

Combined Assurance

Status Report Director for Environment & Economy



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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 his role as the Monitoring Officer, including accountabilities for Democratic Services and provision of a trading Legal Services function across the County; and those services providing the physical context in which people live namely the built 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 GLEP 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;

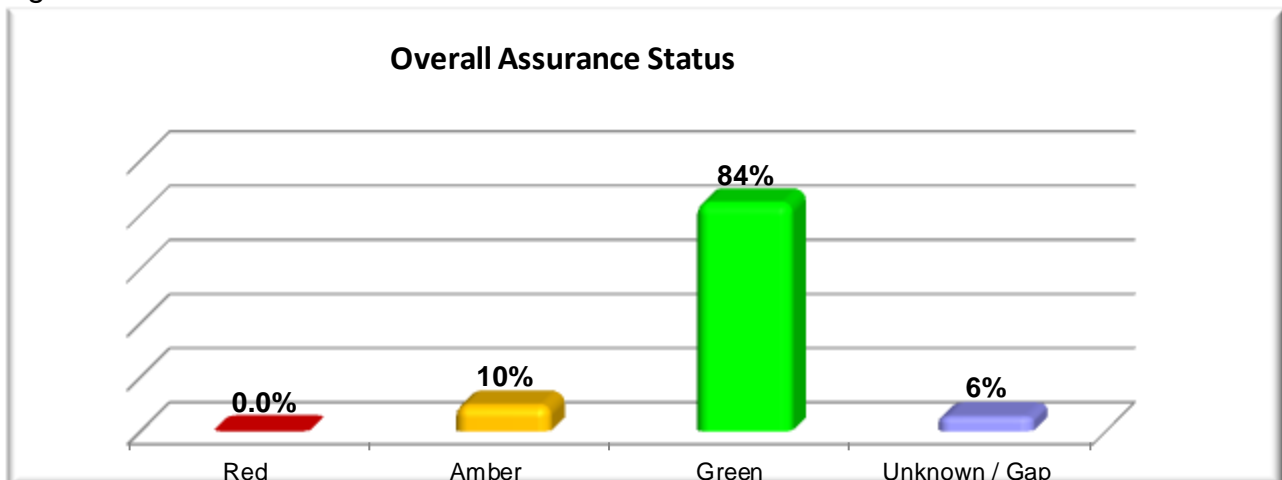
Economic growth, living with environmental change and maintaining our infrastructure are likely to be key drivers for these services over the next few years.

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

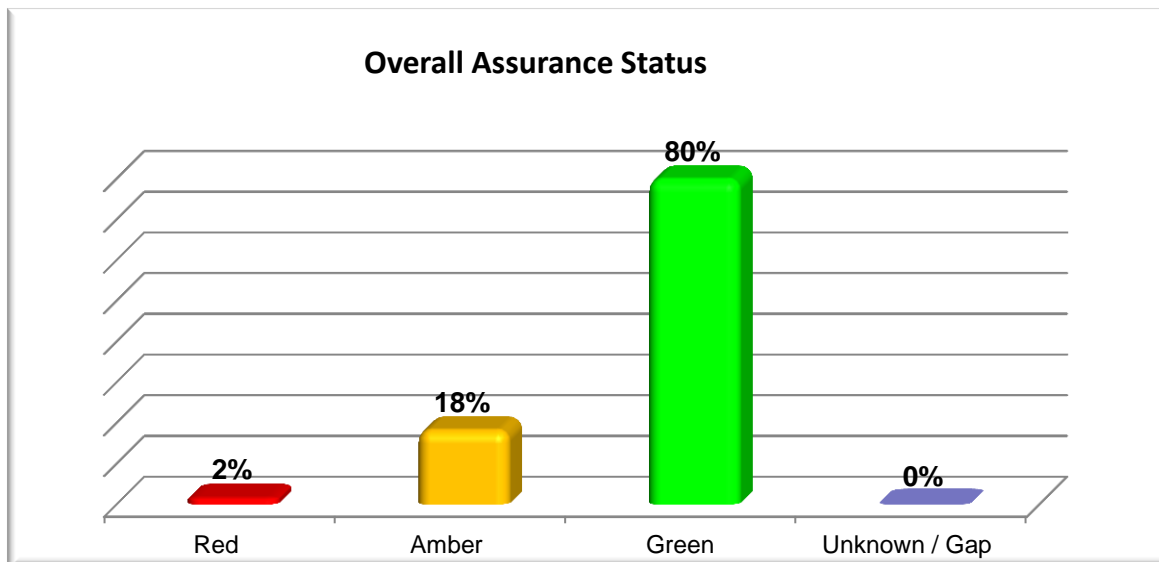
The managers in the Commissioning and in the Delivery disciplines meet regularly in order to ensure that progress is made against objectives, and managers regularly report to the Economic, Environmental, and Transportation scrutiny committees.

- Management structures are in place to scrutinise and manage performance
- High levels of external assurance are undertaken
- Regular progress reports are given to scrutiny committees

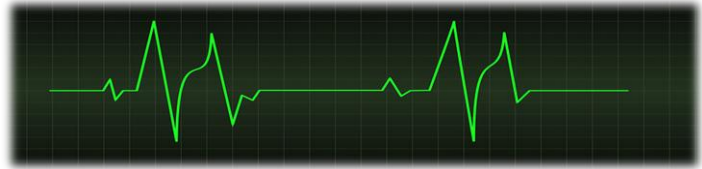
Figure 1 – Overall Assurance 2015/16



Overall Assurance 2014/15



Critical Systems

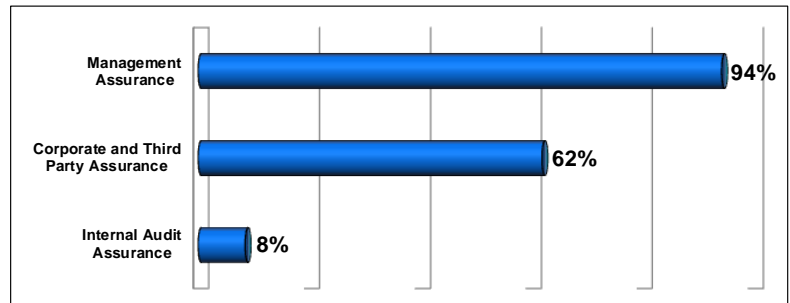
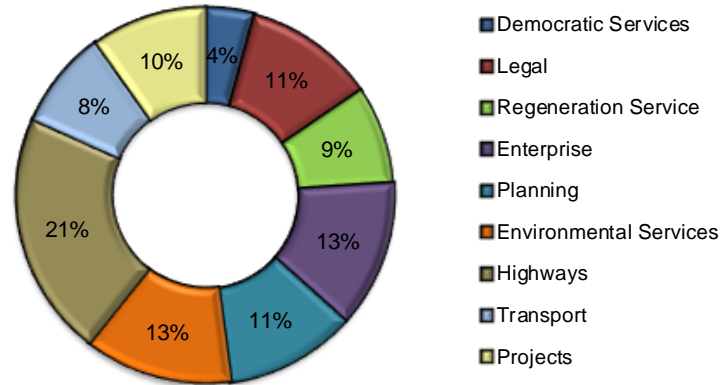


Managers within Environment and Economy are committed to commissioning and delivering services to a high quality.

Management team meetings regularly focus on service issues; clear objectives are set in the appraisal and performance management process; and progress is reported to committees.

Due to the way that services are funded in Environment and Economy (many of which receive external funding) there is a high level of external assurance.

Your Assurance Map

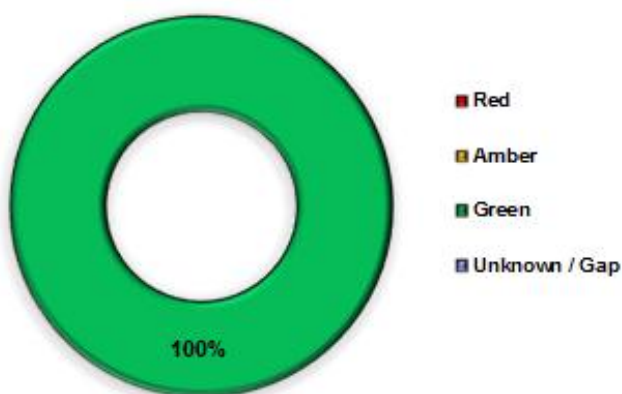
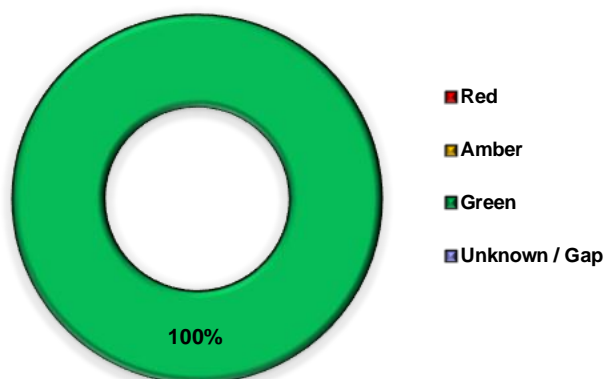


Democratic Services

Management take responsibility for assurance.

The services continue to operate effectively and a Charter for Member Development was successfully achieved in December 2014.

An independent review of scrutiny reported to Council in December 2015 and Council agreed a number of recommendations for continued improvement of scrutiny going forward.



Legal Services Lincolnshire

Management take responsibility for assurance.

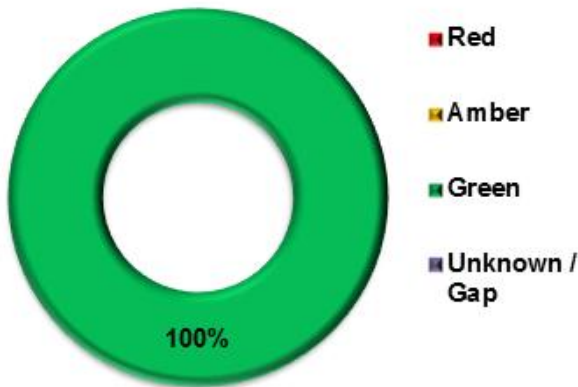
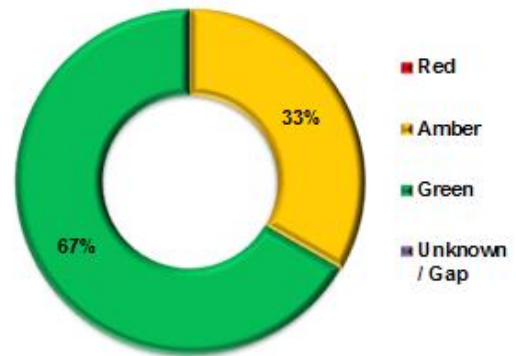
Accreditation to Lexcel, the Law Society's quality standard for practice management, was successfully renewed following a two day audit in September 2015.

Regeneration Service

Management take responsibility for assurance.

External funding supports most of the services delivered by Regeneration, and these services are therefore regularly audited externally.

The amber status relates to concerns that the team have over their capacity to effectively manage the income and overall budget of the council's economic development sites and premises. This is part of a council-wide transition to a new financial system.



Enterprise

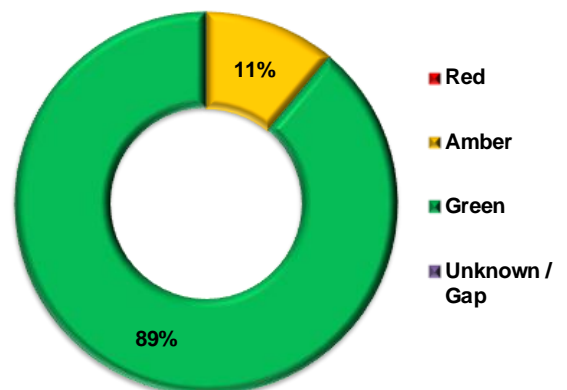
Management take responsibility for assurance.

External funding supports most of the services delivered by Enterprise, and these services are therefore regularly audited externally.

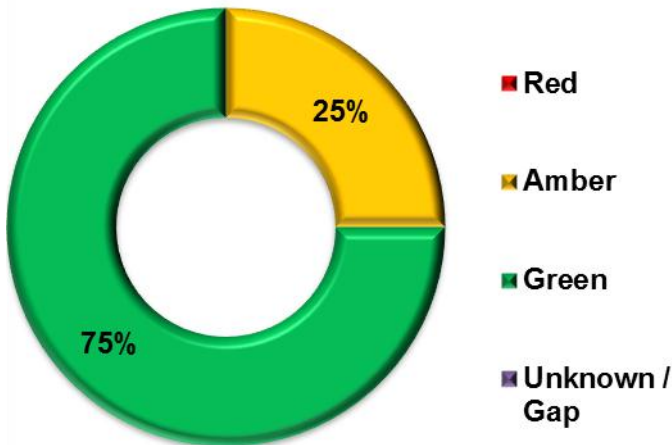
Environmental Services

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.

We will be working with the Districts over the next year and beyond to complete the waste strategy and achieve this assurance.



Planning



Planning activity undertaken by the county council can be considered to fall into 4 key areas:

Waste and Minerals Planning Authority Policy –the W&MLP core strategy was subject to an examination in public in October 2015 and further consultation non-modifications occurred in December 2015. The inspector's report is due early 2016 which will then enable formal adoption of the policy in 2016. Consultation occurred in Dec 2015 on the site allocations DPD which will proceed to a final version during 2016. The process is managed through an internal steering group and council approval for adoption of the final documents.

Waste and Minerals Planning Authority Development Management –decision making is controlled through a scheme of delegation from the Planning and Regulation Committee with key decisions made by the committee. Current government performance targets are being met and appeal successes confirm the appropriateness of local decision making.

District Council Local Plan preparation – as part of either formal partnerships (CL and SEL) or as a stakeholder (ELDC and SKDC)

the council is supporting the growth agenda. Formal governance arrangements are in place for the 2 partnerships (CL has been subject to an audit in 2015) and draft versions of the local plans have been referred to the relevant scrutiny committees. The plans themselves will be subject to examination in public.

Development management advice to district councils (Highways and lead Flood Risk Authority) –a new centralised service has been created to achieve efficiency, consistency, and move to a single point of contact. Resource pressures currently mean that we are failing to meet the majority of statutory 21 day responses to planning applications, and are unable to meet reasonable timescales in relation to approving s38 submissions. Staff recruitment should enable this to be addressed in 2016 along with revised service standards. The need to balance supporting the growth ambitions alongside the timeliness of advice to districts and developers is a current risk.

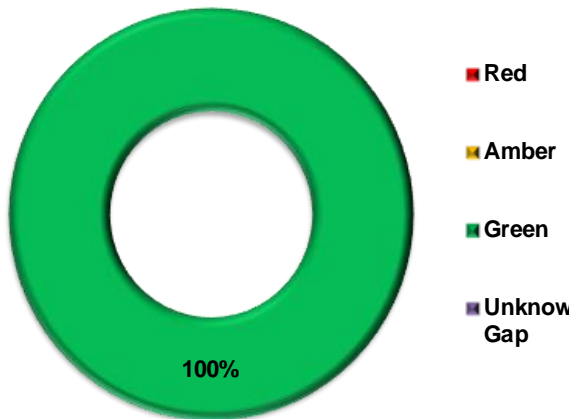
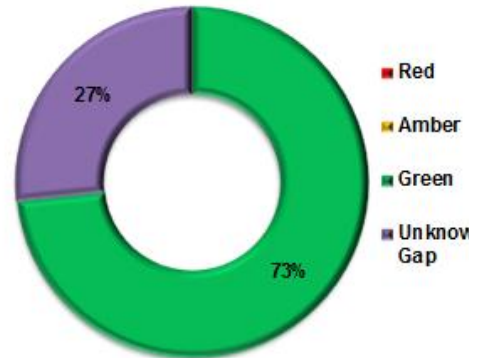
Highways

Management take responsibility for assurance.

Clear contracts with third parties within the Highways Alliance are in place, and external advice is being sought from Cranfield University on the efficiency of services.

A quarterly reporting system on scheme progress has now been put into place ("LTP Steering Group"), the Chief Operating Officer meets managers on a monthly basis, and the Infrastructure Commissioner monitors scheme progress.

Reports on major schemes are regularly taken to scrutiny committees.



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 services 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 FBR efficiency savings are introduced, resulting in degraded transport services.

Suggested next steps.....

- There are no actions where it is considered necessary to seek additional assurance at this stage. Managers and Directors monitor progress regularly through the performance monitoring and 1-2-1 meetings. Regularly reports are also made to various Committees.
- There will be ongoing work to continue to:-
 - Embed the restructure with the Commissioning and delivery disciplines
 - Monitor operational and strategic risks as they arise and take appropriate action
 - Manage the delivery of key transport infrastructure schemes across the County
 - Respond to reduced revenue budgets
 - Engage effectively with partners to maximise economic benefits from projects
 - Take steps to implement a new waste strategy

Strategic Risks



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

Projects

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
- Implementation of work / schemes to address actions arising from flood events

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

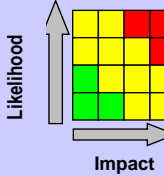
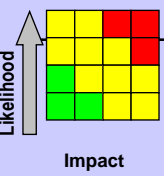
Commissioning strategy -Sustaining and growing business and the economy

The capacity for this strategy is a mixture of nationally funded activity which LCC seeks to influence and support, and locally funded activity which is either commissioned internally by LCC or from third parties. **Risks are associated with capacity of the team and partners, and with availability of funding.**

The Council is taking the following actions to manage these risks:

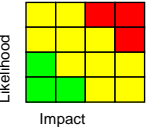
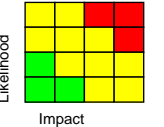

- Making strong applications for EU funding
- Supporting partners in strengthening their own organisations

Strategic Risk Register as at November 2015

Strategic Risks Assurance Map as at 30th November 2015	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)										

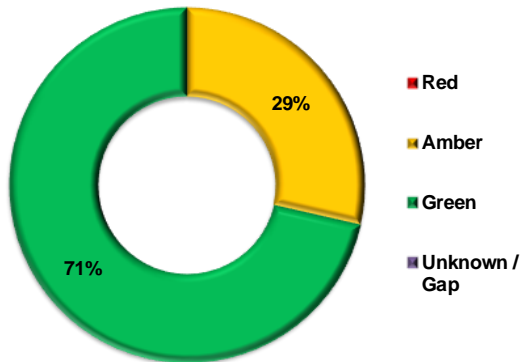
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Commissioning strategy - Businesses are supported to grow and want to invest in the county; people have the skills and training to access local jobs supported by the right infrastructure and environment.

Projects Monitoring of designated major projects	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)	 Likelihood Impact	 Likelihood Impact	 Static	G	Unknown	Unknown	G	Work is underway at reviewing the key projects of the Council and an overall score, however an overall opinion is substantial assurance due to the robust governance placed on projects.
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Strategic risk management is reviewed on a regular basis by the council's leadership team

Key Projects in Economy and Environment



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. Submission of the Local Plan for consultation was planned for the end on 2015 and this will help the next steps of planning the project to be taken.

Grantham Southern 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. 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.

Lincoln Eastern bypass - Green

2nd public enquiry held in summer 2015, and outcome expected spring 2016.

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.

Lead local flood authority responsibilities – Amber

A new centralised service has been created to achieve efficiency, consistency, and move to a single point of contact. Resource pressures currently mean that we are failing to meet the majority of statutory 21 day responses to planning applications, and are unable to meet reasonable timescales in relation to approving s38 submissions. Staff recruitment should enable this to be addressed in 2016 along with revised service standards. The need to balance supporting the growth ambitions alongside the timeliness of advice to districts and developers is a current risk.

What Managers are doing:

- Setting clear objectives for staff and contractors
- Monitoring progress regularly, both within teams and across services
- Reporting to scrutiny committees

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