

Combined Assurance

Status Report Environment & Economy

A photograph of 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 across the sign. The background is a bright blue sky with scattered white clouds.

Assurance

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Introduction

This is the combined assurance report for the Council.

Working with management we have been able to update 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

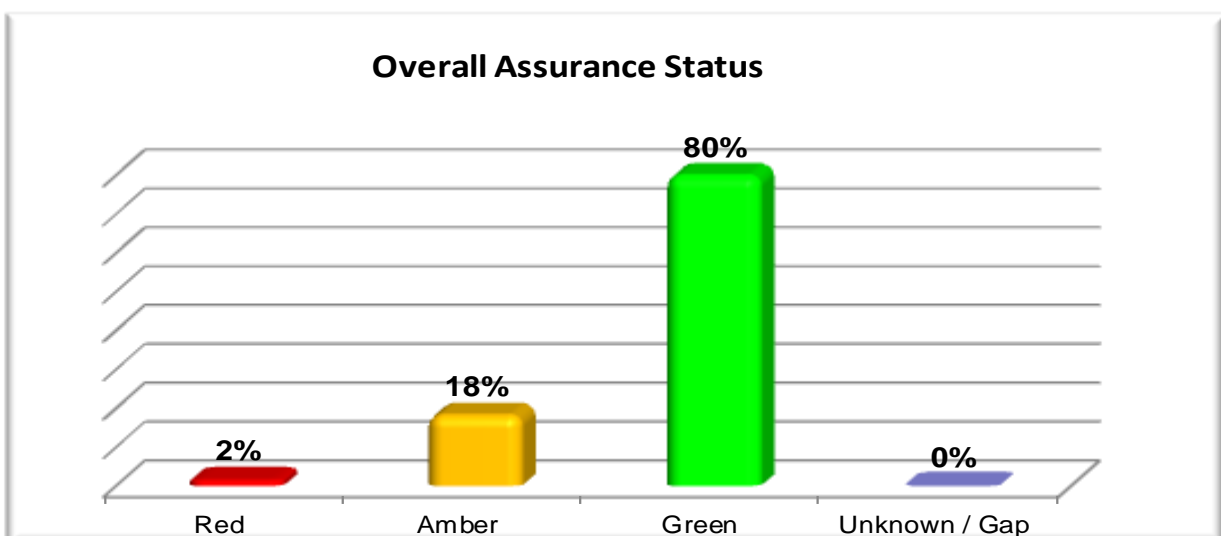
A number of diverse services are grouped under the Executive Director for Environment and Economy. They relate to the governance of the County Council through Democratic Services, provision of a trading Legal Services function across the County and those services providing the physical context in which people live namely infrastructure, the built and natural environment, and the economy. There are many synergies between these latter groups of 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 including the Greater Lincolnshire Local Enterprise Partnership's National and European funding income;
- Directing a large capital programme towards infrastructure that will support growth including:
 - Road maintenance;
 - New road construction;
 - Economic regeneration infrastructure
- Managing flood risk;
- Influencing spatial development;

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

We also need to focus on maintaining our ability to deal with the unusual and emergency events as we move further into commissioning services.

In Governance terms the forthcoming General Election and district council elections can be expected to raise issues that will need guidance and support through Democratic Services.





Critical Systems

Overall, a high level of positive assurance exists around Environment & Economy 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.

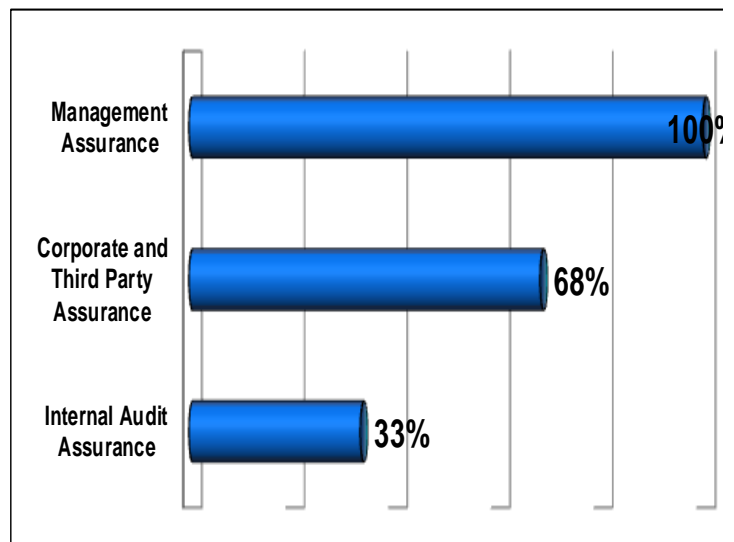
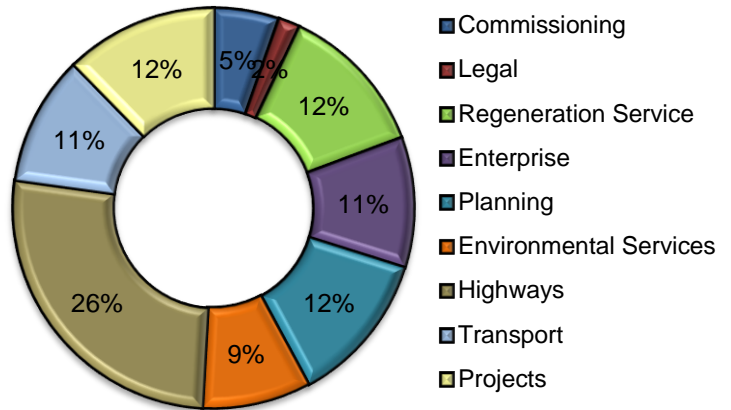
The Service works well with Internal Audit, highlighting areas for review where independent challenge and insight adds value and complements external inspection. Recommended improvements resulting from Internal Audit work are monitored and tracked through the Audit Committee.

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.

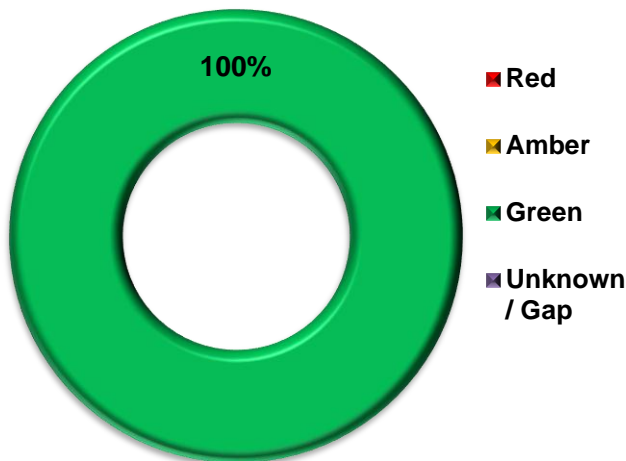
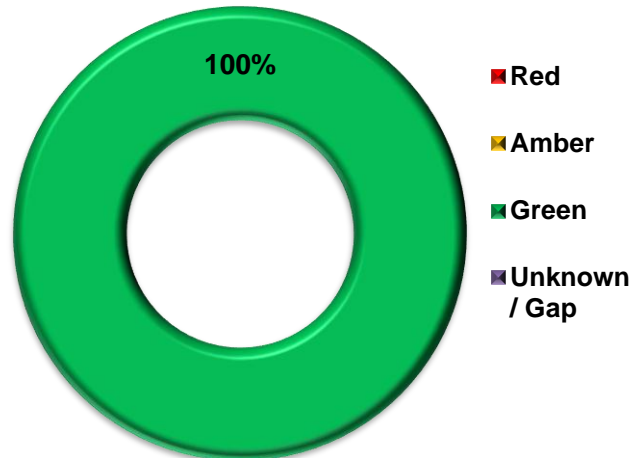
Our services are mainly universally available and thus open to considerable public and political scrutiny.

Your Assurance Map



Democratic Services

The Democratic Services Group plays a crucial role in ensuring good governance of the council. It supports councillors in their decision-taking, scrutiny and representative functions and provides opportunities for members of the public to engage in the decision making process. Committees run well and their business is recorded appropriately. Our Constitution has been updated this year. Registers of Declarations of Interest for both councillors and officers are maintained and also published. Councillors are given opportunities for training so that they have the skills and knowledge to undertake their duties.



Commissioning

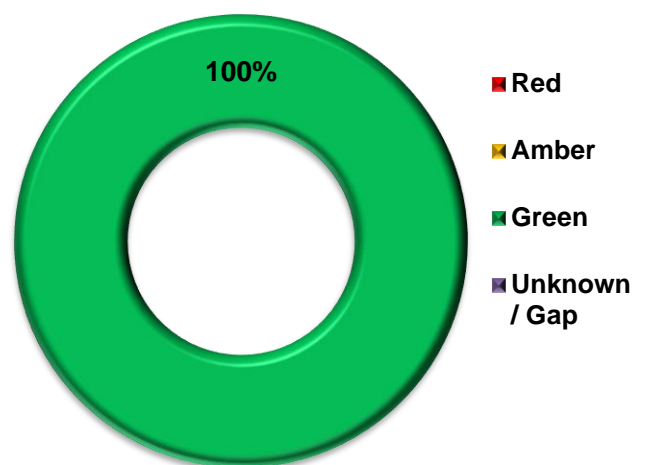
The new organisational structure for the commissioning side of the Directorate is still to be fully implemented. As part of the process of embedding new ways of working presentations have been provided to the key scrutiny committees and lines of accountability and reporting are in place. Revised staffing structures will be consulted on during 2015 which will provide further clarity and confidence to all parties of the effectiveness of the way of working

Legal Services Lincolnshire

A trading unit that supplies legal services to the County Council and a number of district councils, this Group provides another component of good governance. As well as dealing with specific legal work, it also undertakes a general responsibility to ensure that we comply with the law. In this respect the group works closely with the Monitoring Officer.

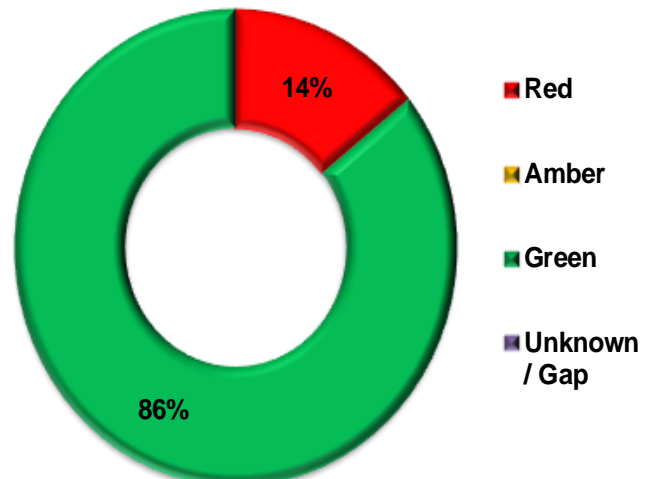
Everything the Council does carries some risk of not achieving the objective. Legal Services Lincolnshire helps the Council to optimise its risks.

It is a cost effective service externally accredited to the Law Society's Quality Standard LEXCEL.

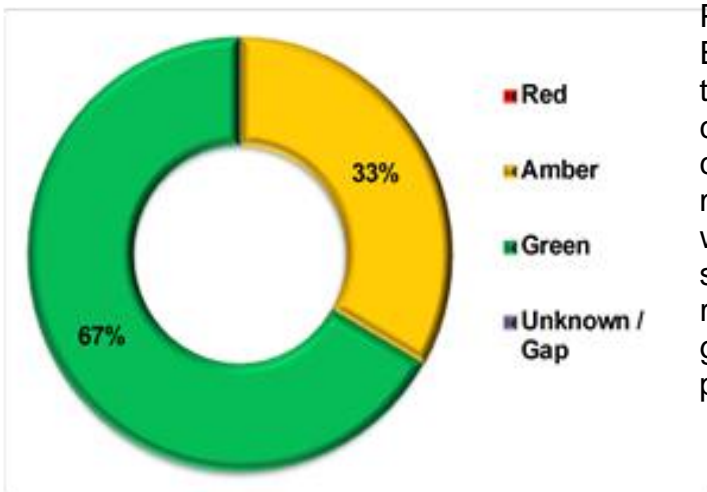


Regeneration Service

Within the scope of work undertaken by the Regeneration Service, one project is presenting a red risk. This specifically is the Sutton Bridge Marina project where there are a number of complex land issues which have made it difficult to obtain assurance that the scheme can proceed. These issues are being managed and a range of lease arrangements are planned to be completed in early 2015 which will remove this risk.



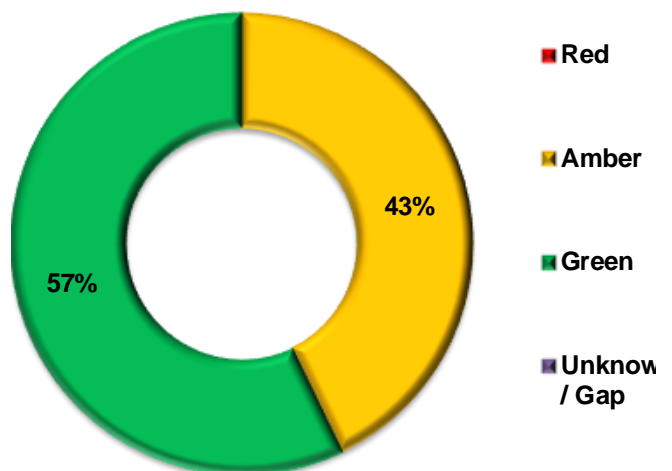
Enterprise



Projects that are showing as amber in Enterprise have been rated that way due to their reliance on external funding, which the council can influence but not control thereby creating an element of risk. In order to mitigate against the risk, the team actively works with funding bodies to support their strategies and comply with regulations. Projects that are showing as green have detailed management rigour in place so that they will remain low risk.

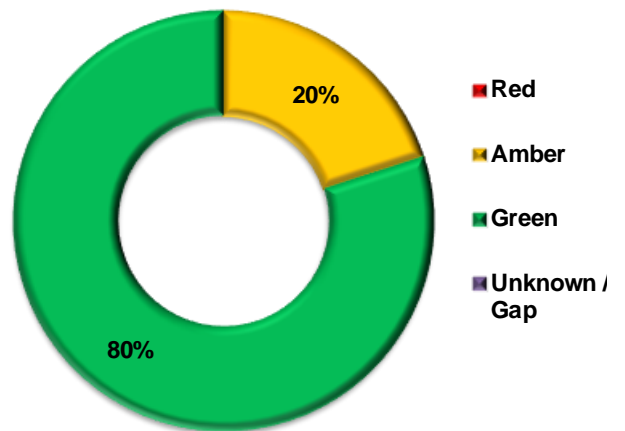
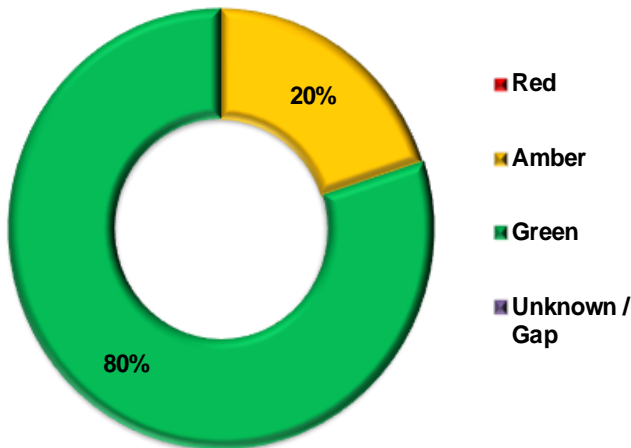
Planning

Planning performance when gauged against National PI's has improved and ongoing service improvements are being implemented to maintain and improve that performance. The Waste and Minerals Local Plan has been approved for pre-submission consultation and would be expected to be submitted for examination during 2015. Support for the Local Plan preparation across the County is progressing especially in respect of ensuring infrastructure delivery is effectively catered for. Capacity gaps in specialist waste and minerals policy staff remains a challenge and will be addressed through new structures to be consulted on during 2015



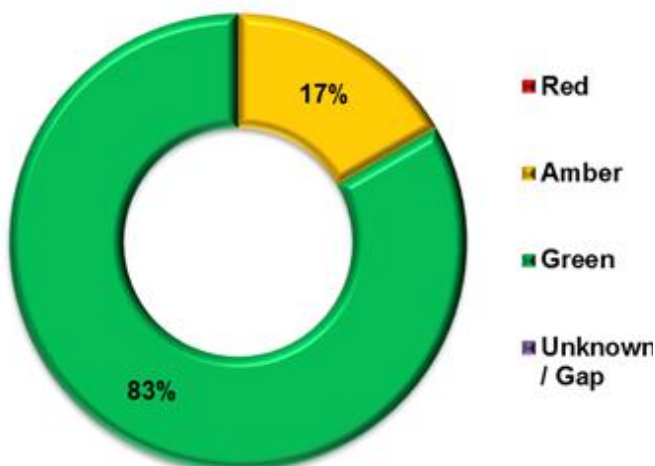
Environmental Services

The service has fully addressed all of the core activities of carbon management, carbon reduction commitment, reduction in landfill waste and strategic flood risk management within the service except the refresh of the waste strategy. The joint waste strategy has been delayed due to the production of a countywide dry recycling contract, being awarded from April 2015. We will be working with the Districts over the next year to complete the waste strategy and achieve this assurance.



Highways

Highways services have successfully delivered over £13m of additional investment this year. 2014 NHT survey has shown 4.6% increase in public satisfaction relating to the road condition. Value for money review by Cranfield University (Proven) has revealed very high score. HMEP peer review is planned for early 2015. The staffing structure review in 2015 will further clarify accountability for different aspects of highway services for greater assurance.



Transport

Bus Punctuality, with the exception of Lincoln which has been affected by roadwork schemes, has continued to improve. Internal and external audits have been conducted on home to school and adult care to validate the processes, safeguarding and procurement methods used in these areas. Recent changes in the English National Concessionary Travel (ENCT) scheme has created an unforeseen budget pressure. Financial pressures will be heightened across the board once Fundamental Budget Review savings are introduced, resulting in degraded transport services.

Suggested next steps.....

- Consult on new operating structures during 2015 with implementation by September 30 2015
- Consolidate staff into new accommodation by June 2015
- Continue to monitor developing legislation in relation to LCC's Flood Risk responsibilities to ensure the authority can meet its duties.
- Continue to manage the delivery of key transport infrastructure schemes across the County
- Respond to reduced revenue budgets with new staffing structures and new ways of working
- Engage effectively with partners through the GL LEP to maximise economic benefits from projects
- Undertake the PAS Peer Review Investment (Open for Growth) during January 2015

Strategic Risks



Commissioning Strategy - Protecting & Sustaining the environment

Capacity and resilience to responding to, and recover from, wider area and prolonged emergencies and business disruption (e.g. coastal flooding / pandemic flu) impacting on public safety, continuity of critical functions and normal service delivery.

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

- Effective partnership working;
- Working with the GLLEP to consider water resources issues;
- Implementation of work / schemes to address actions arising from flood events;
- Working with the Joint Emergency Management Service to prepare for flood incidents and other emergencies.

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

Resilience (Business Continuity)

Projects

Commissioning Strategy - Sustaining and Developing prosperity through infrastructure

Monitoring of designated management projects

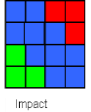
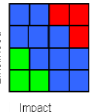
A number of key projects aim to strengthen our infrastructure. For Environment and Economy these include:

- Major Highways Schemes
- Maintenance of highways asset
- Managing the transport system

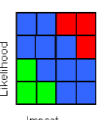
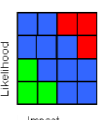
These are monitored through our normal programme and project arrangements. Partnership working is key to ensuring delivery of some of these schemes and the use of project boards including those partners is critical to managing delivery.

Strategic Risk Register as at June 2014

Commissioning Strategy - Protecting & Sustaining the environment

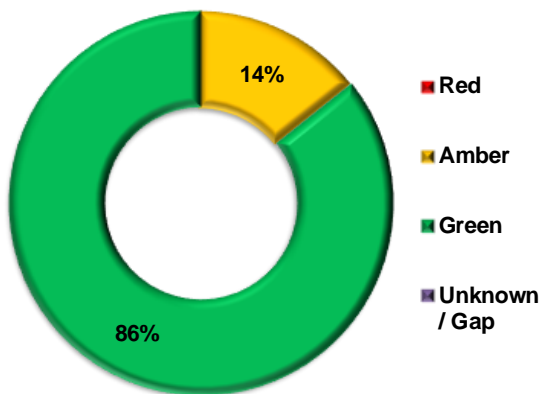
No of Risk	Risk Owner	Risk description	Risk Appetite (How much risk are we prepared to take & the total impact of risk we are prepared to accept)	Current risk score	Target risk score	Assurance Status (Full, Substantial, Limited, No)	Assurance - Direction of Travel (Improving, Static, Declining)	Actions	Notes / Comments
1	Richard Wills	Resilience (Business Continuity) Capacity and resilience to responding to, and recover from, wider area and prolonged emergencies and business disruption (e.g. coastal flooding / pandemic flu) impacting on public safety, continuity of critical functions and normal service delivery.	Hungry (Projects & major change) - need to be innovative and take higher risks for greater reward - higher levels of devolved authority) Open & Aware (Partnerships) - Recognised that we work differently with different partners)			Limited	Limited	<ul style="list-style-type: none"> This action for this risk need splitting depending on business disruption e.g. Coastal flooding will have different mitigating actions to pandemic flu. This is ongoing work throughout the coming months The expectable level of risk & current risk exposure is being determined Through the SMR process there is more resilience for dealing with emergency response however there is less resilience due to staff reductions to deal with the prolonged events. 	

Commissioning Strategy - Sustaining and Developing prosperity through infrastructure

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10	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)			Substantial	Substantial	<ul style="list-style-type: none"> This risk is a new risk and therefore, we will be continuing with work over the coming months to gain an understanding of the projects register and what is in place for the most significant ones. Robust systems in place for major projects with associated risk registers. Appetite will reduce as budgets and more control is devolved to parties. 	



Key Projects in Economy and Environment



What Managers are doing:

- Managing project delivery
- Delivery to communications plan
- Engaging with partners

Lincoln east west link road – phase 1 – Green

This project is on track with a works contract awarded and construction started on site on 3 November 2014.

Spalding western relief road – phase 2 & 3 – Green

The Local Plan not progressing at the pace anticipated and submission of the Local Plan for consultation is now expected to be the end on 2015.

Grantham East/West relief road – Green

A Planning Permission was granted for the Southern Quadrant Link Road in late 2013 but a third party developer triggered a Judicial Review and an appeal to the judgement was taken to the High Court. A further appeal to the High Court ruling was rejected and a further challenge is expected. Delivery has been hampered by the judicial review process.

A substantive start has been made on the King 31 section of the Grantham Southern Relief Road to protect the planning permission. LCC are exploring a delivery mechanism with the landowner to enable a start on site in Spring 2015.

Lincoln Eastern bypass – Amber

Most Orders from the Public Inquiry were not confirmed in July 2014 due to safety concerns about the location of a non-motorised user bridge. This bridge has been re-located and new Orders published. The objections to the new Orders has triggered a further Public Inquiry which is scheduled for Spring 2015. This will delay implementation of the project and could have an impact on future procurement of contractor to deliver the project

Lead Local Flood Authority Responsibilities - Amber

Consider temporary arrangements to populate the Operational Flood Risk team and strengthen the Development Management team to meet the legislative requirements of the Lead Local Flood Authority (LLFA) and the recently announced new duty requiring LLFAs to become statutory consultees in the planning process.

Boston Barrier – Green

This is principally a flood risk management project and is being delivered by the Environment Agency and the project remains on programme for delivery by the end of December 2019. Recent activity has focussed on engagement with stakeholder groups and updating our understanding of the impacts of opportunities and constraints on the potential economic benefits to Boston and the surrounding area. This will inform LCC project officers of the costs, benefits and timescales over which economic benefits will be realised from the different infrastructure and water level management investment options which could be delivered by this Authority.

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