements in place for greater flexibility in service delivery, delivering greater resilience, however risk rating unchanged as greater impact of Covid related staff absences forecast. Service levels stable operating within business continuity plans. Outlook is for continued stability. Robust monitoring in place, and contingency plans in place, likelihood decreased.

Title	Risk Description	Likelihood	Impact	Overall Risk Rating	Rating direction	Commentary
R14	Unable to recruit and retain staff with specific skills sets in specialist areas to meet the demands of the service(i.e.) Planners	3	3	9	Risk rating unchanged	Q4 - Officers continue to track and monitor vacancies and the use of agency staff. The closure of the Council Offices in mitigation against Covid - 19 has meant a delay to the recruitment of some roles and the retention of agency staff during this health emergency. However in some cases it is important to progress recruitment and joining arrangements and each position is taken on a case by case basis.
R24	Loss of key skills and knowledge across the organisation, and failure to embrace new working cultures.	3	3	9	Risk rating unchanged	Q4 - Possible benefit of current working environment due to COVID 19, is skills development and knowledge sharing
R11	Failure to protect personal or commercially sensitive data	2	4	8	Risk rating unchanged	Q4 - Compulsory e-learning data protection training now being rolled out across the organisation. No incidents have been reported since last update. Information Asset Registers due to be reviewed by the end of April 2020 to ensure up to date knowledge of data held. Data Privacy Impact Assessments now added as part of standard procurement procedures. Data Protection Clauses will also be added to standard terms and conditions of any contractor working for the Council.
R25	Failure to deliver finances associated to transformation programme.	2	4	8	Risk rating unchanged	Q4 - No change from last quarter
R26	Failure to deliver channel shift, through lack of customer engagement or undelivered processes	2	4	8	Risk rating unchanged	Q4 - Channel shift accelerated through the Covid-19 interim measures and channelling of enquiries to website

Title	Risk Description	Likelihood	Impact	Overall Risk Rating	Rating direction	Commentary
R10	Failure to develop jobs to support the growing population	2	3	6	Risk rating unchanged	<p>Q4 – Some activity on hold to focus on response to COVID19.</p> <ul style="list-style-type: none"> •Engaging with strategic partners to develop initiatives and actions to ensure we support the creation of jobs through investment and business growth. • The Place Board, Place Board Chairman and the forthcoming Sense of Place Coordinator are working with the Council to develop the 'Place Plan'; aimed at creating the environment to enable businesses to prosper and improve the District's economic competitiveness and attractiveness for business, investment, visitors, residents and students. •Ongoing engagement with the Bradwell B team to ensure benefits from the highly paid jobs that would be created during construction and operational phases and protecting existing businesses and growth areas. •Ongoing work with the Place Board and local business groups to coordinate and support their efforts and future prosperity.
R13	Failure to manage impact of organisational change	2	3	6	Risk rating unchanged	Q4 - No change from last quarter
R16	Corporate policies not managed and reviewed	3	2	6	Risk rating unchanged	Q4 - Rapid government Covid Legislation means policies are being reviewed rapidly and temporarily amended.
R22	Contracts not managed or owned and not providing Value For Money, out of contract on many across Council. Procurement Process not adhered to resulting in fines, loss of reputation	2	3	6	Risk rating decreased	Q4 - New contracts register in place. Progress made on old contracts and these are being renewed and or deleted from the register if service no longer delivered. Still areas of risk if managers ignore guidance and comm's on procurement and may contract services outside of procurement law and policy.

Title	Risk Description	Likelihood	Impact	Overall Risk Rating	Rating direction	Commentary
R17	Failure to maximise effectiveness of services through promotion and engagement	2	2	4	Risk rating unchanged	Q4 - We have successfully recruited our Digital Communications Officer and we have been developing our use of social media and promoting our digital services. However, the Coronavirus outbreak has meant that our digital approach has developed much quicker. We have actively been promoting our support for the community and have been celebrated for our #stay-at-home virtual tour initiative.
R20	Failure to have a Disaster Recovery & Business Continuity Plan(BCP)	1	4	4	Risk rating decreased	Q4 - Updated and invokable Business continuity plan. Risk recommended closure
R28	Finance Audit - Debtors, Creditors & Expenses. Poor audit outcome received.	1	4	4	Risk rating unchanged	Q4 - Audit recommendations all put in place and signed off by BDO auditors. Ongoing training and process improvement underway to ensure financially secure in all areas not just those identified by audit - Recommending Closure
R12	A Committee structure which is not cost effective	1	3	3	Risk rating unchanged	Q4 - Review delayed, as under emergency measures, no change to risk

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REPORT of DIRECTOR OF SERVICE DELIVERY

to
PERFORMANCE GOVERNANCE AND AUDIT COMMITTEE
25 JUNE 2020

CORPORATE HEALTH AND SAFETY - QUARTER 4

1. PURPOSE OF THE REPORT

- 1.1 To provide an update on corporate health and safety activity from 1 January to 31 March 2020 (quarter 4).
- 1.2 To show progress with the health and safety action plan for 2019-20.
- 1.3 To seek approval for the 2020-21 Health and Safety Action Plan.

2. RECOMMENDATIONS

It is recommended that the following is noted:-

- (i) accident and incident statistics for the quarter;
- (ii) progress with the health and safety action plan 2019/20;
- (iii) information pertaining to corporate health and safety matters; and the
- (iv) health and safety action plan for 2020-21 is approved.

3. SUMMARY OF KEY ISSUES

- 3.1 There were 5 accidents reported during the quarter.
 - Parks - 1 accident: a staff member slipped on wet matting whilst litter picking and bumped their head.
 - Office Kitchens – 2 accidents: a staff member burnt their hand on a cup that should not have been put in the microwave due to the metallic handle – this cup has been removed; a staff member bumped their head on a cupboard door – a notice has been put up.
 - WCs – 1 accident: a cleaner bumped their head when leaning forward, ice was applied.
 - Member of the public – 1 accident: an external trainer fell in the Council Chamber due to the changes in floor levels.
- 3.2 There have been 4 incidents of unacceptable behaviour reported this quarter. Customer Services reported 2 incidents and there have been 2 referrals from other agencies (1 from the Police and 1 from the Department of Work and Pensions).

- 3.3 Progress with the health and safety action plan for 2019-20 can be seen in **APPENDIX 1**. Progress during quarter 4 has been highlighted in bold.
- 3.4 The health and safety report for quarter 3 advised that the Health and Safety Executive (HSE) visited Promenade Park following a complaint. The HSE inspector gave advice in relation to traffic movements within the depot, both vehicular and pedestrian. Recommendations have been implemented: the HSE inspector has since revisited the Parks Depot and closed the case. As fault was found, the HSE has charged a fee for this intervention.
- 3.5 Following the departure of staff with health and safety responsibilities during the transition period, namely first aiders and display screen assessors, training has not yet taken place to fill the gaps. This is now a priority to ensure that the Council can fulfil its health and safety obligations: training is currently on hold due to the Coronavirus outbreak and will be resumed when possible.

4. CONCLUSION

- 4.1 Accidents, near misses and incidents of unacceptable behaviour remain constant. Customer Service staff have received conflict management / diffusing aggression training as most reported incidents come from this service area.
- 4.2 Actions on the Health and Safety action plan for 2019-20, particularly in relation to risk assessments and training, remain outstanding. This work will be taken forward to the 2020-21 action plan.
- 4.3 Following the visit by an HSE inspector, works have been completed to improve traffic movements within the depot at Promenade Park and a fee paid for this intervention.
- 4.4 A Health and Safety action plan for 2020-21 has been drafted, see **APPENDIX 2**.

5. IMPACT ON CORPORATE GOALS

- 5.1 Managing health and safety well helps protect the workforce and wider community who may be affected by the Council's activities ensuring that communities stay safe and healthy.

6. IMPLICATIONS

- (i) **Impact on Customers** – Good health and safety management reduces the number of accidents and injuries to both customers and employees alike. Reduced staff absence resulting from work related injuries or ill health ensures a better service is provided to customers.
- (ii) **Impact on Equalities** – None

- (iii) **Impact on Risk** – Poor management of health and safety can lead to accidents, injuries, occupational ill health or dangerous occurrences. This may result in avoidable sickness absence and these incidents may be investigated by the Health and Safety Executive (HSE). This could result in prosecution with fines or custodial sentences and an award of costs if found guilty by the courts. In addition the HSE has adopted a “Fee for Fault” policy in which it recharges the cost of investigations if liability is identified. Civil claims by individuals could lead to significant pay outs which in turn could lead to increased insurance premiums. It can also lead to poor publicity, reputational damage and impacts on staff morale.
- (iv) **Impact on Resources (financial)** – No additional resources required, however, by managing health and safety, there should be less impact on financial resources as identified in (iii) above.
- (v) **Impact of Resources (human)** – No additional resources are required, however, by preventing accidents and ill health, there should be less impact on human resources.
- (vi) **Impact on the Environment** – Good health and safety management of the workplace, for example, management of asbestos and legionella, helps provide a safer and healthier environment in which to live and work.

Background Papers:

Enquiries to: Gill Gibson, health and safety adviser, telephone 01621 875 813,
gill.gibson@maldon.gov.uk

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HEALTH AND SAFETY ACTION PLAN 2019-20

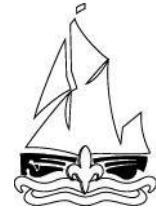
Subject	Action Required	Timescale	Progress
Health and Safety Arrangements	To review all the corporate health and safety procedures falling due during 2019-20, ensuring they are relevant to the new future model	March 2020	<ul style="list-style-type: none"> • Accident and near miss reporting procedure reviewed and updated to reflect changes in staffing: new staff have been identified and made aware of the procedure. • Contractors' procedure reviewed and updated as some links were no longer working and relevant staff were reminded of this procedure. • The fire procedure is being updated on a regular basis to reflect all the changes in staffing and the relocation of staff within the Council office building. • Legionella arrangements have been reviewed and measures are in place to account for the office's being closed most days. • The manual handling and unacceptable behaviour procedures have been updated to reflect the new structures. • The lone working procedure is currently being reviewed.
Risk Assessments	To update and amend risk assessments, ensuring they reflect the new organisational structure: - <ul style="list-style-type: none"> • Strategy, Performance and Governance • Resources • Service Delivery Units 	October 2019 October 2019 March 2020	<ul style="list-style-type: none"> • The managers of the Resources and Strategy, Performance and Governance teams have been asked to complete their risk assessments by October 2019. • Risk assessments have not yet been received from the back-office service areas: email sent 29 October 2019 asking the tier 2 managers for an update. As no risk assessments have been forthcoming, assumption that these staff are not exposed to significant risk. • The environmental health and planning risk assessments are currently under review and being updated to take account of Covid 19. • No other risk assessments relating to other frontline services have been received at this time.
Hand Arm	To respond to the Health and Safety Executive's investigation into HAV hazards		<ul style="list-style-type: none"> • To date, the HSE has not contacted the Council following the submission of HAV information.

Vibration (HAV)	and risks within the Parks Team	June 2019	<ul style="list-style-type: none"> An appointed HSE inspector contacted the Council in October 2019 asking to visit the depot in Promenade Park: a date and time are being arranged. This visit took place in November 2019: material breaches in the law were found in relation to workplace transport – see Appendix 2 for details. Action has been taken to comply with the law; the HSE has been informed of the action taken; the HSE inspector intends to revisit the depot in quarter 4. The HSE inspector revisited and has now closed the case: a charge has been made for the officer's intervention following this investigation.
Training	<p>To deliver health and safety training where required, to include: -</p> <ul style="list-style-type: none"> refresher first aid training and training for new first aiders training for new workstation assessors 	<p>When required and June 2019</p> <p>October 2019</p>	<ul style="list-style-type: none"> First aid training for additional first aiders (following the departure of staff with first aid qualifications) and training for workstation assessors has not yet been organised. Conflict resolution training is currently being organised for Customer Service staff. This training has now taken place. One officer has been trained in first aid, however, further training has been postponed because of the Coronavirus outbreak. This will be taken forward when restrictions are lifted.

HEALTH AND SAFETY ACTION PLAN 2020-21

Subject	Action Required	Timescale
Health and Safety Arrangements	To review all the corporate health and safety procedures falling due during 2020-21, ensuring they are relevant to the structure following transition	March 2021
Risk Assessments	To update and amend risk assessments for service delivery, ensuring they reflect the new organisational structure: - <ul style="list-style-type: none"> • Priority to be given to the Parks Team due to the high level of risk and outdated procedures, if necessary, contracting external assistance to complete the task - initial assessment - completion 	June 2020 March 2021
Training	To deliver health and safety training where required, to include: - <ul style="list-style-type: none"> • refresher first aid training and training for new first aiders • training for new workstation assessors 	When required and June 2020 October 2020

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REPORT of DIRECTOR OF STRATEGY, PERFORMANCE AND GOVERNANCE

to
PERFORMANCE, GOVERNANCE AND AUDIT COMMITTEE
25 JUNE 2020

SECTION 106 UPDATE REPORT

1. PURPOSE OF THE REPORT

- 1.1 This report provides an update to Members on progress with S106 delivery, as requested at the last meeting of Performance and Governance and Audit Committee. A briefing report was placed on the Mod.Gov library in March, as PGA had been suspended due to the Covid emergency. With the resumption of PGA as a virtual Committee the briefing note is now brought forward as **APPENDIX A** to this report.

2. RECOMMENDATIONS

- (i) Members note the Briefing Report attached at **APPENDIX A**.
- (ii) In light of the possibility of continuing issues relating to site visits, it is suggested that the S106 officer time be given to the preparation of a Member seminar for August/September, when the “nuts and bolts “ of the process can be explored and the most up to date site information offered based on the project as it stands at that time. This would include details of the amended spreadsheet following the monitoring site visits for an up to the minute indication of progress.
- (iii) The means of agreeing the final content of the Infrastructure Financial Statement submission for December 2020 should be agreed with Members.

3. SUMMARY OF KEY ISSUES

- 3.1 The Briefing Note attached at **APPENDIX A** updates Members on progress with S106 Delivery and highlights the current issues, and outlines the requirements of the Infrastructure Financial Statement.

4. CONCLUSION

- 4.1 Members should note the content of the report and the requirements of the Infrastructure Statement and confirm the route for sign-off of that Statement.

5. IMPACT ON STRATEGIC THEMES

- 5.1 S106 projects contribute to the delivery of all of the Councils Strategic Themes, through funding of projects to mitigate the impact of development.

6. IMPLICATIONS

- (i) **Impact on Customers** – None
- (ii) **Impact on Equalities** – None
- (iii) **Impact on Risk** – None
- (iv) **Impact on Resources (financial)** – S106 is essential to resourcing the Infrastructure Delivery Plan
- (v) **Impact on Resources (human)** – None
- (vi) **Impact on the Environment** – None
- (vii) **Impact on Strengthening Communities** - None

Background Papers: None

Enquiries to: Stephen Andrews, S106 Officer.

*Section 106 Update
Briefing Report*

Background

Since the last update on S106 was provided to Committee in October 2019, the Council has appointed a new S106 Officer who has commenced, as part of his duties, a reconciliation and monitoring process to ensure that the records are both accurate and up to date. This briefing note explains the work involved and relates this to the delivery of the first annual return to HM Government on Developer Contributions required for December 31st, 2020. This Infrastructure Funding Statement (IFS) will cover the first return period from 1 April 2019 to 31 March 2020 and be repeated annually in this way.

Key Issues

The existing s106 spreadsheets held by the Council have been kept accurately but under the care of several postholders over recent years. To ensure that there are no breaches in accuracy or approach the current postholder believes that the Government's new reporting requirement (explained below) should act as the catalyst for a round of monitoring and accounts reconciliation.

To achieve this task the elements set out in the table attached at **APPENDIX 1** will need to be completed over the next three months. Progress on the project will need to be reported to Members during September/October in order to gain acceptance of the submission for December 31st, 2020.

This process will count on the support of Caseworkers and Finance specialists who will be engaged on year end accounting tasks until the end of June. Over the next three months a site inspection programme will be prepared, the spreadsheet entries will be checked and the s106 Officer will need to build an understanding of the SAGE accountancy software and prepare for the reconciliation later in the process.

From the end of June, a comprehensive review of development will be commenced. This will check commencements and the completions of new homes which trigger the developer's payments set out in individual agreements. Once completed this will give rise to an update of the records and a round of invoicing and distribution.

As business as usual returns, the Section 106 officer will work with a designated Apprentice to provide them the opportunity of gaining skills relating to the handling and updating of the s106 spreadsheets. This will include the completion of billing and receipt processes within the context of a complex operating system. This will assist the Section 106 Officer and broaden the experience of a trainee within the existing human resource available for the work.

The Essex County Council and the NHS will have their own reporting process but will also have to participate in the process with MDC. Their engagement is also addressed in the timetable.

APPENDIX 2 refers to the new planning guidance and explains the need for the process.

Recommendations

1. In light of the possibility of continuing issues relating to site visits, it is suggested that the S106 officer time be given to the preparation of a Member seminar for August/September, when the “nuts and bolts “ of the process can be explored and the most up to date site information offered based on the project as it stands at that time. This would include details of the amended spreadsheet following the monitoring site visits for an up to the minute indication of progress.
2. The means of agreeing the final content of the submission for December 2020 may also be agreed with Members.

Members are asked to endorse this course of action and agree the recommendations.

APPENDIX 1

	31 st March	30 th June	30 th September	31 st December2020
S106 Monitoring				
Complete Site Visits register and clause review	→		→	
Site Visits		→	→	
Update core spreadsheets (from Oct 2019)		→	→	→
Reconciliation work with Finance			→	→
Reconciliation with ECC s106 team			→	
Reconciliation NHS update sheet?			→	
Report Progress to Members August/September			TBA → X	
Members agreement for submission on 31 st December 2020				TBA → X

1. A comprehensive review of the Council's existing spreadsheets and the necessary monitoring visits to ensure the records are up to date.
2. Ensure these findings are reconciled with the finance department records for s106.
3. Carry out a review of the MDC business processes related to the gathering and expenditure of s106 funding
4. Improve partnership working with s106 recipient organisations to ensure, where appropriate, better collaboration and information sharing.
5. Maintain the day to day running of the process and to deal with s106 related issues as they arise.

Infrastructure Funding Statement - briefing Note for MDC Members / Corporate colleagues supporting work on Section 106 or Infrastructure funding / bidding processes.

The following briefing points are based on the government's planning guidance at:

<https://www.gov.uk/guidance/community-infrastructure-levy>
<https://www.gov.uk/guidance/planning-obligations>

What data should be in an infrastructure funding statement?

Infrastructure funding statements must set out:

- a report relating to the previous financial year on the Community Infrastructure Levy;
- a report relating to the previous financial year on section 106 planning obligations;
- a report on the infrastructure projects or types of infrastructure that the authority intends to fund wholly or partly by the levy (excluding the neighbourhood portion).

The infrastructure funding statement must set out the amount of levy or planning obligation expenditure where funds have been allocated. Allocated means a decision has been made by the local authority to commit funds to a particular item of infrastructure or project.

It is recommended that authorities report on the delivery and provision of infrastructure, where they are able to do so. This will give communities a better understanding of how developer contributions have been used to deliver infrastructure in their area.

The infrastructure funding statement must also set out the amount of levy applied to repay money borrowed, applied to administrative expenses, passed to other bodies, and retained by the local authority. Local authorities will need to choose when to report money passed to other bodies in an infrastructure funding statement, depending on how the date the money was transferred on relates to the date of reporting.

Authorities can also report on contributions (monetary or direct provision) received through section 278 highways agreements in infrastructure funding statements, to further improve transparency for communities.

It is recommended that authorities report on estimated future income from developer contributions, where they are able to do so. This will give communities a better understanding of how infrastructure may be funded in the future.

It is acknowledged that data on developer contributions is imperfect, represents estimates at a given point in time, and can be subject to change (see regulation 121A and Schedule 2). However, the data published should be the most robust available at the time.

Paragraph: 033 Reference ID: 23b-033-20190901 Revision date: 01 09 2019

What should an infrastructure funding statement say about future spending priorities?

The infrastructure funding statement should set out future spending priorities on infrastructure and affordable housing in line with up-to-date or emerging plan policies.

This should provide clarity and transparency for communities and developers on the infrastructure and affordable housing that is expected to be delivered. Infrastructure funding statements should set out the infrastructure projects or types of infrastructure that the authority intends to fund, either wholly or partly, by the levy or planning obligations. This will not dictate how funds must be spent but will set out the local authority's intentions.

This should be in the form of a written narrative that demonstrates how developer contributions will be used to deliver relevant strategic policies in the plan, including any infrastructure projects or types of infrastructure that will be delivered, when, and where.
Paragraph: 034 Reference ID: 23b-034-20190901 Revision date: 01 09 2019

How is infrastructure defined for the purpose of reporting developer contributions?

For any information reported on developer contributions, infrastructure should be categorised as follows:

Affordable housing	Transport and travel
Education	Open space and leisure
-Primary	Community facilities
-Secondary	Digital infrastructure
-Post-16	Green infrastructure
-Other	Flood and water management
Health	Economic development
Highways	Land
Section 106 monitoring fees	Bonds (held or repaid to developers)
Other - Neighbourhood CIL	

Comment: These are generic headings and other types of infrastructure can “nest” within these terms.

How should developer contributions be reported?

For the financial year 2019/2020 onwards, any local authority that has received developer contributions (section 106 planning obligations or Community Infrastructure Levy) must publish online an infrastructure funding statement by 31 December 2020 and by the 31 December each year thereafter. Infrastructure funding statements must cover the previous financial year from 1 April to 31 March.

Local authorities can publish updated data and infrastructure funding statements more frequently if they wish. More frequent reporting would help to further increase transparency and accountability and improve the quality of data available. Infrastructure funding statements can be a useful tool for wider engagement, for example with infrastructure providers, and can inform Statements of Common Ground. Local authorities can also report this information in authority monitoring reports but the authority monitoring report is not a substitute for the infrastructure funding statement.

For information on what an infrastructure funding statement must contain see ‘What data should be in an infrastructure funding statement?’ (– please see above.)

Paragraph: 032 Reference ID: 23b-032-20190901 Revision date: 01 09 2019

Comments for Members / Corporate colleagues

Though related, there are two separate pieces of work that the Council is currently completing. The s106 Officer’s work relates broadly to the Infrastructure funding statement (IFS) while the Infrastructure Delivery Plan (IDP) will be reviewed in support of the process of adoption for the Community Infrastructure Levy and the Local Plan Review.

Infrastructure funding statement (IFS)	Infrastructure Delivery Plan (IDP)
A report on the infrastructure projects or types of infrastructure that the authority intends to fund wholly or partly by the levy (excluding the neighbourhood portion).	An important element of the evidence base which will inform the delivery of the Council's Community Infrastructure Levy. The Infrastructure Delivery Plan is needed to demonstrate that there is an infrastructure funding gap and a need to introduce a CIL in accordance with the guidance set out in Planning Policy Guidance
The document is for reporting purposes only and is not the subject of examination.	The evidence base will be tested at inquiry – i.e. examination before an Inspector who will need to confirm that CIL is not going to disrupt the viability of development in the District.
Any evidence base material will be needed for the purposes of MDC Members discussion and e.g. scheme assessment and or prioritisation.	Evidence base will be needed and may become the subject of rigorous cross examination at Inquiry.
The subject of cross border partnership working/duty to cooperate. Others will need to see what we are doing. Coordination and collaboration.	The IDP will be the subject of formal consultation with other Authorities and Agencies.
The s106 Officer will be seeking support for the preparation of the IFS between June and September. Officers should start to coordinate future projects.	2014 evidence base is being reviewed and updated – NB. The IDP review contractor will be asking for updated requirements During March/April 2020.
Can be more focussed on the Council's aims but other agencies may assist. E.g. PCC, Sports Council.	Must be shared with ECC NHS and other partner organisations

Stephen Andrews
s106 Officer
June 2020