

## AUDIT COMMITTEE

MONDAY 11 SEPTEMBER 2023  
6.00 PM

Bourges/Viersen Room - Town Hall

**THE CHAIRMAN WILL ASSUME THAT MEMBERS HAVE READ THEIR PAPERS PRIOR TO THE MEETING TO AVOID UNNECESSARY INTRODUCTIONS TO REPORTS. IF ANY QUESTIONS ARE APPARENT FROM THE REPORTS THEY SHOULD BE PASSED TO THE REPORT AUTHOR PRIOR TO THE MEETING**

## AGENDA

Page No

1. **Apologies for Absence**
2. **Declarations of Interest**  
  
At this point Members must declare whether they have a disclosable pecuniary interest, or other interest, in any of the items on the agenda, unless it is already entered in the register of members' interests or is a "pending notification " that has been disclosed to the Head of Legal Services.
3. **Minutes of the Meeting Held on 24 July 2023** 3 - 12
4. **Actions and Matters Arising** 13 - 18
5. **PCC Draft Risk Management Framework and Draft Strategic Risk Register** 19 - 42
6. **Decisions made by the Shareholder Cabinet Committee** 43 - 46
7. **Update - Commercial and Procurement Service** 47 - 56

### INFORMATION AND OTHER ITEMS

8. **Use of Regulation of Investigatory Powers Act 2000 (RIPA)**  
To note there are no updates since the last meeting in July 2023.
9. **Approved Write-Offs Exceeding £10,000**  
To note there have been no updates since the last meeting in July 2023.
10. **Work Programme** 57 - 66



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#### **Committee Members:**

Councillors: Haseeb (Vice Chairman), Jones, Rangzeb, Perkins, Barkham, Elsey and Farooq

Co-opted members; Mike Langhorn, Stuart Green

Substitutes: Councillors: Moyo, N Sandford and Strangward

Further information about this meeting can be obtained from Daniel Kalley on telephone 01733 296334 or by email – [daniel.kalley@peterborough.gov.uk](mailto:daniel.kalley@peterborough.gov.uk)

**MINUTES OF THE AUDIT COMMITTEE MEETING  
HELD AT 6PM, ON  
24 JULY 2023  
BOURGES/VIERSEN ROOM, TOWN HALL, PETERBOROUGH**

**Committee Members Present:** Councillors Farooq, Perkins, Rangzeb, Eley and Barkham

Co-Opted Members: Mike Langhorn, Stuart Green

**Officers Present:** Cecilie Booth, Executive Director Corporate Services & S151 Officer  
Emma Riding, Service Director Financial Management & Deputy S151 Officer  
Jill Evans, Service Director Corporate Finance & Deputy S151 Officer  
Steve Crabtree, Chief Internal Auditor  
Dan Kalley, Senior Democratic Services Officer  
Rochelle Tapping, Director of Legal and Governance and Monitoring Officer (virtual)

**Also Present:** Janet Dawson, Associate Partner, Ernst&Young (EY)  
Dan Cooke, Audit Manager, Ernst&Young (EY)

**1. APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillors Dennis Jones and Haseeb.

**2. DECLARATIONS OF INTEREST**

There were none.

**3. MINUTES OF THE AUDIT COMMITTEE MEETING HELD ON 20 MARCH 2023**

The minutes of the meeting held on 20 March 2023 were agreed as a true and accurate record.

**4. ACTIONS AND MATTER ARISING**

The purpose of the report was to inform the Audit Committee of the actions outstanding and progress made to date.

The report was introduced by the Senior Democratic Services Officer who outlined that the actions log had been updated to reflect the previous meetings actions, plus any actions that were still outstanding.

The Audit Committee debated the report and in summary, key points raised and responses to questions included:

- The risk management framework and the strategic risk register had been worked on and final references were being undertaken to ensure it was in the best format.
- The new strategic risk register had been to the Corporate Leadership Team (CLT) and collective mitigations were being put in place. It was hope this would be operational in October and that it would be reported on to the Audit Committee at the meeting in September
- Officers were to discuss updating the committee's terms of reference on the back of the governance review that was taking place. This would include speaking with members of the committee, independent members and the Chair.

The Audit Committee considered the report and **RESOLVED** (Unanimous) to note the actions and matters arising from previous meetings and progress made to date.

## **ACTIONS**

1. Officers to link in with members of the Audit Committee and Independent Members once constitution review starts to review the Audit Committee terms of reference – Dan Kalley from September/October.

## **5. AUDIT RESULTS REPORT**

The Audit Committee received a report on the Audit Results Report from the external auditors EY.

The purpose of the report was to inform the Audit Committee of the work carried out during the past year to provide an effective insurance function which provides cover for all aspects of the Council whilst minimising the cost. Before the introduction to the report the Chair outlined that this set of accounts was presented to the Audit Committee, firstly in July 2021 and the Audit Committee at that stage had discharged its function on those parts of the accounts that were presented. The remaining areas that the committee were looking at in terms of this report were the results of the audit, any unadjusted errors or misstatements that remained in the accounts, along with any issues raised by the auditors or post balance sheet events.

The report was introduced by Janet Dawson, Associate Partner, EY. The report was an update to that which the committee received back in August 2022. The external auditors confirmed the areas of work that were outstanding from the meeting in August and highlighted the key areas in the report. The conclusion from the external auditors was that the Council was still a going concern. One of the main areas for the delay with the accounts was around infrastructure assets. This was a national issue and affected local authorities up and down the country. There had been a lot of debate within the Department for Levelling Up, Housing and Communities (DLUHC), along with CIPFA, as to how this was to be accounted for. Peterborough City Council had chosen to take advantage of the statutory override and adapt the disclosures in the accounts. The external auditors commented that they had looked at the value for money reporting, especially around the difficult time the organisation went through in 2021. The external auditors had updated their view as to where the organisation was now compared to 2021. The external auditors concluded that the proposed accounting for the Empower loan was appropriate.

It was explained testing work on journals and covid grants was not complete at the point it was reported to committee in August 2022, however this was now complete. There was one control recommendation made to management around authorisation of journals, but overall, the external auditors were satisfied with that piece of work. There was one

uncorrected misstatement around the Empower loan impairment, however this was not material and would be corrected in the 2021/22 accounts.

The Audit Committee debated the report and in summary, key points raised and responses to questions included:

- In terms of the value for money qualification position there was one area of oversight around the Empower Loan, for which the management team had identified and plans were in place to improve these entities going forward. The external auditors confirmed there were no other areas of concern for the accounting period in front of members this evening, if there were any such areas for concern these would have been identified.
- The external auditors confirmed the report reflected the situation the Council faced coming into 2020/21, especially around value for money. Going forward the qualification around this was likely to be removed due to the work the Council was undertaking to address the situation.
- With regards to the misstatement the Council would apply its policy and unwind the error over a three-year period. The external auditors explained they were content for the Council to do this as it was not material to the financial statements. Members commented that this would still leave an error unadjusted for the 2021/22 and 2022/23 accounts with regards to the opening reserves position.
- In terms of financial resilience officers and members of the committee had worked hard to help secure value for money and improving the financial resilience of the Council. There was a sense from the report that not much had been done, when in fact a lot of work had been done.
- The use of the word 'ruthlessly exposed' was harsh and implied a certain emotion which may not have been helpful.
- Officers confirmed they had been working on the accounts up until the day the reports were published and circulated to members.
- A summary of the all the changes that had been made since the report was last presented to committee was included in the document pack. There was nothing in the pack that changed the cumulative impact of the reserves, these were merely balance sheet adjustments. There was some narrative added around the Annual Governance Statement (AGS), the Council as a going concern and that the Council was in a much better position than it was a few years ago.
- It was commented that EY had significant support and had worked well with finance officers from the Council.

The Audit Committee considered the report and **RESOLVED** (Unanimous) to:

1. Receive and approve the Annual Accounts for 2020/21,
2. Delegate approval of any minor amendments to the Executive Director Corporate Services and the Chair of the Audit Committee, and
3. Review the Auditors updated final Audit Results Report for the year ended 31 March 2021 from Ernst & Young (EY) on behalf of the Council.

## **6. VERBAL UPDATE – EXTERNAL AUDIT PLAN**

The Audit Committee received a verbal update on the status of the External Audit Plan.

Janet Dawson, Associate Partner, EY commented that the DLUHC and the FRC were had issued letters to all Chief Executives, Audit Committee Chairs and audit firms to talk around proposals to deal with the delayed audits, for Peterborough this would include the 2021/22 and the potential impact on the 2022/23 audits to try and get to a level playing field. The proposals included potential reductions in the scope of the 2022/23 audit requirements, along with a potential backstop for audits that needed completing before this. The difficulty

with this work was that the full detail was still unknown and it was likely work on this would take 6-8 weeks. Work had begun on the 2021/22 accounts so that a plan could be prepared for the committee, however it was still unsure what the system would be asking of audit firms. There were still some 500 audits outstanding and there was a demand on finance teams and external auditors up and down the country. The close working relationship with officers from the council would allow a solid platform to get going on the accounts once further details had been released.

The Audit Committee debated the report and in summary, key points raised and responses to questions included:

- Members commented they were disappointed with the current progress on the 2021/22 audit, at the meeting in November members were informed that these would be starting in March 2023. Following this the committee were informed in March that this was now likely to move to July and this had now moved back to September. It had felt as if the next audit could not start until the last one was complete. It was hoped that a positive start to the 2021/22 audit would be in place before the meeting in September and then some timetables agreed for the 2022/23 audit to commence.
- The external auditors commented that they had started the 2021/22 audit in April of this year. It was understandable the position of the council to move forward with the backlog in the audits, however the council was one organisation in a system that was now under scrutiny from government and they were making changes to the way in which audits were being dealt with across the system. It was not possible to commit to prioritising Peterborough over other local authorities.
- Members commented that action was needed as soon as possible to resolve the delays in the auditing of the accounts to ensure it was brought up to date, rather than prioritising Peterborough City Council specifically.
- The external auditors explained that until the national audit office issued a change in the audit code of practice they had to adhere to the scope as outlined in the code. If this was to change along the lines outlined by DLUHC the scope would be reduced and the external auditors would need to change how they approached audits. Further work was being done to better understand the resource implications so that the best service could be offered to organisations.
- The Executive Director Corporate Services and S151 officer encouraged support from the external auditors. At the current time the Council was under intervention with an Improvement Panel which was due to finish at the end of December. It would therefore be a milestone to get the 2021/22 accounts signed off by then. Officers at the Council would assist in way they could do to help external auditors.

The Audit Committee considered the report and **RESOLVED** (Unanimous) to note the verbal update from external auditors.

#### **ACTIONS:**

1. Officers to liaise with EY to start the audit for the 2021/22 accounts as soon as possible and to present a timeline for action – Jill Evans/EY - September 2023

## 7. ANNUAL REPORT: INSURANCE

The Audit Committee received a scheduled report on the provision of Insurance Services to Peterborough City Council and other third parties

The purpose of the report was to inform the Audit Committee of the work carried out during the past year to provide an effective insurance function which provides cover for all aspects of the Council whilst minimising the cost.

The report was introduced by the Chief Internal Auditor and outlined the various trends with regards to insurance and how this had developed over time. The Council had a low insurance level and were proactive in managing risks, therefore this resulted in lower premiums being paid in comparison with other local authorities.

The Audit Committee debated the report and in summary, key points raised and responses to questions included:

- It was positive to see that inflation rates were falling which would have a positive impact when it came time to renew some of the insurance premiums.

The Audit Committee considered the report and **RESOLVED** (Unanimous) to review and then endorse the annual report on the provision of Insurance during 2022 / 2023 included at Appendix 1.

## 8. ANNUAL REPORT: INVESTIGATIONS

The Audit Committee received a scheduled report on fraud and irregularity.

The purpose of the report was to inform the Audit Committee of the work carried out during the past year to minimise the risk of fraud, bribery and corruption occurring in the Council.

The Chief Internal Auditor introduced the report which highlighted the work undertaken by the fraud team. It set out the activities the team had been involved with, including joint working with DWP which had now continued following the pandemic. Work was carried out in line with the National Fraud Initiative.

The Audit Committee debated the report and in summary, key points raised and responses to questions included:

- There were benchmarking clubs across local government and officers would investigate some of the data that other local authorities hold in order to carry out a comparison exercise.
- Data sets were downloaded and sent to the Cabinet Office, who then compiled the data in order to compare this with other organisations. This was used to check, for example, if people were waiting on a housing list in Peterborough and another authority.

- This exercise was only done every two years due to the large volume of data that was captured and submitted. Key matches included looking at people claiming single person council tax rates and viewing these against the electoral roll.
- Every record that came in would be looked at, an initial check would be done to see if they were claiming benefits, if not it would be parked and it was not then recorded. There were circumstances where the record was malicious. The issue with the fraud hotline was that unless the person left contact details it was then difficult to follow up on. However, the team were making a note of all those that were not investigated due to the data being spurious.

The Audit Committee considered the report and **RESOLVED** (Unanimous) to review and endorse the annual report on the investigation of fraud within the Investigations Team during 2022 / 2023 included at Appendix A.

#### **ACTIONS:**

1. Officers to benchmark against other local authorities in relation to data around fraud and investigations and circulate briefing note. - Steve Crabtree – November 2023

### **9. ANNUAL INTERNAL AUDIT OPINION 2022/2023**

The Audit Committee received a report in relation to the Annual Internal Audit Opinion 2022/23

The purpose of the report was to provide an overall opinion on the soundness of the control environment in place to minimise risk to the Council. It is based on the findings of completed audits and activities undertaken by the Internal Audit Team during 2022 / 2023

The report was introduced by the Chief Internal Auditor and set out work completed by audit team over the last 12 months. There were a series of appendices that supplemented the work that had been carried out. The opinion itself was a statutory role that the Chief Internal Auditor was required to perform, based on the evidence and work undertaken, forming an opinion as to whether or not the controls across the council were working as they should do. It was not possible to look across the whole organisation as this was resource intensive. The team were looking at getting assurances from other areas of the business, for example if Ofsted or the CQC came into the council the team could place a reliance on these organisations to have conducted their own audits of that business area. In addition the Improvement Panel had been doing some assessments of their own and providing levels of assurance to the council. All that work was set out in Appendix D to the report. The main bulk of the work undertaken by the team was set out in Appendix B.

The Audit Committee debated the report and in summary, key points raised and responses to questions included:

- Members commented that the reduction in the overall number of assurance reports highlighted some of the concerns around the resources in the team. It was important the committee saw a return to normal levels as this was essential to the role of the committee.
- There was an importance placed on the quality assurance review, this was the auditing of the audit team itself, checking to see how well the audit team were doing and if there were any areas for improvement. It was commented that this review was done thoroughly and independently, outside of the audit team itself.
- Members were directed to page 181 of the agenda pack. The Chief Internal Auditor commented that this showed data on the recommendations made during the year. The Audit Plan itself was based on risk. There had been no critical recommendations made or bad failures reported.



The Audit Committee considered the report and **RESOLVED** (Unanimous) to review and then endorse the Chief Internal Auditors annual report for the year ended 31 March 2023 included at Appendix A

## 10. DRAFT ANNUAL GOVERNANCE STATEMENT

The Audit Committee received a report in relation to the draft annual governance statement.

The production of the Annual Governance Statement (AGS) forms part of the annual closure of accounts process. It was not a financial exercise but represented a corporate overview of the processes and procedures adopted by Peterborough to manage its affairs.

The report was introduced by the Chief Internal Auditor, this document formed part of the accounts and was a statutory requirement. The AGS had been updated during the course of the year to make it more visually appealing. As part of the process of updating the document it had been circulated to all directors to feed in their comments. This document also mapped out what was happening across the different committees at the Council. The report had been presented to CLT to ensure buy in from senior management. Regular updates were proposed to ensure that any areas of concern were addressed.

The Audit Committee considered the report and **RESOLVED** (Unanimous) to

1. Note the arrangements for compiling, reporting on and signing the Draft Annual Governance Statement for 2022 / 2023;
2. Formally approve the Draft Annual Governance Statement so that the document may be signed by the Chief Executive and Leader of the Council for inclusion in the statement of accounts.

## 11. REVIEW OF EFFECTIVENESS OF THE AUDIT COMMITTEE

The Audit Committee received a report in relation to the review of the effectiveness of the Audit Committee.

The purpose of the report was to provide members with details of an internal assessment against good practice for the effectiveness of audit committee.

The report was introduced by the Chief Internal Auditor and set out looking at best practice, which was usually done by doing a self-assessment against a set criterion. For this year's self-assessment, it was agreed with the previous Chair of the committee that this would be done in partnership with them, along with officers, to ensure that the committee were working to their terms of reference. The arrangements for assessing the committee's effectiveness were set out by CIPFA, for which new arrangements were now in place and appendix to the document was now attached. The proposal going forward was the development of an e-form, which set out a series of questions and would be put to all committee members to see how the committee was fairing against its terms of reference. It was hoped this would be ready to send to members of the committee at the end of September/early October. Responses to this would then be presented to committee in November or January.

The Audit Committee debated the report and in summary, key points raised and responses to questions included:

- Members requested that officers look at the effectiveness of the committee, it was then hoped this would create some gaps in the work of the committee that could be looked at going forward, ensuring that the committee met the new standards outlined by CIPFA.
- Alongside this was the council's review of its governance arrangements, which in turn was an opportunity for the committee to review its terms of reference, in conjunction with the CIPFA model terms of reference. It was anticipated that this would result in an update to the committees' terms of reference.

The Audit Committee considered the report and **RESOLVED** (Unanimous) to

1. Approve the planned approach for the assessment of the effectiveness of the Audit Committee as set out in section 4 and
2. Notes the CIPFA position statement included at Appendix 1

## 12. BUDGET OUTTURN REPORT 2022/23

The Audit Committee received a report in relation to the Budget Outturn Report.

The report was introduced by the Executive Director Corporate Resources and S151 Officer and the Service Director Financial Management and Deputy S151 Officer. The report outlined the budget outturn position for the 2022/23 financial year. The council came in £600k under budget which was placed back into the general fund. The report highlighted some of the positive achievements, including an additional £1 million in treasury management income. The council had also now brought back in house Opportunity Peterborough and NPS, along with the procurement service from Serco. Collection rates on business rates and council tax had been exceptional and were performing better than a number of authorities.

- Officers would investigate the overspend on legal and governance and provide members of the committee on those details.
- In terms of the Empower loan, this was part of financial receipting and would not affect the outturn report.
- There were discussions over whether an external review could be carried out around the Minimum Revenue Position (MRP). It was hoped by doing this some savings could be realised.

The Audit Committee considered the report and **RESOLVED** (Unanimous) to note the work programme and agreed to the additional items being added to future meetings

### **ACTIONS:**

1. Officers to get details of the overspend in legal and circulate to members of the committee. - Cecilie Booth – September 2023

## 13. USE OF REGULATION OF INVESTIGATORY POWERS ACT 2000 (RIPA)

The Audit Committee resolved to note that there was no RIPA update.

## 14. APPROVED WRITE-OFFS EXCEEDING £10,000

The Audit Committee received a report on approved write-offs exceeding £10,000.

The report was introduced by the Executive Director Corporate Services and S151 Officer who commented that the previous process for writing off debt was not satisfactory. This was now going to be presented on a more regular basis to ensure that large sums were not left. Improvements around collecting debt had been made, especially with regards to chasing

invoices and collection rates, although these were good in comparison with other authorities.

The Audit Committee considered the report and **RESOLVED** (Unanimous) to note the approved write-offs exceeding £10,000.

## 15. **WORK PROGRAMME**

The Audit Committee received the report with the committee's work programme for the year 2022/23.

The purpose of the report was to allow the committee to add/remove any items from the work programme for the year ahead.

The Audit Committee considered the report and **RESOLVED** (Unanimous) to note the work programme and agreed to the additional items being added to future meetings.



<b>AUDIT COMMITTEE</b>	<b>AGENDA ITEM No. 4</b>
<b>11 SEPTEMBER 2023</b>	<b>PUBLIC REPORT</b>

Report of:	Chair of the Audit Committee	
Cabinet Member(s) responsible:	Councillor Coles, Cabinet Member for Finance and Corporate Governance	
Contact Officer(s):	Dan Kalley, Democratic & Constitutional Services Manager	Tel. 296334

**ACTIONS AND MATTERS ARISING**

<b>RECOMMENDATIONS</b>	
<b>FROM:</b> <i>Chair of Audit Committee</i>	<b>Deadline date: 11 September 2023</b>
It is recommended that the Audit Committee notes the actions and matters arising from previous meetings and progress made to date.	

**1. ORIGIN OF REPORT**

1.1 This report is submitted to the Audit Committee following a request made by the members of the committee to be able to see the progress of actions undertaken by officers.

**2. PURPOSE AND REASON FOR REPORT**

2.1 The purpose of this report is to provide an update on the actions and matters arising from the previous meetings of the Audit Committee.

2.2 This report is for the Audit Committee to consider under its Terms of Reference No. 2.2.2.14 To review any issue referred to it by the Chief Executive or a Director, or any Council body.

**3. TIMESCALES**

Is this a Major Policy Item/Statutory Plan?	<b>NO</b>	If yes, date for Cabinet meeting	
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**4. BACKGROUND AND KEY ISSUES**

4.1 At its meeting in July 2022 the Audit Committee agreed to include a standing item to review and note the actions and matters arising from previous meetings of the committee.

At the meeting on 20 March 2023 the committee agreed to update the actions list to include those from the previous meeting and then further any that were still outstanding to streamline the log as much as possible. Those highlighted in green are updates that should form part of the items at the meeting itself.

4.2 Attached to this report is a list of the actions that have been noted in previous meetings where any action is still outstanding (Attached at Appendix A).

## **5. CORPORATE PRIORITIES**

5.1 The report links to the following Corporate Priorities:

1. Sustainable Future City Council:

- The report updates the actions that have been requested by the Audit Committee to ensure the Council continues its journey to a financial sustainable future.

## **6. IMPLICATIONS**

### **Financial Implications**

6.1 There are none.

### **Legal Implications**

6.2 There are no legal implications in respect of what is proposed in the report.

### **Equalities Implications**

6.3 There are none.

## **7. APPENDICES**

7.1 Appendix 1 – Action log

**APPENDIX A**

**AUDIT COMMITTEE: RECORD OF ACTION TAKEN**

**MUNICIPAL YEAR: MAY 2023 - APRIL 2024**

<b>DATE OF MEETING</b>	<b>AGENDA ITEM</b>	<b>AGREED ACTION</b>	<b>OFFICER RESPONSIBLE</b>	<b>DUE DATE</b>	<b>CURRENT STATUS/ACTION UPDATE</b>
15 24 July 2023	Item 6. Verbal Update EY	Officers to liaise with EY to start the audit for the 2021/22 accounts as soon as possible and to present a timeline for action.	Jill Evans/Cecilie Booth	Ongoing	Officers arranging an in-person meeting with EY to talk about this. The 21/22 audit will be delayed due to EYs internal review affecting the completion of the 20/21 audit.
	Item 8. Annual report Insurance	Officers to benchmark against other local authorities in relation to data around fraud and investigations and circulate briefing note.	Steve Crabtree	November 2023	
	Item 13. Budget Outturn Report	Officers to get details of the overspend in legal and circulate to members of the committee.	Cecilie Booth	September 2023	Briefing note circulated.

### Outstanding Actions

DATE OF MEETING	AGENDA ITEM	AGREED ACTION	OFFICER RESPONSIBLE	DUE DATE	CURRENT STATUS/ACTION UPDATE
20 March 2023	Item 4. Actions and Matters Arising	Officers to follow up action on including Complaints Procedures when issuing new contracts and discussions had with Procurement.	Dan Kalley/Belinda Evans	July 2023	
	Item 7. Procurement Update	Officers to ascertain whether the same criteria applied to external organisations around climate and social values could be implemented internally.	Richard McCarthy/Lesley Meeks	September 2023	To be included in report
		Officers to produce list of large contracts and bring to committee's attention the status/risks of those contracts in terms of procurement.	Richard McCarthy/Lesley Meeks	September 2023	To be included in report
30 January 2023	Item 4. Actions Arising	Councillor Coles to address the Overview and Scrutiny Committee at the Combined Authority to get clarity over whether the Council or the Combined Authority received a refund from Stagecoach for a cancelled bus journey that was subsidised by the Council.	Charlotte Palmer	TBC	Note to be sent round to all Audit members
28 November 2022	Item 7. Treasury Management	Officers to quantify the risks around financing and the life of assets. This would enable the Council to have in its sight	Jill Evans/Fiona Leverton/Cecilie Booth	July 2023 moved to September 2023, to be	Ongoing – to be part of report November 2023



	Report – Mid Year Report	the risks around the gap in the lifetime of debts versus assets.		presented November 2023		
17	17 October 2022	Item 5. Corporate Risk Register	Risk Management Framework to be presented to committee once new lead officer had been appointed and had time to develop the framework – Mike Dixon	Mike Dixon	March 2023, moved to July 2023 moved to September 2023	UPDATE: A draft strategic risk register has been established and shared with Corporate Leadership Team. Once this has been amended etc., this will be provided to Audit Committee along with the RMF.
			New Risk Management Framework needed clearer articulation around risks and what the Council's appetite around those top risks were.	Mike Dixon	March 2023, moved to July 2023 moved to September 2023	See above. Timescale for the new framework is proposed as September 2023.
25 July 2022	Item 9. Review of the Effectiveness of the Audit Committee	The Chair of the Audit Committee to take on responsibility for the approach to the Annual Review of the Effectiveness of Audit Committee going beyond the checklist in the CIPFA "Toolkit for Local Authority Audit Committees"	Audit Committee Chair/Steve Crabtree	July 2023 moved to November 2023	Meeting to be scheduled with new Chair of committee, questionnaire to be sent out end of the year. Aim for November 2023	

		Update the Terms of Reference for the Audit Committee to reflect the latest (draft) CIPFA Guidance and implement the necessary changes to the work programme to reflect the updated ToR	Audit Committee Chair/Steve Crabtree/Rochelle Tapping	July 2023 moved to November 2023	The Terms of Reference will form part of the overall constitution and governance review. Aim for November 2023
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<b>AUDIT COMMITTEE</b>	<b>AGENDA ITEM No. 5</b>
<b>11 SEPTEMBER 2023</b>	<b>PUBLIC REPORT</b>

Report of:	Cecilie Booth, Executive Director of Corporate Services and s.151 Officer	
Cabinet Member(s) responsible:	Councillor Andy Coles, Cabinet Member for Legal, Finance and Corporate Services	
Contact Officer(s):	Ray Hooke (Head of Corporate Delivery Unit)	Tel. 07803038774

**PCC Draft Risk Management Framework and Draft Strategic Risk Register**

<b>RECOMMENDATIONS</b>	
<b>FROM:</b> <i>Cecilie Booth, Executive Director of Corporate Services and s.151 Officer</i>	<b>Deadline date:</b> <i>11<sup>th</sup> September 2023</i>
<p>It is recommended that Audit Committee</p> <p>1. Review and provide any comments on the Draft Risk Management Framework and Draft Strategic Risk register included at Appendices A &amp; B of this report</p>	

**1. ORIGIN OF REPORT**

1.1 This report is submitted to Audit Committee following a recommendation for the committee in October 2022 for the committee to have an understanding as to the development of the Councils Draft Risk Management Framework and Draft Strategic Risk Register and seek comments.

**2. PURPOSE AND REASON FOR REPORT**

2.1 The purpose of this report is to provide the Audit Committee with a draft version of the councils Risk Management Framework and associated Strategic Risk register.

2.2 This report is for the Audit Committee to consider under its Terms of Reference No. 2.2.1.18:

To monitor the effective development and operation of risk management and corporate governance in the Council.

**3. TIMESCALES**

Is this a Major Policy Item/Statutory Plan?	<b>NO</b>	If yes, date for Cabinet meeting	
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**4. BACKGROUND AND KEY ISSUES**

4.1 The Council recognises that there are risks in everything it does and has a duty to manage these risks in a balanced, structured and cost effective way. Approval and publication of a Risk

Management Framework demonstrates this intention – We are seeking comments on the draft Framework.

The Framework documents provided in Appendices A supersedes the previous iteration to Committee in July 2022.

4.2 The final Risk Management Framework should:

- Be fully supported by Members, the Chief Executive and the Corporate Leadership Team who are accountable for effective risk management within the Council;
- Be able to explain the Council's underlying approach to risk management, documenting the roles and responsibilities of Members, officers and other key parties for the ongoing management of risk; as well as explaining key aspects of the Council's risk management process; and
- Demonstrate how it forms part of the Council's overall internal control and governance arrangements.

4.3 The updated Draft Risk Management Framework includes the following:

- Revised responsibilities for Members and officers
- How risks are evaluated and recorded through the current software used (Power-BI)
- Risk appetite statement
- Updated Process
- Introduction of Risk Management Toolkit / Guidance

The draft Strategic Risk register (Appendix B) has been developed from a variety of sources including the National Risk Register, the Corporate Leadership Team & other key Council staff.

4.4 The above changes aim to ensure that the existing risk management arrangements continue to be robust, proportionate and the most appropriate for the Council.

## 5. CORPORATE PRIORITIES

5.1

Risk Management and the councils approach is linked to the successful delivery of all Corporate Priorities.

1. The Economy & Inclusive Growth
  - Environment (including a summary of the outcome of a completed Carbon Impact Assessment, to be submitted in full to the Transport and Environment Team)
  - Homes and Workplaces
  - Jobs and Money
2. Our Places & Communities
  - Places and Safety (including any rural implications)
  - Lives and Work
  - Health and Wellbeing
3. Prevention, Independence & Resilience
  - Educations and Skills for All
  - Adults
  - Children
4. Sustainable Future City Council
  - How we Work
  - How we Serve
  - How we Enable

## **6. CONSULTATION**

- 6.1 This report is submitted to Audit Committee as part of early stage development of the updated Framework for managing and overseeing risk management across PCC. The Strategic Risk Register has been consulted on routinely with the Corporate Leadership Team in line with the Framework.

## **7. ANTICIPATED OUTCOMES OR IMPACT**

- 7.1 For Audit committee members to suggest further areas of consideration to the Draft Risk Management framework, potential inclusions to the toolkit and the Draft Strategic Risk register. Further reports to Audit Committee will be provided in due course.

## **8. REASON FOR THE RECOMMENDATION**

- 8.1 For Audit Committee to start the process of the ongoing review of risk as per the committee's terms of reference. The updated Framework provide clarity for officers and Members of their roles in relation to the management of risk.

## **9. ALTERNATIVE OPTIONS CONSIDERED**

- 9.1 There are none

## **10. IMPLICATIONS**

### **Financial Implications**

- 10.1 There are none

### **Legal Implications**

- 10.2 There are none

### **Equalities Implications**

- 10.3 None

## **11. BACKGROUND DOCUMENTS**

Used to prepare this report, in accordance with the Local Government (Access to Information) Act 1985

- 11.1 There are none

## **12. APPENDICES**

- 12.1 *Appendix A: Draft Risk Management Framework*  
12.2 *Appendix B: Draft Strategic Risk register*

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# **Risk Management Framework**

## **2024-2025**

**DRAFT – FOR REVIEW**

[peterborough.gov.uk](https://peterborough.gov.uk)

## 1. Introduction

Peterborough City Council is committed to effective risk management arrangements as a means of supporting the achievement of the Council's strategic objectives.

The risk management vision is to consolidate and improve our risk management arrangements to bring the following benefits:

- Better **communication** vertically about key issues, early and often, and horizontally, learning lessons and reducing duplication of effort;
- **Consensus** about the main risks in different parts of the organisation;
- **Confidence** that the key risks are recognised and are being managed, both by the Council and its partners;
- **Clarity** and focus: directing resources to risks that matter away from risks that don't, and fewer surprises; and
- **Taking more risks and exploiting opportunities because** they are understood and managed.

Peterborough City Council has adopted the Institute of Risk Management's definition of a risk ***"A risk is something uncertain - it might happen, or it might not. A risk matters because if it happens, it will have an impact on objectives"***.

Risk management is defined as: ***"Co-ordinated activities to direct and control an organisation with regard to risk"***.

The purpose of this strategy is to explain our approach and outline the principles of risk management, identify the people responsible for it, and promote a culture of risk management throughout the Council. This document forms one part of our risk management framework

Effective Risk Management is a key part of our approach to assuring the Council's performance. Risks on the Council's Risk Registers and our Key Performance Indicators are regularly cross-referenced to ensure our performance improvement actions address any emerging risks. This document has been developed alongside the emerging Performance & Improvement Framework.

## 2. Roles & Responsibilities / Expectations

Risk Management is everyone's business. Whilst there is a dedicated Risk Manager role within PCC, this does not mean that responsibility for managing risks rests solely on this function – everyone must play their role, be aware of the Framework and understand expectations from the under the framework.

Cabinet	<ul style="list-style-type: none"><li>• Consider risk in its strategic planning decisions</li><li>• Set the overall risk appetite for the organisation</li><li>• Monitor performance of management in mitigating strategic risks</li></ul>
Lead Member for Risk Management	<ul style="list-style-type: none"><li>• Champion the operation of effective risk management operations</li></ul>
Audit Committee / Scrutiny Committees	<ul style="list-style-type: none"><li>• Hold Members and Officers to account for effectiveness of risk management in decision making and achievement of objectives.</li></ul>



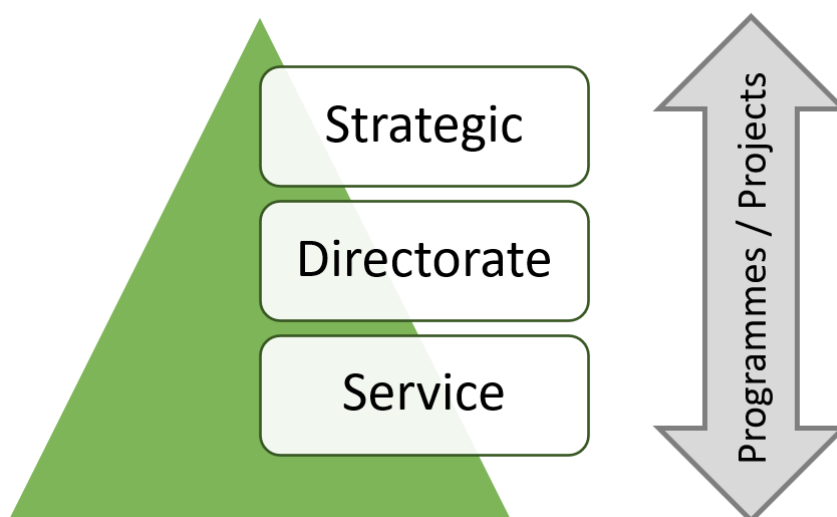
	<ul style="list-style-type: none"> <li>To consider the Council's arrangement for corporate governance and risk management and advise on any action necessary to ensure compliance with best practice</li> </ul>
Corporate Leadership Team (CLT)	<ul style="list-style-type: none"> <li>Set the tone from the top and promote the benefits of risk management.</li> <li>Regularly discuss and review the Strategic Risk Register and associated reports.</li> <li>Work with the Corporate Risk Manager and management teams to identify new or emerging risks.</li> <li>Own and lead the corporate risk management process</li> <li>Review and challenge the Corporate Risk Register following referral from the Risk Management Board</li> </ul>
Executive Director with responsibility for risk	<ul style="list-style-type: none"> <li>Overall accountability for the effective delivery of the organisation's risk management function including the Strategic Risk Register and the Risk Management Strategy</li> </ul>
Departmental Management Teams (DMT's)	<ul style="list-style-type: none"> <li>Escalate risks up to strategic level when required</li> <li>Take ownership for risks within their directorate and ensure Risk Register is regularly discussed, reviewed and updated</li> </ul>
Heads of Service / Managers	<ul style="list-style-type: none"> <li>Alert to risks arising from BAU Service Delivery and manage and escalate these as necessary</li> </ul>
Risk Management Board (Made up of Departmental Risk Co-ordinators)	<ul style="list-style-type: none"> <li>Undertake a regular review of the Risk Register</li> <li>Engage in bi-monthly monitoring and discussion of BAU risk, new operational risk and issues within departments</li> <li>Consider the success of mitigating strategies</li> <li>Establish trends for risks and any financial implications</li> <li>Discuss the overall level of threat, and items for escalation</li> <li>Coordinate risks in relation to cross-departmental dependencies / cross-overs</li> <li>Identify key items for escalation to CMT</li> </ul>
Departmental Risk Co-ordinators (Risk Management Board Members)	<ul style="list-style-type: none"> <li>Support and facilitate risk management across their specified area</li> <li>Act as a champion / coordinator for risk management within their department by providing support to Directors, Heads of Service and other managers on the management of their risks</li> <li>Regularly table departmental register at DMT's for discussion / refresh</li> <li>Attend Risk Management Risk Board to report on the key risk items</li> <li>Maintain the departmental risk register</li> </ul>
Programme / Project SRO's (Supported by Corporate Delivery Unit)	<ul style="list-style-type: none"> <li>Recording of all Portfolio Project / Programme risks</li> <li>Accountable for determining and implementing the action required to manage risks and opportunities</li> </ul>
Officers / Employees	<ul style="list-style-type: none"> <li>Manage risk as part of their role and report risks to their managers.</li> <li>Develop understanding of risk management at the Council through completion of e-learning and attendance at any training required</li> </ul>
Internal Audit	<ul style="list-style-type: none"> <li>Routine overview of risk management arrangements through all audit activities</li> </ul>

### 3. Risk Management Levels

Individual members of the Corporate Leadership Team (CLT) are responsible for the Council’s strategic risks, and these are reviewed and updated regularly in consultation with the Corporate Risk Manager. In exceptional circumstances, issues are also recorded on the strategic risk register.

Directorate level risks are owned by Executive Directors, Directors or Heads of Service and are discussed and reviewed at Directorate Management Team meetings.

Most of our risks are service level risks which are owned by an appropriate person, usually a manager or Head of Service, with specialist knowledge of the subject.



Programme or Project risks can exist at any level and within any service and should be managed using the same risk management process as other risks.

It should be noted that some risks are outside of the authority’s control; this is especially true in a Local Government setting where statutory requirements need to be fulfilled. Whilst it is accepted that it may not be possible to prevent such risks occurring, it is expected that contingency plans/strategies are put in place to minimize / plan for any impact.

### 4. Risk Appetite Statement

Risk appetite is defined as ***“the amount and type of risk that an organisation is willing to take in order to meet their strategic objectives”***. (Institute of Risk Management, IRM).

There are numerous definitions of organisational ‘risk appetite’, but they all break down to how much, and of what sort of risk an organisation is willing to take.

Risks need to be considered in terms of both opportunities and threats and are not usually confined to money - they will invariably also impact on the capability of your organisation, its performance, and its reputation.

Our risk appetite guides how much risk we are willing to seek or accept to achieve our objectives. We recognise we will need to take risks, both in our ordinary business and to achieve the priorities set out in our Strategic Plan.

Good risk management ensures we make well informed decisions and we understand the associated risks. By ensuring that we properly respond to risks we will be more likely to achieve our priorities. It also provides control and a high level of due diligence consistent with our responsibilities in managing public money.

We recognise effective risk management considers not just threats but also opportunities. So, our approach to risk is to seek the right opportunities and, where possible, minimise threats. By encouraging managed risk taking and considering all of the available options we seek a balance between caution and innovation.

Our risk appetite reflects our current position; encouraging managed risk taking for minor to moderate level risks, but controlling more closely those risks that come further up the scale. Our appetite for risk will vary over time depending on our ambitions and priorities and the environment we work in and we recognise that the council provides a wide range of services and therefore, a degree of considered flexibility may need to be applied where appropriate.

Beyond our risk appetite is our risk tolerance. This sets the level of risk that is unacceptable, whatever opportunities might follow. In such instances we will aim to reduce the risk to a level that is within our appetite.

A descriptive example for the classification of Risk Appetite can be seen in **Appendix A**.

## 5. Risk Matrix

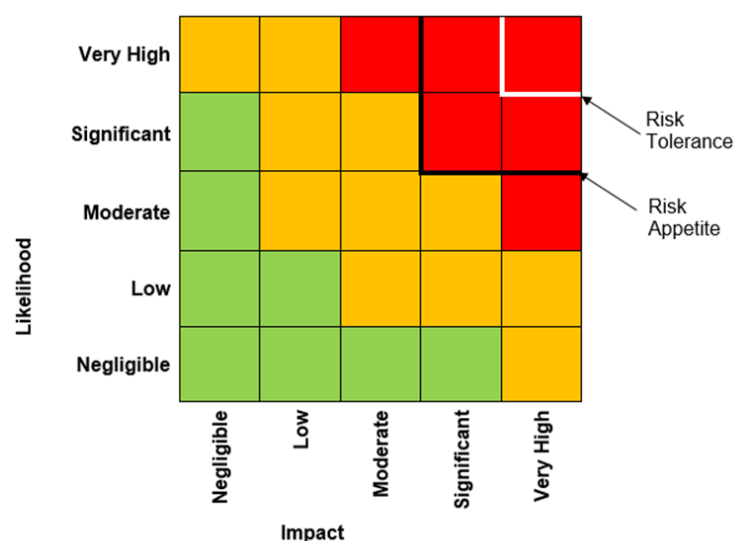
A risk matrix is a key tool used to analyse the probability and impact of a risk.

The Council uses a 5 x 5 risk matrix, with the score determined by multiplying the 'likelihood' score with the 'impact' score. We have adopted this approach as it encourages a decision to be made about whether a likelihood or impact is high or low. A descriptive guide to Likelihood and Impact can be seen in **Appendix B**.

The thick black line represents the agreed PCC **risk appetite** and any risk below this line are deemed acceptable – but will still be regularly reviewed in case their position worsens.

The thick white line represents the **risk tolerance**. Any risk above this line will not be tolerated.

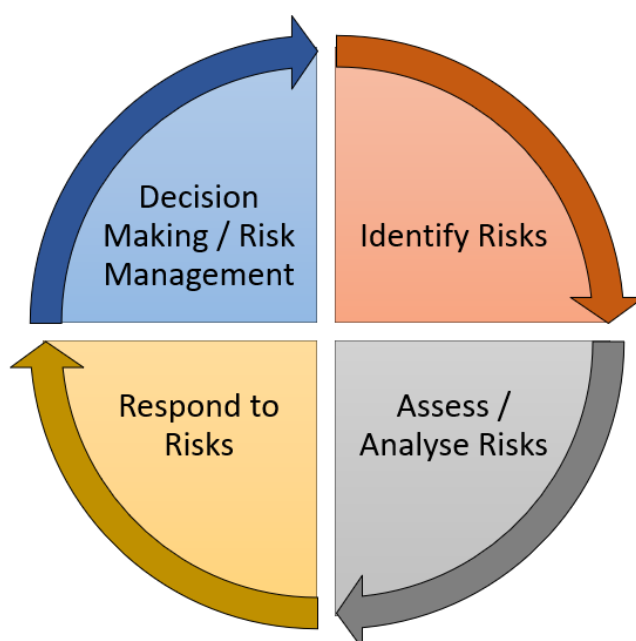
A framework for how we respond to risks can be seen in **Appendix C**.



## 6. Our Process

The Risk management process adopted at the Council is based on the International Standard in Risk Management - 'ISO 31000'.

The four-step process adopted within PCC should take place regularly to identify new risks. The whole process along with the activities of communicating, consulting, embedding and reviewing should take place continuously to encourage the risk management process into the culture at the Council.



An especially relevant time for considering new risks is at the business planning phase, as risks should be identified which could impact on the ability to meet the objectives set out in the plan. A detailed visualisation of the process flow can be seen in **Appendix D**.

## 7. Risk Management Toolkit

This Risk Management Framework will be supported by a separate document - The '**Risk Management Toolkit**' which will assist the Council with every stage of the risk management process, enabling risk-based decisions to be made, and keep track of existing or emerging risks which may threaten the achievement of objectives may these be at strategic, function or service level.

The Risk Management Toolkit will be developed with officers, will evolve over time and will include a series of training modules and aids and will mean that we can provide more insightful risk updates to Member, which will include the effectiveness of risk actions and key risk themes.

Although a separate document, the Risk Management Toolkit and this Framework will be continuously developed alongside our performance & Improvement Framework.

## Appendix A - A descriptive example for the classification of Risk Appetite

Classifications of Risk Appetite	1 Averse	2 Minimalist	3 Curious	4 Open	5 Hungry
	<p><i>Avoidance of risk and uncertainty is a key Organisational objective</i></p>	<p><i>Preference for ultra-safe business delivery options that have a low degree of inherent risk and only have a potential for limited reward</i></p>	<p><i>Preference for safe delivery options that have a low degree of inherent risk and may only have limited potential for reward</i></p>	<p><i>Willing to consider all potential delivery options and choose the one that is most likely to result in successful delivery while also providing an acceptable level of reward (and value for money, etc.)</i></p>	<p><i>Eager to be innovative and to choose options offering higher business rewards (despite greater inherent risk).</i></p>

## Appendix B - A descriptive guide to Likelihood and Impact

IMPACT	Negligible (1)	Low (2)	Moderate (3)	Significant (4)	Very High (5)
<b>Service interruption</b>	Non-noticeable	Minor disruption	Some operations compromised	Failure to deliver Council Priorities	Sustained or permanent loss of core service
<b>Objectives / Projects</b>	Insignificant slippage	Minor slippage	Reduction in scope or quality	Failure to meet secondary objectives	Failure to meet primary objectives
<b>Financial</b>	Up to £10k	£10k - £25k	£25k - £100k	£100k - £500k	£500k +
<b>Compliance</b>	Minor non-compliance	Low level non-compliance	Non-compliance with core standards	Major non-compliance	Serious breach of compliance/ potential prosecution
<b>Reputational</b>	Internal PCC only	Local media – short term coverage	Local media – long term coverage	Extensive local, short term national coverage	Long term national coverage – Perceived as a failing
<b>Environmental</b>	No noticeable impact	Minor short-term impact	Short-term, medium impact	Significant impact with long-term effects	Long-term impact
<b>Health &amp; Safety</b>	First aid level injuries	Medical treatment required	Fails to prevent extensive or Long-Term sickness	Fails to prevent death / causes extensive injuries	Responsible for death

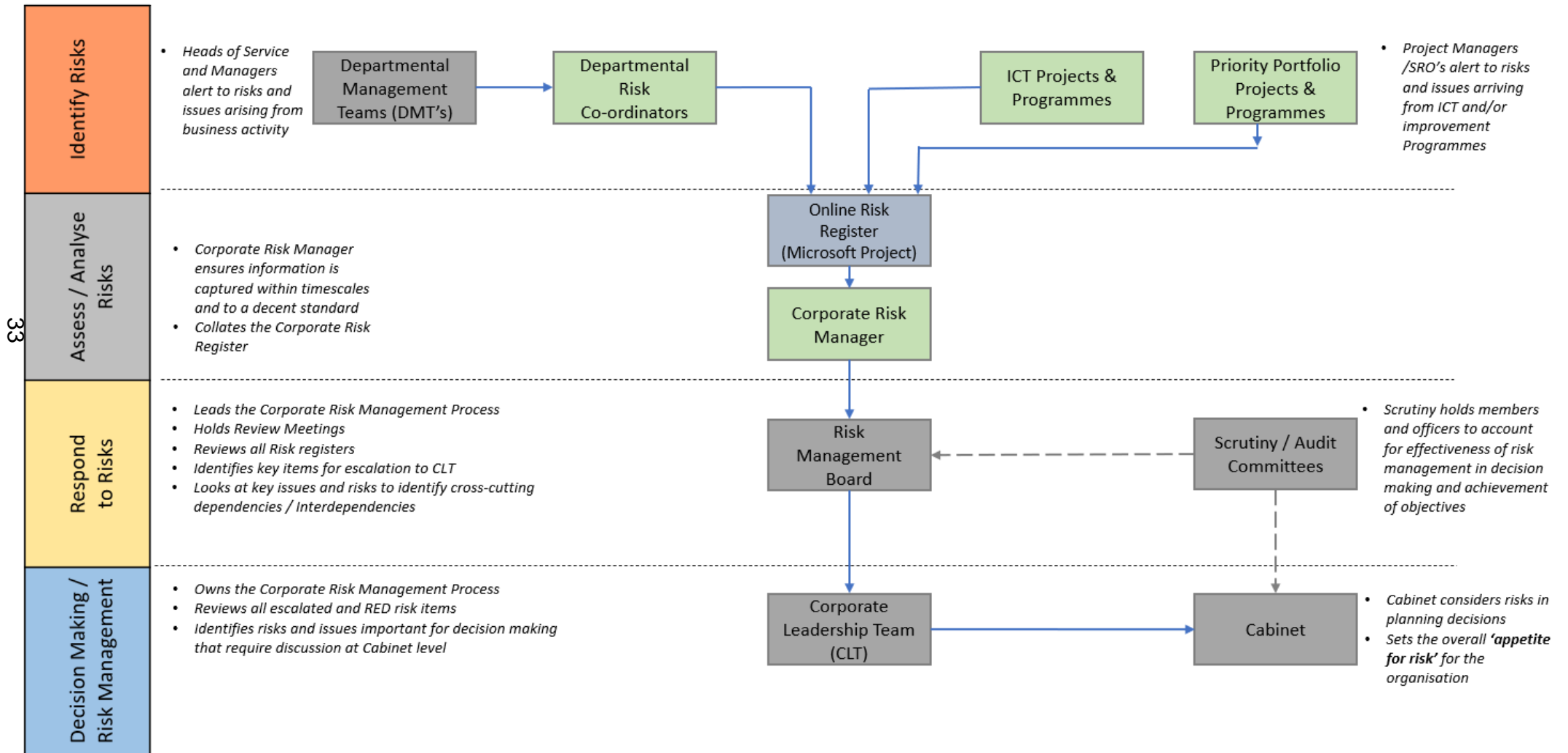
LIKELIHOOD	Negligible (1)	Low (2)	Moderate (3)	Significant (4)	Very High (5)
<b>Percentage</b>	<b>0 – 20%</b> Unlikely to occur	<b>20 – 40%</b> Unlikely but not unforeseeable	<b>40 – 60%</b> Fairly likely to occur	<b>60-80%</b> More likely to occur than not	<b>&gt;80%</b> Almost certain to occur

## Appendix C – Risk Response

Risk Rating		Guidance to Risk Owners
<b>25</b>	<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>	<ul style="list-style-type: none"> <li>Identify the actions and controls necessary to manage the risk down to an acceptable level. If still scored above 20, report the risk to the Audit Team / CDU and your Director.</li> <li>Steps will be taken to collectively review the risk and identify any other possible mitigation (such as controls).</li> <li>Risks that remain at this level will be escalated to CLT, who will actively monitor and provide guidance on the ongoing management of risks at this level.</li> </ul>
<b>16-20</b>	<p>These risks are within the upper limit of risk appetite.</p> <p>While these risks can be tolerated, controls should be identified to bring the risk down to a more manageable level where possible</p>	<ul style="list-style-type: none"> <li>Identify controls to treat the risk impact /likelihood and seek to bring the risk down to a more acceptable level.</li> <li>These risks should be monitored and reviewed monthly. If unsure about ways to manage the risk, consult with the Internal Audit team / CDU.</li> <li>Risks at this level will feature in a quarterly risk update to CLT who will provide oversight and support if needed.</li> </ul>
<b>5-15</b>	<p>These risks sit on the borders of the Council’s risk appetite and so while they do not pose an immediate threat, they are still risks that should remain under review.</p> <p>If the impact or likelihood increases then risk owners should seek to manage the increase.</p>	<ul style="list-style-type: none"> <li>Keep these risks on the radar and update as and when changes are made, or if controls are implemented.</li> <li>Movement in risks should be monitored, for instance featuring as part of a standing management meeting agenda.</li> <li>Responsibility for monitoring and managing these risks sits within the service.</li> </ul>
<b>3-4</b>	<p>These are low level risks that could impede or hinder achievement of objectives.</p> <p>Due to the relative low level it is unlikely that additional controls will be identified to respond to the risk.</p>	<ul style="list-style-type: none"> <li>Keep these risks on your register and formally review at least once a year to make sure that the impact and likelihood continues to pose a low level.</li> </ul>
<b>1-2</b>	<p>Negligible risks with little consequence but not to be overlooked completely. They are enough of a risk to have been assessed through the process, but unlikely to prevent the achievement of objectives.</p>	<ul style="list-style-type: none"> <li>No actions required but keep the risk on your risk register and review annually as part of the service planning process.</li> </ul>



## Appendix D - Visualisation of the process flow



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## DRAFT STRATEGIC RISK REGISTER – August 2023:

The Reputation & Credibility of the Council is dependent on the effective management & mitigation of the following internal risks (numbers 1-16 below).

There are external factors & risks to the Council (numbers 17-21 below) which cannot be directly influenced by the Council or able to be mitigated directly. The draft SRR has been developed from a variety of sources including the National Risk Register, the Corporate Leadership Team & other key Council staff.

No.	Risk Categorisation/Description	Supporting & Related Risks (the Triggers for the Strategic Risks)	Proposed Mitigations	CLT Owner	Inherent RAG Status	Residual RAG Status
1	<b>Financial Resilience of Council</b>	<ul style="list-style-type: none"> <li>• Reduced Income.</li> <li>• Increased Expenditure.</li> <li>• Inability to make Tangible Savings.</li> <li>• Increase in Provider/Supplier charges.</li> <li>• Intervention of Govt – Reduced Budget Allocations.</li> <li>• Increase in Council Debt &amp; Reduction in Council Reserves.</li> </ul>	<ul style="list-style-type: none"> <li>• Demand Management</li> <li>• Increased efficiency</li> <li>• Innovation – looking at other councils.</li> <li>• Maximise external funding – put a professional team in to drive this.</li> <li>• Good growth and net growth for sake of it</li> <li>• Better understanding, for example of revenue cost of capital</li> <li>• Need to be able to prioritise better and deprioritise.</li> <li>• Better awareness of financial challenges at all levels</li> </ul>	CB	<b>RED</b>	

2	<b>Emergency Resilience – Council Response</b>	<ul style="list-style-type: none"> <li>Limited Existing Resources to deal with Emergencies including Emergency Planning.</li> <li>No identification, assessment of &amp; then ensuring Minimum Requirements to deliver services defined as BAU.</li> </ul>	<ul style="list-style-type: none"> <li>Need to use our partners to support in emergencies.</li> <li>Better planning for different scenarios / business continuity plans</li> </ul>	CLT	<b>RED</b>	
3	<b>Decoupling of Services</b>	<ul style="list-style-type: none"> <li>Failure to achieve efficient &amp; effective decoupling due to lack of financial investment, change not managed, staffing capacity not adequate, lack of business support capacity for project.</li> </ul>	<ul style="list-style-type: none"> <li>Budget needed.</li> <li>Good planning to stop things falling through gaps</li> </ul>	JG / ST	<b>RED</b>	
4	<b>Housing</b>	<ul style="list-style-type: none"> <li>Demand not matched by Supply including for Refugees, Students, Residents.</li> <li>Social Housing requirements not met re Decarbonisation due to Price Increases.</li> <li>Increase in People Sleeping Rough.</li> <li>Increase in attempted Criminal Activity impacting on the Healthy &amp; Safe Environment.</li> <li>Negative Affect on behaviours of (Peterborough) Sustainable Communities.</li> <li>Negative Impact on Peterborough as a desirable Place to Live/Work/Invest In etc.</li> </ul>	<ul style="list-style-type: none"> <li>Maximise external funding.</li> <li>Housing Strategy</li> <li>Private sector leasing</li> <li>Empty properties – back in use</li> <li>KPI – voluntary sector</li> <li>Supply needs to match Demand.</li> </ul>	AC	<b>RED</b>	
5	<b>Regulatory, Statutory &amp; Legislative</b>	<ul style="list-style-type: none"> <li>Non-compliance with Regulatory/Legislative/Statutory Requirements due to Resource Pressures.</li> </ul>	<ul style="list-style-type: none"> <li>Ensure correct awareness of compliance and delegated authority.</li> <li>Simplify/prioritise.</li> </ul>	RT	<b>RED</b>	

		<ul style="list-style-type: none"> <li>• No coherent &amp; robust systems to identify Measurements of Compliance or to check adherence to said measures.</li> <li>• Attempts to Prioritise Areas of Compliance accepting Risk of Non-Compliance in some areas.</li> <li>• Bad Publicity.</li> <li>• Reputational Damage that is irretrievable leading to reduction in Central Government investment.</li> </ul>	<ul style="list-style-type: none"> <li>• Ongoing monitoring / audit and consequences</li> <li>• Drill into specific service risks</li> </ul>			
6	<b>Safeguarding</b>	<ul style="list-style-type: none"> <li>• Severe Negative Impact on Council Reputation &amp; Publicity if Safeguarding not able to be fully Assured.</li> <li>• Ability to effectively Resource impaired due to the Complexity of some Safeguarding Cases.</li> <li>• Increase in attempted Criminal Activity through assumed greater opportunities.</li> <li>• Peterborough Less Attractive Proposition.</li> <li>• Reduced Transportation to Schools increasing safeguarding risks.</li> </ul>	<ul style="list-style-type: none"> <li>• Well-resourced children's services</li> <li>• Effective recruitment and retention</li> <li>• Strong effective partnership and governance arrangements</li> </ul>	JG / ST	<b>RED</b>	
7	<b>Cyber Security, Fraud &amp; Technological Change</b>	<ul style="list-style-type: none"> <li>• Breaches impacting Reputation &amp; Credibility of Council.</li> <li>• Regulatory/Legislative Breaches.</li> <li>• Impact of IT Service Delivery, Business Continuity, Ability to Achieve Objectives, Optimise Available New Technologies.</li> </ul>	<ul style="list-style-type: none"> <li>• Ongoing mandatory Training. Interactive and not too long.</li> <li>• Good programme management for implementing change.</li> <li>• Partnership working – security. Cloud storage info keeping</li> </ul>	CB	<b>RED</b>	
8	<b>Workforce Planning</b>	<ul style="list-style-type: none"> <li>• Failure to recruit suitably qualified staff.</li> <li>• Failure to identify &amp; nurture talent.</li> <li>• Failure to retain needed staff.</li> </ul>	<ul style="list-style-type: none"> <li>• Specialist / subject matter workforce</li> <li>• Portfolio board for internal</li> <li>• Growth &amp; economy - external</li> </ul>	CB	<b>AMBER</b>	

		<ul style="list-style-type: none"> <li>• Over-reliance on Contractors or Temporary Staff with no long-term commitment to the Council.</li> <li>• Recruitment campaigns ineffectual – Not Securing Required Resources. Lessons not Learnt.</li> <li>• Dissatisfied/Demotivated Staff + Lowered Staff Resilience – Leading to Increase in Staff Absence/Sickness.</li> </ul>				
9	<b>Improvement Programmes</b>	<ul style="list-style-type: none"> <li>• Failure to deliver transformation improvement programmes due to lack of financial &amp; staffing resources, lack of buy-in from staff &amp; external stakeholders.</li> <li>• Need to deliver BAU bringing about pressures on delivering Transformation.</li> </ul>	<ul style="list-style-type: none"> <li>• Properly plan – work out what’s achievable, make sure we are on track.</li> <li>• Good internal comms</li> <li>• Adequate resourcing</li> </ul>	MG	<b>AMBER</b>	
10	<b>Procurement, contracting &amp; contract management</b>	<ul style="list-style-type: none"> <li>• Procurement Life Cycle not sufficiently robust through drive for &amp; emphasis on making Savings.</li> <li>• Ineffective management and governance of supplier contracts leading to delivery requirements not being met.</li> <li>• Portfolio Outputs, Outcomes Objectives &amp; Benefits not clearly defined, not measurable nor achieved.</li> <li>• Supply/market is not there (e.g. example children’s homes)</li> </ul>	<ul style="list-style-type: none"> <li>• Impact of risk not described.</li> <li>• Alignment of procurement to corporate strategy</li> <li>• Developing the market</li> <li>• Governance and compliance</li> </ul>	CB	<b>AMBER</b>	
11	<b>Integration of the ICS with Health &amp; Social Care</b>	<ul style="list-style-type: none"> <li>• Full &amp; effective Integration takes longer than expected.</li> <li>• Local Needs not met through ongoing integration process.</li> </ul>	<ul style="list-style-type: none"> <li>• Ensure coordinated impact of PCC links across ICS partnership meeting from Board level to Integrated Neighbourhood level</li> </ul>	ST / JA	<b>AMBER</b>	

		<ul style="list-style-type: none"> <li>Desired outcomes &amp; benefits of ICS not delivered.</li> <li>Collective Partnership responsibilities not executed fully effectively.</li> <li>Security &amp; Platform requirements not met (Information Governance).</li> </ul>	<ul style="list-style-type: none"> <li>Alignment of data aspects of digital strategy with partnership requirements</li> </ul>			
<b>12</b>	<b>City Centre Transformation including Station Quarter</b>	<ul style="list-style-type: none"> <li>Failure to achieve due to lack of funding, economic crisis, increased costs etc, less money to build, less planning applications leading to reduced revenue, leading to negative impact on lives of existing citizens and would defer future investment, and to live and work in City.</li> </ul>	<ul style="list-style-type: none"> <li>Investment in the council's growth and regeneration service.</li> <li>Establishment of a Growth and Regeneration Advisory Board.</li> <li>Building and maintaining strong partnerships with key anchor institutions.</li> </ul>	AC	<b>AMBER</b>	
<b>13</b>	<b>Waste Disposal/Pollution</b>	<ul style="list-style-type: none"> <li>Inability to comply with new Waste Legislation.</li> <li>Lack of Service Provision.</li> <li>Negative impact on Environment.</li> <li>Failure to reduce plastic pollution.</li> <li>Negative impact on Peterborough being a desirable place to Live/Work/Invest etc.</li> </ul>	<ul style="list-style-type: none"> <li>Implications for splitting waste service collections</li> <li>Potential penalty for capacity</li> <li>Need a policy on plastic.</li> </ul>	AC	<b>AMBER</b>	
<b>14</b>	<b>OFSTED &amp; CQC Inspections</b>	<ul style="list-style-type: none"> <li>Negative outcomes from Inspections.</li> <li>Needed improvements not made in a timely manner.</li> <li>Ability to Prepare for Inspections adversely impacted through resource constraints.</li> <li>Adverse impact on Reputation of Council.</li> </ul>	<ul style="list-style-type: none"> <li>Competent Leadership</li> <li>Good preparation daily.</li> <li>Information sharing/CLT</li> <li>Early warning</li> <li>Shared responsibilities between public sector/ agency</li> </ul>	JG / ST	<b>AMBER</b>	

		<ul style="list-style-type: none"> <li>Negative Impact on Schooling &amp; (Quality of) Education Provision.</li> <li>Failure to meet CQC Regulatory Requirements.</li> </ul>				
15	<b>Capital &amp; Information Assets</b>	<ul style="list-style-type: none"> <li>Failure to Maximise Value of Assets.</li> <li>Failure to Identify/Know &amp; Record All Assets.</li> <li>Failure to Identify/Know &amp; Record Capital Expenditure.</li> <li>Negative Impact on Revenue &amp; Expenditure Accrued.</li> </ul>	<ul style="list-style-type: none"> <li>Review of all assets &amp; recording</li> <li>Detailed asset register &amp; conditions survey</li> <li>Governance – ongoing review</li> <li>Disposal programme Plan in Place</li> </ul>	CB	<b>AMBER</b>	
16	<b>Stakeholder Management</b>	<ul style="list-style-type: none"> <li>Failure to know, identify and manage the vast population of internal &amp; external customers &amp; stakeholders, know their requirements, meet them wherever possible and if the Council cannot to take appropriate mitigation action. Customers include Council Leadership Team, Staff, Suppliers, Citizens, Government &amp; other Local Authorities.</li> </ul>	<ul style="list-style-type: none"> <li>Internal: <ul style="list-style-type: none"> <li>Good communication throughout</li> <li>Understanding current situation</li> <li>Stakeholder management / consultation</li> <li>Understanding our role as a stakeholder</li> </ul> </li> <li>External: <ul style="list-style-type: none"> <li>Co-production, for example, Carers</li> </ul> </li> </ul>	CLT	<b>AMBER</b>	



## EXTERNAL FACTORS &amp; RISKS

17	<b>Energy Crisis &amp; Decarbonisation</b>	<ul style="list-style-type: none"> <li>• Increase in Energy Prices impacting on Revenue Collection (for example collection of Council Tax.</li> <li>• Adverse impact on Health of (vulnerable) Adults/Children through Need to Reduce Energy Costs.</li> <li>• Negative Impact on Delivery of Energy Efficient Housing.</li> <li>• Social Housing Decarbonisation Programme (SDHF) not delivered or deliverable through reduction in or increase of cost of Provider Services.</li> <li>• Government funding commitment reduced resulting from failure to achieve objectives of SHDF.</li> </ul>
18	<b>Economic Crisis/Cost of Living Crisis/High Inflation</b>	<ul style="list-style-type: none"> <li>• Negative Impact on Revenue Collection.</li> <li>• Negative Impact on ability to generate Savings.</li> <li>• Reduced Number of Employment Opportunities.</li> <li>• Reduced Available Transportation to Schools.</li> </ul>
19	<b>Political Landscape</b>	<ul style="list-style-type: none"> <li>• Change in Government Policies.</li> <li>• Change in Government Priorities.</li> <li>• Change in Council Leadership leading to different levels of support/approval.</li> <li>• Reduced Funding to Council.</li> </ul>
20	<b>Climate Change</b>	<ul style="list-style-type: none"> <li>• Negative Impact on Vulnerable Adults &amp; Children's Health &amp; Wellbeing.</li> <li>• Increased demands on NHS.</li> <li>• Negative Impact on Farming Communities – Foodstuffs reduced.</li> <li>• Reduction in numbers of attractive Green Spaces – reducing Environmental Appeal of Peterborough.</li> </ul>
21	<b>Residual Pandemic</b>	<ul style="list-style-type: none"> <li>• Greater Unemployment.</li> <li>• More Unfilled Vacancies as Skillsets do not match Requirements.</li> <li>• Additional burdens on NHS. Longer-Term Health Adversely Affected.</li> <li>• Any Further Closing of Schools &amp; Impact on Education Provision.</li> <li>• Workers not wanting to return to Working in the Office/Disproportionate Hybrid Working.</li> </ul>

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<b>AUDIT COMMITTEE</b>	<b>AGENDA ITEM No. 6</b>
<b>11 SEPTEMBER 2023</b>	<b>PUBLIC REPORT</b>

Report of:	Adesuwa Omoregie, Interim Head of Legal and Deputy Monitoring Officer	
Contact Officer(s):	Dan Kalley, Democratic and Constitutional Services Manager	Tel. 01733 296334

**DECISIONS MADE BY THE SHAREHOLDER CABINET COMMITTEE**

<b>RECOMMENDATIONS</b>	
<b>FROM:</b> <i>Shareholder Cabinet Committee</i>	<b>Deadline date: 11 September 2023</b>
It is recommended that the Audit Committee note the decisions made by the Shareholder Cabinet Committee as set out in the report.	

**1. ORIGIN OF REPORT**

1.1 This report is submitted to Audit Committee in line with the constitutional requirement for it to consider the performance of the Council's companies alongside comments from the Shareholder Cabinet Committee.

**2. PURPOSE AND REASON FOR REPORT**

2.1 The purpose of this report is to ensure that the Audit Committee is updated on the work of the Shareholder Cabinet Committee in relation the Council's companies.

2.2 This report is for Audit Committee to consider under its Terms of Reference No. 2.2.2.12, "To consider reports in relation to the performance of the Council's companies, alongside comments from the Shareholder Cabinet Committee."

**3. TIMESCALES**

Is this a Major Policy Item/Statutory Plan?	<b>NO</b>	If yes, date for Cabinet meeting	<b>N/A</b>
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**BACKGROUND AND KEY ISSUES**

**4. [Shareholder Cabinet Committee - 12 June 2023](#)**

**4.1 ADDITIONAL EQUITY INVESTMENT INTO PETERBOROUGH HE PROPERTY COMPANY LTD FOR PHASE 3 OF THE UNIVERSITY**

The Shareholder Cabinet Committee considered the report and **RESOLVED** to:

1. Approve an additional investment of 1,300,000 Ordinary Shares (to the value of £1 per share) into Peterborough HE Property Company Ltd, to enable phase 3 of the University development to proceed.
2. Provide delegated authority to the Executive Director for Place and Economy, in consultation with the Executive Director for Resources, to agree final versions of the subscription letter and the funding profile to be included in the shareholder's agreement with Peterborough HE Property Company Ltd.

#### 4.2 **PETERBOROUGH INVESTMENT PARTNERSHIP 2022/2023**

The Shareholder Cabinet Committee considered the report and **RESOLVED** to:

1. Note the contents of the report for 2022/2023.
2. Note the company activity for 2022/2023.

#### 4.3 **ASSURANCE OF PCC COMPANIES**

The Shareholder Cabinet Committee considered the report and **RESOLVED** to:

1. Note the revised Terms of Reference for the Shareholder Cabinet Committee
2. Note the Companies Unit and its Terms of Reference
3. Note the lead officer role and role description.
4. Agrees training programme, for members and officers involved in council companies and partnerships, to be organised by the Monitoring Officer

### 5. **CORPORATE PRIORITIES**

5.1 The report links to the following Corporate Priorities of the Council:

1. The Economy and Inclusive Growth:
  - There are no Carbon Impact implications to consider, as this report is to note.
4. Sustainable Future City Council:
  - The reports outlines the manner in which the Council works with its partners and shareholder companies.

### 6. **CONSULTATION**

6.1 None taken, as the report is to note.

### 7. **ANTICIPATED OUTCOMES OR IMPACT**

7.1 That the Audit Committee maintain awareness of the decisions taken by the Shareholder Cabinet Committee.

### 8. **REASON FOR THE RECOMMENDATION**

8.1 To ensure that the Audit Committee is aware and familiar with the recent decisions made by the Shareholder Cabinet Committee.

### 9. **ALTERNATIVE OPTIONS CONSIDERED**

9.1 To not provide the information to the Audit Committee – this would not align with the requirements set out within the Council's constitution.

### 10. **IMPLICATIONS**

10.1 As this report is for the Audit Committee to note there are no financial, legal, or equalities implications to consider

## **11. BACKGROUND DOCUMENTS**

Used to prepare this report, in accordance with the Local Government (Access to Information) Act 1985

### 11.1 Shareholder Cabinet Committee Agenda:

- 12 June 2023

## **12. APPENDICES**

### 12.1 None.

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<b>AUDIT COMMITTEE</b>	<b>AGENDA ITEM No. 7</b>
<b>11 SEPTEMBER 2023</b>	<b>PUBLIC REPORT</b>

Report of:	Cecilie Booth, Executive Director of Corporate Services and S.151 Officer	
Cabinet Member(s) responsible:	Cllr Andy Coles, Cabinet Member for Legal, Finance and Corporate Governance	
Contact Officer(s):	Richard McCarthy Head of Commercial & Procurement	Tel. 01733 384606

**UPDATE – COMMERCIAL & PROCUREMENT SERVICE**

<b>RECOMMENDATIONS</b>	
<b>FROM: Cecilie Booth, Executive Director of Corporate Services and S151 Office</b>	<b>Deadline date: September 2023</b>
<p>It is recommended that the Audit Committee:</p> <ol style="list-style-type: none"> <li>Review and consider the general Update provided in the report regarding the activity of the Commercial &amp; Procurement Service</li> </ol>	

**1. ORIGIN OF REPORT**

1.1 This report is submitted to Audit Committee following a request from the Audit Committee at their meeting on 24<sup>th</sup> July 2023 to provide an update on progress on delivering on the required actions.

**2. PURPOSE AND REASON FOR REPORT**

2.1 The purpose of this report is to set out progress on Procurement Activity since October 2022 and provides more detailed information requested by the Committee at its meeting on 24<sup>th</sup> July 2023.

2.2 This report is for Audit Committee to consider under its Terms of Reference No. 2.2.2.15 To monitor the effective development and operation of risk management and corporate governance in the Council.

**3. TIMESCALES**

Is this a Major Policy Item/Statutory Plan?	<b>YES/NO</b>	If yes, date for Cabinet meeting	
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**4. BACKGROUND AND KEY ISSUES**

4.1 At the previous Audit Committee Meeting of the 24<sup>th</sup> July 2023 the Procurement Team were asked to provide an update on two key items as follows:

- Ascertain whether the same criteria applied to external organisations around climate and social values could be implemented internally.
- Produce list of large contracts and bring to committee's attention the status/risks of those contracts in terms of procurement.

4.2 The criteria used to test the delivery of Social Value for Third Party Suppliers during in response to tenders and for the management of contracts has not been formally defined as yet as the Social Value Policy for Peterborough City Council is still under development. The first and highest priority of the Social Value remit is the Climate Change Commercial Ask. This project has been approved by CLT and is moving forward we are currently exploring how we incorporate climate change within the procurement documents and are working closely with Legal colleagues to effect this.

To this end, we will be joining an Opportunity Peterborough event for SMEs later this month to explore how they can incorporate climate change within their operations, how they would be measured, and what questions and clauses we can include in the procurement documents that are proportionate.

We are focusing our efforts on meaningful engagement with local SMEs as they will need a lot of help and support to become equipped to tackle the challenges of the net zero agenda. We are planning a similar event with the Chamber of Commerce. Two waste related contracts will be reprocured over the next 12 months, and we will use these as an opportunity to incorporate the Climate Change Commercial Ask into those procurements and develop support and training tools for suppliers over the next few months. Our work is in full collaboration with the Council's Climate Change Lead.

4.3 In terms of applying social value more broadly the plan is to embed a social value framework into procurement and contract management functions linking key priorities for the Council to the National TOMS (Themes and Outcomes) Framework. The Procurement Team is currently reviewing social value software including but not limited to the Social Value Portal. There is great variation in the price of implementing such software and care must be taken to ensure bid prices aren't increased as a result of implementing social value requirements for tenders and contracts. This work is at an early stage. Table A below shows how we might link the Key Council Priorities in the Corporate Strategy with key TOMS outcomes. This is illustrative at this stage as consultation with Contract Managers and CLT has not taken place yet to agree and determine the measures for social value. Once the framework has been agreed with key stakeholders and the relevant software obtained to record delivery of Social Value, existing supplier contracts would need to be reviewed and amended accordingly.

**TABLE A**

<b>Key Council Priority</b>	<b>Linked to National TOMS (Themes Outcomes and Measures) for Social Value</b>	<b>TOMS Ref</b>
Prevention, Independence & Resilience	Creating a healthier community	NT26
	Vulnerable people are helped to live independently	NT27
	Increased Community Outreach	NT28 NT29
Our Places and Communities	Carbon emissions are reduced	NT31 NT31a
	Air pollution is reduced	NT32
	Safeguarding the natural environment	NT85 NT90 NT87
	Resource efficiency and circular economy solutions are promoted	NT69 NT70



		NT72
		NT88
	Sustainable Procurement is promoted	NT49
The Economy and Inclusive Growth	More local people in employment	NT1
		NT1c
	More Opportunities for disadvantaged people	NT3
		NT3a
		NT3b
		NT4
		NT4a
		NT5
	Improved Skills	NT6
		NT8
		NT9
		NT10
	Improved Employability of Young People	NT11
		N12
N13		

- 4.4 In terms of applying these values to in-house services, it would be necessary to agree a change control notice to add this to existing agreements for services run by Peterborough Limited for example, for other services, it would be necessary to agree a service level agreement regarding this activity clearly setting out those TOMS relevant for the service being provided and how meaningful information might be captured.
- 4.5 The first steps however will be to develop the Social Value Framework and obtain agreement with CLT, Cllrs and other key stakeholders in the business.
- 4.6 In reviewing large value contracts, the attached list at Appendix 1 refers to the description and known risks for Procurement. We do not have details for contract performance for all contracts (this will be addressed when the Enterprise Resource Plan (ERP) system improvements are implemented). Of the 17 listed, all are all live.

5 contracts are due to end in 2024 and of those 2 have options to extend for a further 4 years, 1 will need to be planned to start the process in September 2023, 1 contract is being considered for extension under Regulation 72 due to the lack of commissioning resource available to reprocur the service in time. There is always a risk of challenge when modifying the contract in this way, however this is mitigated by the fact that the procurement process has started albeit in the early stages.

There needs to be an agreed definition for “large contracts”. The Procurement Bill, under S66 contracts with a value over £2m will be subject to annual performance monitoring, with the requirement to publish information about the review. At least 3 KPIs need to be published along with the Contract and ongoing performance against those contracts. The proposed upgrades to the ERP system will allow suppliers the ability to upload evidence and information to allow the Authority to publish such performance information. This would be able to be produced for Audit Committee on an ongoing basis.

## **General Updates**

4.7

### **Enterprise Resource Plan (ERP) System Development**

4.7.1

A statement of works has now been finalised to meet the requirements of linking spend data with contracts. It will also allow us to control spend where no contract is quoted when requisitions are raised. A major benefit will be to monitor performance of large value contracts via the enhanced SRM module. We are procuring the necessary software contracts through the Crown Commercial Services Digital Market Place.

### **Early Pay Incentive Scheme**

4.7.2

Tender documentation has been amended to include details for onboarding newly appointed suppliers into the scheme, and suppliers have been analysed with very few queries regarding their current terms 82 suppliers are being reviewed currently out of circa 1800 active suppliers. The next stage is to agree communications to the suppliers to get as many onboarded as possible to commence making savings via discounted invoices over the coming weeks.

### **No PO No Pay**

4.7.3

There has been a marked increase in compliance since the No PO No Pay policy was relaunched in 2022. Historically the number of invoices that were matched to purchase orders has been as low as 40%. The current reports managed by the Accounts Payable Team show the current figure as 64.5%. Clearly there is still work to be done to improve this further by reducing the number of exemptions granted for certain categories of spend and through the implementation of the ERP upgrades.

### **Governance**

4.7.4

A change to the Contract Procedure Rules has been agreed at CLT and worked through by Legal and Procurement colleagues, that relates to Social Care Placements, this will allow the relevant Director or Head of Service to make placements with care suppliers without needing an individual exemption as long as every effort to secure services through compliant routes has been made and that this process is documented and evidenced. This will reduce the burden on both commissioners and the Procurement Team as a significant number of exemptions relate to Social Care services where compliant routes have been exhausted.

### **Compliance**

4.7.5

Procurement compliance is improving in Appendix 2 there is a comparison between what's happening now and 12 months ago and retrospective exemptions are down 23 or 35% and exemptions in general are down 30 or 22%. In terms of the total volume of exemptions, the vast majority relate to meeting the urgent needs of vulnerable adults or children at 57% These exemptions will be reduced further once social care placements are removed from this analysis if the decision to amend the Contract Procedure Rules is agreed.

## **5. CORPORATE PRIORITIES**

5.1

The recommendation to receive the update on procurement activity has a positive effect on the Sustainable Future City Council policy in the following ways:

- How we work – the decision taken to bring the Procurement service back in house from Serco has delivered operational time savings as the service aligned to the Directorates and working with Legal colleagues to remove non-value add processes.

- How we Serve – the forward plan has now been transferred to a piece of software designed to manage procurement pipelines to meet the requirements of the Procurement Bill and significant resource has been saved in removing duplicates and combining pieces together to make the procurement process more efficient. Procurement staff attend DMTs and provide regular feedback on the progress of the relevant items on the forward plan.
- How we enable – The project team including Procurement staff have produced the Statement of Works which specifies what's needed to upgrade the ERP system which in turn will link contracts and spend together, increased spend controls and more efficient handling of supplier data and information.

## **6. CONSULTATION**

- 6.1 The development of the work around procurement has been presented to the ERP development Group, CLT and Procurement Board.. A Statement of Works has been completed and is being finalised in order to commence the Procurement phase.
- 6.2 CLT have received updates on the Progress in the Procurement Team and are happy with the Progress made and how the service is proactively managing the Procurement Plan and resource.

## **7. ANTICIPATED OUTCOMES OR IMPACT**

- 7.1 Amendments to the CPRs are being jointly worked on by Legal and Procurement colleagues to make the processes more accessible and align more with Financial sign off limits and also to remove the need for exemptions for care placements where every effort has been made to procure those services via compliant routes

Further amendments will of course need to be made once the Procurement Bill is fully implemented scheduled now for October 2024.

A Contract will be awarded this Autumn to commence work on implementing the upgrades to the ERP system.

## **8. REASON FOR THE RECOMMENDATION**

- 8.1 It is recommended that the Audit Committee receive this report as an update on progress to improve compliance with the Council's Contract Rules, Public Contract Regulations 2015 and the Procurement Bill when implemented through the continued development of systems, processes and procedures.

Further details will be discussed at the meeting to be held in September 2023

## **9. ALTERNATIVE OPTIONS CONSIDERED**

- 9.1 There is no alternative option as the requests from the July meeting of the Audit Committee. The journey of the development of staff, systems and process continues and benefits realisation will be evidenced when these developments are fully implemented.

## **10. IMPLICATIONS**

### **Financial Implications**

- 10.1 None

### **Legal Implications**

- 10.2 None

### **Equalities Implications**

10.3 None

**11. BACKGROUND DOCUMENTS**

Used to prepare this report, in accordance with the Local Government (Access to Information) Act 1985

11.1 None

**12. APPENDICES**

12.1 Appendix 1 – Large Contracts Procurement Risks

12.2 Appendix 2 – Governance Compliance Statistics

Reference no	Supplier(s)	Title	Department	Description	Start date	End date	Estimated value	Estimated annual value	Status / Risks
DN571298	Viridor Peterborough Ltd	Build, Operate and Maintain Energy from Waste Facility	Corporate Services	Build, Operate and Maintain Energy from Waste Facility	21/12/15	20/12/45	£75,000,000.00	£2,500,000.00	Contract in force until 2045. The contract commenced in 2015 and so will be affected by changes in contractual and supplier requirements to be Carbon Net Zero by 2030.
DN625370	ALLWORKS Home Improvements Ltd ASPIRE ADAPTATIONS LTD C F Casbon Trading as Casbon Building Services Foster Building Services Ltd Foster Property Maintenance Limited Lindum Group Ltd Maplethorpe and Mooney Ltd Morley Building Services Ltd Pastbuild Construction and Management Ltd Westone Housing Limited Foster Building Services Ltd Gap Property services Leicester Limited Huttie Maplethorpe and Mooney Ltd Morley Building Services Ltd Mr. Bright's Ltd EMS lifts Essential Healthcare Solutions Norse Commercial Services Premier Mobility (UK) Limited Prism UK Medical Limited Stannah	Care & Repair Framework Agreement	People and Communities	Care & Repair Framework Agreement for:  - LOT1 - Level Access Shower and Minor Aids & Adaptations  - LOT 2 - Boiler & Central Heating  - LOT 4 - Lifts	01/01/23	31/12/27	£6,660,000.00	£1,332,000.00	Contract in force. The contract commenced in 2023 for a 5-year period until 2028 with an option to extend for 12 months. Given the nature of the services and the number of potential SMEs, there may be a risk of losing suppliers through market pressures in the current economic climate.
DN571359	4passioncare Limited Atlas Care Services Ltd Augusta Care Ltd Axiom Housing Association Ltd Faith Care Line Services Ltd Glenholme Healthcare Limited Hales Group Lt Interest Care Limited K2 Care Limited Mears Care MidCo Care Limited Multi-Care Community Services Nestor Prime Care Services Limited T/A Allied Healthcare Social Care Solutions Springfield Care t/as Caring Crew Thera East Anglia Turning Point Services Ltd Voyage Care Affinity Trust	Care at Home - Lot 2 - Specialist	People and Communities	Care at Home Services specialist care not including complex care	03/09/18	31/03/24	£56,000,000.00	£5,600,000.00	Contract in force, The contract commenced in 2018 for a 3-year period with an option to extend for a further 4 years to 2028. Given the nature of the services and the number of potential SMEs, there may be a risk of losing suppliers through market pressures in the current economic climate.
DN571358	Bee's Care Ltd Choices Care Ltd Cross Keys Homes Atlas Care Services Ltd Diamond Resourcing Plc T/A Better Healthcare Services Hales Group Ltd Interest Care Limited K2 Care Limited Mears Care Sahara Community Care Services Merit Homecare Ltd Multi-Care Community Services Nestor Prime Care Services Limited T/A Allied Healthcare New Hope Specialist Care Limited Sage Care Limited Springfield Care t/as Caring Crew	Care at Home Lot 1 - Generic Care	People and Communities	Care at Home Services generic not including specialist and complex care	03/09/18	31/03/24	£114,170,000.00	£11,417,000.00	Contract in force, The contract commenced in 2018 for a 3-year period with an option to extend for a further 4 years to 2028. Given the nature of the services and the number of potential SMEs, there may be a risk of losing suppliers through market pressures in the current economic climate.
DN571685	Barchester Healthcare Homes Limited Hampton Grove Healthcare Limited HC One Oval Limited	Care Home provision of residential and/or nursing care	People and Communities	Care Home provision of residential and/or nursing care Various Suppliers located at the following web page <a href="https://www.peterborough.gov.uk/healthcare/adult-social-care/commissioning/pseudo-dynamic-purchase-system/">https://www.peterborough.gov.uk/healthcare/adult-social-care/commissioning/pseudo-dynamic-purchase-system/</a>	01/12/18	01/12/28	£300,000,000.00	£30,000,000.00	Contract in force. The contract commenced in 2018 for a 10-year period with no option to extend. Given the nature of the services there may be a risk of suppliers servicing notice through market pressures in the current economic climate.
DN571356	FCC Waste Services (UK) Limited	Design, Build, Operation & Management of a Household Recycling Centre (HRC)	Corporate Services	Design, Build, Operation & Management of a Household Recycling Centre (HRC)	02/01/18	18/02/29	£10,289,938.00	£900,000.00	Contract in force until 2029 with no additional option to extend. The contract commenced in 2018 and so will be affected by changes in the contractual and supplier requirement to be Carbon Net Zero by 2030.
DN647756	Total Gas & Power Ltd	Electricity Supply Contract	Resources	Electricity Supply to all Council Buildings	01/04/23	30/09/28	£21,691,780.00	£4,929,950.00	Electricity supply secured until 2028 - the risk is the expected increases in October 2023 - detailed modelling work is being undertaken with ESPO to better understand the likely increase for 2023/24 which is expected to reduce again in 2024/25  Key issues are that it has been agreed that the Brown rate will be used to mitigate some of the price increases. More work is needed on consumption reduction - this work is being undertaken by the Property Team. The key to this work is accurate data and the Council still has a large number of meters in buildings it owns that are not SMART meters. This is being addressed with our supplier via ESPO
DN571286	Papworth Trust sense The Helping Hands Group (T/A THHG LIMITED) Thera East Anglia Turning Point Ltd Voyage Care	Independent Day Opportunities	People and Communities	Peterborough City Council's - The Council - People and Communities Directorate anticipates undertaking a procurement exercise for the provision of a new Day Opportunities Service in Peterborough. The purpose of the proposed procurement exercise will be to appoint a range of providers who can deliver a range of day opportunities of high quality across Peterborough. Due to future developments of the service, some Older Person service or other Adult Social Care Related Services may also be incorporated, increasing the budget from between £4m-£6m.	01/04/17	31/03/24	£10,500,000.00	£1,500,000.00	Pre-tender stage. Procurement are seeking to use Regulation 72 to modify and extend the existing agreement to December 2024 as there are no resources social care resources available to undertake the procurement before the current end date (March 31st 2024). The main risk is that in using Reg 72 to modify and extend the contract where no existing extensions exist and resources must be available to complete the procurement.
DN544435	NRS Healthcare	Integrated Community Equipment Services - PRF 625	People and Communities	Integrated Community Equipment Services across Peterborough & Cambridgeshire	01/04/22	31/03/32	£59,091,500.00	£0.00	Contract in force. The contract commenced in January 2023 for a 10-year period until December 2032, with an option to extend for a further 5 years.

DN571273	Milestone Infrastructure Ltd	Peterborough Highways Service	Place and Economy	Peterborough Highways Infrastructure Service	10/01/13	30/09/34	£500,000,000.00	£25,000,000.00	Contract in force until 2028. In 2026 a decision on the further remaining extension will be made based on the measured service performance for that year. This is 18 months before the contract ends to allow for a re-procurement if the decision is taken not to extend further.
DN571709	Serco Limited	Peterborough Serco Strategic Partnership	Resources	Peterborough Serco Strategic Partnership	01/11/11	31/10/31	£100,000,000.00	£14,000,000.00	Contract in force. The contract commenced in 2011 and expires in 2031, with no option to extend.
DN571331	IIC by Education	Private Finance Initiative (including hard and soft facilities management services) for Jack Hunt, Voyager and Ken Stimpson Schools	People and Communities	PFI contract covering 3 schools - Jack Hunt, Voyager & Ken Stimpson IIC manage the contract on behalf of the investors. Bouyges manage the hard and soft FM requirements/services for the 3 schools - cleaning, security, maintenance, any repairs that are reasonably required	01/04/05	31/03/35	£284,283,870.00	£9,476,129.00	Contract in force. The contract commenced in 20225 for a 30-year period expiring 2035.
DN571710	NPS Peterborough Limited	Property Portfolio Management Joint Venture	Resources	Property Portfolio Management Joint Venture	01/10/16	30/09/26	£16,000,000.00	£1,600,000.00	Contract in force and expires September 2026 with no option to extend. Given the nature of the contract, sufficient capacity to be built into the Annual Plan in 2024/25 and 25/26.
DN648301	Zurich Municipal	Provision of Insurance Services	Corporate Services	Insurance Services for PCC and PL: 5 year contract with a break clause after 3 years	01/04/23	31/03/28	£6,061,775.00	£1,212,355.00	Contract in force and commenced April 2023 for a five-year period.
DN571277	Amey LG Limited	Provision of Transportation, Sorting and Onward Sale for Reprocessing of Recyclable Materials	Corporate Services	Provision of Transportation, Sorting and Onward Sale for Reprocessing of Recyclable Materials	01/09/14	31/08/24	£6,000,000.00	£600,000.00	Contract in force but will expire August 2024 with no option to extend. The procurement process will therefore need to commence in September 2023. Climate change and sustainability will also need to be built into the procurement. There is a risk associated with available resources and potentially TUPE implications.
DN570184	Age UK Cambridgeshire and Peterborough Alzheimers Society British Red Cross Cam Sight Cambridgeshire Deaf Association Cambridgeshire Hearing Help CIO Care Network Cambridgeshire Caring Together Charity Cera Care Operations Ltd HomeLink Healthcare Ltd Huntingdonshire Society for the Blind Hunts Forum of Voluntary Organisations Peterborough Sight Stroke Association Cambridgeshire, Peterborough and South Lincolnshire (CPSL) Mind PEOPLE POTENTIAL POSSIBILITIES	Pseudo DPS - Early Intervention & Prevention	People and Communities	Psuedo DPS enabling people to maintain their independence and stay living at home or within their family for longer. Receive appropriate information and advice to support the principles of shared decision making with service users, carers and families.  The supplier has secured a place on Lot 1, 2, 3 & 4	03/05/21	02/05/26	£21,000,000.00	£3,230,769.00	Contract in force. Contract commenced in May 2021 for a 5-year period to 2026, with an option to extend for a further 2 years.
DN571711	Opus People Solutions Limited	Supply of Temporary Agency Resource	Resources	Supply of Temporary Agency Resource	30/05/21	29/05/24	£20,000,000.00	£6,700,000.00	A multi faceted strategy is being developed to split this service into 3 distinct parts Social Care agency posts to remain with Opus procured via ESPO MSTAR 4 framework Agency staff needs for Clair Lodge to be procured by Crown Commercial Services Provision of Climinal and Healthcare Staffing Professional Services and Consultants to be Procured via ESPO 3S Strategic HR services This addresses performance issues experienced in managing the Opus contract and de-risks hard to procure specialist services for Clare Lodge.

## Governance Breakdown - Exemptions

### Exemptions

August 2021 to August 2022

Month	Year	Retro - Yes	Retro No	Total
Aug	2021	5	5	10
Sep	2021	2	5	7
Oct	2021	3	2	5
Nov	2021	13	5	18
Dec	2021	9	3	12
Jan	2022	6	5	11
Feb	2022	8	5	13
Mar	2022	4	13	17
Apr	2022	5	4	9
May	2022	8	6	14
Jun	2022	9	8	17
Jul	2022	7	10	17
Aug	2022	8	7	15
<b>TOTAL</b>		<b>87</b>	<b>78</b>	<b>165</b>

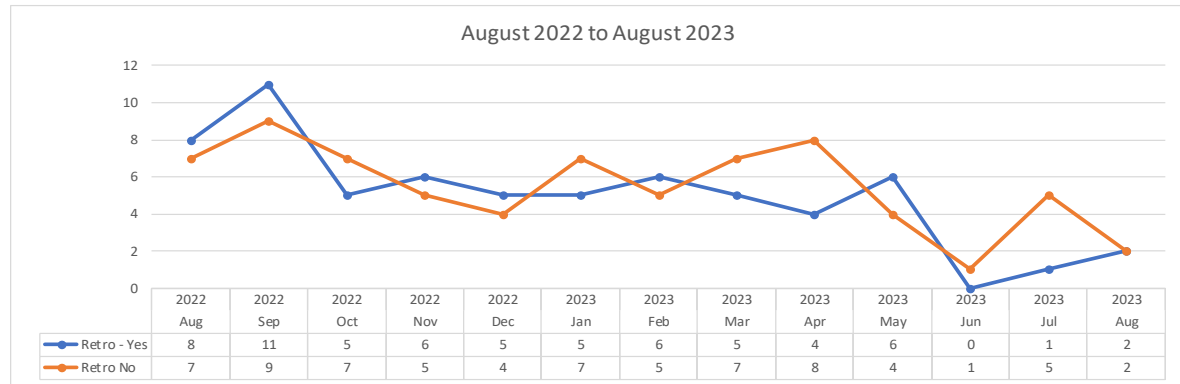
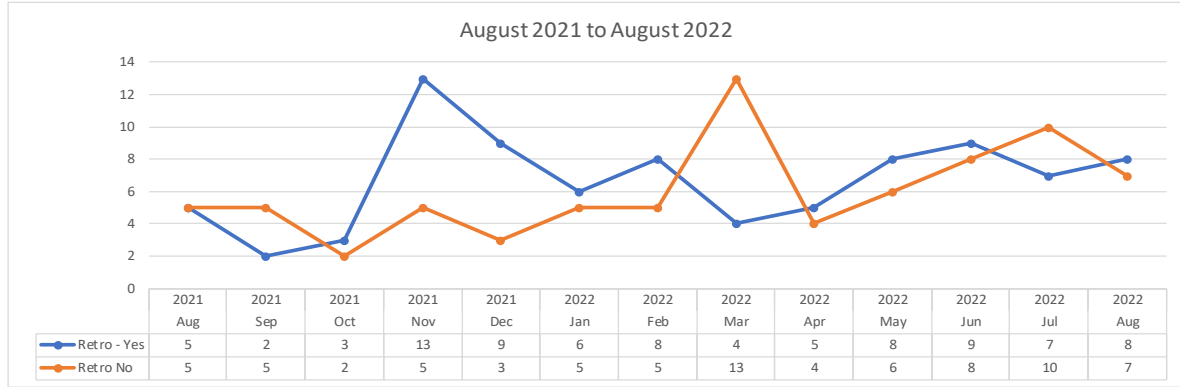
<b>Social Care</b>	<b>53</b>	<b>46</b>	<b>89</b>
<b>All Others</b>	<b>34</b>	<b>32</b>	<b>76</b>

### Exemptions

August 2022 to August 2023

Month	Year	Retro - Yes	Retro No	Total
Aug	2022	8	7	15
Sep	2022	11	9	20
Oct	2022	5	7	12
Nov	2022	6	5	11
Dec	2022	5	4	9
Jan	2023	5	7	12
Feb	2023	6	5	11
Mar	2023	5	7	12
Apr	2023	4	8	12
May	2023	6	4	10
Jun	2023	0	1	1
Jul	2023	1	5	6
Aug	2023	2	2	4
<b>TOTAL</b>		<b>64</b>	<b>71</b>	<b>135</b>

<b>Social Care</b>	<b>44</b>	<b>38</b>	<b>82</b>
<b>All Others</b>	<b>20</b>	<b>33</b>	<b>53</b>



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<b>AUDIT COMMITTEE</b>	<b>AGENDA ITEM No. 10</b>
<b>11 SEPTEMBER 2023</b>	<b>PUBLIC REPORT</b>

Report of:	Chair of Audit Committee	
Cabinet Member(s) responsible:	Councillor Coles, Cabinet Member for Finance and Corporate Governance	
Contact Officer(s):	Dan Kalley, Senior Democratic Services Officer	Tel. 01733 296 334

<b>WORK PROGRAMME 2023/24</b>
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<b>R E C O M M E N D A T I O N S</b>
<p>It is recommended that the Audit Committee:</p> <ol style="list-style-type: none"> <li>Notes and agrees the rolling work programme for the municipal year 2023/24</li> </ol>

**1. ORIGIN OF REPORT**

1.1 This is a standard report to the Audit Committee which forms part of its agreed work programme. This report provides details of the Draft Work Programme for the following municipal year.

**2. PURPOSE AND REASON FOR REPORT**

2.1 The Work Programme is based on previous year's agendas. The programme can be refreshed throughout the year in consultation with senior officers and the Committee membership to ensure that it remains relevant and up to date. In addition, any delays in reporting issues are recorded so that they do not drop off the committee agenda.

**3. CORPORATE PRIORITIES**

3.1 This report links to the Corporate Priorities under the following heading:

- Sustainable Future City Council

The work programme sets out the forward look of committee in assisting the Council in securing its future as a sustainable council for its residents.

**4. IMPLICATIONS**

**Financial Implications**

4.1 There are none

**Legal Implications**

4.2 There are none

**Equalities Implications**

4.3 There are none

## **5. APPENDICES**

5.1 Appendix A – Rolling work programme

Meeting date: 11 September 2023

Pre-meeting: 5 September 2023

Agenda Item	Responsible Author(s)	Audit Committee Terms of Reference	Brief description	Relevant onward Committee and date (if applicable)
Risk Management: Framework and Strategic Risks	Ray Hooke – Head of Corporate Delivery Unit	<p><b>2.2.2.15</b></p> <p>To monitor the effective development and operation of risk management and corporate governance in the council.</p>	The purpose of this report is for the Audit Committee to note and comment on the Risk Management Report.	
Update on procurement	<p>Lesley Meeks – Procurement Specialist</p> <p>Richard McCarthy – Head of Commercial and Procurement</p>	<p><b>2.2.2.18</b></p> <p>To consider the Council's arrangements for corporate governance and agreeing necessary actions to ensure compliance with best practice.</p>	To review any activity by directorates/teams that had not followed procurement guidelines.	
Decisions of the Shareholder Cabinet Committee	Dan Kalley – Democratic & Constitutional Services Manager	<p><b>2.2.2.12</b></p> <p>To consider reports in relation to the performance of the Council's companies, alongside comments from the Shareholder Cabinet Committee.</p>	The purpose of this report is to ensure that the Audit Committee is updated on the work of the Shareholder Cabinet Committee in relation the Council's companies.	

Meeting date: 27 November 2023

Briefing date: 21 November 2023

Agenda Item	Responsible Author(s)	Audit Committee Terms of Reference	Brief description	Relevant onward Committee and date (if applicable)
Internal Audit: Mid Year Progress Report	Steve Crabtree – Chief Internal Auditor	<p><b>2.2.2.1</b></p> <p>To consider the annual audit report and opinion of the Corporate Director of Resources and a summary of internal audit activity (actual and proposed) and the level of assurance it can give over the council's corporate governance arrangements.</p>	<p>The purpose of this report provides an overall opinion on the soundness of the control environment in place to minimise risk to the council. It is based on the findings of the completed internal audits from the Annual Audit Plan 2022 / 2023 as at 30 September 2022.</p>	
Audit Committee start time 2024/25	Dan Kalley – Democratic and Constitutional Services Manager	<p><b>Council Standing Order section 4.4.1</b></p> <p>The timings of normal committee meetings will be agreed by the committee for the next municipal year in January of the preceding</p>	<p>The purpose of this report is to allow the Audit Committee to discuss and agree the start times for meetings from the beginning of the Municipal Year 2023-24.</p>	Full Council January/March 2023

		municipal year (or as near to this time as possible).		
Treasury Management Strategy	Cecilie Booth – Executive Director Corporate Services  Fiona Leverton – Capital Accounting & Treasury Manager  Jill Evans – Service Director Corporate Finance & Deputy S151 Officer	<b>2.2.1.18</b>  To consider the Council's arrangements for corporate governance and agreeing necessary actions to ensure compliance with best practice.	The purpose of this report is to report current performance and the forecast outturn position against the Prudential Indicators in the strategy.	
Annual Report Corporate Complaints	Belinda Evans – Complaint Manager	<b>2.2.2.16</b>  To monitor Council policies on "raising concerns at work" and the anti-fraud and anticorruption strategy and the Council's complaints process	The purpose of the report is to update members on the Councils Complaints procedure.	
Audit Committee Terms of Reference	Audit Chair  Democratic Services	<b>2.2.2.14</b>  To review any issue referred to it by the Chief Executive or a Director, or any Council body.	To review updates to the Committee's terms of reference	
Council Commercial Activities	Adesuwa Omoregie – Interim Head of Legal and Deputy Monitoring Officer	<b>2.2.2.15</b>  To monitor the effective development and operation	To review the Councils commercial activities and risks associated with this.	

		of risk management and corporate governance in the council.		
Decisions of the Shareholder Cabinet Committee	Dan Kalley – Democratic & Constitutional Services Manager	<b>2.2.2.12</b> To consider reports in relation to the performance of the Council's companies, alongside comments from the Shareholder Cabinet Committee.	The purpose of this report is to ensure that the Audit Committee is updated on the work of the Shareholder Cabinet Committee in relation to the Council's companies.	

Meeting date: 29 January 2024

Briefing date: 23 January 2024

62

<b>Agenda Item</b>	<b>Responsible Author(s)</b>	<b>Audit Committee Terms of Reference</b>	<b>Brief description</b>	<b>Relevant onward Committee and date (if applicable)</b>
Internal Audit: Approach to Audit Planning	Steve Crabtree – Chief Internal Auditor	<b>2.2.2.9</b> To commission work from internal and external audit.	The purpose of this report is to provide Members with details of Internal Audit's annual planning approach and emerging issues and risks that Internal Audit need to provide assurance over. It provides an opportunity for Members to consider these themes and provide input into the development of the Audit Plan.	

Independent Improvement and Assurance Panel update (final report)	Emma Riding – Service Director Financial Management & Deputy S151 Officer  Cecilie Booth – Executive Director Corporate Services	<b>2.2.2.14</b>  To review any issue referred to it by the Chief Executive or a Director, or any Council body.	To receive the Independent Improvement and Assurance Panel final report to Full Council	
Update on procurement	Lesley Meeks – Procurement Specialist  Richard McCarthy – Head of Commercial and Procurement	<b>2.2.2.18</b>  To consider the Council's arrangements for corporate governance and agreeing necessary actions to ensure compliance with best practice.	To review any activity by directorates/teams that had not followed procurement guidelines.	
Draft Statement of Accounts and Audit Results report for year ended 31 March 2023	Ernst & Young – External Auditors  Cecilie Booth – Executive Director Corporate Services	<b>2.2.1.19</b>  To review the annual statement of accounts, specifically, to consider whether appropriate accounting policies have been followed and whether there are concerns arising from the financial statements or from the audit that need to be brought to the attention of the council.	To review the Audit results report from the External Auditors.	
Debt Write Offs	Chris Yates – Financial Manager (Business Manager)	<b>2.2.2.14</b>	An opportunity for the Committee to have a deep	

	Cecilie Booth – Executive Director Corporate Services	To review any issue referred to it by the Chief Executive or a Director, or any Council body.	dive into an area of interest to the Committee. Further details of the nature of the deep dive will be updated in the work programme.	
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Meeting date: 18 March 2023

Training/Briefing dates: 13 March 2023

Agenda Item	Responsible Author(s)	Audit Committee Terms of Reference	Brief description	Relevant onward Committee and date (if applicable)
Draft Annual Audit Committee report	Dan Kalley – Senior Democratic Services Officer  Cecilie Booth – Executive Director Corporate Services  Steve Crabtree – Chief Internal Auditor	<b>2.2.2.13</b>  To produce an annual report for consideration by Full Council.	The Audit Committee has been in operation since Annual Council in May 2006 (first meeting June 2006). The Committee has a wide ranging remit that underpins the Council's governance processes by providing independent challenge and assurance of the adequacy of risk management, internal control including internal audit, anti-fraud and the financial reporting framework.	Presented to June Audit Committee before Full Council July 2023
Internal Audit: Draft Internal Audit Plan 2023 / 2024	Steve Crabtree – Chief Internal Auditor	<b>2.2.1.1</b>  To consider the annual report and opinion of the	The purpose of this report is to ensure that the Council reviews and agrees the audit activity for the next audit year.	



		<p>Corporate Director Resources and a summary of internal audit activity (actual and proposed) and the level of assurance it can give over the council's corporate governance arrangements.</p> <p><b>2.2.1.3</b></p> <p>To consider reports dealing with the management and performance of the providers of internal audit services.</p> <p><b>2.2.1.18</b></p> <p>To consider the council's arrangements for corporate governance and agreeing necessary actions to ensure compliance with best practice.</p>		
Risk Management: Strategic Risks	Ray Hooke – Head of Corporate Delivery Unit	<p><b>2.2.2.15</b></p> <p>To monitor the effective development and operation of risk management and corporate governance in the council.</p>	The purpose of this report is for the Audit Committee to note and comment on the Risk Management Report.	

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