

Combined Assurance

Status Report Communities

A green rectangular sign with rounded corners and a white border, mounted on a wooden post. The word 'Assurance' is written in large, white, sans-serif capital letters. The sign is set against a background of a blue sky with scattered white clouds.

Assurance

Date: January 2013

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Introduction

This is the first combined assurance report for the Council.

Working with management we have been able to show what assurances the Council currently has on the areas of the business that matter most – highlighting where there may be potential assurance ‘unknowns or gaps’.

We gathered and analysed assurance information in a control environment that:

- takes what we have been told on trust, and
- encourages accountability with those responsible for managing the service.

Our aim is to give Senior Management and the Audit Committee an insight on assurances across all critical activities and key risks, making recommendations where we believe assurance needs to be stronger.

Scope

We gathered information on our:

- **critical systems** – those areas identified by senior management as having a significant impact on the successful delivery of our priorities or whose failure could result in significant damage to our reputation, financial loss or impact on people.
- **due diligence activities** – those that support the running of the Council and ensure compliance with policies.
- **key risks** – found on our strategic risk register or associated with major new business strategy / change.
- **key projects** – supporting corporate priorities / activities.

Methodology

We have developed a combined assurance model which shows assurances across the entire Council, not just those from Internal Audit. We leverage assurance information from your ‘business as usual’ operations. Using the ‘3 lines of assurance’ concept:



Our approach includes a critical review or assessment on the level of confidence the Board can have on its service delivery arrangements, management of risks, operation of controls and performance.

We did this by:

- Speaking to senior and operational managers who have the day to day responsibility for managing and controlling their service activities.
- Working with corporate functions and using other third party inspections to provide information on performance, successful delivery and organisational learning.
- Using the outcome of Internal Audit work to provide independent insight and assurance opinions.
- We used a Red (low), Amber (medium) and Green (high) rating to help us assess the level of assurance confidence in place.
- The overall assurance opinion is based on the assessment and judgement of senior management. Internal audit has helped co-ordinate these and provided some challenge **but** as accountability rests with the Senior Manager we used their overall assurance opinion.

Key Messages

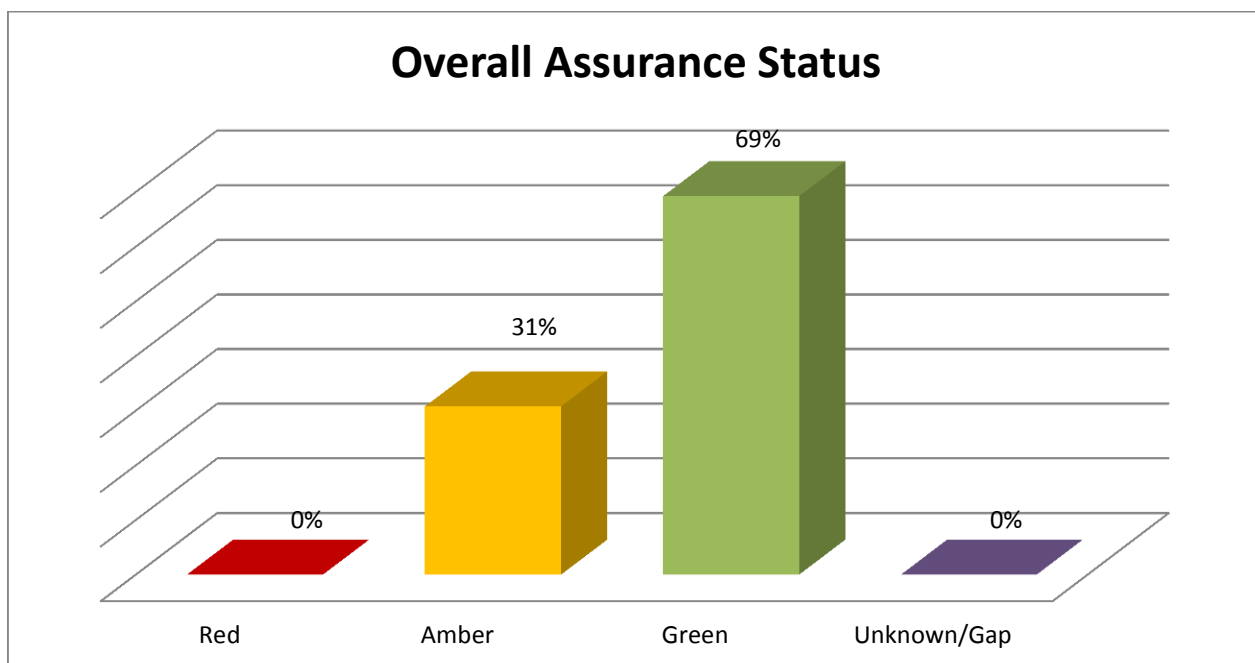


A number of diverse services are grouped under the Executive Director for Communities. In the main they can be described as providing the physical context in which people live: the built infrastructure and natural environment; the economy; and cultural services. There are many synergies between services and in practice there is a lot of interaction between managers as they seek to get the most out of our resources. We also work closely with other partners who have similar objectives. At present there is significant emphasis on our contributions towards growth:

- Maximising the impact of revenue expenditure;
- Directing a large capital programme towards infrastructure that will support growth including:
 - Road maintenance;
 - New road construction;
 - A combined heat and power plant that uses residual waste after 50% is recycled;
 - Economic regeneration infrastructure, including a £20m castle enhancement in Lincoln.
- Managing flood risk;
- Influencing spatial development.

We handle customer enquiries on behalf of the whole council and monitor our responsiveness.

Economic growth, living with environmental change and maintaining our infrastructure are likely to be key drivers for these services over the next few years.



Critical Systems



Overall, a high level of positive assurance exists around Communities critical activities and systems. Assurance arrangements are working effectively. Most assurance comes from managers – supported by a good level of corporate and third party assurance.

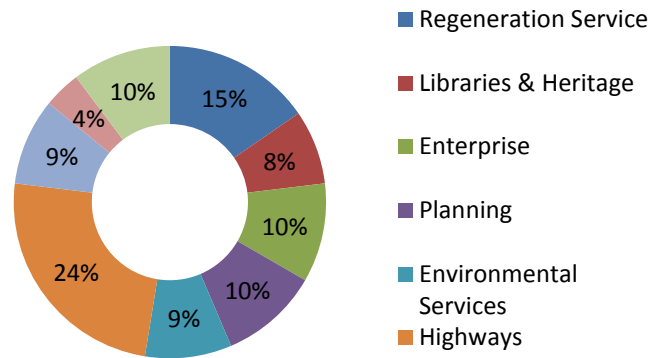
The Service works well with Internal Audit, highlighting areas for review where independent challenge and insight adds value and complements external inspection. Recommended improvements resulting from Internal Audit work are monitored and tracked through the Audit Committee.

The amber and green assessments are quantitative rather than a measure of impact.

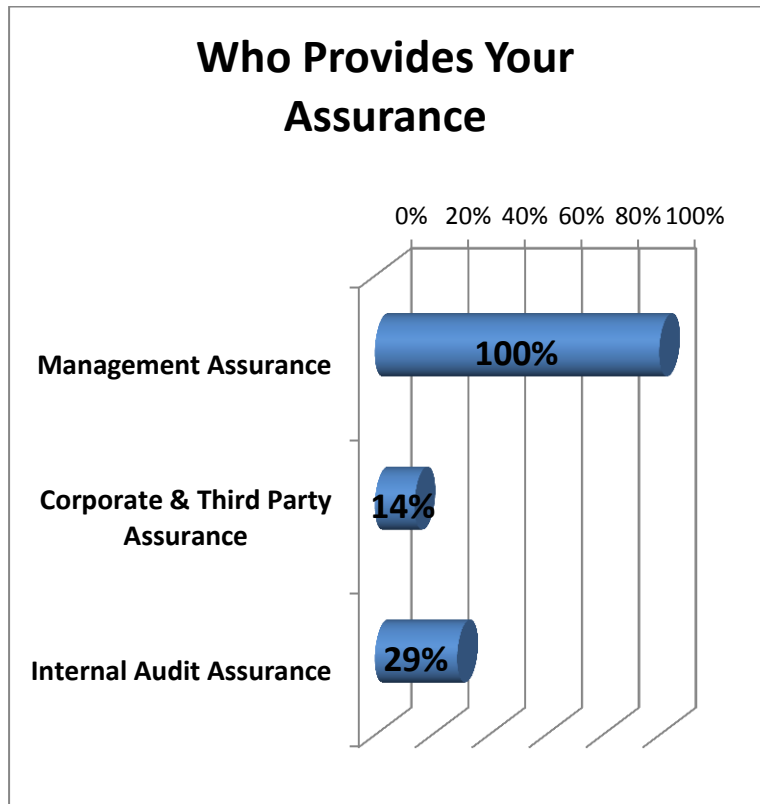
We exercise strong and responsive leadership, effective financial management and have good management processes. These result in high levels of confidence in our risk management. However, to avoid complacency we utilise the services available to us through corporate and third party assurance (e.g. peer reviews and accredited quality management systems) and Internal Audit.

Our services are mainly universally available and thus open to considerable public and political scrutiny.

Your Assurance Map

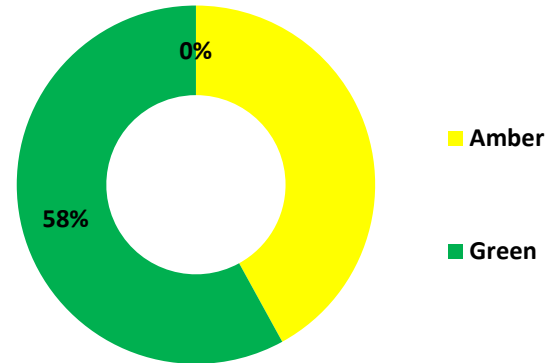


Who Provides Your Assurance



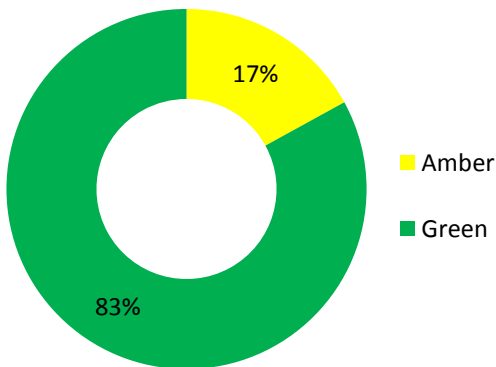
Regeneration

Several activities have been audited externally or by Audit Lincolnshire in last three years and assessed as substantial or full assurance. For other activities, risk and impact assessments completed and management team confirmed that risk management and mitigation is in place for each. Two Amber ratings relate to transfers into Regeneration where checking of processes (from ELDC on Skegness Business Centre and Enterprise on Waterways) is currently being done. The area leads 2 corporate projects; Teal Park is nearing completion and Boston Barrier is a project contribution by LCC to a major project led by the Environment Agency.



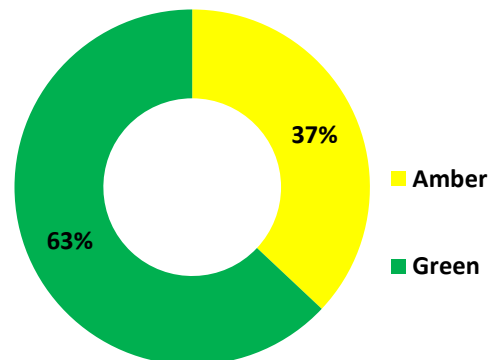
Libraries and Heritage

The library service is planning the Library Needs Assessment change programme with governance and corporate support fully in place. Risks relate lack of a national registration scheme or set of national library standards and change proposal not yet complete and consultation then required. Museums and Archives are subject to national registration schemes. The service area is making a major contribution to the Lincoln Castle Revealed (LCR) programme and deals with the impact on current Castle operation. LCR appears in both Enterprise and Libraries and Heritage areas as a cross cutting programme of major impact (see comments below).



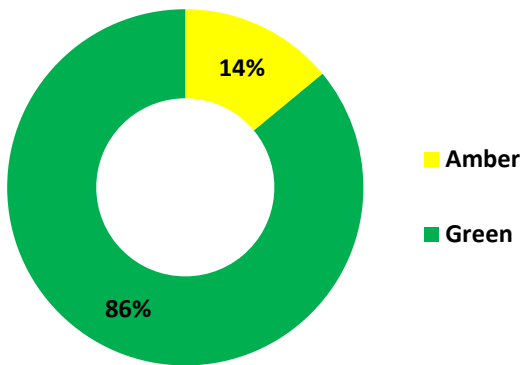
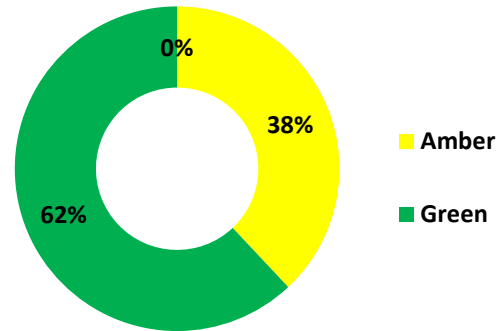
Enterprise

The team manages and supports several strategic partnerships and relationships related to activities and major projects and programmes. In particular, the team continues to submit strong bids for funding to continue and shape activity into the future. Reductions in staff numbers, and the emergence of new partnerships such as the Local Enterprise Partnership, mean there is a continued risk to working with private sector partners but the team is seeking innovative ways to maintain those relationships. Lincoln Castle Revealed is assessed as Amber and is currently subject of peer assessment, with major funding secured, capital build and related development of new visitor offer is now being delivered through LCR



Planning

Clarity around the amount of education planning applications and the use of consultants to assist with the waste and minerals plan means that some of the previously identified risks are no longer valid. However the absence of the Head of Service due to long-term sick leave is affecting some delivery of the service as is the loss of the resource in Historic Environment.



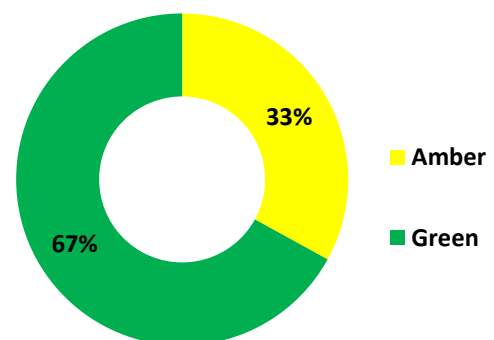
Environmental Services

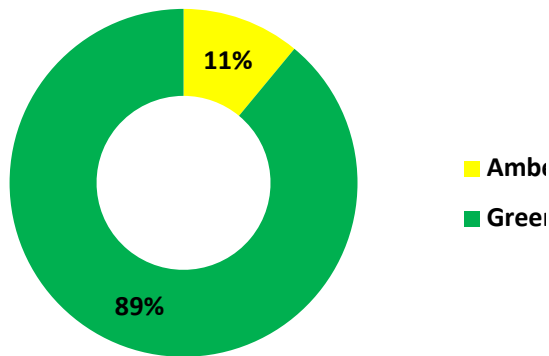
A working group has revisited and reinvigorated the governance structures and stakeholder engagement for Carbon Management throughout the Council. The Carbon Reduction Commitment (CRC) is dependent on other Council services also performing and is being actively managed through the CRC working group. There are no other management concerns in delivery of the service.

Customer Services

Whilst the majority of the areas in the CSC are recorded as 'Green' and on track, the implementation of the CSC's core offer phase 2 did have a detrimental impact on call handling capability.

The loss of staff, changes in service standards (Gold, Silver, Bronze) and the relocation and retraining of customer service advisors meant that Q1 and Q2 of 2012/13 standards were not achieved. Improvements are expected in Q3 and Q4.



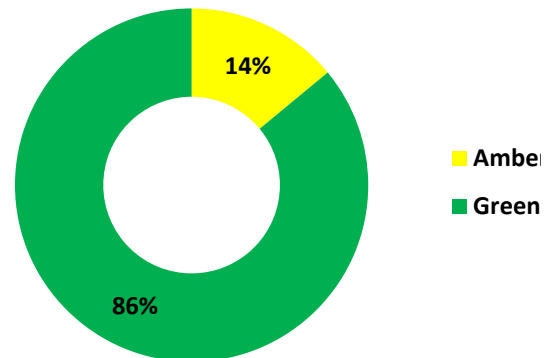


Highways

All areas are green except for Fleet Management where there are some concerns about insurance issues for some vehicles, which are being addressed. We also await the further enactment of some Floods and Water Act legislation before we can fully define our responsibility and any liabilities.

Transport

Whilst most areas are green and the concessionary fares data is gradually being corrected there are still some areas of uncertainty. These areas are around ASC transport where we await decisions from other Directorates, Land Charge searches where we await the outcome of legal proceedings and future decisions over the funding of public transport.



Suggested next steps.....

- Planning: The long term absence of the Head of Service will be addressed in accordance with the HR policies and procedures.
- Environmental Services: Adoption of the Carbon Management Plan will give assurance of the management of agreed targets as will the sponsorship of the programme by senior officers.
- Customer Services: Work will continue on achieving revised standards through the performance management procedures in place.
- The findings of the Peer Assessment for Lincoln Castle Revealed, set in the broader context of the Historic Lincoln Programme, will be taken into account in future Audit requirements.
- The relationship between LCC and the Greater Lincolnshire Local Economic Partnership (GLLEP) is likely to require further assurance as national funds for Economic Development will be directed to and through GLLEP but LCC would likely remain as the Accountable body.
- Transport funds for major schemes will be channelled through a new Local Transport Board. LCC will need to manage the governance of this body and although councillors will have the majority, the Board’s decisions are taken independently of the Council
- The financial implications of full implementation of the Floods and Water Management Act are not yet known.
- We will provide evidence to support developer contributions to infrastructure in the local planning process.

Strategic Risks



Council’s highest rated Strategic Risks for this area of the business

Flooding

Infrastructure

Delivery of our responsibilities as a local lead flood authority

The Council is taking the following key actions to manage this risk – these include:

- Operational Action Plan supporting the Flood Risk Management Strategy
- Implement Flood Risk Management schemes, i.e. Horncastle / Louth
- Lead in influencing other people and agencies to direct resources to Lincolnshire
- Development of a Flood Risk Management Strategy 2025
- Collaboration with flood risk & drainage framework partnership
- Flood Risk Emergency Plan (with links to Emergency Planning)

Overall we feel this risk is being managed effectively with substantial assurance being given.

Our infrastructure is required to support delivery of our services & economic growth in Lincolnshire

A number of key projects aim to strengthen our infrastructure. For Communities these include:

- Major Highways Schemes
- The Energy for Waste Scheme

These are monitored through our normal programme and project arrangements.

Strategic Risks - Assurance Map		OWNER	RISK APPETITE	 CURRENT RISK SCORE	 TARGET RISK SCORE	DIRECTION OF TRAVEL	Management Assurance Status (Full, Substantial, Limited, No)	Corporate Functions & Third Party	Internal Audit	OVERALL ASSURANCE STATUS	COMMENTS
RAG Rating for level of assurance Red (R)/Amber (A)/Green (G)											
Promoting Community Wellbeing & Resilience											
Delivery of our responsibilities as a local lead flood authority	Richard Wills	Hungry (projects & major change - Need to be innovative and take higher risks for greater reward - higher levels of devolved authority)	Open & aware/cautious (partnerships - Recognised that we work differently with different partners)			↑ Improving	G	G	G	G	Considered 'Substantial' for the duties we have at the moment. Review assurance status when SUDS duties come on-line.
Investing in infrastructure and provision of services											
Our infrastructure is required to support delivery of our services & economic growth in Lincs	Richard Wills	Hungry (Projects & Major change - Need to be innovative and take higher risks for greater reward - high levels of devolved authority - management by trust rather than tight control - 'break the mould' and challenge current working practices)				→					
Highways						→	G	G		G	
Broadband						↑	G	G	G	G	
Energy from Waste						→	G	G	G	G	

