



Audit and Governance Committee

Date: Monday, 11 April 2022
Time: 10.00 am
Venue: Council Chamber, County Hall, Dorchester, DT1 1XJ

Members (Quorum)

Matthew Hall (Chairman), Richard Biggs (Vice-Chairman), Susan Cocking, Rod Adkins, Janet Dover, Barry Goringe, Mike Parkes, Bill Pipe, Bill Trite and Jon Orrell

Chief Executive: Matt Prosser, County Hall, Dorchester, Dorset DT1 1XJ

For more information about this agenda please contact Democratic Services Meeting Contact susan.dallison@dorsetcouncil.gov.uk

Members of the public are welcome to attend this meeting, apart from any items listed in the exempt part of this agenda.

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Agenda

Item		Pages
1.	APOLOGIES	
	To receive any apologies for absence.	
2.	MINUTES	5 - 34
	To confirm the minutes of the meetings held on 19 th April, 21 st June, 9 th July, 27 th September, 15 th November 2021 and 17 th January 2022.	
3.	DECLARATIONS OF INTEREST	
	To disclose any pecuniary, other registrable or non-registrable interest as set out in the adopted Code of Conduct. In making their decision councillors are asked to state the agenda item, the nature of the interest and any action they propose to take as part of their declaration.	
	If required, further advice should be sought from the Monitoring Officer	

in advance of the meeting.

4. PUBLIC PARTICIPATION

To receive questions or statements on the business of the committee from town and parish councils and members of the public.

When submitting a question please indicate who the question is for and include your name, address and contact details. Questions and statements received in line with the council's rules for public participation will be published as a supplement to the agenda.

The deadline for submission of the full text of a question or statement is 8.30am on 6 April 2022.

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|------------|---|-----------|
| 5. | INTERNAL AUDIT ANNUAL OPINION REPORT 2021-22 | 35 - 52 |
| | To consider a report by Sally White, SWAP | |
| 6. | APPROACH TO INTERNAL AUDIT PLANNING 2022/2023 AND INTERNAL AUDIT CHARTER | 53 - 62 |
| | To receive a report by Sally White, SWAP | |
| 7. | RISK MANAGEMENT UPDATE | 63 - 114 |
| | To consider a report by Marc Eyre, Service Manager for Assurance. | |
| 8. | ANNUAL GOVERNANCE STATEMENT | 115 - 158 |
| | To consider a report by M Eyre, Service Manager for Assurance. | |
| 9. | FINANCIAL MANAGEMENT REPORT QUARTER 3 | 159 - 174 |
| | To receive the report considered by Cabinet on 18 th January 2022. | |
| 10. | FUTURE OF THE REVENUES & BENEFITS SERVICE | 175 - 182 |
| | To receive a Power point presentation by Jim McManus, Corporate Director Finance & Commercial. | |
| 11. | MEETING ARRANGEMENTS AND THE HEALTH AND WELLBEING BOARD | 183 - 186 |
| | To consider a report by Jonathan Mair, Corporate Director, Legal & Democratic. | |
| 12. | CONSTITUTION UPDATE | |
| | To receive a verbal update on any changes to the Constitution, Jonathan Mair, Corporate Director, Legal & Democratic. | |

13. MINUTES OF THE AUDIT & GOVERNANCE SUB-COMMITTEE 187 - 190

To note the minutes of the Audit & Governance Hearing Sub-committee (if any meetings have been held).

14. FORWARD PLAN 191 - 194

To consider the work programme for the Committee.

15. URGENT ITEMS

To consider any items of business which the Chairman has had prior notification and considers to be urgent pursuant to section 100B (4) b) of the Local Government Act 1972. The reason for the urgency shall be recorded in the minutes.

16. EXEMPT BUSINESS

To move the exclusion of the press and the public for the following item in view of the likely disclosure of exempt information within the meaning of paragraph X of schedule 12 A to the Local Government Act 1972 (as amended).

The public and the press will be asked to leave the meeting whilst the item of business is considered.

There are no scheduled exempt items.

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AUDIT AND GOVERNANCE COMMITTEE

MINUTES OF MEETING HELD ON MONDAY 19 APRIL 2021

Present: Cllrs Matthew Hall (Chairman), Richard Biggs (Vice-Chairman), Susan Cocking, Rod Adkins, Janet Dover, Barry Goringe, Mike Parkes and Clare Sutton

Apologies: Cllrs Bill Pipe and Bill Tritte

Also present: Ian Howse (Deloitte)

Officers present (for all or part of the meeting):

David Trotter (Risk and Resilience Officer), Jim McManus (Corporate Director - Finance and Commercial), Marc Eyre (Service Manager for Assurance), Rupert Bamberger (Assistant Director SWAP), Sally White (Principal Auditor), Richard Ironside (Service Manager for (Finance) Policy and Compliance), Heather Lappin (Head of Strategic Finance), Steve Veevers (Corporate Director Operations, Adult Care) and Elaine Tibble (Senior Democratic Services Officer)

63. Minutes

The minutes of the meeting held on 22 February 2021 were confirmed and agreed as a correct record.

64. Declarations of Interest

No declarations of disclosable pecuniary interests were made at the meeting.

65. Public Participation

There were no questions or statements from members of the public.

66. Internal Audit Annual Opinion Report 2020-21

The Principal Auditor from SWAP introduced the Internal Audit Annual Opinion Report 2020/21.

Due to pandemic and staff re-deployment there had been limits to the breadth of the work carried out. Key points raised were as follows;

The table on P13 demonstrated levels of audit assurance against key risks. All limited assurances were followed up as part of SWAP's work, however, at the end of last year the key priority recommendations not implemented at the time of follow was 54%. SWAP were addressing this and hoped to report improved figures going forwards.

2 significant corporate risks were identified but the priority findings had been addressed.

72% of opinion based work last year resulted in a limited opinion, however much of the work had been directed by senior management towards those areas of concern.

Added Value Points:-

- cash savings of £118,000 had been identified directly as a result of SWAP work.
- SWAP had paid £4,500 for the Council to belong to CIFAS to enable fraud prevention data matching.
- Enhancements made to audit processes, including the introduction of an agile audit approach, a focus on data analysis and a one-page audit report.
- Duplicate payment identification work had identified a total of £1.2M of duplicate payments from 2017 to date.
- Following the introduction of new council software, duplicate payments identified had dropped significantly, recovery work had been successful but £2,500 written off and a very small amount still to recover.

The Chairman thanked the SWAP staff who had been re-deployed to help the Council with the pandemic over the last year.

Questions and discussion focussed on:-

No audit actions that were 'risk accepted' during 2020/21 was this a risk adverse approach? Agreeing recommended actions was a negotiated process and only those where a need to mitigate an identified risk would be recorded as risk accepted.

Regular meetings to be arranged with Chairman, Vice-Chairman and SWAP to review risk accepted between committee meetings.

Duplicate payments - the amount of £2500 written off was this one or several payments? SWAP to investigate and inform the Chairman.

In response to a question about action taken against companies that were paid twice in error the Corporate Director Finance and Commercial explained that it was relatively easy to make recoveries from well established companies but recoveries from companies that were no longer trading or were one-off transactions, made recovery difficult or not possible.

The Chair asked SWAP to undertake some benchmarking work to compare the duplicate payment issue across other councils.

The Chair asked whether a SWAP representative could attend Audit and Governance Committee at the July meeting when the SWAP School transport report would be discussed

67. **SWAP approach to Internal Audit Planning 2021-22**

The Assistant Director of SWAP presented the Approach to Internal Audit Planning 2021/22 and the Internal Audit Charter.

The approach to internal audit planning throughout 2021/22 would be a continuous risk assessment and rolling plan approach.

The programme of audit work would be built with consideration to the Authority's corporate & service risk registers. It would also look to consider/ incorporate where necessary, any red flags from the council's corporate performance information, or known issues within Directorates.

There would be quarterly updates in terms of audit coverage of key risks and priorities. Plus up to date information available via a live Audit Tacker (link within the planning paper) of audit outcomes, audits in progress, audits planned etc.

The Assistant Director also highlighted the Internal Audit Charter at Appendix 1 for approval.

Questions and discussion focussed on:-

Concerns over the amount of audit work SWAP were able to carry out during the Pandemic due to redeployment of audit staff, whether this would continue, and whether there was scope to catch up on internal audit coverage.

The Assistant Director highlighted that internal audit staff were only expected to be redeployed for a further month maximum. Subject to this being the case, and the internal audit team being at full complement, internal audit coverage was expected to return to reasonable levels. In terms of catching up, the Assistant Director noted that greater efforts would be put into developing an assurance map, to help signpost other sources of council assurance currently (or able) to provide assurance over those key risks not covered by internal audit.

Business grant distribution. More information on the processes and assurances undertaken would be brought to the next Audit & Governance meeting in July.

Proposed by Cllr Matt Hall, seconded by Cllr Janet Dover.

Decision: to approve the Internal Audit Charter.

68. Annual Governance Statement 2020-21

The Annual Governance Statement for 2020/21 was presented by the Service Manager for Assurance who highlighted the key items. This paper accompanied the annual accounts and provided an assessment that the Council had appropriate governance arrangements in place.

A number of improvements had been made to the document following discussions with the Audit & Governance Committee.

Questions and discussion focused on:-

What the council was doing to increase the undertaking Data Protection Training.
Audit & Governance Committee to be updated on this training.
New procurement rules from 2024.
EU Settlement Scheme (employee stats?). Response to be copied to all members.
Addition of new Code of Conduct in the Annual Governance Statement (issues addressed).
Improvement of the Annual Governance Statement to encourage residents to read it.

69. **Risk Management Update**

The Service Manager for Assurance presented the Risk Management Update to the committee for review.

There had been good engagements with Place Directorate and it had been noted a number of risks had not been reviewed recently, a more thorough update would be presented at the next quarterly committee meeting. This had been largely due to the impact of the Pandemic.

Questions and discussion focused on;
The impact of un-used annual leave on the service and structures to manage that.
Information Asset Registers overdue for update – timeframe?

Thanks were expressed to the officers for their excellent work and a very useful document.

Had risk levels been severely impacted by the Pandemic?
How accurate the figures were to “normal”, if heading in the right direction?
The Pandemic figures should not be bench-mark for going forward.

The Chairman requested an update on the Place Directorate at a future meeting so that the committee could understand and look at what could be put in place to assist.

Wareham level crossing – to be referred to the Place and Resources Scrutiny Committee to look at.

70. **External Audit Update**

The Committee received a verbal update from the external auditor (Deloitte).

A number of adjustments had been identified that would need to be made to the draft financial statement. There had been complications due to the amalgamation of all the former districts into one Dorset Council but it was hoped to conclude the audit for sign off at the end of the month after a very thorough process.

The amended draft would be brought back to the next committee meeting on 9 July for good governance due to the material changes and the time that had elapsed.

71. Forward Plan

The Forward Plan was noted and the additional items to be added for 9 July 2021 meeting.

SWAP – to add Internal Audit Progress Report.
Place Risk Update
External Audit Update

72. Urgent items

There were no urgent items.

73. Exempt Business

There was no exempt business.

Duration of meeting: 10.00 - 11.20 am

Chairman

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INFORMAL AUDIT AND GOVERNANCE COMMITTEE

MINUTES OF MEETING HELD ON MONDAY 21 JUNE 2021

Present: Cllrs Matthew Hall (Chairman), Rod Adkins, Susan Cocking, Janet Dover, Barry Goringe, Bill Trite

Apologies: Cllrs Richard Biggs, Mike Parkes and Clare Sutton

Also attending: Cllr Andrew Parry, Briefholder for Children, Education, Skills & Early Help

Officers present (for all or part of the meeting):

David Trotter (Risk and Resilience Officer), Aidan Dunn (Executive Director - Corporate Development S151), Jonathan Mair (Corporate Director - Legal & Democratic Service Monitoring Officer), Jim McManus (Corporate Director - Finance and Commercial), Rupert Bamberger (Assistant Director SWAP), Richard Ironside (Service Manager for (Finance) Policy and Compliance), Heather Lappin (Head of Strategic Finance), Theresa Leavy (Executive Director of People - Children), David Wilkes (Service Manager for Treasury and Investments), Neil Gorman (Service Manager (Finance) Corp Policy & Comp) and Elaine Tibble (Senior Democratic Services Officer)

1. Declarations of Interest

No declarations of disclosable pecuniary interests were made at the meeting.

2. Public Participation

The were no statements or questions from Town and Parish Councils or the Public

3. ISA 260 Report from Deloitte

Ian House the External Auditor from Deloitte presented the final audit report on the 2019/20 Accounts. He highlighted the conclusions of the audit work and clarified the relevant points. A modified opinion on the financial statement would be issued rather than a qualified opinion, this was in relation to one balance, due to the provision for appeals in relation to non-domestic rates.

Following a summary of the main points of the audit The External Auditor updated the committee in the following areas from the report:

- Determination of Materiality
- Significant Risks
- Property Valuations

- Completeness of Accrued Expenditures
- Calculation of the Council's Pension Fund Liability
- Management Override of Controls
- Value For Money (Children's Services)
- Adjusted and Unadjusted Misstatements

The Corporate Director Finance and Commercial together with The Executive Director, of People - Children, addressed the committee members. The Corporate Director Finance and Commercial reminded members that at the 16 November 2020 meeting the committee gave delegated authority to the Chairman and the Section 151 Officer to sign the accounts, today's presentation was to update members with any changes to the report since that meeting, to ensure good governance.

The Executive Director of People – Children outlined the challenges for Children's Services together with action taken and progress to date.

Members of the Audit & Governance Committee were given the opportunity to ask questions.

Members asked for regular updates on the NDR Working Paper and future progress in Children's Services, ie. Ofsted Inspection findings and outcomes.

In summing up the Section 151 Officer and The Corporate Director, Legal and Democratic, confirmed that authority from the November committee meeting had given the Section 151 Officer and Chairman authority to sign the Accounts and a further decision from the committee was not needed.

4. Forward Plan July 2021

The Forward Plan was noted and the Committee agreed that as there were no items for discussion in August that the meeting scheduled for 9 August 2021 should be cancelled.

5. Urgent items

There were no urgent items.

6. Exempt Business

There was no exempt business.

Duration of meeting: 10.00 - 11.00 am

Chairman

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AUDIT AND GOVERNANCE COMMITTEE

MINUTES OF MEETING HELD ON FRIDAY 9 JULY 2021

Present: Cllrs Matthew Hall (Chairman), Richard Biggs (Vice-Chairman), Rod Adkins, Janet Dover, Barry Goringe, Mike Parkes, Clare Sutton and Bill Trite

Apologies: Cllrs Susan Cocking and Bill Pipe

Also present:

Officers present (for all or part of the meeting):

David Trotter (Risk and Resilience Officer), Aidan Dunn (Executive Director - Corporate Development S151), Jonathan Mair (Corporate Director - Legal & Democratic Service Monitoring Officer), Marc Eyre (Service Manager for Assurance), Rupert Bamberger (Assistant Director SWAP), Sally White (Principal Auditor), Antony Bygrave (Senior Assurance Officer Complaints), Kate Critchel (Senior Democratic Services Officer), Andy Frost (Community Safety and Drug Action Manager), Matthew Piles (Corporate Director - Economic Growth and Infrastructure), Andrew Billany (Corporate Director of Housing, Dorset Council) and Lesley Hutchinson (Corporate Director for Adults Commissioning)

7. Minutes

The Chairman advised that as this was an informal meeting, members were only being asked to note the minutes of 19 April and 21 June 2021. They would be brought back to the committee for confirmation at its next meeting.

8. Declarations of Interest

No declarations of disclosable pecuniary interests were made at the meeting.

9. Public Participation

There was no public participation.

Sally White and Rupert Bamberger from SWAP Internal Audit Services had technical issues accessing the start of the meeting: item 7 "Risk Management Update was considered" prior to items 5 & 6, while these issues were resolved.

10. Risk Management Update

Marc Eyre, Service Manager for Assurance presented the Risk Management update. Members of the committee discussed the report and asked questions relating to the following areas: -

- Dorset Care Framework and shaping market costs.
- To report outputs rather than outcomes.
- The impact of the introduction of the 5x5 matrix.

David Trotter, Risk and Resilience Officer advised that new risks had been identified and added for Business Intelligence and Digital Transformation. He also reported that a road map had been created that highlighted actions taken to date and further development of the risk management framework

The Executive Director of Corporate Development reported on a recent global cyber treat to the Council and confirmed that continuous mandatory cyber risk training was required for new and current members of staff to complete. An external provider also regularly tested the council as part of the growing development of the organisations culture. The Service Manager for Assurance advised that a mandatory data protection was also available

In response to a question, the Corporate Director for Legal and Democratic would investigate how councillor compliance to the training was being monitored.

11. **Audit Report SEND Transport**

At the request of the Director of Children's Services an internal audit was carried out because of an unpredicted budget overspend, and 2019-20 outturn of both SEN and mainstream school transport budgets, of approximately £1.7m combined.

Several findings with twelve management actions were agreed for officers within both Place and Children Services Directorates to take forward. Only one action was now remaining, and it was estimated that this would be actioned by October 2021.

In response to a question, Place and Corporate Services were looking at a new procurement to ensure that the service was customer focused and appropriately costed with the right transport position being provided.

Members welcomed and noted the progress made with mitigating the key risks and subsequent actions identified in the July 2020 internal audit of home to school transport.

12. **SWAP Internal Audit Progress Report**

Sally White, Principle Auditor, SWAP introduced the Internal Audit Progress report and advised that the interim audit opinion was reasonable based on the level of confidence that actions would be implemented.

Implementation of actions had been patchy in the past and as a result a new process to embed the follow up of actions within directorates has been arranged. These would be tracked on a live basis. More information on this and any longer out-standing items would be provided to the committee at their next meeting.

Members were reminded that they could use the internal audit tracker to monitor and keep to date on progress.

Members discussed the report and the following was highlighted: -

- Acknowledged that the council remained under pressure due to the Covid-19 pandemic.
- However, it was important to take any outstanding actions seriously and
- Recognised that high priority actions needed to be addressed as soon as was reasonably practical.

13. **Fraud and Whistleblowing**

The committee considered a report that provided an update on the Council's approach to fraud management and whistleblowing, including a summary of cases reported in the preceding twelve months. There were two cases within that period, one in respect of HR and the other was relating to a safeguarding matter. The committee was advised that the latter was still on-going.

A further report on progress would be presented to the committee towards the end of the year.

South West Audit Partnership (SWAP) also completed an audit on "Fraud and Reporting" in April 2021. The key findings were set out within the report along with the responses and actions. These actions would be added to the wider Anti-Fraud, Bribery, and Corruption Action Plan.

One of the actions that was proposed was to establish a "member champion" for fraud and the committee was asked to support the Chairman's appointment to this position.

In response to questions members were advised that: -

- A training package was in development and would be made available to members and officers as soon as practical.
- In respect of the central fraud register and KPI reporting, a holistic overview of activity was being investigated.
- Communications and accessibility policies were available online but due to be updated and made more accessible.

Noted and received

- (a) The recent findings from a South West Audit Partnership audit of the Council's fraud arrangements and support the improvement action Plan.
- (b) The annual update on fraud and whistleblowing activity.

Agreed

(c) That the Chairman perform the role of member fraud Champion.

14. **Corporate Complaints**

Tony Bygrave, Senior Assurance Officer for the complaints team set out a report proposing a change to the current complaints process, to remove the second stage response. This had a perception of increased bureaucracy before complainants could seek the independent review from the Local Government and Social Care Ombudsman.

The report also presented a revised “unreasonable behaviours” protocol.

Members discussed the report and following observations were made: -

- Members were assured that although complaints were on the increase, cases of maladministration were few and going down.
- The single complaints process would continue to be monitored.
- Acknowledged the council’s duty of care to employees in terms of “unreasonable behaviours” and discussed councillors’ role in supporting that process.
- Discussed the unreasonable behaviours also faced by councillors and the support available to them in such circumstances.
- The need to recognise that councillors were part of the process and this should be reflected within the protocol.
- All councillors would be supported by officers when dealing with difficult complaints and should not be subject to harassment.
- There was further work required to develop software to improve links between services and councillors in terms of managing the protocol and process.
-

Members welcomed the proposed changes to the whole authority complaints policy to a single stage process and supported the approach set out within the report. Further information and support would be provided to all councillors in dealing with these difficult situations.

Delegated decision of the Corporate Director of Legal and Democratic Services

- (a) That the revised Whole Authority Complaints Policy (set out in Appendix A of the report) to change to a single stage process for non-statutory complaints.
- (b) The revised arrangements for managing unreasonable behaviours (as set out in appendix B of the report) be noted.

[Decision - Corporate Complaints - Dorset Council \(wdwp.local\)](#)

Reason for the decision

To improve the complaint management process.

15. **Prevent**

Members considered a recommendation from People and Health Overview Committee of 4 May 2021, to agree an amendment to Article 11 of the Constitution to include the new statutory Channel Panel, its proposed membership, and terms of reference.

In response to a question, members were advised that the Channel Panel would take a proportionate response to issues in terms of extremist activity. The Home Office training had been made available to all members, however it would be recirculated following this meeting.

Members indicated their support to the recommendation.

Delegated decision of the Corporate Director, Legal and Democratic Services

That Article 11 of the Council's Constitution be amended to include the new statutory Channel Panel, its proposed membership, and terms of reference.

[Decision - Prevent - Dorset Council \(wdwp.local\)](#)

Reason for the decision

To ensure Dorset Council meets its statutory duties and expectations relating to Prevent.

16. **Forward Plan**

The Forward Plan was received and noted. Additional items include: -

Budget Quarterly reports to be scheduled
Constitutional update – 8 August 2021.

17. **Urgent items**

There were no urgent items.

18. **Exempt Business**

There was no exempt business.

Duration of meeting: 10.00 - 11.48 am

Chairman

AUDIT AND GOVERNANCE COMMITTEE

MINUTES OF MEETING HELD ON MONDAY 27 SEPTEMBER 2021

Present: Cllrs Matthew Hall (Chairman), Richard Biggs (Vice-Chairman), Susan Cocking, Rod Adkins, Janet Dover and Mike Parkes

Apologies: Cllrs Barry Goringe, Bill Pipe and Bill Trite

Also present: Ian Howse, Deloitte

Officers present (for all or part of the meeting):

David Trotter (Risk and Resilience Officer), Jonathan Mair (Corporate Director - Legal & Democratic Service Monitoring Officer), Rupert Bamberger (Assistant Director SWAP), Sally White (Principal Auditor), John Sellgren (Executive Director, Place), Bridget Downton (Head of Chief Executive's Department), Rebecca Forrester, (BP Policy, Research & Performance), David Wilkes (Service Manager, Treasury & Investment), Susan Dallison (Democratic Services Team Leader) and David McIntosh (Corporate Director (HR & OD))

19. Declarations of Interest

No declarations of registrable or non-registrable interests were made at the meeting.

20. Public Participation

There were no public questions.

21. Internal Audit Progress Report

Rupert Bamberger announced that Sally White would be taking on a new role as the new Assistant Director for SWAP. The Chairman of the committee took the opportunity to thank Rupert for all his work and wished him good luck in his new role. On behalf of the committee the Chairman congratulated Sally on her successful appointment.

Sally White presented the report which was the second formal update for the current financial year and reminded the committee that live progress on the audits could be accessed at any time. The audit opinion was that there were reasonable levels of confidence that the agreed actions would be implemented and as such the interim finding was reasonable.

Members considered the report and in response to questions the following points were made:

Where there were gaps in providing assurance SWAP would try to find other assurance mechanisms that already existed in the council that could provide the assurance required;

In terms of undertaking a piece of work around lessons learnt around climate change, Brexit and the council's emergency response to situations like fuel shortages, Sally White agreed to talk to the relevant officers on how these reviews could be brought forward to the committee. Jonathan Mair suggested that a report on the council's response to the pandemic could also be provided for the committee to consider and agreed to liaise with Sally White as SWAP could provide independent oversight.

A request was made to include the impact of climate change into future audits and also the issue of the pension fund and exposure on fossil fuels.

22. **Deloitte 2020/21 Audit Plan**

Ian Howse from Deloitte presented the 2020/21 Audit Plan and outlined the approach as set out in the executive summary which included the main areas of focus. The report also provided details on the approach to significant risk areas. Ian Howse reported the good news that a lot of work on the 2020/21 accounts had already been completed with an aim to complete the work by November 2021.

The Executive Director highlighted to the committee that the statutory deadline for signing off the accounts was September and that, like many other councils this deadline would not be met, this item would therefore be placed on the Forward Plan for the November meeting.

Members considered the report and raised a number of questions in relation to:

The risk associated with invoices not being processed in time. The Executive Director for Corporate Development advised that this was not a major risk factor for the council.

The outstanding work associated with the valuation of assets. The Executive Director for Corporate Development advised that he was confident that this was not an issue as more support was being put into the Property Team to address this resource requirement. John Sellgren, Executive Director for Place agreed that it was important for members to have sight and overview of property valuations and property transactions and members had an important role to play in the wider perspective and impacts, such as scrutiny members looking at a review of South Walks House. Ian Howse thanked Cllr R Biggs for raising the issue of property valuations and he gave reassurance that Deloitte was looking at the classification of the council's assets.

In response to comments and concerns on timescales for completion of the audit, Ian Howse explained that the main issue was in relation to the scarcity of people with an in-depth knowledge of local authority accounting and audit

skills. This was a sector wide issue and Dorset Council's position was no different to other councils in the country.

Members noted the report.

23. Risk Management Update

John Sellgren, Executive Director of Place explained the work that his officers had undertaken to address risk; a workshop had been held in July 2021 at which officers had reviewed all of the high and extreme risks in place and looked at the mitigation and the timescales for dealing with those risks. In summary the process had looked at additional risks to add to the register and the importance of committee and member processes, particularly in relation to financial matters such as projects with long lead in times. For example, more regular inspection of trees on highways and public open spaces had been added to ensure risks associated with tree or branch structures were assessed.

In response to a question members were advised that the role of the Audit & Governance Committee was to look at the processes and systems in place to ensure that the risks were being managed appropriately, it was the role of the scrutiny committee to review the actual risks.

Cllr S Cocking had submitted a question in advance of the meeting on how exposed the council was to risk compared to other councils. David Trotter, Risk & Resilience Officer agreed to research this by undertaking a benchmarking exercise and would report the findings back via the committee or members' bulletin.

Members noted the report.

24. Treasury Management Annual Report

David Wilkes, Service Manager for Treasury and Investments introduced the report.

In response to a question it was reported that there were no restrictions on how funding received from Government for the Covid-19 pandemic could be invested before being used by the Council or paid out to local businesses. However, the money needed to be accessible at short notice which in current market conditions meant zero, or very close to zero returns were possible. The council had ensured that that the money was kept safe and that businesses had easy to access to the funding.

David Wilkes, Service Manager for Treasury and Investments was able to confirm that the £10million liquidity was reviewed on an annual basis and it was there to ensure that the council could meet any short notice liabilities.

Members noted the report.

25. **Value for Money**

The committee received a report which had originally been considered by Cabinet in October 2020, progress with this piece of work had been hindered but greater momentum had come from a recent Peer Review. There was a need for Dorset Council to review all of its services, in terms of comparisons with other councils and to provide challenge on whether the council was best placed to deliver the services and consulting with the users of the services. Benchmarking was key to the exercise and there were 4 key dimensions cost, efficiency, effectiveness and equity that would come together to inform the council's approach to value for money. Nine of the council's service areas had given a commitment to be part of the pilot exercise to develop the approach to value for money and of the nine, five services had been chosen to give a spread across the many activities undertaken by the council.

Cllr Peter Wharf highlighted that value for money was not just about money but also about value for the organisation and the need to recognise that there would be competing requirements.

Members noted that a timeframe for completion of the work had not yet been set but the exercise would aim to do a limited number of reviews well that would then inform how other reviews were undertaken in the future.

The Head of the Chief Executive's Department, Bridget Downton agreed to keep the committee updated on progress and agreed to come back to the committee on how this would be achieved.

At that point members noted the report and took an informal vote on the recommendation; the minded to decision was unanimously in favour of the recommendation as set out in the report.

Jonathan Mair, Corporate Director Legal & Democratic, having heard all of the debate and having taken into account the unanimous view of the committee made the following decision under delegated authority:

That the five VfM reviews be undertaken with

- a. Waste service
- b. Highways
- c. Adults brokerage
- d. Children's commissioning
- e. ICT operations.

26. **Review of Agency & Consultancy Spend**

Cllr Peter Wharf thanked the Chairman of the committee for raising this issue which had prompted officers to look into the matter and bring a report to committee.

David Macintosh, Corporate Director for HR and OD highlighted the main points of the report to the committee. Agency workers made up an important part of Dorset Council's workforce due to national skills shortages in some areas, the need to cover sickness absence, to deal with workload pressures or the need to bring in specialist skills. Officers had carried out a review to check and provide assurance to members that agency workers were used as a resourcing strategy by the council and that spend was within the Comensura contract. Not all spend was within this contract but officers were keen to get as many agency staff within this contract as possible and there had been some reduction in the length of contracts for agency workers.

John Sellgren, Executive Director of Place presented a short case study of how agency workers were used in the Place directorate and the benefits gained from this arrangement, for example dealing with short term sickness absence or temporary backlog of work. The use of agency workers was a useful resourcing tool without the need to increase the overall size of the payroll budget and the Comensura contract provided value for money.

The Chairman highlighted the perception in the wider community that there was a large cost associated with consultants and the council needed to be clear about the cost of a consultant compared to the cost employing someone in a permanent role. The Chairman also highlighted the issue across public sector of the difficulty in finding qualified staff to fill some vacancies and suggested that there should be a rolling advert of vacancies to encourage the recruitment of permanent staff. In response the committee was advised that the council monitored the length of agency staff bookings and already used rolling adverts and recruitment pages for some vacancies such as social workers.

The Corporate Director for HR and OD agreed to bring an annual report to the committee which would include information on how agency workers were remunerated.

Members noted the report.

27. Forward Plan

Members noted the Forward Plan and the Chairman requested reports/presentations from other directorates on the use of agency staff to come to future meetings of the committee.

The Executive Director for Corporate Development advised the committee that the Cabinet would be considering the LGA Finance Peer Review on 5 October 2021 and Cabinet would be requesting that the Audit & Governance Committee monitor the performance action plan which was likely to come to Audit & Governance early in the New Year.

In respect of the Risk Management Report the Chairman asked the Executive Director for Corporate Development to look at risks 272, 212, 344, 316, 326

with a view to providing an update to a future committee to address the risks if needed.

28. **Urgent items**

There were no urgent items.

29. **Exempt Business**

There was no exempt business.

Duration of meeting: 10.00 am - 12.20 pm

Chairman

.....

AUDIT AND GOVERNANCE COMMITTEE

MINUTES OF MEETING HELD ON MONDAY 15 NOVEMBER 2021

Present: Cllrs Matthew Hall (Chairman), Richard Biggs (Vice-Chairman), Susan Cocking, Rod Adkins, Janet Dover, Barry Goringe, Mike Parkes and Jon Orrell

Apologies: Cllr Bill Trite

Also present: Ian Howse, Deloitte

Officers present (for all or part of the meeting):

Aidan Dunn (Executive Director - Corporate Development S151), Jonathan Mair (Corporate Director - Legal & Democratic Service Monitoring Officer), Matt Prosser (Chief Executive), John Sellgren (Executive Director, Place), David Wilkes (Service Manager for Treasury and Investments) and Matthew Piles (Corporate Director - Economic Growth and Infrastructure)

30. Declarations of Interest

There were no declarations of interest.

31. Public Participation

No questions or statements had been received.

32. Treasury Management Mid-Year Review

David Wilkes, Service Manager for Treasury Management introduced his report on the Treasury Management mid-year update and highlighted the key points of the report to members of the committee.

In response to questions raised on issues arising from the report members, David Wilkes provided the following responses:

- The £3m PFI was inherited from predecessor councils, one in relation to street lighting which would finish in 2032 and the second was in relation to Colfox School. Further information on PFI and leases could be found in the previous report, Financial Statement 2021-2022 on pages 39 & 40.
- In relation to borrowing there was no need to access 'forward borrowing'. The council could take advantage of forward borrowing (at a low interest rate) if it was known that it would be needed at some point in the future but it was not prudent to borrow if the council did not require it.

- In respect of investing in green sustainable technologies, officers would take the lead from members on this issue. The Pension Fund Committee had already had a large amount of scrutiny on this issue. It was agreed that it would be helpful for the Portfolio Holder to attend a future meeting so that this topic could be explored further by the committee including more details on the council's investments. The Chairman agreed that the committee needed to be clear on the council's investments and how it would extract itself from those investments.
- With regard to the Arlingclose Counter Party list, officers agreed to check if members could have access to this list or whether it was considered confidential information.

Decision

That the report be noted.

33. Quarter 2 (Q2) Financial Management Report

The committee reviewed the Quarter Financial Management Report which had been considered by Cabinet on 8 November 2021. The committee had the opportunity to review and drill down into the report in detail, at the current time the financial forecast was a £4.8 million overspend at the end of the year and a £16.6 million overspend on the Dedicated Schools Grant. There was an improving direction of travel but the council was still dealing with the consequences of the Coronavirus pandemic, particularly in the Adults directorate and had faced a reduction in income for other council services such as the Place Directorate. The council had however received £8.6 million of Covid Grant from central government.

To put the report into context John Sellgren, Executive Director of Place, outlined to the committee the financial pressures within his directorate, for example loss of income from leisure centres and car parks. However, there was some positive work being undertaken by officers on the transformation programme which was looking to optimise opportunities for income and to transform services to deliver savings.

Members discussed the report noting that:

- Officers were confident in the plans put in place for transformation of services, the planning team had already successfully converged the systems from predecessor councils.
- Officers were working closely with HR colleagues to try and attract HGV drivers to work for the council and were monitoring the vehicle driver situation closely and the council was operating a Friends and Family Referral Scheme to support recruitment.
- the delay in building projects for Children's Services was costing the council money in terms of not being able to bring children back to Dorset, however officers were aware of this issue and were closely monitoring the situation across the council.

- In terms of inflation on contracts, suppliers had been advised that the council did not have the budget to cover inflation increases, unless there was a contractual agreement to do so. Officers would share with members some of the modelling that had been done on inflation.
- Officers would not know if the Government would provide an annual settlement figure or a multi-year figure until mid-December.

Decision

That the report be noted.

34. Changing the arrangements for bringing motions on notice to Full Council

The Corporate Director (Legal & Democratic Services) introduced a report on proposals to amend the arrangements for the submission of motions on notice to Full Council. Under the current arrangement a Notice of Motion could be submitted if supported by 8 members and if it was considered by the Proper Officer that the issue or topic related to the responsibilities of the Full Council or if it directly affected the Council. Concerns had been raised about whether it was appropriate for the Proper Officer, the Corporate Director for Legal & Democratic Services, to make this decision and to operate a filter mechanism in this way. The report therefore set out alternative options for consideration by the committee. The Corporate Director for Legal & Democratic services had suggested that the filter around whether the topic related to or affected the Council be removed altogether and replaced by the requirement for 21 councillors to support a Notice of Motion (21 being the quorum of the Council).

Cllr N Ireland addressed the committee and confirmed that the Political Group Leaders were in agreement that the requirement for the Proper Office to make a decision should be removed as this put the Corporate Director in a difficult position. Cllr Ireland felt that Full Council meetings should not be inundated with motions and that his Group would be happy to go with a number of 17 signatories as this would allow for up to 4 motions to be submitted at each meeting.

Members considered the report and felt overall that it was too onerous on one individual, either the Chairman of Council or the Proper Officer to take a decision based on the current filter arrangement.

It was proposed by Cllr J Orrell and seconded by Cllr M Hall that the filter decision be removed and that the number of members required for submission of a Notice of Motion be 17.

Following an informal vote of the committee:

Recommendation to Council

That Rule 14.2 (i) be removed altogether (meaning that the Proper Officer would no longer decide on whether or not to accept a notice of motion) and

that the number of councillors required to support the submission of a motion on notice be 17.

35. Minutes of the Audit & Governance Sub-committee

The minutes of the Audit & Governance Sub-committee were noted.

36. Forward Plan

Members received the latest version of the Forward Plan for the committee and Ian Howse from Deloitte provided an update on the Statement of Accounts. He confirmed that a lot of work had already been completed and that the aim was to complete the work before the Christmas break so that the report would be ready for submission the Audit & Governance Committee in January 2021.

Jonathan Mair, Corporate Director (Legal & Democratic Services) agreed to bring forward a report in relation to Governance Culture and Framework and would liaise with the Chairman and Vice-chairman on the scope of the report.

37. Urgent items

There were no urgent items.

38. Exempt Business

There were no items of urgent business.

Duration of meeting: 10.00 - 11.57 am

Chairman

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AUDIT AND GOVERNANCE COMMITTEE

MINUTES OF MEETING HELD ON MONDAY 17 JANUARY 2022

Present: Cllrs Matthew Hall (Chairman), Richard Biggs (Vice-Chairman), Susan Cocking, Rod Adkins, Janet Dover, Barry Goringe, Mike Parkes and Bill Pipe

Apologies: Cllrs Bill Tritte

Also present: Ian Howse and Cllr Spencer Flower

Officers present (for all or part of the meeting):

Aidan Dunn (Executive Director - Corporate Development S151), Jonathan Mair (Corporate Director - Legal & Democratic Service Monitoring Officer), Jim McManus (Corporate Director - Finance and Commercial), Marc Eyre (Service Manager for Assurance), Sally White (Assistant Director), Susan Dallison (Democratic Services Team Leader), David Trotter (Risk and Resilience Officer), Angela Hooper (Principal Auditor), Neil Gorman (Service Manager (Finance) Corp Policy & Comp), Richard Ironside (Senior Accountant) and Heather Lappin (Head of Strategic Finance)

39. Declarations of Interest

No declarations of disclosable pecuniary interests were made at the meeting.

40. Public Participation

There were no questions or statements from the public.

41. Internal Audit Progress Report

Sally White, Assistant Director, SWAP presented the internal audit progress report for 2021/22.

Members asked questions relating to a number of issues highlighted in the report. Cllr Biggs asked questions in respect of climate change and transformation where there was limited assurance and he expressed concern around these areas due to the need to produce savings and to improve performance. In response Sally White reported that an assessment would be made through the assurance mapping process and that SWAP maintained a risk assessment process to identify any gaps in their work and held conversations with directorates to highlight where audit work could potentially be beneficial.

In response to a question on why there was no plan to record why direct care packages ended, Angie Hooper, SWAP advised the committee that the

service had agreed an action to review the end of direct payments and work on this area had already started.

Members noted the report.

42. **Quarterly Risk Management Update**

Marc Eyre, Service Manager for Assurance, presented the Quarterly Risk Management Update report.

In respect of a question on risk 388 'Information compliance – insufficient uptake of data protection training and inadequate awareness of statutory obligations', the committee was advised that the completion of mandatory training in this area had now reached 70% following some targeted messaging to staff and managers were able to identify which staff needed to complete the mandatory training. In respect of comparison with other areas of mandatory training the Service Manager for Assurance agreed to liaise with HR colleagues to compare the training data. In response to a request from the Chairman it was agreed that officers would work with HR to review the uptake level of all mandatory training across the organisation and advise of any plan to increase the level of completion.

Members also raised the issue of climate change and health risks, adult social care provision and the impact on hospitals, the risk of the council self-insuring and whether some risks should be scrutinised by the scrutiny committees. At the request of the Chairman it was agreed that the risk reports would be circulated to the Chairmen of the two scrutiny committees for their information.

Members noted the review of the key risks identified in the corporate and service risk registers and supported the proposal that future quarterly reporting included updates on emergency planning and information compliance.

43. **Procurement of External Auditors**

Richard Ironside, Senior Accountant, presented a report on the proposal for the appointment of external auditors.

The recommendation, as set out in the report, was proposed by Cllr B Pipe and seconded by Cllr B Goringe, and the result of the minded to vote was to forward the following recommendation onto Full Council for approval:

Recommendation to Full Council

That the Council accepts Public Sector Audit Appointments' invitation to opt into the sector-led option for the appointment of external auditors to principal local government and police bodies for five financial years from 1 April 2023.

44. **Audit & Governance Sub-committee**

The Sub-committee noted the minutes of the Audit & Governance Hearing Sub-committee held on 1 December 2021.

45. **Forward Plan**

The committee noted the Forward Plan.

46. **Urgent items**

The following items of business were considered by the Chairman as urgent pursuant to section 100B (4) b) of the Local Government Act 1972. The items were considered to be urgent because of the requirement to sign off the accounts.

Annual Accounts 2020/21

Heather Lappin, Head of Strategic Finance gave a power point presentation on the 2020/21 Annual Accounts.

In response to a question regarding the cost of servicing debt the Head of Strategic Finance agreed to provide some further information on this topic at the next meeting. Members also discussed the pension deficit and the Corporate Director, Finance and Commercial reported that there was a £988m pension liability however, there were complex rules around pension fund liabilities and issue might therefore be best raised at the Pension Fund Committee.

In response to a question on whether PFI was value for money the Executive Director of Corporate Development reported that the council was actively managing the 2 PFI schemes to try to ensure that they were beneficial to the council and to achieve value for money.

In response to a question on the governance around exit payments for staff the Executive Director of Corporate Development advised the committee that in terms of redundancy a business case was made for each individual case and as long as a payback of within 2-3 years was seen as appropriate then as the S151 officer he was able to sign off the exit package.

Members noted the presentation.

Deloitte External Auditor ISA260 Report

Ian Howse presented the ISA260 report.

Members discussed a number of issues raised in the report, how non-tangible assets were dealt with and assumptions on inflation. In respect of inflation the Executive Director of Corporate Development reported that the budget proposals going before Cabinet on the 18 January had been adjusted in accordance with the increase in inflation.

Following the conclusion of both presentations the committee noted the Annual Accounts 2020/21, noted the ISA260 report and took a minded to vote on the following recommendation which was agreed unanimously:

To delegate authority to the Chairman of the Audit Committee and the Section 151 officer to approve and sign the financial statements for the period ending 31st March 2021, once the external audit has been concluded. If the external audit identifies the requirement for any material amendments to the statements these should be reported to the Audit Committee prior to signature.

Decision taken by the Corporate Director, Legal & Democratic:

That having listened to the presentations in full, the comments made by members of the committee and the result of the minded to vote, delegated authority be granted to the Chairman of the Audit Committee and the Section 151 officer to approve and sign the financial statements for the period ending 31st March 2021, once the external audit has been concluded. If the external audit identifies the requirement for any material amendments to the statements these should be reported to the Audit Committee prior to signature.

47. Exempt Business

There was no exempt business.

Duration of meeting: 10.00 - 11.38 am

Chairman

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Dorset Council

Internal Audit Annual Opinion Report 2021-22

Page 35

Agenda Item 5

Internal Audit Annual Opinion – 2021/22: 'At a Glance'



Reasonable internal audit opinion provided

(Although breadth of assurance audit work somewhat reduced and restricted in 2021/22 due to COVID)



Internal audit staff redeployed directly into Council areas to assist with the COVID response for a short time in 2021/22

(Adult Social Care and Revenues & Benefits)

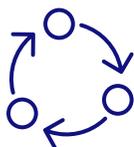


No Significant Risks identified in year



£127,000 of financial savings identified as a result of our internal audit work over the year

(An increase on last year's savings of £118,000)



New process of continuous follow up of agreed actions has substantially reduced the number of outstanding overdue actions

(A new Dorset Council performance measure of number of days actions are overdue will hopefully help to reduce this further)



Range of innovations and enhancements made to our internal audit process throughout the year

(Continuous assurance process on key council systems, flexible planning process including a live rolling plan and live action tracker)

Internal Audit provides an independent and objective opinion on the effectiveness of the Authority's risk management, control and governance processes.



Purpose

The Head of Internal Audit should provide a written annual report to those charged with governance to support the authority's Annual Governance Statement (AGS). This report should include the following:

- an opinion on the overall adequacy and effectiveness of the organisation's governance, risk management and internal control environment
- disclose any qualifications to that opinion, together with the reasons for the qualification
- present a summary of the audit work from which the opinion is derived, including reliance placed on work by other assurance bodies
- draw attention to any issues the Head of Internal Audit judges particularly relevant to the preparation of the Annual Governance Statement
- provide the opportunity to review the work actually undertaken during the year, and summarise the performance of the internal audit function against its performance measures, criteria and standards
- comment on compliance with these standards and communicate the results of the internal audit quality assurance programme.

The purpose of this report is to satisfy this requirement and Members are asked to note its content.



Background

The Internal audit service for Dorset Council is provided by the SWAP Internal Audit Services. SWAP work is completed to comply with the International Professional Practices Framework of the Institute of Internal Auditors, further guided by interpretation provided by the Public Sector Internal Audit Standards (PSIAS) and the CIPFA Local Government Application Note. Internal audit work is guided by the Internal Audit Charter which is reviewed annually. Internal audit provides an independent and objective opinion on the Authority's control environment by evaluating its effectiveness. This report summarises the activity of SWAP for the 2021/22 year.

The Assistant Director is required to provide an opinion to support the Annual Governance Statement.



Annual Opinion

I have considered the balance of 2021/22 audit work for Dorset Council, enhanced by the work of external agencies and am able to offer **Reasonable Assurance** in respect of the areas reviewed during the year, as most were found to be adequately controlled. Generally, risks are well managed, but some areas require the introduction or improvement of internal controls to ensure the achievement of objectives. Whilst I have some concerns regarding certain aspects of the control environment, there were **no areas of significant corporate risk** reported to the committee during the year in question.

In forming our annual opinion for the 2021/22 year there have been some key factors that needed to be taken into consideration. During the third national COVID lockdown which stretched into the first quarter of the 2021-22 financial year, SWAP provided a member of staff for a one day a week redeployment with Adult Services for a period of three months. Additionally at this time Dorset Council asked to retain the two staff previously redeployed assisting the Council with payment of business grants. Their work in this area was relatively limited during this financial year and by June 2021 all redeployments had ceased, and staff were able to return to the team full time.

Throughout a further challenging year, we have tried to ensure a balance between providing direct assistance to the Council and maintaining a continuum of audit work. Whilst the disruption to our audit work has been much more limited than during the first year of COVID, the breadth and range of our audit work this year has been impacted to some degree. The table at [Figure 1](#) below, captures our audit coverage this year, mapped against the Authority's newly revised corporate risk themes. Furthermore, we have then overlaid the audit assurance outcomes of those risk areas that we have reviewed. Previously there were 21 Corporate risks which have been reduced to 10 risk themes. As a result, this has impacted positively upon our coverage of the key areas of significant risk to the Council and we have provided some level of audit work across almost all the areas of corporate risk themes during the last year.

The Authority has continued to have responsibility for processing and paying a significant sum of expenditure in relation to business grants as part of the COVID response throughout 2021/22. It should be noted that SWAP have not provided assurance over this expenditure; with assurances instead being coordinated, managed and provided internally. We have however provided certification for a number of other COVID related grants during this past year.

Executive Summary

Internal audit coverage should be aligned to key corporate priorities and key corporate risks.

Figure 1 highlights our assessment of internal audit coverage against the newly revised corporate risk themes within 2021/22.

Our annual opinion should be considered against the backdrop of some limited disruption to our audit work due to the COVID pandemic.

Figure 1: Audit Coverage by Corporate Risk Theme

Risk Theme	Coverage	Assurance assessment based on completed internal audit work
CRR01 - Finance	Good	Reasonable
CRR02 - Digital & Technology	Adequate	Substantial
CRR03 - Workforce	In progress	In Progress
CRR04 - Compliance	Adequate	Non-Assurance audit work
CRR05 - Communities	Good	Reasonable
CRR06 - Service Delivery	Good	Reasonable
CRR07 - Transformation	Some	Limited
CRR08 - Health, Safety & Wellbeing	Some	Non-Assurance audit work
CRR09 - Safeguarding	Good	Limited
CRR10 - Political & Leadership	None	

Coverage Key	
Good	Good audit coverage completed
Adequate	Adequate audit coverage completed
Some	Some aspects of audit coverage completed
In progress	Some aspects of audit coverage in progress
None	No audit coverage to date

Assurance Key	
Substantial	Sound system of governance, risk management and controls exist
Reasonable	Generally sound system of governance, risk management and control in place
Limited	Significant gaps, weaknesses or non-compliance were identified
No Assurance	Fundamental gaps, weaknesses or non-compliance identified
In progress	Work is currently ongoing
Non-Assurance Audit Work	Audit work undertaken does not result in an audit opinion being delivered such as advisory or grant certification work, but such work can contribute to internal audit's annual opinion

Executive Summary

Implementation of Agreed Actions

It is the responsibility of internal audit to establish a process to monitor and ensure that management actions have been effectively implemented.

Risks Accepted

Where control weaknesses have been brought to the attention of senior management and a decision is taken by them to accept the risk and not implement remedial action this should be brought to the attention of the Audit Committee.

Implementation of Agreed Actions and Risks Accepted

Members may recall that as part of our annual report for 2020/21 SWAP expressed some concerns around the percentage of high priority (priority 1 and 2) actions that were not implemented at the time of our follow up audits, despite the implementation date having passed. As a result of this percentage figure remaining stubbornly high across the previous 18-month period, SWAP committed to introduce a new process which embedded the follow up of actions within directorates themselves and tracked the progress of implementation of management actions on a continuous basis.

Having worked with staff within the Performance Management Team along with directorate key contacts, we are pleased to report that we now have an effective process for obtaining regular updates on the progress of implementation of these priority management actions.

We have developed an **Action Tracker** which can be viewed by clicking on [this link](#) which will show the latest position on overdue actions. We are now regularly reporting this to the committee as part of internal audit's performance measures and is included as part of the council's suite of performance indicators.

It is recognised that there will be occasions where audit make recommendations to mitigate risk exposure and after consideration of the proposed action, the service decide to accept the risk. On a positive note, there were no audit actions that were 'risk accepted' during 2021/22. We believe that instances of risk acceptance is likely to have been mitigated by the collaborative and inclusive agile auditing approach now used by the SWAP team.

Audit Outcomes

Summary of Audit Opinions

At the conclusion of an audit assurance assignment each review is awarded an Audit Assurance Opinion:

- **Substantial** – A sound system of governance, risk management and control exists
- **Reasonable** – There is a generally sound system of governance, risk management and control in place
- **Limited** – Significant gaps, weaknesses or non-compliance were identified
- **No** – Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified



Summary of Audit Opinions and Audit Work by Type

Table 1: Summary of Audit Opinions

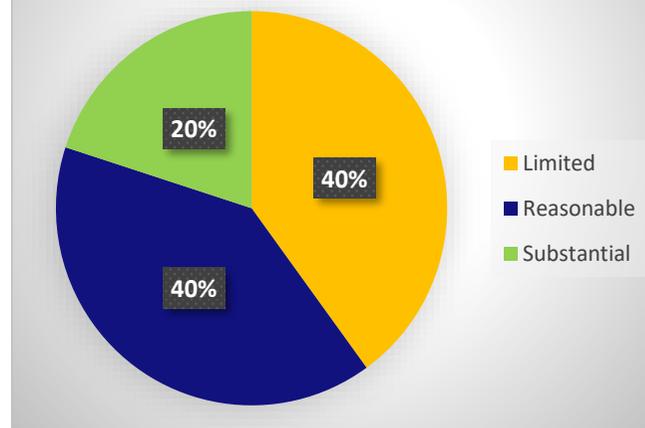
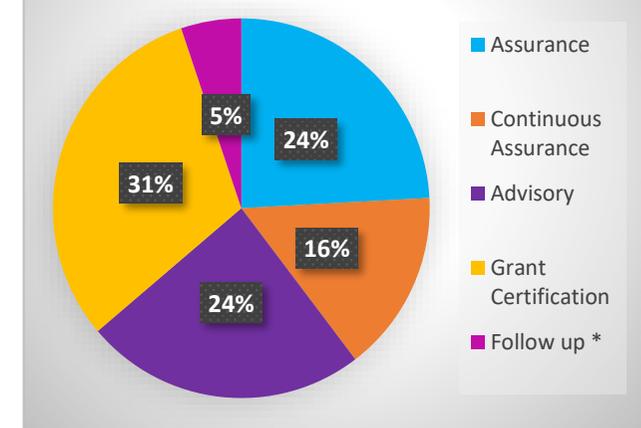


Table 2: Audit Work by Type



**Percentage of follow up work is low due to the successful implementation of new follow up process*

Table 1 above indicates the spread of assurance opinions across our work completed during the past year. The Council’s willingness and openness to identify areas for review has naturally resulted in a larger number of Limited Assurance opinions and provides assurance that SWAP is focussing its limited resources in the correct areas.

Table 2 indicates the audit work by type. Whilst assurance work is the main focus of internal audit, in a time of crisis such as the pandemic, internal audit has the knowledge and skills to be able to provide advisory work that supports the organisation through such turbulence. In addition, there has been a significant increase in the requirement for grant certification work, mainly due to the substantial number of COVID related government grants available to the council and the requirement for the Head of Internal Audit to provide certification of these grant awards.

Value Added

'Extra feature(s) of an item of interest (product, service, person etc.) that go beyond the standard expectations and provide something more while adding little or nothing to its cost.'



Value Added

Throughout the year, SWAP strives to add value wherever possible i.e. going beyond the standard expectations and providing something 'more' while adding little or nothing to the cost.

Savings During the Year Directly attributable to SWAP work

As part of our audit work there are sometimes occasions when we identify cash savings that are directly attributable to our work, that potentially may not have been identified by any other means. This year there has been three instances where this has been case which has resulted in an additional **£127,000** being available to the Council as a direct result of SWAP's work:

- Through our grant certification work we identified a number of COVID related grants had been underspent and were able to identify further opportunities for utilising the grant funding on eligible expenditure, thus avoiding the potential need to return unspent grant amounts. As a result of this work, we have identified **£111,000** of eligible spending which could be regarded as a saving to the council
- As part of a routine audit of Early Years Funding, we identified direct and potential savings to Dorset Council of **£12,441**. This was made up of £2,150 of hours overclaimed by nurseries. We also found that £10,291 of debt had not been put through the Council's Accounts Receivable team. As a result of doing so there is substantially increased chances of successful recovery of these debts.
- During the past year SWAP have continuing to work with Dorset Council to improve the identification and prevention of duplicate payments. Since the implementation of new software, the volume of unidentified duplicate payments had significantly reduced. Our work in quarter 3 of the year identified just **£4,176**. All but £149 of these overpayments have now been recovered from suppliers and work is ongoing across the team to ensure that this low level of duplicate payments is eliminated.

CIFAS data Matching

SWAP has paid an annual subscription of £8,450 for 2021/22 to enable Dorset Council to be part CIFAS. This data matching service will help the Council to both prevent and detect fraud. SWAP is working with both CIFAS and the council to facilitate data matching work in the following areas:

- Human Resources – to identify whether agency or consultancy staff offered to temporarily fill a vacant position or undertake project work have been identified as attempting to perpetrate fraud.
- Adult Services, Shared Lives carers – to identify whether carers providing services to Dorset Council have been identified as attempting to perpetrate fraud.

Data matching is now successfully up and running within the Council's Insurance team with a positive impact already being identified with the number of speculative insurance claims having reduced, potentially as a result of the Fair Processing Notification on claims that indicate claimants' details will be processed through the CIFAS database.

Benchmarking

During the year we have provided benchmarking data across either the SWAP partnership or the wider reach of the Chief Auditors Network for:

- Insurance Strategy
- Contract Management
- Disclosure and Barring Service checking
- Registration Service
- Education safeguarding
- Schools' Forum Governance
- Licencing (member training)

In addition, as part of our audit on The Schools' Forum Governance we undertook a survey across all Dorset Schools.

Regular updates

To help key officers in the Council keep abreast of changes SWAP produces a monthly newsletter that provides information on topical areas of interest for public sector organisations.

Counter Fraud Team

SWAP has a number of specialist teams namely the ICT team and the Data Analytics team. Additionally, during the past year SWAP has further developed the Counter Fraud Team to provide specialist Fraud experts where required by our partners. The team are also undertaking some fundamental fraud assessment work to help our partners strengthen their resilience to fraud. Furthermore, the team also provide regular fraud bulletins to our partners on the latest intelligence on fraud targets.

Audit Performance 2021/22

The Chief Executive of SWAP reports overall performance of the company on a regular basis to the SWAP Board of Directors.

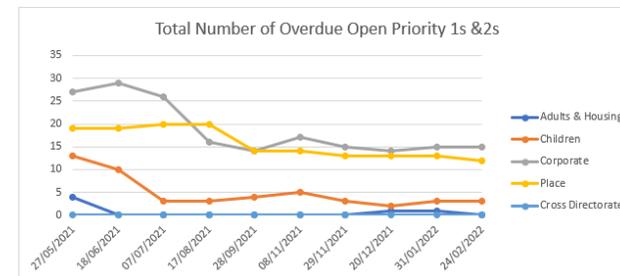
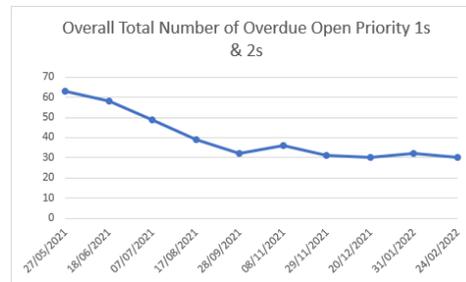


SWAP Performance

SWAP's performance is subject to regular monitoring and review by both the Board of Directors and Owners Board. The performance for Dorset Council for the 2021/22 year is as follows:

Performance Target	Performance Outturn
<p>Value to the Organisation</p> <p>Client view of whether our audit work met or exceeded expectations, in terms of value to their area across 21/22 year</p>	100%

Implementation of audit actions



There has been a clear reduction in overdue priority 1 and 2 agreed audit actions since the introduction of our new process of tracking implementation. However, the figures have plateaued across recent months, and it is understood that a new measure is to be reported to SLT of the number of days that an action is overdue which it is hoped, will help to bring some long overdue actions to an appropriate conclusion.

Internal audit is responsible for conducting its work in accordance with the Code of Ethics and Standards for the Professional Practice Framework of Internal Auditing as set by the Institute of Internal Auditors and further guided by interpretation provided by the Public Sector Internal Audit Standards (PSIAS). Both standards require an Internal and External Assessments (Standard 1300) of the Internal Audit function.

Audit Performance 2021/22

The standards require an External Assessment to be carried out at least every five years. SWAP exceeds this with an assessment undertaken every three years. The latest assessment undertaken in March 2020 found SWAP to be 'Generally Conforming' with the International Professional Practices Framework and the Public Sector Internal Auditing Standards (PSIAS) and is the highest level of performance awarded. A summary of the report was reported to the Audit & Governance Committee in October 2020. As a result of the External Assessment, a Quality Assessment Improvement Plan (QAIP) is produced and maintained. This document is a live document, reviewed regularly by the SWAP Board to ensure continuous improvement.

Summary of Internal Audit Work 2021/22

The schedule below contains the audit work undertaken in 2021/22, along with the respective outturn. Alternatively, to view the [live audit tracker](#) please go to the Dorset Council Teams site. By visiting the Audit Channel under files, you should be able to view all our audits on a continuous live basis.

At the conclusion of audit assignment work each review is given an Audit Assurance; a summary of the assurance levels is as follows:

- Substantial – A sound system of governance, risk management and control in place
- Reasonable – A generally sound system of governance, risk management and control in place
- Limited – Significant gaps, weaknesses or non-compliance were identified
- No Assurance – Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified

Audit Type	Audit Area	Status	Opinion	No of Agreed Actions	1 = Major	↔	3 = Medium
					Recommendation		
					1	2	3
Completed Work							
Operational	Multi-Agency Safeguarding Hub	Final	Low Reasonable	6	0	2	4
Operational	IR35	Final	Follow Up	1	0	1	0
Operational	Insurance Strategy Benchmarking	Final	Advisory				
Operational	Contract Management	Final	Medium Limited	12	1	6	5
Operational	Accounts Payable	Final	Continuous Assurance	3	0	1	2
Operational	Management of Fraud	Final	Low Limited	6	0	4	2
Grant Certification	Covid-19 Local Authority Compliance and Enforcement Grant 31/5216	Final	Grant Certification				
Operational	CiFAS Data Matching – COVID Business Grants	Final	Advisory				
Grant Certification	COVID-19 Emergency Active Travel Grant 31/5099	Final	Grant Certification				

Summary of Internal Audit Work 2021/22

Audit Type	Audit Area	Status	Opinion	No of Agreed Actions	1 = Major	↔	3 = Medium
					Recommendation		
					1	2	3
Grant Certification	Supporting Families Grant Certification - First Submission	Final	Grant Certification				
Grant Certification	Covid-19 Additional Dedicated Home to School and College Transport Grant Determination 2020: No 31/5137	Final	Grant Certification				
Grant Certification	LEP Gateway Review (Peer Networks)	Final	Grant Certification				
Grant Certification	Supporting Families Grant Certification – Second Submission	Final	Grant Certification				
Operational	LEP Payment Systems	Final	Medium Reasonable	4	0	2	2
Operational	Schools Forum Governance	Final	Medium Reasonable	6	0	1	5
Grant Certification	LEP Grant Reviews	Final	Grant Certification				
Operational	Duplicate Payment Checking (January – March 2020/21)	Final	Advisory				
Grant Certification	Grant Identification and Certification Process	Final	Advisory				
Grant Certification	Community Testing Funding Grant No 31/5389	Final	Grant Certification				
Operational	Disclosure and Barring Service Checking	Final	Medium Limited	11	1	4	6
Grant Certification	Building Digital UK 20/21 Year End Sign Off	Final	Grant Certification				
Operational	Public Law Outline	Final	Follow up	2	0	2	0
Operational	Value for Money	Final	Advisory				

Summary of Internal Audit Work 2021/22

Audit Type	Audit Area	Status	Opinion	No of Agreed Actions	1 = Major	↔	3 = Medium
					Recommendation		
					1	2	3
Operational	Portesham School (all actions complete)	Final	Follow up				
Operational	CiFAS Data Matching – Human Resources	Final	Advisory				
Operational	Early Years Funding	Final	High Limited	8	0	3	5
Grant Certification	Supporting Families Grant Certification Third Submission	Final	Grant Certification				
Operational	Continuous Auditing – Accounts Receivable (April - June)	Final	Continuous Assurance	1	0	0	1
Operational	Duplicate Payment Checking (April – June 2021-22)	Final	Advisory				
Operational	Continuous Auditing – Accounts Payable (April -June)	Final	continuous Assurance				
Operational	Continuous Auditing – Main Accounting (April-June)	Final	continuous Assurance				
Operational	ICT Governance Review	Final	Advisory				
Operational	Fraud Baseline Assessment	Final	Advisory				
Operational	Support to the Council in developing a Value for Money Framework	Final	Advisory				
Grant Certification	Contain Outbreak Management Grant No: 31/5411 (Review of 20/21 spend)	Final	Grant Certification				
Grant Certification	Test & Trace Grant Certification (review of 20/21 spend)	Final	Grant Certification				
Operational	Direct Payments	Final	High Limited	9	0	3	6
Grant Certification	Supporting Families Grant Certification - Fifth Submission	Final	Grant Certification				

Summary of Internal Audit Work 2021/22

Audit Type	Audit Area	Status	Opinion	No of Agreed Actions	1 = Major	↔	3 = Medium
					Recommendation		
					1	2	3
Operational	Duplicate Payment Checking (July– September 2021-22)	Final	Advisory				
Operational	Registration Service	Final	Advisory				
Operational	Continuous Auditing – Accounts Payable (July - September)	Final	Continuous Assurance				
Operational	Continuous Auditing – Accounts Receivable (July - September)	Final	Continuous Assurance				
Grant Certification	Supporting Families Grant Certification Fourth Submission	Final	Grant Certification				
Operational	Continuous Auditing – Main Accounting (July-September)	Final	Continuous Assurance				
Operational	Schools in Deficit	Final	High Reasonable	3	0	1	2
Operational	ICT Incident Management	Final	Low Substantial	4	0	0	4
Operational	HR Data Analysis Part 1	Final	Advisory				
Operational	Whistleblowing	Final	Advisory				
Operational	Public Health – Retained Portions	Final	Medium Reasonable	4	0	1	3
Operational	S106 and Civil Infrastructure Levy (CIL)	Final	Medium Reasonable	7	0	0	7
Operational	Service User Financial Contributions	Final	Medium Limited	5	0	4	1
Grant Certification	Covid-19 Travel Demand Grant 2020: No 31/5127	Final	Grant Certification				

Summary of Internal Audit Work 2021/22

Audit Type	Audit Area	Status	Opinion	No of Agreed Actions	1 = Major	↔	3 = Medium
					Recommendation		
					1	2	3
Grant Certification	Additional Dedicated Home to School and College Transport Grant 31/5671	Final	Grant Certification				
Grant Certification	Covid-19 Bus Services Support Grant (CBSSG)	Final	Grant Certification				
Operational	ICT Disaster Recovery	Final	Low Substantial	2	0	1	1
Grant Certification	Supporting Families Grant Certification – Sixth Submission	Final	Grant Certification				
Operational	Continuous Audit Accounts Payable (October - December)	Final	Continuous Assurance				
Operational	Continuous Audit Accounts Receivable (October-December)	Final	Continuous Assurance				
Operational	Continuous Audit Accounts Payable – Annual Assurance (action reported in April – June work)	Final	Low Substantial				
In Progress							
Operational	Recovery of Debt Post Covid-19	Fieldwork Completed					
Operational	Revenues and Benefits	Fieldwork Complete					
Operational	Continuous Audit Disclosure & Barring Service Checks	In Progress					
Operational	Continuous Audit Main Accounting (Q4)	In Progress					
Operational	Residential Children’s Homes	In progress					
Operational	Freedom of Information Requests	In Progress					
Operational	Workforce Planning – Highways and Coastal staff	In progress					

Summary of Internal Audit Work 2021/22

Audit Type	Audit Area	Status	Opinion	No of Agreed Actions	1 = Major	↔	3 = Medium
					Recommendation		
					1	2	3
Operational	Fraud Risk Assessment	In Progress					
Operational	Reserves Benchmarking	In Progress					
Operational	Safeguarding Adults	In Progress					

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Dorset Council

Approach to Internal Audit Planning 2022/23

and Internal Audit Charter

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Agenda Item 6

The work of internal audit should align strategically with the aims and objectives of the organisation; taking into account key risks, operations and changes.

In order to do this Internal Audit needs to be flexible in adapting audit plans to handle rapidly changing risks, priorities and challenges.

It is the responsibility of the Senior Leadership Team, and the Audit & Governance Committee to ensure that the audit work scheduled and completed throughout the year contains sufficient and appropriate coverage of key risks.

Approach to Internal Audit Planning 2022/23

Over the past two years, as a result of the COVID pandemic, SWAP, like Dorset Council, has had to adapt, re-prioritise, and shift focus. 2020/21 was an exceptional year and demonstrated the need for a fully flexible and responsive approach to audit planning and whilst 2021/22 has offered more stability in operations, we took the opportunity to build on our new audit planning approach, ensuring that we were supporting the Council by collaboratively aligning our work to its aims, objectives and key risks. This helps to ensure that we are auditing the right things, at the right time; enabling us to provide insight and value when and where it is required.

As a traditional annual audit plan is subject to a high degree of uncertainty and change, we decided to build our plan in conjunction with management as the year progressed. We believe this approach has worked well and has earned the support of both senior management and the audit committee. As such we propose to continue with our new planning approach in 2022/23 and to further develop our risk assessment and rolling planning process within directorates.

The resulting programme of work will be a combination of requested audit work aligned to service priorities, combined with audit work recommended by SWAP, driven by our continuous risk assessment. This risk assessment will be based on the live status of both the Council's strategic and service risk registers, as well as the Council's performance management data. Overlaid onto this assessment will be SWAP's sector-wide top 10 risk areas, and consideration of the eight strands of our 'Healthy Organisation' framework. The results of our risk assessments will be regularly shared with Senior Management in Directorates through our Audit Business Partners to obtain their view on the value of internal audit involvement. In developing risk assessments, we will also take account of other sources of assurance, where relevant.

As the year progresses, we will update the committee through our usual quarterly update report on internal audit activity. It will be through this process and through regular access to the [rolling audit plan](#) that the Senior Leadership Team and Audit & Governance Committee members will be able to assess whether the audit work building throughout the year provides sufficient and appropriate coverage of key risks.

Delivery of an internal audit programme of work that provides sufficient and appropriate coverage of key risks, will enable us to satisfy our requirement to provide a well-informed and comprehensive year-end annual internal audit opinion. Our audit work is governed by our Internal Audit Charter, attached at Appendix 1, and complies with the International Professional Practices Framework of the Institute of Internal Auditors.

We would encourage SLT and the Audit & Governance Committee to regularly review our live audit plan to assess our rolling internal audit coverage.

This will help to confirm:

- That the internal audit plan builds throughout the year to provide adequate coverage of the key risks faced by the organisation
- That sufficient assurance is being received to monitor the organisation's risk profile effectively; and
- That the areas included on the Future Proposed Audits remain appropriate, with an accurate priority and risk assessment.



A Rolling & 'Live' Programme of Audit Work

Throughout 2021/22 we have continued to refine our live rolling plan document which is held on the Council's Audit, Fraud and Risk Management [Teams site](#) ('Audit' Channel > Files > Internal Audit Plan and Tracker).

This document provides an assessment of how our audit work is building throughout the year to enable SWAP to provide an annual opinion on the Council's governance, risk management and control environment. The continuous risk assessment and planning approach highlighted above, aims to ensure that we have a reasonable and equitable spread of work covering the Authority's key risk themes and a table demonstrating the audit coverage and assurances can be found on the first tab.

The tracker document contains all work we have completed across the year, and any work that is in progress along with the status of that work.

The final key tab is the 'Future Proposed Audits'. This is our rolling audit plan and details audit work that we plan to undertake in future, along with an assessment of the priority and timing of that work.

SWAP Internal Audit Services is a public sector, not-for-profit partnership, owned by the public sector partners that it serves. The SWAP Partnership now includes 26 public sector partners.

Over and above our internal audit service delivery, SWAP will look to add value throughout the year wherever possible. This will include:

- Benchmarking and sharing of best-practice between our public-sector Partners
- Regular updates containing emerging issues, risks and fraud alerts identified across the SWAP partnership and beyond

As a company, SWAP has adopted the following values, which we ask our clients to assess us against following every piece of work that we do:

- Candid
- Relevant
- Inclusive
- Innovative
- Dedicated



Your Internal Audit Service

Audit Resources

The 2022/23 internal audit programme of work will be equivalent to 1,327 days, as agreed by the s151 officer and Service Manager for Assurance. This represents a reduction of 137 audit days (approx. 10%) from 2021/22.

The current internal audit resources available represent a sufficient and appropriate mix of seniority and skill to be effectively deployed to deliver the expected work. Clearly with a further reduction in the audit budget for 2022/23, there will be a reduction in the breadth of coverage we are able to provide. Alternative sources of assurance should be sought/ identified where internal audit coverage of key risks has not been undertaken.

The key contacts in respect of your internal audit service for Dorset Council are:

Sally White, Assistant Director – sally.white@swapaudit.co.uk, 07823 473648

Angie Hooper, Principal Auditor – angela.hooper@swapaudit.co.uk 07536 453271

External Quality Assurance

SWAP work is completed to comply with the International Professional Practices Framework of the Institute of Internal Auditors (IPPF).

Every three years, SWAP is subject to an External Quality Assessment of Internal Audit Activity. The last of these was carried out in March 2020 which confirmed 'General Conformance' with the IPPF.

Conflicts of Interest

We are not aware of any conflicts of interest within Dorset Council that would present an impairment to our independence or objectivity. Furthermore, we are satisfied that we will conform with our IIA Code of Ethics in relation to Integrity, Objectivity, Confidentiality, & Competency.

Our Reporting

A summary of internal audit activity will be reported quarterly to Senior Leadership Team (SLT) and the Audit & Governance Committee (as well as our detailed 'live' audit tracker highlighted above being available throughout the year). Our reporting to SLT and the Audit & Governance Committee will include any significant risk and control issues, governance issues, and other matters that require the attention of SLT and/or the Audit & Governance Committee. We will also report any response from management to a risk we have highlighted that, in our view, may be unacceptable to the organisation.

Dorset Council

Internal Audit Charter

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INTERNAL AUDIT CHARTER

Purpose

The purpose of this Charter is to set out the nature, role, responsibility, status and authority of internal auditing within Dorset Council, and to outline the scope of internal audit work.

Approval

This Charter will be presented for approval by the Audit & Governance Committee on 11th April 2022 and is reviewed each year to confirm it remains accurate and up to date. It was last reviewed by the Audit & Governance Committee on 19th April 2021.

Provision of Internal Audit Services

The internal audit service is provided by SWAP Internal Audit Services (SWAP). This charter should be read in conjunction with the Service Agreement, which forms part of the legal agreement between the SWAP partners and other key documents including the Data Sharing Protocol.

The budget for the provision of the internal audit service is determined by Dorset Council, in conjunction with the Members Meeting. The general financial provisions are laid down in the legal agreement, including the level of financial contribution by the organisation, and may only be amended by unanimous agreement of the Members Meeting. The budget is based on an audit needs assessment which is reviewed each year by the Service Manager for Assurance and S151 Officer in consultation with the Chief Executive of SWAP.

Role of Internal Audit

The Accounts and Audit (England) Regulations, state that: *“A relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account the public sector internal auditing standards or guidance.”*

Internal audit is an independent, objective assurance and consulting activity designed to add value and improve the Organisation’s operations. It helps Dorset Council accomplish its objectives by bringing a systematic disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

Responsibilities of Management, Audit & Governance Committee and Internal Audit

Management¹

Management is responsible for ensuring SWAP has:

- the support of management and the organisation;

¹ In this instance Management refers to the Senior Leadership Team and Statutory Officers.

- direct access and freedom to report to senior management, including the Chief Executive and the Audit & Governance Committee; and
- Notification of suspected or detected fraud, corruption or impropriety.

Management is responsible for establishing (including the tracking and implementation of agreed Internal Audit Actions) and maintaining internal controls, including proper accounting records and other management information and is also responsible for the appropriate and effective management of risk.

Audit and Governance Committee

The Audit & Governance Committee is responsible for approving the scope of internal audit work, receiving communications from the SWAP Assistant Director (as Head of Internal Audit³) on the progress of work undertaken, reviewing the independence, objectivity, performance, professionalism and effectiveness of the Internal Audit function, and obtaining reassurance from the SWAP Assistant Director as to whether there are any limitations on scope or resources.

Internal Audit

The SWAP Assistant Director, is responsible for determining the scope, except where specified by statute, of internal audit work and for recommending the action to be taken on the outcome of, or findings from, their work designed to provide assurance and add value.

Internal audit is responsible for operating under the policies established by management in line with good practice. A range of SWAP policies exist to underpin staff and service development, including to seek out and implement new innovative audit techniques and increase technological solutions to ensure provision of an efficient and effective service and consolidate the role of Trusted Advisor.

Internal audit is responsible for conducting its work in accordance with the mandatory elements of the Code of Ethics and Standards for the Professional Practice of Internal Auditing as set by the Institute of Internal Auditors and further guided by interpretation provided by the Public Sector Internal Audit Standards (PSIAS) and the CIPFA Local Government Application Note. SWAP has been independently assessed and found to conform with the Standards.

Internal audit is not responsible for any of the activities which it audits. SWAP staff will not assume responsibility for the design, installation, operation or control of any procedures. SWAP staff who have previously worked for the organisation will not be asked to review any aspects of their previous department's work until a minimum of one year has elapsed.

Relationship with the External Auditors/Other Regulatory Bodies

Internal Audit will co-ordinate its work with others wherever this is beneficial to the organisation.

Status of Internal Audit in the Organisation

The Chief Executive of SWAP is responsible to the SWAP Board of Directors and the Members Meeting. Appointment or removal of the Chief Executive of SWAP is the sole responsibility of the Members Meeting.

The Chief Executive for SWAP and Assistant Director also report to the Service Manager for Assurance, Monitoring Officer & Section 151 Officer, and report to the Audit & Governance Committee as set out below.

The Assistant Director will be the first and primary point of contact for the organisation for all matters relating to the Audit & Governance Committee, including the provision of periodic reports, as per company policy. The Assistant Director is also responsible for the design, development and delivery of audit plans, subject to the agreement of Dorset Council.

Scope and Authority of Internal Audit work

There are no restrictions placed upon the scope of internal audit's work. SWAP staff engaged on internal audit work are entitled to receive and have access to whatever information or explanations they consider necessary to fulfil their responsibilities to senior management. In this regard, internal audit may have access to any records, personnel or physical property of the organisation.

Internal audit work will normally include, but is not restricted to:

- reviewing the reliability and integrity of financial and operating information used for operational and strategic decision making, and the means used to identify, measure, classify and report such information;
- evaluating and appraising the risks associated with areas under review and make proposals for improving the management and communication of risks;
- appraise the effectiveness and reliability of the risk management framework and recommend improvements where necessary;
- assist management and Members to identify risks and controls with regard to the objectives of the organisation and its services;
- reviewing the systems established by management to ensure compliance with those policies, plans, procedures, laws and regulations which could have a significant impact on operations and reports, and determining whether the organisation is in compliance;
- reviewing the means of safeguarding assets and, as appropriate, verifying the existence of assets;
- appraising the value for money from resources employed;
- reviewing operations or programmes to ascertain whether results are consistent with established objectives and goals and whether the operations or programmes are being carried out as planned, with performance and accountabilities established.
- reviewing the operations of the organisation in support of their anti-fraud and corruption policy, ethical expectations and corporate values (and investigating where necessary) ethical expectations and corporate, social and environmental values and responsibilities; and.
- at the specific request of management, internal audit may provide consultancy services (including e.g. data analytics, benchmarking, strategic/project reviews/investigations etc) provided:
 - the internal auditor's independence is not compromised

- the internal audit service has the necessary skills to conduct the assignment, or can obtain such skills without undue cost or delay
- the scope of the consultancy assignment is clearly defined and management can resource the work.
- management understand that the work being undertaken is not internal audit work although the outcomes may contribute to the annual opinion.

Planning and Reporting

SWAP will develop an internal audit plan with Management and the Audit & Governance Committee for approval, which will be produced with reference to current and emerging risks. The plan will be reviewed on a continuous basis to ensure it remains relevant and adequately resourced.

SWAP will carry out the work as agreed, report the outcomes and findings both during and on completion of reviews, and agree actions to be taken with appropriate officers; copied to the S151 Officer. SWAP will present a regular summary of their work to Management and the Audit & Governance Committee, including assessing the organisation's implementation of previous actions along with any significant, persistent and outstanding issues.

Internal audit reporting will normally comprise a brief presentation to relevant officers, accompanied by a written report, with the format tailored as necessary to the nature of the work. The report will also be copied to the Section 151 Officer and to other relevant management.

The Assistant Director will submit an annual report to the Audit & Governance Committee providing an overall opinion of the status of risk and internal control within Dorset Council, based upon, and limited to, internal audit activity conducted during the previous year.

In addition to the reporting lines outlined above, the Chief Executive of SWAP and SWAP Directors and Assistant Directors have the unreserved right to report directly to the Leader of the Council, the Chairman of the Audit & Governance Committee, the organisation's Chief Executive Officer or the External Audit Manager.

Revised September 2020

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Audit and Governance Committee 11 April 2022 Risk Management Update

For Review and Consultation

Portfolio Holder: Cllr S Flower, Leader of the Council

Executive Director: J Mair, Corporate Director, Legal & Democratic

Report Author: David Trotter
Title: Risk and Resilience Officer
Tel: 01305 228692
Email: david.trotter@dorsetcouncil.gov.uk

Report Author: Marc Eyre
Title: Service Manager for Assurance
Tel: 01305 224358
Email: marc.eyre@dorsetcouncil.gov.uk

Report Status: Public

Brief Summary: The continual development and promotion of risk management will ensure that Dorset Council remains well placed to demonstrate that objective and informed decisions are taken. Appendix A includes the roadmap, which provides a clear view of achievements to date. Strategic risk management is owned by the Senior Leadership Team, with an agreed risk management framework and appetite statement both of which set out the Council's commitment.

The aim is to help provide further early warning signals and to provide a revised set of management information that may be better suited to the nature of the risk.

During the continued challenges that we face the aim is to develop and consider tools and processes that help to provide rapid reporting and insights. An example of progress is the recent launch of the risk management pathway on the learning portal.

This quarterly update report also provides an overview of emergency planning and information compliance.

Recommendation: That Audit and Governance Committee:

- i) note and review the key risks identified in the corporate and service risk registers, with escalation to Scrutiny Committees where appropriate.
- ii) note and review the key metrics and headlines from emergency planning.
- iii) note and review the key metrics and headlines from information compliance.

Reason for Recommendation: To ensure that the Council’s risk management methodologies remain current, proportionate, and effective in enabling risk informed decisions to be made.

1. **Report**

1.1 The latest update provides a revised road map, comparison, improved graphical analysis and public health risks. Work has also started on the capture of revenue and benefits risks and will be presented at the next meeting for consideration.

1.2 The principles of the Council’s risk management framework to be “risk aware” and not “risk averse”, with our arrangements informing our decision-making processes. There are now ten strategic risk themes informed by operational service level risks owned by Heads of Service and Service Managers.

Current Risk Themes	
Communities	Political & Leadership
Compliance	Safeguarding
Digital & Technology	Service Delivery
Finance	Transformation
Health, Safety & Wellbeing	Workforce

1.3 Councillors can view the risks by theme from [this link](#).

1.4 At a recent meeting it was agreed to include separate appendices to report on emergency planning matters and information compliance. These are included as part of this report for the first time. Future reporting will provide greater focus on lessons learnt from debriefs following risk events.

2. **Financial Implications**

No budget implications specifically, although unmanaged risks may pose a threat to the Council's financial stability. Identified risk improvement measures may also have direct budget implications, each of which need to be subject to a cost/benefit analysis prior to implementation.

3. **Climate Implications**

Climate related risks are created by a range of hazards, such as changes in temperature, leading to droughts, or agricultural losses. While others tend to occur suddenly, such as tropical storms and floods. It is recognised that climate-related impacts are not just a future threat.

The Council holds several crisis planning action cards to manage potential climate-related risks. There are increasingly focused efforts nationally to build resilience into investments and development about climate implications. The Council have a few identified risks within the risk registers that relate to climate change and the implications.

4. **Well-being and Health Implications**

Health, safety, and wellbeing is identified as one of our corporate risk themes.

5. **Other Implications**

None

6. **Risk Assessment**

Having considered the risks associated with this decision; the level of risk has been identified as:

- Current Risk: HIGH
- Residual Risk: HIGH

The risk level is identified as High as Appendix B provides an update on those High-level risks which are currently identified within the Corporate Risk Register.

7. **Equalities Impact Assessment**

Considering equalities issues is a key aspect of good governance, but there are no equalities issues arising directly from this report.

8. **Appendices**

Appendix A - Summary of Extreme and High-Level Risks
Appendix B – Summary update from Emergency Planning
Appendix C – Summary update from Information Compliance.

9. **Background Papers**

None



Risk Management Exception

Quarterly Update Report

Extreme and High-Level Risks

As of 9 March 2022

The continual development and promotion of risk management will ensure that Dorset Council is well placed to demonstrate that objective and informed decisions are taken.

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Risk Management Road Map 21-22

The Road Map helps to provide a visual way to quickly communicate our plan of work for the coming months. We feel that this is the most effective tool to give you a bird’s -eye view of everything that’s planned. By being more risk aware, Dorset Council will be better placed to avoid threats and take advantage of any opportunities.



Introduction

We recognise that risk management helps us to embed a culture, process and structure that is directed towards the effective management of opportunities and threats to the council. The Annual Governance Statement (AGS) highlighted several opportunities to enhance risk management and for example efforts have been made to:

- Increase the level of engagement and ownership.
- Enhance the engagement of Members in the risk management process.
- Refresh and update the Corporate and Directorate Risk Registers.
- Update the risk management training and awareness functionality.

The Accounts and Audit Regulations 2015 require the council to have in place arrangements for the management of risk.

Risk Management

Risk affects all organisations. It can have consequences in terms of performance, environmental and safety outcomes, and professional reputation. Risk is anything and everything that could impact upon the successful achievement of aims and objectives. Risk management is a process to identify, assess, manage, and control potential events or situations to provide reasonable assurance regarding the achievement of our objectives. Success comes from managing both the positive and the negative aspects of risk effectively.

Risks by Themes

When operating effectively, risk management is a key element of the council's strategic and operational planning processes – supporting desired outcomes that help to enable the council to meet its ambitions as set out in the Council Plan. Our risk themes capture risks that are specific and appropriate to Dorset Council. To meet that challenge, the assurance team are developing processes needed for rapid reporting, deeper insights, and modelling. The ten key risk themes will help to better plot and link our risks and capture information to help senior managers make decision to manage service delivery.

Update Statement

We will be working to support the challenge to make our services as efficient as possible, and that's a relentless part of our budget setting process. We recognise that Risk Management is an integral part of good governance to which we are all committed. Risk Management helps us to provide the framework and processes that enables the Council to manage uncertainty in a systematic way. We are pleased to report that Public Health risks are now incorporated within the risk registers and featured within the update report. Revenue and Benefits are also currently being added to the risk register and will feature in the next update report. The 'Risk Management Framework' and 'Risk Appetite Statement' both refreshed.

A 'Risk Management Training Pathway' was launched and located the Dorset Council learning portal. Looking ahead work continues with the development and incorporation of residual risk into our risk registers. Residual risk is the risk that remains after controls are accounted for - the risk that remains after we have taken precautions and mitigation.

In simple terms, residual risk represents the risks that remain after additional controls are applied. The risk management framework will be rewritten to incorporate the latest developments. The aim is for all risks to have management actions in place and the risk management process will continue to be subject to a regular refresh. The challenge is to make every reasonable effort to mitigate and manage risks effectively, and where failure occurs, to learn and improve.

Comparison

The matrices below illustrate how the risk profile (the actual number of risks on the register) has changed throughout the year. This is based on the inherent risk, the risk impact and likelihood considering any existing controls in place to manage the risk, but before any further planned controls are introduced. The change in the overall risk profile demonstrates how action is taken to manage risks, to ensure the completeness of the risk register and to capture emerging risks. The full Services Risk Register can be viewed from this link [HERE](#)

August 2021

Dorset Council Risk Profile						
Impact	C				1	1
	Ma	3	43	26	11	1
	Mod	2	46	60	10	2
	S		29	13	2	2
	L			1	1	
		VU	U	P	L	VH
Likelihood (Probability)						
254 Risks 3 Extreme (1%) 49 High-Level (20%)						

December 2021

Dorset Council Risk Profile						
Impact	C			2	2	1
	Ma	1	47	23	12	1
	Mod	3	49	59	17	2
	S	2	33	11	1	3
	L				1	
		VU	U	P	L	VH
Likelihood (Probability)						
270 Risks 4 Extreme (1%) 56 High-Level (21%) 11 Escalated to SLT						

March 2022

Dorset Council Risk Profile (incl Public Health)						
Impact	C			3	2	2
	Ma	1	42	22	12	1
	Mod	2	45	54	26	2
	S	2	32	11	6	2
	L		1		1	
		VU	U	P	L	VH
Likelihood (Probability)						
270 Risks 5 Extreme (2%) 65 High-Level (24%) 11 Escalated to SLT						

Once risks have been identified, they must be assessed in terms of how likely it is that they will materialise (probability) and, if they do, what might the effects be (impact). Every risk will be considered as unique, with its own significance. Once risks have been scored using the Risk Assessment Matrix, the next step is to understand what this score means and use it to inform a suitable response. Each risk, based on its score, will be rated as either LOW, MEDIUM, HIGH-LEVEL, OR EXTREME and will be colour-coded according to the Risk Assessment Matrix.

A **SUMMARY** of the risks for this reporting period are set out below:

270 Risks

Dorset Council Risk Profile (incl Public Health)						
Impact	C			3	2	2
	Ma	1	42	22	12	1
	Mod	2	45	54	26	2
	S	2	32	11	6	2
	L		1		1	
		VU	U	P	L	VH
Likelihood (Probability)						

5 Extreme
65 High-Level

11 Escalated to SLT

Adults and Housing

No of Risks 30 1 Extreme - 7 High-Level 2 Escalated to SLT						
Impact	C					
	Ma			2	3	1
	Mod	1	12	2	2	
	S	1	4	1	1	
	L					
		VU	U	P	L	C
Likelihood (Probability)						

Children's Services

No of Risks 23 1 Extreme - 6 High-Level 1 Escalated to SLT						
Impact	C		1			1
	Ma		3	4	1	
	Mod		2	3	1	
	S		2	2	2	
	L		1			
		VU	U	P	L	C
Likelihood (Probability)						

Corporate

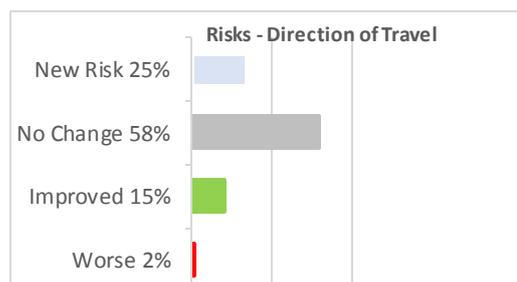
No of Risks 57 2 Extreme - 18 High-Level 4 Escalated to SLT						
Impact	C			2	1	1
	Ma	1	9	3	2	
	Mod		6	12	9	2
	S		6	1	1	1
	L					
		VU	U	P	L	C
Likelihood (Probability)						

Place

No of Risks 151 1 Extreme - 30 High-Level 3 Escalated to SLT						
Impact	C				1	
	Ma		29	12	4	
	Mod	1	25	35	14	
	S	1	19	7	1	1
	L				1	
		VU	U	P	L	C
Likelihood (Probability)						

Public Health

No of Risks 9 0 Extreme - 4 High-Level 1 Escalated to SLT						
Impact	C			1		
	Ma		1	1	2	
	Mod			2		
	S		1		1	
	L					
		VU	U	P	L	C
Likelihood (Probability)						



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Risk Management Update Report

People Directorate for Adults and Housing

Extreme and High-level Risks

As of 9 March 2022

Adults and Housing

Extreme Risks

EXTREME

Adults & Housing – Commissioning

Risk 343 - Market failure leads to unsafe and unacceptable levels of unmet need for domiciliary care - Accountable Officer - Corporate Director for Commissioning and Corporate Director for Adult Social Care
(Impact 4 Likelihood 5)

High-Level Risks

HIGH-LEVEL

Adults & Housing - Adult Care

Risk 339 - The impact of hospital pressures - Accountable Officer - Corporate Director for Commissioning and Corporate Director for Adult Care Operations
(Impact 4 Likelihood 4)

Risk 125 - Gap exists between amount of available resource and post-COVID statutory demand - Accountable Officer - Corporate Director for Commissioning and Corporate Director for Adult Care Operations
(Impact 4 Likelihood 3)

Risk 165 - Capacity, capability and focus within the Adult Social Care workforce is not appropriate to deliver statutory responsibilities and key priorities to an acceptable standard - Accountable Officer - Corporate Director for Adult Care Operations
(Impact 4 Likelihood 3)

Risk 325 - Failure to maintain safe levels of Approved Mental Health Professional capacity to fulfil our duties – Accountable Officer - Corporate Director for Adult Care Operations
(Impact 3 Likelihood 4)

HIGH-LEVEL

Adults & Housing - Commissioning

Risk 298 - Failure to achieve infection control - Accountable Officer - Corporate Director for Commissioning
(Impact 3 Likelihood 4)

Risk 5 - Failure to manage and shape the provider market results in increases in service costs and poor service - Accountable Officer - Corporate Director for Commissioning
(Impact 4 Likelihood 4)

Housing

Risk 180 – Increased Homeless Population - Accountable Officer – Corporate Director for Housing and Community Safety
(Impact 4 Likelihood 4)

Management Update

Adults & Housing - Adult Care

Risk339 - The impact of hospital pressures				
Accountable Officer	Direction of Travel	Last Reviewed	Risk Rating	
Corporate Director for Commissioning and Corporate Director for Adult Care Operations	Worse	3 March 2022	High-Level	
			Impact	4
<p>Update - The pressure felt by hospitals across Dorset reflects the wider national crisis and has increased to point that the system has declared OPEL 4 position with ongoing internal management incidents in both local acute hospitals. The local authority continues to hold risk in both unavoidable delays due to the unavailability of home care and the secondary impact of prioritising the available home care for hospital discharge, meaning increasing risks in the community teams. Support is being provided to the hospitals in whatever way is possible, however being mindful of the financial impact on Dorset Council, if the response is not currently system funded.</p> <p>The financial risk and operating model for hospital discharge will need to be reviewed following receipt and confirmation of national funding arrangements to support discharge to assess. Ending of Hospital Discharge Programme funding (HDP) is expected by 31/3/2022 although it has been extended on 3 previous occasions, it is not expected to be this time. The ending of the funding will mean a change to current operating procedures and the associated performance and financial risks. Transition planning and decisions taken to Dorset ICS Home First Commissioning Board for agreement of interim funding arrangements to support hospital discharge processes to remain as is, pending further Government guidance about national discharge funding.</p>				

Risk325 - Failure to maintain safe levels of Approved Mental Health Professional capacity to fulfil our duties				
Accountable Officer	Direction of Travel	Last Reviewed	Risk Rating	
Corporate Director for Adult Care Operations	New Risk	7 March 2022	High-Level	
			Impact	3
<p>Update - While there is a wider context around a national shortage of Approved Mental Health Professionals (known as AMHPs); workforce planning is taking place locally with an updated approval pathway being in development (which includes pre-AMHP programmes), as well as good Continuous Professional Development (CPD) and quality assurance of practice. However there have been significant workforce impacts from rigidity of agency hours, sickness absence and annual leave. Our staff resilience and wellbeing continue to be a priority.</p> <p>Increase in activity demands into the service is being monitored with an escalation plan in place as well as an updated business contingency plan i.e., there is a system resilience escalation process to inform system partners if there is no AMHP availability. Some areas of service development have been put on hold due to increased activity demands and staffing shortages. Exploration of a sustainable out of hours model and future Approved Mental Health Professional model in Dorset. The increase in activity demands into the service is being monitored with escalation plan in place. A review of key functions alongside risks mitigated with refocussing of AMHP resources from other teams, diversion to weekend working teams of some adult social care enquiries when there is peak demand, overtime and use of agency staff has been necessary to ensure that a service is delivered. Finally, the workforce plan includes recruitment to vacant posts, and this has been reasonably successful though candidates were internal to the council.</p>				

Risk125 - Gap exists between amount of available resource and post-COVID statutory demand				
Accountable Officer	Direction of Travel	Last Reviewed	Risk Rating	
Corporate Director for Commissioning and Corporate Director for Adult Care Operations	Improved	7 March 2022	High-Level	
			Impact	4
<p>Update - Welcome additional short-term Government funding was announced in December and January. Conditions are attached to some of the funding. The area remains a high risk, principally because the serious shortfall in the supply of care, (in relation to demand), is likely to put further upward pressure on prices. Operational and commissioning action is being taken to mitigate and reduce the financial risk. This is overseen by a Savings and Transformation Board which is jointly chaired by Corporate Directors, which track all the savings' plans. The new Dorset Care Framework will help shape the market. The impact of the Hospital Discharge Programme is still having an impact of the financial position of adult social care and so are workforce pressures. A workstream in a separate risk detail that further. The budget for 22/23 has been set, modelled on demand, costs, and forecasts for the year ahead so going to be as accurate as it is possible to be under adult social care variances. The existing controls are summarised as follows:</p> <ul style="list-style-type: none"> • Monthly Savings boards jointly chaired by corporate directors. • Re-establishment of financial control measures, including levels of delegations. • Consistency and proper control of access to council funded services, via hospital and community routes. • Revised peer forum and funding decision process for organisational sign off. <p>The risk mitigation actions are as follows:</p> <ul style="list-style-type: none"> • Closer relationship between commissioning and finance, to give greater visibility on spend and medium to longer term forecasting. • Targeted work with 42 budget holders to support and hold to account in delivery to budget position. • Revision of actions provided to the Our Dorset health and social care system on provision of services for the Hospital Discharge Programme. 				

Risk165 - Capacity, capability and focus within the Adult Social Care workforce is not appropriate to deliver statutory responsibilities and key priorities to an acceptable standard				
Accountable Officer	Direction of Travel	Last Reviewed	Risk Rating	
Corporate Director for Adult Care Operations	Worse	7 March 2022	High-Level	
			Impact	4
			Likelihood	3
<p>Update - Recruitment into all adult social care roles has and continues to be difficult, with a national shortage of some key posts, specifically Approved Mental Health Professionals, Occupational Therapists, and experienced Social Work managers.</p> <p>The significant additional demands resulting from COVID-19, in particular delivering Hospital Discharges, increased safeguarding, Approved Mental Health Professional and Deprivation of Liberty Safeguards referrals have had significant impact on the capacity within adult social care to deliver business as usual alongside the transformation required to deliver improved outcomes for vulnerable people and savings.</p> <p>The hospital discharge COVID requirements have increased the number of people we are commissioning/contracting for across the system. This has impacted upon commissioning and brokerage functions, business intelligence and the finance teams who are required to recording and track cases to claim COVID funding support. For finance, the increase in workload alongside workforce changes and subsequent gaps may be a significant risk to the Council. Work is also progressing on the duties being carried out under Section 117 of the Mental Health Act on behalf of the Dorset Clinical Commissioning Group (CCG) and Continuing Health Care (CHC) arrangements.</p> <p>Controls - A series of clarification and reiteration points has been developed (exceptions work) that will support the workforce and partners in understanding the pressure that adult social care, alongside health, are under during the winter period of 2021-22. Local resilience forums continue, along with escalation and information sharing via system ODG, Bronze, Silver and Gold. Communication work to support suppression of some demand underway but undeveloped currently. Mitigation - Further action needed as winter pressures build. To be tracked at ASC leadership weekly meeting and 3x weekly risk and escalation meetings.</p>				

Adults & Housing – Commissioning

Risk298 - Failure to achieve infection control				
Accountable Officer	Direction of Travel	Last Reviewed	Risk Rating	
Corporate Director for Commissioning	Improving	10 February 2022	High-Level	
			Impact	3
			Likelihood	4
<p>Update - Successful infection control across adult social care in Dorset is achieved through a combination of work by the Council, work by suppliers and care providers, and work in partnership, together with support from the Quality and Improvement team and continuous reminders about basic infection control procedures. One of the main drivers for reducing this risk is Government Regulations and guidance, including the general guidance about working safely in care homes, and the guidance for the management of staff and exposed residents.</p> <p>The Government guidance 'Living with Covid-19' outlines a range of possible futures for the course of the pandemic. All scenarios assume that a more stable position will eventually be reached - but over several years. In the 'reasonable best case' there may be a comparatively small resurgence in infections during autumn/winter 2022-23, and in the 'reasonable worst case' a very large wave of infections with increased levels of severe disease. The 'optimistic central' and 'pessimistic central' scenarios are considered the most likely. The emergence of new variants will be a significant factor in determining the future path of the virus. New variants of COVID-19 will continue to emerge. This could include variants that render vaccines less effective, are resistant to antivirals, or cause more severe disease. The pathway to greater stability will also be affected by vaccination and available treatments. In the meantime, the Government has said it will offer the adult social care sector with the following protections:</p> <ul style="list-style-type: none"> Supporting and encouraging the take-up of vaccines amongst care recipients and staff, including any further doses that may be recommended by JCVI for COVID-19 and other infections. Guidance on precautions for visitors and workers in adult social care; and Providing access to free PPE to the end of March 2023 or until the UK IPC guidance on PPE usage for COVID-19 is amended or superseded (whichever is sooner). <p>As part of living sustainably with COVID-19, by 1 April 2022 the Government will publish updated IPC guidance. This will replace current COVID-19 IPC guidance for care homes, home care and other adult social care services.</p> <p>Mitigation - The impact of the loss of care may be significant and the mitigating actions that are in place are focused on:</p> <ul style="list-style-type: none"> 'myth-busting' work to encourage vaccine take-up examining the legitimate scope of exemptions monitoring the possibility that care home workers who decline a vaccine may be redeployed to help meet the shortage in domiciliary care. <p>A risk assessment is being carried out for each care home, leading to a RAG rating for each home. The RAG rating will depend in part on the number of unvaccinated workers at the care home in relation to the home's overall number of care workers.</p>				

Risk343 - Market failure leads to unsafe and unacceptable levels of unmet need for domiciliary care				
Accountable Officer	Direction of Travel	Last Reviewed	Risk Rating	
Corporate Director for Commissioning and Corporate Director for Adult Social Care	No Change	10 February 2022	Extreme	
			Impact	4 Likelihood 5
<p>Update - A combination of adverse factors has led to a waiting list for domiciliary care packages that people have been assessed as needing in accordance with Care Act 2014 eligibility criteria and/or the mandated hospital discharge policy. The number of people waiting for care varies by the day, but it is a significant number and has been as many as 300 people. Fuller details are provided in this report to the People and Health Scrutiny Committee on 1 November 2021:</p> <p>https://modern.gov.dorsetcouncil.gov.uk/documents/s26424/People%20and%20Health%20Scrutiny%20Committee%20-%20Market%20Sufficiency%20Nov%202021.pdf</p> <p>The adverse factors include:</p> <ul style="list-style-type: none"> - Coronavirus hospital discharge requirements which increased the demand for domiciliary care through more people leaving hospital with higher needs. - high levels of hospital admissions. - The legacy of the particularly buoyant 2021 'summer economy' which drew a proportion of providers' workforces into the hospitality sector. - The impact of social isolation rules/decisions. - A reduced number of workers from EU countries coming to work in Dorset, (Care workers, care assistants and home care workers are now eligible for the Health and Care Visa as a response to pandemic pressures, but it is only valid for 12 months). - Recruitment activities, which have suffered because of the pandemic. <p>This risk is categorised as 'Extreme' because it has crystallised and there is unmet eligible need in Dorset. The issues have affected even our most 'reliable' providers. Lead commissioners are working with all providers to establish what support the Council can offer them. It is clearly in providers' business interests to address the issue and some have been considering significant changes to their business models. Tricuro can offer some capacity in their role as our 'provider of last resort'. However, this impacts on their capacity to provide residential care - itself often a statutory duty.</p> <p>Helpfully, two tranches of workforce recruitment and retention funding were announced by the Government as part of the Winter Plan 2021/22. Dorset has passed this funding directly to the frontline. On 1 March 2022, following a consultation, the Government announced it will revoke the regulations that made vaccines mandatory for social care workers. The new Dorset Care Framework offers the opportunity to develop the capacity and competitiveness of the market over time.</p> <p>Controls - This risk is principally managed through a range of statutory and commissioning frameworks and contracts and through targeted Government funding.</p> <p>The other mitigating actions we are taking with people include:</p> <ul style="list-style-type: none"> - where safe and appropriate, asking whether family members can provide additional support on a temporary basis. - asking people to be flexible about the time that the carer(s) visits. - asking people to be flexible about who the carer is; and - establishing whether the care needs can still be fully met with a reduced number of care visits, on a temporary basis, which allows hours to be offered to people elsewhere. 				

Risk5 - Failure to manage and shape the provider market results in increases in service costs and poor service				
Accountable Officer	Direction of Travel	Last Reviewed	Risk Rating	
Corporate Director for Commissioning	Worse	10 February 2022	High-Level	
			Impact	4 Likelihood 4
<p>Update - High-quality, personalised care and support can only be achieved where there is a vibrant, responsive market of service providers. The role of the council is critical to achieving this through the actions it takes to commission services directly to meet needs. Section 5 of the Care Act 2014 covers the principles which should underpin our market-shaping and commissioning activity. On 16 December 2021 the Government published further detail on the future funding available, including its expectations for fair cost of care and market sustainability, conditions of funding and distribution for 2022 to 2023. This was to enable local authorities to begin preparing local markets for reform. It was followed by a grant determination letter and further guidance in early 2022.</p> <p>Four key activities for preparing our markets include:</p> <ul style="list-style-type: none"> - Cost of care exercise - determining sustainable rates - Engaging with providers to improve data on operational costs / engaging with self-funders to understand the impact of reform on the market - Strengthening capacity for greater market oversight and - Using the additional funding to "genuinely increase fee rates" <p>Work is underway towards achieving all four expectations and meeting the funding requirements, although the timescales are very onerous. In terms of area 1. above, Dorset's cost of care exercise is nearly complete. It highlights that new/forthcoming key cost pressures for providers include food, utilities, and NI contributions.</p>				

Housing

Risk 180 - Increased homeless population			
Accountable Officer	Direction of Travel	Last Reviewed	Risk Rating
Corporate Director for Housing and Community Safety	No Change	7 March 2022	High-Level
			Impact 4 Likelihood 4
<p>Update - The number of homeless approaches is monitored. Levels returned to pre-pandemic levels in summer 2021; Increases were anticipated due to delayed evictions, income loss due to rises in unemployment and the removal £20 Universal Credit top up; Further income pressures due to increases in utility costs will add to these pressures in 2022. Recent data shows a large increase the number of homeless approaches in quarter 4 21/22 and a analysis of causal factors is being monitored. Acquisitions under government initiatives (NSAP and RSAP) and council capital funding have increased the number of placements available for selected cohorts concentrated of rough sleepers. Work with the council property and assets service and social landlord continues to identify opportunities to increase the number properties available for placements through acquisitions or repurposing. Placements into bed and breakfast accommodation increased because of the pandemic 'Everyone In' initiative and remains high. A lack of suitable alternatives has meant placement of families with children into bed and breakfast has been unavoidable. A new plan to exit bed and breakfast has been developed with Department for Levelling Up, Housing and Communities (known as DLUHC). Internal re-design of processes, a refresh of housing web pages and the introduction of new software aims to provide a simpler process for households to access support. Work continues to provide additional self-accessed support and guidance for homeless households and those at risk of homelessness. Additional homeless prevention resources are included in the internal housing service restructure to reduce the number of homeless accommodation placements and will be in place for July 2022. Advice and guidance are also available within the community e.g., Citizens Advice Bureau and Race Equality group. Where people become homeless who are not eligible for service and this should be considered as part of wider community strategy in partnership with all community and voluntary agencies. Clear engagement work required with relevant agencies to support this cohort.</p> <p>Controls - Regular monitoring of trends. Advice and guidance available within the community and via website. Support to complete residency available at CAB and Race Equality group. Should additional people then become homeless they are not eligible for service and this should be considered as part of wider community strategy in partnership with all community and voluntary agencies. Clear engagement work required with relevant agencies to support this cohort. .</p>			

Risk Management Update Report
Children's Services Directorate

Extreme and High-level Risks

As of 9 March 2022

Children's Services

Extreme Risks

Schools and Learning	EXTREME	<p>Schools and Learning</p> <p>Risk 272 - Failure to stabilise the budget for the High Needs Block - Accountable Officer - Corporate Director for Education & Learning (Impact 5 Likelihood 5)</p>
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High-Level Risks

HIGH-LEVEL	<p>Children's Care & Protection</p> <p>Risk 104 - A lack of sufficiency and resilience (placements/residential/foster care) impacts negatively on the demands led budget for children in care - Accountable Officer - Assistant Director for Care & Protection (Impact 4 Likelihood 4)</p> <p>Risk 105 - Failure to keep children safe that are known to, or in the care of, Dorset Council - Accountable Officer - Assistant Director for Care & Protection (Impact 4 Likelihood 3)</p> <p>Risk 106 - Failure to understand and respond to the changing nature of exploitation results in a safeguarding failure - Accountable Officer - Corporate Director for Care & Protection (Impact 4 Likelihood 3)</p> <p>Risk 107 - Inadequate evidence base (including Partnership data) to determine service need for children's care and protection - Accountable Officer - Corporate Director for Care & Protection (Impact 4 Likelihood 3)</p> <p>Commissioning & Partnerships</p> <p>Risk 277 - Insufficient availability of local placements and supported accommodation to meet local needs - Accountable Officer - Corporate Director for Commissioning & Partnerships (Impact 3 Likelihood 4)</p> <p>Risk 278 - Major safeguarding failure by placement providers - Accountable Officer - Corporate Director for Commissioning & Partnerships (Impact 4 Likelihood 3)</p>
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Management Update

Children's Care & Protection

Risk104 - A lack of sufficiency and resilience (placements/residential/foster care) impacts negatively on the demands led budget for children in care						
Accountable Officer	Direction of Travel	Last Reviewed	Risk Rating			
Corporate Director for Care & Protection	No Change	4 January 2022	HIGH-LEVEL			
			Impact	4	Likelihood	4
<p>Update - Response: Ensuring sufficient local placements for our children in care, closer to their families and communities, is a priority within our Strengthening Services for Children and Families Plan. We are continuing focused initiatives to further enhance our campaigns to promote Foster Care in Dorset, this has included social media and radio campaigns. We have an active group of Foster Carers and a recently formed Foster Carers association who are continually helping us to shape our services and support. We are also continuing to deliver our Looked After Children Reduction Strategy. This strategy explicitly states our commitment to reducing the number of children in our care.</p> <p>Controls - Early help strategy; Commissioning strategy for placements; performance management; prevention is a priority within the Children Families & Young Peoples plan ensuring partner engagement; budgetary controls, monthly tracking and performance meetings and continued progress through the Strengthening Services plan.</p> <ul style="list-style-type: none"> Sufficiency strategy to understand need and identify plans for increasing sufficiency Strengthening Fostering service improvement board Improvements in Care Planning 						

Risk105 - Failure to keep children safe that are known to, or in the care of, Dorset Council						
Accountable Officer	Direction of Travel	Last Reviewed	Risk Rating			
Assistant Director for Care & Protection	No Change	8 December 2021	HIGH-LEVEL			
			Impact	4	Likelihood	3
<p>Update - We are continuing work to further strengthen practice and services through our Strengthening Services for Children and Families Programme.</p> <p>Current Controls: Participation in sector improvement programme, self-assessment processes, improvement plans; Supervision processes; case file audits; performance management with report to CSLT/Safeguarding Overview and Scrutiny Committee; policies and process continuous improvement; case audits by peer groups/senior managers.</p>						

Risk106 - Failure to understand and respond to the changing nature of exploitation results in a safeguarding failure						
Accountable Officer	Direction of Travel	Last Reviewed	Risk Rating			
Corporate Director for Care & Protection	No Change	8 December 2021	HIGH-LEVEL			
			Impact	4	Likelihood	3
<p>Update - Our new Pan-Dorset Safeguarding Partnership arrangements are now in place including the appointment of a highly regarded and experienced chair as Independent Scrutineer. We, along with partners across Dorset have published our new Child Exploitation Strategy 2020-2022 setting out how together we will ensure an effective and coordinated response to children and young people at risk of, or linked to exploitation, identifying potential risk early to reduce risk and harm.</p> <p>Multi-agency strategy agreed and tactical group in place to oversee this work.</p> <p>Multi-agency tactical group meeting is held regularly to understand and share intelligence on exploitation locally.</p>						

Risk107 - Inadequate evidence base (including Partnership data) to determine service need for children's care and protection						
Accountable Officer	Direction of Travel	Last Reviewed	Risk Rating			
Corporate Director for Care & Protection	No Change	9 December 2021	HIGH-LEVEL			
			Impact	4	Likelihood	3
<p>Update - We are undertaking significant work to further strengthen practice and services through our Strengthening Services for Children and Families Programme. The developments in Business Intelligence are supporting us to understand and model service need and we will continue to develop this approach.</p> <p>Controls</p> <ul style="list-style-type: none"> Business Intelligence Team is improving the approach to collection and sharing information Joint Strategic Needs Assessment completed <p>Mitigation</p> <ul style="list-style-type: none"> We are undertaking significant work to further strengthen practice and services through our Strengthening Services for Children and Families Programme 						

- The developments in Business Intelligence are supporting us to understand and model service need and we will continue to develop this approach

Commissioning & Partnerships

Risk277 - Insufficient availability of local placements and supported accommodation to meet local needs.				
Accountable Officer	Direction of Travel	Last Reviewed	Risk Rating	
Corporate Director for Commissioning & Partnerships	No Change	8 March 2022	HIGH-LEVEL	
			Impact	3 Likelihood 4
<p>Update - Ensuring sufficient local placements for our children in care closer to their families and communities and ensuring sufficient accommodation options for young people leaving care and other vulnerable young people is a priority within our Strengthening Services for Children and Families Plan. We have developed and published the Dorset Young People's Protocol between Housing and Children's Services, this is a joint protocol that describes how Housing and Children's Services will work together jointly to address the needs of 16- and 17-year-olds. The placement sufficiency strategy was approved by Cabinet in January 2021 and is a 3-year plan for delivery of additional placements. Although there is increased local investment and plans in place to address long-term sufficiency, there remains several national challenges having an impact on sufficiency. These include quality concerns identified by Ofsted resulting in the restriction of new admissions in multiple settings, lack of sufficient availability of crisis mental health support including Tier 4 mental health beds, lack of secure welfare accommodation. Progress is now being made on the development of the new build children's homes and these are expected to be ready in April 2022. In addition, plans are in place for registration of additional provision of DC owned premises, however the availability of local placements remains a challenge. There remain delays in developing the care leaver accommodation in Weymouth; however, we expect this to be open in August 2022. We will be retendering for a supported accommodation framework later in the year.</p> <p>Controls</p> <ul style="list-style-type: none"> Development of local provision internally through the building of new children's residential provision. Development of local provision internally through the repurposing of existing council premises for the provision of residential care. Working with external providers to encourage the opening of new provision locally through offering lease arrangements on DC buildings. Working with external providers to encourage the opening of new provision locally through sharing local intelligence on needs and supporting registration and consideration of block contracts where appropriate. Developing our in-house fostering provision - increasing the timeliness of assessment and the quality of support. Working with health colleagues to implement new models of crisis care for children experiencing poor mental health <p>Mitigation</p> <ul style="list-style-type: none"> Planning permission has been secured to build additional local residential provision. The placement sufficiency strategy was approved by Cabinet in January 2021 and is a 3-year plan for delivery of additional placements. Market engagement and tendering activity has taken place to attempt to secure additional children's homes places, better access to local independent fostering agencies, and to bring supported accommodation into line with the incoming regulatory framework. 				

Risk278 - Major safeguarding failure by placement providers				
Accountable Officer	Direction of Travel	Last Reviewed	Risk Rating	
Corporate Director for Commissioning & Partnerships	No Change	31 December 2021	HIGH-LEVEL	
			Impact	4 Likelihood 3
<p>Update - Regular contract management is in place as part of regional and local frameworks. Due diligence on providers takes place prior to making a placement through checking of Ofsted reports and location risk assessments. We have appointed a QA officer to work with operational services to identify early warning signs that can be addressed with providers. Ofsted Assurance visits have increased and are identifying poor practice. Controls and Mitigation</p> <ul style="list-style-type: none"> Due diligence checks prior to making placements Regular contract review meetings Visits by social workers, IROs and other professionals QA of Reg 44 visits Monitoring of Ofsted assurance visit reports and notifications of restrictions and closures 				

Schools & Learning

Risk272 - Failure to stabilise the budget for the High Needs Block				
Accountable Officer	Direction of Travel	Last Reviewed	Risk Rating	
Corporate Director for Schools & Learning	Worse	4 January 2022	EXTREME	
			Impact	5 Likelihood 5
<p>Update - Response: Failure to stabilise the pressures in the HNB budget will result in a further increase in the deficit in the DSG and could potentially affect the Council's financial position. Work is being undertaken to move to early intervention and support for families across Dorset; to identify pupil needs earlier so that remedial support can be put in place quickly and thus try to stop expensive support later; to create specialist support in all schools and highly specialist support in local schools to reduce the need for pupils to be placed in the independent sector. Control and Mitigation - Work is being undertaken to move to early intervention and support for families across Dorset; to create specialist support in all schools and highly specialist support in local schools to reduce the need for pupils to be placed in the</p>				

Risk Management Update Report

Corporate Services

Extreme and High-level Risks

As of 9 March 2022

Corporate Services

Extreme Risks

EXTREME

Risk 286 - Loss of ICT service or data through a cyber-attack - Accountable Officer - Head of ICT Operations
(Impact 5 Likelihood 5)

Risk 348 - There is a business continuity risk from delayed ICT recovery after a disruption such as a power failure - Accountable Officer - Head of ICT Operations
(Impact 5 Likelihood 4)

High-Level Risks

HIGH-LEVEL

Finance

Risk 345 - There is a risk that DC will not comply with the Procurement Regulations (UK Law) or Contract Procedure Rules if business areas fail to seek advice from, or have early engagement with, the Commercial & Procurement Team - Accountable Officer - Service Manager for Commercial & Procurement
(Impact 3 Likelihood 4)

Risk 346 - There is a risk that DC will not attain best value through procurement activity and effective contract management if business areas fail to seek advice from, or have early engagement with, the Commercial & Procurement Team - Accountable Officer - Service Manager for Commercial & Procurement
(Impact 3 Likelihood 4)

Human Resources & Organisational Development

Risk 359 - There is a risk that Schools will cease buying DC HR services, leading to a reduction in income into service and associated impact on service delivery from the wider service - Accountable Officer - Service Manager for HR Operations
(Impact 4 Likelihood 3)

Risk 349 - There is a risk that the HR Manager Self-Service model is inconsistently applied across the council by managers - Accountable Officer - Service Manager for HR Operations
(Impact 3 Likelihood 5)

Risk 358 - There is a risk that the review of terms and conditions may impact on the retention of key skills within the council - Accountable Officer - Corporate Director for Human Resources
(Impact 4 Likelihood 3)

Legal & Democratic Services

Risk 212 - Inadequate information governance culture and framework and culture (policy; training; monitoring etc) results in a significant data breach - Accountable Officer - Service Manager for Assurance
(Impact 3 Likelihood 4)

Risk 388 - Information Compliance - Insufficient uptake of data protection training and inadequate awareness of statutory obligations - Accountable Officer - Service Manager for Assurance
(Impact 3 Likelihood 5)

Risk 393 - Information Compliance - Inadequate "data protection by design and default" culture and processes - Accountable Officer - Service Manager for Assurance
(Impact 4 Likelihood 3)

Business Insight & Corporate Communication

Risk 317 - Policy work slower than required (Chief Exec's) - Accountable Officer - Head of Chief Exec's Office
(Impact 3 Likelihood 4)

Risk 344 - There is a risk that teams/services/directorates breach the Equality Act 2010 by failing to assess the impact of service changes, new policies, and projects on people with protected characteristics - Accountable Officer – Senior Leadership Team
(Impact 3 Likelihood 4)

Risk 316 - Value for money work doesn't progress (Chief Exec's) - Accountable Officer - Head of Chief Exec's Office
(Impact 3 Likelihood 4)

Risk 314 - Lack of ability to focus on core campaigns (Comms) - Accountable Officer - Chief Executive and Service Manager for Communications and Engagement
(Impact 3 Likelihood 4)

Risk 315 - Burn out of team members due to volume of work (Comms and Chief Exec's) - Accountable Officer – Head of Chief Exec's Office, Service Manager for Communications and Engagement and Service Manager for Business Intelligence and Performance
(Impact 3 Likelihood 4)

Digital & Change

Risk 326 - Failure to deliver savings from transformation - The efficiency and savings programme and associated the transformation programme are not delivered including the failure to deliver financial savings - Accountable Officer - Corporate Director - Digital & Change
(Impact 4 Likelihood 3)

HIGH-LEVEL

Corporate Management Team

Risk 385 - Failure to deliver the medium-term financial plan leads to service cuts - Accountable Officer - Corporate Service Management Team
(Impact 5 Likelihood 3)

Risk 377 - Failure to understand the impact of government policy changes on future service delivery - Accountable Officer - Corporate Service Management Team
(Impact 4 Likelihood 4)

Risk 378 - Failure to inspire a future generation of political leaders - Accountable Officer - Corporate Service Management Team
(Impact 5 Likelihood 3)

Risk 379 - Conflict between delivering aspirations from the Council plan and ongoing Covid response demands - Accountable Officer - Corporate Service Management Team
(Impact 4 Likelihood 4)

HIGH-LEVEL

Management Update

Finance and Commercial

Risk345 - There is a risk that DC will not comply with the Procurement Regulations (UK Law) or Contract Procedure Rules if business areas fail to seek advice from, or have early engagement with, the Commercial & Procurement Team						
Accountable Officer	Direction of Travel	Last Reviewed	Risk Rating			
Service Manager for Commercial & Procurement	No Change	18 July 2021	High-Level			
			Impact	3	Likelihood	4
Controls - Communication about the role of the commercial and procurement team is in development. Lead and development of the Commercialisation Programme (Being more commercially minded). Procurement Forward Plan. The programme will expand existing training and develop new offers to include on-line modules / resources within the Learning Hub - Commercially Minded.						

Risk346 - There is a risk that DC will not attain best value through procurement activity and effective contract management if business areas fail to seek advice from, or have early engagement with, the Commercial & Procurement Team.						
Accountable Officer	Direction of Travel	Last Reviewed	Risk Rating			
Service Manager for Commercial & Procurement	No Change	19 July 2021	High-Level			
			Impact	3	Likelihood	4
Controls - Communication about the role of the commercial and procurement team is in development. Lead and development of the Commercialisation Programme (Being more commercially minded). Procurement Forward Plan. The programme will expand existing training and develop new offers to include on-line modules / resources within the Learning Hub - Commercially Minded.						

HR and OD

Risk359 - There is a risk that Schools will cease buying DC HR services, leading to a reduction in income into service and associated impact on service delivery from the wider service.						
Accountable Officer	Direction of Travel	Last Reviewed	Risk Rating			
Service Manager for HR Operations	No Change	27 July 2021	High-Level			
			Impact	4	Likelihood	3
Update - Will impact on our ability to continue to fund services delivered to DC, due to c£400k of income underpinning costs of resources in teams/roles supporting DC services. Continued increase in large MAT's, in line with Govt direction, increases likelihood that schools will convert to larger MAT's, where direct employment of HR resources is more viable/common, resulting in schools ceasing to buy into DC HR Services.						
Controls - Continued focus on service improvement and promotion of DC HR Services, including added value offered as being part of LA and specialists in supporting educational settings with people management matters .						

Risk349 - There is a risk that the HR Manager Self-Service model is inconsistently applied across the council by managers						
Accountable Officer	Direction of Travel	Last Reviewed	Risk Rating			
Service Manager for HR Operations	No Change	17 August 2021	High-Level			
			Impact	3	Likelihood	5
Update - Will impact on individual and collective decision making leading to a range of impacts from administrative errors to lengthy and expensive employee relations disputes - Lack of clarity a round role of managers in dealing with people management matters and willingness of managers to engage in this way of working, potentially influenced by experience or lack of confidence in dealing with people management matters.						
Controls Monitoring of volume of managers working outside of current self-service model, with escalation of any patterns or areas of concern. Work underway to introduce improvements to systems and process (i.e., DES, Recruit) to simplify common tasks performed by managers .						

Risk358 - There is a risk that the review of terms and conditions may impact on the retention of key skills within the council.						
Accountable Officer	Direction of Travel	Last Reviewed	Risk Rating			
Corporate Director for Human Resources	No Change	27 July 2021	High-Level			
			Impact	4	Likelihood	3
Update - Without incurring significant additional cost to the council, it will be difficult to introduce a set of terms and conditions for all employees that will not see any reduction in terms in some areas, which may lead to employees deciding to leave the council (i.e., potential reduction in annual leave for Social Workers).						

Controls - Engagement with directorate leads to understand the potential impact of changes to terms and conditions on different elements of the workforce. Early engagement with TUs. Full consideration of different implementation options.

ICT Operations

Risk286 - Loss of ICT service or data through a cyber-attack				
Accountable Officer	Direction of Travel	Last Reviewed	Risk Rating	
Head of ICT Operations	No Change	16 September 2021	Extreme	
			Impact	5
			Likelihood	5
<p>Update - Countermeasures for this risk can be split into 2 categories, Likelihood reduction and Impact reduction.</p> <p>Likelihood reduction: Reducing the likelihood of an attack requires multiple layers of protection around the infrastructure and staff accounts. This is known as the 'defence in depth' principle.</p> <p>Implemented mitigations: Phishing/Social Engineering – Around 80% of successful attacks are caused by successful phishing attacks. This would usually be staff being tricked into providing their username and password or downloading malicious software to their work computer. Cyber Security awareness training helps staff identify fraudulent emails and phone calls and reduces the likelihood of being tricked into this type of attack. This control is in place and needs maturing.</p> <p>Multifactor Authentication – Multifactor authentication is a technical control that requires staff to provide additional information to log into a system. This helps protect accounts from compromise even if the username and password is known. This reduces the likelihood of complete account compromise in some situations even where the account password is known.</p> <p>Conditional Access – Only allows account access if certain conditions are met. Defines when multifactor is required to log in.</p> <p>Vulnerability Management – identifies vulnerabilities in technology. Reduces likelihood by enabling ICT Operations to proactively resolve vulnerabilities before they are exploited in an attack.</p> <p>Further planned impact reduction mitigations:</p> <ul style="list-style-type: none"> Security Event and Incident Management (SEIM) – Assists with the detection of an attack or a breach. Can reduce the impact of a breach by detecting it earlier. This capability is being installed. Immutable backup – This is a 'backup of last resort' and is specifically intended to provide a countermeasure to a ransomware attack. Immutable backups provide a read only copy of data that would be difficult to compromise during a ransomware attack and would enable the Council to recover data if primary systems had been compromised. <p>The longer a vulnerability, cyber-attack or breach is left uncontrolled the more damage can be done. Permanent total data loss, Citizen data released on the internet, blackmail. Data gathered can be used by the threat actors to launch social engineering attacks on the residents of Dorset with information stolen from the Council. Application rationalisation (Likelihood) will reduce the total number of vulnerabilities in the infrastructure therefore reducing the attack surface of the council. Target score is 12 with optimal controls in place.</p> <p>Controls</p> <ul style="list-style-type: none"> Cyber Awareness Training (Likelihood) – Awareness training is provided using a 3rd party service and includes content on phishing activities. The product also runs a automated phishing simulation emails to all staff and provides reports indicating susceptibility to phishing emails over time. Conditional Access (Likelihood) – Conditional Access technologies are in place to protect staff account identities. Conditional Access has been implemented, Vulnerability Management (Likelihood) – Capabilities have been implemented and are being matured. Security Event and Incident Management (Impact) - Capabilities have been implemented and are being matured. 				

Risk348 - There is a business continuity risk from delayed ICT recovery after a disruption such as a power failure.				
Accountable Officer	Direction of Travel	Last Reviewed	Risk Rating	
Head of ICT Operations	No Change	19 July 2021	Extreme	
			Impact	5
			Likelihood	4
<p>Update - Inadequate ICT service continuity capabilities, planning, training, and testing results in delayed ability to recover ICT services supporting critical business functions in the event of a disruption.</p> <p>Controls - People - Current counter measures are based on the experience and previous procedures used in the former DCC. Whilst these procedures were effective, they have not been updated for Dorset Council. The principles will work however some of the specific details will be out of date. Current technology convergence makes baselining and testing impractical.</p>				

Legal & Democratic Services

Risk212 - Inadequate information governance culture and framework and culture (policy; training; monitoring etc) results in a significant data breach				
Accountable Officer	Direction of Travel	Last Reviewed	Risk Rating	
Service Manager for Assurance	No Change	8 March 2022	High-Level	
			Impact	3
			Likelihood	4
<p>Update - The Shaping Dorset Council programme included a workstream on information governance to ensure that key policies and processes were harmonised, which has transformed into an Information Governance working group since 1 April, chaired by the Senior Information Risk Officer. The Information Compliance team are formulating an action plan, which will be owned by the board. Capacity in the information compliance team has been challenging, with team resources focussed on "firefighting" Freedom of Information; Subject Access Requests and Data Breaches, leaving limited time to move forward strategic information governance improvements. A business case to increase capacity was approved by SLT and recruitment is underway (initial recruitment campaign was only partially successful). A fully resourced team will be able to provide greater focus on strategic information compliance issues.</p> <p>Controls - Portfolio of information governance policies, GDPR training, Information Governance Group, and Information Governance Action Plan</p> <p>Mitigation - Additional resourcing to be recruited, following approval of business case</p>				

Risk388 - Information Compliance - Insufficient uptake of data protection training and inadequate awareness of statutory obligations				
Accountable Officer	Direction of Travel	Last Reviewed	Risk Rating	
Service Manager for Assurance	No Change	8 March 2022	High-Level	
			Impact	3
			Likelihood	5
<p>Update - The mandatory data protection eLearning module was revised in early 2021. As of March 22, completion levels remain disappointing. Managers can monitor completion rates within their teams via the learning portal.</p> <p>Completion of data protection training is one of the KPIs included within monthly performance monitoring, owned by the HR & OD team</p>				

Risk393 - Information Compliance - Inadequate "data protection by design and default" culture and processes				
Accountable Officer	Direction of Travel	Last Reviewed	Risk Rating	
Service Manager for Assurance	No Change	10 December 2021	High-Level	
			Impact	3
			Likelihood	4
Update - Work is necessary to embed a culture of Data Privacy Impact Assessments for any transformational change proposals				

Business Insight & Corporate Communication

Risk317 - Policy work slower than required (Chief Exec's)				
Accountable Officer	Direction of Travel	Last Reviewed	Risk Rating	
Head of Chief Exec's Office	No Change	11 May 2021	High-Level	
			Impact	3
			Likelihood	4
Update - Resource issues. Results in lack of corporate oversight of key council policies, horizon scanning and funding opportunities				

Risk344 - There is a risk that teams/services/directorates breach the Equality Act 2010 by failing to assess the impact of service changes, new policies, and projects on people with protected characteristics				
Accountable Officer	Direction of Travel	Last Reviewed	Risk Rating	
Senior Leadership Team	No Change	19 July 2021	High-Level	
			Impact	3
			Likelihood	4
<p>Update - This is a risk because a) we are going through a period of significant service change and transformation b) understanding of equality legislation is inconsistent across the workforce and c) we are implementing a new process for assessing equality impacts. The risk is of a successful judicial review resulting in financial penalties and reputational damage</p> <p>Information Governance Action Plan</p> <p>Controls - EDI training is mandatory for all employees</p> <p>Mitigation - Additional resourcing to be recruited, following approval of business case</p>				

Risk316 - Value for money work doesn't progress (Chief Exec's)				
Accountable Officer	Direction of Travel	Last Reviewed	Risk Rating	

Head of Chief Exec's Office	No Change	11 May 2021	High-Level			
			Impact	3	Likelihood	4
Update - Resource issues to deliver the work now. May result in lack of focus on areas where we are not delivering value for money - Currently discussing whether SWAP may be able to provide some resource - Investigate other resourcing options.						

Risk314 - Lack of ability to focus on core campaigns (Comms)						
Accountable Officer	Direction of Travel	Last Reviewed	Risk Rating			
Chief Executive and Service Manager for Communications and Engagement	No Change	11 May 2021	High-Level			
			Impact	3	Likelihood	4
Update - Reactive, responses constantly required throughout the pandemic resulting in inability to resource full range of campaigns to support council priorities - Weekly (and sometimes daily) work prioritisation - Work with the team to identify workable solutions e.g., splitting reactive and proactive work to specific individuals.						

Risk315 - Burn out of team members due to volume of work (Comms and Chief Exec's)						
Accountable Officer	Direction of Travel	Last Reviewed	Risk Rating			
Head of Chief Exec's Office; Service Manager for Business Intelligence and Performance; Service Manager for Communications and Engagement	No Change	11 May 2021	High-Level			
			Impact	3	Likelihood	4
Update - During pandemic response, both teams have been working above and beyond and there is a danger that this becomes normalised - Supporting colleagues and signposting them to support tools that the council provides, encouraging people to take leave - Be clearer with colleagues in frontline services about what we can and can't do. Work with them to prioritise key activity.						

Digital & Change

Risk326 - Failure to deliver savings from transformation - The efficiency and savings programme and associated the transformation programme are not delivered including the failure to deliver financial savings.						
Accountable Officer	Direction of Travel	Last Reviewed	Risk Rating			
Corporate Director - Digital & Change	No Change	17 May 2021	High-Level			
			Impact	4	Likelihood	3
Update - Transformation Programme in place focussed on delivering agreed financial targets. Financial monitoring arrangements strengthened and integrated into budgetary control. Governance arrangements in place to report and monitor the realisation of savings. Review of financial forecasts at MTFP - effective project management to realise savings and ensure appropriate staffing levels within projects. Control - Treat – continue with the activity and bring the risk to an acceptable level						

Corporate Management Team

Risk385 - Failure to deliver the medium-term financial plan leads to service cuts						
Accountable Officer	Direction of Travel	Last Reviewed	Risk Rating			
Corporate Service Management Team	New Risk	24 November 2021	High-Level			
			Impact	5	Likelihood	3

Risk377 - Failure to understand the impact of government policy changes on future service delivery						
Accountable Officer	Direction of Travel	Last Reviewed	Risk Rating			
Senior Leadership Team	New Risk	11 November 2021	High-Level			
			Impact	4	Likelihood	4
Update - Identified by CSLT 13 September 2021 – Controls; Continue to work closely with MPs, continue monitoring all government consultations, develop relationships with Peers living in Dorset, and Engage with CCN's Policy and Strategy Group						

Risk378 - Failure to inspire a future generation of political leaders						
Accountable Officer	Direction of Travel	Last Reviewed	Risk Rating			
Senior Leadership Team	New Risk	11 November 2021	High-Level			
			Impact	5	Likelihood	3
Update - Identified by CSLT 13 September 2021						

Risk379 - Conflict between delivering aspirations from the Council plan and ongoing Covid response demands						
Accountable Officer	Direction of Travel	Last Reviewed	Risk Rating			
Senior Leadership Team	New Risk	11 November 2021	High-Level			
			Impact	4	Likelihood	4
Update - Needs discussion and refinement at SLT						

Risk Management **Update Report**

Place Directorate

Extreme and High-level Risks

April 2022

Place

Extreme Risks

Waste Commercial and Strategy

EXTREME

Risk 381 - Cost of contracted services (HRCs operation, transportation) increases when retendered
- Accountable Officer - Head of Commercial Waste and Strategy
(Impact 5 Likelihood 4)

High-Level Risks

ASSETS & PROPERTY

Risk 201 - Climate change effects on sea level rise and uncertainty could lead to low lying areas such as Weymouth being uneconomic to defend - Accountable Officer - Service Manager for Major Projects

(Impact 4 Likelihood 3)

Risk 138 - Breach of health and safety at an occupied premise - Accountable Officer - Head of Assets & Property

(Impact 4 Likelihood 3)

Economy Infrastructure and Growth – DORSET TRAVEL

Risk 362 - LOSS OF STRATEGIC PUBLIC ROUTE Loss/severe reduction of key public transport route(s) - e.g., no longer commercially viable, change to bus operator strategic direction - now made worse by COVID - Accountable Officer - Service Manager for Travel Operations

(Impact 3 Likelihood 4)

Risk 364 - OVERHANGING TREES Unviability of school bus routes caused by failure to cut back overhanging trees and vegetation (e.g., those operated by First Wessex and others) - Accountable Officer - Service Manager for Travel Operations

(Impact 3 Likelihood 4)

Risk 365 - MARKET FORCES Failure to understand and influence factors affecting DCs spend on contracted-out transport services - resulting in significant overspend - Accountable Officer - Service Manager for Travel Operations

(Impact 3 Likelihood 4)

Economy Infrastructure and Growth – HIGHWAYS

Risk 84 - Failure to deliver a safe and suitable alternative to the current arrangements for Wareham Level Crossing - Accountable Officer - Service Manager for Infrastructure & Assets

(Impact 4 Likelihood 4)

HIGH-LEVEL

Risk 73 - Failure to attract funding for asset maintenance - Accountable Officer - Service Manager for Infrastructure & Assets
(Impact 4 Likelihood 3)

Risk 292 - Winter Service budget pressures - Accountable Officer - Service Manager for Network Operations
(Impact 4 Likelihood 3)

Risk 63 - Inability to maintain the highways infrastructure to an acceptable standard in the face of changing circumstances (e.g., budget reductions, climate change) - Accountable Officer - Service Manager for Network Operations
(Impact 4 Likelihood 3)

Economy Infrastructure and Growth – PLANNING

Risk 141 - Changes to national planning policy led to delays to prep of the Local Plan Review - Accountable Officer - Head of Planning
(Impact 4 Likelihood 3)

Risk 194 - Lack of five-year housing land supply, or failure to meet Housing Delivery Test, means that policies are considered out of date and there is risk of having to allow more applications and of losing planning appeals - Accountable Officer - Service Manager for Spatial Planning
(Impact 3 Likelihood 4)

GROWTH & ECONOMIC REGENERATION

Risk 228 - Changing funding landscape and ability to secure investment funding for Dorset - Accountable Officer - Service Manager for Growth & Economic Regeneration
(Impact 3 Likelihood 4)

Risk 231 - Securing sufficient and appropriate skills and resources through restructuring of service to deliver DC economic growth strategy - Accountable Officer - Service Manager for Growth & Economic Regeneration
(Impact 4 Likelihood 3)

Management Team

Risk 375 - Gap exists between amount of available resource and ability to deliver statutory demand - Accountable Officer - Place Management Team
(Impact 4 Likelihood 3)

Risk 373 - An inability to recruit into key / critical posts - Accountable Officer - Place Management Team
(Impact 3 Likelihood 4)

Commercial Waste & Strategy

Risk 293 - Failure to secure capital to develop and maintain waste infrastructure - Accountable Officer - Head of Commercial Waste and Strategy
(Impact 4 Likelihood 3)

Risk 382 - Change of regulations leads to higher cost of waste treatment - Accountable Officer - Head of Commercial Waste and Strategy
(Impact 4 Likelihood 4)

Risk 208 - Gaining sites and planning to provide infrastructure leads to failure to deliver service - Accountable Officer - Head of Commercial Waste and Strategy
(Impact 4 Likelihood 4)

Risk 209 - Change of government policy through the new DEFRA national waste strategy could impact what, and how, waste is collected and increasing costs - Accountable Officer - Head of Commercial Waste and Strategy
(Impact 4 Likelihood 3)

Risk 211 - Failure to maintain high recycling and therefore waste diverted to more expensive disposal - Accountable Officer - Head of Commercial Waste and Strategy
(Impact 4 Likelihood 3)

Place Based Services – WASTE & OPERATIONS

Risk 62 - Traffic Commissioner Revoking, Curtailing, Suspending or Restricting DCC's Operators Licence (Goods and/or Passenger Carrying Operators Licence) - Accountable Officer - Head of Waste & Operations
(Impact 4 Likelihood 3)

Risk 83 - PUWER Regulations - non-compliance of PUWER Regulations (H&S Provision and Use of Work Equipment Regulations 1998) - Accountable Officer - Head of Waste & Operations
(Impact 4 Likelihood 4)

HIGH-LEVEL

Management Update

ASSETS & PROPERTY

Engineering & Special Projects

Risk201 - Climate change effects on sea level rise and uncertainty could lead to low lying areas such as Weymouth being uneconomic to defend						
Accountable Officer	Direction of Travel	Last Reviewed	Risk Rating			
Service Manager for Engineering & Special Projects	Improving Risk	9 December 2021	High-Level			
			Impact	4	Likelihood	3
Update - Latest inter-governmental guidance is used when designing coast defences, design life of 50 years. Shoreline Management plan review – agree to use managed realignment of coastline in areas. May have to design coastal defences for 100 years life and accept increased costs of doing so. May have to relocate coastal communities. Work with, not against, nature. Further bids to Defra and others to increase funding above EA thresholds for erosion management and flood defence works. 100-year plan being developed for Weymouth in conjunction with Environmental agency. Controls - Use latest inter-governmental guidance when designing coast defences, design life of 50 years. Shoreline Management plan review						

Risk138 - Breach of health and safety at an occupied premise (Directorate Duty Holder)						
Accountable Officer	Direction of Travel	Last Reviewed	Risk Rating			
Head of Assets & Property	No Change	9 December 2021	High-Level			
			Impact	4	Likelihood	3
Update - Many sites now have a nominated Premises Responsible Person. However, restructuring of services and a doption of Corporate Landlord model has reduced local understanding of the Directorate Duty Holder Strategy. The strategy is ratified and DDH nominees have been identified. Grenfell Tower fire has implicated the need for a review of fire safety and specific review of individual property risks. Comply with DCLG/DFES requests for information/ complete our own fire risk reviews additionally and implement actions arising.						

Economy Infrastructure and Growth – DORSET TRAVEL

Risk362 - ADULT SAFEGUARDING Major safeguarding incident arises on adult transport due to lack of supervision						
Accountable Officer	Direction of Travel	Last Reviewed	Risk Rating			
Service Manager for Travel Operations	New Risk	8 March 2022	High-Level			
			Impact	3	Likelihood	4
Update - Providing revenue support to a public route beyond our current position would have significant financial implications – not just for one route, but for others in the network. This would need careful consideration and support from Cabinet. National Bus Strategy project has raised the profile and commitment to public transport in Dorset, so should lower the risk of sudden loss of routes. Slow recovery from COVID. a lack of confidence in public transport and reduction in government funding support is making it difficult for operators to maintain service levels at pre COVID frequencies.						
Government have agreed to extend the Bus Recovery Grant for a nother 6 months which is welcome. Provision of interim financial support (COVID emergency funds or de minimis payments). No available transport for children, so they can't get to school (if using this route); General public can't get to employment or key services; Financial cost if we must support continuation of the route; Reputational damage to the Council if we fail to react. Long lasting impact of COVID has meant passenger numbers are not recovering very quickly, which in tum may result in lower frequency or complete loss of some routes. Control - Lobbying government for more funding support for bus companies - through ATCO and through Portfolio Holder.						
Provision of interim financial support (COVID emergency funds or de minimis payments) - Mitigation - Seek out sources of additional developer funding that may support the route, Tender route through Dynamic Purchasing System (DPS), Explore options to increase operator re-imburement rate for ENCTS, work closely with operator and other key stakeholders to assess possible options						

Risk364 - OVERHANGING TREES Unviability of school bus routes caused by failure to cut back overhanging trees and vegetation (e.g., those operated by First Wessex and others)						
Accountable Officer	Direction of Travel	Last Reviewed	Risk Rating			
Service Manager for Travel Operations	New Risk	8 March 2022	High-Level			
			Impact	3	Likelihood	4
Update - Other bus companies are also experiencing problems on routes - Yellow Bus and Damory. The Arb team have a backlog of 300 incidents to deal with. Recent storms have made matters worse. Some work has started in West Dorset to address tree issues in Netherbury area this week, but response times to tree problems are generally slow. First Wessex may withdraw from the contract if they deem the costs of additional vehicles is too high - service delivery, financial and reputational risk; Retendering these routes may result in a sharp increase in costs of school transport; School children may be put at risk from vehicles impacting with branches if they insist on using double decker on unsuitable routes - safety and reputational risk; Children may be late to school if there is damage and other problems arising from tree						

damage - delivery and reputational risk; Legal challenge from other operators if DC are seen to be subsidising First Wessex to mitigate the impact on their operation. Control - Dorset Travel have procured a specialist tree cutting vehicle.

We need maps from operators detailing most critical locations for tree cutting. Mitigation - Facilitate communication and cooperation between First and DC's Highways and Arboriculture teams. Establish clear understanding amongst all parties of the problem tree locations and the scale of work and timeframes involved. Get a detailed and practical back up plan from First Wessex on how they will deliver their routes using alternative vehicles at the start of the school term. Instigate emergency tree cutting where necessary. Provide additional financial support for extra vehicles on routes affected

Risk365 - MARKET FORCES Failure to understand and influence factors affecting DCs spend on contracted-out transport services - resulting in significant overspend

Accountable Officer	Direction of Travel	Last Reviewed	Risk Rating			
Service Manager for Travel Operations	New Risk	8 March 2022	High-Level			
			Impact	3	Likelihood	4

Update - A forecast overspend of 20% has been built into the budget. Recent tenders suggest a price increases running at >30%. Recent sharp rises in fuel costs due to Ukraine conflict only add to the problem. Overspend is unsustainable over time and contributes to financial collapse of Council; Some transport operators may go out of business, leading to less competition and inability to deliver services; Delays in awarding routes means that compliant transport cannot be provided in an acceptable timeframe.

Control - A programme of contractor meetings is planned to gain a better mutual understanding of the current position. Routes need to be reviewed for possible rationalisation. Perhaps make more use of Personal Travel Budgets (PTBs) for parents - this will require a more flexible approach. Various Transformation programmes in place to reduce costs. Work more closely with Licensing team to try and streamline related workstreams and reduce costs. Possible lobbying of government through ATCO and other bodies.

Mitigation - Tendering in blocks to allow contractors to optimise their bids. Optimising lengths of contract. Ensure that we have maximised the number of companies on our DPS to improve competition (but without sacrificing quality). Working with Children's and Adult Services on a rational commissioning strategy. Meeting regularly with contractors to improve our understanding of the market and their understanding of DC's needs. Review costs and practicalities of providing transport services in-house. Better training and resourcing of contract management within the team. Work closely with colleagues in Finance and Procurement on market changes. Expanding resource within contracts team

Economy Infrastructure and Growth – HIGHWAYS

Risk84 - Failure to deliver a safe and suitable alternative to the current arrangements for Wareham Level Crossing

Accountable Officer	Direction of Travel	Last Reviewed	Risk Rating			
Service Manager for Infrastructure & Assets	No Change	7 February 2022	High-Level			
			Impact	4	Likelihood	4

Update - Dorset Council assumed responsibility from Dorset County Council (DCC) to manage the pedestrian level crossing in Wareham. The lease agreement between Network Rail and Dorset Council for the level crossing runs until 2038; this crossing will close in 2038 as per the terms of the lease. If no suitable alternative is delivered before 2038 Dorset Council would be found to be breaching Equalities legislation. In 2008/9 The Office for Road and Rail (ORR) raised safety concerns with the pedestrian level crossing in Wareham. The ORR stated that mitigating measures had to be put in place or they would force the closure of the crossing. As a result, DCC paid for the provision of security guards at the crossing to improve compliance and safety at the crossing. In more recent years, following an additional review by the ORR the crossing has been managed with electronic gates closed by security guards when a train is approaching. The crossing is currently managed between 6am and 1am (19hours) seven days a week. The provision of security staff is provided by third party contractors STM Security Ltd. The crossing is locked closed between 1am and 6am each day.

Network Rail and the Council have tried twice before to resolve this by proposing ramped bridges adjacent to the existing footbridge but failed to obtain planning permission from the then Purbeck District Council owing to local objections. The crossing continues to be a financial commitment with ongoing reputational concerns as there is no suitable alternative means for all to cross the rail lines if the crossing is closed – there is a stepped footbridge adjacent to the crossing. A parallel footway/cycleway along the A351 is being explored in the area to address an existing network deficiency.

There remains commitment from Dorset Council and Network Rail to finding a resolution. Commitment from central government appeared more likely following a visit by the Minister for Rail to the site and meeting with key stakeholders on 23 January 2020. The Minister for Rail stated that he was committed to finding a solution and that safety and accessibility were of paramount importance which would likely mean that a degree of compromise is required when considering suitable alternatives. Network Rail have agreed to explore and exhaust all possible technological options for providing an automated level crossing, however, it is more likely that an alternative step free route over the rail lines will be the most viable solution. Nov 2021 - No definitive permanent plans are proposed, or funding secured for a suitable alternative. Michael Tomlinson MP is lobbying Network Rail and Transport Minister for a solution and funding. Procurement of level crossing security contract in August 2021 to make revenue savings for council to continue to deliver service.

- * This has been an ongoing issue for 25 years. Network Rail have tried twice before to resolve this but failed due to planning issues.
- * Currently costing the authority £120,000 per year for security guards (with costs rising).
- * Introduce ramps, with crossing fenced off, and removal of security guards.
- * Continued lobbying and negotiations with Network Rail.
- * Implement main recommendation of ramped solution.

- * Open public meeting held in the evening chaired by MP. Ramp proposal met with overwhelmingly hostile local reaction.
- * Working to modify Network Rail asset, the existing bridge, has triggered more demanding NR assurance requirements.
- * Introduction of ramps (main recommendation) failed to get planning permission.
- * Access for All funding bid by South West Railways and Network Rail for DfT funding to install lifts failed.
- * The crossing continues to be a high risk for safety, continuing financial commitment and reputational damage. Risk being realised with recent crossing incidents, lack of attendants and crossing closure.

Cause:

- * Failure to get planning agreement.
- * Failure to get agreement on funding.
- * Lack of Member/Cabinet support.
- * Opposition from Town Trust, etc.

Consequence:

- * Closure of crossing by Office of Road & Rail.
- * Legal action against DC.
- * Death.
- * Serious injury.
- * Reputational damage.
- * Financial impact - either due to incidents or ongoing maintenance/management.
- * Negative publicity.
- * Customer dissatisfaction.
- * Public liability claims.

Control - Security guards in place (at cost to DC). Active programme in place to deliver alternative arrangements.

Risk73 - Failure to attract funding for asset maintenance

Accountable Officer	Direction of Travel	Last Reviewed	Risk Rating			
Service Manager for Infrastructure & Assets	No Change	7 February 2022	High-Level			
			Impact	4	Likelihood	3

Update - The new HAMP/AMP review will help us to understand whole life cost better. Inspection regimes for cycleway schemes are needed where we are legally responsible for their upkeep. We are not going to be allowed to charge commuted sums for SUDs adoption. Further actions: Development of the HAMP. Working with WSP and other authorities to share best practice and create a document for bidding purposes. Changes to processes so future maintenance funding is considered when bidding for funds. Cycleway assets - digitised in a way that allows defects to be assigned in confirm. Avoid over specifying schemes. Develop inspection regime for cycleways. Design schemes in the most suitable/low maintenance way. More robust contractual agreements where we are funding assets/equipment used by 3rd parties (i.e., so they cannot be moved out of the county, etc); Nov 2021 - £6.3M secured for maintenance activities from corporate capital programme for 2021/22. Bid submitted to CSAM for £6.3M for 2022/23, awaiting outcome.

Consequences: Increased future maintenance liability. Inability to maintain new assets. Adverse publicity and damage to service reputation. Negative impact on budgets. Increase pressure on staff. Commuted sums. Maintenance funds to be directed to footways / cycleways. This is an unknown quantity that comes from the revenue budget. The burden is placed on the capital budget to cover anything over and above the revenue budget.

Cause: Shortfalls exist in funding for future maintenance of current assets, with no commuted sums for newly constructed assets. Designing features which impact on future maintenance. Central Government focus on walking and cycling leading to construction of new infrastructure is increasing the need for DC to allocate maintenance funds to these assets.

Control - Commuted sums. Maintenance funds to be directed to footways / cycleways. This is an unknown quantity that comes from the revenue budget. The burden is placed on the capital budget to cover anything over and above the revenue budget.

Risk292 - Winter Service budget pressures

Accountable Officer	Direction of Travel	Last Reviewed	Risk Rating			
Service Manager for Network Operations	No Change	7 February 2022	High-Level			
			Impact	4	Likelihood	3

Update - The legal position relating to the Highway Authority's responsibility in respect of the winter service is set out in a amendment to Section 41(1) Highways Act 1980 (c.66) (duty of highway authority to maintain the highway). (1A) details that a highway authority is under a duty to ensure, so far as is reasonably practicable, the safe passage along a highway is not endangered by ice or snow. The current budget provision to the Highway Service is suitable to cover the cost of normal salting operations and up to 24 hours of snow clearance. There is no budget allocation to the service to cover the cost of snow clearance beyond this point.

Clarity has been requested from the Corporate Director for Economic Growth and Infrastructure that the required budget provision will be provided or that any operational costs will be met corporately should they be realised. It has been confirmed that this provision would be made from the Sever Weather Fund held outside of the service. New risk is that salt price has gone up by 60% because of transport costs.

The current budget provision to the Highway Service is suitable to cover the cost of normal salting operations and up to 24 hours of snow clearance. There is no budget allocation to cover the cost of snow clearance beyond this point. Seasonal variations have led to up to 5 days of snow clearance over the winter period in recent years.

Risk63 - Inability to maintain the highways infrastructure to an acceptable standard in the face of changing circumstances (e.g., budget reductions; climate change)

Accountable Officer	Direction of Travel	Last Reviewed	Risk Rating			
Service Manager for Network Operations	No Change	7 February 2022	High-Level			
			Impact	4	Likelihood	3

Update - Service levels have reduced due to reductions in highways revenue funding which severely impacted on drainage maintenance and pothole repairs. We have assessed ourselves as Band 3 status for 2020/21, therefore secured the full allocation from the Department for Transport's Incentive Fund (£2.2million). But under investment in revenue maintenance funding has contributed to a reduction in scores for some questions, to Band 2, specifically relating to drainage and pothole repairs. To have dropped into Band 2 overall, would have resulted in a loss of £1.5million.

The Highways EAP have made recommendations to Cabinet to reinstate essential maintenance funding. Further submissions for central government funding will be made as and when the opportunities arise. Further actions:

- Highway maintenance revenue budget report
- Annual business cases for capital investment in highway maintenance.
- Develop a risk-based approach to cyclic drainage maintenance
- Further bids for extra funds from central government, and other sources, where appropriate.

Deliver Action Plan to achieve full available funding from DfT incentivised funding. Cause: Adverse weather conditions. Under investment in highways infrastructure from central government and DC funding - now and in the future (future maintenance liabilities). Incentivised element of maintenance black funding from DfT has been increased by another year, uncertainty of funding mechanism from April 2022 onward. Lack of political support for local funding allocation. Lack of capacity to respond to necessary repair work at times of crisis/peak work periods. Reduction in funding without changes in ways of working. Increase in weight, size & volume of traffic. Lack of development of systems/evidence tools. Lack of staff motivation impacts adversely on the work undertaken. Lack of staff capacity to manage insurance claim administration within desired timescales. Unable to adapt to climate change.

Consequence: Negative impact on the council's reputation. Inability to rely on Section 58 defence. Potential increase in claims costs. Road network not fit for purpose. Negative economic impact on the area. Negative impact on self-insurance arrangements. Negative impact on staffing capacity to respond to complaints/FOI requests, etc (failure demand). Customer dissatisfaction. Higher cost of reactive maintenance, rather than long term repairs. Challenges under S56 of Highways Act (noticed served to maintain a area of highway). Increasing needs-based budget. Potential increase to safety risk.

Control - Highways Climate Change Risk Register. Structural maintenance programme. Amended inspection processes. Risk based inspection regime. Use of innovative repair techniques. Compiled asset management strategy. Highways Asset Management Plans Volume One & Volume Two. Highway Maintenance Policy. Achieved 'Band 3' status in DfT incentive fund giving us 100% of available funding from 2017 until 2021. Executive Advisory Panel set-up to seek additional capital and revenue funding with drainage and proactive maintenance.

Economy Infrastructure and Growth – PLANNING

Risk141 - Changes to national planning policy led to delays to prep of the Local Plan Review

Accountable Officer	Direction of Travel	Last Reviewed	Risk Rating			
Head of Planning	No Change		High-Level			
			Impact	4	Likelihood	3

Update -

Risk194 - Lack of five-year housing land supply, or failure to meet Housing Delivery Test, means that policies are considered out of date and there is risk of having to allow more applications and of losing planning appeals

Accountable Officer	Direction of Travel	Last Reviewed	Risk Rating			
Service Manager for Spatial Planning	No Change	25 March 2021	High-Level			
			Impact	3	Likelihood	4

Update - Ensure that new local plan allocates a good supply of sites against the targets, that there is a variety of sites and that they have a good chance of delivery. Ensure local plan is progressed at intended speed. Ensure that the issue is clearly explained to planning committee members and that we allow applications where appropriate, where we do not have the five-year supply.

Controls - Adopted local plans across area, though not all up to date; Five-year land supply carefully monitored across all plan areas. Proactive approach working with developers to try to bring sites forward (though needs significant resource); External funding e.g., for Gillingham site; Giving appropriate weight to housing land supply in decisions on applications, allowing more where it is appropriate; Ensuring that we make sufficient development land allocations in new local plan, and that they are deliverable and viable sites.

GROWTH & ECONOMIC REGENERATION

Risk228 - Changing funding landscape and a ability to secure investment funding for Dorset						
Accountable Officer	Direction of Travel	Last Reviewed	Risk Rating			
Service Manager for Growth & Economic Regeneration	No Change		High-Level			
			Impact	3	Likelihood	4
Update - Further actions - Collation and evaluation of evidence and preparation of schemes and business cases						
Control - Establish economic growth strategy and priorities for Dorset, aligned with Dorset LEP and BCP						

Risk231 - Securing sufficient and appropriate skills and resources through restructuring of service to deliver DC economic growth strategy						
Accountable Officer	Direction of Travel	Last Reviewed	Risk Rating			
Service Manager for Growth & Economic Regeneration	No Change		High-Level			
			Impact	4	Likelihood	3
Update - Further actions - Informed restructuring process						
Control - Informed restructuring process						

Management Team

Risk375 - Gap exists between amount of available resource and a ability to deliver statutory demand						
Accountable Officer	Direction of Travel	Last Reviewed	Risk Rating			
Place Management Team	New Risk	17 August 2021	High-Level			
			Impact	4	Likelihood	3
Update - Risk identified during July 2021 risk workshop with the Place Management Team. Management update and mitigation action plan to be delivered by Risk Owner. Place provides several statutory services. Increasing demand and/or pressures on financial resources mean that there is a risk of a gap in the level of resource available and the statutory service delivery requirements. This risk is mitigated within the service budget by prioritising statutory service functions over discretionary ones.						

Risk373 - An inability to recruit into key/ critical posts						
Accountable Officer	Direction of Travel	Last Reviewed	Risk Rating			
Place Management Team	New Risk	10 December 2021	High-Level			
			Impact	3	Likelihood	4
Update - New risk identified at Place Management Team risk workshop in July 2021. Pressure points are: <ul style="list-style-type: none"> Highways - Driver shortages – Capacity within our supply chain is significantly reduced. However, by Christmas 21 it is expected that 8-10 additional drivers will have completed training. In addition, sickness levels remain low in comparison to historic figures. Waste – Driver shortages – High levels of disruption in Q2 which are especially reflected within missed collections performance indicators. 						

Place Based Services – COMMERCIAL WASTE & STRATEGY

Risk293 - Failure to secure capital to develop and maintain waste infrastructure						
Accountable Officer	Direction of Travel	Last Reviewed	Risk Rating			
Head of Commercial Waste and Strategy	No Change	18 August 2021	High-Level			
			Impact	4	Likelihood	3
Update - Waste services property forms an integral part of the Place Service depot review. Representation on the group will highlight the ongoing and future pressure on the service and importance of increasing capacity across sites.						

Risk381 - Cost of contracted services (HRCs operation, transportation) increases when retendered						
Accountable Officer	Direction of Travel	Last Reviewed	Risk Rating			
Head of Commercial Waste and Strategy	New Risk	18 November 2021	Extreme			
			Impact	5	Likelihood	4
Update - Current contract will expire in 2024. Prices have increased (labour, fuel) and high uncertainty of recycled prices are likely to increase prices when the service is retendered.						

Risk382 - Change of regulations leads to higher cost of waste treatment						
Accountable Officer	Direction of Travel	Last Reviewed	Risk Rating			
Head of Commercial Waste and Strategy	New Risk	18 August 2021	High-Level			
			Impact	4	Likelihood	4

Update - Changes to regulations regarding Persistent Organic Pollutants (in domestic furniture and electronic equipment) and hazardous wood waste requires additional separation of materials and higher disposal costs.

Risk208 - Gaining sites and planning to provide infrastructure leads to failure to deliver service.				
Accountable Officer	Direction of Travel	Last Reviewed	Risk Rating	
Head of Commercial Waste and Strategy	No Change	18 August 2021	High-Level	
			Impact	4 Likelihood 4
Update - Update - Two major projects are currently ongoing. A central waste management centre in Blandford, where planning permission has been submitted. A site search in the East of the county has been completed for a new HRC and the long list of sites is being reviewed to generate a short list of sites. A waste infrastructure review has been completed to provide a baseline of requirements. This fed into the recent property review of depots across Dorset, however more work is required in this area across the Council.				
Controls				
<ul style="list-style-type: none"> Worked with waste planning authority to identify and safeguard sites to meet our needs through the Waste Local Plan. Working with neighbouring authorities for continued use of facilities. Contingency plans identified in all waste contracts. 				

Risk209 - Change of government policy through the new DEFRA national waste strategy could impact what, and how, waste is collected and increasing costs				
Accountable Officer	Direction of Travel	Last Reviewed	Risk Rating	
Head of Commercial Waste and Strategy	No Change	18 August 2021	High-Level	
			Impact	4 Likelihood 3
Update - Extended Producer Responsibility for Packaging (EPR) in the UK consultation, A Deposit Return Scheme (DRS) for drinks containers in England, Wales and Northern Ireland consultation and The Consistency of materials collected for recycling for households and businesses in England consultation. There will be further consultations around minimum collection standards released later this year which will be enforced nationally. The key areas of concern for these consultations are:				
<ul style="list-style-type: none"> How Dorset will receive the income from the producers through the EPR reform - what do they deem to be an efficient and effective service. It's not currently clear whether we will get full net cost recovery for packaging waste. Furthermore, it's likely Government be looking to remove the level of funding DC receives from EPR in the next spending review - so this isn't new money to the Council and creates lots of uncertainty around budgeting. Free garden waste collections - we strongly oppose this position as it will be a significant cost to Dorset council that we don't believe will be fully covered under new burdens, and it will also increase our environmental impact. 				
Control - Active engagement through consultation responses. Involvement with national bodies.				

Risk211 - Failure to maintain high recycling and therefore waste diverted to more expensive disposal				
Accountable Officer	Direction of Travel	Last Reviewed	Risk Rating	
Head of Commercial Waste and Strategy	No Change	18 August 2021	High-Level	
			Impact	4 Likelihood 3
Update - Ensure continued investment in communication and educational resources. Waste growth has increased at the kerbside as a direct result of Covid-19. More residents have been working from home and as such Dorset, together with all other local authorities, has seen an increase in waste arisings at the kerbside. There is a risk that the current increase in waste growth due to the pandemic and resulting shift to home working will continue as this change in working habit becomes normalised. This continued growth has potential to adversely affect our recycling rate and lead to increased costs in disposal. The recycling team are continuing their various projects to reduce waste and maintain high recycling performance (see controls and mitigation sections).				
Controls - Extensive communication and education plan to include communal improvement project, container messaging, side waste reduction trial, enhanced home compost bin subsidies, real nappies starter packs, free caddy liner trials and 'right stuff, right bin' messaging. Replacement vehicle programme to ensure waste is collected and public continue to support service.				
Mitigation - Continue to promote educational campaigns focussing on waste reduction and reuse, such as home composting, reducing food waste, using real nappies etc. Also, we will continue to promote the 'right stuff, right bin' campaign to maintain and increase material capture rates for recycling and composting. Use the new in cab BARTEC system to help further drive efficiencies from the existing R4D service. Continue with the development of a central strategic waste transfer station and a new HRC in the East of the county to support our reuse, recycling, and composting activities.				

Place Based Services – WASTE & OPERATIONS

Risk62 - Traffic Commissioner Revoking, Curtailing, Suspending or Restricting DCC's Operators Licence (Goods and/or Passenger Carrying Operators Licence)				
Accountable Officer	Direction of Travel	Last Reviewed	Risk Rating	
Head of Waste & Operations	No Change	13 July 2021	High-Level	
			Impact	4 Likelihood 3
Update - Whilst the Council's Risk Compliance Score remains Green, a targeted inspection from the Traffic Commissioners has highlighted several improvements required. This has prompted an audit of our fleet operations (undertaken by the Freight Transport Association) and a resulting action plan which has been submitted to the Traffic Commissioner. A failure to demonstrate improvement risks the O Licence being revoked, curtailed, suspend or restricted, which would impact significantly on our ability to deliver critical services as well as severe reputational damage. The Executive Director for Place is receiving monthly compliance reports.				

Further actions - Action plan has been submitted and accepted by the Office of the Traffic Commissioner for the Goods licence. The Office of the traffic Commissioner has granted a period of 3 months grace on the PSV licence for a named transport manager to be added to the licence.

Controls

- Planned inspection & maintenance regime
- Quality Assurance system for all statutory MOT tests
- Drivers issued with DCC Drivers Code of Practice
- Daily Defect Reporting System: Drivers issued with Drivers Hours Books and Tachograph cards
- Training, guidance, tools to ensure compliance for drivers operating under EU Drivers Hours Regulations
- Provide education & driver training where applicable
- Evidence of non-compliance reported to Senior Managers
- Monitoring driver hours and rest periods; Fleet Compliance Officers audits

Risk83 - PUWER Regulations - non-compliance of PUWER Regulations (H&S Provision and Use of Work Equipment Regulations 1998)			
Accountable Officer	Direction of Travel	Last Reviewed	Risk Rating
Head of Waste Operations	No Change	13 July 2021	High-Level
			Impact 4 Likelihood 4

Update - There is a clear visual view to identify if individual plant items comply with the control measures. Each depot has a tagging colour scheme poster available to all operators. The system is simple and effective. Fleet will continue to monitor and audit the process to ensure compliance is consistent and maintained, with support from H&S. Countryside service is to start the first round of PUWER checks in February using the new process. Highways have completed the first round of 6 monthly checks in October and no items are outstanding. Highways compliance is excellent and is totally compliant. Countryside is struggling currently, but Fleet are aware of additional resources to catch up with the situation. Admin resources have been trained to implement the documents that are currently sat on desks. Fleet wave is showing 299 records from the Countryside service awaiting completed PUWER inspection sheets.

Emails sent out explaining the current risk to the authority. Countryside and grounds are increasing the number of staff to carry out PUWER checks. Fleet Service to instruct on the practical checks and supply training on the Fleet Wave system to the nominated staff. The risk has changed to red due to the current situation. Audit of the system has resulted in 381 items of Countryside plant waiting for a PUWER sheet and the Fleet wave system to be updated. 80 items for Highways also in the same situation. The system was 95% compliant, but due to the current situation this has greatly reduced to 55% compliant. Update - the outstanding PUWER inspections have been completed from the previous scheduled programme. The next programmed 6-monthly PUWER inspections are currently in operation and will report on outstanding items not actioned next month.

Cause: Failure to follow inspection schedule; Users using items out of schedule inspection date; No precise inventory of items available. Consequence: Reputational damage; Financial penalties; Increased visits from H&S Executive; Serious injury; Legal actions taken against DCC Negative publicity; Negative impact on staff morale.

Controls:

- Use Fleet wave system to record information
- PUWER checks carried out by trained members of staff close to the location of the items
- Network of external maintenance providers supporting Fleet Services
- Any plant not fitted with current in-date PUWER label will be removed by the H&S team
- 5-year schedule for recorded items of plant, with notifications sent to manager/site agent and the person identified to carry out the inspection
- Precise inventory of items available - always updating, with managers to ensure staff supply the required information
- Automated email informing manager of scheduled PUWER inspection now operating
- Storeman in highways has been assessed to carry out PUWER inspections, with access given to Fleet wave and training to enable them to update PUWER data at source
- Completed PUWER sheets scanned into Fleet wave attached to relevant job card, removing requirement to hold a paper copy
- New plant items are being added to the system by all service reflecting that the system is working as expected

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Risk Management Update Report

Public Health

Extreme and High-level Risks

As of 9 March 2022

Public Health

Extreme Risks

None

High-Level Risks

HIGH	Risk 413 – Outbreak Management Plan - Accountable Officer - Director of Public Health (Impact 4 Likelihood 3)
HIGH	Risk 423 – Budgets - Accountable Officer - Director of Public Health (Impact 4 Likelihood 4)
HIGH	Risk 429 – Health Protection Responsibility - Accountable Officer - Director of Public Health (Impact 5 Likelihood 3)
HIGH	Risk 430 – CYPHPS Performance - Accountable Officer – Programme Manager (JW) (Impact 4 Likelihood 4)

Management Update

[Risk and Resilience - Dorset Council - Service Risks - Public Health \(sharepoint.com\)](#)

Risk413 - Outbreak Management Plan - ability to maintain effective COVID response with tiring team and renewed pressures						
Accountable Officer	Direction of Travel	Last Reviewed	Risk Rating			
Director for Public Health	New Risk	12 April 2021	High-Level			
			Impact	3	Likelihood	4
Update - Continuity of Public Health arrangements and evolution of outbreak management plan (Day Response desk and Consultant's rota)						
Mitigation - Change in government policy makes local government responsibilities unclear. Contingency funds still ringfenced, means we can stand up activities if required at short notice.						

Risk423 - Budgets						
Accountable Officer	Direction of Travel	Last Reviewed	Risk Rating			
Director for Public Health	New Risk	11 October 2021	High-Level			
			Impact	4	Likelihood	4
Update - BCP and Dorset Council budget pressures and NHS providers on A4C to receive 3% pay rise, which needs considering. PH being asked to review their budgets to support BCP/DC, but any retained funds must be used within the PH Grant criteria.						
Mitigation - Budget actions agreed with Joint Public Health Board for 22/23.						

Risk429 - Health protection responsibility						
Accountable Officer	Direction of Travel	Last Reviewed	Risk Rating			
Director for Public Health	New Risk	2 February 2022	High-Level			
			Impact	5	Likelihood	3
Update - Operation ramp down and the withdrawal of national COVID measures there is a risk local public health teams will be asked to maintain outbreak management with no additional funding - this is outside current agreed statutory roles.						
Mitigation - Current national discussions underway - have escalated concerns via regional partnership board and regional DPH						

Risk430 - CYPHPS Performance						
Accountable Officer	Direction of Travel	Last Reviewed	Risk Rating			
Deputy Director for Public Health	New Risk	7 February 2022	High-Level			
			Impact	4	Likelihood	4
Update – The Children and Young People Palliative Hub (CYPHPS) is a gateway site that was developed to assist parents, guardians, carers and the wider public in understanding what children's palliative care is and seeks to filter the wide range of information available on the internet.						
Quarterly data for Oct-Dec 21 indicated considerable reduction in performance for New Birth Visits and 6–8-week checks.						
Control - Contract notice issued; response being reviewed.						
Mitigation - Contract Notice Query raised and Excusing Notice received. remedial Action plan agreed with DHC, includes reviewing data monthly for this quarter. Regional and national data on mandated checks shows significant variation. Mitigations agreed, however, note there are long term improvements in recruitment and skill mix needed.						

Risk Ranking Matrix identifies the level of risk

Severity (Impact)	Catastrophic	5	10	15	20	25
	Major	4	8	12	16	20
	Moderate	3	6	9	12	15
	Slight	2	4	6	8	10
	Limited	1	2	3	4	5
		Very Unlikely	Unlikely	Possible	Likely	Certain
Likelihood (Probability)						

Risk Ranking Matrix identifies the level of risk

Severity (Impact)	Catastrophic Score 5	Multiple deaths of employees or those in the Council's care; Inability to function effectively, Council-wide; Will lead to resignation of Chief Executive and/or Leader; Corporate Manslaughter charges; Service delivery must be taken over by Central Government; Front page news story in National Press; Financial loss over £10m
	Major Score 4	Suspicious death in Council's care; Major disruption to Council's critical services for more than 48hrs; Noticeable impact achieving strategic objectives; Will lead to resignation of Senior Officers and/or Cabinet Member; Adverse coverage in National press/Front page news locally; Financial loss £5m-£10m
	Moderate Score 3	Serious Injury to employees or those in the Council's care; Disruption to one critical Council Service for more than 48hrs; Will lead to resignation of Head of Service/Project Manager; Adverse coverage in local press; Financial loss £1m-£5m
	Slight Score 2	Minor Injury to employees or those in the Council's care; Manageable disruption to services; Disciplinary action against employee; Financial loss £100k-£1m
	Limited Score 1	Day-to-day operational problems; Financial loss less than £100k

Likelihood (Probability)	Certain Score 5	Reasonable to expect that the event WILL happen, recur, possibly or frequently
	Likely Score 4	Event is MORE THAN LIKELY to occur. Will Probably happen, recur, but is not a persisting issue.
	Possible Score 3	LITTLE LIKELIHOOD of event occurring. It might happen or recur occasionally.
	Unlikely Score 2	Event NOT EXPECTED . Do not expect it to happen or recur, but it is possible that it might do so.
	Very Unlikely Score 1	EXCEPTIONAL event. This will probably never happen or recur.

Once risks have been scored using the Risk Assessment Matrix, the next step is to understand what this score means and use it to inform a suitable response. Each risk, based on its score, will

be rated as either LOW, MEDIUM, HIGH-LEVEL, OR EXTREME and will be colour-coded according to the Risk Assessment Matrix.

The rating will determine the approach to be taken to the management of each risk and will reflect the Council’s risk appetite i.e., the level of risk the Council is willing to accept or tolerate which then dictates the level and intensity of response required.

Level of Risk	EXTREME (20-25)	<p>Risks at this level sit above our tolerance and form the biggest risks.</p> <p>Risks at this level sit above the tolerance of the Council and are of such magnitude that they form the Council’s biggest risks.</p> <p>The Council is not willing to take risks at this level and action should be taken immediately to manage the risk.</p>
	HIGH-LEVEL (12-16)	<p>The Council is not willing to take risks at this level and action should be taken immediately.</p> <p>These risks are within the upper limit of risk appetite. While these risks can be tolerated, controls should be identified to bring the risk down to a more manageable level where possible.</p>
	MEDIUM (5-10)	<p>While these risks can be tolerated, controls should be identified to bring the risk down to a more manageable level.</p> <p>These risks sit on the borders of the Council’s risk appetite and so while they don’t pose an immediate threat, they are still risking that should remain under review. If the impact or likelihood increases, then risk owners should seek to manage the increase</p>
	LOW (1-5)	<p>These risks sit on the borders of the Council’s risk appetite and so while they don’t pose an immediate threat, they are still risking that should remain under review. These are low level risks that could impede or hinder achievement of objectives. Due to the relatively low level, it is unlikely that additional controls will be identified to respond to the risk.</p> <p>Minor level risks with little consequence but not to be overlooked completely.</p>



Emergency Planning Exception

Quarterly Update Report

March 2022

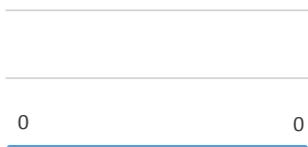
Dorset Council Emergency Planning Service aims to protect the environment, businesses, and communities of Dorset from harm.

Introduction

The Emergency Planning team work to ensure that Dorset Council meets its statutory duties as an emergency responder in compliance with the: Civil Contingencies Act, 2004, Radiation (Emergency Preparedness and Public Information) Regulations (REPPiR) 2001, Major Accident Hazard Pipelines (MAHP) 1996 & Control of Major Accident Hazards (COMAH) 2015. The team plan, prepare, respond, and assist with recovery for a wide range of emergencies both at DC level as well as the wider Local Resilience Forum and regional levels. They provide access to and support with specialist equipment, evacuation, housing and emergency feeding, rest centres, highways issues and many more areas. The Team provides a Duty Officer 24 hours a day, 365 days a year, who is responsible for activating and supporting key Council staff in responding to emergencies.

Activity across the Local Resilience Forum has been high, with 46 incidents requiring multi agency response and stand up of command-and-control structures since March 2019, alongside the Covid response.

Key Performance Indicators (KPI)

Description	Previous position	Latest position	Target	Direction Of Travel	Progress – trend line
Command and Control Duty Officer (DEPO (Duty Emergency Planning Officer), Gold, Silver, or LALO (Local Authority Liaison Officer) (Local Authority Liaison Officer)) response failures	0 Jan 22	0 Feb 22	0	 Same	

Significant Response Incidents (Jan – Mar 22)

Date	Event	Description
06-08/01/2022	Weather	Flooding in Cranborne
26/01/2022	Landslide	Rock fall at Burton Bradstock
18-24/02/2022	Weather (Multi Agency)	'Storm Eunice', 'Storm Franklin' and subsequent power outages

Significant Exercises (Jan – Mar 22)

Date	Workstream	Description
March 22	REPPiR	Portland Port – Exercise Shortbill '22

Lessons Learnt

It is important to ensure that lessons are learnt following incidents, whether within Dorset Council or at the wider Local Resilience Forum level. The February storms and subsequent power outages provided several lessons, and a debrief is scheduled for the beginning of April. Key findings will be shared within the next quarterly update.



**Information Compliance Exception
Quarterly Update Report**

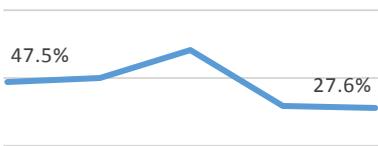
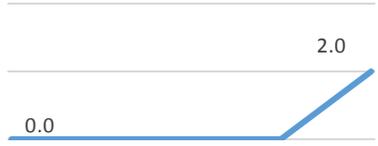
March 2022

Information Compliance includes Freedom of Information and Data Protection.

Information Compliance Exception - Quarterly Update Report for the period January to March 2022

The Information Compliance team is a front facing service working with a wide range of Council services facilitating information requests (incl Freedom of Information and Subject Access Requests) from the public. The team coordinate the management of any data breaches that occur, liaising with the Information Commissioners Office where required, and facilitate any lessons learnt. The team provide advice to all Council services to ensure compliance with data protection legislation.

Key Performance Indicators (KPI)

Description	Previous position	Latest position	Target	Direction Of Travel	Progress – trend line
COR-44 % of employees that have completed mandatory training within the last 12 months *	29.18% Jan 22	27.60% Feb 22	100%	 Worse	
COR-39 % of freedom of information (FOI) requests answered on time (20 working days)	83.5% Jan 22	91.3% Feb 22	90%	 Improved	
COR-40 % of subject access requests (SARS) answered on time (28 calendar days) **	0.00% Jan 22	25.0% Feb 22	90%	 Improved	
COR-41 No. of data breaches reported to ICO ***	0 Jan 22	2 Feb 22	0	 Worse	

Key Headlines

* **COR-44 – Data Protection Training** – Whilst the KPI shows a low compliance rate of 27.6% this is largely as the annual module is now a year old and therefore those completing in the first months will have dropped off the stat until they undertake refresher training. It is anticipated that this compliance rate will improve over coming months.

** **COR-40 – Subject Access Requests** - 1.5ftes transferred across from Children’s to Assurance 1 February 2022 (with a further 0.5fte currently being recruited). Resourcing is still some way short of the est 3.2 ftes required to meet demand, and requests above capacity are being outsourced on a case-by-case basis, on agreement of Children’s Services to fund. The low compliance rates in January and February 22 are because we have targeted an initial focus on the significant backlog of overdue requests rather than new SARS. Work is underway to examine how the process can be delivered more efficiently, but it is not a "quick fix", and the need to outsource will continue.

*** **COR-41 – Data Breaches** – Two breaches have been reported to the Information Commissioners Office (ICO) during February 2022. Both relate to documents containing sensitive information being shared with an incorrect recipient, from Children’s Services and Adults & Housing. Debriefing will identify any organisational learning. Please note that the ICO is comfortable with the Council’s response and no further action is being taken.

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Audit and Governance Committee

11 April 2022

Annual Governance Statement

For Review and Consultation

Portfolio Holder: Cllr S Flower, Leader of the Council

Executive Director: J Mair, Corporate Director, Legal & Democratic

Report Author: David Trotter
Title: Risk and Resilience Officer
Tel: 01305 228692
Email: david.trotter@dorsetcouncil.gov.uk

Report Author: Marc Eyre
Title: Service Manager for Assurance
Tel: 01305 224358
Email: marc.eyre@dorsetcouncil.gov.uk

Report Status: Public

Brief Summary: The Accounts and Audit (England) Regulations 2015 require a body such as the Council to “approve an annual governance statement, prepared in accordance with proper practices in relation to internal control.” The attached draft Annual Governance Statement (AGS) for 2021-22 sets out key features of the governance framework in place in the Authority and provides a review of its effectiveness. It has been prepared in line with the recommendations published by CIPFA and SOLACE, which were revised in 2016. It should be noted that the Local Code of Corporate Governance and schedule of High risks are included as Appendices to the Annual Governance Statement.

The “Review of Effectiveness” within the draft AGS is informed by the Council’s Local Code of Corporate Governance Compliance Assessment 2021-22 (Appendix A). The AGS also discusses those risks that are contained in the Councils Corporate Risk Register which are classified as ‘high’ and, as such, represent potential significant governance issues that the Council is currently facing and actively seeking to address. The risk registers will be included within

the final document and will follow the format used within the appendices for the Risk Management report elsewhere on this agenda.

Under the regulations, the accounts are not approved by the Council (or the Committee to which the responsibility is delegated) until after the external audit has been carried out. At this stage this draft allows members an early view and an ability to inform the content. Final adoption of the AGS will take place, alongside the accounts, by the Council and any areas of improvement will be identified. The final statement will be signed by the Council Leader and Chief Executive. As the AGS must reflect any significant issues that arise prior to its final approval, if necessary, subsequent amendments will be made to the draft document to reflect them and reported to this Committee

Recommendation: The Committee is asked to consider and comment on the draft Annual Governance Statement (AGS) for 2021-22

Reason for Recommendation: Approval and publication of an Annual Governance Statement by the Council is a statutory requirement and provides evidence that Dorset Council maintains high standards of governance and addresses significant shortcomings and risks.

1. **Financial Implications**

There are no budget requirements arising directly from this report. The overall financial position of the Council is one of the significant issues covered in the AGS. Addressing other issues identified in the compliance assessment or the AGS may have budgetary implications, which will be considered in the relevant action plans.

2. **Climate Implications**

None

3. **Well-being and Health Implications**

None

4. **Other Implications**

The “Review of Effectiveness” within the draft AGS explains any significant governance issues facing the Council.

5. **Risk Assessment**

The AGS references risks on the Council’s corporate risk register which have been assessed as being HIGH.

6. Equalities Impact Assessment

Considering equalities issues is a key aspect of good governance, but there are no equalities issues arising directly from this report.

7. Appendices

Appendix A – Annual Governance Statement

Appendix B – Local Code of Corporate Governance

8. Background Papers

[Constitution - Dorset Council](#)

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Annual Governance Statement

2021-22

Good Governance is about how the Council strives to do the right things, in the right way and for the benefit of the residents it serves.

PLEASE NOTE THAT MUCH OF THE DETAIL ON HOW YOUR COUNCIL OPERATES CAN BE FOUND IN THE LOCAL CODE OF CORPORATE GOVERNANCE THAT SUPPORTS THIS STATEMENT

**Supported by:
Appendix A – Local Code of Corporate Governance
Appendix B – Summary of Extreme and High-Level Risks**

Foreword

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

The Local Government Act 1999 sets out the Council's duty to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency, and effectiveness. This is reflected in our commitment to transformation and to being a learning organisation.

The Accounts and Audit Regulations (2015) also require the Council to conduct a review, at least once a year, on the effectiveness of its system of internal control and include an Annual Governance Statement reporting on the review with the Statement of Accounts. This document is the third such Annual Governance Statement for Dorset Council, following its inception on 1 April 2019.

The Chartered Institute of Public Finance and the Society of Local Authority Chief Executives (CIPFA/SOLACE) Delivering Good Governance publication (2016) describes principles of good governance to be applied in the public sector. This document and the review it contains are based upon the seven core principles that underpin the CIPFA/SOLACE governance framework.



**Matt Prosser
Chief Executive
Dorset Council**



**Cllr Spencer Flower
Leader
Dorset Council**

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1. Key Elements of the Council's Governance Framework

- 1.1 The Governance Framework is comprised of the systems and processes, and culture and values, by which the Council is directed, and its activities through which it is accountable to, engages with and leads the community. The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness.
- 1.2 The process of review and monitoring of governance arrangements across Dorset Council is an ongoing process with updates provided throughout the year. This Statement explains how the Council has complied with The Code and meets the requirements of Accounts and Audit (England) Regulations 2015 regulation 6, in relation to conducting a review of the effectiveness of the system of internal control and the publication of an annual governance statement.

2. Overview of Dorset Councils Governance framework

- 2.1 The sections below provide an overview of the Councils key governance arrangements.

Council, Cabinet and Leader	<p>The Full Council agrees the Constitution, a Policy Framework, the Budget and Corporate Plan and appoints the Leader. Within the framework set by the Council the Leader appoints a Cabinet and with the Cabinet exercises executive leadership that</p> <ul style="list-style-type: none">• Provides leadership, approve the budget, develop, and set policy• Approve the Constitution which sets out how the council operates• Agree Corporate Plan priorities, developed in consultation with residents and stakeholders
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Decision making	<p>All decisions made in compliance with law and council constitution. Overview Committees support the Cabinet in developing policy. Separation is maintained between executive (Cabinet and portfolio holder) decisions and non-executive decision making (for instance planning and licensing).</p> <p>All committee meetings are accessible to public, other than for exempt business. Committee meetings are now also streamed, providing greater transparency. Decisions are recorded on the council website</p>
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Scrutiny and review	<p>The Scrutiny Committee structure review council policy and challenge decisions. The Audit and Governance Committee reviews governance; promotes and maintains high standards of conduct by councillors; and provides assurance on the internal control and risk frameworks.</p>
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Risk Management	<p>A risk management framework sets out a clear approach to management of risks. Risk registers identify strategic, operational and project risks. Risk management is a process that aims to identify significant risks that may impact on the achievement of our objectives.</p>
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3. Leadership

- 3.1 The Head of Paid Service is the Chief Executive and is responsible for all Council employees.
- 3.2 The Executive Director for Corporate Development is the Council's Section 151 Officer and is responsible for safeguarding the Council's financial position and ensuring value for money. The Corporate Director Legal and Democratic is the Monitoring Officer and is responsible for ensuring legality and promoting high standards of conduct in public life.
- 3.3 Under Section 18(2) of the Children Act 2004, Local Authorities in England have a duty to appoint a Director of Children's Services. Local Authorities in England are also required to appoint a Director of Adult Services.
- 3.4 Alongside the officers detailed in 3.1 – 3.3, the Executive Director of Place, the Director of Public Health and (during 2020/21) the Corporate Director for Human Resources and Organisational Development comprise the Council's senior leadership team.
- 3.5 The Council's Constitution sets out how the Council operates. It states what matters are reserved for decision by the whole Council, the responsibilities of the Cabinet and the matters reserved for collective and individual decision, and the powers delegated to panels, committees, and partners. Decision making powers not reserved for councillors are delegated to chief officers. Each chief officer has a scheme of nomination setting out the powers that others may exercise on their behalf. All elected members represent their electoral ward. Those not appointed to the Cabinet support the development of policy and scrutinise decisions made by the Cabinet or by officers under delegated powers. They also review services provided by the Council and its partners. The Council's committee structure as set out in the Constitution includes two overview committees and two scrutiny committees, one of which is the designated statutory health scrutiny committee responsible for reviewing proposals for significant changes to NHS services in Dorset.
- 3.6 Dorset Council recognises the importance of undertaking adequate scrutiny of the management of the internal control systems and the Audit and Governance Committee creates an environment in which audit, governance and financial accounts matters can be considered without having to compete for priority alongside other matters. The Audit and Governance Committee's remit includes:
- risk management
 - corporate governance
 - internal and external audit
 - financial management
 - consideration and approval of the annual statement of accounts of the Council
 - the operation of the Members' Code of Conduct
- 3.7 The Council's constitution, under the Scheme of Delegation, sets out the terms of reference for the Committee, detailing its remit in greater detail. The 'standard' committee diary provides for six meetings a year and additional meetings are occasionally required for a specific purpose. The timings of the meetings are designed to enable key items of business to be dealt with at the most appropriate time. The Council's overall policy is represented through the Council Plan. We understand that effective performance management relies on close monitoring and assessment of a variety of measures from across the Council.

- 3.8 These range from the highest-level strategic measures – the council’s key performance indicators (KPIs), through to the lower-level metrics and measures which support individual services and teams. The strategic reporting consists of:

Quarterly reporting	Progress with the Council Plan to the Corporate Leadership Team and the Cabinet
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Balanced scorecard reporting	Service performance: monthly to Corporate Leadership Team; monthly to Performance Leadership Group (executive directors and portfolio holders); and quarterly to the Place and Resource Overview Committee and the People and Health Overview Committee
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Quarterly risk management and internal audit updates	Audit and Governance Committee. The Committee has an assurance role on this overarching framework and will refer any areas of high-level concern to the appropriate overview committee.
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- 3.9 Service level reporting provides monthly management information in a range of formats determined by the senior leadership teams of each of the Council’s directorates: People – Adults and Housing; People – Children; Place; and Corporate Development. To measure our performance, it is important to recognise that we carefully consider, amongst other things: statutory requirements, priorities, resources and how we compare to other places. We continue to strive to be open and transparent, and in line with our efforts to maximise the value in our business intelligence and information. The council provides a performance dashboard that helps to provide an insight into council activities that build on a data collection database from services that feed into an overall reporting system. Work continues to further develop the performance dashboard and create a multifunctioning evidence database. Statutory performance (including reporting to agencies and partners) needs to be returned to central government as part of the statutory reporting process - this type of information is useful for benchmarking against other authorities operating in statistically comparable populations.

- 3.10 The framework makes use of a reporting by exception process whereby measures which are identified as off-track require explanation from accountable managers. This will require:

- an explanation of why a target is off-track
- an action plan identifying how this will be rectified
- a timeline for returning to within tolerance (path to green)
- an accountable officer

These actions are tracked through a dedicated action tracking process with regular status updates at subsequent performance meetings. New actions will be identified as part of the performance management meeting and added into the tracking process.

- 3.11 The Council has a whistleblowing policy, which encourages employees and other concerned parties to report any instances of suspected unlawful conduct, financial malpractice, or actions that are dangerous to the public or environment. The Council expects the highest standards of conduct and personal behaviour from councillors and employees. These standards are defined and communicated through codes of conduct and protocols.

- 3.12 The Council's financial management arrangements conform with the governance requirements of the CIPFA "Statement on the Role of the Chief Financial Officer in Local Government" (2010) as set out in the "Application Note to Delivering Good Governance in Local Government: Framework". The Chief Financial Officer (a role performed by the Executive Director for Corporate Development) has statutory responsibility for the proper management of the Council's finances and is a key member of the senior leadership team. The Council's assurance arrangements conform with the governance requirements of the CIPFA "Statement on the Role of the Head of Internal Audit in Public Service Organisations" (2010). We recognise that Risk Management is an essential part of delivering good governance and reduces the uncertainty of achieving outcomes as set out in the Corporate Plan. The Council remains committed to driving the organisation forward to achieve a risk aware culture. Effective risk management is essential for a Council to demonstrate that it is acting in the best interests of its residents. Much progress has been made with introduction of a 5by5 risk matrix with a focus on extreme and high-level risks.
- 3.13 When risks are identified, an agreement takes place on how they will be managed. The Council's risk profile is regularly reviewed to help deliver satisfaction that management's systems include appropriate controls and provides adequate sources of assurance. It is acknowledged that with such systems in place it will not eliminate all risks, but having systems, mitigations and controls will help to provide a robust process that considers any such risks. The council has appropriate arrangements in place to deal with fraud and corruption risks and is committed to maintaining its vigilance to tackle fraud. Dorset Council continues to work to better embed and help raise awareness of the principles of risk management and to assist officers, at all levels, in applying sound risk management. Work continues to develop the council stance towards risk management to better assist colleagues, at all levels, in applying sound risk management principles and practices. Reports are received by the Audit and Governance Committee on a quarterly basis, which with effect from April 22 will also update on key issues from the Information Compliance and Emergency Planning services.
- 3.14 Risk update reports provide a quarterly view on Extreme and High-Level risks that are identified across all services, with separate schedules for Adults and Housing, Children's Services, Corporate Development Services and Place Services. A summary page (Snapshot on Performance) also helps to provide focus on all the services with a series of graphs and headline statements.
- 3.15 Once risks have been scored using the Risk Assessment Matrix, the next step is to understand what this score means and use it to inform a suitable response. Each risk, based on its score, will be rated as either LOW, MEDIUM, HIGH-LEVEL, OR EXTREME and will be colour-coded according to the Risk Assessment Matrix. The rating will determine the approach to be taken to the management of each risk and will reflect the Council's risk appetite i.e., the level of risk the Council is willing to accept or tolerate which then dictates the level and intensity of response required.

The Risk Ranking Matrix identifies the level of risk as highlighted below:

Severity (Impact)	Catastrophic Score 5	Multiple deaths of employees or those in the Council's care; Inability to function effectively, Council-wide; Will lead to resignation of Chief Executive and/or Leader; Corporate Manslaughter charges; Service delivery must be taken over by Central Government; Front page news story in National Press; Financial loss over £10m
	Major Score 4	Suspicious death in Council's care; Major disruption to Council's critical services for more than 48hrs; Noticeable impact achieving strategic objectives; Will lead to resignation of Senior Officers and/or Cabinet Member; Adverse coverage in National press/Front page news locally; Financial loss £5m-£10m
	Moderate Score 3	Serious Injury to employees or those in the Council's care; Disruption to one critical Council Service for more than 48hrs; Will lead to resignation of Head of Service/Project Manager; Adverse coverage in local press; Financial loss £1m-£5m
	Slight Score 2	Minor Injury to employees or those in the Council's care; Manageable disruption to services; Disciplinary action against employee; Financial loss £100k-£1m
	Limited Score 1	Day-to-day operational problems; Financial loss less than £100k

Likelihood (Probability)	Certain Score 5	Reasonable to expect that the event WILL happen, recur, possibly or frequently
	Likely Score 4	Event is MORE THAN LIKELY to occur. Will Probably happen, recur, but is not a persisting issue.
	Possible Score 3	LITTLE LIKELIHOOD of event occurring. It might happen or recur occasionally.
	Unlikely Score 2	Event NOT EXPECTED . Do not expect it to happen or recur, but it is possible that it might do so.
	Very Unlikely Score 1	EXCEPTIONAL event. This will probably never happen or recur.

Level of Risk	EXTREME (20-25)	Risks at this level sit above our tolerance and form the biggest risks. Risks at this level sit above the tolerance of the Council and are of such magnitude that they form the Council's biggest risks. The Council is not willing to take risks at this level and action should be taken immediately to manage the risk.
	HIGH-LEVEL (12-16)	The Council is not willing to take risks at this level and action should be taken immediately. These risks are within the upper limit of risk appetite. While these risks can be tolerated, controls should be identified to bring the risk down to a more manageable level where possible.
	MEDIUM (5-10)	While these risks can be tolerated, controls should be identified to bring the risk down to a more manageable level. These risks sit on the borders of the Council's risk appetite and so while they don't pose an immediate threat, they are still risking that should remain under review. If the impact or likelihood increases, then risk owners should seek to manage the increase
	LOW (1-5)	These risks sit on the borders of the Council's risk appetite and so while they don't pose an immediate threat, they are still risking that should remain under review. These are low level risks that could impede or hinder achievement of objectives. Due to the relatively low level, it is unlikely that additional controls will be identified to respond to the risk. Minor level risks with little consequence but not to be overlooked completely.

3.16 The Council continues to develop its value for money framework. With scarce resources, it is recognised to be essential that the council ensures that it secures best value for all its expenditure. Value for money considerations is implicit in a range of routine council activities such as budget setting, budget monitoring and contract management.

- 3.17 A value for money framework sets out how to develop value for money service benchmarking across the council. This will enable a prioritisation exercise to deliver a timeline for fundamental service review. Local Government bodies, auditors are required to give a conclusion on whether the council has proper arrangements in place to secure value for money and guidance identifies one single criterion for auditors to evaluate:

‘In all significant respects, the audited body takes properly informed decisions and deploys resources to achieve planned and sustainable outcomes for taxpayers and local people.’

- 3.18 Dorset Council has experienced reductions in grant funding and limited increases in its council tax and business rates precept income in recent years together with pressures surrounding Covid 19 and EU Exit. At the same time, the council has been experiencing cost pressures in relation to the range of services it delivers and uncertainty over future funding. The council is nevertheless obligated, under statute, to set a balanced budget for each financial year and has an internal policy to maintain positive reserves and deliver its efficiency plan. Our view is therefore that delivery of financial plans and future sustainability is a key Value for Money risk. Local government in Dorset has undergone a huge change with the county’s nine councils being replaced by two entirely new organisations. This resulted in a reduction in costs by cutting duplication.
- 3.19 The money saved is being reinvested into important services for residents including housing, road maintenance, schools, social care, and waste collection. You can find out more about these changes and what it means for you at [Dorset Council](#) External Audit review and report on the Council’s financial statements (including the Annual Governance Statement) and provide an opinion on the accounts together with the use of resources including providing a value for money opinion.

4. COVID-19

- 4.1 The Covid-19 pandemic significantly impacted upon people, testing our resilience, requiring us to change the way we deliver services and driving the creation of new services to meet the needs of Dorset residents. Dorset Council has played a significant role in responding to the Covid-19 outbreak, both in the delivery of its own service responsibilities and as part of the multi-agency response coordinated through the Local Resilience Forum.
- 4.2 The Council was able to maintain services to residents, prioritising services to those in greatest need and redeploying staff accordingly. Public Health Dorset, hosted by the Council, played a key part in responding to the pandemic. The pandemic tested the Council’s governance arrangements. Flexibilities introduced by the pandemic enabled elected members to meet online. The Council’s scheme of delegation enabled officers to make urgent decisions and transparency of decision making was maintained through the publication of decision notices. The Council recognises that the Covid-19 crisis has had a significant financial impact and will have a long-term effect on the level of resources available to the Council. In response to the Covid-19 emergency, the Government announced financial support packages for small businesses, and those in the retail, hospitality, and leisure sectors. The support took the form of ten different grant funding schemes during the pandemic with Dorset Council paying out over £257M in grants to local businesses.

4.3 Covid-19 continues to impact upon the people, communities and businesses served by the Council. As we move forward, we will continue to analyse the impact of Covid-19 and understand how the pandemic has impacted our strategic priorities.

5. Our Behaviours

5.1 There are [four behaviours](#) that Dorset Council expects every employee to demonstrate. All employees are encouraged to lead by example to encourage and inspire each other through these behaviours. This framework has been designed to aid discussions across Dorset Council, to help all work towards a positive workplace culture. The behaviours we demonstrate, the attitudes we hold and the approaches we take at work are key to the success of Dorset Council and our vision to be an employer of choice. We recognise that our people make our organisation, which is why our behaviours have been developed in partnership with members of our Employee Forum. Behaviours are the attitudes and approaches we bring to our work. They include how we do things; what we say and how we say it; how we treat people; and how we expect to be treated.

6. Key Achievements during 2021-22

6.1 The Council continued to carry out significant transformation and restructuring as it began to harmonise the services inherited from the predecessor councils. These achievements included:

Climate and Ecological Emergency	£19m Salix funding to decarbonise Dorset Council buildings. Salix Finance Ltd. provides Government funding to the public sector to improve energy efficiency, reduce carbon emissions and lower energy bills. Salix is a non-departmental public body, owned wholly by Government. Salix is funded by the Department for Business, Energy and Industrial Strategy, the Department for Education, the Welsh Government, and the Scottish Government.
Investment in a new school for pupils with SEND in Dorset	The Council purchased St Mary's School, Shaftesbury which will provide high quality education for children and young people with special educational needs and disabilities (SEND). This is part of a £37.5 million investment over the next five years to provide the best education for Dorset children and young people with special educational needs and disabilities.
New residential home for Dorset children	Invested in a new residential home for Dorset children in Weymouth to prevent them being placed in care far away.
Levelling up grant	Won government funding of £70,000, from the Department for Levelling Up, Housing and Communities for locally important buildings, sites, monuments, and features to be included on new Local Heritage Lists.
Road Safety Weymouth	Awarded £380,000 for projects to help women and girls feel safer on our streets as part of the Government's Safer Streets Fund.

<p>Ofsted inspection of children's services</p>	<p>Outcome achieved by Children's Services judged as 'Good' by Ofsted, following an inspection of local authority children's services (ILACS) in September.</p> <p>The final report published by Ofsted confirms that the overall effectiveness of Dorset Council Children's Services is of a "good quality and are continuing to improve" and that the council has delivered "an impressive pace and effectiveness of change, in the context of a pandemic and Local Government Reorganisation in 2019."</p> <p>Inspectors also noted that the council has a "proven determination to give every child in Dorset a brighter future." Dorset Council was judged to have "outstanding leadership" for Children's Services, noting that "senior leaders have taken the challenges presented by the pandemic as an opportunity to engage partners more firmly in the wider safeguarding agenda and in the vision of making Dorset the best place it can be for children to thrive." .</p>
<p>Won funding to repair worst minor roads in Dorset</p>	<p>Twelve rural roads reconstructed thanks to the Department for Transport's Pothole Fund.</p>
<p>We invested £42K from the Community and Culture Project Fund Awards</p>	<p>Dorset Council's community and culture project awarded £42,484 to 15 local organisations.</p>
<p>Awarded £2.13m from the Brownfield Land Release Fund</p>	<p>The grant funding will be used to help build almost 200 homes in Dorset on underused brownfield land, helping local people and families get on the property ladder.</p>
<p>Homelessness and help for vulnerable adults</p>	<p>Awarded £500,000 of government funding to help tackle rough sleeping in the county. Established the 'Safe Space' project so people have a safe place to go when they are vulnerable or unable to get back to their accommodation in Weymouth.</p>
<p>Digital Technology</p>	<p>The £8 million 5G Rural Dorset project achieved several world firsts. Dorset residents registered for the second Festival of The Future to learn about the benefits of digital technology. Free digital advice service expanded across Dorset to include 13 centres across Dorset</p>
<p>Planning</p>	<p>Combined the planning information from the six-former district, borough, and county councils and 4.3 million documents have been transferred to a single central system.</p>

Waste Services	Successful changing of bin collections for 34,000 households in North Dorset leading to cost savings on vehicle use, increased reliability, and more efficient round configurations.
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Recognised Awards	<p>5GRural Dorset project won three awards at the Connected Britain Awards. The 5G Innovation Award, the Barrier Busting Award, and the Sustainability Award. Dorset Council received the Armed Forces Covenant Silver Award as part of the Ministry of Defence's Employer Recognition Scheme. The Great South West Tourism Partnership received an Award for Outstanding Contribution to Tourism. Visit Dorset, Dorset Council's tourism team is a key part of this regional partnership and represents Dorset alongside BCP Council's destination management team and the Dorset Tourism Association.</p> <p>Dorset Council's six countryside sites – all awarded the Green Flag this year. Moors Valley, Avon Heath and Durlston Country Park, plus Thorncombe Woods near Dorchester, and the Milldown and Stour Meadows in Blandford, was recognised by the Green Flag Award scheme as some of the very best in the world.</p> <p>Volunteers at the Ancient Technology Centre (ATC) owned by Dorset Council, were honoured with the Queen's Award for Voluntary Service (QAVS) in recognition of their dedication to bringing history alive for communities across the south helping to create and run one of the South's most unique learning environments.</p>
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Summer in Dorset	The council offered 18,000 funded places across 50 locations for eligible children to take part in Summer in Dorset activities. Over 1,500 children took part.
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Easter in Dorset	More than 1,500 fun food and activity 'holiday bundles' were sent to Dorset children who needed it most at Easter. Hundreds of children experienced new activities, enjoyed physical exercise, and made new friends at face-to-face and online sessions. Over the Easter holidays we sent out holiday bundles, containing ingredients and recipes for two tasty meals and home activity sheets, to those who needed it most.
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County Parks	Dorset Council's Durlston Country Park in Swanage received a grant of £35,400 from the Government's Culture Recovery Fund. Dorset Council has six countryside sites. All were awarded Green Flag status
The Defence Battle Lab project	<p>A £5.7m collaboration between the MOD, Dorset Council, and the Dorset Local Enterprise Partnership (LEP), to provide an ambitious Defence building programme at the heart of Dorset, dedicated to the pursuit of innovation and technologies of the future opening November 2021.</p> <p>Established in 2011, Dorset LEP is a private sector-led organisation responsible for speaking on behalf of businesses, championing important issues with government, securing funding and investment for the region, and driving the economic growth of Dorset.</p>

Equality and Diversity	<p>The council was awarded level 2 Disability Confident for employers. The Disability Confident scheme aims to help employers make the most of the opportunities provided by employing disabled people. It is voluntary, has been developed by employers, and disabled people's representatives.</p> <p>The Disability Confident scheme has 3 levels that have been designed to support you on your Disability Confident journey. Employers must complete each level before moving on to the next.</p>
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COVID Support	<p>Thousands of pieces of office equipment were delivered to employees at home and delivered food, prescriptions, and PPE (Personal Protective Equipment). Ensured that children and young people travelled to and from school safely and supported families with free school meal.</p> <p>Community Shield work with volunteers helped Dorset Council to respond to thousands of calls and emails and stayed connected with those who were shielding. Kept children active through lockdown and organised a Summer in Dorset and Easter in Dorset activity programme.</p> <p>Thanks to the launch of the Digital Hotline, volunteers helped more than 550 people get online.' Conducted socially distanced weddings. Distributed grants to support local businesses. Free school meals funding.</p>
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7. Review of Effectiveness

- 7.1 The work of internal audit aligns with the aims and objectives of the council, considering key risks, operations, and changes. To do this Internal Audit needs to be flexible in adapting audit plans to handle changing risks, priorities, and challenges. It is the responsibility of the Senior Leadership Team, and the Audit & Governance Committee to ensure that the audit work scheduled and completed throughout the year contains sufficient and appropriate coverage of key risks.
- 7.2 Dorset Council uses the services provided by SWAP Internal Audit Services which is a public sector, not-for-profit partnership, owned by the public sector partners that it serves. The SWAP Partnership now includes 25 public sector partners, crossing eight Counties, but also providing services throughout the UK. The resulting programme is a combination of requested audit work aligned to service priorities, combined with audit work recommended by SWAP driven by our continuous risk assessment. This risk assessment is based on the live status of both the Council's strategic and service risk registers.
- 7.3 The results of our risk assessments are shared with senior management to obtain their view on the value of internal audit involvement. In developing risk assessments, SWAP take account of other sources of assurance, where relevant. Please note that Internal Audit is only one source of assurance, and the outcomes of internal audit reviews are considered alongside other sources, as part of the 'three lines' assurance model. It remains the responsibility of the council's Senior Leadership Team and the Audit & Governance Committee, to determine that the audit coverage contained within the proposed audit plan is sufficient and appropriate in providing independent assurance against the key risks faced by Dorset Council.
- 7.4 SWAP continues to provide Dorset Council with a health check, based on eight essential corporate functions which underpin day-to-day operational activities. This approach is based on the IIA (Institute of Internal Auditors) (Institute of Internal Auditors) three lines model and provides an overarching view of governance arrangements.

- 7.5 The Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards and that public money is safeguarded, properly accounted for, and used economically and efficiently. The governance framework comprises the rules, procedures, systems, and processes by which the Council is controlled.
- 7.6 The quality of governance arrangements underpins the levels of trust in public services and is fundamental to the Council's statutory and democratic obligations. Good governance allows the council to be clear about how it discharges its responsibilities and to show this for members, partners, and residents. The system of internal control is a significant part of the framework and is designed to ensure risks are managed within the Council's appetite.
- 7.7 We cannot eliminate all risk of failure to achieve policies and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The effectiveness of the framework is monitored and assured through routine performance monitoring and by internal and external audit. The key elements of the review of effectiveness are:
- The Council's internal management processes, such as performance monitoring and reporting; the employees performance appraisal framework (My ROAD map is the framework in place to support employees and managers to hold good conversations. Objectives can be prepared before each 1-1 to help reflect on achievements and career goals).
 - The Local Code of Corporate Governance Self-Assessment, confirming that the Code of Conduct, Financial Regulations, and other corporate governance processes have operated as intended within services throughout the year.
 - Corporate, Service and Project Risk Registers which identify significant exposures together with action plans intended to bring the level of risk down to an acceptable level. The work of the audit and governance committee which includes responsibility for monitoring the development and operation of corporate governance in the council
 - Quarterly Audit Improvement monitoring reports, Annual Internal Audit Reports and External Audit (ISA260), reviews by external inspection regimes (such as Ofsted and optional peer challenges).
- 7.8 During work on the formation of Dorset Council the Shadow Council adopted a Councillor Code of Conduct. Following a review of the Code of Conduct the Council agreed to adopt the new LGA Model Code of Conduct and to encourage town and parish councils to adopt the same code. The Council also worked with the Dorset Association of Parish and Town Councils to develop an e-form, making it easier for all councillors to declare their interests online and to improve the accessibility of information on its website.



8. What actions have been taken in response to 2020-21 Annual Governance Statement

Service Manager for Assurance	Action 1	A March 21 internal audit on Fraud and Whistleblowing has identified Priority 2 actions. These will be addressed by the Fraud task and finish group, with a focus on training.
	<p>Update – Southwest Audit Partnership completed an audit on ‘Fraud and Reporting’ in April 2021, with the objective of providing assurance that the fraud management arrangements are clear and accessible.</p> <p>The outcomes from the audit have been added to the existing Anti-Fraud, Bribery and Corruption Action with a clear delivery timetable.</p> <p>SWAP completed a second piece of fraud reporting in May 2021, a cross-cutting baseline assessment report on the maturity of fraud management. In many areas assessed against peers the authority has clearly initiated work in the key areas, but conflicting priorities on the Covid response mean that many of these arrangements are not yet fully operational.</p> <p>Whilst some actions remain outstanding, good progress has been made. The Council is an active member of CIFAS (UK fraud prevention community). SWAP is currently carrying out fraud risk interviews with key services, based on the DC risk methodology.</p> <p>Policies have been reviewed and updated and will be submitted for sign off in early 2022/23. Promotion of fraud and whistleblowing arrangements have been improved.</p> <p>The Council will continue to assess progress against the baseline assessment report.</p>	

Service Manager for Assurance	Action 2	Compliance with mandatory data protection training remains low (circa 40%). The training module has been improved and further communication and monitoring established, including a KPI (key performance indicators) on compliance.
		<p>Update – Training levels on Data Protection remain disappointingly low (47% as of Mar 22).</p> <p>This is not limited to the Data Protection policy, and similarly low rates apply to other mandatory modules.</p> <p>The Organisational Development Team will be taking a paper to Senior Leadership Team on mandatory training in early 2022/23 to determine how completion rates can be achieved.</p>

Service Manager for Assurance	Action 3	Following local government organisation and transition into Dorset Council, time is right to undertake a thorough assurance mapping exercise.
		<p>Update – We are currently working with Southwest Audit Partnership to develop a more holistic Assurance Map, which will identify and capture other streams of assurance over the corporate risks across the Council. From this assessment we will be able to visually highlight key assurance gaps, but also build a better picture of assurance outcomes to help direct focus and oversight.</p> <p>The work is sponsored by the Corporate Director, Legal and Democratic. Work has however not moved as quickly as hoped, due to other commitments within service areas.</p> <p>This action will therefore roll forward into the 2021/22 action plan.</p>

Service Manager for Electoral and Democratic Services	Action 4	The format of future committee meetings will be subject to further discussion, once there is clarification on legislation post May 21.
		<p>Update – The Chief Executive exercised delegated powers to continue with virtual informal committee meetings until such time as a webcasting solution is installed and tested providing the option to non-committee members, officers, and members of the public to engage in the democratic decision-making processes remotely.</p> <p>There were a few committees where physical attendance continued, i.e., school transport appeals, licensing sub-committees and Code of Conduct Hearings and precept setting, where officers are unable to take decisions under delegated powers.</p> <p>From February 2022 many committee meetings have returned to physical attendance, with streaming capability increasing transparency of decision making.</p>

Covid Silver	Action 5	Dorset Council Operations Group to manage and focus on additional visitor demand
	<p>Update – In anticipation of additional visitor demand because of the pandemic, a Dorset Council Operations Group for summer planning began meeting in February 2021 and over the summer. Plans for summer included:</p> <ul style="list-style-type: none"> • Additional Civil Enforcement Officer hours • The creation of ‘tow away’ areas for illegally parked vehicles • More bins and waste collections • Additional signage for visitors at beauty spots • Volunteer ambassadors to welcome visitors to local beauty spots and historic towns • Safety Marshals were deployed to key visitor locations to monitor numbers and provide on the ground intelligence • Additional CCTV cover • Additional response to licensing matters and issues • Safety Advisory Groups <p>Dorset Council played an active part in the Local Resilience Forum multi-agency Forward Look group. This involved partner working together to identify key risks and enable appropriate response, based on multi-partner intelligence.</p> <p>The Dorset Council Operations Group established a multi-agency control centre (MACC). The purpose of the MACC was to establish a virtual multi-agency capability which maintained county wide situational awareness from council departments and partner agencies and organisations. Council services, partners and organisations feed twice daily situation reports into the MACC. During the school summer holidays the MACC operated 7 days a week 0930 – 1800 and held twice daily virtual briefings between Dorset Council and Dorset Police at the weekends.</p> <p>A debrief of Summer Operations was held in October 2021 and the output of this will inform planning for Summer 2022. The Dorset Council Operations Group will continue to meet.</p>	

9. What actions will be taken in response to this 2021-22 Annual Governance Statement

9.1 Specific opportunities for improvement in governance and internal controls identified as part of the assurance processes have been addressed or are included in action plans for the relevant managers.

Action 1 Head of Organisational Development)	Compliance with mandatory training remains low. Action to be taken by Organisational Development
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Action 2 Service Manager for Assurance	Ongoing rollout of Assurance Mapping and Fraud Risk Assessment work
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Action 3 Service Manager for Assurance	Improve compliance rates for Subject Access Request responses
Action 4 Service Manager for Assurance	Embedding “Data Protection by Design and Default” through improved Data Privacy Impact Assessments, potentially incorporating into a wider “whole impact” assessment (equality; climate change etc).
Action 5 Service Manager for Archives	Rollout of Information Asset Register

10. Approval of the Annual Governance Statement 2021-22

The Council is satisfied that this statement provides a substantial level of assurance that good governance is in place in Dorset Council and that appropriate arrangements are in place to address improvements in our review of compliance. Progress on these improvements and on addressing any mitigating the risks will be monitored through the year by senior officers and elected councillors of Dorset Council.

Supported by:

Appendix A – Local Code of Corporate Governance
Appendix B – Summary of ‘Extreme and High-Level’ Risks

Foreword - Dorset Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards. It needs to ensure that public money is safeguarded, properly accounted for, and used economically, efficiently, and effectively. The Accounts and Audit Regulations (2015) require the Council to conduct a review, at least once a year, on the effectiveness of its system of internal control and include an Annual Governance Statement reporting on the review with the Statement of Accounts.

1. Good Governance in the Public Sector

1.1 In 2014, the Chartered Institute of Public Finance and Accountancy (CIPFA) and the International Federation of Accountants (IFAC) collaborated to produce The International Framework: Good Governance in the Public Sector. The diagram (table 1) illustrates the core principles of good governance in the public sector and how they relate to each other: Principles A and B permeates implementation of principles C to G. The Framework sets the standard for local authority governance in the UK. The purpose of the Framework is to assist authorities individually in reviewing and accounting for their own unique approach, with the overall aim to ensure that:

- Resources are directed in accordance with agreed policy and according to priorities
- There is sound and inclusive decision making
- There is clear accountability for the use of those resources to achieve desired outcomes for service users and communities

2. Corporate Governance

2.1 Corporate governance is about how we ensure that we are doing the right things, in the right way, for the right people, in a timely, inclusive, open, honest, and accountable manner. Good governance means that we have the right systems, processes, cultures, and values in place, to ensure that we account to, engage with and, where appropriate, lead our communities. It also means that our elected members and staff will conduct themselves in accordance with the highest standards of conduct. We are committed to effective corporate governance. Dorset Council embraces the following three overarching elements of good corporate governance and continually works to ensure that they underpin the delivery of the services:

- Openness and inclusivity - being open through consultation with stakeholders providing access to accurate and clear information. To ensure that all can engage effectively with the decision-making processes and actions of Dorset Council.
- Integrity - based upon honesty, selflessness, and objectivity. High standards of propriety and transparency in the stewardship of funds and management of the council's business.
- Accountability - members and officers are responsible for their decisions and actions.

2.2 Dorset Council remains committed to the principles of good corporate governance. The council recognises that achieving high standards of corporate governance encourages stakeholders to have confidence in the authority. The chief executive and leader prepare the annual governance statement as part of the annual statement of accounts giving their opinion on whether the corporate governance arrangements are adequate and are operating effectively.

2.3 The council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently, and effectively. In discharging this accountability, members and senior officers are responsible for putting in place proper arrangements for the governance of the Council's business and the stewardship of the resources at its disposal. It requires having in place a framework of overarching strategic policies and objectives underpinned by robust systems, processes, and structures for delivering these. We continue to engage with other statutory bodies and the voluntary and community sector as well as private companies commissioned to deliver services.

**Achieving the Intended Outcomes
While Acting in the Public Interest at all Times**

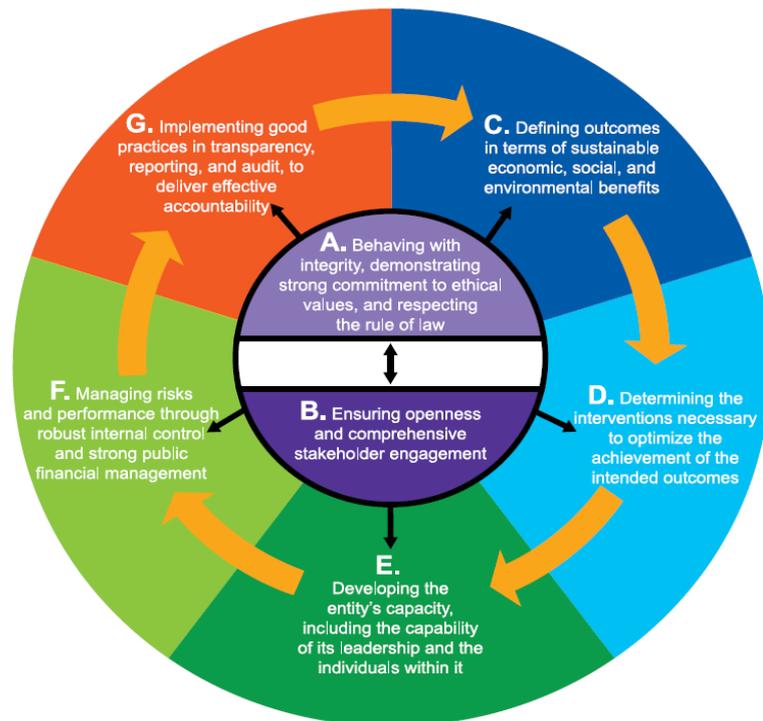


Table 1 - Dorset Council is committed to the seven core principles of good practice contained in the CIPFA framework. To confirm this, we test our governance arrangements by developing and maintaining an up-to-date local code of governance, including arrangements for ensuring ongoing effectiveness. Our Local Code has been written to reflect the Council's own structure, functions, and the governance arrangements in existence. The Council will monitor its governance arrangements for their effectiveness in practice and will review them on a continuing basis to ensure that they are up to date.

2.4 This review will include an assessment of the effectiveness of the processes contained within the Local Code and includes annual assessments :

- Departments and corporate reviews of assurance arrangements - Internal Audit Annual Report including an opinion on the risk, governance and control environment and framework
- The opinions of other review agencies and inspectorates, including governance issues via ad hoc cases / disciplinary issues, police investigations

Reporting publicly on compliance with our own code on an annual basis and on how we have monitored the effectiveness of our governance arrangements in the year and on planned changes. Regulation 6(1)(a) of the Accounts and Audit Regulations 2015 requires the Council to conduct a review at least once in a year of the effectiveness of our systems of internal control and include a statement reporting on the review with our published statement of Accounts. This is known as the Annual Governance Statement.

2.5 The Chief Executive and Leader of the Council certify the Annual Governance Statement to accompany the Annual Accounts which will assess how the Council has complied with our Local Code. An opinion on the effectiveness of the Council's governance arrangements will be provided together with details of how continual improvement in the systems of governance will be achieved.

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PRINCIPLE A. Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of the law

Sub-Principles

**Behaving with integrity - Demonstrating strong commitment to ethical values
Respecting the rule of law**

Dorset Council's commitment to achieving good governance:

To behave with integrity

We are all committed to delivering excellent services to Dorset residents and our employees are key to this commitment. Everyone who uses council services are entitled to expect the highest standards of conduct from council employees. We are all responsible for improving life for residents by delivering high quality services. Our values are at the heart of everything we do and ensure that we do the right things in the right way and our behaviours have been designed to support and embed these values. Dorset Council as a team is responsible for the quality and integrity of the services that it provides. We ensure members and officers behave with integrity and lead a culture where acting in the public interest is visibly demonstrated thereby protecting the reputation of the council.

We ensure that members take the lead in establishing specific standard operating principles or values for the organisation and its staff and that they are communicated and understood. We look to lead by example and using the above standard operating principles or values as a framework for decision making and other actions. Demonstrating and communicating and embedding the standard operating principles or values through appropriate policies and processes which are reviewed on a regular basis to ensure that they are operating effectively.

Evidenced by:

- Dorset Council constitution
- Scheme of Delegation
- Contract Standing Orders
- Officer and member codes of conduct
- Anti fraud and corruption strategy
- Complaints policy

To demonstrate strong commitment to ethical values

We are committed to the principles of Good Governance as agreed by the Chartered Institute of Public Finance Accountancy and the Society of Local Authority Chief Executives.

Our local code of governance is underpinned by these principles and is comprised of a framework of policies, procedures, behaviours, and values by which Dorset Council is controlled and governed. The documents that make up this framework provide the structures and guidance that our members and employees require to ensure effective governance across the council.

As a council we seek to establish, monitor, and maintain the organisation's ethical standards and performance by underpinning personal behaviour with ethical values and ensuring they permeate all aspects of the council's culture and operation. We have developed and maintain robust policies and procedures which place emphasis on agreed ethical values. We ensure that external service providers on behalf of the council act with integrity and in compliance with ethical standards expected by Dorset Council.

Evidenced by:

- Whistleblowing policy
- Procurement strategy
- Equality plan
- Job evaluation scheme
- Protocol for officer and member relations
- Behaviour framework
- Audit & Governance Committee

To respect the rule of law

Governance arrangements in the public services are keenly observed and sometimes criticised. Significant governance failings attract huge attention – as they should – and one significant failing can taint a whole sector.

Local government organisations are big business and are vitally important to taxpayers and service users. Dorset Council works to ensure that the highest standards and that governance arrangements are not only sound but are seen to be sound. The council works to ensure that its members and staff demonstrate a strong commitment to the rule of the law as well as adhering to relevant laws and regulations. It is important that conditions are created to ensure that the statutory officers, other key post holders, and members, and can fulfil their responsibilities in accordance with legislative and regulatory requirements. The council works to optimise the use of the full powers available for the benefit of Dorset residents, its communities, and other stakeholders. Where required the council deals with any breaches of legal and regulatory provisions and works to ensure that any corruption and misuse of power are dealt with effectively.

Evidenced by:

- Financial regulations
- Audit & Governance Committee
- Officer and member codes of conduct

PRINCIPLE B. Ensuring openness and comprehensive stakeholder engagement

Sub-Principles

Openness - Engaging comprehensively with institutional stakeholders - Engaging with individual citizens and service users effectively

Dorset Council's commitment to achieving good governance:

To ensure openness

The Seven Principles of Public Life (also known as the Nolan Principles) apply to anyone who works as a public officeholder. All public officeholders are both servants of the public and stewards of public resources. The principles also apply to all those in other sectors delivering public services. Holders of public office should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing.

Dorset Council recognises that we live in a modern, digital world where the use of modern communication methods such as filming, tweeting, and blogging should be embraced for enhancing the openness and transparency of local government bodies. This will ensure we have strong democracy where local government bodies are accountable to the residents whom they serve and to the local taxpayers who help fund them.

We aim to ensure an open culture through demonstrating, documenting, and communicating the council's commitment to openness. Making decisions that are open about actions, plans, resource use, forecasts, outputs, and outcomes. The presumption is for openness. If that is not the case, a justification for the reasoning for keeping a decision confidential should be provided. Providing clear reasoning and evidence for decisions in both public records and explanations to stakeholders and being explicit about the criteria, rationale and considerations used. In due course, ensuring that the impact and consequences of those decisions are clear. Using formal and informal consultation and engagement to determine the most appropriate and effective interventions/courses of action

Evidenced by:

- Consultation and communication strategy
- Dorset Council constitution
- Freedom of Information compliance and Disclosure Log
- Council Plan
- Dorset Council website
- 'Your Dorset' publication
- Pay statement
- Behaviour framework

To engage comprehensively with stakeholders

Dorset Council appreciates that if people take time to engage, they need to be listened to and their comments made, when asked, need to be seen to be acknowledged and be seen to make a difference. If not, we end up with even more cynical members of the public, believing consultation to be merely a 'tick-box' exercise. Decisions and choices which affect people need to be explained clearly and communicated in a way that engages all. Sometimes difficult decisions need to be made, and the choices need to be explained clearly to those affected. As a council we have ever growing numbers of partners 'delivering' services to the community. In our day-to-day activities we seek out to reach as many Dorset residents as possible.

By engaging people at the point of delivery, we can enable residents to shape their community and in turn community cohesion will build and grow making Dorset an even better place to live, work and visit. We acknowledge that by effective engagement with stakeholders we will ensure that the purpose, objectives and intended outcomes for each stakeholder relationship are clear so that the outcomes are achieved successfully. Developing formal and informal partnerships to allow for resources to be used more efficiently and outcomes achieved more effectively.

We work to ensure that partnerships are based on trust, a shared commitment to change, a culture that promotes and accepts challenge among partners, and that the added value of partnership working is explicit.

By establishing a clear policy on the type of issues that Dorset Council will meaningfully consult with or involve communities, individual citizens, service users and other stakeholders to ensure that service (or other) provision is contributing towards the achievement of intended outcomes. Ensuring that communication methods are effective, and that members and officers are clear about their roles about community engagement. This is achieved through encouraging, collecting, and evaluating the views and experiences of communities, residents, service users and organisations of different backgrounds, including reference to future needs.

Implementing effective feedback mechanisms to demonstrate how views have been considered. Balancing feedback from more active stakeholder groups with other stakeholder groups to ensure inclusivity and taking account of the impact of decisions on future generations of taxpayers and service users.

Evidenced by:

- External communication strategy
- Consultation & engagement policy
- Public consultations on key decisions / changes to policy
- Equality Diversity & Inclusion Strategy
- Residents' survey
- Local Resilience Forum
- Dorset Council constitution

PRINCIPLE C. Defining outcomes in terms of sustainable economic, social, and environmental benefits

Sub-Principles

Defining outcomes - Sustainable economic, social, and environmental benefits

Dorset Council's commitment to achieving good governance:

To define outcomes

Dorset Council recognises that clarity about outcomes is essential for any activity. Outcomes do not exist in isolation - they are part of an overall plan. They mean 'clearly stated results for residents and organisations who are supposed to benefit'. We acknowledge that establishing outcomes has both a value in terms of improving practice and external value for communicating with our stakeholders. Outcomes help to provide purpose, stronger partnerships through agreement on goals, and improved communication. A clear statement of outcomes establishes good communication with stakeholders and enables supporters and co-operators to understand what the council is aiming to achieve.

Having a clear vision, which is an agreed formal statement of the council's purpose and intended outcomes containing appropriate performance indicators, which provide the basis for the organisation's overall strategy, planning, and other decisions. Specifying the intended impact on, or changes for, stakeholders including residents and service users. It could be immediately or over the course of a year or longer. Delivering defined outcomes on a sustainable basis within the resources that will be available. Identifying and managing risks to the achievement of outcomes. Managing service users' expectations effectively about determining priorities and making the best use of the resources available.

Evidenced by:

- Council Plan
- Equality Diversity and Inclusion Strategy
- Performance and risk reporting

To enable sustainable economic, social, and environmental benefits

Dorset Council works to ensure that social value principles are applied in a way that enables the council to maximise economic, social, and environmental benefits for Dorset residents.

The council will go beyond the limitations of the Public Services (Social Value) Act 2012, acting as a leader and ensuring that economic, social, and environmental impact of policies are included in everything it does, linking economic and social growth with maximising the value obtained from money spent. Considering and balancing the combined economic, social, and environmental impact of policies and plans when taking decisions about service provision.

The council takes a longer-term view about decision making, taking account of risk, and acting transparently where there are potential conflicts between the organisation's intended outcomes and short-term factors, such as the political cycle or financial constraints.

We consider the wider public interest associated with balancing conflicting interests between achieving the various economic, social, and environmental benefits through consultation where possible, to ensure appropriate trade-offs. Dorset Council focuses on ensuring fair access to all services.

Evidenced by:

- Committee report impacts sheet
- Risk management
- Climate and Ecological Emergency Strategy
- Procurement and Commissioning Policy

PRINCIPLE D. Determining the interventions necessary to optimise the achievement of the intended outcomes

Sub-Principles

Determining interventions - Planning interventions -Optimising achievement of intended outcomes

Dorset Council's commitment to achieving good governance:

To determine interventions

We ensure that decision makers receive objective and rigorous analysis of a variety of options, indicating how intended outcomes would be achieved and associated risks. Therefore, ensuring best value is achieved however services are provided. As mentioned, Dorset Council considers feedback from residents and service users when making decisions about service improvements or where services are no longer required to prioritise competing demands with limited resources available including people, skills, land, and assets and bearing in mind future impacts.

Evidenced by:

- Dorset Council constitution
- Council Plan
- Service risk registers
- Committee report and clearance process
- Questions from the public agenda item
- Overview committees
- Programme/Project management
- Business Intelligence
- Performance Reporting
- Budget Management

To plan interventions

Priority issues are set by using national and local intelligence, including work related accident, injury and ill health statistics, complaints, and information from other regulators. Planned interventions can include a wide range of activities ranging from provision of specific advice and information, training sessions and seminars, working with trade associations, recognising, and sharing good practice and workplace inspections.

We achieve this through the establishment and implementation of robust planning and control cycles that cover strategic and operational plans, priorities, and targets. Recognising engagement with internal and external stakeholders in determining how services and other courses of action should be planned and delivered. Considering and monitoring risks facing each partner when working collaboratively, including shared risks. The council ensure that arrangements are flexible and agile so that the mechanisms for delivering goods and services can be adapted to changing circumstances.

Establishing appropriate key performance indicators (KPIs) as part of the planning process to identify how the performance of services and projects is to be measured. Ensuring capacity exists to generate the information required to review service quality regularly. Preparing budgets in accordance with objectives, strategies, and the medium-term financial plan. Inform medium- and long-term resource planning by drawing up realistic estimates of revenue and capital expenditure aimed at developing a sustainable funding strategy.

Evidenced by:

- Member briefings
- Portfolio holders
- Service risk registers
- Public consultations on key decisions / changes to policy
- Programme/project management

To optimise achievement of intended outcomes

Dorset Council ensures that the medium-term financial strategy integrates and balances service priorities, affordability, and other resource constraints. Our budgeting process is all-inclusive, considering the full cost of operations over the medium and longer term. The medium-term financial strategy sets the context for ongoing decisions on significant delivery issues or responses to changes in the external environment that may arise during the budgetary period for outcomes to be achieved while optimising resource usage. We ensure the achievement of 'social value' through service planning and commissioning.

Evidenced by:

- Medium Term Financial Strategy
- Annual Audit and Inspection letter
- Scrutiny Committees
- Audit and Governance Committee
- Portfolio holder for Finance, Commercial and Capital Strategy

PRINCIPLE E. Developing the entity's capacity, including the capability of its leadership and the individuals within it

Sub-Principles

**Developing the entity's capacity - Developing the entity's leadership -
Developing the capability of individuals within the entity**

Dorset Council's commitment to achieving good governance:

To develop capacity

Workforce capacity planning helps Dorset Council to determine whether we have the right mix and numbers of employees with the right skills and knowledge. Dorset Council looks to support its managers, workforce, and HR always leads. For example, workforce capacity is essential when planning for improved outcomes for people with care and support needs and their careers. Prevention, integration, and wellbeing all need to be considered throughout the development of any capacity plan. An important part of workforce capacity planning is that workers understand the needs of the people they are supporting.

The council reviews operations, performance and use of assets on a regular basis to ensure their continuing effectiveness. We strive to improve resources through appropriate application of techniques such as benchmarking and other options to determine how resources are allocated so that defined outcomes are achieved effectively and efficiently. Recognising the benefits of partnerships and collaborative working where added value can be achieved. Developing and maintaining an effective workforce plan to enhance the strategic allocation of resources.

Evidenced by:

- People strategy
- Business intelligence team
- Council Plan
- 'My Roadmap' appraisals

To develop the capability of the leadership and other individuals

We look to develop protocols to ensure that elected and appointed leaders negotiate with each other regarding their respective roles early in the relationship and that a shared understanding of roles and objectives is maintained.

The Constitution specifies the type of decisions that are delegated and those that are reserve for the collective decision making of the governing body. Dorset Council ensures the leader and the chief executive have clearly defined and distinctive leadership roles within a structure whereby the chief executive leads in implementing strategy and managing the delivery of service and other outputs set by members and each provides a check and balance for each other's authority.

Developing the capabilities of members and senior management to achieve effective leadership and to enable the organisation to respond successfully to changing legal and policy demands as well as economic, political, and environmental and changing risks by:

- ensuring officers and members have access to appropriate induction tailored to their role and that ongoing training and development matching individual and organisational requirements is available and encouraged.
- ensuring members and officers have the appropriate skills, knowledge and resources and support to fulfil their roles and responsibilities and ensuring that they can update their knowledge on a continuing basis.
- ensuring personal, organisational, and system-wide development through shared learning, including lessons learnt from governance weaknesses both internal and external

Ensuring that there are structures in place to encourage public participation. Taking steps to consider the leadership's own effectiveness and ensuring leaders are responsive to constructive feedback from peer review and inspections. Holding staff to account through regular performance reviews which take account of learning and development needs. Ensuring arrangements are in place to maintain the health and wellbeing of the workforce and support individuals in maintaining their own physical and mental wellbeing.

Evidenced by:

- People strategy
- Wellbeing strategy
- Scheme of Delegation
- 'My Roadmap' appraisals and 1to1s
- Close working with unions
- Learning hub
- Staffing Committee
- Centralised HR team with business partner model
- Mentoring and coaching
- Peer reviews and external inspections
- Staff consultative panels
- Leadership Forum

PRINCIPLE F. Managing risks and performance through robust internal control and strong public financial management

Sub-Principles

Managing risk - Managing performance - Robust internal control - Managing Data - Strong public financial management

Dorset Council's commitment to achieving good governance:

To manage risks

Dorset Council has a statutory responsibility to have in place arrangements for managing risks. The Local Government (Accounts and Audit) Regulations state that 'A local government body shall ensure that its financial management is adequate and effective and that it has a sound system of internal control which facilitates the effective exercise of its functions and includes arrangements for the management of risk.' The council recognises that there are risks involved in everything it does and it has a duty to manage these risks in a balanced, structured, and cost-effective way. Our approach to risk management is outlined within the Council's Risk Management Policy and is designed to ensure that:

- New and emerging risks continue to be identified promptly and assessed
- Significant risks are escalated
- The focus is on risks that, because of their likelihood and impact, make them management priorities (extreme and high-level)
- Effective mitigating action is taken to manage identified risks
- Steps are taken to reduce risks to an acceptable level.

Risks are regularly reviewed by the allocated risk owner(s) and there is an escalation process for those risks assessed as 'extreme or high level' (those assessed at 12 and above) which ensures that senior management and Members are aware of those risks that pose the most serious threat to the Council and how they are being managed. We recognise that Risk Management is an essential part of delivering good governance in a Local Authority and reduces the uncertainty of achieving ambitions as defined in the Council Plan.

Effective and efficient risk governance and oversight provide management with assurance that the Council's business activities will be positively enhanced by opportunities, but not be adversely impacted by threats that could have been foreseen. The effective management of risk can support Dorset Council in delivering transformed services required within the changing environment of local government. We are committed to driving the council forward to achieve a risk aware culture and in doing so Dorset Council has developed and identified ways to manage risk which enable us to make effective decisions to meet the Council's objectives and to safeguard the Council's assets.

Effective risk management is essential for a Council to demonstrate that it is acting in the best interests of the community it serves. We are accountable to the Audit and Governance Committee for the way in which we implement risk management. We continue to demonstrate that we have a structured approach, which is embedded into our planning and reporting cycles and decision-making processes.

Without good risk management practices, the Council cannot manage its resources effectively. Risk management means more than preparing for the worst, it also means taking advantage of the opportunities to improve services or to reduce costs.

Dorset Council's approach to Risk Management which sets out activities and roles and responsibilities required. The objectives are to:

- raise the profile and embed a risk culture across the council thus making it a core part of strategic planning, decision making, programme and project management, business continuity and health and safety
- deliver a consistent approach to risk across all directorates
- promote an inclusive approach to risk across the council and encourage ownership of the risk process
- raise awareness of risks across the council and inform staff of their responsibilities in relation to risk management
- allow continuous improvement and increased resilience through anticipating and responding to risks, both as potential threats and opportunities
- preserve and enhance service delivery, reduce injury, loss, damage to assets, safeguard employees, and maintain public funds
- protect the integrity of the council's services, its corporate governance framework, and its reputation

We recognise the importance of risk management and the requirements it places on its successful implementation that requires:

- ownership by, and commitment from, the Senior Leadership and Directorate Management Teams
- nomination, by Directors, of named officers to represent their service and to manage operational compliance with risk management framework
- commitment of Directors and Senior Managers to embed the risk management framework in their management structures to help ensure compliance with this framework
- risks are identified, recorded in risk registers, and regularly reviewed, escalated as required
- control and mitigating actions are identified, resourced, and implemented to manage risk to an acceptable level.

We have in place a risk management framework for all council services, functions, and teams to apply a common and agreed approach. We recognise that across the council some teams might adopt their own arrangements for risk management. However, they are strongly encouraged to adopt this framework to ensure consistency of approach. The framework will be governed by Assurance, Governance and Solicitor to the Council, who has responsibility for risk management. Regular reports on the performance of the framework will be provided to the appropriate council committee on a quarterly basis. Updates will also be made available to the senior leadership and management teams. Our framework is applicable to all council related services. Its application is mandatory, and adherence will be monitored by Assurance, Governance, and Solicitor to the Council, who has responsibility for risk management.

Corporate Governance is responsible for undertaking regular reviews of the framework to ensure it remains fit for purpose. Risk will never be eliminated therefore a robust approach is required which will deliver the following benefits:

- improved efficiency of operations and service delivery
- demonstration of good governance
- support the attainment of objectives
- better delivery of intended outcomes
- improved and informed decision making and resource allocation
- increased accountability for, and mitigation of, identified risks
- increased ability to secure funding
- maximisation of opportunities and supports innovation
- protection of reputation
- protection of budgets from unexpected financial losses
- protection of assets
- improved organisational resilience to risk
- compliance with legislation including the Civil Contingencies Act, Health and Safety etc. and emerging and evolving best practice
- enables efficient pro-active planning and reduces the need to react to risk i.e., less 'firefighting', and
- increased awareness of risk.

We continue to develop and embed our risk management culture. It is evident that council colleagues are more willing to participate in our risk process and better understand the informed decision-making. This continues to be helped by clear information made available through regular updates. The council's risk tolerance shown above clearly highlights the difference between those risks rated as low, medium, high-level, and extreme. If during a risk review, it is determined that the appetite around certain risks is increased, this can be affected by the removal of control and mitigating actions. However, any such decision must be carefully informed, reported and shared with other risk owners to ensure an understanding of potential interplays across various risks. As risk relates to uncertainty, as well as presenting threats, it can also present opportunities. Opportunity risk management involves actively taking advantage of risk through realisation, enhancement, and exploitation of opportunities, where there is scope to gain benefit. In addition to the 4T's of risk treatment a fifth 'T' applies for 'take' i.e., take advantage of the uncertainty. Opportunities should be considered on a case-by-case basis and the resources required for their pursuit and realisation determined. To ensure the successful, ongoing integration of risk management into council's systems and processes it is necessary to maintain a training and awareness for all colleagues. Training content encompasses the risk management process, application of risk management tools, identification and analysis of risk exposures, and reporting. The Assurance function will help facilitate and assist with the:

- induction training for new staff on risk, incident, and hazard reporting.
- regular risk and fraud awareness training
- risk assessment training for all managers, coordinators, and supervisors

Training is also available through the Dorset Council Learning Portal where several risk management related packages are available. For those colleagues who have limited computer access meetings and mail outs will provide the updates when deemed appropriate.

Evidenced by:

- Risk management policy statement
- Corporate and service risk registers, with clear risk owners
- Risk considerations within committee reports
- Reporting of significant risks to senior leadership teams and Audit and Governance Committee
- Business continuity framework
- Emergency Response Plan

Identified Improvements for 2022/23:

Ongoing rollout of Assurance Mapping and Fraud Risk Assessment work (Responsible Officer – Service Manager for Assurance)

To manage performance

Monitoring service delivery effectively including planning, specification, execution, and independent post implementation review. Making decisions based on relevant, clear objective analysis and advice pointing out the implications and risks inherent in the organisation's financial, social, and environmental position and outlook. Ensuring an effective scrutiny or oversight function is in place which provides constructive challenge and debate on policies and objectives before, during and after decisions are made, thereby enhancing the organisation's performance and that of any organisation for which it is responsible. Providing members and senior management with regular reports on service delivery plans and on progress towards outcome achievement. Ensuring there is consistency between specification stages (such as budgets) and post implementation reporting (financial statements)

Evidenced by:

- Performance reporting to Senior Leadership Team and Scrutiny Committees
- Impact/Risk considerations within committee reports
- Separate Overview and Scrutiny Committees
- Portfolio holders

To ensure robust internal control

The council understands and implemented policies and controls that help to provide stakeholders with timely information. In turn, senior management ensures internal responsibilities and accountabilities are established, understood, and embedded at all levels of Dorset Council. Employees understand their responsibility for behaving according to the culture. The tone for risk management and internal control are in place to help enable the council to meet its responsibilities effectively. Dorset Council's risk management and internal control will include risk assessment, management, or mitigation of risks, including the use of controls, information and communication, and processes for monitoring and reviewing effectiveness.

Work continues with risk management and internal control systems to be embedded in the operations of the council and be capable of responding quickly to evolving business risks, such as Covid 19, whether they arise from factors within the council or from changes in the business environment. As such, we continue to align the risk management strategy and policies on internal control with achieving objectives. Evaluating and monitoring risk management and internal control on a regular basis. Ensuring effective counter fraud and anti-corruption arrangements are in place. Ensuring additional assurance on the overall adequacy and effectiveness of the framework of governance, risk management and internal control is provided by the internal auditor. Ensuring that a further source of effective assurance regarding arrangements for managing risk and maintaining an effective control environment; and that its recommendations are listened to and acted upon are in place.

Evidenced by:

- South West Audit Partnership
- Chief Internal Auditors annual report
- Internal audit plan aligned to corporate risk register themes
- Anti-fraud and corruption policy
- Whistleblowing policy
- Quarterly reporting to Audit and Governance Committee
- SWAP attendance at senior leadership teams

To manage data

We use personal and sometimes sensitive (special) information to carry out our duties and deliver services. We decide why, what, and how information is processed and ensure safeguards are in place for the personal and special information we use. Ensuring effective arrangements are in place for the safe collection, storage, use and sharing of data, including processes to safeguard personal data. Ensuring effective arrangements are in place and operating effectively when sharing data with other bodies. This means we are a 'Data Controller'. We're also required to have a Data Protection Officer.

The Council is empowered to deliver a range of services and undertake several public tasks.

All council staff are required to undertake 'data protection and information security' training to ensure that personal data is processed in accordance with current data protection principles. We share your data between departments and services within the council so that we can keep our information up to date, provide cross departmental support, and to improve our services for Dorset residents. The council also reviews and audits regularly the quality and accuracy of data used in decision making and performance monitoring.

Evidenced by:

- Information Compliance Team
- Information Governance Board
- Senior Information Risk Owner
- Caldicott Guardian
- Information Asset Owners
- Data sharing agreements

- Data Privacy Impact Assessments
- NHS Data Security and Protection Toolkit
- 2022 Cyber 360 Challenge
- Mandatory Data Protection and Cyber Risk Training
- Information governance policies (including data protection)
- Information governance KPIs, reporting to Senior Leadership Team

Identified Improvements for 2022/23:

Compliance with mandatory training, including Data Protection training, remains low. Action to be taken by Organisational Development. (Responsible Officer – Head of Organisational Development).

Better embedding “Data Protection by Design and Default” through improved Data Privacy Impact Assessments, potentially incorporating into a wider “whole impact” assessment (equality; climate change etc). Responsible Officer: Service Manager for Assurance.

Rollout of Information Asset Register. Responsible Officer: Service Manager for Archives.

To ensure strong public financial management

Dorset Council remains committed to providing value for money and ensuring that public money is spent efficiently to provide an effective service to Dorset residents. Strong financial management is essential for the efficient, effective, and economic management of any organisation. Financial management covers the allocation of available resources to key priorities, monitoring the delivery of those priorities in a changing environment, the effective management of risk, and compliance with relevant legislative requirements. The aim of the process of financial management is to deliver the greatest benefit to stakeholders within the resources available, in a legal and financially sustainable way.

The environment and the changing demand for the services that Dorset Council deliver means that the council has limited control and influence over the level of demand. In addition, the level of resources available has not kept pace with demand. This creates a challenging environment in which to operate effective financial management. By ensuring financial management supports both long-term achievement of outcomes and short-term financial and operational performance. Ensuring well-developed financial management is integrated at all levels of planning and control, including management of financial risks and controls.

Evidenced by:

- CPMI reports
- Medium Term Financial Plan
- Budget update reports to committee

PRINCIPLE G. Implementing good practices in transparency, reporting, and audit to deliver effective accountability

Sub-Principles

Implementing good practice in transparency - Implementing good practices in reporting Assurance and effective accountability

Dorset Council's commitment to achieving good governance in practice includes:

To demonstrate good practice with transparency

Dorset Council believes transparency is an essential element of the delivery of council services. We have a duty to Dorset residents to be transparent in our operations and outcomes. As part of this commitment to being open and transparent, a range of information has been published in line with the Code of Recommended Practice for Local Authorities on Data Transparency. Writing and communicating reports for the public and other stakeholders in a fair, balanced, and understandable style appropriate to the intended audience and ensuring that they are easy to access and interrogate. We look to strike a balance between providing the right amount of information to satisfy transparency demands and enhance public scrutiny while not being too onerous to provide and for users to understand.

Evidenced by:

- Annual Governance Statement
- Member allowances scheme
- Annual audit report
- Freedom of Information
- Disclosure Log
- Subject Access Requests
- Independent remuneration panel
- Committee reports and clearance process
- Mod Gov committee reports

Identified Improvements for 2022/23:

Improve compliance rates for Subject Access Request responses. Responsible Officer: Service Manager for Assurance

To implement good practices in reporting

Dorset Council reports at least annually on performance, value for money and the stewardship of its resources to stakeholders in a timely and understandable way. We ensure members and senior management own the results reported. Ensuring robust arrangements for assessing the extent to which the principles contained in this framework have been applied and publishing the results on this assessment, including an action plan for improvement and evidence to demonstrate good governance (the annual governance statement).

The council ensures that this Framework is applied to jointly managed or shared service organisations as appropriate. We make sure that the performance information that accompanies the financial statements is prepared on a consistent and timely basis and the statements allow for comparison with other similar organisations.

Evidenced by:

- Council plan and supporting performance reporting
- Accountable officers for performance indicators
- Accountable officers for risks

To provide assurance and effective accountability

Governance comprises the arrangements put in place by Dorset Council to ensure that the intended outcomes for stakeholders are defined and achieved. To deliver good governance both the Council and individuals working for it must try to achieve the Council's objectives while always acting in the public interest. Acting in the public interest implies primary consideration of the benefits for the county, which should result in positive outcomes for service users and other stakeholders. Ensuring that recommendations for corrective action made by external audit are acted upon.

The council ensures an effective internal audit service with direct access to members is in place, providing assurance about governance arrangements and that recommendations are acted upon. Welcoming peer challenge, reviews and inspections from regulatory bodies and implementing recommendations. Gaining assurance on risks associated with delivering services through third parties and that this is evidenced in the annual governance statement. We ensure that when working in partnership, arrangements for accountability are clear and the need for wider public accountability has been recognised and met.

Evidenced by:

- Audit and Governance Committee
- Internal audit delivered by SWAP
- Monitoring and reporting of audit recommendations

Audit & Governance Committee

11 April 2022

Qtr3 financial management report

For Review and Consultation

Portfolio Holder: Cllr G Suttle, Finance, Commercial & Capital Strategy

Local Councillor(s): Cllr

Executive Director: A Dunn, Executive Director, Corporate Development

Report Author: Jim McManus
Title: Corporate Director, Finance & Commercial
Tel: 01305 221235
Email: jim.mcmanus@dorsetcouncil.gov.uk

Report Status: Public

Brief Summary:

All financial management reports come to the Committee for review following the Cabinet meeting at which they are presented.

Recommendation:

Members are asked to note the continuing improvement in financial performance of the Council against budget and in particular the S151 Officer's assessment that the risk around short-term finances can be reduced from high to medium.

Members are asked to comment on further work or review they would like to see carried out to improve any aspect of the Council's financial management, performance or position.

Reason for Recommendation:

Review of the organisation's performance against budget is a key aspect of this Committee's role.

1. Financial Implications

The Council's performance against budget is detailed in the attached Cabinet report.

2. Climate Implications

None specific.

3. **Well-being and Health Implications**

None specific.

4. **Other Implications**

None.

5. **Risk Assessment**

5.1 HAVING CONSIDERED: the risks associated with this decision; the level of risk has been identified as:

Current Risk: High

Residual Risk: Medium

6. **Equalities Impact Assessment**

The quarterly financial management report does not have any equalities impacts.

7. **Appendices**

Cabinet Qtr3 Cabinet report

8. **Background Papers**

Budget strategy report 2021/22

Qtr1 financial management report 2021/22

Qtr2 financial management report 2021/22

Cabinet

18 January 2022

Financial management report Quarter 3 2021/22

For Decision

Portfolio Holder: Cllr G Suttle, Finance, Commercial & Capital Strategy

Local Councillor(s): N/A

Executive Director: A Dunn, Executive Director, Corporate Development

Report Author: Jim McManus
Title: Corporate Director, Finance & Commercial
Tel: 01305 221235
Email: jim.mcmanus@dorsetcouncil.gov.uk

Report Status:

Public

Recommendation:

Cabinet is asked to

1. note SLT's forecast of outturn at the end of Quarter 3, including progress of the transformation and tactical savings incorporated into the budget;
2. note the position on the capital programme at this stage and the likelihood of significant slippage into 2022/23, as referenced throughout the budget setting work;
3. note and agree the downgrading of the risk assessment for the financial performance for the final quarter of the current year.

Reason for Recommendation:

The Council has responsibilities to deliver within its corporate plan and it must do this within the resources made available through the revenue and capital budgets for 2021/22. This report summarises the Council's forecast financial performance for 2021/22 at the Quarter 3 point of the year.

A report on budget strategy and the medium-term financial plan (MFTP) for 2022/23 and beyond will come to Cabinet separately.

1. Executive Summary

This report comes to Cabinet to provide information about the Council's forecast performance against its revenue budget in 2021/22 and the impact this could have upon reserves, including the general fund.

The report also briefly covers the capital programme performance.

2. Financial Implications

2.1 Financial implications are covered throughout this paper.

3. Well-being and Health Implications

3.1 None.

4. Climate implications

4.1 None.

5. Other Implications

5.1 None.

6. Risk Assessment

Current Risk: High

Residual Risk: Medium

6.1 Any overspend of the revenue budget falls to be funded from the general fund but Cabinet did not agree any use of reserves when setting the budget and has also agreed a strategy for reserves as part of the development of a sustainable base budget in the MTFP. The Council therefore continues to work towards balancing its outturn.

6.2 It is essential that the Cabinet understands the in-year pressures, the continuing impact of Covid-19 and the impact of any savings shortfalls in order to take the right actions in the current year as well as to enable any impact on the budget to be set for 2022/23 and the MTFP.

6.3 Due to the actions the Council continues to take throughout the year, the risk associated with the 2021/22 financial performance has been downgraded to medium for the last quarter of the year. This does not mean that all risk has been contained, but the actions taken to date mean the forecast is moving closer to the budget as supplemented by the additional, one-off funding provided by Government this year.

7. Equalities Impact Assessment

7.1 Not required for a finance update report.

8. Appendices

1 Summary of progress against budgeted savings

9. Background papers

- Budget strategy [report](#) 2021/22
- Qtr4 outturn [report](#) 2020/21
- Quarter 1 financial management [report](#) 2021/22
- Quarter 2 financial management [report](#) to Cabinet 2021/22
- MTFP and budget [report](#) to Cabinet 5 October 2021

10. Budget development

- 10.1 2021/22 is the third budget for Dorset Council. It was set against a backdrop of extreme cost and activity pressures and volatility, due to the pandemic. It was also another single-year financial settlement from Government. The budget strategy [report](#) contains more details in the respective appendices on resource allocation and savings, so that is not repeated here.
- 10.2 For 2021/22 Dorset Council set a net budget of £312m, funded from general grants (£4m), business rates (£44m) and council tax (£264m), meaning a band D equivalent council tax charge of £1,779.39.
- 10.3 The budget saw increased resources for people services and reductions for Corporate Services and Place Services. 2020/21 saw the use of £15m of reserves to support the outturn for that year. Many of the pressures that were dealt with in that year, continue to impact on the 2021/22 forecast and continue into the MTFP as reported in October and in the budget strategy paper, also on this agenda.

11. Forecast of financial performance at Quarter 3

- 11.1 At the end of Quarter 3, the Council is forecasting net budget pressures of £1.297m, as summarised in the table below.

Directorate	Net Budget	Forecast Outturn	Forecast (Overspend)/ Underspend	
	£k	£k	£k	%
People - Adults	128,256	135,812	(7,557)	(5.89%)
People - Children's	72,119	74,864	(2,745)	(3.81%)
Place	78,890	81,316	(2,426)	(3.08%)
Corporate Development	23,901	23,712	189	0.79%
Legal & Democratic Services	5,669	6,447	(778)	(13.72%)
Public Health	1,441	1,441	0	0.00%
Total Service Budgets	310,276	323,593	(13,317)	(4.29%)
Central Finance	(317,571)	(329,591)	12,020	(3.78%)
Whole Authority	(7,295)	(5,998)	(1,297)	

- 11.2 In addition to the pressures on the Council's own budget, there is also a forecast overspend against the Dedicated Schools Grant (DSG) High Needs Block (HNB) of £15.4m, for which there is a separate, strategic approach and conversation with Government.

- 11.3 Specific narrative on variances and changes is set out in the following paragraphs.

Children's Services

- 11.4 Children's Services forecast is £74.864m compared with a budget of £72.119m, an overspend of £2.745m (3.81%). There are two main areas of pressure in Children's Services; an increase in external placement costs and a decrease in trading income.

External placements

- 11.5 The number of children placed in externally purchased settings, accounts for £2.24m of the total overspend. Children are placed within Dorset Council's own settings where possible but the demand for external, specialist placements continues. There is also a £0.3m pressure within services that support children with a disability, including demand pressures for short breaks.

- 11.6 The forecast is based on the current cohort, so it does not anticipate growth, contraction or other placement changes that cannot be foreseen at this stage. The impact of Covid-19 on our families is still being felt and there potentially will be a 'hidden demand' during the remainder of the financial year, i.e. vulnerable children who will require Dorset Council support.

- 11.7 Underspends in other social care budgets, such as in-house residential care and fostering are reducing the overall overspend.

Plans to deliver additional provision at Dorchester Road and Kirtleton Avenue have unfortunately slipped due to construction delays. It is unlikely this provision will be available this financial year and this is a key driver of the external placements overspend.

Trading income

- 11.8 During 2020/21, a new model for delivering children's services in Dorset was launched. The model brought together Early Help, Children's Social Care, Educational Psychology, SEND (Special Educational Needs and/or Disabilities) and Inclusion services under the leadership of Heads of Locality and Strategy into six integrated locality teams across Dorset.

- 11.9 Coupled with improving inclusion in mainstream schools, Dorset Council has invested in early intervention, inclusion, and outreach services to schools. This has included redeploying specialist teachers, educational psychologists, and inclusion officers to support schools in identifying needs and putting in place tools and strategies to support mainstream settings.

- 11.10 This is a fundamental change from the previous operating models that heavily involved trading services with schools. Consequently, most of the lost trading income is attributable to the move to early identification and

intervention strategies (through the new operating model) to avoid expensive specialist provision. This does not mean trading has ceased but it is taking a different form. We are currently working on a project to understand what levels of income can be achieved in the current market.

Dedicated Schools Grant

- 11.11 The DSG is a ring-fenced grant. The majority of it is used to fund individual school budgets in local authority-maintained schools and academies in Dorset, early years nursery entitlement and provision for pupils with high needs, including those with Education Health & Care Plans (EHCPs) in special schools, special provision and mainstream schools in Dorset and out of county. Part of the DSG, the Central Services Schools Block (CSSB) provides funding for Dorset Council to carry out central functions on behalf of pupils in state-funded maintained schools and academies in England.
- 11.12 Since the Quarter 2 report to Cabinet, the forecast overspend has improved by £1.2m, to £15.4m. This is all within the High Needs Block (HNB). The projected, cumulative DSG deficit at the 31 March 2022 is now £54.5m.
- 11.13 The HNB budget was based upon a model covering financial years 2020/21 to 2025/26, with expected EHCP growth. At the end of 2021/22, the expected number of children and young people with an EHCP is estimated to be 3,305, an increase of 276 from 31 March 2021.
- 11.14 The model is underpinned by strategies that promote inclusion in mainstream settings (for example, the change in operating model at Dorset Council), and Dorset Council's £35m-£40m SEND capital strategy that seeks to create specialist placements through new special schools, expanding current specialist provision and developing new facilities at mainstream schools. The new HNB management strategy is also crucial for future stability.
- 11.15 The main area of uncertainty is high-cost placements, including bespoke alternative provision, and potential un-forecast growth in the number of children and young people with an EHCP. In addition, the wider impact of the pandemic on children and young people's learning and learning needs is not yet fully known or quantifiable. Dorset Council has produced a HNB management strategy as it works toward early identification and support for learning needs through the graduated approach.
- 11.16 In the original budget set, an assumption was made that Coombe House, Dorset Council's proposed new special school, would take an initial cohort of 60 from September 2021. Since the budget was created, the additional work required to set up a new special school (for example capital improvements) has resulted in the opening being delayed. However, the option to buy a school for this purpose will still deliver places far more quickly than building a new facility at a higher capital cost.

11.17 Moving high-cost placements into local specialist provision is more than moving numbers. The process takes time, planning and sensitivity to ensure the child and young person's needs are met with minimal disruption and high support around transition. It will take time to significantly improve the financial performance of the HNB but we are seeing delivery against the agreed plan.

Adults Services & Housing

- 11.18 Adults' Services & Housing is forecasting an overspend of £7.557m against a budget of £128.256m (5.89%). This is an improvement of £1.557m since Quarter 2. The improvement within the forecast is mainly due to the inclusion of one-off funding, an improvement within income across Housing and Adult Care and additional savings from vacancies across the directorate. Alongside the continued primary focus on delivery of safe services the Directorate still delivered £988k of the Transformation Programme within Quarter 3.
- 11.19 Adult Care Packages is forecasting an overspend of £7.016m, an improvement since Quarter 2 of £810k. There has been an increased pressure within the Hospital Discharge Programme (HDP) combined with a shortage of domiciliary care. This has resulted in people having to go into care home placements at a higher cost, although these have been partially mitigated by additional income and the use of one-off funding. This pressure remains, going into the last quarter of the year especially as the supply of care home placements diminishes due to the Covid-19 outbreak. Some contingency has been allowed in the forecast for this.
- 11.20 The Adult Social Care operational service is currently forecasting a £109k overspend a reduction of £556k since Quarter 2. A pressure remains within the Approved Mental Health Professional (AMHP) hub of £304k. As mentioned in the Quarter 2 report this is a statutory function that must be available 24/7 and is impacted by the national shortage of AMHPs as well as the service review conducted in 2020, with the resultant loss of professionals. A short-term contract to bolster the service with an external agency (at a cost of £195k) has brought safety and stability whilst national advertising for permanent staff continues. Adult Care Management continues to forecast an overspend of £298k for additional agency support to cover vacancies. These overspends are offset by savings within the Directorate due to vacancies and the delays within recruitment. Additional one-off funding has also been applied to support staffing cover, additional agency support and to provide resilience across the directorate.
- 11.21 The Commissioning forecast underspend has increased by £71k since Quarter 2, taking it into a £79k underspend. This is mainly the result of the use of one-off infection control funding.
- 11.22 Housing is currently forecasting an overspend of £184k an improvement since Quarter 2 of £95k due to additional income received from the rental of new properties. Additional Covid funding has just been awarded for

Homelessness Prevention to support the additional costs incurred against Bed and Breakfasts. This has been awarded to pay for additional demands from Government to take all people sleeping rough in off the streets and into self-contained accommodation during winter.

- 11.23 The Directorate-wide forecast has increased by £24k since Quarter 2, taking it to an overspend of £322k, due to the continued costs of Covid-19, including staff supporting seven-day working.

Place

- 11.24 Place Services forecast is an overspend of £2.426m against a budget of £78.89m (3.08%).
- 11.25 Leisure Services - predominantly Leisure Centres and the Outdoor Education Service - are showing one of the largest adverse variances, at almost £0.6m. Uncertainty remains the order of the day, with the sector nationally having showed some signs of recovery over the summer and autumn period but with the latest national situation regarding covid-19 casting further uncertainty on the likelihood of a stable situation anytime soon. It is worth noting that the Leisure Services budget for 2022/23 assumed a return to pre-pandemic levels and therefore financial risk remains.
- 11.26 There is a forecast overspend of £0.578m in Assets & Property. These budgets have been affected in many ways this year. Minimal workforce at County Hall has seen income budgets on car parking and suppressed catering income, but there have also been savings in areas such as utility costs and the postage team. There are also some legacy budget setting issues causing an adverse variance, which are addressed in the proposed 2022/23 budget. There is a forecast of underspend of circa £0.2m in the building repairs and maintenance budgets. Assets and Property undertook a major staffing restructure in the summer, saving circa £0.8m in staffing costs, however there is a residual issue with staffing contributions from the capital budget being below budget in some areas, with £0.345m of the overall variance sitting with the Coastal Team.
- 11.27 Approximately £2.3m of the variance is in relation to savings (either tactical or transformational) that are in danger of not being achieved. Larger examples being in Planning (£490k), Parking (£330k) and Travel (overall target £1.044m). These issues are addressed in the draft budget proposal for 2022/23.
- 11.28 Parking income shortfalls are forecast to be £0.537m. As documented previously, car parking income has been volatile due to national lockdown in the early part of the financial year, and a decision not to pursue (budgeted) evening charges (£0.330m), although the budget has recovered to some degree during a busy 'staycation' summer period. The parking budget will remain a financial risk due to volatility around Covid-19, the extent of staycations and of course weather.

- 11.29 The Highways infrastructure budget, which contains the budget line for the PFI streetlighting contract, has benefitted by around £0.5m this year due to a one-off rebate under that contract.
- 11.30 The overall Planning budget is forecasting an overall adverse variance of circa £1.2m. As reported previously, there are a wide number of issues behind this headline figure, most of which are addressed in the draft 2022/23 budget proposals. There are legacy income budget issues to be addressed, the service is looking at an increased pay budget following a review of the structure, and this is exacerbated by the inability to recruit appropriately qualified staff, with agency costs being required as a result.
- 11.31 The Dorset Travel budgets are forecasting an overspend of almost £1.6m. The headline issue here is the SEN transport budget, which is currently the subject of scrutiny and transformation resources.
- 11.32 Community and Public Protection (CPP) budgets are forecasting an adverse budget variance of circa £0.2m. Much of this is in relation to income activity, such as Licencing (£0.183m) and Bereavement Services (£0.055m), there are also historic budget gaps (such as budgeted contributions to the CSAS and CCTV services) that are causing issues, and a number of small underspends offsetting the overall position.
- 11.33 The Coroners Service reports to the Home Office and is jointly funded via a partnership arrangement between Dorset Council and BCP Council as a single coronial area. The Coroner has indicated that there are a number of high profile and high-cost inquests due, and consideration is being given to setting aside a reserve specifically to deal with the one-off costs of these high-cost cases, distinct from the funding of the regular service.
- 11.34 Commercial Waste and Strategy is forecasting a favourable budget variance of £1.8m. The predominant factor here is the very favourable price (income) seen this year for the disposal of recyclate material. Whilst this has been a very positive situation this year, Cabinet is reminded that the price received (or paid) for recyclate material is subject to rapid change as part of the global supply and demand for different commodities, and therefore cannot be taken for granted.
- 11.35 Waste Operations, including fleet, is forecasting an adverse variance of £0.169m overall, which is mainly associated with external income shortfalls in the fleet maintenance budget and pressure on the vehicle parts and fuel budgets.
- 11.36 The Director's Office includes an unfunded pressure of £0.26m in relation to capital financing charges for historic harbour walls capital spend.

Public Health

- 11.37 The public health grant allocations for 2021/22 for BCP Council is £20.053m and for Dorset Council is £14.214m. Agreed local authority contributions for 2021/22 gives a shared service budget of £25.037m.

- 11.38 Each local authority retains a portion of the grant to deliver other services with public health impact. The public health ring-fenced conditions apply equally to these elements of the grant and the use of the funding in each council outside of the shared service will continue to be monitored through the Joint Public Health Board (JPHB). At present the financial forecast estimates spend in line with budget.
- 11.39 A small underspend is still forecast against the Pooled Budget. This is based on current activity data and a better understanding of the potential enduring impacts from Covid-19, which shows that changes in activity are different across each service area. Any underspend goes into the Public Health reserve at year end due to the ring-fence around the fund.
- 11.40 COMF and Test & Trace funds have been allocated, including contingency for further outbreaks. A large proportion is committed but not yet spent. Any forecast underspends will be reassigned where possible in year or carried forward into 2022/23.
- 11.41 There are four priority themes for COMF spend including:
- i. Health Protection including expenditure for testing, contact tracing, summer opening
 - ii. Comms Engagement Insights and Research - Trusted Voices and campaigns
 - iii. Health Improvement - Adult Social Care and Drugs and Alcohol support
 - iv. Supporting Communities and tackling inequalities - Voluntary sector support and education

Corporate Development

- 11.42 Corporate Development is forecasting an underspend of £0.189m against a budget of £23.901m (0.79%).
- 11.43 Financial and Commercial services are forecasting an overspend of £0.319m, which is largely related to loss of court fee income from the non-payment of business rates and council taxes (linked to Covid-19), net increase in Housing Benefit Subsidy costs, partially offset by vacancies within the service.
- 11.44 An underspend of £0.271m is forecasted in ICT, where there is additional income and vacancies within the department.
- 11.45 HR & OD are forecasting an underspend of £0.130m which is through a combination of additional income (£0.068m), staff related changes (£0.081m) and early achievement of savings (£0.022m), partially offset by increased Apprenticeship Levy (£0.034m) and Freelancer costs (£0.007m).

- 11.46 Other net, minor movements in the other services contribute to an underspend of £0.107m covering vacancies, reduced contributions to Dorset Care Record and partially offset by additional Covid-19 grants issued.

Legal & Democratic Services

- 11.47 Legal & Democratic Services is forecasting an overspend of £0.778m against a budget of £5.669m (13.72%). The largest part of the forecast is £0.693m relating to a temporary Mortality Support Unit (MSU). Pandemic events with the potential for very significant loss of life across the UK remain a significant risk.
- 11.48 The members budget is forecasting an underspend of £0.073m due to meetings costs (travel, property etc) being reduced through the holding of meetings virtually rather than face to face.
- 11.49 Land Charges are forecasting an overspend of £0.062m through increased staff costs to assist clearing the backlog but also anticipated lower future volumes.
- 11.50 There is also a minor forecasted overspend in legal services due to reduced income.

Central budgets

- 11.51 Central budgets include the main sources of the Council's funding; council tax, business grants and general grants (such as new homes bonus).
- 11.52 A grant of £8.56m has been received from Government to support the impact of Covid-19 on the Council's financial position. This is contributing to the overall position and offsets spend captured in the directorates along with two other positive grant movements this quarter.
- 11.53 Capital financing costs are also forecast to be around £460k lower for the year due to the significant amount of cash balances that the Council has had, meaning we have not had to borrow. Whilst we therefore anticipate borrowing increasing in 2022/23 to fund an ambitious capital programme, there is still sufficient base capital financing budget for this in 2022/23.

Collection Funds

- 11.54 Cabinet is aware that collection rates for council tax and business rates continue to be suppressed by the pandemic.
- 11.55 For council tax, it is pleasing to be able to report that in-year collection rates this year continue to show signs of recovery. However, significant risk remains until we see rates similar to those for 2019/20 and recover the arrears that accumulated during this slower collection period (arrears recovery is not included in the cumulative % rates in the tables below).

DC Summary	2019/20	2020/21	2021/22
April	10.58	10.52	10.67
May	19.93	19.60	19.73
June	29.40	28.85	28.84
July	38.82	37.99	38.05
August	48.14	46.99	47.10
September	57.56	56.02	56.28
October	67.21	65.29	65.56
November	76.47	74.24	74.68
December	85.69	83.30	83.77

11.56 Whilst there has been some support from Government for local tax losses - and this is included in the Quarter 3 forecast – risk of a potentially significant burden still lies with local authorities.

11.57 Council tax arrears increased by £10.2m in the year to 31 March 2021 and contributed towards an increase in the provision for bad debt of £6.5m. In the nine months to 31/12/2021, the Council recovered £5.8m of arrears and progress continues.

11.58 For business rates collection, the figures are more concerning and the current year's cumulative rates are still significantly lower than 2019/20. There could be a number of reasons for this but anecdotally we know that a number of businesses have ceased trading and will no longer be paying business rates and there will be a shortfall of income until empty premises are occupied. This situation will continue to be kept under close review and the Portfolio Holder will continue to be briefed on a monthly basis. The table below shows the cumulative % collection of total business rates.

DC Summary	2019/20	2020/21	2021/22
April	12.56	8.26	9.25
May	23.62	21.51	20.07
June	31.74	28.24	22.53
July	39.91	38.62	30.56
August	49.99	45.09	39.55
September	58.29	51.41	52.34
October	66.93	59.59	60.87
November	76.64	69.76	69.66
December	84.88	76.60	77.96

11.59 Business rates arrears increased by £5.4m in the year to 31 March 2021 and the Council continues to take appropriate action to recover amounts owed.

12. Progress against budgeted savings

12.1 In setting the budget strategy for 2021/22, the Council closed a budget gap which at one stage, was almost £42m. The various budget updates to Cabinet during 2020/21, including the 2021/22 budget strategy report, set

- out how that gap was calculated and subsequently closed. Part of that process involved identification of transformational and tactical savings.
- 12.2 Appendix 1 sets out a summary of the progress being made against the transformational and tactical savings and risk-rates the achievement of the savings. The shortfalls classified as *red* (£5.432m) are included in the forecast – i.e. they are assumed not to be delivered in 2021/22 and therefore were included as pressures in the 2022/23 budget build process. At Quarter 2 the red-rated savings shortfall was £6.358m, so the savings risk profile has improved.
- 12.3 At this stage, the forecast assumes all other savings will be achieved, though clearly this may change as we move through the last quarter of the financial year. There is a further £1.824m of savings currently RAG-rated as amber which need to be delivered in the final three months of the year.
- 12.4 Leadership Performance Board continues to monitor the transformation programme and associated savings. Work continues to identify strategies to deliver services within the funding available.

13 Reserves and the general fund

- 13.1 The 2020/21 draft outturn [report](#) set out Cabinet's agreed, strategic approach to reserves management. Dorset Council therefore started the current financial year with a general fund balance of £31.5m and a further set of aligned, earmarked reserves.
- 13.2 However, whilst the Council's position is sound and gives a good starting position for onward development of the MTFP, the issue of the accumulated overspend on the High Needs Block (HNB) of the Dedicated Schools Grant (DSG) remains a concern.

14 Capital programme 2021/22

- 14.1 Council approved a capital budget of £62.8m when it approved the budget strategy in February 2021. On top of this, there was slippage in the existing capital programme from 2020/21 of £76.1m, bringing the total to £138.9m. Further funding coming to the Council during the year means the capital programme for 2021/22 has increased to total expenditure of £197.3m.
- 14.2 A significant volume of the programme is financed externally through grants and contributions from others. During the last quarter, CSAMG subgroups have reviewed this year's programme as part of the preparation for recommending a capital programme to Cabinet for 2022/23. This work resulted in the "surrender" of £10m of the £197.3m as it is no longer needed.
- 14.3 Capital expenditure to 31/12/2021 was £42m and it is estimated that around £96m of spend could slip into 2022/23. A further update on this will be included in the draft outturn report. The budget strategy report,

elsewhere on this agenda, also recommends repeating the review of the 2022/23 programme once the actual slippage can be confirmed.

- 14.4 The slippage is reflected in higher than anticipated cash balances and lower borrowing and capital financing charges reflected earlier in this report.

15 Summary

- 15.1 2021/22 continues to be an extremely challenging time for local government, with the direct and indirect consequences of Covid-19 impacting on income, expenditure, and in particular the collection funds.
- 15.2 There remains a large degree of financial uncertainty and, having reviewed expenditure for the first half of the year, Dorset Council's prudent financial forecast is a £1.297m budget pressure caused by a combination of increased demand, price pressures and reduced income streams.
- 15.3 This represents a continued improvement from the Quarter 1 and Quarter 2 predictions, and it is vital that we maintain the momentum of our improving financial performance. The Council can never relax with its budgets and we need to be continually thinking about how to achieve best value for money and how to further improve our efficiency. Despite the improving headline position, there are still risks for 2022/23 and further ahead in the MTFP due to one-off funding this year and a range of new, national initiatives to deliver from 2022/23.
- 15.4 The information contained within this report has been used to inform the 2022/23 budget setting process, and the MTFP and a separate report on budget strategy is on the same agenda for Cabinet's consideration and recommendation to Full Council in February.

Aidan Dunn
Executive Director - Corporate Development
(S151 Officer)

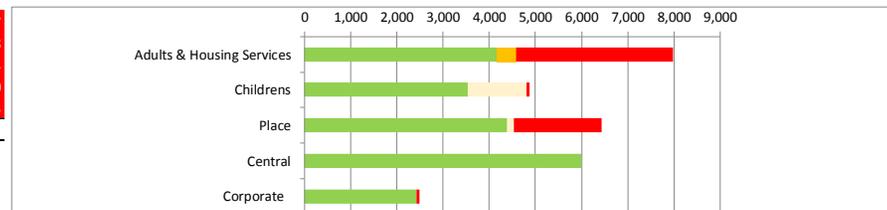
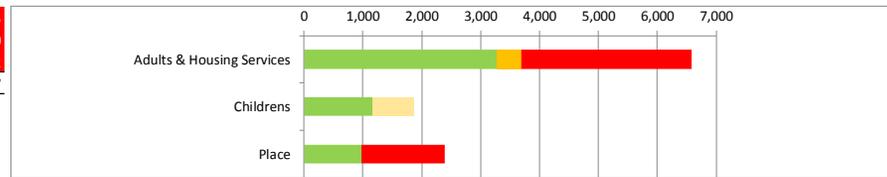
Footnote:

Issues relating to financial, legal, environmental, economic and equalities implications have been considered and any information relevant to the decision is included within the report.

Appendix 1

Summary of progress against budgeted savings

2021/22 Savings Plans	£000's	Officer assessment on savings target			
		Green £000's	Amber £000's	Amber 2 £000's	Red £000's
Tactical					
Adults & Housing Services	1,400	898	0	0	502
Childrens	3,009	2,374	567	0	68
Place	4,043	3,414	137	0	492
Central	6,000	6,000	0	0	0
Corporate	2,489	2,426	0	0	63
Total Tactical	16,941	15,112	704	0	1,125
Transformation					
Adults & Housing Services	6,582	3,268	0	420	2,895
Childrens	1,870	1,170	700	0	0
Place	2,393	981	0	0	1,412
Total Transformation	10,845	5,419	700	420	4,307
Total - Tactical and Transformation					
Adults & Housing Services	7,982	4,166	0	420	3,397
Childrens	4,879	3,544	1,267	0	68
Place	6,436	4,395	137	0	1,904
Central	6,000	6,000	0	0	0
Corporate	2,489	2,426	0	0	63
Summary Savings Plans	27,786	20,530	1,404	420	5,432



Audit & Governance Committee Revenues & Benefits Service update

11 April 2022

SVPP context

- Prior to LGR revenues & benefits delivered by SVPP and South Dorset Partnership
- At LGR, SDP was consolidated into Dorset Council
- DC and BCP agreed that other partnership arrangements would not be reviewed initially
- Following the pandemic, DC reviewed partnership arrangements resulting in a report to its Cabinet

Governance

- SVPP Board, Scrutiny Panel and Joint Committee
- Dorset Council Place & Resources Overview Committee
- Dorset Council Cabinet – 07/12/2021
- Audit & Governance Committee
- Place & Resources Scrutiny Committee

Progress to date

- Delegation from Cabinet to S151 Officer
- Letter of agreement signed by both S151 Officers
- Arrangements for ending the partnership
- Not formal collaboration agreement but “amicable” terms
- Contribution of £1.1m towards exit costs
- Modelled savings of £700k+ pa; short payback period
- Agreed scaling back of contract payments in 2022/23

Next steps

- Working plan for service transfer from SVPP to DC
- Contract price reduction as services transfer
- Aim for all services to be transferred to DC by 01/12/22
- SVPP formally wound up 31/03/23
- DC recruiting to vacancies and scaling up – no TUPE but a HR protocol has been agreed
- Aligning human resources with service plan
- Reporting to Portfolio Holder and Place & Resources Scrutiny
- Develop longer term transformation plans
- Data as a strategic resource for strategic service design

Customer impact?

- All customers will be dealt with by a single DC Team
- It will take some time to transition all services and customers across
- Communications process has already started with the CT and NDR bills for 2022/23
- All post coming to County Hall
- Customers starting to be serviced by DC Team
- Single database means DC Team can see all workload and is starting to pick up customer service for East and North customers already, workload issues can be identified better
- Aim to minimise disruption to customer, many will not notice

Questions?

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Audit and Governance Committee

11 April 2022

Meeting Arrangements and the Health and Wellbeing Board

For Recommendation to Council

Portfolio Holder: Cllr S Flower, Leader of the Council

Local Councillor(s): All Councillors

Executive Director: J Mair, Corporate Director, Legal & Democratic

Report Author: Jonathan Mair

Title: Corporate Director, Legal and Democratic

Tel: 01305224181

Email: Jonathan.mair@dorsetcouncil.gov.uk

Report Status: Public

Brief Summary:

In April 2020, as part of the response to the coronavirus pandemic, the Government made regulations ([the Flexibility Regulations](#)) to enable local authorities to meet remotely.

The Flexibility Regulations expired on 6 May 2021 and were not capable of being extended due to a “sunset clause” contained in the Coronavirus Act 2020 under the provisions of which the Flexibility Regulations had been made. The Government has consulted on the introduction of new legislation to give authorities the flexibility to choose whether to meet remotely but there has been no indication when or if any change will be introduced.

In April 2021 the High Court confirmed that without a change in legislation, there is no legal basis for authorities to hold formal, remote meetings at which members make decision. Instead formal decision-making meetings must take place in person, with members physically present in the same room.

Between May 2021 when the Flexibility Regulations expired and Full Council on 15 February 2022 the Council’s meetings took place informally online. Members

did not make decisions and instead, where a decision was needed, an officer made the decision after having consulted members through the informal meeting.

Following the lifting of all Covid restrictions the Council has made a welcome return to in person decision making meetings. However, the Pandemic has shown us that formal in person meetings do not suit all circumstances and all committees and that sometimes an informal online meeting can provide necessary flexibility. The Health and Wellbeing Board is an example of this.

The [Dorset Health and Wellbeing Board](#) was formed in 2012 by the Health and Social Care Act. It is a statutory forum in which key leaders from the health and care system work together to improve the health and wellbeing of the population. Although the formal legal status of the Board is that it is a committee of the council its membership includes a mix of elected members, council officers and representatives of partners. Unusually a change was made to the law to give officers voting rights on Health and Wellbeing Boards.

In Dorset the Board has a membership of 18, only 3 of whom are elected members. The remainder are council officers (4) representatives of NHS bodies (7) and other bodies (4). The diversity of membership makes it difficult for all members of the board to attend meetings in person. At the request of the Chair of the Health and Wellbeing Board this report recommends changes to the Constitution to enable the Board to continue to meet informally online so that this becomes its usual way of working.

The report also recommends a wider change to the Constitution to make it explicit that in exceptional circumstances the Chief Executive, after consulting the relevant committee chair, may convene informal online meetings of the Full Council, the Cabinet, a Committee or Sub-Committee. Whilst in a declared emergency the Chief Executive has wide ranging powers there may also be one off, exceptional circumstances warranting a move to an informal online meeting and the proposed delegation provides for this.

Recommendation:

That the Full Council should be asked to agree:

1. That the Health and Wellbeing Board should meet informally online as its usual way of doing business.
2. That as a matter of course and for the duration of their appointment the co-opted members of the Health and Wellbeing Board should be given a dispensation from attending meetings in person.
3. That delegated authority be given to the Director of Public Health, after consultation with the Health and Wellbeing Board at informal online meetings, to make all decisions within the terms of reference of the Board.
4. That the Chief Executive be given delegated authority:

- (a) In exceptional circumstances and after consultation with the relevant chair, to convene informal online meetings of the Full Council, the Cabinet or any committee or sub-committee.
- (b) After consulting members at informal online meetings to make any decision (save those that cannot by law be exercised by an officer) taking into account the views expressed by Members about the decision that they would have been minded to make had it been possible to hold a formal decision making meeting in person.

Reason for Recommendation:

The Health and Wellbeing Board is formally a committee of the Council but is different from ordinary committees in that its membership includes officers and representatives of partner bodies as well as councillors. The Board benefitted from online working during the Covid-19 pandemic resulting from the convenience of remote attendance. The Chair believes that the Board would work more efficiently and effectively if it was to continue to meet online. Recommendations 1, 2 and 3 provide for this.

The Chief Executive has wide ranging authority to act in an emergency. This power was exercised to enable councillors to continue to meet (informally) online after the lapse of the Coronavirus flexibility regulations. The proposed delegations in recommendation 4 would make explicit in the scheme of delegation the ability of the Chief Executive, in exceptional circumstances, to convene informal online meetings and for the Chief Executive to make decisions taking account of views expressed at those online meetings.

1. Financial Implications

Online meetings result in a reduced cost of travel.

2. Climate Implications

As with cost, climate impacts are reduced when there is no need to travel to meetings.

3. Well-being and Health Implications

The Health and Wellbeing Board plays a central role in improving the health and wellbeing of the population and recommendations in this report will make it easier for all members of the board to contribute to its work.

4. Other Implications

None.

5. Risk Assessment

- 5.1 **HAVING CONSIDERED:** the risks associated with this decision; the level of risk has been identified as:

Current Risk: Low
Residual Risk: Low

6. **Equalities Impact Assessment**

There are no equalities implications associated with this report.

7. **Appendices**

None

8. **Background Papers**

[The Local Authorities and Police and Crime Panels \(Coronavirus\) \(Flexibility of Local Authority and Police and Crime Panel Meetings\) \(England and Wales\) Regulations 2020](#)



AUDIT AND GOVERNANCE (ASSESSMENT) SUB-COMMITTEE

MINUTES OF MEETING HELD ON WEDNESDAY 16 MARCH 2022

Present: Cllrs Matthew Hall, Susan Cocking and Barry Goringe

Officers present (for all or part of the meeting):

Jacqui Andrews (Service Manager for Democratic and Electoral Services)

30. Election of Chairman

It was proposed by Cllr S Cocking, seconded by Cllr B Goringe

Decision

That Cllr M Hall be elected Chairman.

31. Declarations of Interest

There were no declarations of interests.

32. Assessment Sub-committee Terms of Reference and Dorset Council Member Complaints Process

The terms of reference of the Assessment Sub-committee and the Dorset Council Member Complaint process were noted.

33. Urgent items

There was one item of urgent business which had been accepted by the Chairman as the complaint related to the same subject matter and Town Council as a complaint already on the agenda for consideration by the Assessment Sub-committee.

34. Exempt Business

Decision

That the press and the public be excluded for the following item(s) in view of the likely disclosure of exempt information within the meaning of paragraphs 1 and 2 of schedule 12 A to the Local Government Act 1972 (as amended).

35. Code of Conduct Complaints

Code of Conduct Complaint 1

The Sub-committee considered the details of a complaint that had been submitted to Dorset Council in accordance with the Member Complaint Process. Members considered all of the information that had been provided including the report of an independent person appointed by Dorset Council.

Decision – unanimous

That the complaint be referred for a full investigation in accordance with Dorset Council's Member Complaints Process.

Code of Conduct Complaint 2

The Sub-committee considered the details of a complaint that had been submitted to Dorset Council in accordance with the Member Complaint Process. Members considered all of the information that had been provided including the report of an independent person appointed by Dorset Council.

Decision

That the complainant be informed that no further action to be taken in connection with the complaint.

Code of Conduct Complaint 3

The Sub-committee considered the details of a complaint that had been submitted to Dorset Council in accordance with the Member Complaint Process. Members considered all of the information that had been provided including the report of an independent person appointed by Dorset Council.

Decision

- (a) That the complainant be informed that no further action to be taken in connection with the complaint.
- (b) That the complaint be advised to complain direct to the Town Council under the council's own complaints policy.

Code of Conduct Complaint 4

The Sub-committee considered the details of a complaint that had been submitted to Dorset Council in accordance with the Member Complaint Process. Members considered all of the information that had been provided including the report of an independent person appointed by Dorset Council.

Decision

That the complainant be informed that no further action to be taken in connection with the complaint.

Code of Conduct Complaint 5 – urgent item

The Sub-committee considered the details of a complaint that had been submitted to Dorset Council in accordance with the Member Complaint Process. Members considered all of the information that had been provided including the report of an independent person appointed by Dorset Council.

Decision

That the complainant be informed that no further action to be taken in connection with the complaint.

Duration of meeting: 10.00 - 10.46 am

Chairman

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Audit and Governance Committee Forward Plan 2022/23

Date of Meeting	Item	Purpose / Key lines of Enquiry	Lead Councillor and Officer
11 April 2022			
	Internal Audit Annual Report & Internal Audit Planning Report	Annual Report	Portfolio Holder – Cllr Spencer Flower Officer contact- Sally White - SWAP
	Future of the Revenues & Benefits Service	Update Report	Officer contact – Jim McManus
	Quarterly Risk Management Update	Update Report	Portfolio Holder – Cllr Spencer Flower Officer contact – Marc Eyre
	Annual Governance Statement	Annual Report	Portfolio Holder – Cllr Spencer Flower Officer contact – Marc Eyre
	Financial Management Report Quarter 3	Q3 Update	Portfolio Holder – Cllr Gary Suttle Officer contact – Jim McManus
	Meeting Arrangements and the Health and Well Being Board	Recommendation to Full Council	Portfolio Holder – Cllr Spencer Flower Officer contact – Jonathan Mair
	Constitution Update	Verbal report	Officer contact – Jonathan Mair

13 June 2022			
	SWAP Update Report		Portfolio Holder – Cllr Spencer Flower Officer contact- Sally White - SWAP
	LGA Finance Peer Review – Monitor Performance Action Plan	Update Report	Officer contact – Jim McManus

18 July 2022			

26 September 2022			
	SWAP Update Report		Portfolio Holder – Cllr Spencer Flower Officer contact- Sally White - SWAP
	Review of Agency & Consultancy Spend	Annual Report	Portfolio Holder – Cllr Spencer Flower Officer contact – Marc Eyre

14 November 2022			

16 January 2023			
	SWAP Update Report		Portfolio Holder – Cllr Spencer Flower

			Officer contact- Sally White - SWAP
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27 February 2023			

17 April 2023			
	Annual Internal Audit Opinion Report, Planning Report and Audit Charter		Portfolio Holder – Cllr Spencer Flower Officer contact- Sally White - SWAP

Other items raised by Audit and Governance Committee requiring further consideration

Issue	Notes	Date raised
Workforce stress / mental health issues	The committee have raised this as a potential area of work but note that it is linked to current transformation work	At committee on 7 November 2019
How Dorset Council holds and shares information	It is understood that some work is being undertaken in this area. A councillor workshop on the Dorset Council transformation programmes is being held on 10 January 2020. The suggestion is that councillors attend this session and following this, the committee	At committee on 7 November 2019

	give further consideration to whether any further work is required in this area	
Schedule of debt	Jim Mcmanus agreed to produce a schedule of debt and the areas in the Capital Budget funded by borrowing.	At pre-meeting on 8 February 2021