

Audit Committee Agenda



Date: Monday, 27 September 2021

Time: 2.00 pm

Venue: The Council Chamber - City Hall, College Green, Bristol, BS1 5TR

Distribution:

Councillors: Gary Hopkins (Chair), Tony Dyer (Vice-Chair), Marley Bennett, John Geater, Zoe Goodman, Katy Grant, Jonathan Hucker, Farah Hussain, David Wilcox, Adebola Adebayo and Simon Cookson

Copies to: Simba Muzarurwi (Chief Internal Auditor), Mike Jackson (Chief Executive), Denise Murray (Director - Finance & Section 151 Officer), Nancy Rollason (Head of Legal Service), Alison Mullis, Tony Whitlock, Lucy Fleming (Head of Democratic Engagement) and Michael Pilcher (Chief Accountant)

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Date: Friday, 17 September 2021



Agenda

1. Welcome, Introductions and Safety Information

(Pages 4 - 6)

2. Apologies for absence.

3. Declarations of Interest

To note any declarations of interest from the Councillors. They are asked to indicate the relevant agenda item, the nature of the interest and in particular whether it is a **disclosable pecuniary interest**.

Any declarations of interest made at the meeting which is not on the register of interests should be notified to the Monitoring Officer for inclusion.

4. Minutes of Previous Meeting

To agree the minutes of the previous meeting as a correct record.

(Pages 7 - 15)

5. Action sheet

(Pages 16 - 18)

6. Public Forum

Up to 30 minutes is allowed for this item.

Any member of the public or Councillor may participate in Public Forum. The detailed arrangements for so doing are set out in the Public Information Sheet at the back of this agenda. Public Forum items should be emailed to democratic.services@bristol.gov.uk and please note that the following deadlines will apply in relation to this meeting:-

Questions - Written questions must be received 3 clear working days prior to the meeting. For this meeting, this means that your question(s) must be received in this office at the latest by 5 pm on Tuesday 21 September.

Petitions and Statements - Petitions and statements must be received on the working day prior to the meeting. For this meeting this means that your submission must be received in this office at the latest by 12.00 noon on Friday 24 September.



7. Work Programme

To note the work programme.

(Pages 19 - 21)

8. Report concerning Governance arrangements for Bristol Energy

(Pages 22 - 46)

9. Treasury Management Annual Report 2020/21

(Pages 47 - 69)

10. External Auditor Appointment Process

(Pages 70 - 74)

11. Assurance on the Monitoring Oversight of Capital Delivery

(Pages 75 - 85)

12. Internal Audit Activity Report - including summary audit reports

(Pages 86 - 98)

13. SIRO Assurance Report

(Pages 99 - 109)

14. Risk Management Annual Report 2020/21

(Pages 110 - 114)

15. Corporate Risk Report (Q1)

(Pages 115 - 149)

16. Annual Report of Local Government and Social Care Ombudsman Decisions

(Pages 150 - 188)



Public Information Sheet

Inspection of Papers - Local Government (Access to Information) Act 1985

You can find papers for all our meetings on our website at www.bristol.gov.uk.

Changes to how we hold public meetings

Following changes to government rules, public meetings including Cabinet, Full Council, regulatory meetings (where planning and licensing decisions are made) and scrutiny will now be held at City Hall.

COVID-19 Precautions at City Hall (from July 2021)

When attending a meeting at City Hall, COVID-19 precautions will be taken, and where possible we will:

- Have clear signage inviting you to check in to the venue using the NHS COVID-19 app or record your contact details for track and trace purposes.
- Provide public access that enables social distancing of one metre to be maintained
- Promote and encourage wearing of face coverings when walking to and from the meeting
- Promote good hand hygiene: washing and disinfecting hands frequently
- Maintain an enhanced cleaning regime and continue with good ventilation

COVID-19 Safety Measures for Attendance at Council Meetings (from July 2021)

To manage the risk of catching or passing on COVID-19, it is strongly recommended that any person age 16 or over attending a council meeting should follow the above guidance but also include the following:

- Show certification of a negative NHS COVID-19 lateral flow (rapid) test result: taken in the 48 hours prior to attending. This can be demonstrated via a text message or email from NHS Test and Trace.
- An NHS COVID-19 Pass which confirms double COVID-19 vaccination received at least 2 weeks prior to attending the event via the NHS App. A vaccination card is not sufficient.
- Proof of COVID-19 status through demonstrating natural immunity (a positive NHS PCR test in the last 180 days) via their NHS COVID-19 pass on the NHS App.
- Visitors from outside the UK will need to provide proof of a negative lateral flow (rapid) test taken 48 hours prior to attendance, demonstrated via a text message or email.

Reception staff may ask to see this on the day of the meeting.

No one should attend a Bristol City Council event or venue if they:

- are required to self-isolate from another country
- are suffering from symptoms of COVID-19
- have tested positive for COVID-19 and are requested to self-isolate



Members of the press and public who wish to attend City Hall are advised that you may be asked to watch the meeting on a screen in another room due to the maximum occupancy of the venue.

Other formats and languages and assistance for those with hearing impairment

You can get committee papers in other formats (e.g. large print, audio tape, braille etc) or in community languages by contacting the Democratic Services Officer. Please give as much notice as possible. We cannot guarantee re-formatting or translation of papers before the date of a particular meeting.

Committee rooms are fitted with induction loops to assist people with hearing impairment. If you require any assistance with this please speak to the Democratic Services Officer.

Public Forum

Members of the public may make a written statement ask a question or present a petition to most meetings. Your statement or question will be sent to the Committee Members and will be published on the Council's website before the meeting. Please send it to democratic.services@bristol.gov.uk.

The following requirements apply:

- The statement is received no later than **12.00 noon on the working day before the meeting** and is about a matter which is the responsibility of the committee concerned.
- The question is received no later than **5pm three clear working days before the meeting**.

Any statement submitted should be no longer than one side of A4 paper. If the statement is longer than this, then for reasons of cost, it may be that only the first sheet will be copied and made available at the meeting. For copyright reasons, we are unable to reproduce or publish newspaper or magazine articles that may be attached to statements.

By participating in public forum business, we will assume that you have consented to your name and the details of your submission being recorded and circulated to the Committee and published within the minutes. Your statement or question will also be made available to the public via publication on the Council's website and may be provided upon request in response to Freedom of Information Act requests in the future.

We will try to remove personal and identifiable information. However, because of time constraints we cannot guarantee this, and you may therefore wish to consider if your statement contains information that you would prefer not to be in the public domain. Other committee papers may be placed on the council's website and information within them may be searchable on the internet.



During the meeting:

- Public Forum is normally one of the first items on the agenda, although statements and petitions that relate to specific items on the agenda may be taken just before the item concerned.
- There will be no debate on statements or petitions.
- The Chair will call each submission in turn. When you are invited to speak, please make sure that your presentation focuses on the key issues that you would like Members to consider. This will have the greatest impact.
- Your time allocation may have to be strictly limited if there are a lot of submissions. **This may be as short as one minute.**
- If there are a large number of submissions on one matter a representative may be requested to speak on the groups behalf.
- If you do not attend or speak at the meeting at which your public forum submission is being taken your statement will be noted by Members.
- Under our security arrangements, please note that members of the public (and bags) may be searched. This may apply in the interests of helping to ensure a safe meeting environment for all attending.
- As part of the drive to reduce single-use plastics in council-owned buildings, please bring your own water bottle in order to fill up from the water dispenser.

For further information about procedure rules please refer to our Constitution <https://www.bristol.gov.uk/how-council-decisions-are-made/constitution>

Webcasting/ Recording of meetings

Members of the public attending meetings or taking part in Public forum are advised that all Full Council and Cabinet meetings and some other committee meetings are now filmed for live or subsequent broadcast via the council's [webcasting pages](#). The whole of the meeting is filmed (except where there are confidential or exempt items). If you ask a question or make a representation, then you are likely to be filmed and will be deemed to have given your consent to this. If you do not wish to be filmed you need to make yourself known to the webcasting staff. However, the Openness of Local Government Bodies Regulations 2014 now means that persons attending meetings may take photographs, film and audio record the proceedings and report on the meeting (Oral commentary is not permitted during the meeting as it would be disruptive). Members of the public should therefore be aware that they may be filmed by others attending and that is not within the council's control.

The privacy notice for Democratic Services can be viewed at www.bristol.gov.uk/about-our-website/privacy-and-processing-notices-for-resource-services



Bristol City Council Minutes of the Audit Committee

26 July 2021 at 3.00 pm



Members Present:-

Councillors: Gary Hopkins (Chair), Tony Dyer (Vice-Chair), Marley Bennett, John Geater, Zoe Goodman, Jonathan Hucker, Adebola Adebayo and Simon Cookson

Officers in Attendance:-

Simba Muzarurwi (Chief Internal Auditor), Denise Murray (Director - Finance & Section 151 Officer), Alison Mullis, Tony Whitlock, Michael Pilcher (Chief Accountant), Zoe Willcox, Stephen Peacock, Elaine Olphert and Simon Oliver

1 Welcome, Introductions and Safety Information

The Chair led introductions and issued the safety information.

2 Apologies for absence.

Apologies were received from Cllr Katy Grant, Cllr Farah Hussain (Cllr Chris Jackson substitutes), Cllr David Wilcox and Nancy Rollason (Head of Legal).

3 Declarations of Interest

None received.

4 Minutes of Previous Meeting

RESOLVED the minutes of the previous meeting 24 June were agreed as a correct record.

5 Action Sheet

Action 5 was completed on 19 July but was not entered onto the sheet. On Item 7 (SEND) it was confirmed that some of these questions relate to the end of the summer school term so were not ready yet. Clerk to follow up with officers [OH ACTION]



6 Public Forum

The Chair announced that public statements and questions would be taken at this point in the meeting. Member questions would be dealt with at the beginning of each relevant report. It was confirmed that questions had already received written answers so discussion should be limited to supplemental questions.

Cllr Geoff Gollop gave a statement, which was NOTED.

Cllr Gollop thanked the finance team for their comprehensive answers, delivered in a tight time frame.

Q1 supplementary: the relationship between yields and deficit is not clear. Putting in more explanation would help the public understand.

Finance officers agreed to increase explanatory notes in the report.

Q3 supplementary: the answer is a good explanation but suggests the deficit is even greater than seems? *This is a broad question. There is an annual report on the deficit, and we should consider sending this report to Audit Committee.*

Q6 supplementary: the deficit in pensions is growing, we need powers or decision makers to fix this, though I accept this is largely a political matter.

The previous decision on governance was that BANES was the Local Authority in the best position to manage the pension scheme. We may want more regular feedback on pension issues. The S.151 officer meets regularly with pension managers, but AC may want more oversight. Bristol only has one representative on the board and BANES has 4. We may want to challenge that when there is a governance review.

Q7 supplementary: The level of risk is so significant it justifies more oversight. We are talking about huge funds and liabilities. Would like the BCC S.151 more involved. Is the risk being held in the right place? *We need to be careful that we are not paying for management twice, it is not helpful for BCC officers to second guess everything BANES is doing. However, it would be good to have assurance/oversight of the systems BANES has in place.*

Q12 supplementary: The financial details for Bristol Energy should be in the 20/21 accounts. *The winding up of the company is still happening and we must wait until it is finished. BCC has indemnity for the liability, but the figures are currently moving.*

Q13 supplementary: The City Leap funding should be included in the total cost. *Disagree, the City Leap has different transactions that are shown separately in the accounts.*

Q14 supplementary: please clarify the submission process for the accounts.



These are draft figures and will be subject to minor amendments. They will be published on Friday 30 July for public consultation. AC is not approving these accounts but should note any areas of concern.

Q15 supplementary: is the total cost incurred £36.5m + £3.7m?

There was £2.7m incurred as of April 2020 and £3.7m later. This is not the full total, it will need analysis at the end of the process.

Q16 supplementary: it is frustrating not getting figures for the full extent of the loss. Public and Members want that number quantified.

The external auditors are doing a full report on Bristol Energy which will provide a quantified opinion in a way the public will understand. The Q12 response does give the total figure of £36.5m + £3.7m + £2.7m.

7 Work Programme

The Work Programme was NOTED.

8 External Audit Progress Report

Jon Roberts introduced the report and highlighted the following points:

- There has been good progress on the Bristol Energy report. The internal working draft of this report has been completed, including findings of my team and their recommendations. At this stage I do not think a Public Interest Report is needed, so this will be a formal Audit Committee report.
- It is important to publish the report in good time, and Public Interest Reports take a lot longer to produce. PIRs are usually reported to drum up interest with the public and regulators. We do not think this is necessary for Bristol Energy. The External Auditor is satisfied that BCC are taking this seriously, including taking previous reports to Full Council.
- A draft will be sent to officers for comment at the end of the week and will be presented at the September Audit Committee.
- There was an objection received on the 19/20 Statement of Accounts. We are not upholding the objections but will make some recommendations and explain our judgement to BCC and the objector.
- The report also contains an update on the Value for Money Assessment. There are significant risks in Capital Budgets and Company Governance. The report details the areas for investigation.
- There are new auditing standards for Account Estimates. These are led by international standards. There is a list of material items in the report where these new standards are likely to apply, especially in property and pensions valuations. The new standards will come with some additional Audit Committee responsibilities. AC will be expected to know more about estimates.
- We recommend that members read the Grant Thornton summary of learning points from recent Public Interest Reports.

Discussion Notes:



- The Bristol Energy draft report will be circulated to officers rather than Audit Committee Members. This is because the primary issue is ensuring that all factual data in the report is correct. GT is aware that members are keen to see the report. They will issue a draft to members if they deem it appropriate.
- The objection is a request for there to be a Public Interest Report into the 19/20 Statements. GT does not consider this necessary.
- There has been an increase in PIRs recently, as Councils are now more complicated, taking calculated risks for investments due to their financial situations caused by reductions in the central government grant. There is need for appropriate officer capacity to cover these risks.
- It has struck the GT team that the scale of the capital agenda is very large and there is significant public interest in it.
- Councils are taking risks and making assumptions that may not be safe, these can be identified by audit with the benefit of hindsight.

9 Draft Audit Committee Annual Report to Full Council

Alison Mullis introduced the report and summarised it for the committee.

- This report will be submitted to the September Full Council. Members should confirm that it is reflective of committee work that has happened over the past year.
- The Chair encouraged members to send any feedback to internal auditors via email as soon as possible so the report can be amended in time.
- While Councillor Members have changed since the election, Independent Members are extant and view the report as accurate.
- There was a discussion about the importance of forward planning and members receiving reports early enough to make comments on them. Audit Committee has a forward plan for the year, but there may be some occasions where an urgent decision is needed. Scrutiny publishes a forward plan too, which is worth checking for Audit Members.

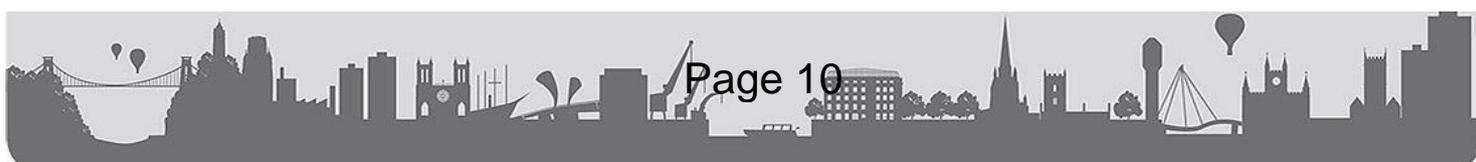
1 Draft Statement of Accounts 2020/21

0

Mike Pilcher introduced the report and highlighted the following points.

- The draft statement is a work in progress so will require some minor amendments. It is not for committee to approve at this stage. Members should take this opportunity to make comments or questions.
- The final accounts will come to the December meeting assuming the External Auditors have checked them. Members will receive further training on accounts before that meeting.
- The draft accounts will be published for public consultation this Friday.

Discussion notes:



- There is a £10m deficit in the Dedicated Schools' Grant (DSG). This has been caused by the increase in high needs requirements. We are now seeing the effect of top up funding from earlier this year.
- The Education Transformation Programme is long term plan but can show short term gains. We have just received DSG information from central government showing more funding for high needs children, but we are waiting on more SEN specific details. The DSG is a national problem, and the Department for Education is talking to Local Authorities across the country.
- There are concerns about having enough spaces for children and SEN children are missing out. These are outlined in the written statement of action. BCC must meet the needs of children with an Education Health Care Plan (EHCP). Officers will report to Scrutiny and the Schools Forum about school places.
- Note that the authority cannot borrow for the sake of the DSG, there are restrictions in place. However, BCC can carry forward the debt for 3 years until we get a long-term solution.
- The remuneration report shows that there are 3 interim consultants with higher pay than the CEO. Where is the information for what they did and how long the contracts were for? [ACTION DM to find out and send on.]

1 Annual Governance Statement 2020/21

1

Alison Mullis introduced the report and summarised it for the committee:

The AGS review process is a key mechanism for ensuring the council has an effective system of internal control and governance and highlights any shortcomings. The process includes wide consultation across management, who provide assurances to inform the statement. Other assurances from oversight functions and independent review bodies are also reviewed as part of the process. The AGS must reflect the internal control and governance arrangements that were in place during 2020/21. Section 2 of the statement shows conclusions from the annual review. This document will be published alongside the draft accounts. Committee review of the draft is a key element of the process. Members agreed that the AGS was a fair reflection on arrangements however, it was also agreed that members could feed back any comments or concerns to officers as soon as possible to enable appropriate amendments to be made to the final AGS. The AGS would be presented to the Committee again later.

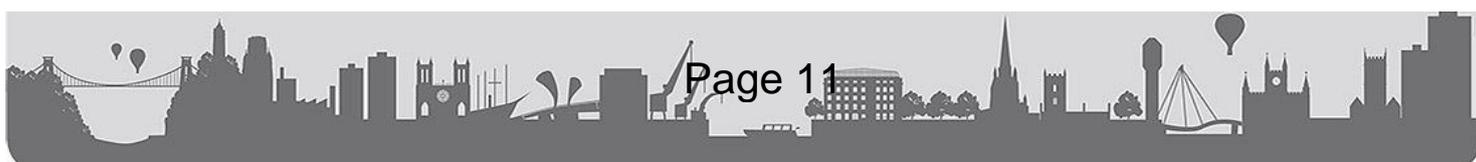
1 Corporate Risk Report Q4

2

Mike Pilcher introduced the report and summarised it for the committee:

This report covers the last financial year. At the end of March, leisure centres were added as a critical risk. Other high risks are around affordable homes and the capital programme. There are deteriorating risks on the capital programme and the companies.

Discussion Notes:



- Regarding the safeguarding risk at CRR9. This report shows that the risk is improving, but it has been bad in previous quarters. Is the most recent improvement a blip or does it show the start of a positive trend?

[ACTION MP to send more detail on CRR9 to members]

1 Internal Audit Update Report

3

Simba Muzarurwi introduced the report, which would be taken in two parts. The first is a general update on audit activities, the second is an update on the specific areas covered in appendices 2, 3 and 4.

Relevant senior officers are available to field particular questions.

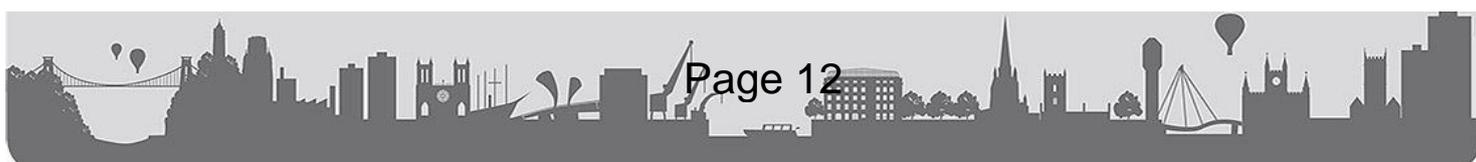
- There have been challenges in the audit process, which has resulted in audits taking longer to complete than originally planned. There are many planned activities that are work in progress, and work is on-going in ensuring that there are sufficient resources to deliver on time.
- Overall, internal audit is satisfied on the progress being made in the implementation of agreed management actions. IA will provide a further update in September and it is anticipated that the lifting of Covid restrictions should lead to more improvements in the delivery of targets particularly in tenancy fraud.

Discussion Notes:

- On the audit assurance plan, only one topic has been completed (housing rents), however Internal Audit are confident that this plan will be delivered on time given the resourcing arrangements being put in place.
- Members asked what the triggers are for audit to intervene in a particular area. The audit plan is generally informed by discussions with management and in most cases, management identify areas of perceived high risk and request assurance support from Internal Audit. Largely, IA issues are usually known by management before Internal audit intervenes.

Appendix 2 – IT programme

- The first transformation programme was accelerated, and a 5-year programme was done in 2. How and why was this done?
- The FSA programme signed off by cabinet was designed and developed by a third party. When the current director joined BCC, this was amended to better fit BCC needs. The decision was made to accelerate the original programme to meet the BCC digital transformation ambition.
- The acceleration increases the risk and not all financial benefits were realised. It is not clear whether the programme objectives are being delivered.
- There was no financial benefit assigned to the FSA. The second phase is digital transformation, which is expected to deliver savings. There are some key aspects left to complete: laptop replacements for Windows 10 are taking longer than expected due to legacy applications. The relationship between Sharepoint and cloud storage is also taking longer to resolve. Windows 10 will take around 12 months to complete.



- The Committee was concerned to understand how completion of the residual works from the ITTP are completed. A follow up review by Internal Audit will be completed to provide assurance, or otherwise, in this regard. The committee will receive updates as part of the Internal audit activity reports.
- Continued implementation of key ITTP projects is also being monitored by the Digital Transformation Programme Board. Internal Audit will sustain a presence on that board to assist monitoring delivery of the ITTP residual projects.

Appendix 3 - Capital Programme Governance

- BCC brought in long-term partner Arcadis in February to assess the governance arrangements for the capital programme. You can find this in the summary report.
- Arrangements show a reasonable level of assurance but need to be at a consistent level across the whole portfolio.
- External Audit will build on the findings of Internal Audit in their own examination of the Capital Programme. The Internal Audit follow up will be by Quarter 4, so expect this in the February or March Audit Committee.
- Finance Officers will bring more detail in September about the Council Improvement Board, which is a long-term programme of improvements rather than a one-off review.

Appendix 4 – Affordable Housing.

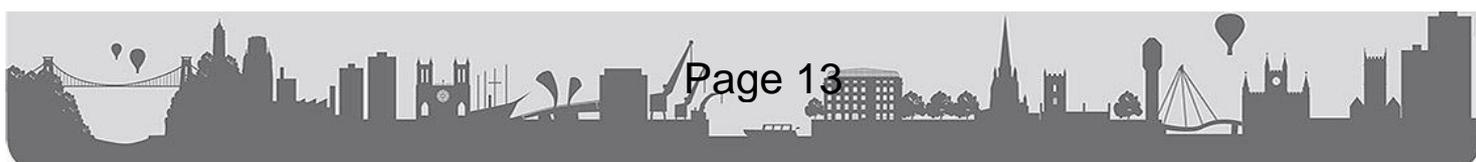
- There are some concerns from Registered Housing Providers about affordable housing delivery. BCC Scrutiny are seeking assurance on what can be delivered.
- The Value of Grants is circa £28m. These are not forward grants; developers must be committed to the build before grants are awarded.
- The housing team has an internal audit system that monitors delivery milestones to keep track of project delivery.

1 Review of Specific Corporate Risk (Affordable Housing)

4

Zoe Willcox introduced the report and highlighted the following points:

- This particular risk is CRR32 (affordable homes), which is a subset of CRR18 (total homes delivered). The report is split into two sections: delivering all homes and delivering affordable homes.
- In general terms all Local Authorities monitor the housing supply in their area to ensure ongoing effectiveness and capacity. There are a series of measures and mechanisms in place to mitigate and address shortfalls.
- While BCC monitors supply and delivery there are big macro factors that can affect housing, e.g. Brexit, Covid. Local Authorities are enablers rather than deliverers.
- Delivery has fluctuated as can be seen in the report. There are 13k homes with planning permission and 1300 completions. BCC should embrace mitigations to address under delivery.



- For affordable housing, BCC are also enablers to accelerate delivery. Cost is subsidised so homes can be sold at less than market rates. They are often delivered through Registered Housing Providers.
- 450 affordable homes per year is the target, with a mix of delivery methods. Mitigations are listed in the report. Recording and monitoring delivery is important. We are now recording on a per unit basis rather than by development as this is more accurate.
- Officers report regularly to the Housing delivery Board and Scrutiny.

Discussion Notes:

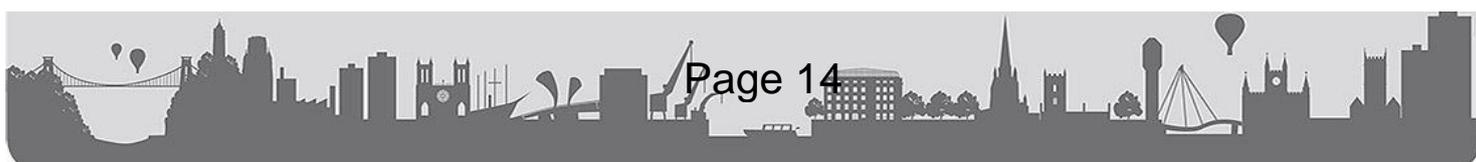
- Macro factors are generally negative and provide downwards pressure. However, there can also be positive levers such as central government providing a positive benefit policy.
- Generally Local Authorities are judged on housing delivery despite the nature of the housing market. There has been no change to national requirements during Covid.
- There were significant build numbers in the early 2000s that have dropped off significantly. This is a product of the housing market and the three-year lag in completion after planning approval.
- A high number of flats were built in the centre during the pre-2008 boom. There were lots of brownfield sites available. There are less sites available now and they are harder to develop.
- There is an upward trend recently as more sites are appearing with better funding. Permission may be granted but delivery is not as fast as it used to be.
- The role of Audit Committee is to analyse risk and the governance systems in place. The level of risk regarding housing has been identified correctly. Scrutiny will go through delivery in much more detail.
- Officers are putting together a housing supply statement about the pipeline going forward. The Bristol challenge is the nature of supply, there are lots of small sites which makes them harder to develop. We are seeing delays on affordable housing on large sites.
- The target for all house construction is circa 2000 per year, but this figure is subject to annual review.

1 Companies Assurance Report

5

Alex Wiseman (Chair ARC) introduced the report and highlighted the following points:

- The Bristol Holding Company Audit and Risk Committee (ARC) was set up after the inception of BHC to improve governance of the company subsidiaries.
- ARC reviews and monitor controls, sets up internal and external processes and determines processes for compliance with laws and codes of practice.
- ARC has set up an audit review process from scratch. We analyse the risk register to identify and analyse issues. We also supply compliance reports in regular management information bulletins.
- The governance for companies has strengthened over the past 18 months.
- The Corporate Risk Register is not in the pack as advertised but was reviewed by this committee last year and is available on request.
- The Audit body is separate from the companies themselves. This is a better model than previously.



Discussion Notes:

- There was a question on the process for selecting audits. These are prioritised based on risk by identifying high risks from group and individual registers. A good example in that list is corporate governance.
- The ARC only covers wholly owned issues, not joint ventures.
- The 2019 Business Case to create a special purpose vehicle (now Bristol Heat Networks Ltd) was presented to cabinet to justify the grant funding. The setup of a heat company and network was a condition of receiving the £10m HNIP grant.
- Following BHL's recommendation to Shareholder, the decision to wind up Bristol Energy was done rapidly. Liquidation is a lengthy process, and energy is a highly regulated environment. Problems were identified in early February 2020, there was a shareholder meeting at the end of February, with a recommendation and decision by cabinet to sell the business in June 2020.
- ARC was formed in September / October 2019 so cannot comment on governance before this.

1 Exclusion of the Press and Public
6

As no confidential information was discussed during the Companies Assurance Report, exclusion of the press and public was not required.

Meeting ended at 5.30 pm

CHAIR _____



Audit Committee Action Sheet – actions from meeting held on 26 July 2021

Action number	Item/report	Action	Responsible officer(s)	Action taken / progress
7 (from June meeting)	17 – External Inspections of Council Services	Answer questions on SEN (5.9), milestones in (5.11) and children’s homes (7)	Ben Mosley	<p>89% of WSoA Milestones achieved in July 2021 Those not yet achieved underway and delay been agreed by the SEND improvement Board</p> <p>DfE feedback throughout the duration of the WSoA has been positive about progress made and the way partners are working together: “Despite the disruption caused by Covid-19 restrictions (with the first lockdown coinciding with the approval of the WSoA), the local area continues to make good progress in implementing improvements to the local SEND system”</p> <p>Strengths highlighted in July monitoring meeting: Strength of partnership Strength of leadership Much stronger emphasis on performance Good understanding of ourselves Parents: moved from being defensive to reaching out to parents Acknowledged and dealing with all issues</p> <p>Further updates can be provided by Alison Hurley and Ann James.</p>

Action number	Item/report	Action	Responsible officer(s)	Action taken / progress
1	10 – Draft Statement of Accounts	The remuneration report shows 3 interim consultants with higher pay than the CEO. What did they do and how long were the contracts?	Denise Murray	A response was circulated to members via email on 17 September
2	12 – Corporate Risk Report	CRR9 (safeguarding) shows improvement recently but is historically poor. Is this a blip or positive trend?	Mike Pilcher	<p>This risk has changed over the last 18 months, reflecting the significant impact of the pandemic and restrictions in place to be able to manage this risk.</p> <p>During Q4 as lockdown restrictions ended the service were beginning to operate in a more normal way in terms of improved staff resilience and ability to visit children and families face to face. Although we could see some areas of demand rising and risk emerging and were responding to that.</p> <p>During Q1 the risk has now increased again as the system is very fragile and Business Continuity threatened/potential escalating risk to children with heightened levels of absence due to on-going infection and isolation measures. This meant we had to reinstate some of the flexibilities around visiting and focus on the highest risk/first order areas of child protection.</p> <p>The Q1 risk report shows the significant work and actions the service are taking to reduce the risk going forward.</p>

**AUDIT COMMITTEE
WORK PROGRAMME 2021/22**

Meeting Date	Assurance Source	Report Details	Routine Work Programme/ Other?	ToR Ref	Officer Providing Report
24th June 2021 2:00PM	External Audit	External Audit Progress Report	Routine	1.8/1.9	External Audit Lead
	Internal Audit	Internal Audit Annual Report	Routine	1.4	Chief Internal Auditor
		Annual Fraud Report 2019/20	Routine	2.4/2.10	Chief Internal Auditor
	Other	Audit Committee Terms of Reference	Routine	-	Director of Legal and Democratic Services
External Inspections Update		Routine	1.12	Head of Executive Office	
Access to Information		Other	-	Director of Legal and Democratic Services	
26th July 2021 3:00PM	External Audit:	Progress Report	Routine	1.8/1.9	External Audit Lead
	Finance:	Draft Statement of Accounts 2020/21	Routine	3.1	Executive Director Resources / Director Finance
	Internal Audit:	Draft Annual Governance Statement 2020/21	Routine	2.5/4.4	Chief Internal Auditor
		Audit Committee Annual Report to Full Council (Draft)	Routine	5.1	Chief Internal Auditor
		Internal Audit Activity Report - including summary audit reports: - IT Transformation Programme - Closure Phase - Capital Governance - Affordable Housing Supply - Grant Allocation	Routine	1.5/1.6/1.7	Chief Internal Auditor
	Risk & Insurance	Corporate Risk Report (Q4)	Routine	4.1/4.3	Risk & Insurance Manager
		Review of Specific Corporate Risk -CRR18: Failure to deliver enough homes to meet the City's needs.	Routine	4.3	Executive Director: Growth and Regeneration
Other	Bristol Holding - Audit and Risk Committee Assurance	Routine	4.4	Bristol Holding Ltd	
2nd August 2021 2:00PM		Provisional Date to be Held			
27th September 2021 2:00 PM	External Audit:	Report concerning Governance arrangements for Bristol Energy	Routine	1.8/1.9	External Audit Lead
	Finance:	Treasury Management - Annual Report 2020/21	Routine	3.3	Director of Finance
		External Auditor Appointment Process	Routine	1.11	Director of Finance
	Assurance on the monitoring oversight of capital delivery	New		Director of Finance	

Meeting Date	Assurance Source	Report Details	Routine Work Programme/ Other?	ToR Ref	Officer Providing Report
	Internal Audit	Internal Audit Activity Report - including summary audit reports: - Risk Management - Cyber Security - Health and Safety (Chasm Process)	Routine	1.5/1.6/1.7	Chief Internal Auditor
	Risk Management:	SIRO Assurance Report Risk Management Annual Report 2020/21 Corporate Risk Report (Q1)	New New Routine	4.1/4.3 4.1/4.3 4.1/4.3	Senior Information Risk Owner Risk and Insurance Manager. Risk & Insurance Manager
	Customer Relations	Annual Report of Local Government and Social Care Ombudsman Decisions	Routine	1.12	Customer Relations Manager
23rd November 2021 2:00 PM	External Audit:	External Audit Plan	Routine	1.8/1.9/3.2	External Audit Lead
	Finance:	Treasury Management Mid-Year Report Progress report on the implementation of the VFM Management Actions Debt Management Policy Update on implementation of CIPFA Financial Management Code and Redmond Review Recommendations Review of recent sector Public Interest Reports and s114 notices	Routine New New New New	3.3	Director - Finance Director - Finance
	Internal Audit:	Internal Audit Half Year Update including summary audit reports - Adult Safeguarding Counter Fraud Half Year Update Report Audit Committee Half Year Report to Full Council (Draft) Internal Audit Quality Assurance and Improvement Plan, Charter and Strategy	Routine Routine Routine Routine	1.5/1.6/1.7 2.4./2.10 5.1 1.1/1.6	Chief Internal Auditor Chief Internal Auditor Chief Internal Auditor Chief Internal Auditor
	Risk Management:	Corporate Risk Report (Q2)	Routine		
31st January 2022 2:00 PM	External Audit:	External Audit Progress and Final Audit Findings	Routine	1.8/1.9/3.2	External Audit Lead
	Finance:	Statement of Accounts 2020/21 and AGS	Routine	3.1	Director: Finance
	Internal Audit:	Internal Audit Update Report including Summary Audit Reports: - Harbour Review	Routine	1.5/1.6/1.7	Chief Internal Auditor
	Risk Management:	Corporate Risk Report (Q3) Review of Specific Corporate Risk	Routine Routine	4.1/4.3 4.1/4.3	Risk and Insurance Manager Risk Manager / Risk Owner
8th March 2022 2:00 PM	External Audit:	External Audit - Audit Plan	Routine	1.8/1.9/3.2	External Audit Lead
	Internal Audit:	Draft Internal Audit Annual Plan 2022/23 Annual Whistleblowing Review 2021/22	Routine Routine	1.2 2.4	Chief Internal Auditor Chief Internal Auditor
	Legal:	Code of Corporate Governance	Routine	2.6	Director: Legal& Democratic Services

Meeting Date	Assurance Source	Report Details	Routine Work Programme/ Other?	ToR Ref	Officer Providing Report
	Corporate:	AGS 2020/21 - Actions Tracking Update External Inspections Update	Routine Routine	2.5/4.4/1.7 4.4	Director: Finance Head of Executive Office

Audit Committee

27 September 2021



Report of: Grant Thornton UK LLP

Title: Report concerning the governance arrangements for Bristol Energy

Ward: Citywide

Officer Presenting Report: Grant Thornton UK LLP

Recommendations:

The Audit Committee note, and comment on Grant Thornton's Report concerning the governance arrangements for Bristol Energy.

Summary:

Attached to this report is Grant Thornton's Report concerning the governance arrangements for Bristol Energy

This report is provided in line with their responsibilities to report to Audit Committee on matters of concern.

The report sets out findings in areas of governance arrangements for Bristol Energy which weren't covered in Grant Thornton's previous report, namely initial decision making related to establishing Bristol Energy or final outcomes following the decision to dispose.

A number of recommendations have been made to management with regards to improvements required. Management responses to these recommendations are included within the report.



Policy

None affected by this report. Grant Thornton are the Council's appointed external auditors. In carrying out their audit and inspection duties they have to comply with the relevant statutory requirements, namely the Local Audit and Accountability Act 2014.

Consultation

1. Internal

None

2. External

None

Background and Context

The Full Report on the findings is included in an appendix to the report for discussion and comment at Audit Committee.

Other Options Considered

Not applicable

Risk Assessment

Not necessary for this report

Public Sector Equality Duties

Not necessary for this report

Legal and Resource Implications

Legal

None arising from this report

Financial

None arising from this report.

Land

Not applicable

Personnel

Not Applicable

Appendices:

Appendix 1: Grant Thornton's Report concerning the governance arrangements for Bristol Energy

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

Background Papers:

None

Report concerning the governance arrangements for Bristol Energy

Bristol City Council

15 September 2021

Jon Roberts

Partner/Engagement Lead

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The contents of this report relate only to the matters which have come to our attention, which we believe need to be reported to you as part of our audit process. It is not a comprehensive record of all the relevant matters, which may be subject to change, and in particular we cannot be held responsible to you for reporting all of the risks which may affect the Council or any weaknesses in your internal controls. This report has been prepared solely for your benefit and should not be quoted in whole or in part without our prior written consent. We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

Status of this report

Previous VFM qualification

As external auditor to Bristol City Council (the Council) we have a number of responsibilities relating to the statutory audit under the Local Audit and Accountability Act 2014 (the Act) and the Code of Audit Practice. We have previously reported on matters that occurred during the 2019/20 audit year and that led to a qualified VFM conclusion, regarding the Council's Governance arrangements at its companies, with specific focus on arrangements impacting on Bristol Energy (BE), a company within the Council's Group.

The Council has, in our opinion, initially responded comprehensively to our previous report, which was fully discussed at Audit Committee and debated at an extraordinary meeting of full Council on 11 February 2021. Responses to our recommendations were agreed by management and are now being implemented. The Audit Committee will be monitoring progress against these recommendations. In addition, the extraordinary meeting of full Council resolved that a cross-party group was to add further challenge and monitoring capacity to the Council's response to our report.

Other Bristol Energy matters for consideration

Whilst our previous report covered matters that led to the Council deciding to dispose of its interest in BE in 2020, it did not consider matters relating to the Council's initial decision-making when establishing the Company, nor did it consider the final outcomes following the Council's decision to dispose.

There has been considerable interest in this matter and we have considered it appropriate and in line with our responsibilities to consider both of the areas not covered by our previous report, so that our views on the 'full picture' can be considered.

Decision to issue a Public Interest Report

We have previously been approached by a number of the political groups within the Council – both in administration and opposition – to consider whether this consideration should now be reported as a Public Interest Report (PIR) under section 24 and schedule 7 of the Act.

Such reports are typically reserved for audit reporting of more serious concerns regarding councils' financial and governance arrangements, with any resulting recommendations requiring full and public consideration by a council and a formal response. It is certainly accepted that the amount of loss that resulted in the Council's final decision to dispose of its interests in BE was of the significance that might merit a PIR. However, as matters impacting on our previously qualified VFM conclusion have already been reported in public and, particularly, as the Council had already indicated a very strong commitment to respond to our previous findings, the decision on the reporting vehicle to adopt was less clear.

After considering the findings from the further and previously unreported work included in this report I have decided that a PIR is not required for the following reasons:

- The Council has already demonstrated through its response to our VFM qualification that it is treating our findings extremely seriously – it has already debated the issues at full Council and has established a cross party member working group to oversee the responses to our recommendations;
- We have been assured that the new findings from this report and any actions will be implemented in the same manner as our previous report;
- There are no findings that differ substantially from those previously reported and hence, in our opinion, no need to bring these to the public's attention via a formal PIR; and
- We are confident that the Council's Audit Committee will give this report full consideration in public.

Notwithstanding this decision, the matters reported here are still significant and will need to be formally considered and included in the Council's implementation plan, as overseen by its Audit Committee.

Acknowledgement

We would like to acknowledge the openness and support the Council's officers and members have shown to our work in this area.



Executive Summary

Options for an Energy Company

The Council established BE as an ethical company, to reduce social inequality whilst improving environmental performance. BE was not wholly motivated by profit and was required to deliver social value. BE's intention was to be a company that the City could be proud of, whilst generating in time a revenue stream that could be invested in the City.

The Council first began to consider establishing an energy company in February 2010 when it developed its Climate Change and Energy Security Framework. This Framework included a range of actions, one of which was to establish a local energy company. However, it was not until early 2015 when the Council agreed to set up a municipal energy company based on a high-level options appraisal.

In our view the options appraisal supported the establishment of an energy company without fully exploring how the Council's strategic objectives might be achieved by alternative options. The options appraisal lacked a detailed and a robust methodology on which the preferred option and the alternatives could be considered. The approach taken was limited, as a result more optimum solutions could have been omitted.

In the early stages the Council's intention was to establish a company structure which included an:

- energy services company – a company which would provide energy solutions, such as projects that save energy as well as providing sustainable energy solutions; and an
- energy supply company – a company that would provide gas and electricity supplies to commercial and domestic customers.

External advice was also commissioned on this basis. However, in July 2015 only an energy supplies company was established, Bristol Energy. There is no record of the decision as to why an energy services company was not established along with an energy supply company. The energy services functions have remained within the Council. We are unable to determine if the change in this decision would have had an impact on the appropriateness/validity of the advice provided, or if the Council had checked this with their advisors.

Set-up of Bristol Energy

Following the initial options appraisal, the decision to establish an energy supply company, BE, in 2015 was made by Cabinet under a previous administration with the former elected Mayor. The decision was supported by a detailed business plan which was prepared by third party advisors with due diligence undertaken by additional advisors to ensure it was robust. In our view the decision was made on reasonable information. However, the decision was not subject to scrutiny and call-in was suspended on the basis of any delay in the decision could result in a commercial/ financial risk. This approach prevented scrutiny and appropriate challenge being undertaken.

The Council recognised that BE needed assistance to improve its performance and engaged with a range of external advices to look at ways in which its financial performance could be improved and consider future options.

In 2017 this included considering a potential sale of BE but this was not progressed on the grounds that the sale would not recover the Council's investment of £19.8m at this stage.

Since its establishment BE grew, increasing its turnover whilst also increasing its financial dependency on its shareholder, but at no point was it able to generate a surplus. By 31 March 2020 the Council's financial commitment had increased to £36.5m in the form of shares with a maximum potential exposure from parent company guarantees (PCG) of up to £17.6m.

Operation of Bristol Energy - matters previously reported

In 2018 the development of the Council's 'City Leap Partnership', a series of energy and infrastructure investment opportunities to assist in the delivery of a carbon neutral City by 2050 was considered as mutually beneficial to BE and a possible solution to BE financial position. BE's financial performance needed to improve if this solution was to be viable. BE was considered to be a 'non-negotiable' part of City Leap and in our view this restricted consideration of the business plan options for BE, including its possible sale at that time.

In January 2020 Cabinet approved BE's 2020/21 business plan. However, six days after this decision BE experienced a significant cash flow crisis and stated that it was no longer able to meet its business plan objectives and immediate action was required to ensure it could meet its financial objectives and prevent a negative cash position. Based on our work we established that the information and papers provided to the January 2020 Cabinet meeting did not clearly state the risks faced by BE, or provide sufficient robust information to enable Cabinet to make an informed decision. In our opinion, and supported by subsequent events, it also represented an overly unrealistic view of how BE might perform.

Executive Summary

Concerns raised in our Governance report

Our previously reported concerns included:

- Cabinet was not formally made aware of concerns raised at the Shareholder Group, including the fact that the Independent Shareholder Advisor was recorded as being unable to support the business plan;
- the business planning and decision making process was prolonged so that information and advice obtained at the early stages of the process became out of date in a highly volatile energy market, such as the exempt financial report was out of date and was based on an earlier version of the business plan that had been provided to the Shareholder Group in November 2019;
- the public papers did not include a risk assessment and, whilst the exempt version of the business plan included a list of risks and their mitigations, contrary to accepted practice, these risks were not scored or assessed against the likely impact and did not feature prominently in the report; and
- the report from Bristol Holding Limited stated that both BE and Bristol Holding Limited remained concerned that it would not take much to drive BE into a situation that may require additional shareholder funding and/or collateral. As this report was included in exempt session, it was not contained within the main body of the papers provided to Cabinet but was included within the appendices and, as such, its messages were more difficult for Cabinet to consider.

However, through support from Bristol Holding Limited (BE's parent company) and by earlier access to funds from the Council, the immediate cash crisis was alleviated. Bristol Holding also highlighted that BE was very likely to need further cash in March and August 2020 and at this stage this was likely to be above the funding cap previously agreed by Cabinet.

Decision process for the sale of Bristol Energy



In addition, during 2019/20 the Council's Audit Committee had not always been sufficiently sighted on developments and information relating to the governance arrangements and risks in relation to BE. The Audit Committee is responsible for providing independent assurance on the governance and risk management framework and in order to discharge their responsibilities effectively, Audit Committee members should have had a closer involvement with the issues relating to the Council's investment in BE during the year.

Sale and winding down of Bristol Energy

In April 2020, due to the financial predicament in which BE found itself, the City Leap procurement process was paused to reflect feedback from respective bidders and because the accelerated sale of BE had been agreed. The flow chart below illustrates the decisions made during this final stage process.

Cabinet made the decisions in June 2020 to no longer financially support BE and agreed to the accelerated sale. External advisors were commissioned to support BE and following the process of identifying potential buyers, two buyers were agreed upon. They were as follows:

- Yu Energy for the commercial customers
- Together Energy for the domestic customers.

The funds received from these sales were used to meet liabilities within BE, such as the Renewable Obligation Certificate (ROC) liability for 2020, operational liabilities, such as rent and costs of the wind down team.

Executive Summary

The Council also had to decide on the most appropriate option to wind up BE. Third party advice was sought and the reserved matter decision was made by the Shareholder Representative on the 1 March 2021 to opt for a Members' Voluntary Liquidation (MVL), a solvent liquidation. The Council also considered the option of Creditors' Voluntary Liquidation (CVL), an insolvent liquidation and concluded:

- that there was limited financial benefit between the two options; and that
- due to its solvent nature, a MVL was likely to have the least detrimental impact on the Council's reputation compared to CVL.

The cost to the Council

As at May 2021, the Council had invested funds in the region of £42m, consisting of the following:

- Ordinary and Preference shares of £36.5m
- Indemnity drawdown of £6.5m
- Less funds of £977k transferred to the Council by BE.

Within its 2019/20 accounts the Council also had Parent Company Guarantees (PCGs) relating to BE, valued at £5.4m. The PCGs were not called upon in 2019/20 so there was no cost to the taxpayer.

The liquidation remains an evolving process and the Council estimates that, upon the conclusion of the liquidation process, total funds lost through this investment will not exceed £43.8m (£36.5m issued in share and £7.3m indemnity).

It should also be noted that the Council has spent approximately £2.53 m over the life of BE on third party advisors of which £2m was included in BE's operational costs and as such part of the overall Council investment.

We are of the view that, since April 2020, the approach taken by the Council and BE has resulted in a planned and an orderly solvent winding up of BE and it is reasonable to assume that this approach would be less costly than an unplanned approach. The Council has engaged with reputable and appropriate third party advisors who assessed the most reasonable exit options and its decision to opt for a MVL, taking all known and estimated factors into account is a reasonable approach to have taken.

Communications

Throughout this process the Council has released four press releases through its news room, these included:

- February 2016 - the establishment of BE
- June 2020 – an accelerated sale agreed
- August 2020 – the sale of the commercial element of the business to Yu Energy
- September 2020 – the sale of the domestic element of the business to Together Energy.

The Council agreed a communications approach. This included the issue of a number of emails to key stakeholders and a reactive communication plan, should the Council be contacted by the press. However, the Council has yet to communicate the full cost of BE to the Bristol tax payer and should seek to address this once the final position is known. We recognise that the amount of information which can be released will be limited by non disclosure agreements in place relating to the disclosure of commercially sensitive information.

Recommendation 1: The Council should consider communicating to the public the full cost of operating and winding down Bristol Energy.



Recommendations

Our recommendations relating to this issue, including those previously reported, are set out below:

Recommendation 1

The Council should consider communicating to the public the full cost of operating and winding down Bristol Energy.

Recommendation 2

In order to support key decisions relating to significant projects the Council should ensure an options appraisal that is fit for purpose is completed prior to completing a business plan.

Recommendation 3

Where the Council is working with external advisors on complex projects it should better document its response against all recommendations made.

Recommendation 4

Public reports should be consistent with the issues and concerns raised within exempt papers. The exempt papers should only provide confidential information which cannot be discussed within the public sessions.*

Recommendation 5

Cabinet reports relating to Bristol Holding Limited's companies which include exempt information should be improved. Exempt papers, should clearly identify and quantify the risks and advice provided by the Shareholder Group and any relevant independent advisors as well as the clear views of Bristol Holding Limited.*

Recommendation 6

The Council should ensure Cabinet decisions are based upon more timely and current information.*

Recommendation 7

The Council should update the articles of association and shareholder agreement to reflect the strengthened role of Bristol Holding Limited. The terms of reference for all elements and functions of the governance structure should be in place and updated.*

Recommendation 8

Consideration should be given to the role of the Executive Chair of Bristol Holding Ltd. This should include if this role is appropriate going forward, and does it ensure independence of the chair and reduce potential conflicts.*

Recommendation 9

The Council should improve the risk management arrangements to ensure that all key risks are identified and clearly reported to Cabinet.*



Summary of events

Throughout this report we refer to the Council's wholly owned company as Bristol Energy (BE). The reader should be aware that the company has had a number of names as registered with Companies House. These are set out in appendix A. In the following pages we clearly indicate the sections that are new areas of reporting, as opposed to those previously reported in our VFM report to the Council.

Establishment of Bristol Energy – new area of reporting

In **February 2010** Cabinet agreed a draft Climate Change and Energy Security Framework for Bristol. Within this framework the report included 40 specific actions which would deliver the framework, one of which was to undertake feasibility studies to consider setting up a local energy company. No details were provided as to the type or aim of the energy company.

In **September 2010** Cabinet agreed to procure and deliver a technical study programme to create an energy company, which would deliver the energy investment programme. This was a decision to commit in principle to an energy company subject to the findings of the technical study. It was also agreed that the Council would apply to the EIB for up to £3m of grant funding and £0.3m of its own funds to create a local energy company.

The Council did not begin to procure advice until 2013. Between 2013 and January 2015 a range of financial and legal advice was obtained. This advice considered the set up of both an energy services company and an energy supply company. With the structure likely to include a holding company.

The energy services company would progress the Council's objective to reduce carbon emissions through a range of measures, such as developing wind and solar power and by improving energy efficiency of domestic and public buildings. Whereas an energy supply company would provide gas and electric to domestic and commercial residents.

In **March 2012** Cabinet had cross party support when it adopted the 2012/15 Climate Change and Energy Security Framework. The framework reiterated the action to set up an energy services company to deliver £140m investment across the city to deliver carbon reduction targets.

Almost three years later in **February 2015** Cabinet approved in principle to undertake the necessary activities to set up a municipal energy company and associated companies to enable it to start trading in 2015. It was agreed that final approval would be sought in July 2015.

The activities required to enable the energy company to begin trading later in the year included:

- incorporation of a group holding company
- provision of cashflow support from the Council (£1.6m) and investment commitment of £4.2m

- acquisition of the necessary regulatory licences to become a fully licensed supplier of electricity and gas
- negotiate and enter into the contracts necessary to operate as a supplier of electricity, gas, heat and digital services
- the appointment of the specialist Bristol Energy staff required to take the company through the set up process to the point of commencing Controlled Market Entry
- development of the relevant business plans and structure of Bristol Energy.

The Cabinet papers included a high level options appraisal, only three options were considered:

1. do nothing
2. fully fund energy services
3. create an energy company

These options were not scored and were covered in very little detail.

The options appraisal addressed the preferred option for electricity retail – fully licensed supply.

In our view the options appraisal undertaken in February 2016 supported the establishment of an energy company without fully exploring how the Council's strategic objectives might be achieved by alternative options. The options appraisal lacked detailed and a robust methodology on which the preferred option and the alternatives could be considered. The approach taken could have meant that too narrow approach was taken, possibly missing a more optimum solution.

Recommendation 2: In order to support key decisions relating to significant projects the Council should ensure an options appraisal that is fit for purpose is completed prior to completing a business plan.

At this stage the intention was to establish a company structure that included a holding company along with an energy supply company and an energy services company. It is unclear and not recorded within Cabinet meetings why an energy services company was not subsequently considered or established.

This decision was not considered by a scrutiny committee, however in **April 2015** and **June 2015** the Overview and Scrutiny Management Board (OSMB) were given a presentations on the intention to establish an energy company. The sessions were informative and in the June session OSMB received a copy of the business plan.

Summary of events

In **July 2015** Cabinet agreed to establish an energy supply company with an agreed investment commitment of £10.9m. The procedure to call-in the decision was suspended. This was agreed by Cabinet and the Monitoring Officer at the meeting. The rationale to suspend call-in was that any delay in the decision could result in a commercial/ financial risk particularly in relation to:

- recruitment of key staff
- additional costs which may need to be incurred
- potential alteration of the conditions for market entry, that could affect the financial position / viability of the company.

Full Council was made aware of this decision on 15 September 2015. This was one of six similar decisions where call-in was stopped over a six month period. In line with the Council's Constitution these decisions were reported to Full Council.

The Cabinet decision in July 2015 was supported by a detailed exempt business plan. The business plan was developed by Cornwall Energy Consultancy and due diligence undertaken by PwC. The report to Cabinet confirmed that *"The business plan and related assumptions ...have been found overall reasonable."*

However, specific improvements were suggested, which included:

- further redesign of the financial model using modelling best practice, as it was found comprehensive and in parts overly complicated
- further realignments to the strategic rationale and the need to balance the mix of customers to ensure profitability whilst meeting the needs of local disadvantaged customers
- work on the Target Operating Model (TOM), before the preferred operating model can be agreed.

These changes were not made prior to the decision to establish the energy company, although the papers suggest that additional support was to be engaged to develop an operational financial model to deal with the ongoing financial management issues, provide assurance on ongoing cash flow, funding requirements and funding mechanisms from the shareholder's perspective. We are unable to establish if these changes were made at any point, but based on the advice provided at the time we do not consider that these changes would have had a significant impact of the original decision.

This meeting also agreed the governance structure under which the energy company would operate including the establishment of the Shareholder Group and the key reserved matters and delegations.

It should be noted that a Bristol energy services company was not established at this point. Although the business plan referred the reader to a separate business plan for energy services, the Council has been unable to locate this business plan. Energy services have remained within the Council and, as a result we have assumed that the business plan was not prepared.

The Council had obtained a range of advice from third parties prior to making its decision to establish BE. This advice was not provided to Cabinet but did assist in the development of the business plan. However the majority of advice assumed that both an energy services company as well as a supply company would be established.

We are unable to determine if the change in this decision would have had an impact on the appropriateness/validity of the advice provided or if the Council had checked this with their advisors.

Recommendation 3: Where the Council is working with external advisors on complex projects it should better document its response against all recommendations made.

BE was incorporated on the **16 July 2015**, a week after Cabinet agreed the decision.

Operation of Bristol Energy

In **December 2015** Cabinet approved the annual 2016/17 business plan for BE. At this stage increasing the agreed total funding to £15.8m. The report concluded that BE had made a good start, but that the anticipated loss had increased from £2.1m to £5.2m. Largely due to:

- the initial implementation cost of smart meters
- ongoing system investment
- additional staffing costs
- lower customer numbers than anticipated
- a three month delay in entering Controlled Market Entry (a requirement of the electricity industry, by which new entrants prove that they can operate within the industry and not affect the business of other suppliers).

In **January 2017** Cabinet approved the 2017/18 business plan for BE within the exempt session of the meeting. This included agreement of total funding of £31.3m, which included 20% cash collateral and £10.4m peak parent company guarantee (PCG). The business plan was approved within the expected timeframe, so that an agreed business plan was in place ahead of the financial year which it covered.

Later that year the Council engaged external consultants to consider the future options for BE and their recommendations to achieve profitability. In October 2017 the external consultants reported to the Shareholder Group. A shortlist of options was provided, which included selling the business. The external advice concluded that continuing to trade was the best option for the Council, as the sale would not recover the Council's total investment to date of £19.8m and BE should consider diversification to generate additional income. The Shareholder Group concluded that there were no simple solutions to increase profitability and that action was required by management to consider the options proposed.

Summary of events

Operation of Bristol Energy – previously included in our VFM report to the Council

In **January 2018** BE's 2018/19 business plan was rejected pre-Cabinet as it required an increase in funding to a maximum of £44.8m and parent company guarantees (PCG) in the region of £40m. In order to help and support BE additional external consultants were engaged. The findings were reported in August 2018. It was agreed that BE should reduce costs through a strategic restructure and transformation. The opportunities that City Leap could provide to BE were also identified, such as additional revenue through diversification into energy services. As a result, interim business plan proposals were approved in September 2018, increasing the maximum PCG exposure to £17.6m, with funding to remain capped at £31.3m.

Later that year, additional support was commissioned to assist in BE's transformation and to assist in delivering the recommendations identified earlier in the year, the aim being to produce a more credible business plan and improve profitability whilst also delivering social value. This transformation resulted in an increased turnover of staff, at both executive level and in middle management and also led to the resignation of the Managing Director in December 2018.

Cabinet approved BE's 2019/20 business plan in **April 2019**. This followed concerns having been raised over the viability of BE by the Shareholder Group and the business plan not being supported by four out of seven members of the Overview and Scrutiny Management Board (OSMB).

The ~~draft~~ financial report which was provided to Cabinet suggested that a positive Earnings Before Interest Taxation, Dividends and Amortisation (the appropriate accounting definition of a company's financial performance, known as EBITDA) might be possible in 2023/24 but that if the worst case was to materialise the funding requirement might be £60m and the EBITDA loss would continue to be around £8m per annum. This finance report provided some scenario planning, but did not clearly set out the assumptions made and the risks faced by the Council. The report did not quantify any financial risks other than stating that the worst case scenario could see the cumulative funding requirement reaching £60m in 2023/24.

It was at the same Cabinet meeting that had agreed to proceed with the procurement process to identify a strategic partner for the City Leap Partnership. The City Leap Partnership, was a series of energy and infrastructure investment opportunities to assist in the delivery of a carbon neutral City by 2050. This partnership required a range of investors/partners to provide this investment.

From 2018 BE's involvement with the City Leap Partnership was considered mutually beneficial and, as market conditions became tougher for BE, BE was increasingly considered as not viable without City Leap. Furthermore, it was around this time that BE became a non-negotiable 'red line' requirement within the City Leap programme.

In **January 2021** Cabinet approved BE's 2020/21 business plan. However, six days after Cabinet approved BE's business plan (**27 January 2020**) the Deputy Mayor (Shareholder Representative) was informed that BE was experiencing a significant cash flow crisis and would no longer be able to meet its business plan objectives with immediate action required to prevent a negative cash position.

Cabinet received the business plan following review in November 2019 by the Shareholder Group and OSMB in December 2019.

The Shareholder Group recorded a list of actions required to complete the business plan and the Council's Director of Finance concluded that, she required further assurance. We understand further discussions were conducted via email but, Bristol Holding Limited was responsible for ensuring the appropriate due diligence was undertaken and that the actions were completed for the next iteration of the business plan. The Shareholder Group did not formally review the business plan again.

Cabinet did not receive an update/report from the Shareholder Group and were therefore not formally made aware of the concerns raised at the Shareholder Group, or if those concerns were resolved. No formal referral was made from OSMB and the Cabinet papers did not record that OSMB were consulted and the outcome of that discussion.

The papers provided to Cabinet to inform the decision making process included a report from the Chair of Bristol Holding. This stated that BE faced significant risks/challenges and that both BE and Bristol Holding Limited remained concerned that it would not take much to drive the company into a situation that would require additional shareholder funding and/or collateral. Bristol Holding continued to support the business plan.

Cabinet was not provided with a risk assessment. In addition the confidential finance report, was out of date at the time it was presented to Cabinet, and was based on an earlier version of the business plan (as provided to the Shareholder Group in November 2019). In our view, this significantly undermined the quality of this advice and should have been updated for Cabinet.

However, the indications are that whilst this advice might have been considered within the Shareholder Group it has not been considered or acted upon by Cabinet. This was compounded by the way that the information and key risks were included within the Cabinet papers.

Summary of events

The business planning process in 2019/20 and 2020/21 illustrate that whilst the Shareholder Representative sought advice from the Shareholder Group and Bristol Holding Limited and that scrutiny was provided by OSMB and this advice might be considered within the Shareholder Group it has not been considered or acted upon by Cabinet. This was also compounded by the way that the information and key risks were included within the Cabinet papers, which were not, in our opinion, evidently clear to the reader/decision maker.

The information and papers provided at the January 2020 Cabinet meeting did not clearly state the risks faced by BE, or provide sufficiently robust information to enable Cabinet to make an informed decision. In our opinion, and supported by subsequent events, it also represented an overly unrealistic view of how BE might perform.

Recommendation 4: Public reports should be consist with the issues and concerns raised within exempt papers. The exempt papers should only provide confidential information which cannot be discussed within the public sessions.*

Recommendation 5: Cabinet reports relating to Bristol Holding Limited's companies which include exempt information should be improved. Exempt papers, should clearly identify and quantify the risks and advice provided by the Shareholder Group and any relevant independent advisors as well as the clear views of Bristol Holding Limited.*

Recommendation 6: The Council should ensure Cabinet decisions are based upon more timely and current information.*

Through support from Bristol Holding Limited and by earlier access to funds from the Council, the immediate cash crisis was alleviated. The work undertaken highlighted that BE was very likely to need further cash in March and August 2020 and at this stage this was likely to be above the funding cap previously agreed by Cabinet.

BE's financial position had been impacted by:

- a reduction in the wholesale price of gas and electricity by around 30%;
- declining customer retention;
- competitors' offering customers low prices which provided little if any profit; and
- inadequate cash management.

External advisors, who were already commissioned to support the City Leap Partnership, were engaged by Bristol Holding Limited to find a sustainable solution.

The external advisors completed two reviews:

- Phase 1 – a review of BE's short-term cashflow forecast. The report identified that without further funding from the Council, BE would be insolvent (as a result of its inability to pay its debts as they became due) and funding above the £7.7 million agreed cap would be required.
- Phase 2 – support for BE Board to identify solutions and to provide an options analysis. The report identified the medium term funding requirement, with £1.44m expected over the following six weeks and a further £5.7m in August 2020 as a contribution towards the ROC payment. Four options were considered, with an accelerated sale requiring the lowest level of funding, although if a sale could not be achieved then additional funding might be required to avoid insolvency. Additional funding was approved only if it was as a result of a supplier of last resort.

In **March 2020**, BE's Managing Director (MD) resigned. The MD had been in post since August 2019, having previously held the post of Finance Director since August 2018. An interim MD was appointed by the Shareholder Representative, who was considered to be more experienced in dealing with the situation in hand.

In addition, the Council's Audit Committee requested additional information to provide assurance on the governance arrangements of BE. This was prompted by elected members becoming aware of the findings raised by the external advisors in the first phase of their work.

In **April 2020** the procurement process was paused as a consequence of BE no longer being a viable option for the City Leap Partnership and also to address other issues within the procurement process. The bidders were updated on developments relating to the situation that BE was then in. The following month the procurement process was restarted to reflect the material changes.

Sale of Bristol Energy – new area of reporting

In **June 2020** Cabinet agreed to progress the accelerated sale of the Council's interests in BE on the condition that any additional financial liabilities arising from the sale process do not exceed the maximum exposure under the PCGs (£15.9m). If this was not possible, emergency funding of £2m could be utilised in an unintended insolvency scenario.

The Council continued to commission external advisors and the advisors began the process of identifying potential buyers for the commercial customers (B2B) and domestic customers (B2C) elements of BE. Following a bid clarification process, five parties were identified as leading bidders. An analysis of these offers was presented to the Council in July 2020. The Council subsequently agreed to progress offers from Yu Energy ("YU") for its B2B business and Together Energy ("TE") for its B2C business. Following advice from the Council's third party advisors, it was considered that this combination sale would result in the greatest return to the Council.

Summary of events

Accelerated sales process

BE concluded the sale of its commercial customer business to YU on 7 August 2020. The sale included such things as customer contracts, employees, all debit and credit balances and the estimated 2021 associated ROC liability.

The sale of BE's domestic element of the business was sold to TE and concluded on 8 September 2020. The sale included, items such as customer contracts, employees, fixed and moveable assets and business records including intellectual property rights.

Certain assets and liabilities were excluded from the commercial and domestic sales. They were excluded either because they were of no value, not wanted by the buyer or because they needed to be retained by the Council to ensure the smooth wind down of remaining operations. They included, for example, certain employees and associated assets required to assist in the wind down and any ROC liability for 2020 and/or 2021 which was not transferred to a buyer. These elements remained the responsibility of BE and will unwind in the period prior to the agreed exit.

The approach taken by the Council and BE has resulted in a planned and an orderly solvent winding up of BE and we consider that it is reasonable to assume that this approach would be less costly than an unplanned approach. These funds have been used to meet the remaining liabilities within BE, such as ROC liability for 2020, operational liabilities, such as rent and costs of the wind down team.

Indemnity

Following the transactions set out on the previous page, the Council granted an indemnity of up to £7.3m, to cover all liabilities which may fall due as a consequence of the sale and planned winding up of BE. The Council envisaged that this indemnity would prevent any call upon its PCGs of up to £15.9m. This would be achieved by preserving the solvency of BE and assisting in its orderly wind up. This would result in a saving for the Council of £8.6m should the indemnity be fully utilised and the Council fully honour the PCG commitments. In our opinion in the circumstances, the decision to grant the indemnity at this time appeared reasonable.

Following the indemnity being set up, BE immediately utilised £2.7m to meet certain Ofgem ROCs payments and other associated energy industry obligations.

Exit options

In February 2021 BE engaged specialist restructuring advisors who provided BE with an initial options report setting out the possible exit routes for BE. Striking off was discounted at an early stage. The options considered in more detail were Creditors' Voluntary Liquidation ("CVL") and Members' Voluntary Liquidation ("MVL"). The report set out the advantages and disadvantages of these options but did not recommend any one option over and above the other.

In our view the Council engaged with reputable and appropriate third party advisors who assessed the most reasonable exit options available to BE, either a CVL or an MVL, when considering the reported nature of its operations and liabilities at the time of assessment.

This resulted in an estimated outcome for the Council, through an MVL process, of circa. £2.2m lower than the outcome achieved through a CVL process. This figure included the additional fund that would be required to fund an MVL process (which is assumed to be captured by the existing indemnity).

The Council subsequently adjusted the net position to reflect accrued liabilities, the implications on the Council's net cashflow from the various transactions and the risk that a CVL route is likely to lead to the Council guarantee / indemnity, being called in full by the liquidator, increasing the estimated exposure. As a result, the Council's restated risk-adjusted calculation was considered by the Council to be a difference of £164,000 between whether a CVL or an MVL was followed, compared to £2.2m suggested by third party advisors mentioned above. Both scenarios were anticipated to avoid any call upon the PCGs.

Reputational implications for the Council were also considered and a CVL was considered to have a significant detrimental impact of the Council's reputation when compared with an MVL, as a CVL liquidation could have a consequential financial impact on the Council's other companies.

The Council agreed that an MVL should be pursued, as the estimated £164,000 adverse variance, when compared to a CVL, would be offset by other best value considerations that would have both reputational and financial implications, for example:

- adverse impact on Director's reputations and potential disqualification
- availability and pricing of Directors and Officers (D&O) Insurance cover
- potential impact on local authority Credit Rating
- reputation and emerging market confidence in the Council

This decision was a reserved matter decision and was made by the Shareholder Representative on the 1 March 2021. The following officers were also in attendance:

- Chief Executive
- Director of Finance
- Director of Legal and Democratic Services
- Shareholder Liaison Manager.

When considering the return in a CVL process, it should be noted that any return is based on amounts paid to BE through loans, indemnities and/or guarantees only. No return would be expected to be received on the Council's preference shareholding.

Summary of events

The Shareholder Group were not formally consulted on this decision as the Shareholder Group now only meets quarterly, although the Officers listed on the previous page are members of the Shareholder Group so were involved in the decision making process. The Shareholder Group was made aware of the decision to progress to a MVL on the 11 March and the reserve matter decision was confirmed to the Shareholder Group in the monthly report from the Shareholder Liaison Manager on the 12 April 2021.

In addition, given the level of BCC's investment at this time and the certainty of a conclusion that an MVL provides (and unlikely call upon PCGs), we are of the view that the MVL process is not an unreasonable exit route. It should be noted that we have not verified the cost and financial implications of each liquidation option, but we have considered the actions taken as a result.

Anticipated Final Outcome

By May 2021, the Council had invested funds in the region of £42.0m, consisting of the following:

	March 2020 £m	May 2021 £m
Ordinary and Preference shares	36.50	36.50
Parent Company Guarantee	17.60	0
Indemnity drawdown (available headroom of £800k)	0	6.50
Less funds already transferred to the Council	0	1.00
Total invested funds	54.10	42.00

The Council estimates that, upon the conclusion of the MVL process, total funds lost through this investment will not exceed £43.8m (the ordinary and preference shares £36.5m plus £7.3m indemnity).

Action taken by the Council

Our previous report led to a qualified VFM conclusion, regarding the Council's Governance arrangements at its companies, with specific focus on arrangements impacting on BE.

The Council has, in our opinion, initially responded comprehensively to our previous report. The Council has agreed with all our recommendations, which was fully discussed at Audit Committee on the 25 January 2021 and debated at an extraordinary meeting of full Council on 11 February 2021.

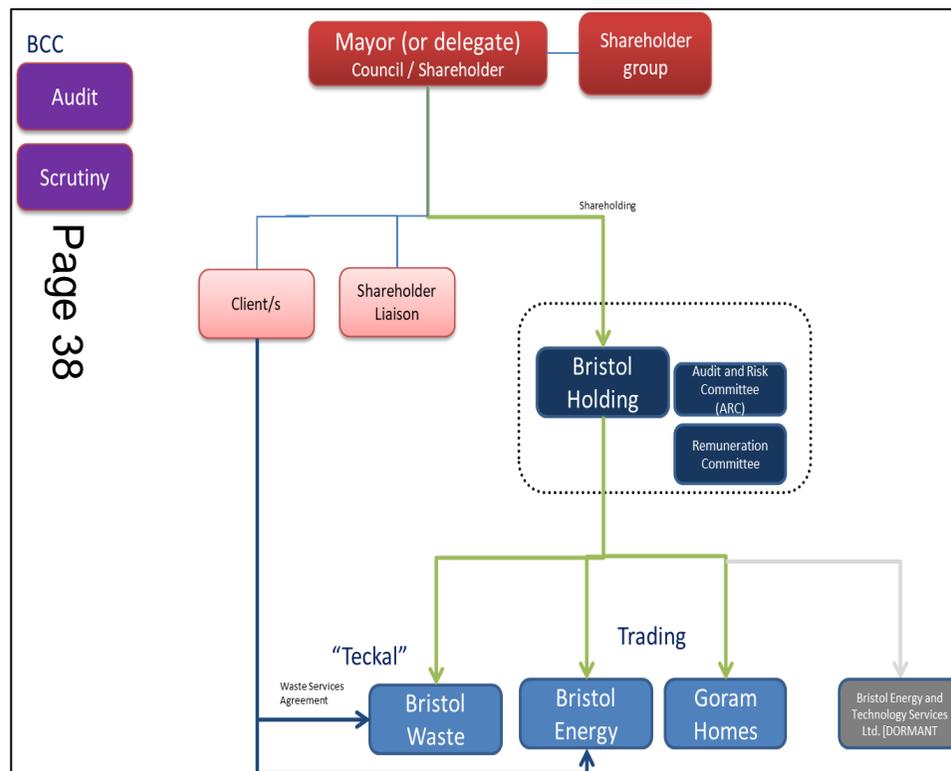
Following this extraordinary meeting the Council set up a cross-party working group to add further challenge and monitoring capacity to the Council's response to our previous report.



Governance arrangements - previously reported in our VFM report to the Council

The illustration below sets out the governance arrangements in place during 2019/20 and 2020/21. We established that the arrangements were undermined by the articles of association and shareholder agreement not being up to date and not reflecting the agreed changed roles and responsibilities of Bristol Holding Limited. Although terms of reference were in place for some of the functions, these were also not up to date.

Recommendation 7: The Council should update the articles of association and shareholder agreement to reflect the strengthened role of Bristol Holding Limited. The terms of reference for all elements and functions of the governance structure should be in place and updated.*



Roles and responsibilities

Bristol City Council has a mayoral model of governance and decisions relating to companies are, ultimately, the responsibility of the Mayor. Shareholding is an executive function and in 2017 delegated authority was given to the Deputy Mayor – Finance, Governance, Performance and Culture, who acts as the Shareholder Representative.

Key decisions are made in Cabinet and other reserved matter decisions are made by the Deputy Mayor. The current structure means that the Shareholder Representative was responsible for making a large number of delegated decisions, not just for BE but for all the Council owned companies. For key decisions the Shareholder Representative is also responsible for updating the Mayor and Cabinet.

In 2019 Cabinet agreed to strengthen the role of Bristol Holding Limited and to support this new role through the appointment of an Executive Chair. Additional resources were provided to Bristol Holding Limited to enable it to oversee the operation and performance of its subsidiaries and therefore reduce the role of the Shareholder Group.

Bristol Holding Limited and its subsidiaries began to operate a strengthened group structure, with Bristol Holding Limited ensuring delivery of BE's performance and objectives. This included centralised resources and structures, such as the new Audit and Risk Committee and the Remuneration Committees. The Shareholder representative appointed the Executive Chair in August 2019 and two Non-Executive Directors shortly afterwards.

The appointment of the Executive Chair (an individual who carries out the responsibilities of the chair of the board and the chief executive/managing director of the company) is not good practice and does not follow [The UK Corporate Governance Code – July 2018](#). The Council provided the following reasons for this appointment in the report to Cabinet in April 2019:

- the use of Executive Chairs is more common in government entities; and
- it may be more appropriate in an environment where the shareholder has direct control of the Executive Chair, and is comfortable with the governance implications.

We do not consider that these reasons justify the lack of independence that an Executive Chair would have and the possible conflict of interest in responsibilities. In our experience local authorities often struggle to balance the level of control and commercial freedoms whilst operating in a political environment. An independent chair is important to ensure the success of local authority companies.

Recommendation 8: Consideration should be given to the role of the Executive Chair of Bristol Holding Ltd. This should include if this role is appropriate going forward, and does it ensure independence of the chair and reduce potential conflicts.*

Governance arrangements

It is not uncommon for elected members to be found on the boards of local authority companies, but it is generally not considered good practice due to potential conflicts of interest that may arise and their potentially limited commercial experience. Conflicts of interest can arise when the Council, the Council owned company, officers and elected members have differing roles and responsibilities. Existing arrangements indicate that it is highly likely that conflicts of interest will occur, therefore it is important that the governance arrangements provide effective mechanisms for identifying and dealing with potential conflicts.

Audit Committee

The Council's Audit Committee has a responsibility to provide independent assurance on the governance, risk management framework and the associated control environment operating across the Council. To some extent this will include the Council's owned companies, although this is not included or clarified within the Council's Audit Committee terms of reference.

In order to discharge these duties the Council's Audit Committee received the minutes of Bristol Holding Limited's Audit and Risk Committee, Companies' annual governance statements and also received updates from external audit and internal audit relating to any relevant work they have carried out.

Concerns have been raised relating to access to confidential information, because a proportion of papers were viewed to be commercially sensitive and, as such, could not be easily viewed. This has since been discussed by the Audit Committee and a response provided by the Monitoring Officer as to the legal basis on which the Audit Committee have access to information.

In order to discharge their responsibilities the Audit Committee should have sight of issues relating to the Council's governance arrangements. We recognise that information which is commercially sensitive cannot be publicly available and access needs to be restricted, but the Council needs to find a way to balance the legal and commercial sensitivities to enable Audit Committee to operate effectively. This should not be all exempt papers but only those relevant to the Committee role and responsibilities. We are aware that some Councils achieve this by the Monitoring Officer holding briefing sessions with the Chair and Vice Chair of the Audit Committee.

Overview and Scrutiny Management Board (OSMB)

As set out in the Council's Constitution, OSMB is authorised to scrutinise decisions and actions which are the responsibility of the Mayor or Executive and to scrutinise governance arrangements at both the strategic and local level. The terms of reference do not mention companies owned by the Council, but are sufficient to cover all reserved matters and key decisions, as these are the responsibility of the Mayor or Cabinet, or are delegated to the Deputy Mayor.

OSMB has had the opportunity to scrutinise key decisions made by Cabinet regarding BE, performance, both mid and year end and has provided its response to Cabinet. These responses have been confidential and, if they were discussed by Cabinet, the minutes and meetings were not recorded.

OSMB's ability to scrutinise reserved matters has been restricted as it has not routinely been made aware of these decisions. These decisions are made by the Deputy Mayor, in line with the scheme of delegation, but are not routinely published on the Council's website. In our opinion, this is not in line with the philosophy of open and transparent decision making, or with our experience of other local authorities which own companies. It also reduces the opportunity for OSMB to scrutinise these decisions, or the governance arrangements.

Managing risk

The number of occasions when the Council has commissioned external advisors to consider solutions and options for BE illustrates that the Council has to an extent understood the risk that BE posed. However, we consider that the risks were not fully appreciated by Cabinet for a number of reasons:

- the risk posed to the tax payer by BE was not separately documented and was subsumed in the corporate risk register within the risk 'long term commercial investments and major projects' which included other projects such as Colston Hall;
- the commercial sensitivity of the information meant that risks were not clearly identified and scored in reports and was either contained less prominently within the appendices or was not provided; and
- the complex nature of the industry resulted in it being more difficult to understand the information and mitigations being provided, resulting in information provided by BE being more difficult to challenge.

This was compounded by the view that the City Leap Partnership would mitigate the risks in this area and provide a financial lifeline to BE.

In addition, as the Council did not identify any prior warning of the significant deterioration in BE's financial position and cash crisis, this outcome suggests that the Council did not have effective risk management arrangements in place. These arrangements could be improved, for example by more clearly stating and evaluating the risks and mitigations, ensuring information is up to date and as current as possible and providing specialist advice direct to Cabinet.

Recommendation 9: The Council should improve the risk management arrangements to ensure that all key risks are identified and clearly reported to Cabinet.*

Action plan

3	Assessment	Recommendations				
	 (Medium)	<p>Where the Council is working with external advisors on complex projects it should better document its response against all recommendations made.</p> <p>Management response</p> <p>Guidance and training for officers will be prepared to ensure that due regard is had to all recommendations proposed by external advisors on complex projects. The advice and any recommendations proposed by external advisors will be clearly presented to decision makers, and the preferred approach being recommended by officers will be clearly set out and this will be emphasised in the guidance and training for the Companies handbook.</p> <table border="0"> <tr> <td data-bbox="424 558 654 582">Responsible Officer</td> <td data-bbox="882 558 965 582">Timing</td> </tr> <tr> <td data-bbox="424 596 830 621">Director: Legal & Democratic Services</td> <td data-bbox="882 596 1042 621">31 March 2022</td> </tr> </table>	Responsible Officer	Timing	Director: Legal & Democratic Services	31 March 2022
Responsible Officer	Timing					
Director: Legal & Democratic Services	31 March 2022					
	 (High)	<p>Public reports should be consistent with the issues and concerns raised within exempt papers. The exempt papers should only provide confidential information which cannot be discussed within the public sessions*.</p> <p>Management response January 2021</p> <p>Whilst seeking to balance public transparency and as the only shareholder the responsibility for the protection of shareholder value, we had previously identified the need for additional information to be incorporated within the presentation of the Council-owned companies' business plans. Content considered exempt for commercial reasons have been incorporated within the exempt business plans and continue to be significantly improved. We have worked closely with the companies over the last 12 months to ensure that exempt information is presented effectively and only includes information which cannot be discussed in public sessions.</p> <p>We will continue to improve the reports to ensure that exempt information is presented effectively, with appropriate redactions to ensure consistency in the information reported and that only information which cannot be discussed in public sessions is excluded.</p> <table border="0"> <tr> <td data-bbox="424 1011 654 1035">Responsible Officer</td> <td data-bbox="882 1011 965 1035">Timing</td> </tr> <tr> <td data-bbox="424 1049 830 1073">Director: Legal & Democratic Services</td> <td data-bbox="882 1049 980 1073">Ongoing</td> </tr> </table> <p>Management Progress due November 2021</p>	Responsible Officer	Timing	Director: Legal & Democratic Services	Ongoing
Responsible Officer	Timing					
Director: Legal & Democratic Services	Ongoing					

Controls

-  High – Significant effect on control system (red)
-  Medium – Effect on control system (amber)
-  Low – Best practice (green)

Action plan

Assessment

Recommendations

5


(High)

Cabinet reports relating to Bristol Holding Limited's companies which include exempt information should be improved. Exempt papers, should clearly identify and quantify the risks and advice provided by the Shareholder Group and any relevant independent advisors as well as the clear views of Bristol Holding Limited*.

Management response

We are committed to ensuring a high quality of discussion and decision making and note that exempt sessions of Cabinet invited views from the Shareholder Group and other representatives. We acknowledge that it would be beneficial to also capture these in the written reports.

Risk assessments will be included in each Cabinet Report relating to the Council's companies and we will consider with the Shareholder Group how their advice, and that of other advisors and organisations, should be presented to Cabinet.

The report template will be strengthened, and training provided where required to improve the quality of the report content and ensure key financial points and risks from the proposal and associated appendices are appropriately summarised in reports.

In cases where logistics make it impossible to update written reports prior to publication, any additional views of Shareholder Group will be incorporated into Cabinet Member introductory remarks to ensure they are known to Cabinet.

Responsible Officer

Timing

Director: Legal & Democratic Services

By April 2021

Management Progress due November 2021

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Controls

-  High – Significant effect on control system (red)
-  Medium – Effect on control system (amber)
-  Low – Best practice (green)

Appendix B

Bristol Energy Limited Company number 09135084

Date	name
17 July 2014	Osmium Energy Limited
14 July 2015	Bristol Energy Technology & Services (Supply) Limited
16 July 2015	Bristol Energy & Technology Services (Supply) Limited
14 February 2020	Bristol Energy Limited
2 October 2020	BE2020 Limited

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* This recommendation was included in our report 'Review of Governance Arrangements for BCC's Subsidiaries' as presented to Audit Committee on 25 January 2021

Audit Committee

27th September 2021



Report of: Service Director: Finance

Title: Treasury Management Annual Report 2020/21

Ward: City Wide

Officer Presenting Report: Michael Pilcher, Chief Accountant

Contact Telephone Number: 0117 35 76255

Recommendation

The Audit Committee note the Annual Treasury Management Report for 2020/21, as detailed in Appendix A.

Summary

The Council is required to produce an annual treasury management review of activities and the actual treasury indicators in accordance with Local Government regulations.

The significant issues in the report are:

- The Council has complied with treasury management legislative and regulatory requirements during the period and all transactions were in accordance with the approved Treasury Management Strategy.
- The 2020–2025 Treasury Strategy identified a medium term borrowing requirement of £215m to support the existing and future Capital Programme. The Council’s agreed policy is to defer borrowing while it has significant levels of cash balances (£207m at March 2021), noting if the financial environment changes and borrowing was deemed advantageous the Council may borrow over appropriate maturity periods.
- The Council’s long term debt at 31 March 2021 was £451m with an average annual interest rate of 4.48%. Investments were £207m at the 31 March 2021 with an average annual interest rate of 0.30%.



Policy

There are no policy implications as a direct result of this report.

Consultation

1. Internal

Executive & Service Directors, and Deputy Mayor – Finance, Governance & Performance.

2. External

Link Asset Services – the Council’s external treasury management advisors

Background and Context

1. The Council’s treasury management activity is underpinned by CIPFA’s Code of Practice on Treasury Management (the Code), which requires local authorities to produce annually Prudential Indicators and a Treasury Management Strategy Statement on the likely financing and investment activity. The Code also requires reports to full Council mid-year and after the year end. The 2020/21 outturn report is set out as Appendix A.
2. The Code also requires the Council to nominate one of its Committees to have responsibility for scrutiny of its treasury management strategy, policy and activity. Council has delegated that responsibility to the Resources Scrutiny Board and Audit Committee. Overall responsibility for treasury management remains with the Council. No treasury management activity is without risk; the effective identification and management of risk are integral to the Council’s treasury management objectives.
3. Treasury management is defined as:

“The management of the local authority’s borrowing, investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks”.

Other Options Considered

Not applicable

Risk Assessment

The principal risks associated with treasury management are:

Risk	Mitigation
Loss of investments as a result of failure of counterparties	Limiting the types of investment instruments used, setting lending criteria for counterparties, and limiting the extent of exposure to individual counterparties
Increase in the net financing costs of the authority due to borrowing at high rates of interest / lending at low rates of interest	Planning and undertaking borrowing and lending in light of assessments of future interest rate movements, and by undertaking most long term borrowing at fixed rates of interest (to reduce the volatility of capital financing costs)

Public Sector Equality Duties

None necessary for this report

Legal and Resource Implications

Legal

The Council is under a duty to manage its resources prudently and therefore due consideration must always be given to its borrowing and lending strategy. A wide range of local authority financial activities, including borrowing, lending, financial management, and the approval of types of investment vehicle are governed by legislation and various regulations. The Council is obliged to comply with these.

(Legal advice provided by Tim O’Gara - Service Director: Legal and Democratic Services)

Financial

(a) Revenues

The financing costs arising from planned borrowing are provided for in the revenue budget and medium term financial plan. Any additional operating costs arising from capital investment must be contained within the revenue budget of the

relevant department.

(b) Capital

Not Applicable

(Financial advice provided by Jon Clayton – Capital and Investments Manager)

Land

Not applicable

Personnel

Not Applicable

Appendices:

Appendix A – Treasury Management Annual Report 2020/21

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

Background Papers:

None

Treasury Management Annual Report 2020/21

Purpose of the report:

1. Under the CIPFA Code of Practice on Treasury Management (the Code) the Section 151 Officer is required to produce an outturn report on activities in the year to account for how the Strategy set at the start of the year has been implemented. This report meets the requirements of both the Code and the CIPFA Prudential Code for Capital Finance in Local Authorities (the Prudential Code).

Background

2. The Council's treasury management activity is underpinned by CIPFA's Code of Practice on Treasury Management (the Code), which requires local authorities to produce annually Prudential Indicators and a Treasury Management Strategy Statement on the likely financing and investment activity. The Code also requires reports to full Council mid-year and after the year end.
3. The Code also requires the Council to nominate one of its Committees to have responsibility for scrutiny of its treasury management strategy, policy and activity. Council has delegated this responsibility to the Resources Scrutiny Board and Audit Committee. Overall responsibility for treasury management remains with the Council. No treasury management activity is without risk; the effective identification and management of risk are integral to the Council's treasury management objectives.
4. Treasury management is defined as:

"The management of the local authority's borrowing, investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."

The Economy and Interest Rates for 2020/21

5. **UK. Coronavirus.** The first national lockdown in late March 2020 did significant damage to an economy that caused an economic downturn that exceeded the one caused by the financial crisis of 2008/09. A short second lockdown in November did "lesser" but by the time of the third lockdown in January 2021, businesses and individuals had become more resilient in adapting to working in new ways during a three-month lockdown so less damage than was caused than in the first one.

The advent of vaccines starting in November 2020, promises to lead to a return to something approaching normal life during the second half of 2021. This has been instrumental in speeding economic recovery and the reopening of the economy. The household saving rate has been "exceptionally" high since the first lockdown in March 2020 and so there is plenty of "pent-up" demand and purchasing power for services in the still-depressed sectors like restaurants, travel and hotels as soon as they reopen. It is therefore expected that the UK

economy could recover its pre-pandemic level of economic activity during quarter 1 of 2022.

Both the Government and the Bank of England took rapid action in March 2020 to provide support to financial markets to ensure their proper functioning, and to support the economy and to protect jobs.

The **Monetary Policy Committee** cut Bank Rate from 0.75% to 0.25% and then to 0.10% in March 2020 and embarked on a £200bn programme of quantitative easing QE, increasing this to £895bn in November 2020.

While Bank Rate remained unchanged for the rest of the year, financial markets were concerned that the MPC could cut Bank Rate to a negative rate; this was firmly discounted at the February 2021 MPC meeting when it was established that commercial banks would be unable to implement negative rates for at least six months – by which time the economy was expected to be making a strong recovery and negative rates would no longer be needed.

Average inflation targeting. This was a change adopted by the Bank of England in terms of implementing its inflation target of 2%. The key addition to the Bank's forward guidance in August was that "it does not intend to tighten monetary policy until there is clear evidence that significant progress is being made in eliminating spare capacity and achieving the 2% target sustainably". This would indicate that even if inflation rises to 2% in a couple of years' time, not expect any action from the MPC to raise Bank Rate – until it is clear that level of inflation is going to be persistently above target if it takes no action to raise Bank Rate. This raises the bar for increasing Bank Rate and no increase is expected by March 2024, and possibly for as long as five years. Inflation has been well under 2% during 2020/21; it is expected to briefly peak at just over 2% towards the end of 2021, but this is expected to be temporary.

Government support. The Chancellor has implemented support to businesses by way of cheap loans and other measures, and has protected jobs by paying for workers to be placed on furlough. This support has come at a significant cost in terms of the Government's budget deficit "ballooning" in 20/21 and 21/22 so that the Debt to GDP ratio reaches around 100%.

The Budget on 3rd March 2021 increased fiscal support to the economy and employment during 2021 and 2022 followed by substantial tax rises in the following three years to help pay for the cost of the pandemic. This will help strengthen the economic recovery from the pandemic and to return the government's finances to a balanced budget on a current expenditure and income basis in 2025/26. This will stop the Debt to GDP ratio rising further from 100%. An area of concern, though, is that the government's debt is now twice as sensitive to interest rate rises as before the pandemic due to QE operations substituting fixed long-term debt for floating rate debt; there is, therefore, much incentive for the Government to promote Bank Rate staying low e.g. by using fiscal policy in conjunction with the monetary policy action by the Bank of England to keep inflation from rising too high, and / or by amending the Bank's policy mandate to allow for a higher target for inflation.

BREXIT. The final agreement on 24th December 2020 eliminated a significant downside risk for the UK economy. The initial agreement only covered trade so there is further work to be done

on the services sector where temporary equivalence has been granted in both directions between the UK and EU; that now needs to be formalised on a permanent basis. There was much disruption to trade in January as form filling has proved to be a formidable barrier to trade. This appears to have eased somewhat since then but is an area that needs further work to ease difficulties, which are still acute in some areas.

USA. The US economy did not suffer as much damage as the UK economy due to the pandemic. The Democrats won the presidential election in November 2020 and have control of both Congress and the Senate. This enabled the Democrats to pass a \$1.9trn (8.8% of GDP) stimulus package in March on top of the \$900bn fiscal stimulus deal passed by Congress in late December. These, together with the vaccine rollout proceeding swiftly will promote a rapid easing of restrictions and strong economic recovery during 2021. The Democrats are also planning to pass a \$2trn fiscal stimulus package aimed at renewing infrastructure over the next decade. Although this package is longer-term, if passed, it would also help economic recovery in the near-term.

At the Federal Reserve September meeting the committee agreed a new inflation target - "to maintain the current target range until labour market conditions were judged to be consistent with the Committee's assessments of maximum employment and inflation had risen to 2% and was on track to moderately exceed 2% for some time." This change was aimed to provide more stimulus for economic growth and higher levels of employment and to avoid the danger of getting caught in a deflationary "trap" like Japan.

It is to be noted that inflation has been under-shooting the 2% target significantly for most of the last decade, (and this year), so financial markets took note that higher levels of inflation are likely. There is now some expectation that where the Federal Reserve has led in changing its policy towards implementing its inflation and full employment mandate, other major central banks will follow, as indeed the Bank of England has done so already.

The Federal Reserve expects strong economic growth during 2021 to have only a brief impact on inflation, which explains why it projects US interest rates to remain near-zero through to the end of 2023. The key message is still that policy will remain with near-zero rates and asset purchases – continuing for several more years.

This is likely to result in keeping treasury yields at historically low levels. However, financial markets in 2021 have been concerned that the high amount of fiscal stimulus, on top of highly accommodative monetary policy, could lead to a rapid elimination of spare capacity in the economy and generating higher inflation much quicker than anticipated.

There is also concern as to how and when the Federal Reserve will "wind down" its programme of monthly Quantitative Easing of treasuries. These concerns have pushed treasury yields sharply up in the US in 2021 and is likely to have also exerted some upward pressure on gilt yields in the UK.

EU. Both the roll out and take up of vaccines has been slow in the EU in 2021, at a time when many countries are experiencing a sharp rise in cases which are threatening to overwhelm hospitals in some major countries; this has led to renewed severe restrictions or lockdowns

during March. This will inevitably put back economic recovery after the economy had staged a rebound from the first lockdowns in Q3 of 2020 but contracted slightly in Q4 to end 2020 only 4.9% below its pre-pandemic level. Recovery will now be delayed until Q3 of 2021 and a return to pre-pandemic levels is expected in the second half of 2022.

Inflation was well under 2% during 2020/21. The ECB did not cut its main rate of -0.5% further into negative territory during 2020/21, it expanded its Quantitative Easing (Pandemic emergency purchase programme - PEPP) in March 2020 and added further to that in its December 2020 meeting when it also expanded its programme of providing cheap loans to banks. The total PEPP scheme of €1,850bn is providing protection to the sovereign bond yields of weaker countries like Italy. There is, therefore, unlikely to be a euro crisis while the ECB is able to maintain this level of support.

China. Following the efforts to get on top of the virus outbreak in Q1 of 2020, economic recovery was strong in the rest of the year; this has enabled China to recover all of the contraction in Q1 following implementing a programme of monetary and fiscal support that has been effective at stimulating growth.

Japan. Three rounds of government fiscal support in 2020 together with Japan's relative success in containing the virus without draconian measures so far, and the roll out of vaccines gathering momentum in 2021, should help to ensure a strong recovery in 2021 and to get back to pre-virus levels by Q3.

World growth. World growth was in recession in 2020. Inflation is unlikely to be a problem in most countries for some years due to the creation of excess production capacity and depressed demand caused by the coronavirus crisis.

Deglobalisation. Until recent years, world growth has been boosted by increasing globalisation i.e. countries specialising in producing goods and commodities in which they have an economic advantage and which they then trade with the rest of the world. This has boosted worldwide productivity and growth, and, by lowering costs, has also depressed inflation. However, the rise of China as an economic superpower over the last 30 years, which now accounts for nearly 20% of total world GDP, has unbalanced the world economy. In March 2021, western democracies implemented sanctions that led to a retaliation by China and is likely to mean that the China / EU investment is at risk.

The pandemic exposed how frail extended supply lines were around the world, likely to lead to a retrenchment of economies. It is, therefore, likely that we are heading into a period where there will be a reversal of world globalisation and a decoupling of western countries from dependence on China to supply products and vice versa. This is likely to reduce world growth rates.

Central banks' monetary policy. During the pandemic, the governments of western countries have provided fiscal support to their economies which has resulted in a big increase in total government debt in each country. It is therefore very important that bond yields stay low while debt to GDP ratios slowly subside under the impact of economic growth. This provides governments with a good reason to amend the mandates given to central banks to allow higher average levels of inflation than we have generally seen over the last couple of decades. Both the Federal Reserve and Bank of England have already changed their policy towards

implementing their existing mandates on inflation, (and full employment), to an average level of inflation. Greater emphasis could also be placed on hitting subsidiary targets e.g. full employment before raising rates. Higher average rates of inflation would also help to erode the real value of government debt more quickly.

Treasury position as at 31 March 2021

6. The table below indicates the balance of borrowing and investments at the beginning and end of the year and average borrowing cost and investment returns for each period:

	31 March 2020		31 March 2021	
	£m	Average Rate %	£m	Average Rate %
Long Term Debt (fixed rates) - PWLB ¹	341	4.74	331	4.63
Long Term Debt (fixed rates) – LOBOS ²	70	4.09	70	4.09
Long Term Debt (fixed rates) – Market	50	4.04	50	4.04
Short Term Borrowing	-	-	-	-
Total borrowing	461	4.56	451	4.48
Investments	149	0.85	207	0.30
Net Borrowing Position	312		244	

¹Public Works Loan Board

²Lender option Borrower option (LOBO)

7. The total borrowing excludes accrued interest of £5m (£5m at 31/3/20) and the outstanding finance on PFI and service contracts of £133m at 31 March 2020 (£141m at 31/3/20).

8. In addition to the Treasury investments above (£207m), the authority also has

- long term service investments costing £49m primarily relating to the holdings in Bristol Holdings Company (£37m), Bristol Port Company (£3m) and a property fund to support Homelessness (£9m), and
- long term service loans costing £14m, primarily relating to loans to wholly owned subsidiaries (£11m) and external organisations (£3m).
- These investments and loans support the delivery of council functions, provide service benefits and have positive social impact.

9. The Net debt has decreased by £68m from £312m to £244m primarily due to;

- Funding of the capital programme financed by Prudential borrowing +£30m as set out in Appendix 1 para 3.
- Net change in Reserves and provisions – (£61m)
- Other changes to working capital and balances (£23m)

Long Term Borrowing – Strategy and outturn

10. The 2020–2025 Treasury Strategy (approved 25th February 2020) identified a net medium term borrowing requirement of £215m to support the existing and future Capital Programme with the debt servicing costs predominately met from revenue savings from capital investment and the economic development fund. The £215m was planned to be borrowed in the following periods, 20/21, £75m, 21/22 - £50m, 22/23 - £35m, 23/24 - £30m and 24/25 - £25m.

11. The Council's Strategy is also to defer borrowing while it has significant levels of liquid treasury investments, £207m at March 2021 (£149m at March 2020). However, the Strategy also considers where the financial environment changes and borrowing is deemed advantageous the Council will seek to borrow over appropriate maturity periods. Deferring borrowing reduces the "net" revenue interest cost of the Authority as well as reducing the Council's exposure to counter party risk for its investments. The Council recognises that utilising investments in lieu of borrowing clearly has a finite duration and that future borrowing will be required to support capital expenditure (see 2020/21 Treasury Management Strategy approved by Council 25th February 2020).

<https://democracy.bristol.gov.uk/documents/s46390/Appendix%20-%20Treasury%20Management%20Strategy.pdf>

12. Borrowing activity in year was in accordance with the Strategy approved at the beginning of the year:

- **Borrowing** – No borrowing was undertaken as the authority maintained higher levels of investments than originally anticipated for a variety of reasons including the advance receipt of grants and the time taken to progress capital schemes where the source of financing is external borrowing.

The authority repaid a £10m loan that matured on 20th April 2021 that had an interest rate of 4.875%.

The Council arranged a short-term credit facility with West of England Combined Authority (WECA) at the start of the financial year because the Council was concerned of the financial risks arising from the pandemic, primarily the loss of local income. This facility added to the existing facilities providing the authority with a pool of resources to draw upon, ensuring the Council maintained adequate levels of liquidity to meet the Council's financial obligations.

However, as Central Government accelerated the receipt of grant funding, these facilities were not called upon.

- **PWLB Rate Change** – As mentioned in previous Treasury Management reports on the 9th October 2019 the Treasury and PWLB announced a 1% increase across all maturities to its new borrowing rates with no prior warning that this would happen.

Following a consultation, on the 25th November 2020 this increase was reversed but a prohibition was introduced denying access to borrowing from the PWLB for any local authority that plans to purchase any asset primarily for yield regardless of how this purchase is funded.

- **Rescheduling** – No debt rescheduling activity was undertaken in 2020/21. As set out in the Treasury Mid-Year report the total life cycle cost of rescheduling loans on a discounted cash-flow basis has been reviewed with no loans providing a positive cash-flow benefit to the authority. This would in part be due to the large early repayment penalties that the authority will incur, circa £270m penalty to repay the £331m of PWLB loans early as at 31st March 2021 (the penalty at 31/03/20 was £362m).

Annual Investment Strategy and Outturn

13. Investment returns which had been low during 2019/20, “plunged” during 2020/21 to near zero or even into negative territory. Most local authority lending managed to avoid negative rates and one feature of the year was the growth of inter local authority lending. The expectation for interest rates within the treasury management strategy for 2020/21 was that Bank Rate would continue at the start of the year at 0.75 % before rising to end 2022/23 at 1.25%. This forecast changed by the Covid-19 pandemic in March 2020 which caused the Monetary Policy Committee to cut Bank Rate in March, first to 0.25% and then to 0.10%, in order to counter the negative impact of the national lockdown to the economy.

The Bank of England and the Government also introduced new programmes of supplying the banking system and the economy with “large” amounts of “cheap” credit so that banks could help “cash-starved” businesses to survive during the lockdown. The Government also supplied huge amounts of finance to local authorities to pass on to businesses. This meant that for most of the year there was much more liquidity in financial markets than there was demand to borrow, with the consequent effect that investment earnings rates falling significantly.

While the Council has taken a cautious approach to investing, it is also fully appreciative of changes to regulatory requirements for financial institutions in terms of additional capital and liquidity that came about in the aftermath of the financial crisis. These requirements have provided a far stronger basis for financial institutions, with annual stress tests by regulators evidencing how institutions are now far more able to cope with extreme stressed market and economic conditions.

Investment balances have been kept to a minimum through the agreed strategy of using reserves and balances to support internal borrowing, rather than borrowing externally from the financial markets. External borrowing would have incurred an additional cost, due to the differential between borrowing and investment rates. Such an approach has also provided benefits in terms of reducing counterparty risk exposure, by having fewer investments placed in the financial markets.

14. Security of capital remained the Council’s main investment objective. This was maintained by following the Council’s policy for assessing institutions to which the council might lend. This policy sets out the approach for choosing investment counterparties, and is based on credit ratings provided by the three main credit rating agencies supplemented by additional market data (such as rating outlooks, credit default swaps, bank share prices etc.).
15. Treasury Investments held by the Council - the Council maintained an average balance of £194m (£168m 2019/20) of internally managed funds. The internally managed funds received an average return of 0.30% (0.85% 2019/20). The comparable performance indicator is the average 7-day LIBID rate, which was negative 0.07% .

Compliance with Treasury Limits and Treasury Related Prudential Indicators

16. The Council can confirm that:

- All treasury related transactions were undertaken by authorised officers and within the limits and parameters approved by the Council;
- All investments were to counterparties on the approved lending list
- The Council operated within the Prudential Indicators within Appendix 1.

Performance Indicators set for 2020/21

17. One of the key requirements in the Code is the formal introduction of performance measurement relating to investments, debt, and capital financing activities. Whilst investment performance criteria have been well developed and universally accepted, debt performance indicators continue to be a more problematic area with the traditional average portfolio rate of interest acting as the main guide. The Council's performance indicators were set out in the Annual Treasury Management Strategy.

18. The following performance indicators have been set:

- Debt / Borrowing – Average rate of borrowing for the year compared to the average available.
No borrowing undertaken during the year
- Investments – Internal returns above the 7 day LIBID rate
Average rate for the year 0.30% vs. annual average 7 day LIBID of negative 0.07%

Consultation and scrutiny input

19. The report has been discussed with the Council's external treasury management advisers and internally with Strategic & Service Directors, and Deputy Mayor – Finance, Governance & Performance.

Risk Assessment

20. The principal risks associated with treasury management are:

Risk	Mitigation
Loss of investments as a result of failure of counterparties	Limiting the types of investment instruments used, setting lending criteria for counterparties, and limiting the extent of exposure to individual counterparties
Increase in the net financing costs of the authority due to borrowing at high rates of interest / lending at low rates of interest	Planning and undertaking borrowing and lending in light of assessments of future interest rate movements, and by undertaking most long term borrowing at fixed rates of interest (to reduce the volatility of capital financing costs)

Public sector equality duties:

21. There are no proposals in this report, which require either a statement as to the relevance of public sector equality duties or an Equalities Impact Assessment.

Environmental checklist / eco impact assessment

22. There are no proposals in this report which have environmental impacts

Legal and Resource Implications

23. Legal- the Council is under a duty to manage its resources prudently and therefore due consideration must always be given to its borrowing and lending strategy. A wide range of local authority financial activities, including borrowing, lending, financial management, and the approval of types of investment vehicle are governed by legislation and various regulations. The Council is obliged to comply with these.

Advice provided by Tim O’Gara (Service Director: Legal and Democratic Services)

Financial**(a) Revenue**

24. The financing costs arising from planned borrowing are provided for in the revenue budget and medium term financial plan.

Advice given by Jon Clayton (Capital and Investment Manager)

(b) Capital

25. There is no direct capital investment implications contained within this report.

Land

26. There are no direct implications for this report.

Personnel

27. There are no direct implications for this report.

Appendices:

Appendix 1: Treasury Management Annual Report 2020/21

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

Background Papers:

28. Treasury Management Strategy 2020/21

<https://democracy.bristol.gov.uk/documents/s46390/Appendix%20-%20Treasury%20Management%20Strategy.pdf>

**Annual Report on the Treasury Management Service 2020/21 (Incorporating
Outturn Prudential Indicators)**

Introduction

1. This report summarises:
 - The capital activity during the year
 - What resources the Council applied to pay for this activity;
 - The impact of this activity on the Council's underlying indebtedness (the Capital Financing Requirement);
 - The reporting of the required prudential indicators;
 - Overall treasury position identifying how the Council has borrowed in relation to this indebtedness, and the impact on investment balances;
 - A summary of interest rate movements in the year;
 - The detailed debt activity;
 - The detailed investment activity;
 - Local Issues

The Council's Capital Expenditure and Financing 2020/21

2. The Council undertakes capital expenditure to invest in the acquisition and enhancement of long-term assets. These activities may either be:
 - Financed immediately through the application of capital or revenue resources (capital receipts, capital grants, revenue contributions etc.), which has no resultant impact on the Council's borrowing need; or
 - If insufficient financing is available, or a decision is taken not to apply resources, the capital expenditure will give rise to a borrowing need.

3. The actual capital expenditure forms one of the required prudential indicators. The table below shows the actual capital expenditure and how this was financed.

	2019/20 Actual £m	2020/21 Original Budget £m	2020/21 P9 - Final Budget £m	2020/21 Actual £m
Non-HRA capital expenditure	129 ^{*1}	212	157	127 ^{*1}
HRA capital expenditure	49	80	50	39
Total capital expenditure	178	292	207	166
Resourced by:				
Capital receipts	31	55		35
Capital grants	53	98		74
HRA Self Financing	26	35		22
Prudential borrowing	35	85		30
Revenue	21	19		4
Service Concession Contract – Waste Vehicles ^{*1}	12	-		1
Total Resources	178	292		166

*1 – Technical accounting adjustment required for Waste Service Concession Contract in accordance with International Financial Reporting Standards.

The Council's Overall Borrowing Need

4. The Council's underlying need to borrow is called the Capital Financing Requirement (CFR). This figure is a gauge of the Council's debt position. It represents 2020/21 and prior years' net capital expenditure that has not yet been paid for by revenue or other resources.
5. Part of the Council's treasury activities is to address this borrowing need, either through borrowing from external bodies, or utilising temporary cash resources within the Council.
6. Reducing the CFR – Whilst under treasury management arrangements actual debt can be borrowed or repaid at any time within the confines of the annual treasury strategy, the Council is required to make an annual revenue charge to reduce the CFR – effectively a repayment of the Non-Housing Revenue Account (HRA) borrowing need. There is no statutory requirement to reduce the HRA CFR.
7. This statutory revenue charge is called the Minimum Revenue Provision - MRP. The total CFR can also be reduced by:

- the application of additional capital resources (such as unapplied capital receipts); or
- charging more than the statutory revenue charge (MRP) each year through a Voluntary Revenue Provision (VRP).

8. The Council's 2020/21 MRP Policy (as required by CLG Guidance) was approved on the 25th February 2020.

9. The Council's CFR for the year is shown below, and represents a key prudential indicator. Accounting rule changes in previous years has meant that PFI schemes are now included on the balance sheet, which increases the Council's borrowing need, the CFR. No borrowing is actually required against these schemes as a borrowing facility is included in the contract.

CFR	General Fund 31 March 2020 Actual £m	General Fund 31 March 2021 Actual £m	HRA 31 March 2020 Actual £m	HRA 31 March 2021 Actual £m	Total CFR 31 March 2021 Actual £m
Opening balance	602	625	245	245	870
Add unfinanced capital expenditure (as above)	35	30	-	-	30
Less MRP/VRP	(4)	(5)	-	-	(5)
Less application of Capital Resources	(14)	(1)			(1)
PFI, Service Concession and finance lease adjustments	6	(8)	-	-	(8)
Closing balance	625	641	245	245	886

Treasury Position at 31 March 2021

10. Whilst the Council's gauge of its underlying need to borrow is the CFR, Finance can manage the Council's actual borrowing position by either:

- Borrowing to the CFR; or
- Choosing to utilise some temporary internal cash flow funds in lieu of borrowing or
- Borrowing for future increases in the CFR (borrowing in advance of need).

11. The figures in this report are based on the principal amounts borrowed and invested and so may differ from those in the final accounts by items such as accrued interest.

	31 March 2020		31 March 2021	
	Principal £m	Average Rate % ²	Principal £m	Average Rate % ²
Fixed Interest Rate Debt	341	4.74	331	4.63
Variable Interest Rate Debt	-	-	-	-
Market Debt – LOBO ¹	70	4.09	70	4.09
Market Debt	50	4.04	50	4.04
PFI / Service Contracts	141	-	133	-
Total Debt	602	4.56	584	4.48
Debt administered of behalf of Unitary Authorities (Ex Avon Debt)	(41)	-	(39)	-
Revised Debt	561	4.56	545	4.48
Capital Financing Requirement	870		886	
Over/(Under) borrowing	(309)		(341)	
Investment position				
Investments (Fixed & Call)	149	0.85	207	0.30
Net borrowing position (excl leasing arrangements)	312	-	244	-

1 Lender option Borrower option (LOBO) , 2 reflect the average rate for the year taking account of new loans and repayments.

12. The fixed Interest rate debt is apportioned between the General Fund and HRA as set out in the table below.

Fixed Interest Rate Debt	31 March 2020		31 March 2021	
	Principal £m	Average Rate%	Principal £m	Average Rate%
General Fund	216	4.41	211	4.26
HRA	245	4.68	240	4.68
Total	461	4.56	451	4.48

13. The maturity structure of the debt portfolio (excluding accrued interest) was as follows:

	Approved Min Limit%	Approved Max Limit%	31 March 2020		31 March 2021	
			Actual £m	%	Actual £m	%
Under 12 Months	0	20	10	2	-	-
1 to 2 years	0	20	-	-	5	1
2 to 5 years	0	40	10	2	20	4
5 to 10 years	0	40	49	11	34	8
10 years and over	25	100	392	85	392	87
Total			461	100	451	100

14. The Council hold £70m of LOBOS with maturities averaging 40 years. Inherent within these loan instruments are options (averaging an option every 3.5 years) that could give rise to the debt being repaid early. These loans are regularly reviewed with the current and expected structure of interest rates. The risk of the lenders exercising their options is currently low for the short to medium term. Therefore, the maturity of these loans in the above table is based on their maturity date, 10 years and over.
15. The Council will continually review these loans in accordance with economic forecasts and will update the maturity structure of the debt portfolio accordingly and assess the future re-financing risks exposed to the authority and report any changes within future monitoring reports.
16. The authority's borrowing strategy is to delay borrowing and use its existing resources to support the Capital Programme to reduce its exposure to counterparty risk and the net interest cost of the authority. The authority, as planned, did not undertake further borrowing while the authority maintained higher levels of investments than originally anticipated. This was due to a variety of reasons including the receipt of grants in advance and the time taken to progress capital schemes where the source of financing was external borrowing.
17. If it had been felt that there was a significant risk of a much sharper RISE in long and short term rates than expected, perhaps arising from an acceleration in bank rate, an increase in world economic activity or a sudden increase in inflation risks, then further borrowing would have been considered. Most likely, further fixed rate funding would have been drawn whilst interest rates were lower than they were projected to be over the short to medium term.

Prudential Indicators and Compliance Issues

18. Some of the prudential indicators provide either an overview or specific limits on treasury activity. These are shown below:
19. **Gross Borrowing and the CFR** - In order to ensure that borrowing levels are prudent over the medium term and only for a capital purpose, the Council should ensure that its gross external borrowing does not, except in the short term, exceed the total of the capital financing requirement over the medium term. This essentially means that the Council is not borrowing to support revenue expenditure. The table below highlights the Council's gross borrowing position against the CFR. The Council has complied with this prudential indicator.

	31 March 2020 Actual £m	31 March 2021 Actual £m
Gross borrowing position	461	451
CFR (excluding PFI)	729	753

20. **The Authorised Limit** - The Authorised Limit is the "Affordable Borrowing Limit" required by Section 3 of the Local Government Act 2003. Once agreed the authorised limit cannot be

breached. The Council does not have the power to borrow above this level. The table below demonstrates that during 2020/21 the Council has maintained gross borrowing within its Authorised Limit.

21. **The Operational Boundary** – The Operational Boundary is the expected borrowing position of the Council during the year. Periods where the actual position is either below or over the Boundary is acceptable subject to the Authorised Limit not being breached.
22. **Actual financing costs as a proportion of net revenue stream** - This indicator identifies the cost of capital (borrowing and other long term obligation costs net of investment income) against the net revenue stream.

	2020/21 £m
Authorised Limit	970
Operational Boundary	664
Average gross borrowing position (including PFI)	593
Financing costs as a proportion of net revenue stream:	
General Fund	6.88%
HRA	8.81%

Borrowing Rates in 2020/21

23. Gilt yields fell sharply from the start of 2020 and then rose in March caused by the pandemic. This was quickly countered by central banks flooding the markets with liquidity. While US treasury yields do exert influence on UK gilt yields so that the two often move in tandem, they have diverged during the first three quarters of 2020/21 but then converged in the final quarter. Expectations of economic recovery started earlier in the US than the UK but once the UK vaccination programme started making progress in the new year of 2021, gilt yields and PWLB rates started rising as confidence in economic recovery rebounded.

At the close of the day on 31 March 2021, all gilt yields from 1 to 5 years were between 0.19 – 0.58% while the 10-year and 25-year yields were at 1.11% and 1.59%.

24. HM Treasury imposed two changes of margins over gilt yields for PWLB rates in 2019/20 without any prior warning. The first took place on 9th October 2019, adding an additional 1% margin over gilts to all PWLB period rates. That increase was then, at least partially, reversed for some forms of borrowing on 11th March 2020, but not for mainstream non-HRA capital schemes.

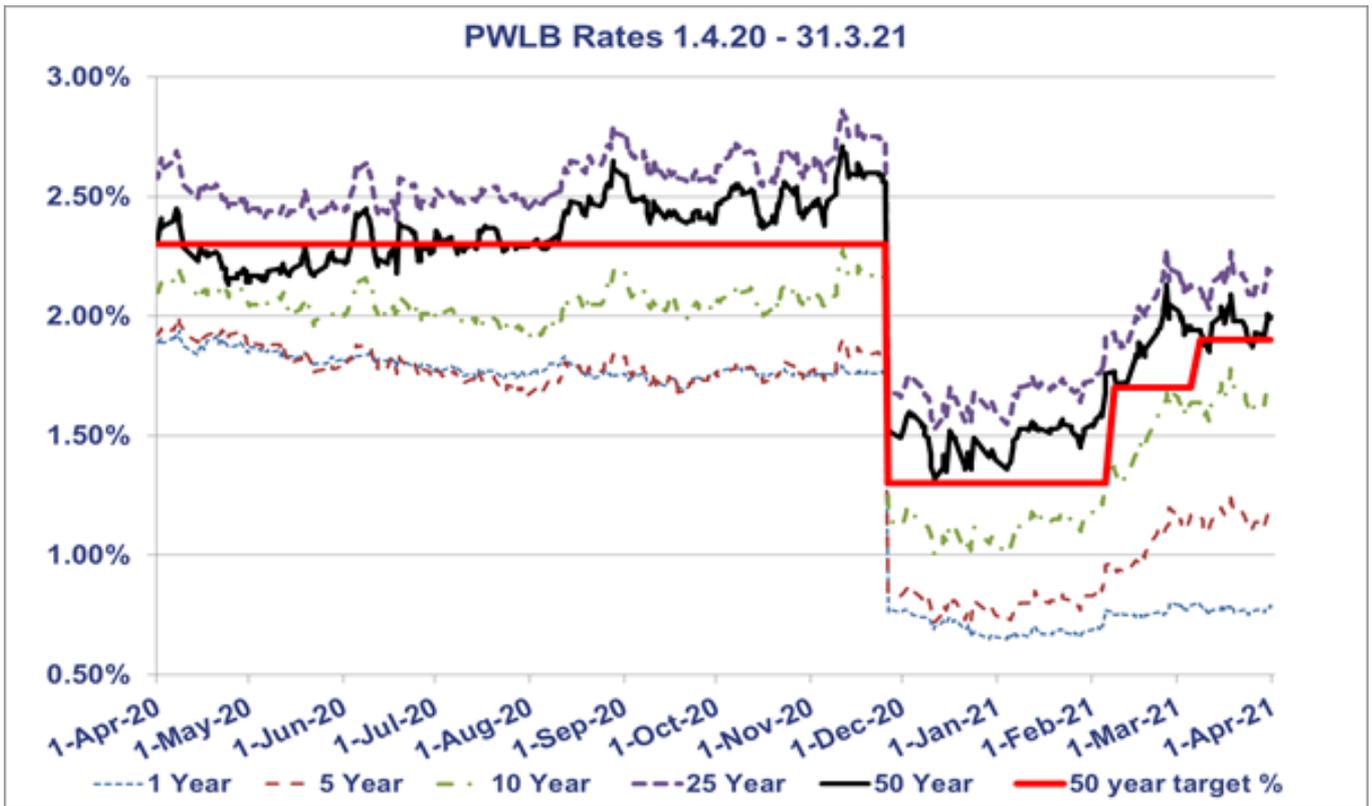
A consultation was then held with local authorities and on 25th November 2020, the Chancellor announced the conclusion to the review of margins over gilt yields for PWLB rates; with the previous additional 1% margin being reversed but a prohibition was introduced to deny access to borrowing from the PWLB for any local authority that plan to purchase assets primarily for yield within a local authority's three-year capital programme.

The new margin over gilt yields for local authority borrowing is the is a gilt plus 80 basis points.

There is likely to be only a marginal rise in gilt yields and PWLB rates over the next three years

as Bank Rate is not forecast to rise from 0.10% until circa March 2024 as the Bank of England has clearly stated that it will not raise rates until inflation is sustainably above its target of 2%.

The impact on PWLB rates is highlighted in the graph below.



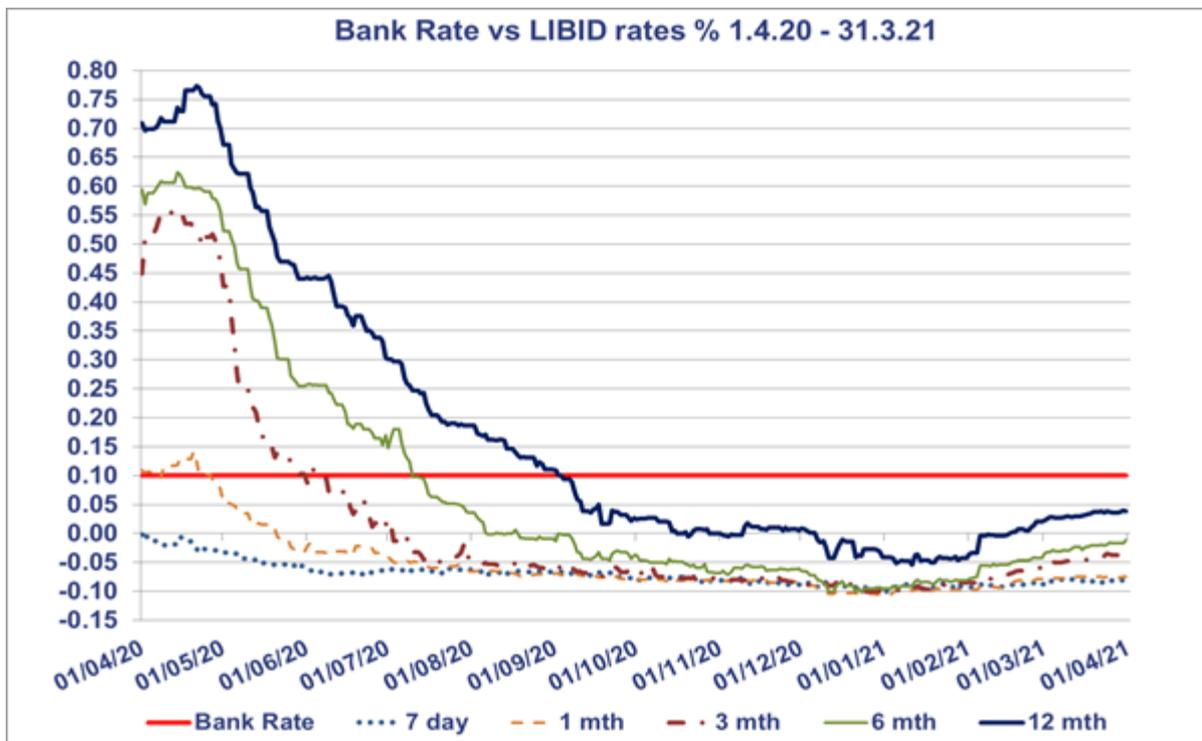
25. **Summary of Debt Transactions** – The authority repaid a £10m loan that matured on 20th April 2021 that had an interest rate of 4.875%.

26. The average rate of interest for the debt portfolio is 4.48%.

Investment Rates in 2020/21

27. Investment returns which had been low during 2019/20, plunged at the start of the financial year to near zero and even into negative territory caused by the Covid-19 pandemic. Bank Rate was reduced to 0.10% in March 2020 with the expectation that Bank Rate will remain at this level for the foreseeable future until circa March 2024 when an increase in bank is forecast.

The impact on investment rates is highlighted in the graph below.



28. The Council’s investment policy is governed by CLG guidance, which has been implemented in the annual investment strategy approved by the Council on 25th February 2020. This policy sets out the approach for choosing investment counterparties, and is based on credit ratings provided by the three main credit rating agencies supplemented by additional market data (such as rating outlooks, credit default swaps, bank share prices etc.).

The investment activity during the year conformed to the approved strategy, and the Council had no liquidity difficulties.

Local Issues

29. **Ethical Investment Policy-** The “Ethical Investment Policy” was approved by Cabinet on 15th December 2011 (updated February 2015). There are no breaches to report.

Regulatory Framework, Risk and Performance

30. The Council’s treasury management activities are regulated by a variety of professional codes and statutes and guidance:

- The Local Government Act 2003 (the Act), which provides the powers to borrow and invest as well as providing controls and limits on this activity;
- The Act permits the Secretary of State to set limits either on the Council or nationally on all local authorities restricting the amount of borrowing which may be undertaken

(although no restrictions have been made);

- Statutory Instrument (SI) 3146 2003, as amended, develops the controls and powers within the Act;
- The SI requires the Council to undertake any borrowing activity with regard to the CIPFA Prudential Code for Capital Finance in Local Authorities;
- The SI also requires the Council to operate the overall treasury function with regard to the CIPFA Code of Practice for Treasury Management in the Public Services;
- Under the Act the CLG has issued Investment Guidance to structure and regulate the Council's investment activities.
- Under section 238(2) of the Local Government and Public Involvement in Health Act 2007 the Secretary of State has taken powers to issue guidance on accounting practices. Guidance on Minimum Revenue Provision was issued under this section on 8th November 2007.

31. The Council has complied with all of the above relevant statutory and regulatory requirements which require the Council to identify and, where possible, quantify the levels of risk associated with its treasury management activities. In particular its adoption and implementation of both the Prudential Code and the Code of Practice for Treasury Management means both that its capital expenditure is prudent, affordable and sustainable, and its treasury practices demonstrate a low risk approach.

32. The Council has ensured that the principles of security, liquidity and yield have been adhered to within the treasury operation. This implies that the safeguarding of the principal investment with a suitable counterparty remains the Council's highest priority followed by liquidity (i.e. ease of access to the principal amount deposited) and yield (i.e. return) on investment.

Audit Committee

27th September 2021



Report of: Director of Finance

Title: Process for Appointment of External Auditor

Ward: Citywide

Officer Presenting Report: Director of Finance

Recommendation

The Committee is asked to recommend to Full Council one of the options for appointing an external auditor for 2023/24 and going forward. The recommended option is to 'opt in' to the PSAA 'sector led option'.

Summary

This report details the need to procure external audit services for accounting period 2023/24 and beyond. The appointment process is governed by the Local Audit and Accountability Act 2014 and the options for appointing are provided in this report.

The significant issues in the report are:

The decision on the appointment of an external auditor is reserved for Full Council. External Auditors will need to be appointed for the accounting period 2023/24 by 31st December 2022.

There are three routes to appointment of the external auditor:

- the Council could undertake its own individual procurement process
- the Council could undertake a joint procurement process with other local authorities.
- the council could opt into a sector led arrangement provided by Public Sector Audit Appointments (PSAA) Ltd. The decision to take this route requires Full Council approval and the council would need to opt in by 11th March 2022.

For individual or joint procurement processes an independent Auditor Panel would be required to be set up in line with legislative requirements.

Policy

1. Audit Committee Terms of Reference require them to consider all matters relating to External Audit.
2. The Local Audit and Accountability Act 2014 requires appointment of an external auditor and governs the procedure for appointment including the requirement to consult and take account of the advice of its Auditor Panel on the selection and appointment of the auditor.
3. The Local Audit (appointing Person) Regulations 2015 enables a Sector Led Body to become the appointing person.

Consultation

4. **Internal**
Finance staff. Procurement staff. Audit Committee.
5. **External**
Not applicable

Context

- 6.1 The Council's current provider of external audit services is Grant Thornton who were appointed following the Council's decision to opt into a sector led procurement via Public Sector Audit Appointments (PSAA) Limited. This contract runs for the audit of accounts for financial years 2018/19 to 2022/23. During Autumn 2021, the Council needs to make the decision on how it will appoint external auditors for accounting periods 2023/24 onwards. External Auditors will need to be appointed for accounting period 2023/24 by 31st December 2022.
- 6.2 The options for appointing local auditors are a) to undertake an individual procurement and appointment exercise, b) to undertake a joint procurement and appointing exercise with other Local Authorities and c) join a sector led body arrangement as the Council did in 2018. In respect of that last option, the Council will need to 'opt in' to the sector led body arrangement by 11th March 2022 having firstly obtained Full Council approval to do so. (A requirement of the Local Audit (Appointing Person) Regulations 2015).
- 6.3 The scope of external audit work is specified nationally by the National Audit Office in their Code of Audit Practice. Not all firms are eligible to compete for the work as they need to be registered with a Registered Supervising Body approved by the Financial Reporting Council. It is unlikely that small local firms will meet the eligibility criteria to undertake the work. Given the complexity of Local Authority audit work, it is envisaged that contracts would be awarded for a minimum of 4 to 5 years.
- 6.4 For options a) and b), the Council would undertake the procurement exercise either itself (a) or with its chosen partners (b) using an Auditor Panel. This will need to be done in accordance with guidance issued by the Chartered Institute of Public Finance and Accountancy (CIPFA). The membership of the Audit Panel must be wholly or have a majority of independent members. Independent members for this purpose are independent appointees; this excludes

current and former elected members (or officers) and their close families and friends. Therefore, elected members would not have a majority input to the selection and appointment process. Independent members of the Audit Committee may be eligible but this would need to be confirmed. If the Council decided to join with other authorities to establish a joint Auditor Panel, this would again need to be constituted of wholly or a majority of independent members with legal advice needed on the exact constitution, depending on the Councils involved.

Option A: Undertaking an individual auditor procurement and appointment

6.5 Advantages of this route include having local input to the decision as panel members could be appointed locally. However, recruitment and servicing of the required Audit Panel, running the bidding exercise and negotiating the contract would be time consuming and costly to the Council. In addition, the Council would not be able to take advantage of reduced audit fees and economies of scale that may be available through joint or national procurement contracts. The council would also be procuring in what is a very challenging market currently.

Option B: Undertaking a joint audit procurement and appointing exercise with other Local Authorities

6.6 The Local Audit and Accountability Act 2014 enables the Council to join other local authorities in setting up an Auditor Panel. Advantages of this approach include sharing the cost of setting up the panel, running the procurement process and negotiating contracts across a number of authorities. It may also bring opportunity for negotiating economies of scale from a combined contract value.

6.7 Disadvantages of this approach might include frustrations in the choice of auditor available. Accountancy and Audit firms often complete non audit work for Local Authorities (eg consultancy/ advisory work) which may limit firms who are appointable by a joint process due to independence issues. Should the firm selected be conflicted with Bristol Council in any way, the council would then need to make a separate appointment.

6.8 The availability of this option to the Council will also depend on the extent to which the other Local Authorities prefer to use either option a or c in preference to this.

Option C: Opt in to the Sector Led Arrangement operated by Public Sector Audit and Appointments Ltd (PSAA Ltd)

6.9 In July 2016, the Secretary of State for Housing Communities and Local Government specified PSAA Ltd as an appointing person for principal local government and police bodies for audits from 2018/19, under the provisions of the Local Audit and Accountability Act 2014 and the Local Audit (Appointing Person) Regulations 2015. PSAA Ltd has a responsibility for:

- appointing auditors to all relevant authorities;
- setting scales of fees, and charging fees, for the audit of accounts of relevant authorities and consulting with relevant parties in relation to those scales of fees;
- ensuring effective management of contracts with audit firms for the delivery of consistent, quality and effective audit services to relevant authorities;
- ensuring that public money continues to be properly accounted for and protected;

- being financially responsible having regard to the efficiency of operating costs and transparently safeguarding fees charged to audited bodies; and
- leading its people as a good employer, ensuring that it continues to be fit-for-purpose; motivating and supporting its staff; and communicating with them in an open, honest and timely way.

- 6.10 The PSAA will appoint the external auditors for all opted in bodies for a period of 5 years with an option to extend to for a further two years by mutual agreement.
- 6.11 Advantages of this approach include a fully independent approach to appointment of the external auditors and saving time and resources by avoiding the need for setting up independent audit panels and undertaking procurement processes. The costs of a procurement and appointing exercise would be shared across participating councils. A national exercise offering large contract values may also encourage participating firms to offer more realistic prices in what is currently a challenging market. Independence issues would be managed by PSAA Ltd who would have a number of contracted firms to call on.
- 6.12 The main disadvantage to this approach is the inability to influence the appointment and the procurement negotiations to reflect Council’s approach to procurement. To remain viable and place itself well in terms of negotiating position, PSAA Ltd will need to secure opt in from a good number of Councils. A consultation by PSAA Ltd asked for an indication of whether Councils would opt into the scheme. 57% of eligible bodies answered ‘Yes’ with a further 34% answering ‘Maybe’ which suggests this not an issue.
- 6.13 PSAA Ltd have undertaken a consultation of authorities who opted into the first appointment period arrangements (covering the audit of accounting periods 2018/19 – 2022/23) to learn and enhance arrangement going forward. Their findings are published and include a commitment to further enhance arrangements related to monitoring quality of service, delays in audits and auditors staffing issues, contract management and value for money in fee setting.

Timescale:

- 6.14 The Council has until end of December in the year before the accounting period to be audited commences and as such has until the end of December 2022 to appoint the External Auditor. If procuring ourselves, sufficient time would be required to set up the required Audit Panel and run the procurement process in sufficient time to achieve that time frame.
- 6.15 The invitation to opt into the PSAA national appointment process (option c) is due to be received in September 2021 and must be accepted by 11th March 2022 if the Council wishes to take this route. The PSAA have advised an expected timetable as follows for appointment process:
- September 2021 – Councils will receive their invitation to opt into the Sector Led arrangement.
 - 11th March 2022 – Deadline for formal ‘Opt in’ from Councils. (therefore Full Council approval to ‘opt in’ will be required before this date)
 - Spring/Summer 2022 – Process for making individual appointments for opted in LA’s will be published

- August 2022 – Procurement of Audit Services will have been completed
- Autumn 2022 – Consultation with opted in LA's on proposed auditor appointments
- 31st December 2022 – Confirmation of appointed auditor received.

Proposal

7. The Audit Committee recommends to Full Council that they approve 'opt in' to the Sector Led arrangement for recruitment of the external auditor on the basis that it is the most efficient way to appoint the external auditor and is likely to achieve the most competitive price.

Other Options Considered

8. Other options considered are detailed in paragraph 3 above along with the advantages and disadvantages of doing so.

Risk Assessment

The Council is required to appoint an external auditor for accounting periods 2023/24 and going forward. If it does not do so the Secretary of State will do so on its behalf. Opting in to the 'sector led' approach is likely to be the most financially favourable in terms of the cost of a procurement exercise and the level of audit fee.

Summary of Equalities Impact of the Proposed Decision

No Equality Impact anticipated from this report.

Legal and Resource Implications

Legal

Not Applicable

Financial

Not Applicable

Land

Not Applicable

Personnel

Not Applicable

Appendices:

None

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

Background Papers:

[PSAA](#)

Audit Committee

27 September 2021



Report of: *Director of Finance*

Title: *An Update on Capital Programme Governance, Delivery and Accounting Improvements*

Ward: *City Wide*

Officer Presenting Report: *Glenn Hammons (Interim Senior Finance Business Partner)*

Contact Telephone Number: *0117 3576255*

Recommendation

The Audit Committee note the progress to date in implementing improvements to capital programme delivery, governance and accounting.

Summary

The Council is committed to delivering the aims of its Corporate Strategy and work with partners to deliver the One City Plan and West England Combined Authority Plan. Capital investment in the region is a key element to achieving the outcomes of these strategies. The Council's capital investment programme totals around £1bn over the 5-year period 2021-2026.

The Council's auditors have identified areas requiring improvement in relation to capital governance, delivery and accounting (this follows the ISA260 2019/20, VFM Audit Finding Report 2019/20 and the Internal Audit team assurance reviews in the past 18 months). This report provides an update to Audit Committee on the progress made to date towards implementing the programme of changes required to the Council's capital programme delivery, governance, and processes, to mitigate potential risks and implement best practice.

Policy

4. None affected by this report. Grant Thornton are the Council's appointed external auditors. In carrying out their audit and inspection duties they must comply with the relevant statutory requirements, namely the Local Audit and Accountability Act 2014.

Consultation

Internal

5. Executive Director: Growth & Regeneration and Director of Finance

External

None

Background and Context

6. The Council is committed to deliver the aims of its Corporate Strategy and work with partners to deliver the One City Plan and West England Combined Authority Plan. Capital investment in Bristol and the surrounding area is a key element to achieving the outcomes of these strategies. The Council's capital investment programme totals in excess of £1bn over the period 2021-2026.
7. The Council's external auditors, Grant Thornton, have identified capital expenditure as an area in their plan of audit work as reported to Audit Committee during 2021. This follows the ISA260 and VFM Audit Finding Report 2019/20 to Audit Committee in January 2021
8. In addition there have been two recent internal audits undertaken on the capital programme:
 - a. Capital Programme Financial Monitoring – Delivery. The audit reported in May 2020 and identified 8 recommendations, of which 7 have been implemented and 1 is in the process of being implemented as part of the improvements to capital governance processes. The audit also identified 6 areas of good practice (see Appendix 2).
 - b. Capital Programme Governance. The audit assessed the adequacy and appropriateness of the governance arrangements and decision making systems that are proposed under the Council's strategic partnership with Arcadis to govern the delivery of capital projects. The internal audit update provided to Audit Committee in July 2021 provided a summary of the outcomes, which included a reasonable assurance opinion being given on the new arrangements that have been developed and are in the process of being rolled out over the projects and programmes. However, limited assurance was provided on the arrangements in place over the Capital Portfolio. A further review is planned in Q4 of the 2021/22 financial year.
9. A further update was requested by the Audit Committee in relation to the improvements being made to the Council's strategic capital governance arrangements. This report builds on the report to Audit Committee in July 2021 referred to in paragraph 6(b) above and provides an update on the progress towards implementing changes to the Council's capital programme delivery, governance, and processes in response to audit recommendations, to mitigate potential risks and to implement best practice.

-
10. The update provides assurance to Audit Committee that action has been and continues to be taken. However, it should be noted that this was anticipated to be a 3-year programme of improvements rather than a one-off review and whilst some of the changes can be implemented with immediate benefits others will take time to embed within the organisation as they require cultural, as well as process, change.
 11. A list of all the actions being taken, a status update and commentary is shown at Appendix 1. Further follow up and new audits will be undertaken over the period of this improvement plan and will result in internal and external Audit reports to the Audit Committee as appropriate.

Not applicable.

Risk Assessment

The content of this report is in response to a risk assessment.

Public Sector Equality Duties

None applicable for this report.

Legal and Resource Implications

Legal

None arising from this report.

Financial

None arising from this report.

Land

Not applicable.

Personnel

Not Applicable.

Appendices:

Appendix 1: Progress Update on Improvements to Capital Programme Delivery, Governance and Processes

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

Background Papers:

Reports from Grant Thornton, the external auditor, to the Audit Committee in January 2021, February 2021 and July 2021.

Update report from Internal Audit to Audit Committee in July 2021.

Progress Update on Improvements to Capital Programme Delivery, Governance and Processes

Recommendation / Area of Risk	Actions and Timeline	Status	Update / Commentary
<p>1. External Audit recommendation in ISA260 Report & VFM Audit Findings Report</p> <p>The council should evaluate and consider how it sets its capital budget to enable it to set more realistic budgets going forward.</p> <p>The Council's growth and regeneration plans should be updated to reflect slippage in capital plans.</p> <p>Reported to Audit Committee: Jan 2021</p>	<p>Strengthen Capital Programme governance</p>	<p>Implemented / On-going</p>	<p>The Council has taken steps to improve governance, such as introduction of governance boards to oversee delivery, make recommendations within delegations and escalate issues as appropriate. These have resulted in more robust monitoring of delivery, transparency of synergies and resource challenges, greater scrutiny of delivery.</p> <p>The Capital Investment Board (CIB) has been established and is attended by Executive Directors, Statutory Officers and key service Directors. It meets monthly and is responsible for managing schemes through the capital programme. CIB is supplemented with member delivery oversight by the Delivery Executive. All formal decisions are made by Cabinet or Council in accordance with the Financial Scheme of Delegation.</p> <p>These processes are now embedded within the organisation and Council's decision pathway and have started to see incremental development and improvements during their operation.</p> <p>An example of this development has been the Delivery Executive call-in process established within 2020/21 to challenge and support project delivery as well as establishing more realistic delivery profiles which take appropriate account of optimism bias. These new governance arrangements will take some time to 'squeeze out' the excess of activity already in the system.</p>

Recommendation / Area of Risk	Actions and Timeline	Status	Update / Commentary
			The embedding and strengthening is seen as a continuous process.
	Update the Council's Capital Strategy	Implemented / On-going	The Council's Capital Strategy was updated in November 2020 when it was approved by Cabinet and Council. This included substantial updates in relation to capital governance and scheme prioritisation. In accordance with best practice updates will be undertaken on an annual basis, with the next update planned for Cabinet in November 2021 and Council in December 2021.
	Implement and embed capital governance improvements to manage schemes through their lifecycle [Implementation target: by March 2022]	In progress	Following enhancements to the Capital Strategy in December 2020 a new capital governance process and methodology is in development and once finalised and approved will be used to manage schemes through their capital lifecycle. The methodology will align to existing project management protocols used within the council. This updated approach will be reflected in the update to the refreshed Capital Strategy due to be approved by Council in December 2021. The approach will then be used to formulate the Capital Programme Budget for 2022-27, to be approved by Council in February 2022, and used to monitor/progress schemes through their lifecycle from April 2022.
	Further develop and embed a prioritisation process /	In progress	Following enhancements to the Capital Strategy in December 2020 an approach and methodology to prioritising initial capital schemes ideas has been

Recommendation / Area of Risk	Actions and Timeline	Status	Update / Commentary
	<p>methodology for capital investment ideas</p> <p>[Implementation target: by March 2022]</p>		<p>developed. Its aim is to prioritise scarce resources and provide assurance that capital investment is targeted at the Council's priority outcomes, is affordable and has sufficient resource/capacity to implement the scheme. This remains work in progress and following endorsement will be used to aid member prioritisation of schemes as part of the budget process for 2022/23. The methodology will align to existing project prioritisation protocols used within the council.</p>
	<p>Appoint a strategic partner for delivering capital projects</p>	<p>Implemented</p>	<p>An external strategic partner (Arcadis) was appointed in February 2021. Arcadis have been working closely with the council to ensure processes and governance are aligned. Arcadis are actively supporting the council on a number of schemes with the capital programme. Arcadis have provided additional capacity, skills and knowledge to projects. Work continues to embed the relationship between the council and Arcadis.</p>
	<p>Improve capital governance, delivery and reporting in Growth & Regeneration Directorate</p>	<p>Implemented / On-going</p>	<p>A Board has been established within Growth and Regeneration and has been meeting monthly. It has been reviewing monthly highlight reports for projects and reviewing progress against plan. In addition a number of improvements have been made and are in the process of being embedded into projects. These improvements which are driven between the council and Arcadis include a strong programme/project management methodology, due diligence, quality assurance, clear definition of responsibilities, regular checks / balances and scrutiny / challenge, digitally</p>

Recommendation / Area of Risk	Actions and Timeline	Status	Update / Commentary
			<p>enabled reporting system and realistic project delivery plans.</p> <p>The internal audit update provided to Audit Committee in July gave a 'Reasonable' assurance rating for the work to date and committed to a further review in Q4 of the 2021/22 financial year. The findings arising from the audit has been formulated into a detailed action plan which has been discussed and agreed by senior managers in Growth & Regeneration.</p>
	<p>Improve capital governance, delivery and reporting in Directorates (except Growth & Regeneration)</p>	<p>In progress</p>	<p>The remaining Directorates of the Council use existing Boards and governance structures to develop, implement and manage their capital project (e.g. Adults Strategy Board, IT Board and Housing Delivery Board). Where a service is of insufficient critical mass to have its own Board the EDM meeting, which is part of the Decision Pathway, is used.</p> <p>The application of the learning from the governance improvements currently being made in the Growth & Regeneration Directorate will need to be applied to the rest of the organisation. be considered by CIB in due course.</p>
	<p>Capital Programme Review Workshop</p>	<p>Complete / On-going</p>	<p>In May 2021 a capital programme review workshop was held. This follows slippage in delivery of capital programme, external audit findings on 2019/20 accounts and internal audit review of capital programme governance. The review of current programme was undertaken to understand progress and delivery of current approved programme as set by Full Council in February 2021. The review identified 9 recommendations which have been incorporated into the governance process improvement work.</p>

Recommendation / Area of Risk	Actions and Timeline	Status	Update / Commentary
External Audit ISA260 2018/19 – Capital Accounting related Recommendations Update			
<p>Management should consider engaging their own experts to value complex investments</p> <p>(eg Port, service investments, etc)</p>	<p>Engage external expertise for valuation of complex investments</p>	<p>Implemented</p>	<p>The council obtained an external expert’s valuation for the 2019/20 Accounts and will consider a cyclical approach to future valuations. Grant Thornton in their 2019/20 ISA260 confirmed this recommendation as implemented.</p>
	<p>Enhancing the process documentation for valuing non property assets and service investments</p>	<p>On-going continuous improvement</p>	<p>A comprehensive document is in the process of being drafted which sets out council’s approach and methodology to valuing these assets. It is anticipated this will be completed by Autumn 2021. It should be noted this document would supplement the valuation working papers which already exist and unpin the entries in the Accounts for 2020/21.</p>
<p>The Council should review the fixed asset register and financial ledger and ensure that these reconcile and should ensure that all asset related transactions are recorded in the fixed asset register appropriately.</p>	<p>Improvements to fixed asset working papers</p>	<p>Implemented</p>	<p>Work has been undertaken as part of the production of 2020/21 Accounts to improve the presentation of fixed asset working papers to make them easier to follow for the complex entries required to meet the requirements of the CIPFA Code on capital accounting.</p> <p>The council has reduced the number of manual entries and prepared a working paper reconciling the register to the Accounts and ledger to provide an enhanced audit trail.</p>
	<p>Implementing a new fixed assets register</p>	<p>On-going continuous improvement</p>	<p>A new dedicated specialist system based fixed asset register is planned to be operational from April 2022 for the audit of the 2021/22 Accounts. Work is currently taking place between Finance and IT to install the system and transfer data from the existing asset register.</p> <p>The current fixed asset register has been used to prepare the 2020/21 Accounts. However, it has been reviewed and simplified to improve reconciliation to the ledger as referred to above.</p>

Recommendation / Area of Risk	Actions and Timeline	Status	Update / Commentary
The Council should ensure that the cost of components used in the calculation of the HRA depreciation charge can be evidenced to supporting documentation and can be seen to be up to date and representative of the cost of replacement	Create a clear audit trail with documented evidence to support the estimate of HRA depreciation	Implemented and on-going	In preparing the 2020/21 Accounts the working papers and supporting evidence has been reviewed and improved to provide a clear audit trail. In addition work has been undertaken to improve the linkages between the preparation of the HRA Budget for 2021/22 and the accounting of componentised costs. This will ensure a smoother process during the closedown process at year end.
The Council should ensure that land and properties and valued in accordance with the requirements of the CIPFA Code, with surplus assets and investment properties valued annually and all other land and buildings held at valuation valued at least every five years or sooner if their carrying valued could be materially different to current value	Ensuring the CIPFA Code requirements are adhered to	Implemented	The requirements of the Code were incorporated in the 2019/20 Accounts. Grant Thornton in their 2019/20 ISA260 confirmed this recommendation as implemented.
	Procuring a multi-year contract for external property valuation support	On-going continuous improvement	A draft specification has been developed by Property. Procurement of the contract will commence in October, with valuers appointed before the end of the 2021. This will provide additional capacity, skills and knowledge to supplement the internal valuation team.
External Audit ISA260 2019/20 – Capital Accounting related Recommendations Update			
The Council undertakes a detailed review of its assets to identify any fully depreciated assets and consider whether the useful lives used were appropriate in order to inform the Council's depreciation of future assets	Undertake a detailed review and produce a clearly documented audit trail of fully depreciated assets	Implemented	The recommendation relates to £6.9m assets fully depreciated related to fleet vehicles. The replacement of these vehicles was delayed due to pause in the project to ensure all new vehicles met the Council's climate emergency pledge and therefore current fleet used beyond the assumed asset life. The replacement is still in progress with delays in delivery of some vehicles delayed until Summer 2021.

Recommendation / Area of Risk	Actions and Timeline	Status	Update / Commentary
			In the production of the 2020/21 Accounts all assets have been reviewed which are fully depreciated but still in use to ascertain whether to extend useful life accordingly.
Management should ensure that valuations are based upon the appropriate supporting data and that this data can be appropriately evidenced and corroborated.	Establish the correct assumptions/build data/floor area for the 10 properties [out of estate of approximately 700 properties] where they were found to be incorrect	Implemented	During the valuation process for the 2020/21 Accounts the council has commissioned new floor plan and obtained required supporting data.
	Improve review and quality assurance processes to ensure correct data is used in valuations	Implemented	The Council has implemented improved quality assurance processes to seek to identify any valuations which do not have sufficient support evidence.
	Digitise property records to improve ability to access data for properties	Implemented and on-going	The Property Service have commenced the process of digitising their manual property records.

Areas of Good Practice identified by Internal Audit in their Capital Programme Financial Monitoring (Delivery) in May 2020

- Staff involved with CIB are actively seeking enhancements to the process of monitoring capital “schemes”
- Experienced and qualified staff
- CIB meets regularly, at least monthly
- All Executive Directors are members of CIB
- Proactive engagement requiring milestones and forecasts to be regularly input by project managers
- Actual spending to date and revised forecasts agreed with ABW (on hard close).

[extract from internal audit report]



Audit Committee

27th September 2021

Report of:	Chief Internal Auditor
Title:	Internal Audit Update Report
Ward:	Citywide
Officer Presenting Report:	Chief Internal Auditor

Recommendation

The Audit Committee notes the Internal Audit Update Report for the period for the period up to 31 August 2021 and receives assurance on actions being taken to address any weaknesses identified through internal audit activities.

Summary

This report seeks to provide the Committee with a high-level update on internal audit activities since the last meeting. The Committee will receive the half year report in November that will provide full details on performance against the approved plan and summary of outcomes from each of the completed reviews.

The significant issues in the report are:

- The Internal Audit Service continues to work flexibly in supporting management in balancing Covid response and recovering with the need to complete assurance activities timely. Given the uncertainty of the current pandemic there is an inherent risk that some reviews may not be completed as planned. However, satisfactory progress is being made in completing planned activities.
- The rolling plan methodology which was agreed by the Audit Committee in 2020/21 enables the approved audit plan to be reviewed regularly. Following a recent review, there are no proposals to amend the 2021/22 internal audit plan at this point.
- The Fraud team continued to support the distribution of government support grants through a programme of pre and post payment fraud checks.
- An assessment of the progress in the implementation of agreed management actions established that only one action that was due for implementation by 6 September 2021 was outstanding.

Policy

1. Audit Committee Terms of Reference

Consultation

2. **Internal**

Corporate Leadership Board including S151 Officer, Cabinet Member for Governance, Resources and Finance.

3. **External**

Not applicable

Context

4. The role of the Internal Audit function is to provide Members and Management with independent assurance that the control, risk, and governance framework in place within the Council is effective and supports the Council in the achievement of its objectives. The work of the Internal Audit team should be targeted towards those areas within the Council that are most at risk of impacting on the Council's ability to achieve its objectives. In addition, the team provide a Counter Fraud Service to the Council to enhance arrangements for the prevention, detection, and investigation of fraud.
5. This report provides an update on internal audit matters. The Committee will receive a comprehensive half year report in November which will provide the Committee and Management with an update on the progress in delivering the approved 2021/22 Audit Plan. This update will cover the period of 1st April to 31st October 2021, building on the information which has been provided to Committee at its previous meetings in this financial year.

Internal Audit Delivery

6. The Internal Audit Service continues to adapt its working practices in delivering its mandate recognising the significant impact of Covid on service delivery and provision. As reported in previous meetings the Covid19 pandemic continues to affect the timely completion of audits although this is improving.
7. Although there is an inherent risk of some planned audits not being completed due to the current operating environment created by the pandemic there is satisfactory progress being made in delivering the annual plan. A key output during this period was the certification of grants and there were no compliance issues noted. The half year internal audit report that will be presented in November will provide a comprehensive update on the completion of the approved 2021/22 Internal Audit Plan detailing the status and assurance opinion for each of the planned reviews.

8. Consistent with the rolling plan methodology, the 2021/22 Internal Audit Plan has been reviewed and there are no changes recommended at this time.
9. During the period under review, Internal Audit faced some resourcing challenges due to sickness absence and failure to recruit a fixed term Group Auditor as planned. The resultant risk on the delivery of the approved is being mitigated by additional support from KPMG, our internal audit strategic partner. In addition to this, we are exploring the recruitment of two Level 7 Internal Audit Professional Apprentices consistent with our audit strategy that was approved by the Audit Committee in November 2020. In an effort to strengthen the control environment, a programme is underway in which we are exploring the development and implementation of continuous auditing and continuous monitoring methodologies.

Implementation of Agreed Management Actions

10. A key activity for Internal Audit is following up and reporting on the implementation of agreed management actions. Over the last year there has been significant improvement in the management of outstanding actions and there is evidence that management are prioritising improvements in this area. Using Pentana Audit, both Management and Internal Audit can timely report on progress. Management is responsible for implementing agreed actions whilst Internal Audit is responsible for regularly reviewing the entries by management and seeking additional evidence if required before closing the actions as completed. There is a target that 90% of agreed actions should be implemented by the due date.

The status of the agreed management actions due as of 6 September 2021 is shown in Table 1 below.

Table 1 – Agreed Management Actions

Action Status	High	Medium	Total
Implemented - Audit Assurance	37	70	107
Implemented - Management Assurance	31	77	108
Partially Implemented	19	40	59
Not yet implemented - overdue	1		1
Grand Total	88	187	275

As reflected in the above table, all agreed management actions except one were either fully or partially implemented. This performance at almost 100% significantly exceeds the 90% target and reflects the impact of the new monitoring and reporting arrangements. The regular reporting of outstanding actions at both Executive Director Meetings and Corporate Leadership Board meetings should be maintained to sustain this good performance. In addition, more work is being undertaken to improve the monitoring process by exploring the options of automating the procedure for reminding actions owners when the actions are due for implementation.

11. Following on from the Fraud Annual Report that was presented to the Committee in June 2021, a half year report will be presented in November 2021. During the period under review, the team continued to focus on post payment fraud checks in addition to prioritising whistleblowing

cases. The work relating to the Bristol Fraud Hub project is progressing well and currently at the Outline Business Case stage. All other counter fraud activities and investigations are progressing well. Whilst the impact of the lifting of restrictions has not yet been felt in terms of actual outcomes it is hoped that outstanding court cases will now be heard resulting in more outcomes from tenancy fraud activities.

Exception Reporting

12. Under the agreed escalation procedure, the summaries of every audit with a no or limited assurance opinion are presented to the Audit Committee for consideration. The Committee may seek additional assurances on the actions being taken to address the issues identified. Consistent with this procedure the summaries relating to the audits listed below are being presented for consideration and the relevant senior responsible officers will be in attendance to answer any questions the Committee may have:
- Risk Management – Appendix 1
 - Housing Rents – Appendix 2
 - Managers Health and Safety Assessments – Appendix 3
 - Cyber Security – Appendix 4

It is recognised that the Council is faced with significant risks arising from the pandemic and Brexit. Internal audit will continue to engage with management regularly to ensure that assurance activities align with the Council's priorities and risks.

Proposal

13. The Audit Committee note the internal audit update.

Other Options Considered

14. Not applicable

Risk Assessment

15. The work of Internal Audit minimises the risk of failures in the Council's internal control, risk management and governance arrangements, reduces fraud and other losses and increases the potential for prevention and detection of such issues. Areas of significant risk are detailed in the report.

Summary of Equalities Impact of the Proposed Decision

No Equality Impact anticipated from this report.

Legal and Resource Implications

Legal

Not Applicable

Financial

Not Applicable

Land

Not Applicable

Personnel

Not Applicable

Appendices:

Appendix 1 – Risk Management Summary Report

Appendix 2 – Housing Rents Summary Report

Appendix 3 – Health and Safety Summary Report

Appendix 4 – Cyber Security Summary Report

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

Background Papers:

Public Sector Internal Audit Standards

Various Audit Files

1. Audit Summary – Risk Management

Background and Context

- 1.1 The Council faces different types of risks including internal, external, strategic, and those arising from major projects. The Accounts and Audit Regulations 2015 require the Council to have in place effective arrangements for the management of risk. Risk management is the culture, process and structures that are directed towards effective management of potential opportunities and threats to the Council achieving its priorities and objectives and is a key element of the Council's governance framework.
- 1.2 Given the importance of effective risk management arrangements to the Council, an audit review of arrangements and the councils progress in developing and embedding them to move further towards risk maturity is completed annually.

Scope and Objectives

- 1.3 The objective of the audit was to review and assess progress in the embedding of risk management processes including following up actions identified in the June 2020 Internal Audit report.

Audit Opinion

- 1.4 Internal Audit have provided a 'Limited Assurance' opinion regarding progress in the embedding of risk management processes and the current adequacy and effectiveness of the Council's risk management system.

Key Messages and Findings:

- 1.5 Over the past 12 months the Risk and Insurance Manager has performed a significant amount of work to build a strong foundation for risk management. This has included updating and publishing policies and procedures, as well as making progress to embed risk management, for example by aligning the Service Planning process to the completion of the quarter three risk registers. From the interviews conducted as part of this review, we noted that individuals had a clear understanding of risk escalation and reporting, which was an improvement on the prior year.
- 1.6 In addition to the above, the Council has adapted its risk management approach and internal governance structures to be able to manage the Council's response to Covid-19, including considering pandemic specific risks across the Council. Despite the challenges associated with the response to Covid-19, the Council has maintained quarterly risk reporting.
- 1.7 The 'limited assurance' opinion rating is driven by a lack of clarity over the current governance of risk management and inconsistencies in the use of the current risk management tools. This inconsistency is primarily driven through the use of spreadsheets and the reliance on manual updates. The Council has recently procured a new IT system, the Pentana System for Risk Management for capturing and reporting risks, which went live in April 2021. Whilst the use of the system could not yet be audited, it has potential, when fully utilised to mitigate risks associated with the current excel spreadsheets and to facilitate dynamic risk management.
- 1.8 Through sample testing of Risk Registers areas of non-compliance with the risk management template were noted including missing details such as responsible officers, timescales and status of actions. This impacts on the ability to appropriately manage and monitor risks identified.
- 1.9 Review of Service Risk Registers identified a significant level of non-compliance with processes which, using the current tools for capturing risk, is difficult to monitor effectively. Interviews with Council directors and managers who hold risk management responsibilities highlighted issues with the tools and processes for

managing service level risk. In particular, the large spreadsheet files used for recording and managing risks are too complex and an administrative burden for staff to complete.

- 1.10 Whilst consideration of risk by Divisional Management Teams takes place, further clarity is required for the content of DMT risk review meetings and arrangements for providing additional service-specific support with risk management are still to be determined.

Management Response

- 1.11 Acknowledging it takes time to fully embed risk management, a number of actions have been agreed by management to further strengthen risk management arrangements. These include:
- Developing proposals for Corporate Leadership Board on governance arrangements that will support embedding risk management, strengthen accountability and also deliver service level support for risk management.
 - Completing the roll out of the new Pentana Risk Management system to enable enhanced reporting, 'nudge' prompts for supporting compliance and targeting decision making in relation to management of risks. The roll out will be accompanied by workshops and eLearning training to reinforce compliance with risk management activity. Targeted support and further training will be informed by a cultural risk review.
 - Performance monitoring to provide assurance on completeness of service risk registers.
 - Enhancing the role of the Risk and Insurance Team in the Service Planning Q & A session including Head of Service sign off.
 - Introduction of a risk review template at Divisional Management Teams.
- 1.12 The annual audit of risk management in 2021/22 will review progress in implementing these improvements and assess their effectiveness in improving management of risk at the Council.

1. Audit Summary – Housing Rents

Background and Context

- 1.1 The Council owns approximately 28,000 domestic properties and collects rents due from tenants of approximately £116m (before benefits) through Housing and Landlord Services (HLS). HLS have experienced changes, both historically and more recently, in its senior management and Covid 19 made service delivery challenging over the last year. In relation to this audit, it has particularly impacted arrears recovery as the Council adapted approaches to support communities during the pandemic.

Scope and Objectives

- 1.2 The objective of this audit was to review whether sufficient procedures and controls are in place to effectively manage and monitor housing rents collection. Additionally, to assess the extent to which matters raised in a previous Internal Audit Report (2019) have been addressed. Specifically, the scope of the review included:
- Assessment of the internal controls within the Civica Housing Management System and the extent to which Civica is being used
 - Review of income collected, methods of collection and reconciliation to rent accounts and the accounting system
 - Review of policy and guidance to staff
- 1.3 The review excluded detailed work on collection of current and former tenants' arrears as arrears recovery approaches have been relaxed due to the Coronavirus pandemic.

Audit Opinion

- 1.4 Internal Audit has provided a '**Limited Assurance**' opinion on the adequacy and effectiveness of processes and systems for raising and collecting Housing Rents.

Key Messages and Findings:

- 1.5 Internal Audit noted the progress to date in developing Tenancy Services; most notably formal approval of a Rent Setting Policy and Rental Income and Arrears Management Policy by HSLT on 23 April 2021 is a significant advance. The rent setting process includes a reconciliation of rentals due year on year to give assurance that correct rents are charged. However, detailed procedure notes had yet to become available and staff were not sufficiently aware of their responsibilities and duties.
- 1.6 Arrears had increased to around £14.5m (from £12.4m in July 2019). Internal Audit recognise that legal restrictions placed on landlords to not have legal recourse to pursue arrears under COVID-19 will have contributed to the increased arrears.
- 1.7 There are significant and increasing credit balance on the accounts of current and former tenants which distort collection figures and were not being actively managed. At the time of the audit current tenant accounts were showing credit balance of £3.2m. Former tenant credit balances of circa £382K were also recorded.
- 1.8 Staff access to the Civica CX system was examined. The set-up of roles and functions to restrict access is very complex and audit staff were not fully able to confirm that access is logically restricted and correctly applied.
- 1.9 Processes for service charges and heat re-charges require review to ensure they are compliant with regulations.

Management Response

1.10 In concluding the audit report, management have agreed the following improvement actions including:

- A review will be completed to ensure future compliance with service charging and heat recharging regulations
- Staff awareness of the rent related policies will be raised and the rent setting process will be finalised and implemented to include clear roles and responsibilities and a procedure for dealing with discrepancies. Management have committed to raise awareness through a series of team meetings, webinars, 1:1 meetings and team news feeds. This will cover income collection procedures.
- The rent review model will be provided to the Housing Systems team to ensure they use the most up to date model. New builds will also be dealt with in a timely way.
- A managed and prioritise approach to tackling the issue of credit balances will be developed.
- A review of Civica system logical access will be completed to simplify were appropriate and ensure access levels are understood and appropriate.

1. Audit Summary – Managers Health and Safety Self-Assessment (Chasm) Process

Background and Context

- 1.1 Health and Safety priorities during 2020/21 have rightly been to support council officers in working differently but safely during the exceptional times brought by the coronavirus pandemic. Providing Covid secure buildings guidance and doing spot checks has been core to the work of the central safety team during this time as well as supporting managers across the council to ensure services were delivered safely and staff safety and wellbeing is considered.
- 1.2 Despite this, and in line with the Council's approach of continual improvement, the governance framework, structure, approach and strategy for Health and Safety has also been reviewed. Proposals were agreed by the Corporate Leadership Board in April 2021. The improvements tackle many of the issues identified during this audit review. It is anticipated that this review will further support improvements already being planned as part of the council's refreshed arrangements.

Scope and Objectives

- 1.3 The Corporate Health and Safety Management System (CHaSMs) is used by services across the Council. It is a self-assessment process for managers to review and report their compliance with health and safety requirements.
- 1.4 The audit reviewed a sample of completed returns to identify issues reported and confirmed actions taken by managers to address those issues. Discussion was also held with a number of staff at all levels to understand how health and safety risks are managed in their areas.

Audit Opinion

- 1.5 The Audit concluded 'limited assurance' regarding the adequacy and effectiveness of the CHaSMs process.

Key Messages and Findings:

- 1.6 Use of the Chasm's tool at 6 monthly intervals was reasonably consistent across two directorates but less so in the third.
- 1.7 This tool is designed to be used as an aide memoire by managers in consideration of their health and safety responsibilities and matters affecting their services. However, managers considered the process was largely 'tick box' with little intervention or escalation if actions required are not completed demonstrating that managers may not fully understand their responsibility to ensure safe working arrangements. The process is unlikely to surface health and safety risks that are not being effectively managed.
- 1.8 Key actions, such as completion of required risk assessments and ensuring teams understand the mitigations have not been consistently completed. Managers highlighted the need for greater support in completion of risk assessment in complex or specialist areas.
- 1.9 Managers have advised a lack of understanding of their role and that of the central safety team. New arrangements will see more clarity over the governance structures and responsibilities for health and safety once rolled out.
- 1.10 Mandatory training had not been consistently undertaken in this area due to unclear understanding of training requirements, unavailability of courses and an inability to track who has had training and when refresher training is due.

Management Response

- 1.11 Wider proposals for enhanced arrangements, when implemented, will strengthen health and safety governance arrangements, integrating them with the Council's main governance structures including oversight and accountability at Corporate Leadership Board and HR Committee. A revised Health and Safety Policy Statement, Organisation and arrangements has been drafted which sets out the principal responsibilities for H&S across the council providing additional clarity in this respect. A formal system of Plan – Do – Check – Act is being introduced to enhance planning, implementation, monitoring and performance review of health and safety matters
- 1.12 Specifically to address the matters raised in this report, improvement actions are as follows:
- Targeted briefings will be delivered to managers to ensure arrangements and accountabilities are understood as well as risk assessment and risk control.
 - Quarterly updates and progress to Executive Director Meetings (EDM) will be provided by the Head of Health and Safety.
 - Completion of a training needs analysis and identification of core, local and specialist training requirements. Use of the new learning hub to track, record and monitor completion of H&S training is also to be researched.
 - A move to annual CHaSM's and action planning of improvements with quarterly reporting to monitor progress. EDM's will be responsible to ensure completion. The Head of Health and Safety will drive the new way of working via EDM attendance and quarterly reporting.
 - Risk profiling for all directorates will be completed by the Corporate Safety Team and the results reported to EDMs and Corporate Safety committee.
 - The Corporate Safety Team will complete targeted auditing to ensure risk assessment are completed effectively.

1. Audit Summary – Cyber Security Review

Background and Context

- 1.1 Cyber risks are on the increase as the threat level has risen as a direct result of Covid-19. The World Health organisation has stated that cyber risks during the pandemic are fivefold what they were in February 2020. Bristol City Council identifies cyber security as one of the high-risk areas in its corporate risk register.
- 1.2 Local authorities hold critical information in the form of residents/customers' personal data, management/ financial information and staff payroll/HR information. Any data breaches will have a direct impact on the reputation of the Council in addition to any financial penalties imposed through legislative or contractual obligations. The Council therefore need to implement the appropriate technical, people and process related controls to be able to identify, mitigate and respond to cyber risks and breaches.

Scope and Objectives

- 1.3 In supporting the Information Governance Board, the objective of this audit was to review the design and implementation of cyber security controls in place across the Council to independently assess cyber maturity. The audit aimed to provide an independent opinion on how effectively the risks associated with cyber security are being managed and ensure processes are in place and operating to a standard that provides assurance in the following areas:
- **Leadership and Governance** – assessing the design and implementation of controls in place regarding the understanding of cyber risks, leadership roles and responsibilities and policy documentation
 - **Risk Management** – assessing the information risk management policies and controls in place to manage information sharing across the business and third parties;
 - **Security Operations and Technical Controls** – assessing the design and implementation of the technical controls in place to minimise cyber threats
 - **Human Factors** – assessing the controls regarding IT security training and awareness, identification and management of specialist skills with regards to security and training needs analysis for security professionals.

Audit Opinion

- 1.4 Overall, Internal audit obtained **limited assurance** that effective internal control and risk management measures were in place.

Key Messages and Findings:

- 1.5 The Council has established an Information Governance Board which has overall responsibility for Cyber Security. Recent investment has been made in tools/systems to enhance the security posture of the Council. Health checks and regular penetration testing are carried out and technical security solutions are installed to help protect networks and newly deployed devices. In 2019, the council started work to implement an Information Security Management System (ISMS) which will, once implemented, provide a framework for information security management system that is aligned to ISO 27001. Areas for improvement were identified as follows:

Leadership and Governance:

- 1.6 An information security or cyber security strategy was not in place to establish the council's short and longer term cyber security aims and plan how these will be achieved. Without such a strategy, the Council may not be able to prioritise proactive investment in cyber security measures required.

- 1.7 A number of information security policies and operational procedures are either not yet finalised or are in place but have not been regularly reviewed. There is no schedule to ensure that policies or operational procedures are reviewed at regular intervals to ensure they are up to date.

Risk Management

- 1.8 Documentation around the risk management framework is in place but is yet to be finalised. There is no defined information security risk appetite, the operational risk register needs refining and a formal process to report regular security updates to the Information Governance Board needs to be established.
- 1.9 Whilst an information asset register is in place, fields are not consistently completed and the roles and responsibilities of information asset owners in managing risks are not clear. In some cases, information asset owners were not recorded leaving accountability for information assets unclear.

Security Operations and Technical Control:

- 1.10 Security operations roles and responsibilities are not clear which could lead to non-completion of routine security tasks.
- 1.11 A large number of applications are managed outside Central IT, as such the IG Team, responsible for information security, does not have visibility over the application.
- 1.12 Some key technical controls and polices require further improvements.
- 1.13 User access management processes require work to ensure the processes are appropriately managed in a timely manner.
- 1.14 Use of encrypted USB drives for transfer of data is not enforced on windows 7 devices. New device rollout is ongoing and hence this risk has been accepted in the short term whilst the roll out is completed.

Human Factor:

- 1.15 All staff are required to undertake mandatory training in relation to information security and completion rates are monitored by the Information Governance Team. A formal training needs analysis has not been completed and would support identification of specific training needs to enhance cyber awareness across the Council.

Management Response

- 1.16 The report has been well received by management who have agreed a number of improvement actions. Implementation is being monitored by the Information Governance Board.
- 1.17 All actions are being addressed, with some already completed (such as policies) and the large majority already underway.
- 1.18 Certain actions are more challenging to address; however, Information Governance colleagues are working closely with IT colleagues to ensure the appropriate actions are carried out.
- 1.19 The majority of actions will be closed out by the end of the calendar year, with a small number rolling into next year.

Audit Committee

27 September 2021



Report of: Director: Legal and Democratic Services

Title: **Senior Information Risk Owner – Assurance Report**

Ward: n/a

Officer Presenting Report: Director: Legal and Democratic Services

Recommendation

That the Committee notes the contents of the Assurance Report from the Council’s Senior Information Risk Owner (SIRO)

Summary

This report provides assurance about the policies and procedures that the Council has in place to manage information risk

The significant issues in the report are:

The Assurance Report in the appendix to this report provides a summary of the roles and responsibilities within the Council for the management of Information Risk and summarises the key risks that the organisation faces. The report goes on to highlight the key actions that have been delivered over the previous 12 months and identifies the planned actions for the next 12 months. It concludes by summarising how the SIRO obtains assurance from the work of the Council to manage Information Risk.



Policy

1. This report relates to the policies and procedures that the Council has in place to manage information risk.

Consultation

2. **Internal**
In preparing this report the Cabinet Member for Finance, Governance and Performance, the Corporate Leadership Board and the Information Governance Board have been consulted.
3. **External**
Not applicable.

Context

4. The Assurance Report in the Appendix to this report provides a summary of the roles and responsibilities within the Council for the management of Information Risk and summarises the key risks that the organisation faces. The report goes on to highlight the key actions that have been delivered over the previous 12 months and identifies the planned actions for the next 12 months. It concludes by summarising how the SIRO obtains assurance from the work of the Council to manage Information Risk.

Proposal

5. The Audit Committee is asked to note the Assurance Report from the Council's Senior Information Risk Owner.

Appendices:

Senior Information Risk Owner – Assurance Report – September 2020

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

Background Papers:

None.

SENIOR INFORMATION RISK OWNER

ASSURANCE REPORT

SEPTEMBER 2021

1. INTRODUCTION

At Bristol City Council the responsibility for good Information Risk management sits with all staff at all levels and the management of Information Risk is carried out in accordance with the Council's Risk Management Framework. The effective management of Information Risk is a key function of any large organisation and the Council's approach to Information Risk management has developed over the last few years. This development began with the creation of an Information Governance Service in January 2019, which brought together professional expertise in Data Protection, Freedom of Information (Fol), Information Management and Information Security into one team. In April 2019, an Information Governance Board was established with cross-Council representation, and a permanent Head of Information Assurance was appointed in September 2019 to lead on the Information Management, Data Protection and Information Security agendas.

Work has continued over the last two years to develop a more robust approach to Information Risk management. This report provides an overview of the key aspects of this work. In particular, the report provides a summary of the roles and responsibilities within the Council for the management of Information Risk and summarises the key risks that the organisation faces. The report goes on to highlight the key actions that have been delivered over the previous 12 months and identifies the planned actions for the next 12 months. It concludes by summarising how the Senior Information Risk Owner ("SIRO") obtains assurance from the work of the Council to manage Information Risk.

This report has been prepared by the SIRO. At Bristol City Council the responsibilities of the SIRO are discharged by the Director of Legal and Democratic Services. This report is being presented to the Audit Committee to provide assurance about the policies and procedures that the Council has in place to manage information risk.

2. ROLES AND RESPONSIBILITIES

Whilst all staff at Bristol City Council are responsible for information risk management within their own service areas and teams, there are certain individuals who have specific responsibilities in respect of information risk management, which can be summarised as follows.

Senior Information Risk Owner – the SIRO is the senior officer with overall responsibility for Information Risk and has responsibility for sponsoring and promoting Information Governance policy within the Council.

Caldicott Guardian – the Caldicott Guardian is a senior person within a health or social care organisation who makes sure that the personal information about those who use its services is used legally, ethically and appropriately, and that confidentiality is maintained. Caldicott Guardians should be able to provide leadership and informed guidance on complex matters involving confidentiality and information sharing.

Head of Information Assurance/Statutory Data Protection Officer – the Head of Information Assurance leads the Information Governance team, and also discharges the role of the Statutory Data Protection Officer. This role is the nominated contact with the Information Commissioner's Office. The Head of Information Assurance is charged with leading and directing the Information Governance activities across the Council and reporting as required to the SIRO.

Information Governance Board (IGB) – the IGB is responsible for ensuring oversight of Information Risk within the Council. It is chaired by the SIRO. Other members of the Board are the Director of Adult Social Care (the Caldicott Guardian) and the Director of Digital Transformation. The Board also has representation from G&R Directorate, Internal Audit and the Statutory Data Protection Officer/Head of Information Assurance.

Information Governance Service – this service is responsible for the development and promotion of Information Governance policies within the Council. The service provides advice and assistance to Information Asset Owners, Lead Custodians and Data Custodians to ensure that local procedures are in place to underpin and implement Information Governance policy within each service area; it leads on BCC’s Information Governance control and risk mitigation, supporting service areas to address the risks pertaining to their own services; it manages data security incidents, ensure any incidents are logged, investigated and recommendations implemented; and manages the Council’s external relationships with the Information Commissioners Office, National Archives, Cabinet Office, CESG, Local Government Ombudsman.

Information Asset Owners – IAOs are BCC’s Directors and are accountable for the information being created, received or obtained by their directorate. They are responsible for ensuring that BCC policies are implemented in the service areas for which they are responsible; for ensuring that their staff are aware of the Information Governance policies that affect them and that they attend or complete training as required; and for fostering a culture of personal responsibility and commitment related to Information Governance matters in their department. This is a key area for further development as noted in section 5 of this report.

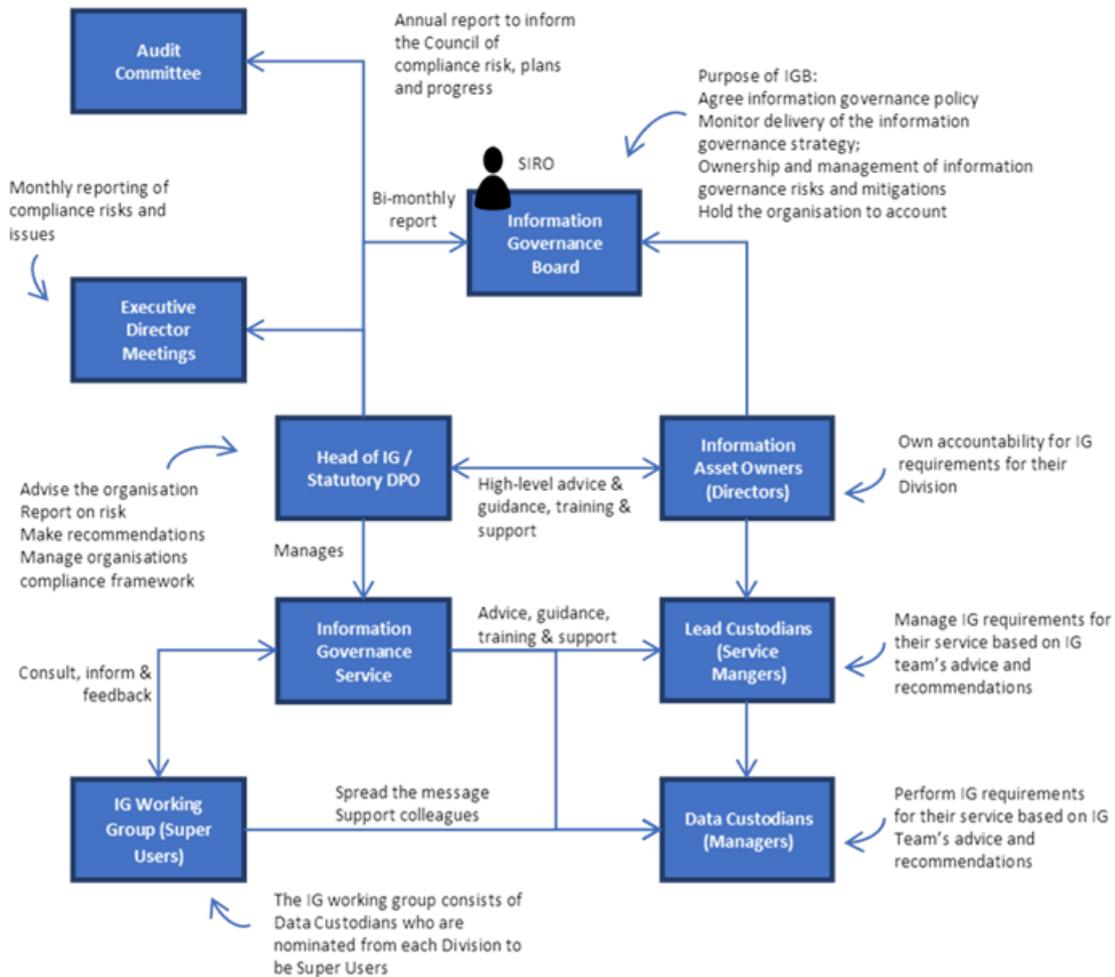
Lead Custodians – Lead Custodians are BCC’s Service Managers and they have responsibility for managing the information being created, received or obtained by their service areas. Their responsibilities are similar to Information Asset Owners within their own service areas.

Data Custodians – Data Custodians are tier 4/5 managers and who have day to day responsibility for the information being created, received or obtained by their service area. There may be one or more Data Custodians in each service area, depending on how the service area is organised.

Super Users – Super Users are Data Custodians and represent and are a point of contact with the other Data Custodians within their directorate. There is one or more Super User(s) from each directorate who attend a regular Information Governance Working Group to share learning and develop a consistent approach to Information Governance within the Council.

All staff – All BCC staff, including temporary and agency workers, have a personal responsibility to handle information in accordance with information governance policy, attend security induction training and continue to attend or complete training as required; and report data security incidents and malpractice.

The diagram below shows how the different responsibilities link together to provide a co-ordinated and robust approach to information risk management.



3. INFORMATION RISK MANAGEMENT

The management of Information Risk is carried out in accordance with the Council's Risk Management Framework. This is an established framework for the management of risk across the Council.

At an operational level the Information Governance Service is responsible for collating and advising on Information Risk management. All identified operational risks are overseen by the Information Governance Team who provide support to the Information Asset Owners in terms of mitigating activities.

Operational risks will be escalated as appropriate to Directorate Risk Registers which will in turn escalate risks to the Corporate Risk Register. The Council has identified a number of information risks which are managed through the Council's Corporate Risk Register. Full details of the Corporate Risk Register entries relating to information risk, including risk scoring and mitigations are reported separately to the Audit Committee and to Cabinet on a quarterly basis.

The Council's Risk Management Framework is also used for the management of Corporate Risks. The Corporate Risk register contains 3 risks relating to information risk: CRR7: Cyber-Security; CRR25: Suitability of Line of Business systems; and CRR29: Information Security Management System, all of which are currently scored as 20 under the Council's Risk Management Framework. The following actions have been taken to manage and mitigate these risks.

CRR7: Cyber Security – Given the ever-changing cyber security landscape and the types of vulnerabilities and threats, this remains a high risk to the Council, as it is to any large organisation. However, a significant amount of work has been carried out to manage this risk. There has been investment in technical controls to reduce the threat to the Council from cyber-attacks and this will need to continue.

CRR25: Suitability of Line of Business systems – The prevalence of legacy systems within the Council is an ongoing risk. A formal review of Line of Business systems has been initiated which will identify gaps which will require remediation.

CRR29: Information Security Management System – It remains a significant risk to the Council to not have in place an effective Information Security Management System. Work has continued to implement an Information Security Management System, including the roll out of updated policies and training for staff.

The effective management of risk requires up-to-date information, professional advice and support and the sign-off of risk at an appropriate level. Most risks are managed and mitigated through dialogue with Service Teams and following advice from the Information Governance Service and the IT Service. However, it is sometimes necessary for risks to be escalated to the SIRO. In particular this will be the case where a risk relates to one of the Corporate Risks and the Service Team is not in a position to mitigate the risk in the short to medium term. Following advice from the Information Governance Service and the IT Service, the SIRO is able to authorise an exception for a period of time to enable further work to be done to identify mitigations and an appropriate timeline for action. In taking any decision to authorise an exception, it is necessary for the SIRO to balance the needs of the business against the identified risk. Exceptions that have been approved by the SIRO are kept under review and will be reported to the Information Governance Board.

4. KEY DELIVERABLES OVER THE LAST 12 MONTHS

The SIRO Assurance report that was presented to the Audit Committee in September 2020 highlighted a number of activities that would be progressed over the following 12 months. The following key deliverables have been achieved during the last 12 months.

- Information Governance Board – established in April 2019, the Information Governance Board continues to meet monthly, to have oversight of the Information Risk management policies and procedures within the Council. It is chaired by the SIRO, with cross-Council representation, including the Caldicott Guardian, Director of Digital Transformation and Statutory Data Protection Officer/Head of Information Assurance. Internal Audit are also represented on this Board to provide critical challenge and assurance. The Information Governance Board is an important assurance mechanism for the SIRO and this Board has carried out a number of important assurance functions over the last 12 months, including

the approval of applications for external certification, approval of the first suite of policies that will form part of the Information Security Management System, review of Internal Audit reports relating to information risks, oversight of corporate risk mitigations and an escalation point for emerging risks and SIRO exception reporting.

- Head of Information Assurance – following the appointment of a permanent Head of Information Assurance in September 2019, the Information Management, Data Protection and Information Security agendas have become embedded in core management structures, for example with regular reporting to Directorate Management meetings. The Customer Relations Team (responsible for complaints, FOIs and DP requests) as well as the Modern Records Team (responsible for archived information management) have also been brought into this service area which will create consistency in the Council’s approach to information management.
- Information Security Management System – work which began in November 2019 has continued to implement an Information Security Management System. This is a series of policies and procedures designed to align with ISO 27001 for the effective and robust management of Information Risk. A significant part of this work has been the collation of all Information Risks within the Council (encompassing Information Security risks as well as Data Protection risks). The Council is then able to apply the risk management framework to identify mitigations for these risks. A number of key policies that are applicable to all staff have been refreshed as part of this work, including Acceptable User, Agile Working, Access Control (both logical and Physical) as well as Training and Development procedures.
- IT Transformation Programme – the Information Governance Service continued to support the ITTP programme to ensure that good information governance is embedded in the IT transformation work. Whilst the ITTP has now concluded, the Information Governance Service will continue to support the next programme of activity under Digital Transformation Governance Board.
- GDPR Phase II Project – The General Data Protection Regulation Phase II project commenced in October 2020 with the approval of an outline business case. The project will focus on enhancing the Council’s policies and procedures relating to data protection to reflect best practice. This will also focus on the need for improved compliance in a number of related areas including completion of privacy impact assessments, data sharing agreements, records of processing activity, strengthening the role of information asset owners and information retention policies.
- Information Management Strategy – Through the Council’s Data Insights Assurance Board (“DIAB”), an information Management Strategy has been developed. This strategy sets out how the Council plans to use its data assets in a legal and ethically compliant manner, whilst also ensuring we use data to improve services, anticipate future demand and undertake data-led decisions. Effective governance will ensure that all data, wherever it is held, is used appropriately and safely.
- External Certification – the Council has continued to maintain the required assurance certifications, such as PSN and NHS Toolkit. The Council has also obtained certification from the Governance and Risk Return (GIRR) for the Police. All these processes for external certification involve submitting evidence to the supervising Government body to show we comply with their requirements. Work has also commenced on Cyber Essentials, a

government certification overseen by the National Cyber Security Centre and regarded as a key indicator of assurance.

- Training – Executive level training has been provided to senior leadership in June 2021 and a business continuity exercise with a focus on IT resilience has been carried out. Mandatory Information Security training and Data Protection training for all BCC continues to be delivered as part of the induction process and annual refresher training is prompted through the online training platform.
- A Caldicott Plan has been drafted setting out the roles and responsibilities of the Caldicott function within BCC. A Caldicott log which details matters of relevance to the processing of health and social care data, is maintained on the Caldicott's behalf by the Information Governance Service to ensure the Caldicott is involved and advised of matters pertaining to the processing of service user confidential data. A quarterly report is produced to the Caldicott detailing significant data sharing initiatives, privacy impact assessments and data breaches.

5. LOOKING AHEAD

Over the course of the next 12 months the following activities will be progressed to strengthen the Council's approach to information risk management.

- An Information Governance Strategy/Framework will be developed as part of the GDPR phase II project.
- The work to embed an Information Security Management System, including the roll out of more policies and training will continue. An assessment of the Council's preparedness to seek ISO27001 accreditation will be planned with a look towards a full roadmap for certification.
- The Information Governance Team will support Data Custodians to progress the remediation activity as identified in their risk mitigation plans. Further remediation work and internal audit activity will support this.
- Management actions relating to cyber security risks arising from recent internal audit work will be carried out. This will include a review of this Corporate Risk.
- The General Data Protection Regulation Phase II project, which commenced in October 2020 will be progressed through to Full Business Case stage. The project has its own governance structure with a Project Board and programme management support. It also provides monthly updates on progress to the Information Governance Board.
- The Council will continue to maintain external certification, e.g., PSN, NHS Toolkit, GIRR. In addition, the Council will be working towards Cyber Essentials assurance, and Cyber Essentials Plus assurance.
- The Common Activities programme will review the service delivery models for Freedom of Information and Data Protection within the Council.
- The information governance agenda will continue to be supported by an Internal Audit Programme of assurance work.
- Digital Transformation Governance Board – A new Governance and Assurance Board has been instigated to give oversight of all activities pertaining to Data & Insights, IT, Digital and Digital Place/Smart Cities. Information Assurance forms part of the governance remit and

provides an effective platform to raise concerns and seek appropriate senior leadership guidance to innovation activities.

- Further Business Continuity exercises relating to a Cyber Security incident will be carried out building on the business continuity exercise that was carried out in the previous 12 months.
- Further embed the role of the Caldicott Guardian within BCC to ensure processing of health and social care data is both lawful and ethical.
- The IT Transformation Programme (ITTP) has given the Council access to several new controls and approaches to help improve GDPR compliance and minimise Cyber threats. Information Assurance colleagues will evaluate and request the implementation controls on an on-going basis, and then monitor the effectiveness of the controls.

6. SIRO ASSURANCE

The purpose of this report is to provide the Audit Committee with assurance that the Council has in place the appropriate policies and procedures to demonstrate good Information Governance. The range of activity undertaken over the last 12 months enables the SIRO to provide assurance to the Audit Committee that a significant amount of work is being carried out within the Council to embed appropriate procedures to manage information risk.

It should be recognised that cyber threats continue to evolve, and the Council will always carry an element of risk regardless of investments in information assurance resources, training and awareness, and/or technical controls. By implementing a robust approach to risk management, creating an effective cross-Council approach to mitigating risks and ensuring that this remains high on the Council's agenda with appropriate investment in technical controls, we minimise our chances of being a victim of cyber threats and increase our chances of minimising losses/disruption, alongside formal review of the Information Commissioners Office.

The assurance framework that informs this report considers the 3 lines of defence:

The first line of defence considers the policies and procedures that are in place, for example, training, 'phishing' exercises and technical controls.

The second line of defence considers the oversight functions that are in place, for example, risk identification and monitoring by the Information Governance Service, oversight from the Statutory Data Protection Officer, reporting and monitoring of data breaches/cyber incidents by EDMs and oversight from the Information Governance Board.

The third line of defence considers the assurances received from Internal Audit reports, external assurances/certifications and learning from data breach/cyber security incidents.

With the three lines of defence in mind, the following actions provide the SIRO with assurance in respect of the management of Information Risk within Bristol City Council.

- Work of Information Governance Board – As highlighted in section 4 above, the work of the Information Governance Board is an important layer of assurance in the management of Information Risk. Over the last 12 months, the Information Governance Board has approved

applications for external certification, approved the first suite of policies that will form part of the Information Security Management System, reviewed Internal Audit reports relating to information risks, maintained oversight of corporate risk mitigations and been an escalation point for emerging risks and SIRO exception reporting.

- Work of Internal Audit – The embedded assurance role of the Internal Audit Service within the work of the Information Governance Board is very effective. It provides a range of support through the Internal Audit work programme and relevant information risk audits are regularly considered by the Information Governance Board. The following Internal Audit reports have been kept under review by the Information Governance Board, for example Data Privacy Impact Assessments, GDPR compliance and Cyber Security.
- Work of Information Governance Team, including escalation of risks to SIRO.
- Roll out of Information Security Management System – intention to achieve ISO 27001 accreditation
- Statutory Data Protection Officer assurance (monthly reporting to EDMs, SIRO exception reporting or escalation, training, risk registers, ICO management/reporting procedures).
- Data and Information Security Breach reports – monthly reports to EDMs (including details of ICO cases) as well as feedback from the ICO in respect of individual cases.
- External assurance – PSN, NHS Toolkit, GIRR accreditations.
- Technical cyber controls – The Council has implemented a number of technical controls to automate the identification and removal of Information Security threats from the Councils software systems, computers and network.
- Training and Awareness continues to educate and empower colleagues to operate in a safe manner and be aware of Cyber risks and threats
- Managed Phishing exercises with follow up awareness.
- Data Protection and Information Security mandatory training.
- Business continuity exercise relating to cyber security.

7. CONCLUSION

The matters raised in this report should provide the Audit Committee with the assurance that the Council's SIRO understands the information risks that it faces and that the Council has in place and/or is developing processes and procedures to effectively manage Information Risk. A number of key deliverables have been progressed over the last 12 months to develop a more robust approach to the effective management of Information Risk. The work planned for the coming 12 months should provide the Audit Committee with additional assurance that there are appropriate plans in place to embed key policies and procedures ensure that systems and processes are fully embedded at all levels within the Council.

Audit Committee

27th September 2021



Report of: Director of Finance

Title: Risk Management Annual Report 2020/21

Ward: Citywide

Officer Presenting Report: Chief Accountant

Recommendation

The Audit Committee note the report and actions taken and plans for 2021/22 to improve the effectiveness of risk management across the organisation.

Summary

This report presents a summary report of risk management activities during 2020/21. It covers the background to the Council's approach to risk management and progress being made against improving the risk management maturity of the organisation.

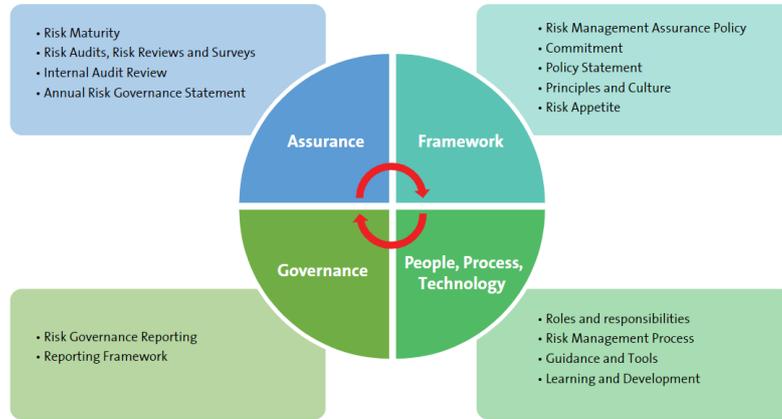
The significant issues in the report are:

The Council's risk management assurance policy was approved in 2018 and sets out the Council's commitment to effective risk management to support delivery the aims of the organisation and in delivery of critical services.

Embedding and improving Risk Management practices across an organisation takes time to implement. The 2020/21 annual internal audit of risk management gave limited assurance of risk management practice across the Council. This report provides detail on actions taken and plans for 2021/22 to improve the effectiveness of risk management across the Council.

1. Policy

1.1. The Council’s risk management assurance policy was approved in 2018 and sets out the Council’s commitment to effective risk management to support delivery the aims of the organisation and in delivery of critical services. The figure below sets out the key aspects of the Risk Management Framework.



2. Consultation

Internal - Deputy Mayor, Cabinet member for Finance, Governance, Property and Culture

External - None

3. Context

- 3.1. Risk management is the planned and systematic identification, analysis, evaluation prioritisation and control of opportunities and risks that challenge the resources, reputation, and objectives of an organisation. It enables the Council to effectively manage strategic decision making, service planning and delivery to safeguard the well-being of its stakeholders and increases the likelihood of achieving its outcomes.
- 3.2. The Accounts and Audit Regulations 2015, specifically requires the Council to have in place effective arrangements for the management of risk. Effective risk management is an essential element of good management and a sound internal control system, and a key contributor to good governance and the Annual Governance Statement (AGS).
- 3.3. The Audit Committee has responsibility for providing independent assurance for Members over the adequacy of the risk management framework and the associated control environment. They have a critical role in establishing the environment that will allow the effective management of risk to flourish.
- 3.4. The Committee is responsible for overseeing the risk management policy, anti-fraud and anti-corruption arrangements, the effective development and operation of risk management in the Council, progress in addressing risk-related issues reported to the committee, and to be satisfied that the Council’s assurance framework properly reflects the risk environment.
- 3.5. This report summarises the risk management activity undertaken during 2020-21 and supports the Audit Committee in discharging its responsibilities.

Risk Management During 2020-21

- 3.6. During the financial year 2020-21 the Council managed 27 threat risks within the corporate risk register. During the year 4 new risks were added to the risk register and 3 were de-escalated to Directorate Risk Registers.
- 3.7. There were also 4 opportunities reported and 3 external and civil contingency threat risks.
- 3.8. Activities during 2020/21 continued to develop the Council’s approach to risk management moving the Council towards managing risk in a planned informed way.
- 3.9. The role of Corporate Risk Management Group is to review the risk information, identify systematic risk and monitor risk. During the year the role of the group was reviewed for effectiveness and a decision taken to consider an alternative more effective mechanism for achieving these objectives and strengthening the arrangements. These responsibilities have been delivered by the Risk and Insurance Team during the year and following agreement of the revised governance the policy will be updated to reflect the new arrangements.
- 3.10. The following activities were undertaken:
- Quarterly reporting on key strategic risks
 - Managed, maintained and communicated Risk Management on the Source and SharePoint and via Internal Manager Bulletins.
 - Risk management guidance and support available to staff and Members
 - Procurement of a new Risk Management Database.
 - Support for covid response.

Risk Management Audit 2020/21

- 3.11. As part of the annual governance review process Internal Audit conduct a review of risk management processes. In the audit conducted in early 2021, internal audit have provided a ‘Limited Assurance’ opinion regarding progress in the embedding of risk management processes and the current adequacy and effectiveness of the Council’s risk management system.
- 3.12. Whilst they noted the good progress that had been made over the past 12 months to build a strong foundation for risk management, it was felt that the current governance of risks management was not clearly understood and inconsistencies were evident in the use of the current risk management tools.
- 3.13. Alternative governance proposals are being developed for the Corporate Leadership Board consideration and will be reported to a subsequent meeting of this Committee. An action plan which considers the progress being made on the residual findings of the 2020/21 audit and seeks to improve the risk maturity of the organisation is detailed below for the committees consideration.

Risk Management Annual Plan 2021-22

- 3.14. The planned activities for the forthcoming year are the continuation of the journey of embedding risk management practices in line with best practice and considering the finding of the internal audit report.

3.15. A key target areas include providing training for managers with responsibilities for managing risk and clear guidance and processes partly through the use of the newly implemented Risk management system.

3.16. During 2020/21, 27 individual risks were managed within the Corporate Risk Register, of which 19 either deteriorated or remained the same during the year and all risks remained above the current set tolerance levels. Work will be undertaken to ensure service planning and risk management are closer aligned to ensure actions are taken to reduce where risks exceed current risk tolerance.

3.17. In addition when reviewing the risk management assurance framework we will review the approach to setting and agreeing risk tolerance.

3.18. Key risk management activities are outlined in the table below.

Area	Action	Deadline
Risk Management Policy and Risk Management Framework Review	Review of risk management framework including setting of risk tolerance	March 2022
Strategic Risk Reporting	Facilitation and support of quarterly strategic risk register review. Review of process to ensure closer alignment with performance information.	On-going quarterly reporting
Annual Risk Management Report	2021/22 Annual Report to Audit Committee	June 2022
Risk Maturity Assessment	Completion of the annual risk maturity assessment	December 2022
Learning and Development	Roll out of e-learning across organisation	September 2022
Service risk register workshops	Service workshops with managers to review key risks areas	June 2022

4. Proposal

- The Audit Committee are requested to receive and note the Risk Management update.
- The Audit Committee review and comment upon the Corporate Risk Report (CRR) as a source of assurance that risk management arrangements are in place.

5. Other Options Considered

n/a

6. Risk Assessment

6.1. The Risk Management Assurance Policy and the CRR will further develop risk management assessment within the City Council, and help the management of risk arrangements embed.

7. Summary of Equalities Impact of the Proposed Decision

7.1. No Equality Impact anticipated from this report.

8. Legal and Resource Implications

Legal

Not Applicable

Financial

Not Applicable

Land

Not Applicable

Personnel

Not Applicable

Appendices:

None

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

Background Papers:

Risk Management Assurance Policy.

Audit Committee

27th September 2021



Report of: Chief Accountant

Title: Corporate Risk Management Report – Q1 2021/22

Ward: Citywide

Officer Presenting Report: Director of Finance

Recommendation

The Audit Committee review and comment the Q1 2021/22 Corporate Risk Report (CRR)

Summary

This report presents the Corporate Risk Report (Appendix A) as at June 2021.

The significant issues in the report are:

The CRR is an important tool in managing risk. It aims to provide an overview of the significant risks facing the council and how they are being managed. The CRR attached to this report at Appendix A and is the latest formal iteration following a review by members of the council's Corporate Leadership Board (CLB). The Q1 2021/22 risk review included managers from across the Council.

1. Policy

- 1.1. The Accounts and Audit Regulations 2015 require the council to have in place effective arrangements for the management of risk. These arrangements are reviewed each year and reported as part of the Annual Governance Statement (AGS). The Council is required to comment on the effectiveness of its arrangements in this regard. The statement must also identify any significant governance issues that may have resulted from failures in governance and risk management.
- 1.2. Risk Management is an integral part of good governance to which the Council is committed. Risk Management provides the framework and processes that enables the Council to manage uncertainty in a systematic way. As part of the Risk Management arrangements the Council reviews the Risk Management Assurance Policy on an annual basis.
- 1.3. It is considered good practice to regularly review and update the Risk Management Assurance Policy to ensure it strengthens the Council's approach to its risk management and assurance arrangements.
- 1.4. Ensuring that the Corporate Risk Report (CRR) is soundly based will help the council to ensure it is anticipating and managing key risks to optimise the achievement of the council's objectives and prioritise actions for managing those risks.
- 1.5. The CRR provides assurance to management and Members that the Bristol City Council's significant risks have been identified and arrangements are in place to manage those risks within the tolerance levels agreed.
- 1.6. The CRR is a management tool and needs regular review to ensure that the occurrence of obstacles or events that may put individual's safety at harm, impact upon service delivery and the council's reputation are minimised, opportunities are maximised and when risks happen, they are managed and communicated to minimise the impact.
- 1.7. The CRR has been prepared and presented in line with the Risk Management Assurance Policy that was approved by Cabinet in January 2019.

2. Consultation

Internal - First to fourth tier managers, Extended Leadership Team, Corporate Leadership Team, Cabinet Member, Finance, Governance and Performance.

External - None

3. Context

Corporate Risk Register (CRR)

- 3.1. The Corporate Risk Report (CRR) is a key document in the council's approach to the management of risk; it captures strategic risks set out in the Corporate Strategy 2018-2023. It also provides a context through which Directorates construct their own high-level risk assessments and is used to inform decision

making about business planning, budget setting, transformation and service delivery.

- 3.2. The CRR provides assurance to management and Members that Bristol City Council’s significant risks have been identified and arrangements are in place to manage those risks within the tolerance levels agreed. It should be noted that ‘risk’ by definition includes both threats and opportunities, which is reflected in the CRR.
- 3.3. The Accounts and Audit Regulations 2015 require the council to have in place effective arrangements for the management of risk. These arrangements are reviewed each year and reported as part of the Annual Governance Statement (AGS). Ensuring that the Service Risk Registers (SRR), Directorate Risk Reports (DRR) and the Corporate Risk Reports (CRR) are soundly based will help the council to ensure it is anticipating and managing key risks to optimise the achievement of the council’s objectives and prioritise actions for managing those risks.
- 3.4. The registers and reports are a management tool. They need regular review to ensure that the occurrence of obstacles or events that may put individual’s safety at harm, impact upon service delivery and the council’s reputation are minimised, opportunities are maximised and when risks happen, they are managed and communicated to minimise the impact.
- 3.5. The CRR summary of risks is attached to this report at Appendix A is the latest position following a review by managers and Directors.

Summary of Corporate Risks:

- 3.6. The CRR sets out the critical, significant and high rated risks both threats and opportunities. All other business risks reside on the Service Risk Registers and reported through the DRRs.
- 3.7. The Q1 21-22 Corporate Risk Report (CRR) as at 30 June 2021 contained:

Threat Risks	Opportunity Risks	External / Contingency Risks
<ul style="list-style-type: none"> • 3 critical • 18 high • 3 medium • 0 new • 1 improving • 4 deteriorating • 0 closed 	<ul style="list-style-type: none"> • 0 significant • 3 high • 0 medium • 0 new • 0 improving • 1 deteriorating • 0 closed 	<ul style="list-style-type: none"> • 1 critical • 1 high • 0 medium • 0 new • 0 improving • 0 deteriorating • 0 closed

3.8. A summary of risks (Threat and Opportunities) for this reporting period are set out below.

3.9. There are three critical threat risks:

- CRR41: Long Term Major Capital projects. The risk rating being 4x7 (28) critical threat risk. This risk is managed on the Growth and Regeneration Service Risk Register.
- CRR32: Failure to deliver enough affordable Homes to meet the City’s needs. The risk rating being 4x7 (28) critical threat risk. This risk is managed on the Growth and Regeneration Service Risk Register.
- CRR9: Safeguarding Vulnerable Children. The risk rating being 4x7 (28) critical threat

risk. This risk is managed on the People Service Risk Register.

3.10. There is one improving threat risks:

3.11. CRR42: Provision of leisure centres. The risk rating being 4x7 (28) critical threat risk. This risk is managed on the People Service Risk Register.

3.12. There are four deteriorating threat risks:

- CRR40 Unplanned Investment in Subsidiary Companies. The risk rating being 3x5 (15) high threat risk. This risk is managed on the Resources Service Risk Register.
- CRR15 In-Year Financial Deficit. The risk rating being 3x5 (15) high threat risk. This risk is managed on the Resources Service Risk Register.
- CRR23 Adult and Social Care (ASC) Transformation Programme. The risk rating being 4x5 (20) high risk threat. This risk is managed on the People Service Risk Register.
- CRR9: Safeguarding Vulnerable Children. The risk rating being 4x7 (28) critical threat risk. This risk is managed on the People Service Risk Register.

3.13. It is proposed the external risk and opportunity relating to Brexit as closed as now reflected within individual risks across the Council’s corporate risk register.

3.14. All risks on the CRR have management actions in place.

3.15. It is not possible to eliminate the potential of failure entirely without significant financial and social costs. The challenge is to make every reasonable effort to mitigate and manage risks effectively, and where failure occurs, to learn and improve.

Risk Management Framework

3.16. Risk management is the culture, process and structures that are directed towards effective management of potential opportunities and threats to the council achieving its priorities and objectives and a key element of the council’s governance framework. The Annual Governance Statement (AGS) declaration highlighted several opportunities to enhance Risk Management. Areas for improvement included:

- Increasing the level of engagement and ownership by Service Managers.
- Enhancing the engagement of Members in the risk management process.
- Engagement with the timeliness, completion, and accuracy of Service Risk Registers.
- Accuracy of Corporate and Directorate Risk Reports.
- Risk Management training and awareness.
- Risk Management within Decision Making, Business Case approvals, Project Management and Procurement Frameworks.
- Maintaining the focus of the process on reducing risk against the council’s Corporate Plan 2018-23.

3.17. The risk management framework and process continues to be developed.

3.18. Upcoming plans for 2021/22 include:

- Risk data migration Q1 2021/21 and roll out of new system
- eLearning will roll out on the new Learning and Development platform which will be

mandatory for key staff.

- Annual Risk Management Maturity Assessment.
- Approach to management of risk reporting to CLB.
- Reviewing and updating the Risk Management Assurance Policy.

4. Proposal

- The Audit Committee are requested to receive and note the Risk Management update.
- The Audit Committee review and comment upon the Corporate Risk Report (CRR) as a source of assurance that risk management arrangements are in place.

5. Other Options Considered

5.1. None necessary. Having robust risk management processes in place is a requirement of the City Council. The CRR has been developed in line with the Risk Management Assurance Policy.

6. Risk Assessment

6.1. The Risk Management Assurance Policy and the CRR will further develop risk management assessment within the City Council, and help the management of risk arrangements embed.

7. Summary of Equalities Impact of the Proposed Decision

No Equality Impact anticipated from this report.

8. Legal and Resource Implications

Legal

Not Applicable

Financial

Not Applicable

Land

Not Applicable

Personnel

Not Applicable

Appendices:

Appendix A - Corporate Risk Report.

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

Background Papers:

Risk Management Assurance Policy.

Corporate risk performance summary for threat risks			Quarter 1 Apr – Jun 20/21		Quarter 2 Jul – Sept 20/21		Quarter 3 Oct – Dec 20/21		Quarter 4 Jan – Apr 20/21		Quarter 1 Apr – Jun 21/22	
Risk ID	Risk	Risk Owner	Rating	Travel	Travel	Travel	Rating	Travel	Rating	Travel	Rating	Travel
CRR41	Long Term Major Capital projects	Executive Director Growth and Regeneration and Executive Director Resources and S151 Officer					4x7=28	New	4x7=28	↔	4x7=28	↔
CRR32	Failure to deliver enough affordable Homes to meet the City's needs	Executive Director Growth and Regeneration Director Development of Place	4x7=28	↓	4x7=28	↔	4x7=28	↔	4x7=28	↔	4x7=28	↔
CRR9	Safeguarding Vulnerable Children	Executive Director People Director Children's and Families Services	2x7=14	↔	3x7=21	↓	4x7=28	↓	3x7=21	↔	4x7=28	↓
CRR13	Financial Framework and MTFP	Chief Executive and Director of Finance (S151 Officer)	4x7=28	↔	3x7=21	↑	3x7=21	↔	3x7=21	↔	3x7=21	↔
CRR35	Organisational Resilience	Director Policy, Strategy & Partnerships	3x7=21	New	3x7=21	↔	3x7=21	↔	3x7=21	↔	3x7=21	↔
CRR10	Safeguarding Adults at Risk with Care and support needs	Executive Director People Director Adult Social Care	2x7=14	↔	3x7=21	↓	3x7=21	↔	3x7=21	↔	3x7=21	↔
CRR29	Information Security Management System	Senior Information Risk Owner (SIRO)	4x5=20	↔	4x5=20	↔	4x5=20	↔	4x5=20	↔	4x5=20	↔
CRR7	Cyber-Security	Chief Executive, Senior Information Risk Owner (SIRO)	4x5=20	↑	4x5=20	↔	4x5=20	↔	4x5=20	↔	4x5=20	↔
CRR25	Suitability of Line of Business Systems (LOB)	Director, Digital Transformation, Senior Information Risk Owner (SIRO) for Cyber Security. Service Areas for BCP/DR	4x5=20	↔	4x5=20	↔	4x5=20	↔	4x5=20	↔	4x5=20	↔
CRR3	Corporate Health, Safety and Wellbeing	Chief Executive and Corporate Leadership Board (CLB) Director of Workforce Change	2x7=14	↔	4x5=20	↓	4x5=20	↔	4x5=20	↔	4x5=20	↔
CRR37	Homelessness	Executive Director Growth and Regeneration Director Housing	4x5=20	New	4x5=20	↔	4x5=20	↔	4x5=20	↔	4x5=20	↔
CRR23	Adult and Social Care (ASC) Transformation programme 2020/21 – 2021	Executive Director People Director Adult Social Care	2x5=10	New	2x5=10	↔	2x5=10	↔	2x5=10	↔	4x5=20	↓
CRR6	Fraud and Corruption	Chief Executive and Director of Finance (S151 Officer)	4x5=20	↔	4x5=20	↔	3x5=15	↔	3x5=15	↔	3x5=15	↔
CRR12	Failure to deliver suitable emergency planning measures, respond to and manage emergency events when they occur	Executive Director Growth and Regeneration Head of Paid Service, Director Management of Place and Civil Protection Manager	2x7=14	↔	3x7=21	↓	4x5=20	↑	3x5=15	↑	3x5=15	↔
CRR5	Business Continuity and Council Resilience	Executive Director Growth and Regeneration Chief Executive	2x7=14	↓	3x7=21	↓	4x5=20	↑	3x5=15	↑	3x5=15	↔
CRR18	Failure to deliver enough homes to meet the City's needs.	Executive Director Growth and Regeneration Director Development of Place	3x5=15	↔	3x5=15	↔	3x5=15	↔	3x5=15	↔	3x5=15	↔
CRR40	Unplanned Investment in Subsidiary Companies	Director of Finance (S151 Officer)					2x7=14	New	2x7=14	↔	3x5=15	↓
CRR15	In-Year Financial Deficit	Director of Finance (S151 Officer)	4x3=12	↔	4x3=12	↔	4x3=12	↔	4x3=12	↔	3x5=15	↓
CRR26	ICT Resilience	Chief Executive, Director Digital Transformation, Service Area Leads	2x7=14	↔	2x7=14	↔	2x7=14	↔	2x7=14	↔	2x7=14	↔
CRR42	Provision of Leisure Centres	Executive Director People Director Public Health							4x7=28	New	2x7=14	↑
CRR39	Adult and Social Care major provider/ supplier failure	Executive Director People Director Children's and Families Services			2x7=14	New	2x7=14	↔	2x7=14	↔	2x7=14	↔
CRR36	SEND	Executive Director People Director Education and Skills	2x5=10	New	2x5=10	↔	2x5=10	↔	2x5=10	↔	2x5=10	↔
CRR27	Capital Transport Programme Delivery	Executive Director Growth and Regeneration Director Economy of Place	4x5=20	↔	3x3=9	↑	3x3=9	↔	3x3=9	↔	3x3=9	↔
CRR34	Corporate Equalities	Director Policy, Strategy & Partnership	2x7=14	New	2x5=10	↑	1x5=5	↑	1x5=5	↔	1x5=5	↔

Corporate risk performance summary for opportunity risks			Quarter 1 Apr – Jun 20/21		Quarter 2 Jul - Sept 20/21		Quarter 3 Oct - Dec 20/21		Quarter 4 Jan - Apr 20/21		Quarter 1 Apr – Jun 21/22	
Risk ID	Risk	risk owner	Rating	Rating	Rating	Travel	Rating	Travel	Rating	Travel	Rating	Travel
OPP2	Corporate Strategy	Director Policy, Strategy and Partnerships	4x7=28	↔	4x7=28	↔	3x7=21	↓	3x7=21	↔	2x7=14	↓
OPP1	One City	Director Policy, Strategy and Partnerships	3x7=21	↔	3x7=21	↔	3x7=21	↔	3x7=21	↔	3x7=21	↔
OPP3	Devolution	Director Policy, Strategy and Partnerships	3x5=15	↔	3x5=15	↔	3x7=21	↑	3x7=21	↔	3x7=21	↔

Corporate risk Performance Summary for external and civil contingency risks			Quarter 1 Apr – Jun 20/21		Quarter 2 Jul - Sept 20/21		Quarter 3 Oct - Dec 20/21		Quarter 4 Jan - Apr 20/21		Quarter 1 Apr – Jun 21/22	
Risk ID	Risk	Risk Owner	Rating	Travel	Rating	Travel	Rating	Travel	Rating	Travel	Rating	Travel
BCCC3	Covid -19	Corporate Leadership Board, Chief Executive	4x7=28	↔	4x7=28	↔	4x7=28	↔	4x7=28	↔	4x7=28	↔
BCCC1	Flooding	Executive Director Growth and Regeneration Director Economy of Place	3x5=15	↔	3x5=15	↔	3x5=15	↔	3x5=15	↔	3x5=15	↔

Appendix A: Bristol City Council – Corporate Risk Report Q1 2021/22

Corporate Risk Register as at June 2021 – Threat Risks to the achievement of Bristol City Councils Objectives.									
Risk title and description	What we have done	Performance	Current Risk Level			Tolerance Risk Level			
			Likelihood	Impact	Risk Rating	Likelihood	Impact	Risk Rating	
<p>CRR4 Corporate Health, Safety and Wellbeing.</p> <p>If the City Council does not meet its wide range of Health & Safety requirements then there could be a risk to the safety of employees, visitors, contractors, citizens, and BCC corporate body.</p> <p>Key potential causes are:</p> <ul style="list-style-type: none"> • If services do not have sufficient staff numbers to carry out work plans in a safe way. • If services are not able to order appropriate equipment required for staff safety. • Lack of appropriate equipment. • Lack of appropriate training. • Lack of oversight and control by local management. • Lack of information on the potential or known risks. • Inadequate contract management arrangements. • Lack of effective processes and systems consistently being applied • Policies are not kept up to date. 	<p>The Corporate Health, Safety and Wellbeing Team provide an integrated service to support all BCC services and monitor performance and compliance. Support Leadership and engagements with all managers, monitor and provide assurance on risk control, develop learning and development to assist with competence and monitor overall performance on HS&W.</p> <p>A new integrated Health, Safety and Wellbeing strategy has been approved by CLB along with new governance arrangements for HS&W.</p> <p>A new Fire Safety Management System has been developed and consulted on with key stakeholders. This includes a revised training programme and revised roles and responsibilities.</p> <p>A Corporate Health and Safety Monitoring System (CHaSMs) is used to provide a level of assurance on compliance across BCC. Each manager responsible for people and/or facilities are required to complete a twice-yearly submission which identifies key hazard and risk control and identify any areas of improvement and/or non-compliance. Data submissions are analysed by the Corporate H&S team and performance reports submitted to EDM's and the Corporate Health and Safety Committee. Each manager is required to develop an action plan to improve performance. The H&S team carry out monitoring and sampling of the completed returns and support managers to develop appropriate action plans.</p> <p>The Accident Incident Reporting Systems (paper based) has been moved across to SHAREPOINT. AIRs are monitored daily, and H&S Advisors follow up any actions, undertake investigations and report any RIDDORs to the HSE.</p> <p>BCC has a comprehensive programme of e-learning and personal face to face course delivery available to all directors, managers, staff, and members. The Corporate Safety Information System is in place to share with staff details of addresses which due to potential violence & aggression or police notification are considered to present risks. Benchmarking and annual reports are provided to BCC along with the annual performance report. All contracts set up with external providers include a check of their relevant Health and Safety competency. The council's audit programme monitors compliance with statutory duty and best practices. We have reviewed the Health and Safety Management arrangements and developed a (project) service development and improvement plan.</p> <p>There is a new Occupational Health, EAP and Physiotherapy provider in place (from 1st April) . The contract management is overseen by the Head of Health Safety and Wellbeing. The new provision provides an offer for Schools.</p> <p>Developed robust risk assessments and control for managing COVID-19 across all of BCC and School.</p> <p>Continue to have good engagement with Trade Unions.</p> <p>Continued to build on the relationships with our Regulators including HSE and Fire Authority. We are working with the HSE on trail blazing work related to managing risk for Electrical Safety in Highways.</p> <p>The plan for updating and revising all health and safety procedures has been drafted.</p> <p>Mental Health First Aiders has now been launched and includes Senior Manager involvement</p>	↔	4	5	20	<p>We have agreed in a new accident incident reporting system. A named officer has been allocated to work alongside the risk management team to pilot and implement the system which is part of the existing Risk Management Claims Reporting System.</p> <p>The new strategy is now being implemented. The strategy sets out the out a 5 Year end goal and the strategic priorities for Health Safety and Wellbeing. (Leadership and Commitment, Risk Control, Communication and Engagement, Training and Competence and Performance Management). A delivery plan supports the implementation.</p> <p>A new operating model and staff structure will be in place by June/July 2021.</p> <p>The H&S team have started to risk profile all the health and safety risks across BCC this will be used to plan and manage our work and make progress and maturity and provide better assurance at a senior level on what our H&S risk are and how well we are managing them. We continue to support the organisation to be COVID-19 secure. All buildings including schools have been given a COVID secure certificate and monitoring continues in this area.</p> <p>The health and wellbeing plan continues to support the workforce organisational strategy and key actions including reasonable adjustments training which is currently being revised with a plan to roll out to all managers during 2021/2022.</p> <p>A document plan has been developed to review all health and safety procedures to ensure they are user friendly and meet legal requirements.</p>	3	5	15
Risk Owner: Chief Executive and Corporate Leadership Board (CLB), Director of Workforce Change.	Action Owner: Director of Workforce Change, Head of Health Safety and Wellbeing.		Portfolio Flag: Finance, Governance and Performance.			Strategy Theme: Our Organisation.			

Appendix A: Bristol City Council – Corporate Risk Report Q1 2021/22

Corporate Risk Register as at June 2021 – Threat Risks to the achievement of Bristol City Councils Objectives.									
Risk title and description	What we have done	Performance	Current Risk Level			What we are doing	Tolerance Risk Level		
			Likelihood	Impact	Risk Rating		Likelihood	Impact	Risk Rating
<p>CRR5: Business Continuity (BC) and Councils Service Resilience. If the council has a Business Continuity disruption and is unable to ensure the resilience of key BCC operations and business activities, then the impact of the event maybe increased with a greater impact on people and council Services.</p> <p>Key potential causes are:</p> <ul style="list-style-type: none"> • Strikes (People, Fuel). • Loss of key staff (communicable diseases and influenza epidemics). • Loss of suppliers. • Loss of accommodation to deliver key services. • Loss of equipment. • Any event which may cause major disruption. • Unavailability of IT and/or Telecoms, including from cyber attack • Loss of staff/staff availability. • Knowledge loss. • Reduced chances of preventing/responding to incidents due to a lack of forward planning or investment. 	<p>A number of Policies, procedures and arrangements are in place including duty rotas for key service areas and the Duty Director rota.</p> <p>The Covid Continuity Group has now been stood down. However, it has been established as a successful model for managing business continuity challenges and is being written into plans to be reconvened when necessary in future.</p> <p>The review of Service Level Business Continuity Plans planned for January 2021 was delayed by the Covid second wave. Although some of this work will be addressed in the project outlined above, a wider review needs to be re-scheduled.</p> <p>Business Continuity Awareness Week took place between 17th and 21st May and we are working with Internal Communications to ensure messages to managers encourage review of continuity arrangements.</p> <p>CPU continue to lead exercises to support service response and continuity (e.g. election resilience).</p> <p>We continue to work closely with partners through the LRF to understand Covid, EU Exit Risks and other risks and the impact they may have on continuity.</p>	↔	3	5	15	Due to risk due to cyber security and the ability of critical services to manage continuity in the event of a loss of IT services, a project is being developed across CPU, IT and Information Assurance to: review and finalise the list of critical services and the IT they depend on; increase services understanding of the resilience they can expect from IT; ensure that BC plans align with disaster recovery schedules; improve the quality of the BC arrangements services have in place to manage IT outages; place the review and maintenance of service BC plans on a 'corporate governance programme'.	1	5	5
<p>Risk Owner: Executive Director Growth and Regeneration Chief Executive, Director Management of Place.</p>	<p>Action Owner: Director Management of Place and Civil Protection Manager.</p>	<p>Portfolio Flag: Finance, Governance and Performance.</p>	<p>Strategy Theme: Our Organisation, Wellbeing.</p>						

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<p>CRR6: Fraud and Corruption. Failure to prevent or detect acts of significant fraud or corruption against the council from either internal or external sources. Key potential causes are:</p> <ul style="list-style-type: none"> • Heightened levels of fraud, including cyber fraud, as criminals attempt to exploit the COVID-19 pandemic and emergency payment environment. • Failure of management to implement a sound system of internal control and/or to demonstrate commitment to it at all times. • Not keeping up to date with developments, in new areas of fraud. • Insufficient risk assessment of new emerging fraud issues. • Lack of clear management control of responsibility, authorities and / or delegation. • Lack of resources to undertake the depth of work required to minimise the risks of fraud /avoidance with staff in key areas redeployed to support the emergency response. • Under investment in fraud prevention, detection and technology. 	<ul style="list-style-type: none"> • The Council's exposure to fraud remains so we continued to use analytic tools and additional resources to perform both prepayment and post payment assurance checks. • We continued to work across the region in undertaking prepayment checks on government grants to minimise fraud losses in the region. • An audit on Cyber Security was completed and the actions arising from this review enhance our fraud and cyber controls. • We continued to participate in anti-fraud exercises including the National Fraud Initiative and have now obtained approval to join the Cabinet Office Fraud Hub to enable more frequent and regular matching of the data • A project team which is exploring viable options for a longer-term solution for a fraud hub was set up and the Project Board chaired by the Section 151 Officer started meeting in June • An independent review of our Whistleblowing arrangements gave substantial assurance on the adequacy and effectiveness of arrangements 	↔	3	5	15	<p>We will continue to undertake post-payment checking against Covid grants to identify and investigate potential fraudulent claims. Output from the National Fraud Initiative data matching exercise will be reviewed including new reports relating to Covid grants. Work continues to improve the Whistleblowing process and awareness of it, including implementation of recommendations from the independent review.</p> <p>The Cabinet Office Fraud Hub will be implemented as a short-term solution to enable more frequent and regular matching of the data. Focus will be on the Bristol Fraud Hub Project with the target of completing soft market testing and finalisation of an Outline Business Case by end of Quarter 2.</p>	3	5	15
Risk Owner: Chief Executive and Director of Finance (S151 Officer).	Action Owner: Director of Finance, Chief Internal Auditor.	Portfolio Flag: Finance, Governance and Performance.			Strategy Theme: Our Organisation.				

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<p>CRR7: Cyber-Security. The Council's risk level regarding Cyber-security is higher than should be expected.</p> <p>Key potential causes are:</p> <ul style="list-style-type: none"> Lack of investment in appropriate technologies. Reliance on in-house expertise, and self-assessments (PSN). Lack of formal approach to risk management (ISO27001). 	<p>An Information Governance Board has been established to provide oversight of information security and an escalation point to the Council's SIRO.</p> <p>The Council is using a SIRO checklist to capture and escalate cyber security risks. IG team now have an operational level risk register that is being used to track local operational risks further aligning ourselves with best practice.</p> <p>COVID-19 has brought new challenges to Information Governance including new systems and ways of working being rolled out. The team are working closely with relevant services such as ICT to ensure that Information Governance is considered in these changes. IG team now have an operational level risk register that is being used to track local operational risks further aligning ourselves with best practice.</p> <p>The IT Transformation Programme currently has plans to implement technology platforms to move the Council from file storage to document storage platforms, increase team collaboration without use of email, implement file retention policies, introduce document marking and rights management, implement data classification and improve federated search across structured and unstructured data stores.</p> <p>As well as technical controls, the Council continues to carry out regular Phishing attack exercises where we are sending emails to staff to see how users react to this type of Cyber Attack. Anyone clicking on links is directed towards targeted training. The Information Assurance and ICT team will continue to work together to support the SIRO to develop appropriate targeted training for all Council staff relating to cyber security. The IG Team are continuing to work with ICT and Microsoft on the ITTP programme to ensure that this is done in line with industry best practice and recognised standards.</p> <p>Resources have been appointed to facilitate the improvements required as per the agreed budget. These will also be needed to support capital projects. New ITTP Tooling is being configured and refined to provide a clear picture of the threat to BCC infrastructure.</p>	↔	4	5	20	1	5	5
Risk Owner: Chief Executive, Senior Information Risk Owner (SIRO).	Action Owner: Head of Information Assurance, Information Governance.	Portfolio Flag: Finance, Governance and Performance.	Strategy Theme: Our Organisation.					

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<p>CRR9: Safeguarding Vulnerable Children. The council fails to ensure that adequate safeguarding measures are in place, resulting in harm or death to a vulnerable child.</p> <p>Key potential causes are:</p> <ul style="list-style-type: none"> Failure to meet the requirements of the Children Act and associated legislation. Inadequate controls result in harm. Demand for services exceeds its capacity and capability. Increase in complex safeguarding risks, criminal exploitation, serious youth violence and gang affiliation. During Covid-19, in line with Govt guidelines tiers, lockdown and infection control, there has been a reduction in the frequency of face-to-face visits to families. Since the last easing of restrictions on 12 April face to face visiting is now expected unless exceptional circumstances that are signed off by a Tier 3 manager. Risk assessments are required to assess whether a face-to-face visit is possible within the guidelines. Placement failure due to COVID infection across children’s home or fostering household. An increase in demand of up to 5% is anticipated because of Covid and economic downturn, with some children more vulnerable to exploitation and abuse as a result of lost safe, stable, and nurturing relationships. Increased destitution in families, impacting on mental ill health, managing increased infection within children and young people population and their parents. 	<p>We regularly analyse performance against key causes and report to Cabinet Members and Directors regarding safeguarding performance and progress. A children's safeguarding assurance report updates senior leaders on a quarterly basis.</p> <p>The Keeping Bristol Safe Board provides independent scrutiny of children’s safeguarding arrangements in the city and holds BCC and partner agencies to account. This includes delivery of Safer Communities and the Prevent Duty.</p> <p>BCC works with partners to effectively identify victims and perpetrators of extra-familial abuse including Child Sexual exploitation, Criminal Exploitation and Serious Violence, taking action to disrupt and protect.</p> <p>Multi Agency Public Protection Arrangements are in place (MAPPA) with BCC contributors at every level to support family safeguarding.</p> <p>Additional capacity has been committed to the Local Authority Designated Officer for allegations against people who work with children.</p> <p>Bristol’s published policies and procedures, comprehensive training and development and monthly professional supervision help ensure safe practice and adequate control of risks. This is monitored and tested through a performance and quality assurance framework.</p> <p>September 2018 Ofsted ILACS single inspection identified that, ‘services have improved substantially for care leavers, children in care and children in need of help and protection’ and that ‘children identified as being at immediate risk of harm receive timely support and interventions.</p> <p>Bristol has invested in Early Help and targeted services through an integrated localities and team around the school and family approach. The aim is to meet the needs of children and families at the earliest point, build family resilience, reduce demand for specialist services and maintain capacity within the system.</p> <p>Children and Families’ Services invests in its workforce and has a career progression policy and workforce strategy focussed on attracting, recruiting, retaining, and developing excellent social workers. Senior leaders monitor social work vacancies and caseload levels to ensure the system operates as safely as possible for children and families. Competent agency social workers and managers are used on a temporary basis to fill vacancies.</p> <p>Information sharing protocols are in place with partners. Services take action to comply with GDPR (General Data Protection Regulation) where sensitive data is stored/processed.</p> <p>Children’s strategic commissioning team have a priority work plan in place and are working to increase placement sufficiency through regional framework arrangements. BCC commissioners work closely with operational services to identify need and ensure appropriate services are commissioned.</p> <p>Developed a dynamic multi agency sharing information hub (MASH) to enable information to be shared between agencies and risk for children identified at the earliest opportunity.</p> <p>Developed a Domestic Abuse daily triage with colleagues in Police, Nextlink and our IDVA’s to ensure support is provided at the earliest opportunity and timely referrals are made to First Response if appropriate. (FT)</p>	↔	4	7	28	1	7	7
Risk Owner: Executive Director People, Director Children’s, and Families Services.	Action Owner: Director Children’s and Families Services.	Portfolio Flag: Children and Young People.	Strategy Theme: Our Organisation, Empowering and Caring, Wellbeing.					

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<p>CRR10: Safeguarding Adults at Risk with Care and support needs. The council fails to ensure adequate safeguarding measures are in place, Adults at risk.</p> <p>Key potential causes are:</p> <ul style="list-style-type: none"> • Adequacy of controls. • Management and operational practices. • Demand for services exceeds capacity and capability. • Poor information sharing. • Lack of capacity or resources to deliver safe practice. • Failure to commission safe care for adults at risk. • Failure to meet the requirements of the 'Prevent Duty' placed on Local Authorities. • Increased destitution in families, impacting on mental ill health, managing increased infection within the population. (COVID19) • Increased isolation. (COVID19) • Care strain / resilience. (COVID19) • Absence of building-based services whilst we have reduced community solutions. (COVID19) 	<p>Bristol has the Keeping Bristol Safe Partnership (KBSP), which covers Adult Safeguarding, Children's Safeguarding and Community Safety. The Board has senior executive representation and ensures a strong focus on matters of strategic concern. The Keeping Bristol Safe Board provides independent scrutiny of adult safeguarding in the city and holds BCC and partner agencies to account. The Keeping Adults Safe board reports into the KBSP and has oversight of adult safeguarding priorities. KBSP business plan priorities are agreed and being actioned and regularly reviewed.</p> <p>The Adult Social Care Transformation programme has been established to implement policy objectives of delivering financial sustainability and 'right positioning' care delivery in the Bristol health, care, and wellbeing system.</p> <p>An active strategy is in place to attract, recruit and retain social workers through a variety of routes with particular emphasis on experienced social workers. Regular strategies and campaigns support the recruitment and retention of high calibre social workers and managers, with competent agency social workers and managers used on temporary basis to fill vacancies.</p> <p>All key staff working with people directly at risk are trained in the essentials of safeguarding and BCC has an ongoing awareness-raising 'Prevent' training programme.</p> <p>Community Finance Support Scheme meets regularly to respond to provide financial protection to adults with Care and Support needs who are unable to protect themselves and have no one willing or unable to act on their behalf.</p> <p>Annual report shared with Elected Members to allow for scrutiny of progress of the KBSP.</p> <p>The quality assurance and performance visits to teams</p> <p>Corporate safeguarding policy in draft and going to Cabinet to be agreed and signed off.</p> <p>Regular attendance at Channel, MARAC (Multi Agency Risk Assessment Conference) and Multi Agency Public Protection Arrangements are in place (MAPP) with BCC contributors to support risk management.</p> <p>Safeguarding Discussion Forum set up to ensure complex or stuck cases are addressed in a timely manner.</p> <p>Improving Performance-Developed a new data collection with Power BI which is entering its testing phase.</p> <p>Focused work is being undertaken to address the backlog in safeguarding referrals due to reduced capacity and an action plan is in place. Agency staff agreed to increase capacity within the safeguarding adults team. Flow and capacity issues in the First teams have an action plan being constructed for sign off at Director level.</p> <p>Commissioning capacity has increased this to lead on monitoring and assuring quality in the care sector with clear links to adult safeguarding. Provider failure process is enacted to support and manage whole service risks.</p> <p>Corporate safeguarding policy in draft and going to CLB to be agreed and signed off procedures being written to accompany this for publication on the Source. Strategic Safeguarding Leads Group Meeting set up.</p> <p>Improving Performance-Developed a new data collection with Power BI which tested and is going live.</p>	↔	3	7	21	1	7	7
<p>Risk Owner: Executive Director People, Director Adult Social Care.</p>	<p>Action Owner: Director Adult Social Care.</p>	<p>Portfolio Flag: Adult Social Care.</p>	<p>Strategy Theme: Our Organisation, Empowering others and Caring, Fair, and Inclusive, Well connected, Wellbeing.</p>					

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<p>CRR12: Failure to deliver suitable emergency planning measures and respond to and manage emergency events when they occur. (Civil Contingency and Resilience)</p> <p>If the City has a Major Incident, Contractor Failure or the council inadequately responds, then the impact of the event may be increased with a greater impact on people and businesses.</p> <p>Key potential causes are:</p> <ul style="list-style-type: none"> Emergency risks not identified and prepared for. Lack of trained and available responding staff. Emergency roles and responsibilities not embedded. 	<p>We have supported the ongoing Covid response and responded effectively to concurrent incidents including fatal industrial accidents, residential fires, water and utility outages and protests.</p> <p>Learning from Covid 'Waves 1 and 2' have been absorbed across the organisation. However, there remains lessons to be learnt and embedded.</p> <p>BCC plays a leading role in the Avon and Somerset Local Resilience Forum (LRF), the multi-agency partnership of all the organisations needed to prepare for an emergency in the LRF area. It includes the emergency services, health services, Maritime and Coastal Agency, Environment Agency, volunteer agencies, utility companies, transport providers and the five councils of Bath and North East Somerset, Bristol, North Somerset, Somerset, and South Gloucestershire. The Avon and Somerset works to the Avon and Somerset Community Risk Register.</p> <p>A system is in place for ongoing monitoring of severe weather events (SWIMS).</p> <p>Emergency planning training has been rolled and a multi-agency exercise is regularly conducted to test different elements of BCC emergency arrangements with partners. CPU and relevant teams have also taken part in multi-agency exercises.</p> <p>A Duty Director on-call rota is in operation. Emergency volunteers have been recruited to aid emergency responses. Duty rotas in other key service delivery areas (e.g. Housing and Social Care) are also in place.</p> <p>The Bristol Operations Centre capacity to support multi-agency operations has been tested.</p> <p>A review and exercise of the COMAH (Control of Major Accident Hazards) Plan is complete.</p> <p>The Covid-19 emergency has stretched the Council's emergency response capacity and created additional strains and pressures across all responding agencies and the city systems in place to manage emergencies.</p> <p>The risk of a concurrent emergency during the Covid crisis is arguably higher than before the crisis. Covid pressures and additional safety considerations with regards to response required the OOH CPU service to be reduced to a telephone only service. This has now been reversed and a full response is available again.</p> <p>Measures for managing a concurrent emergency have been discussed with emergency services and e.g. the Fire Service has arrangements to support residential evacuations during this period. A 'concurrent emergency' plan is in place.</p> <p>Learning is taking place as consequence of the ongoing pandemic and this is making the Council a more resilient organisation.</p> <p>An 'Introduction to Emergency Planning' e-learning package will be available for all staff is in development.</p>	↔	3	5	15	1	5	5
<p>Risk Owner: Executive Director Growth and Regeneration, Director Management of Place.</p>	<p>Action Owner: Director Management of Place, and Civil Protection Manager.</p>	<p>Portfolio Flag: Finance, Governance and Performance.</p>	<p>Strategy Theme: Our Organisation, Wellbeing.</p>					

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<p>CRR13: Financial Framework and Medium Term Financial Plan (MTFP). Failure to be able to reasonably estimate and agree the financial 'envelope' available, both annually and in the medium-term and the council is unable to set a balanced budget.</p> <p>Key potential causes are:</p> <ul style="list-style-type: none"> • Failure to achieve Business Rates income- appeals/general economic growth/loss of major sites (in budget setting). • Economic uncertainty impact on locally generated revenues - business rates and housing growth, impacting on council tax, new homes bonus and business rate income. • Brexit - the general uncertainty affecting the financial markets, levels of trade & investment. • Governments spending review 2020. • Review of local Government funding through fair funding formula and business rates retention. • Impact of Covid-19 on key income sources. • Inadequate budgeting & budgetary control/Financial Settlements & wider fiscal policy changes: <p>The potential for new funding formulas such as fair funding, business rates retention to significantly reduce the government funding available to the council alongside possible increase in demand for council services.</p> <p>Embedding of the new national funding formula for schools and High Needs.</p> <p>Political failure to facilitate the setting of a lawful budget.</p> <p>Unable to agree a deliverable programme of propositions that enable the required savings to be achieved.</p> <ul style="list-style-type: none"> • Insufficient reserves to mitigate risks and liabilities and provide resilience. • Rising inflation could lead to increased cost. • Judicial review. 	<p>BCC manages its financial risks through a range of controls including budget preparation, budget setting and a Budget Accountability Framework. Clear roles and responsibilities for managing, monitoring and forecasting income and expenditure against approved budgets are in place. 2021 Budget presented and approved by Council February 2021.</p> <p>The council has developed a strong rolling Medium-term financial planning process to enable the strategic objectives and the statutory duties are met. We are working to ensure a rigorous structure exists to oversee the budgetary control process from budget setting through to monitoring, oversight and scrutiny including:</p> <ul style="list-style-type: none"> • The maintaining of the evolving financial model that reflects in a timely manner changes in national and local assumptions. • The level of reserves and balances are regularly reviewed to ensure that account is taken of any financial/economic risk and the adequacy of general reserves is determined as part of this exercise. • Financial Regulations and Financial Scheme of Delegation is in place. • Regular in-year monitoring and reporting, review of future financial plans and assessment of financial risks and reserves are undertaken to ensure the financial plans are delivered. • Changes to savings in year are monitored by delivery executive. • Planned skills development remains a key priority which will include commercial and business acumen. This will be an ongoing and aligned with professional development. • Ensuring that Bristol City Council is engaged with or receiving timely feedback from the range of Government working groups exploring future local funding. • Refreshed of the MTFP and Capital Strategy and expanded our model to take in a longer-term view. 	↔	3	7	21	<p>The impact of Covid-19 has had a significant impact on the financial sustainability of the organisation in the short term and long term. There is a significant immediate reduction in some of the Council's key income streams and also significant costs associated with the response. The 2021/22 set an indicative balanced position for the medium term, however due to imminent changes in local government funding and also significant uncertainty about medium term impact on Covid-19 there remains significant risk to the on-going financial position.</p> <p>All underlying assumptions in the financial outlook will be reviewed as any economic downturn will significantly impact Council Tax growth and receipts as well as business rates retention.</p> <p>A review will be ongoing to identify a programme of propositions that exceed the forecasted budget gap to provide members with options and headroom for variations in financial estimates.</p> <p>CIPFA Financial Management Code for Local Authorities has been released for full implementation from April 2021.</p>	2	3	6
Risk Owner: Chief Executive and Director of Finance (S151 Officer).	Action Owner: Director of Finance (S151 Officer), Chief Accountant.		Portfolio Flag: Finance, Governance and Performance.			Strategy Theme: Our Organisation.			

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<p>CRR15: In-Year Financial Deficit. The council's financial position goes into significant deficit in the current year resulting in reserves (actual or projected) being less than the minimum specified by the council's reserves policy. Key potential causes are:</p> <ul style="list-style-type: none"> A failure to appropriately plan and deliver savings. Unscheduled loss of material income streams. Increase in demography, demand and costs for key council services. The inability to generate the minimum anticipated level of capital receipts. Insufficient reserves to facilitate short term mitigations, risks and liabilities. Interest rate volatility impacting on the council's debt costs. Impairments in our commercial Investments are realised. 	<p>BCC's Financial framework ensures that we have in place sound arrangements for financial planning, management, monitoring and reporting through to Corporate Leadership Team and Cabinet. The ongoing review and due diligence of all budget savings by Delivery Executive, Corporate Leadership Board and the Executive continues to be captured and monitored in the reports to Cabinet. The Policy and Budget Framework provides clear guidance in relation to the approval process for supplementary funding both capital and revenue. We have continual oversight and ongoing management of the council's financial risks and deep dives in areas reported of non-containable pressures. Regular reviews have been undertaken on the level and appropriateness of the earmarked reserves and where redirections have been south reported to Cabinet.</p>	↓	3	5	15	<p>The latest budget monitoring indicates significant risks to achieving a balanced position in 2021/22. The impact of Covid-19 has been offset in part by additional Government funding and there are corporate mitigations for the residual pressures, however this must be closely managed to ensure spend remains within approved resources. Any risks not related to Covid will require individual mitigations and recovery plans which are to be developed in the coming months to reduce the likelihood of unplanned drawdown from reserves at year end. Ensuring engagement at local, regional and national level in round table and working groups to keep abreast the spending review, Business Rates retention and new funding formulas for Local Government. To ensure funding for Bristol is maximised and impact of changes are fed into our long term financial planning and strategic planning. Ensure that there are sufficient reserves available to provide the Council with some resilience to material variations in spend forecasting and economic shocks. We will carry out frequent re-assessment of service delivery risks and opportunities and risk and other reserves.</p>	1	5	5
Risk Owner: Director of Finance (S151 Officer).	Action Owner: Director of Finance (S151 Officer), Chief Accountant.		Portfolio Flag: Finance, Governance and Performance.			Strategy Theme: Our Organisation.			

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<p>CRR18: Failure to deliver enough homes to meet the City's needs. Strategies and delivery models designed to further stimulate growth in the housing market and deliver diversity of the housing offer across the city prove to be ineffective and do not attract and retain economically active residents. Key potential causes are:</p> <ul style="list-style-type: none"> Not enough planning applications submitted. Not enough permission granted. Insufficient housing land identified in planning documents. Inability of the housebuilding industry to deliver at this level. Increased uncertainty in the market due to Brexit and Covid-19. 	<p>Granted planning permissions. Secured additional grant funding for infrastructure. Released land. Issued grants to Registered Providers (RPs). Established a Local Housing Company (Goram Homes). Secured funding from Homes England under HIF and Accelerated Construction and Community Development to release further housing land. Worked collaboratively with Homes England to maximise subsidy in schemes to provide as much affordable housing as possible. Required a minimum of 30% affordable housing on land released by the Council. Revised the Affordable Housing Grant Funding Policy to ensure it is relevant and assist the delivery of new affordable homes. Created a single multi-disciplinary Housing Delivery Team and additional capacity with Property, Planning, Highways and Legal.</p>	↔	3	5	15	<p>Monitoring and review the impact of the coronavirus on the Housing Market, on Housing Association and Developer Partners delivery Programmes. We refocus the HDT delivery programme to de-risk sites to create a pipeline of investable development opportunities to bring forward for development once the impact of Covid-19 on the housing market are clearer. We have ongoing active engagement with Housing Association Partners to offer enabling support and grant funding to increase the provision of affordable housing at every opportunity. Looking at ways in which the HRA development programme can be accelerated. We are addressing all areas of provision including: Community Led Housing (CLH), Registered Providers (RPs) and Direct Delivery, (New Council Homes). We are recruiting to new posts in the Housing Delivery Team. We are looking at opportunities to fund the acquisition of additional homes on development sites. Working Closely with Homes England to ensure additional subsidy is secured. Continue to promote the Affordable Housing Grant Funding Programme to maximise the opportunities to deliver affordable housing potentially unlocking stalled sites. We are considering amending the Affordable Housing Practice Note and Grant Funding Policy to stimulate delivery of affordable homes. Pipeline of site approved for Goram Homes to deliver around 1700 new homes</p>	3	3	9

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Corporate Risk Register as at June 2021 – Threat Risks to the achievement of Bristol City Councils Objectives.									
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			Likelihood	Impact	Risk Rating		Likelihood	Impact	Risk Rating
<p>CRR25: Suitability of Line of Business (LOB) systems. The Councils reliance on legacy systems.</p> <p>Key potential causes are:</p> <ul style="list-style-type: none"> Lack of desire to change, systems. Significant transition activity leads to systems being. Expensive/complex to change. Lack of understanding of consequences of not changing systems on ICT. Lack of adherence to Procurement rules in relation to re-procurements. 	Initiated audit of all council Line of Business (LoB) systems.	↔	4	5	20	<p>IT Services continue to highlight risks and shortcomings with systems (in an informal manner) to Heads of Service and Senior Leadership whilst the on-going formal review continues. We continue to work with Information Assurance colleagues regarding those systems which may perpetuate a Cyber Security or Information Management risk. Ensure that Line of Business (LOB) systems that pose a Cyber Security, Procurement or Resilience/Recovery risk are identified and service areas understand the risks to their services.</p> <p>Where appropriate ensure that these risks are articulated to Risk, BCP and procurement colleagues, and to the SIRO, as appropriate.</p>	2	5	10
Risk Owner: Director, Digital Transformation, Senior Information Risk Owner (SIRO) for Cyber Security. Service Areas for BCP/DR.	Action Owner: Director, Digital Transformation.	Portfolio Flag: Finance, Governance and Performance.			Strategy Theme: Our Organisation.				

Corporate Risk Register as at June 2021 – Threat Risks to the achievement of Bristol City Councils Objectives.									
Risk title and description	What we have done	Performance	Current Risk Level			What we are doing	Tolerance Risk Level		
			Likelihood	Impact	Risk Rating		Likelihood	Impact	Risk Rating
<p>CRR26: ICT Resilience. The Councils ability to deliver critical and key services in the event of ICT outage and be able to recover in the event of system and/or data loss.</p> <p>Key potential causes are:</p> <ul style="list-style-type: none"> Poor Business Continuity (BCP) planning and understanding of key system architecture. Untested Disaster Recovery (DR) arrangements including data recovery. Untested network reconfiguration to alleviate key location outage. Untested recovery schedules in terms of order and instructions. Lack of resilience available for legacy systems (single points of failure - people and technology). Services undertaking their own IT arrangements outside of the corporate approach. 	<p>Some DR/BCP actions are covered by Future State Assessment (FSA)/ IT Transformation Programme (ITTP).</p> <p>We have moved critical systems to the cloud with more effective DR.</p> <p>Application audit have commenced with a view to highlighting those systems with the highest risk.</p>	↔	2	7	14	<p>We are continuing to review Disaster Recovery (DR) options for any systems which will not be moved to the cloud.</p> <p>Highlighting to service areas where applications may be vulnerable and advising on likely timescales for disruption to enable appropriate BC planning.</p>	2	5	10
Risk Owner: Chief Executive, Director, Digital Transformation, Service Area Leads.	Action Owner: Director, Digital Transformation.	Portfolio Flag: Finance, Governance and Performance.			Strategy Theme: Our Organisation.				

Appendix A: Bristol City Council – Corporate Risk Report Q1 2021/22

Corporate Risk Register as at June 2021 – Threat Risks to the achievement of Bristol City Councils Objectives									
Risk title and description	What we have done	Performance	Current Risk Level			What we are doing	Tolerance Risk Level		
			Likelihood	Impact	Risk Rating		Likelihood	Impact	Risk Rating
<p>CRR27: Capital Transport Programme Delivery Management of the overall transport capital programme is key to ensuring we deliver against mayoral priorities in the most cost and time efficient way possible. Failure to do so negatively impacts the council's reputation and finances and makes the council less likely to reduce congestion, air pollution and inequality.</p> <p>Key potential causes are:</p> <ul style="list-style-type: none"> • Overspend on individual schemes leading to uncontrollable cost pressures. • Underspend on annual profile. • Lack of coordination and programme management across divisions. • Covid-19. 	<p>Transport Programme Team and Delivery Board established.</p> <p>Shared paperwork and highlight reporting process initiated.</p> <p>Regular briefings and reporting to senior management and cabinet members.</p> <p>5-year capital programme mapping process underway.</p> <p>Regular reviews with directors taking place, workshop carried out to examine governance and further improvements to processes.</p>	↔	3	3	9	<p>COVID-19 lockdown has restricted progress of all non-essential capital programme schemes. This is in part due to the non-essential nature of schemes but also down to the inability to carry out site surveys, engage and consult appropriately and to process TROs. We have restarted processing TROs following revised government guidance. We are also reviewing the whole programme in light of the challenges posed by COVID-19.</p> <p>Working with Transport Planning Team (TPT) and other managers to develop systems further engaging with Directors of Economy of Place and Management of Place, to develop proposals for overall improved management of capital programme and recruitment of appropriate resource levels.</p> <p>We continue to develop Transport Planning Team (TPT), Transport Programme Delivery Board (TPDB) and highlight report processes which are governed by the Growth and Regeneration (G&R) Board (monthly meeting).</p> <p>5 Year mapping ongoing.</p> <p>The Emergency Active Travel Fund (EATF) announced by the Department for Transport (DfT) has meant reprioritising resource to deliver cycle schemes and social distancing across the city. This has and will inevitably lead to some profiling and adjustment of the programme. This is ongoing, it is likely that funds can be carried forward to next year and that some funds will be allocated to supporting EATF schemes.</p> <p>All schemes restarted and works progressing well. 6-month review has highlighted schemes that are behind programme and re-profiling taking place currently.</p>	2	3	6
Risk Owner: Executive Director Growth and Regeneration, Director Economy of Place.	Action Owner: Director Economy of Place.	Portfolio Flag: Communities.			Strategy Theme: Our Organisation, Wellbeing.				

Corporate Risk Register as at June 2021 – Threat Risks to the achievement of Bristol City Councils Objectives.									
Risk title and description	What we have done	Performance	Current Risk Level			What we are doing	Tolerance Risk Level		
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<p>CRR29: Information Security Management System (ISMS) There is a risk that if the council does not have an Information Security Management System then it will not be able to effectively manage Information Security risks.</p> <p>Key potential causes are:</p> <ul style="list-style-type: none"> • Ineffective Information Security Management System, inadequate resources to create and maintain an ISMS, management buy in and support to operate an ISMS. 	<p>We have worked with Information Governance Board (IGB) and ICT on introducing and/or designing an ISMS aligned to ISO 27001.</p> <p>IG team now have an operational level risk register that is being used to track local operational risks further aligning ourselves with best practice.</p> <p>Implementation training has been conducted for Information Security and Audit training has also been conducted with Internal Audit colleagues.</p> <p>Policies are signed off and roll out plan work continues as part of GDPR Phase 2 project.</p>	↔	4	5	20	<p>New and updated policies are being rolled out with oversight from IGB Information Governance Tool will support the roll out and wider awareness and communications.</p> <p>Gap analysis and roll out have been included as a workstream within GDPR Phase 2 project.</p>	1	5	5
Risk Owner: Senior Information Risk Owner (SIRO).	Action Owner: Senior Information Risk Owner (SIRO) and Statutory Data Protection Officer (SDPO).	Portfolio Flag: Finance, Governance and Performance.			Strategy Theme: Our Organisation.				

Corporate Risk Register as at June 2021 – Threat Risks to the achievement of Bristol City Councils Objectives									
Risk title and description	What we have done	Performance	Current Risk Level			What we are doing	Tolerance Risk Level		
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<p>CRR32: Failure to deliver enough affordable Homes to meet the City's needs.</p> <p>Strategies and delivery models designed to further stimulate growth in the housing market and deliver diversity of the housing in the City prove to be ineffective.</p> <p>Key potential causes are:</p> <ul style="list-style-type: none"> • Subsidy availability. • Insufficient land available. • Uncertainty in the housing market as a result of Covid-19. • Not enough planning applications submitted. • Not enough permission granted. • Inability of the housebuilding industry to deliver at this level. • Increased uncertainty in the market due to Brexit. • Lack of capacity within the council's delivery system and the local market. • Insufficient housing land identified in planning documents. 	<p>Continue to deliver a grant funding programme to subsidise the delivery of affordable homes.</p> <p>Working collaboratively with Homes England to maximise subsidy in schemes to provide as much affordable housing as possible.</p> <p>Requiring a minimum of 30% affordable housing on land released by the Council.</p>	↔	4	7	28	<p>Promote Affordable Housing Grant Funding.</p> <p>Working Closely with Homes England to ensure additional subsidy is secured.</p> <p>Identifying opportunities to acquire additional affordable homes off the shelf.</p> <p>De-risk the outstanding allocated sites in the City to prepare a pipeline of investable development opportunities for future delivery.</p> <p>Ensure affordable Housing is negotiated to policy requirement on all eligible housing sites.</p> <p>New frameworks for working collaboratively to resolve issues that exist on Residential planning applications and conditions discharge.</p> <p>Review & amendment of Affordable Housing Practice note in 2021/22.</p>	4	3	12
Risk Owner: Executive Director Growth and Regeneration, Director Development.	Action Owner: Director Development of Place and Head of Housing Delivery.	Portfolio Flag: Communities.			Strategy Theme: Fair and Inclusive.				

Corporate Risk Register as at June 2021 – Threat Risks to the achievement of Bristol City Councils Objectives.									
Risk title and description	What we have done	Performance	Current Risk Level			Tolerance Risk Level			
			Likelihood	Impact	Risk Rating				
<p>CRR34: Corporate Equalities. The Council does not meet its ambitions or legally required standards for good practice on equality and inclusion. The Council fails to meet its statutory duties under the Equality Act 2010.</p> <p>Key potential causes are:</p> <ul style="list-style-type: none"> Lack of consistent council-wide knowledge on the Public Sector Equality Duty and how to take equalities into consideration. Gaps in available data and analysis to understand potential impacts of decision making. Compliance driven rather than understanding based on good analysis. High turnover of staff resulting in loss of knowledge/institutional memory. Institutional racism and structural inequality in the council, city, and society as a whole. Under-representation of key demographics in the workforce, particularly within senior roles. 	<p>The work of mainstreaming and embedding equality and inclusion is well underway. A recent Local Government Association Equality Framework for Local Government Peer Review identified strengths in the Council’s strategic leadership on this issue and noted much good progress against its plans, but did identify a greater need to map and report activity (both Council and City-wide) together, and that more work is needed to fully embed good equality and inclusion practice systematically at an operational level across the organisation.</p> <p>The disproportionate impact of Covid-19 on Black, Asian and minority ethnic groups has been recognised and is managed by a focused race equality group within the council’s governance structure for managing the impacts of the pandemic.</p> <p>We are:</p> <ul style="list-style-type: none"> Completing our annual progress reporting against our Equality and Inclusion Strategy, including a closure report for our Advancing Equality and Inclusion Action Plan 2020. This Action Plan was subject to an internal audit in Q4 20/21, providing reasonable assurance overall and substantial assurance in terms of monitoring progress. Starting programme mapping of Council and City-wide equality and inclusion initiatives and activities. Having on-going city conversations on race equality. Working on the establishment of a new Mayoral Commission for disability equality. 	↔	1	5	5	<ul style="list-style-type: none"> Implementing the recommendations from the LGA Equality Framework for Local Government, including mapping out an E&I programme in line with Corporate Strategy. Taking the Annual Report for the E&I Strategy to Full Council and publishing it - along with a completion report in the Advancing Equality and Inclusion action plan. Completing the Positive Action Toolkit. Holding Race Equality Gatherings. Holding a meeting of the Strategic E&I Governance Group. Recruiting the Chair for the Disability Equality Commission. Refreshing the Council’s overall Corporate Strategy with a focus on equality and inclusion as a cross-cutting priority area. 	1	5	5
Risk Owner: Director Policy, Strategy & Partnerships.	Action Owner: Director Policy, Strategy & Partnership, Head of Equality, and Inclusion.	Portfolio Flag: Finance, Governance and Performance.	Strategy Theme: Our Organisation.						

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Corporate Risk Register as at June 2021 – Threat Risks to the achievement of Bristol City Councils Objectives.									
Risk title and description	What we have done	Performance	Current Risk Level			What we are doing	Tolerance Risk Level		
			Likelihood	Impact	Risk Rating		Likelihood	Impact	Risk Rating
<p>CRR35: Organisational Resilience Emerging risks, disruptions and disturbances can threaten the operations and reputation of the Council. Acute shocks and the impact of chronic stresses result in crises which are becoming an everyday occurrence. The landscape in which the council operates is rapidly and continually changing, often unpredictably.</p> <p>Key potential causes are:</p> <ul style="list-style-type: none"> • Environmental Hazards. • Economic and Social Change. • Geo-Political Change. • Natural Disasters. • Climate Change. • Health / Disease Risk. • Terrorism. • Cybercrime. 	<p>Progress is being made, including running the Service/Business Planning 2021/22 process enabling longer term consideration of the risk and mitigations. However, our progress is largely offset by external factors such as the continuing Covid crisis. Corporate Leadership Board approved additional temporary staffing for under-pressure teams across December 2020 - March 2021, some of which has continued in to 2021/22 where there is available funding or mitigation to enable it to continue.</p> <p>In the past quarter we have reviewed Recovery progress and a wide evidence base as part of preparing for an update of the Council's medium term Corporate Strategy and Medium-Term Financial Plan, and we have identified a need to review business continuity planning to gain assurance on its effectiveness, ensure lessons from Covid-19 response are built in, and that in key business areas these plans are actively rehearsed.</p> <p>Plans to create a Strategic Crisis Management Plan are on hold whilst the Corporate Resilience Group is re-scoped and relaunched, enabling it to take on board Covid-19 response learning as part of developing this Plan.</p>	↔	3	7	21	<p>Response to Covid is continuing and as further easing of restrictions occurs it is possible new or additional business continuity risks or issues will emerge, such as self-isolation rates affecting front-line services.</p> <p>Business continuity plans are being reviewed and more testing of these undertaken as part of a longer-term programme to provide assurance on continuity arrangements. Given the scale of services the Council provides, this will need to be undertaken in a prioritised and targeted way.</p> <p>Work will be undertaken to prepare a new Corporate Strategy which includes design principles for the organisation and what its priorities are for the coming 3-5 years, making it central to both resilience and recovery planning as they become part of 'business as usual' within the context of the so-called 'new normal'.</p> <p>Work is also being done to reinvigorate the Corporate Resilience Group and take on-board learning from the prolonged Covid-19 response in how we manage resilience and plan for the future.</p>	2	5	10
Risk Owner: Chief Executive	Action Owner: Director Policy, Strategy & Partnerships	Portfolio Flag: Finance, Governance and Performance.	Strategy Theme: Our Organisation, Empowering and Caring, Fair, and Inclusive, Well Connected, Wellbeing						

Corporate Risk Register as at June 2021 – Threat Risks to the achievement of Bristol City Councils Objectives.								
Risk title and description	What we have done	Performance	Current Risk Level			Tolerance Risk Level		
			Likelihood	Impact	Risk Rating	Likelihood	Impact	Risk Rating
<p>CRR36: Failure to make sufficient progress against the findings from Ofsted’s 2019 inspection of SEND (Special Education Needs & Disability) leading to:</p> <ul style="list-style-type: none"> The OFSTED reinspection resulting in requirement for accelerated improvement plan worsening of parental confidence in Bristol’s SEND system and associated reputational damage / increased potential litigation / Judicial Reviews <p>Risks to delivery of the Ofsted approved recovery plan (March December 2019 to July 2021) forming the Written Statement of Action (WSOA) following the SEND local area OFSTED inspection in 2019 and subsequent action plans (2021 onwards).</p>	<p>Independently chaired SEND improvement Board meets bi-monthly to oversee improvement progress. Multi agency delivery group ‘SEND Partnership Group’ (SPG) includes social care, health, and schools meets monthly and reports to the improvement Board.</p> <p>Delivered the 1st phase of the SEND improvement journey through the Written Statement of Action to its formal conclusion in July 2021. 89% of July milestones were achieved or on track for the autumn. The 11% not achieved are all underway and have new timeframes agreed through the Local Area SEND governance arrangements. DFE monitoring of WsoA concluded and overall impressed with achievements and how well the council and its partners are working together to address all areas of weakness.</p> <p>Implemented quality assurance activity, including routine service user feedback and improved data capture and quality, enabling the development of robust data sets that have enhanced operational and strategic performance management and enabled better service planning to meet demand.</p> <p>Investment in key priority areas such as additional staff in statutory SEND and EP team. Re-structured and re-focused the work of the statutory SEND team. All EHCP systems and processes reviewed and remodelled with parent carers, including co-production of a new EHCP template and child centred model of assessment.</p> <p>Focused on early identification and intervention to reduce demand for statutory EHC Plans e.g. training and guidance for schools staff and leaders relating to their responsibilities for meeting the needs of children and young people with SEND.</p>	↔	2	5	10	1	5	5
Risk Owner: Hugh Evans, Alison Hurley	Action Owner: Alison Hurley	Portfolio Flag: Education and Skills.	Strategy Theme: Our Organisation, Empowering and Caring, Fair, and Inclusive, Well Connected, Wellbeing					

Appendix A: Bristol City Council – Corporate Risk Report Q1 2021/22

Corporate Risk Register as at June 2021 – Threat Risks to the achievement of Bristol City Councils Objectives.								
Risk title and description	What we have done	Performance	Current Risk Level			Tolerance Risk Level		
			Likelihood	Impact	Risk Rating	Likelihood	Impact	Risk Rating
<p>CRR37: Homelessness The risk that homelessness and the subsequent cost of providing emergency short term accommodation will continue to rise.</p> <p>Key potential causes are:</p> <ul style="list-style-type: none"> • The ending of the eviction ban. • Economic impact of COVID-19, unemployment rising leading to an increase in evictions from private rented tenancies. • COVID 19 and lockdown leading to an increase in mental health issues, family relationship breakdown and domestic violence & abuse. 	<p>Continuing to progress the One City move on project, which is delivering additional move on accommodation for people that are homeless. This includes:</p> <ul style="list-style-type: none"> - Securing funding through the first two rounds of the rough sleeper accommodation programme and have submitted a bid for the third round <p>Successfully moved on most households placed in Temporary Accommodation through our everyone in initiative. This has reduced the number of households from a peak of 1122 to 930.</p> <p>Initiated a project with the aim of reducing the net unit cost of Temporary Accommodation. Opportunities being explored and prioritised.</p> <p>Ongoing work with the wider homelessness sector, advice agencies and key partners identifying opportunities to work collaboratively around early intervention and the prevention of homelessness.</p> <p>Bristol has secured a £3.3 million grant from the Ministry of Housing, Communities and Local Government’s (MHCLG) three-year ‘Changing Futures’ scheme. Delivery starts now and runs until March 2024.</p> <p>We have been working closely with commissioners of domestic abuse services and providers to support move on from refuge accommodation.</p>	↔	4	5	20	3	5	15
<p>Risk Owner: Executive Director Growth and Regeneration, Director Housing.</p>	<p>Action Owner: Director Housing.</p>	<p>Portfolio Flag: Housing.</p>	<p>Strategy Theme: Our Organisation, Empowering and Caring, Fair, and Inclusive, Well Connected, Wellbeing.</p>					

Appendix A: Bristol City Council – Corporate Risk Report Q1 2021/22

Corporate Risk Register as at June 2021 – Threat Risks to the achievement of Bristol City Councils Objectives.

Risk title and description	What we have done	Performance	Current Risk Level			What we are doing	Tolerance Risk Level		
			Likelihood	Impact	Risk Rating		Likelihood	Impact	Risk Rating
<p>CRR39: Adult and Social Care major provider/ supplier failure</p> <p>Failures or closures in the supply chain mean insufficient supply to source adequate appropriate support and meet Care Act needs.</p> <p>Key potential causes could be as follows.</p> <ul style="list-style-type: none"> Major national care home provider goes into liquidation or starts to sell care homes. Major local provider/unable to meet demand due to recruitment / workforce/ or organisational issues. <p>Major providers become financially sustainable due to economic context. (COVID-19) Additional costs and pressures on market arising from additional impact on supply.</p>	<p>Multi agency support for providers to address impact of pandemic. Regular review of supply and sustainability issues part of weekly SITREP provided by commissioning. Strong contract and performance management including quarterly corporate reporting. Provider Financial sustainability process provides evidenced understanding of issues for strategically important providers. Work on managing market prices based on open book cost of care processes.</p>	↔	2	7	14	<p>Business cases reviewing appropriate investment to ensure supply key provision. Leading role in work across BNSSG re provider market. Support VCSE to work alongside formal supply.</p> <p>Timely distribution of Government funding (e.g., Infection Control Fund) and use of LA (Local Authorities) discretionary payments to support providers. Innovative use of Workforce Capacity fund to support bank staff project and wellbeing and resilience training for care workers, funding for Proud to Care projects.</p> <p>Continued and increased QA (Quality Assurance) team intervention and prevention work with providers. Fortnightly liaison meetings with CQC and CCG reps and closer working with neighbouring authorities. Fortnightly meetings with Care Provider association and key city providers to assess and plan risks to the sector and wider monthly provider forum.</p> <p>Review of Provider Financial Sustainability process- updating of paperwork and process more transparent and collaborative with providers as new factors emerging (e.g. rising insurance costs, Brexit). Updating of continuity plan and Provider Failure policy to address impact of pandemic.</p>	2	7	14
<p>Risk Owner: Executive Director People, Director Adult Social Care.</p>	<p>Action Owner: Director Adult Social Care.</p>	<p>Portfolio Flag: Adult Social Care.</p>			<p>Strategy Theme: Our Organisation, Empowering others and Caring, Fair, and Inclusive, Well connected, Wellbeing.</p>				

Corporate Risk Register as at June 2021 – Threat Risks to the achievement of Bristol City Councils Objectives.									
Risk title and description	What we have done	Performance	Current Risk Level			Tolerance Risk Level			
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<p>CRR40: Unplanned Investment in Subsidiary Companies BCC'S investments in subsidiaries may require greater than anticipated capital investment.</p> <p>Key potential causes are:</p> <ul style="list-style-type: none"> • Failure to have effective corporate governance arrangements in place in one or more of the companies. • Failure to ensure the right leadership with the right skills across the Companies. • Business Failure due to severe economic downturn caused by external factors (incl. Pandemic & Brexit). • Service delivery failure as a result of specific market changes (e.g., recycle market, housing market), failure to secure planning etc. • Delivery of BE2020 wind up within financial envelope. • Legislation changes. 	<p>A Governance Review has been commissioned to consider the governance arrangements in respect of the companies and any potential amendments that may be required to the associated governance documents.</p> <p>The Terms of Reference for the Shareholding Group (SHG) have been updated.</p> <p>Audit & Risks Committee (ARC) established across the companies to review internal controls, governance and risks management and have along with the SHG overseen the establishment of a risk management framework.</p> <p>Annual business plans have been submitted for BHL, BWC and Goram Homes outlining their financial position, outlook and 21/22 investment requirements. 21/22 plans have been approved by Cabinet and delivery against plan reviewed by BHL and SHG.</p> <p>Shareholder support has been secured for key appointments and reserved matters published.</p> <p>Pandemic financial pressures are managed over the medium term for eligible response expenditure.</p> <p>Effective engagement is occurring with BHL re reserved matter decisions and wider engagement with BCC Client teams to review performance of the companies and set clear KPIs.</p> <p>Working capital facilitates (repayable loans) are in place as agreed within the relevant business plans and provision available to support the assumptions for winding up of BE2020. Cashflow are monitored in line with the agreement for requesting draw downs.</p> <p>Specialist advisors are working alongside BE2020 and BHL to finalising the windup of the company.</p>	↓	3	5	15	<p>Following the Council's external auditors review of Governance arrangements for subsidiary companies an action plan is in place to improve Governance and risk management arrangements. A number of actions are ongoing or in the process of being implemented with completion expected by October 2021. SHG will regularly review delivery of agreed actions from the governance review.</p> <p>BCC / BHL will conclude the work underway to improve the alignment of risk management arrangements and monitoring of risk – June 2021.</p> <p>ARC will report annually to BCC Audit Committee on the effectiveness of internal controls, governance and risks – in line with BCC Audit Committee workplan.</p> <p>Board Effectiveness reviews to be part of BHL annual workforce planning – ongoing.</p> <p>Business plan for Bristol Heat Network BHN is in the process of being finalised. – date TBC.</p> <p>Continued monitoring of the impact of Covid / Brexit on the business and adaptive approach being proposed for optimising emerging opportunities and mitigating pressures – ongoing.</p> <p>Effective engagement with BHL re reserved matter decisions and wider engagement with BCC Client teams to review performance, quality and set clear KPIs – ongoing.</p> <p>Weekly progress review provided and regular review of assumptions, cash flow and risks – ongoing.</p>	1	7	7
Risk Owner: Chief Executive and S151 Officer.	Action Owner: Director Finance, Director Legal and Democratic Services.	Portfolio Flag: Finance, Governance and Performance.	Strategy Theme: Our Organisation, Empowering and Caring, Fair, and Inclusive, Well Connected, Wellbeing.						

Appendix A: Bristol City Council – Corporate Risk Report Q1 2021/22

Corporate Risk Register as at June 2021 – Threat Risks to the achievement of Bristol City Councils Objectives.									
Risk title and description	What we have done	Performance	Current Risk Level			What we are doing	Tolerance Risk Level		
			Likelihood	Impact	Risk Rating		Likelihood	Impact	Risk Rating
<p>CRR41: Long Term Major Capital Projects. BCC'S long-term major capital projects may require greater than anticipated investments.</p> <p>Key potential causes are:</p> <ul style="list-style-type: none"> • The cost is higher than expected. • The project is delivered later than planned. • The operating and maintenance cost of the asset exceeds expectations. • Strategic, geographic, social, financial, and economic conditions changing over time. • Oversight of Project Interdependencies not well managed. • Insufficient in-house resources to progress major projects lead to missed opportunities to leverage third party investment. • Failure to anticipate and secure investment and resources to deliver enabling works and infrastructure. 	<p>Corporate Leadership Board (CLB) / Capital and Investment Board (CIB) meets on a monthly basis and has an oversight and stewardship role for the delivery of the Capital Programme and investments.</p> <p>The Growth and Regeneration (G&R) Board meets monthly and is a strategic forum for the review and monitoring of regeneration assets and growth programmes and projects – enabling effective decision-making and ensuring alignment with the wider objectives of the Council.</p> <p>The G&R Board has identified a number of Areas of Growth and Regeneration (AGR) across the City to enable place shaping and contribute to regeneration, affordable housing, community building and the financial sustainability of the Council and the AGR are regularly reviewed and re-prioritised by the G&R Board.</p> <p>The Covid-19 pandemic continues to impact on the delivery of some major projects owing to restrictions placed on based working, supply chain partners furloughing staff, and building material suppliers only delivering to critical construction projects.</p> <p>Capital Strategic Partner, Arcadis, appointed in February 2021 and mobilisation phase concluded in May 2021. A dedicated Programme Director from Arcadis attends the Growth and Regeneration Executive Director Meetings (EDM) and G&R Board; and the programme has started to deliver.</p> <p>The introduction of enhanced highlight and exception reporting at the G&R Board has had a positive impact on overall 'grip' of the portfolio. Project officers now routinely come to G&R board to provide an overview of progress on an exception basis.</p>	↔	4	7	28	<p>We have done and we continue to review and prioritise / re-prioritise programmes and projects and other deliverables in the light of the on-going global Covid-19 pandemic, as well as assessing its impact on long-term commercial investments and major capital project delivery.</p> <p>The recent appointment of the Capital Strategic Partner is starting to have an impact on the performance culture across major capital programmes. There will be quarterly review meetings between BCC's Senior Leadership and the Strategic Partner to review performance and progress with Capital Programme delivery.</p> <p>Workshops organised in July 2021 to review and refresh the Capital Programme. To be followed in August 2021 by a similar workshop to review Capital receipting/disposal. There will be a more comprehensive review/reset of the Capital Programme as part of the annual service planning process in the Autumn 2021.</p> <p>Work is on-going in conjunction with the Strategic Partner to enhance and improve Programme and Project reporting. This work feeds into the CIB process to create a stronger sense of joined up programme management across BCC. In addition, we are trialling a recommended approach to embedded assurance with some key Capital Projects.</p>	1	7	7
<p>Risk Owner: Executive Director Growth and Regeneration.</p>	<p>Action Owner: Executive Director Growth and Regeneration and Director Economy of Place.</p>	<p>Portfolio Flag: Mayor and Finance, Governance and Performance.</p>	<p>Strategy Theme: Our Organisation, Empowering and Caring, Fair and Inclusive, Well Connected, Wellbeing.</p>						

Corporate Risk Register as at June 2021 – Threat Risks to the achievement of Bristol City Councils Objectives.									
Risk title and description	What we have done	Performance	Current Risk Level			What we are doing	Tolerance Risk Level		
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<p>CRR42: Provision of Leisure Services</p> <p>The ability to provide suitable leisure services to the Community of Bristol.</p> <p>Key potential causes are:</p> <ul style="list-style-type: none"> • Service closure due to Covid 19 • Procurement timescales 	<p>We have carried out modelling to forecast the cost of maintaining the SLM leisure management contract once leisure centres re-open on the 12th April has a forecast deficit for April 1st 2021 to March 31st 2022 between £0.600m to £1,181m.</p> <p>Funding for the in-year cost pressure due to Covid has been identified and was approved by Cabinet in June to ensure continuation of provision up till March 2022.</p>	↑	2	7	14	<p>Finances are reviewed monthly to get actual figures.</p> <p>The design and procurement process and options are being scoped, including the investment strategy. This will be brought forward to Cabinet in September.</p>	2	5	10
Risk Owner: Executive Director People, Director Adult Social Care.	Action Owner: Director Public Health	Portfolio Flag: Adult Social Care.			Strategy Theme: Wellbeing.				

Appendix A: Bristol City Council – Corporate Risk Report (register of risk summary) Q1 2021/22

Corporate Risk Register as at June 2021 – Opportunity Risks to the achievement of Bristol City Councils Objectives.									
Risk title and description	What we have done	Performance	Current Risk Level			What we are doing	Tolerance Risk Level		
			Likelihood	Impact	Risk Rating		Likelihood	Impact	Risk Rating
<p>OPP1: One City Approach. The One City Approach will offer a new way to plan strategically with partners as part of a wider city system.</p> <p>Key potential causes:</p> <ul style="list-style-type: none"> • Mayoral aspiration and widespread partner sign-up to the principle. • Work to date has produced outline plan and engaged partners in the long-term vision and necessary work to complete the plan. 	<p>As part of the response to Covid-19, a One City Approach has been used to coordinate a 'One City' response, helping to bring together leaders from key city institutions around shared priorities, using relationships developed through the work of the City Office to improve stakeholder engagement and communications.</p> <p>We have worked closely with all Boards to update the One City Plan timelines ahead of a v3 Plan launch in June 2021, and also continue to collaborate on a city-wide approach to Covid-19 Recovery. We have reviewed longer term funding and governance options and are taking forward conversations with partners in January 2021 about this.</p> <p>We have produced v3 of the One City Plan and produced our second annual report available on the One City Website from 12 June 2021. A new culture board and Children and Young People's Board have been established. Conversations have been had with all anchor institutions over funding. More formalised working arrangements with City Funds have been established. City Office continues to support the Covid 19 response and Recovery.</p>	↔	3	7	21	<p>We are working on sustainable long-term funding models and a more ambitious 'core' City Office offer and resource to maximise benefits of the One City Approach.</p> <p>We continue to:</p> <ul style="list-style-type: none"> • Set up a Partnership Board to oversee the work of the City Office and developing MOUs with wider range of partners to further formalised working arrangements. • Negotiate with partners on funding arrangements. • Create a One City Digital Board. • Produce a City Office team mandate to outline the functions of the team for partners. • Develop more detailed metrics for impacting tracking of activity. 	4	7	28
Risk Owner: Director Policy, Strategy and Partnerships.	Action Owner: Director Policy, Strategy and Partnerships.	Portfolio Flag: Mayor.			Strategy Theme: Our Organisation.				

Corporate Risk Register as at June 2021 – Opportunity Risks to the achievement of Bristol City Councils Objectives.									
Risk title and description	What we have done	Performance	Current Risk Level			What we are doing	Tolerance Risk Level		
			Likelihood	Impact	Risk Rating		Likelihood	Impact	Risk Rating
<p>OPP2: Corporate Strategy. The approved Corporate Strategy presents an opportunity to fundamentally refresh and strengthen our business planning, leadership, and performance frameworks.</p> <p>Key potential causes:</p> <ul style="list-style-type: none"> • Approved Corporate Strategy provides the foundation and direction for the organisation. 	<p>We have approved and adopted the Corporate Strategy, Business Plan 2021/22 and associated Performance Frameworks through appropriate Decision Pathways.</p> <p>Commenced work on reviewing the corporate strategy for approval of refreshed strategy during the year.</p> <p>Reviewed organisational design principles and ways of working as part of thinking ahead to a 2021/22 update to the Corporate Strategy.</p>	↓	2	7	14	<p>The current Corporate Strategy is well embedded and whilst capacity to deliver all outcomes is limited, there is a much greater focus on project prioritisation against the Strategy and commensurate improvements in public satisfaction year-on-year since its inception.</p> <p>In light of performance outturn reporting of 2020/21, the likelihood of this opportunity has been downgraded to reflect the results – which were clearly impacted by Covid-19 and pivoting our organisational focus towards managing the pandemic response and recovery.</p> <p>Overall our level of preparedness for this opportunity is reduced due to many external factors – including the pandemic, EU Exit and national policy – having changed the environment in which we work. This is a key driver to update the overall Corporate Strategy and look ahead to our needs over the next five years, which will help strengthen our level of preparedness and the likelihood of this opportunity manifesting. Work has begun on this process, including early engagement and a desktop review of evidence.</p>	4	7	28
Risk Owner: Director Policy, Strategy and Partnerships.	Action Owner: Director Policy, Strategy and Partnerships.	Portfolio Flag: Finance, Governance and Performance.			Strategy Theme: Our Organisation.				

Appendix A: Bristol City Council – Corporate Risk Report (register of risk summary) Q1 2021/22

Corporate Risk Register as at June 2021 – Opportunity Risks to the achievement of Bristol City Councils Objectives.									
Risk title and description	What we have done	Performance	Current Risk Level			Tolerance Risk Level			
			Likelihood	Impact	Risk Rating	Likelihood	Impact	Risk Rating	
<p>OPP3: Devolution. Should the potential arise for opportunities from a region’s devolving, second devolution deal that could lead to an opportunity to align the Council’s corporate priorities and strengthen regional partnership working.</p> <p>Key potential causes:</p> <ul style="list-style-type: none"> • Potential development of second devolution deal. 	<p>We are engaging with HM Government and WECA as well as working alongside other combined authorities and core cities on potential devolution options. There are risks that devolution takes a different turn following Covid-19 pandemic.</p> <p>There have been delays in the Government publishing its Devolution White Paper.</p> <p>We continue to monitor developments and can take advantage of opportunities when they arise.</p>	↔	3	7	21	<p>We will continue to engage with WECA at strategic level.</p> <p>We will continue to engage with HM Government on devolution opportunities, following up on specific spending review asks and engagement on the development of the Western Gateway.</p> <p>We have commissioned an Independent Economic Position Statement for the Western Gateway and recruiting to Secretariat resource. We will continue to engage partners and HM Government on this project.</p>	3	7	21
Risk Owner: Chief Executive.	Action Owner: Director Policy, Strategy and Partnerships.	Portfolio Flag: Finance, Governance and Performance.	Strategy Theme: Our Organisation.						

Appendix A: Bristol City Council – Corporate Risk Report (register of risk summary) Q1 2021/22

Corporate Risk Register as at June 2021 – External / Civil Contingency Risks to the achievement of Bristol City Councils Objectives.									
Risk title and description	What we have done	Performance	Current Risk Level			What we are doing	Tolerance Risk Level		
			Likelihood	Impact	Risk Rating		Likelihood	Impact	Risk Rating
<p>BCCC1: Flooding. There could be a risk of damage to properties and infrastructure as well as risk to public safety from flooding which may be caused by a tidal surge, heavy rainfall, and river flood events.</p> <p>Key potential causes are:</p> <ul style="list-style-type: none"> • Tidal surge, heavy rainfall, and river flood events. • Impact of climate change. • Lack of effective flood defences and preparedness for major incidents. • Failure of existing flood defences. 	<p>Bristol has in place a local Flood Risk Management Strategy which comprises of 5 key themes and 43 separate actions in line with Environment Agency's national strategy. The Strategy has used outputs from a number of key studies (which identify the risk of flooding to the city) to structure our response to flood risk management, from emergency management to flood mitigation schemes, summarised below.</p> <p>The Avon and Somerset Local Resilience Forum (LRF) is a partnership of all the organisations needed to prepare for an emergency in the LRF area. It includes the emergency services, health services, Maritime and Coastal Agency, Environment Agency, volunteer agencies, utility companies, transport providers and the five councils of Bath and North East Somerset, Bristol, North Somerset, Somerset, and South Gloucestershire.</p> <p>Working with emergency services, local authorities, and other agencies to develop flood response plans and procedures, investigating instances of flooding, training specialist staff in swift water rescue techniques, communicating with housing and business developers to incorporate flood protection into new developments. It provides guidance to members of the public about flooding, including flood warnings and what people can do to help themselves. We undertake regular and emergency maintenance and clearing programs of gullies and culverts, especially in advance of storm warnings.</p> <p>Work is ongoing with the Environment Agency and South Gloucestershire Council to construct new sea defences in Avonmouth and Severnside, which take account of climate change and sea level rise.</p> <p>A Strategic Outline Case for managing the risk of flooding from the river Avon to the city centre over the next century was approved by Cabinet in June 2021. The approved strategic approach is to construct new defences and / or raise the level of existing defences along the banks of the river Avon. The Environment Agency approved the SOC and the scheme has been given a £2m approval for further work to develop the Outline Business Case.</p> <p>We have been successful in our expression of interest to participate in the DEFRA Innovation and Resilience programme. This programme allocates approximately £6m to 25 areas to undertake innovative actions to increase resilience to flooding from 2021 – 2027.</p>	↔	3	5	15	<p>There is sustained resourcing and delivery of all actions in Local Flood Risk Management Strategy (LFRMS) over life of strategy. Strategy includes the following key projects and objectives:</p> <ul style="list-style-type: none"> • Working in partnership with the Environment Agency to complete and deliver the Bristol Avon Flood Strategy to protect the city centre and support sustainable development, including allowances for climate change. • Working in partnership with South Gloucestershire and the Environment Agency to deliver a flood scheme to help protect Avonmouth Village and the Enterprise Area from tidal flooding, including allowances for climate change. • Promote minor sized schemes and green infrastructure to reduce local flood risks. • Actively managing flood risk infrastructure. • Ensuring development is sustainable, seeks to reduce flood risk and includes consideration to climate change. • Working with South Gloucestershire and the Environment Agency to deliver a programme of innovation to increase communities resilience to flooding. 	3	3	9
<p>Risk Owner: Executive Director Growth and Regeneration, Director Economy of Place.</p>	<p>Action Owner: Director Economy of Place, Flood Risk Engineer.</p>		<p>Portfolio Flag: Energy, Waste and Regulatory Services.</p>			<p>Strategy Theme: Our Organisation, Empowering and Caring, Fair, and Inclusive, Well Connected, Wellbeing.</p>			

Corporate Risk Register as at June 2021 – External / Civil Contingency Risks to the achievement of Bristol City Councils Objectives.									
Risk title and description	What we have done	Performance	Current Risk Level			What we are doing	Tolerance Risk Level		
			Likelihood	Impact	Risk Rating		Likelihood	Impact	Risk Rating
<p>BCCC3: COVID-19</p> <p>A failure to respond and recover effectively to the Covid crisis will jeopardise the delivery of statutory duties across the Council, put the lives and welfare of staff and service users at risk, negatively impact Public health, adversely impact the business community of Bristol, lead to increased inequality amongst communities, create additional social anxiety, unmanageable demand on community, voluntary and public sector services, cause unnecessary expense, undermine Council finances and severely damage the Council's reputation.</p> <p>Key potential causes are:</p> <ul style="list-style-type: none"> • Staff sickness, absence, and bereavement. • Surges in demand in key service areas, particularly social care, safeguarding, housing, community engagement, hardship, public health, and civil protection. • A lack of personal protective equipment for staff and providers. • Increased social anxiety and community tension. • Failure of key providers and contractors. • A lack of management control and oversight associated with home working. • Failure to identify and seize opportunities. • Changes in national guidelines. 	<p>The Council has moved at pace to change the way that it works across every Directorate and Service area:</p> <ul style="list-style-type: none"> • The response to Covid is managed through the Outbreak Management Group, Chaired by the Director of Public Health • The Local Engagement Board and Health Protection Committee were both established and have met regularly • Work to support the most vulnerable is ongoing • Work to enforce Covid regulations is ongoing • PPE supply chains have been stabilised and made more resilient • Additional body storage capacity has been realised • The organisation has established remote working practice wherever possible • Buildings have Covid secure risk assessments in place • Three Recovery Workstreams have been established – Community and People, Economy and Business and Organisational Change • Recovery Objectives are being monitored and managed through EDMs • We have worked in partnership through the One City Economy Board to produce an Economic Recovery and Renewal Plan • We are participating in a regional Strategic Recovery Group run by the Local Resilience Forum and in economic recovery initiatives hosted by the Combined Authority. • Learning from the multiple waves informs our ongoing response • Run 'surge testing' programme for Variant of Concern and applied learning from this • Conducted a region-wide Equality Impact Assessment to inform future planning and adapt current practice where required • Operated a 'Gold' Group chaired by Chief Executive during Major Incident phase(s) • The local outbreak response has been enhanced • Capital for a Community Resilience Fund has been established • We have increased the community development capacity in the short term and introduced a fortnightly Community Exchange to maintain conversation with communities 	↔	4	7	28	<p>We continue to work closely with Health Partners and Avon and Somerset Resilience Forum continues.</p> <p>Continued communication to partners, businesses and citizens continues.</p> <p>We continue to understand the ongoing Covid response and recovery in the context of the wider risk landscape of Brexit, winter pressures and the possibility of an unrelated concurrent emergency.</p>	2	7	14
Risk Owner: CLB	Action Owner: Chief Executive		Portfolio Flag: Corporate wide.			Strategy Theme: Our Organisation, Empowering and Caring, Fair, and Inclusive, Well Connected, Wellbeing.			

Risk Scoring Matrix

		Threat Impact (Negative risks)					Opportunity Impact (Positive Risk)						
Threat Likelihood	Almost certain	4 (Low)	12 (Medium)	20 (High)	28 (Critical)	28 (Significant)	20 (High)	12 (Medium)	4 (Low)	4	Almost certain		
	Likely	3 (Low)	9 (Medium)	15 (High)	21 (High)	21 (High)	15 (High)	9 (Medium)	3 (Low)	3	Likely		
	Unlikely	2 (Low)	6 (Medium)	10 (Medium)	14 (High)	14 (High)	10 (Medium)	6 (Medium)	2 (Low)	2	Unlikely		
	Rare	1 (Low)	3 (Low)	5 (Medium)	7 (Medium)	7 (Medium)	5 (Medium)	3 (Low)	1 (Low)	1	Rare		
		1	3	5	7	7	5	3	1				
		Minor	Moderate	Major	Critical	Exceptional	Significant	Modest	Slight				

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Threat Level	Opportunity Level	Level of Risk	Actions Required
1-4	1-4	Low	May not need any further action / monitor at the Service level.
5-12	5-12	Medium	Action required, manage and monitor at the Directorate level.
14-21	14-21	High	Must be addressed - if Directorate level consider escalating to the Corporate Risk Report, if Corporate consider escalating to the Cabinet Lead.
28	28	Critical / Significant	Action required - escalate if a Directorate level risk, escalate to the Corporate Level, if Corporate bring to the attention of the Cabinet Lead to confirm action to be taken.

Current and Tolerance risk ratings: The ‘Current’ risk rating for both threats and opportunities refer to the current level of risk taking into account any strategies to manage risk - management actions, controls, and fall-back plans already in place. The ‘Tolerance’ rating represents what is deemed to be a realistic level of risk to be achieved once additional actions have been put in place. On some occasions the aim will be to contain the level of the risk at the current level.

Positive Risks (Opportunities): Where the risk is an opportunity, a cost benefit analysis is required to determine whether the opportunity is worth pursuing, guided by the score for the matrix, e.g. an opportunity with a score of 28 would be pursued as it would offer considerable benefits for little risk.

LIKELIHOOD AND IMPACT RISK RATING SCORING**Likelihood Guidance**

Likelihood	Likelihood Ratings 1 to 4			
	1	2	3	4
Description	Might happen on rare occasions.	Will possibly happen, possibly on several occasions.	Will probably happen, possibly at regular intervals.	Likely to happen, possibly frequently.
Numerical Likelihood	Less than 10%	Less than 50%	50% or more	75% or more

Severity of Impact Guidance (Risk to be assessed against all of the Categories, and the highest score used in the matrix).

Impact Category	Impact Levels 1 to 7			
	1	3	5	7
Service provision	Very limited effect (positive or negative) on service provision. Impact can be managed within normal working arrangements.	Noticeable and significant effect (positive or negative) on service provision. Effect may require some additional resource, but manageable in a reasonable time frame.	Severe effect on service provision or a Corporate Strategic Plan priority area. Effect may require considerable /additional resource but will not require a major strategy change.	Extremely severe service disruption. Significant customer opposition. Legal action. Effect could not be managed within a reasonable time frame or by a short-term allocation of resources and may require major strategy changes. The Council risks 'special measures'. Officer / Member forced to resign.
Communities	Minimal impact on community.	Noticeable (positive or negative) impact on the community or a more manageable impact on a smaller number of vulnerable groups / individuals which is not likely to last more than six months.	A more severe but manageable impact (positive or negative) on a significant number of vulnerable groups / individuals which is not likely to last more than twelve months.	A lasting and noticeable impact on a significant number of vulnerable groups / individuals.
Environmental	No effect (positive or negative) on the natural and built environment.	Short term effect (positive or negative) on the natural and or built environment.	Serious local discharge of pollutant or source of community annoyance that requires remedial action.	Lasting effect on the natural and or built environment.
Financial Loss / Gain	Under £0.5m	Between £0.5m - £3m	Between £3m - £5m	More than £5m
Fraud & Corruption Loss	Under £50k	Between £50k - £100k	Between £100k - £1m	More than £1m
Legal	No significant legal implications or action is anticipated.	Tribunal / BCC legal team involvement required (potential for claim).	Criminal prosecution anticipated and / or civil litigation.	Criminal prosecution anticipated and or civil litigation (> 1 person).
Personal Safety	Minor injury to citizens or colleagues.	Significant injury or ill health of citizens or colleagues causing short-term disability / absence from work.	Major injury or ill health of citizens or colleagues may result in. long term disability / absence from work.	Death of citizen(s) or colleague(s). Significant long-term disability / absence from work.
Programme / Project Management <i>(Including developing commercial enterprises)</i>	Minor delays and/or budget overspend but can be brought back on schedule with this project stage. No threat to delivery of the project on time and to budget and no threat to identified benefits / outcomes.	Slippage causes significant delay to delivery of key project milestones, and/or budget overspends. No threat to overall delivery of the project and the identified benefits / outcomes.	Slippage causes significant delay to delivery of key project milestones; and/or major budget overspends. Major threat to delivery of the project on time and to budget, and achievement of one or more benefits / outcomes.	Significant issues threaten delivery of the entire project. Could lead to project being cancelled or put on hold.
Reputation	Minimal and transient loss of public or partner trust. Contained within the individual service.	Significant public or partner interest although limited potential for enhancement of, or damage to, reputation. Dissatisfaction reported through council complaints procedure but contained within the council. Local MP involvement. Some local media/social media interest.	Serious potential for enhancement of, or damage to, reputation and the willingness of other parties to collaborate or do business with the council. Dissatisfaction regularly reported through council complaints procedure. Higher levels of local or national interest. Higher levels of local media / social media interest.	Highly significant potential for enhancement of, or damage to, reputation and the willingness of other parties to collaborate or do business with the council. Intense local, national, and potentially international media attention. Viral social media or online pick-up. Public enquiry or poor external assessor report.

Audit Committee

27th September 2021



Report of: Tim O’Gara, Monitoring Officer

Title: Annual Report of Local Government and Social Care Ombudsman Decisions

Ward: Citywide

Officer Presenting Report: Ben Hewkin Head of Information Assurance

Recommendation

That the Audit committee note the report and refer to Full Council for consideration.

Summary

The report summarises findings made by the Local Government and Social Care Ombudsman (LGO) in 2020/2120 in respect of the Council. There were two public reports during this time.

The significant issues in the report are:

The Ombudsman made one Public interest Report in respect of 2 cases – both are detailed in first 2 cases in the attached Summary report at Appendix 1 and in the link to the LGSO website at Para 2 below. There were 19 Upheld cases out of 95 investigations compared with 20 Upheld cases and 130 investigations in 2019-2020

Adult Social Care – 4

Benefits and Tax – 4

Highways and Traffic – 3

Planning Applications & Planning Enforcement – 2

Environmental Services – 2

Housing – 2

Bristol Waste – 1

Children’s Services – 1

Context

1. This report is presented to the Committee to consider for referral to Full Council in line with the duty to report to the Full Council where findings of maladministration or fault have been made by the Ombudsman, summarising the findings made.
2. The Ombudsman performance data includes lessons learnt with a view to looking at wider improvements that can be achieved. The Ombudsman has published an interactive map of council performance showing annual performance data for all councils in England, with links to published decision statements, public interest reports, annual letters and information about service improvements that have been agreed by each council. It also highlights those instances where each authority offered a suitable remedy to resolve a complaint before the matter came to the Ombudsman, and the authority's compliance with the recommendations made to remedy complaints:

<https://www.lgo.org.uk/your-councils-performance>

3. The Ombudsman has sent the Council all findings made in the year ending the 31st March 2020.
4. The requirement to report to Full Council applies to all Ombudsman complaint decisions, not just those that result in a public report.
5. The LGO has upheld 19 cases in the year to March 31st 2021 compared to 20 the previous year.
6. To put this figure in to context, the Council dealt with 6,148 Stage One complaints compared with 6,942 in 2019-2020, giving an escalation rate to the LGO of 1.55% of the total number of cases investigated by the LGO, and 0.31% in relation to the number of upheld cases.
7. Of the 6,148 Stage One cases, 345 were escalated internally and dealt with by BCC at Stage Two of the Complaints procedure, which is an internal escalation rate of 5.61%. Some of these cases, but not all, would also appear in the 95 cases investigated by the LGO.
8. The link below taken from the LGSCO website shows that the Council's upheld rate of 83% is higher than the UK authority average of 63%. Council has provided satisfactory remedies in 16% of cases compared with the national average of 10%.
9. In respect of cases where the LGO has found that routine mistakes and service failures have been made, and the Council has agreed to remedy the complaint by implementing the recommendations, the Ombudsman is of the view that the duty to report is satisfactorily discharged if the Monitoring Officer makes a periodic report to the Council summarising the findings on all upheld complaints over a specific period of time.
10. Appendix 1 sets out a summary of the findings made by the LGO, remedies agreed by the Council and lessons learnt.
11. Appendix 2 and 3 sets out comparator information with other Authorities including by matter and decision respectively
12. The Annual letter from the LGO to the Council is at Appendix 4
13. The Ombudsman has commented in the annual letter:-

During the year, we issued one public report about your Council's failure to implement agreed recommendations in two previous cases we investigated. Our investigation into the first complaint found the Council's refuse collection contractor repeatedly missed communal bin collections from the complainant's block of flats. The fault caused the complainant time and trouble in repeatedly contacting the Council to report problems without a permanent solution being found, and he spent time cleaning up the overflowing bin areas. The Council agreed to our recommendations to apologise, and to instruct its contractor to monitor collections for two months to ensure they happened without failure. The Council also agreed to review its missed collections policy to ensure such matters would be better identified and managed in future.

The Council failed to provide evidence of its compliance with the agreed recommendations, despite numerous requests and opportunities to do so. As a result, we registered a new complaint against the Council about its failure to comply. It then provided us with evidence of its compliance. Our investigation into a second complaint found your Council had been slow to respond and communicated poorly with a complainant concerned about noise nuisance. The Council agreed to a range of recommendations, including to apologise, to remind its officers of the need to store case-specific files that are accessible to all team members, to review noise nuisance cases every four weeks and to communicate outcomes to complainants. Again, the Council failed to provide us with evidence of its compliance with the agreed recommendations, despite numerous reminders to do so. We therefore registered a new complaint against the Council for its failure to comply. We then received the evidence we had requested demonstrating compliance with the original recommendations.

After we registered the two complaints for non-compliance the Council advised us it had carried out an internal investigation into its complaints handling as it recognised it had resource issues. I understand the outcome was an increase in staff resources to deal with complaints and improved mechanisms for monitoring the complaints my office investigates.

I issued the public report to highlight the Council's failure to do what it had agreed to, demonstrating a clear breakdown in its corporate governance arrangements and oversight. We consider that when a council agrees to take action to remedy a complaint, it should be accountable for that action and make every effort to comply. Further to the original recommendations, the Council agreed to apologise to both complainants for failing to carry out the actions agreed in the earlier investigations and make a small payment to them in recognition of the frustration and uncertainty caused. Importantly, the Council agreed to review its arrangements for monitoring complaints. I am pleased the Council has accepted and provided evidence of its compliance with these recommendations.

The year also highlighted more general concerns about your Council's responses to our enquiries. Several of our investigations were delayed by your Council's failure to respond in a timely way to our requests for information. At one stage we were not receiving any responses and had to threaten to issue a witness summons to elicit the information we requested. After recent contact with you, I welcome your reassurances that an action plan to address the issues has been put in place. I hope to see the results of this in the coming year.

14. Officers have considered the comments made.

Officers recognise it has been a challenging year and welcome the Ombudsman's acknowledgement of the work done to remedy the particular cases listed but understand that failings have occurred that have since been remedied.

In reference to the public report:

- The other recommendations were completed, this was not communicated internally or to the Ombudsman.
- A subsequent apology was hand delivered in November 2020, following a review of Ombudsman cases and further contact from the Ombudsman.

- Because of a lack of clarity around the status of the recommendations and problems within Customer Relations, causing poor communications, the Ombudsman escalated the matter to the Chief Executive before declaring in November 2020 that a Public Report would be issued in March 2021.

A number of changes have been made to process and resourcing to facilitate improvements in our handling of complaints:

- Complaint Coordinator / Handler resources increased in the Autumn of 2020 from 1 FTE to 2.5 FTE
- The Complaints Coordinator/Handlers hold daily casework briefings with the Customer Relations Manager overseeing meetings. Caseloads are discussed and prioritised.
- Heads of Service and Directors are now sighted on Ombudsman cases earlier on in the process, to ensure service-based officers are giving cases due attention (particularly to deadlines)
- Extra resourcing has allowed Complaints Coordinators to facilitate improvements and training within service areas in respect of their response to complaints (casework will still take priority)
- IT issues resolved. The iCasework system for handling complaints (implemented in September 2019) means cases will not span different systems and archived databases that used to make it very difficult to carry out long-running complaint investigations
- Complaints officers are much better adapted now to working remotely compared with the start of the pandemic

Proposal

That the Committee note the report and refer to Full Council for consideration.

Legal and Resource Implications

Legal

This report is made in compliance with the Council's duty to report Findings of maladministration or fault to Full Council

Legal advice provided by Nancy Rollason Head of Legal Service

Financial

Appendices:

- Appendix 1 – Summary of complaints upheld and lessons learnt
- Appendix 2 – Comparator data re subject matter
- Appendix 3 – Comparator data re decision
- Appendix 4 – Annual letter from the LGO

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

Background Papers:

None

- [Bristol City Council \(20 007 915\)](#)
-

Upheld complaint about Refuse and Recycling 30-Mar-2021

Ombudsman summary:

In January 2020 the Council agreed to apologise to Mr X for failing to resolve his issues with refuse collections, monitor the collections at his property for at least two months and review its missed collections policy. The Ombudsman upheld the complaint and found fault causing injustice. The Council has agreed to write to Mr X to apologise for failing to carry out the action it agreed

Bristol's comments, learning actions, service improvement and/or remedial actions:

Bristol admits to failure to provide evidence of compliance with recommendations.

Remedies and action taken

BCC has written to Mr X to apologise for failing to carry out the action it agreed in its final decision in January and March 2020

BCC has paid Mr X £100 to recognise the frustration and uncertainty caused by its failure to comply with the agreed action following our final decisions in January and March 2020

BCC has reviewed its revised arrangements for monitoring complaints and ensuring compliance with any future recommendations. The Customer Relations Manager has provided a ten-point improvement plan in relation to this as follows:

1) New IT system which improves case management 2) Extra resources 3) Daily casework meetings 4) Weekly casework meetings 5) Formal 1-1's, 6) Monthly senior management casework meetings 7) Weekly casework summary reports 8) New performance targets 9) Closer casework monitoring by the Customer Relations Manager 10) Greater focus on Ombudsman findings and recommendations

BCC has also worked with Bristol Waste Company to ensure its waste collections monitoring arrangements are more robust to ensure it can provide evidence of monitoring in future cases. A new system was introduced called Alloy within Bristol Waste. Also, following this complaint there has been new Internal processes implemented post Alloy.

Reporting - A rolling monthly report of all missed collections is produced within Alloy and distributed to the Refuse and Recycling Services Managers and the Operations Manager. This enables Bristol Waste Company to identify potential issues in a proactive way.

Monitoring - For sites where issues may have been identified, the Service Managers now create a 'Monitoring Inspection Job' for individual Supervisors to complete and upload directly to all details which is evidenced on the Alloy system. This will enable BWC and BCC to provide evidence of monitoring in future cases.

Where a multiple missed complaint has been received, the Complaint Team at Bristol Waste Company now advises the Supervisor and Service Manager to investigate the site, monitor the collections and provide evidence; this evidence can now be collated within Alloy by the Service Manager raising the 'Monitoring Inspection Job' for the Supervisor or crew. The BWC Complaints Team also advises residents of reporting procedures if no reports of missed collections can be found.

Missed collections can now also be reported online and recorded on the Waste Management system.

Complaints

Within i-casework (BCC complaints system), complaints of a multiple missed collections nature are not closed without receiving confirmation from the Supervisor of an investigation outcome and agreed actions to resolve the situation.

Upheld complaint about Noise 30-Mar-2021

Ombudsman summary:

In March 2020 the Council agreed to apologise to Mr Y for the injustice caused by the council's noise nuisance complaint and remind officers of the need to store case-specific files, so any member of the team can access them. It also agreed to review noise nuisance cases every four weeks and ensure the deadlines for responding to Stage Two complaints are met. The Ombudsman upheld the complaint and found fault causing injustice. The Council has agreed to write to both Mr Y to apologise for failing to carry out the action it agreed.

Bristol's comments, learning actions, service improvement and/or remedial actions:

BCC has written to Mr Y to apologise for failing to carry out the action it agreed in its final decision in January and March 2020

BCC has paid Mr Y £100 to recognise the frustration and uncertainty caused by its failure to comply with the agreed action following our final decisions in January and March 2020

BCC has reviewed its revised arrangements for monitoring complaints and ensuring compliance with any future recommendations. The Customer Relations Manager has provided a ten-point improvement plan in relation to this as follows:

1) New IT system which improves case management 2) Extra resources 3) Daily casework meetings 4) Weekly casework meetings 5) Formal 1-1's, 6) Monthly senior management casework meetings 7) Weekly casework summary reports 8) New performance targets 9) Closer casework monitoring by the Customer Relations Manager 10) Greater focus on Ombudsman findings and recommendations

Also, on the 29th April & 3rd of November 2020 the Neighbourhood Enforcement (NET) Team Leader met with officers dealing with noise cases to run through procedures to identify the linked processes that needed further written processes to ensure each officer followed the same process.

This continues to be a work in progress but now only three officers within NET deal with noise cases which has developed specialist knowledge and consistency in record keeping and response.

All three officers have a full understanding of the case management systems used for noise cases and regular case reviews mean that they check quality of record keeping and response

Officers set auto-reminders on the case management system to trigger regular reviews and outcomes of reviews, so that they are communicated to the reporter. Standard letters have been revised to ensure reporters are clear as to when and why a case will be closed

The new complaints case management system (i-casework) has been rolled out to all officers dealing with complaints within the NET (Stage One complaints) and the Customer Relations Team (for escalated Stage Two complaints), which provides dashboard monitoring, transparency of cases, daily email notifications of upcoming and overdue response deadlines and detailed reporting functionality. Performance of casework is now reviewed by managers at all levels.

[Bristol City Council \(20 004 449\)](#)

Upheld complaint about the Benefits and Tax system during COVID 19 – March 2021

Ombudsman summary:

Mr X complains about the Council's handling of grant schemes and his complaints result in the loss of trust and financial difficulties. We find fault by the Council and recommend it provides Mr X an apology, payment for distress and payment for time and trouble.

Bristol's comments, learning actions, service improvement and/or remedial actions:

Bristol admits the council was at fault in its decision to award Mr X a Retail, Hospitality and Leisure grant and fault in its handling of Mr X's complaints.

Mr X is provided with a written apology for the identified failings plus £100 for time and trouble and £300 for distress and uncertainty.

- [Bristol City Council \(20 000 786\)](#)
-

Upheld complaint about Traffic management February - 2021

Ombudsman summary:

Mr and Mrs A complained to the council about the installation of an unsafe pedestrian refuge island near their home. The Ombudsman has found some evidence of fault by the Council. He has upheld the complaint and completed the investigation because the Council accepts the recommended actions.

Bristol's comments, learning actions, service improvement and/or remedial actions:

There was a slight change to the road layout which resulted in issues for the complainant using their driveway.

There was then an unreasonable delay in changing the road layout to relieve the issue and the service did not remain in contact with the complainants adequately during the delay.

The service agreed to amend the scheme and pay £250 to the complainant. The complainant has so far refused the financial remedy.

- [Bristol City Council \(20 003 011\)](#)
-

Upheld complaint about Benefits and Tax system during COVID-19 Jan 2021

Ombudsman summary:

Mrs C complains the Council misled her and her husband into thinking their business would receive funding from the Small Business Grant Fund designed to support businesses impacted by COVID-19. We uphold the complaint finding the couple received poor customer service and advice when applying for such support. This caused raised expectations and put them to unnecessary time and trouble. The Council accepts these findings and at the end of this statement we explain what action it has agreed to remedy this injustice.

Bristol's comments, learning actions, service improvement and/or remedial actions:

The Council has agreed that in future, when writing any schemes that provide for grants for businesses impacted by COVID-19, that it will ensure applicants are given a right of review or appeal if they disagree with a decision.

Bristol council agrees that the complainants were misled about whether or not they were eligible for a Covid Grant.

There was no fault in declining the grant, but there was fault in the design of the scheme as it stated that there was no appeal mechanism.

There was also fault in the advice the complainant was given by the Contact Centre and there was a failure to properly explain the reasons for declining the original grant application until the Stage Two complaint response.

The investigator also raised concern that the terms of the scheme stated that there was no appeal mechanism.

The complainant was written to with an apology and £250.

Bristol has committed to ensure that any future schemes carry an appeal mechanism

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- [Bristol City Council \(20 001 861\)](#)
-

Upheld complaint about Housing allocations Jan 2021

Ombudsman summary:

Miss X complained about the way the Council assessed her priority band for the Bristol Home Choice scheme. We found no fault in the way it made that decision. However, its handling of her complaint was poor and it has agreed to apologise for that.

Bristol's comments, learning actions, service improvement and/or remedial actions:

The council has accepted there was fault in the way it handled Miss X's Stage One complaint.

There was a significant delay in responding. When it did reply in July 2020, it did not apologise for the delay, it only dealt with the repair issues because it had not identified that another service would need to investigate and respond to other parts of the complaint.

Bristol apologised for the frustration caused and the officers involved have been spoken to.

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- [Bristol City Council \(18 017 789\)](#)
-

Upheld complaint about Planning applications Jan 2021

Ombudsman summary:

Ms D complained that the Council failed to fully consider her objections to a planning application. She also says it failed to reply

to her complaint. The Ombudsman has not found fault in respect of the planning application but there were serious service failings in its complaint handling. The Ombudsman has completed the investigation and upheld the complaint. The Council has agreed to the recommended actions.

Bristol's comments, learning actions, service improvement and/or remedial actions:

The Council failed to handle Ms D's complaint correctly. There is an absence of evidence from the Council as to what action, if any, it took from the end of 2018 onwards regarding Ms D's complaints. The Ombudsman is satisfied from Ms D's evidence that she did complain to the Council and pursued the case into 2019. And even after contact from the Ombudsman in February 2019, the Council failed to consider and reply to the complaint.

Ms D was paid £250 for her time and trouble in acknowledgment of the degree of fault with complaint handling and Ms D was sent a letter of apology.

BCC measures set out as to how its complaints handling will be improved including ensuring complaints are responded to.

The Customer Relations Manager provided a ten-point improvement plan in relation to this as follows: 1) New IT system which improved case management 2) Extra resources 3) Daily casework meetings 4) Weekly casework meetings 5) Formal 1-1's, 6) Monthly senior management casework meetings 7) Weekly i-casework summary reports 8) New performance targets 9) Closer casework monitoring by the Customer Relations Manager 10) Focus on Ombudsman findings and recommendations

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- [Bristol City Council \(20 003 080\)](#)
-

Upheld complaint about Refuse and recycling Dec 2020

Ombudsman summary:

Mr X complained the Council had failed to regularly collect recycling from his block of flats over the last 3 years. We found the Council was at fault for failing to ensure regular recycling collections from Mr X's block of flats and in how it dealt with his complaints. This caused Mr X the inconvenience of making alternative arrangements to dispose of his own recycling and avoidable time and trouble pursuing his complaints. The Council has agreed to apologise to Mr X, monitor ongoing collections and remind staff about the need to investigate complaints thoroughly.

Bristol's comments, learning actions, service improvement and/or remedial actions:

Bristol has reminded its staff handling complaints about recurring missed collections, and that they should establish the underlying cause and identify appropriate remedial actions.

And that these should be communicated to complainants and ensure issues are resolved before closing complaints. This should include staff at the Council and Bristol Waste Company.

Also, reminders to council staff handling complaints of its responsibly to consider complaints where someone is dissatisfied with the response of a commissioned service provider, as stated in section 9 of its Complaints and Compliments Policy.

BCC wrote to Mr X to apologise for the avoidable time, trouble and frustration caused by its failure to properly investigate the issues he reported sooner

Bristol Waste has agreed to monitor collections from Mr X's flat for eight weeks

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- [Bristol City Council \(20 001 663\)](#)
-

Upheld complaint about Housing benefit and Council Tax benefit Nov 2020

Ombudsman summary:

The Council wrongly told Miss X it owed her a large amount of money. The Council caused injustice as Miss X borrowed money from family and friends in expectation of the payment before the Council told her it had made a mistake.

Miss X struggled to pay back the loans. To put this right the Council will pay Miss X £150 in recognition of the trouble and distress it caused her.

Bristol's comments, learning actions, service improvement and/or remedial actions:

The Council accepts it was at fault for the wrong information it gave Miss X. The Council has not addressed the extent of the injustice this caused as Miss X acted to her detriment because of what the Council told her. It understands why in the run up to Christmas and in a new home Miss X borrowed money in expectation of a large payment from the Council. Miss X then had difficulties paying back the loans.

Bristol council has agreed that within one month of the Ombudsman final decision (made 9 November 2020) it would pay Miss X £150 for the distress and trouble it caused by providing wrong information to her.

A payment of £150 was sent on 10 December 2020. The remedy was confirmed to the Ombudsman on 16 December 2020.

The learning was that while housing benefit is for rent, an underpayment may not be, and this has been fed back to the Contact Centre.

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- [Bristol City Council \(19 016 938\)](#)

Upheld complaint about street furniture and lighting Nov 2020

Ombudsman summary:

Mr B complained about the Council's response to enquiries he made about replacing a collapsed road sign. We uphold the complaint, finding failings in the information given to Mr B by the Council through its 'Fix My Street' online reporting tool.

It was also at fault for its complaint responses. This caused Mr B injustice as he experienced unnecessary time, trouble and frustration.

The Council accepts these findings.

Bristol's comments, learning actions, service improvement and/or remedial actions:

Bristol provided Mr B with an apology for the time, trouble and frustration in following up a routine enquiry about a missing road sign.

Mr B was paid Mr B £100 in recognition of his time and trouble

The Council says it can now provide an audit trail for action taken on any reported defect as it has integrated this information into its Highways software

It has an improved ability to follow up with its contractor where it finds signs that have not been replaced or fixed

It has agreed that this complaint has highlighted a need to ensure better communication is necessary to those reporting missing signs, letting them know timescales for replacement signs and giving them more information when updating the 'Fix My Street' site

Bristol also undertakes to ensure staff provide more information

Bristol also undertakes significant recruitment dealing with street sign requests and has changed how it managed those requests.

- [Bristol City Council \(19 007 723\)](#)
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Upheld complaint about an assessment and care plan Nov 2020

Ombudsman summary:

Mr B complains on behalf of his son, Mr C, in connection with support he receives to meet his care needs. We uphold the complaint finding fault in a series of best interest decisions taken by the Council and in its actions following those decisions. There was also poor complaint handling by the Council. These faults caused injustice for Mr B and Mr C as a loss of service, distress, time and trouble. The Council accepts these findings and at the end of this statement we set out what action it has agreed to take to remedy this injustice.

Bristol's comments, learning actions, service improvement and/or remedial actions:

Bristol has apologised to the service user and his father.

Bristol has paid £750 to the complainant in recognition of:

- distress (£250)
- time and trouble in pursuing a service for his son (£250)
- time and trouble pursuing his complaint (£250)

Bristol has prepared a briefing for all relevant staff who carry out MCA or best interest decisions to remind them of:

- the decision specific nature of MCA decisions
 - clearly recording the reasons for best interest decisions
 - ensuring effective follow up of best interest decisions; to ensure outcomes are specific, measurable, achievable, relevant and with a clear timescale. (see attached)
-

Bristol has written to the Ombudsman to advise when the above action was completed, including an explanation of what measures were taken to avoid a repeat of the circumstance where this complaint became bogged down in disagreement about which service area had responsibility to respond

The council has also prepared a briefing for all relevant staff who carry out Mental Capacity Assessments or best interest decision making to remind them:

- of the decision specific nature of MCA decisions;
- of clearly recording the reasons for best interest decisions;
- of ensuring effective follow up of best interest decisions; to ensure outcomes are specific, measurable, achievable, relevant and with a clear timescale.

The Council has also explained what measures it has taken to avoid a repeat where a complaint response became heavily delayed in a disagreement about which service area has responsibility to respond.

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- [Bristol City Council \(19 009 255\)](#)
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Upheld complaint Benefits and Tax - Oct 2020

Ombudsman summary:

Mr X complained about the council's decision that he was not entitled to small business rate relief. The Council is at fault as it did not consider Mr X's utility bills as evidence that he was occupying a business unit at the time he submitted the bills.

This fault did not cause injustice to Mr X as the Council has now considered the bills and it would not have made a different decision if it had considered the bills earlier.

However, the Council delayed in responding to Mr X's complaint at Stage Two of its complaints procedure which will have caused frustration to Mr X.

The Council apologised to Mr X for the delay in responding to his complaint which is an appropriate and proportionate remedy for the frustration caused to Mr X.

Bristol's comments, learning actions, service improvement and/or remedial actions:

Bristol admitted there was a delay in considering evidence provided and in the complaint response. However, once it considered the evidence which did not materially change the decision, it apologised for the delay.

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- [Bristol City Council \(19 010 220\)](#)
-

Upheld complaint about Planning and Development Enforcement Oct 2020

Ombudsman summary:

A resident's association complained that the council failed to properly consider their enforcement reports and failed to consider key factors when reaching a decision not to take enforcement action in respect of a site that is an Asset of Community Value (ACV).

There was fault by the council in respect of the earliest reports the group made. The records kept were poor and it took too long to reach a decision.

However, we did not find fault in the Council's decision not to take enforcement action. The Council agreed to apologise and review its record keeping and communication for enforcement reports.

Bristol's comments, learning actions, service improvement and/or remedial actions:

Mr B complained on behalf of the Residents' Association that the Council had not done enough to take enforcement action to stop unauthorised letting of a former pub to private tenants and the unauthorised conversion of the pub to residential property.

The pub was registered as an Asset of Community Value (ACV). This may be considered by the council when making planning decisions.

Mr B said the council has not acted in accordance with its enforcement policy. It has not taken into account the ACV or that the developer submitted a report that showed that the air quality and noise from the carriage way means the windows would need to be permanently closed and an air conditioning system installed.

The Ombudsman found no fault with the council's decision to issue a HMO licence in this case. However, there was fault in the way the Council considered the original enforcement reports. It took too long to reach a decision in 2018 and there is no record of what action was being taken or what the council's view was at that time.

Bristol has now undertaken to ensure it reviews its procedures so that proper case records are kept for planning enforcement complaints.

These will show the actions the council took in response to an enforcement report, what decisions were taken and why.

It will also ensure that complainants are updated periodically.

Bristol wrote to apologise to Mr X's group on 27 October 2020.

Bristol also wrote to all planning officers on 27 October 2020 enclosing a copy of the LGO decision and reminding them to make notes of all site visits and ensure these are retained.

- [Bristol City Council \(20 005 080\)](#)
-

Upheld complaint about Traffic management Oct 2020

Ombudsman summary:

The Ombudsman will not investigate Mr X's complaint about the changes the Council has made to the road layout in the City Centre. This is because the Council has already provided a suitable remedy and it is unlikely further investigation will lead to a different outcome.

Bristol's comments, learning actions, service improvement and/or remedial actions:

The Council accepts the information on its website was inconsistent and that there was a delay in answering Mr X's call. It has sincerely apologised to Mr X for any distress he experienced. It has also updated the information on its website.

- [Bristol City Council \(19 012 826\)](#)
-

Upheld complaint about Housing allocations Oct 2020

Ombudsman summary:

Miss C complained about the council's decision that she was not eligible to join its housing register. Miss C says she cannot bid for more affordable accommodation and has spent unnecessary time and trouble in dealing with the issue.

The Ombudsman has found fault by the Council in the way it applied criteria which were not included in its published scheme. The Ombudsman considers the agreed action of the Council amending its published policy to include the criteria with an apology and payment to Miss C is enough to provide a suitable remedy.

Bristol's comments, learning actions, service improvement and/or remedial actions:

Bristol has amended its policy wording to reflect the criteria.

Bristol wrote to Miss C to apologise for her missed opportunity to make a properly informed choice and avoidable time and trouble in making the application review request and complaint

Miss C was paid £200 compensation to reflect this

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- [Bristol City Council \(19 003 437\)](#)
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Upheld complaint about Adult Care Assessment and Care Plan Oct 2020

Ombudsman summary:

Mr X complains on behalf of Mr Y, that the Council did not move Mr Y to suitable accommodation after it said his needs would be better met elsewhere. Over four years later, and 18 months after he complained, Mr Y has not moved. He says he is unhappy and reliant on staff for everything, including leaving the property. This caused him significant stress and anxiety and he lost independent living skills. The Ombudsman finds the Council at fault in the way it dealt with Mr Y's accommodation and his complaint about this. It delayed and failed to take decisive action to resolve difficulties it

faced in commissioning a suitable service. It has agreed to apologise, pay Mr Y £5,000 and reimburse him £1,200 for decorating a property he never returned to. It has also agreed to arrange suitable accommodation urgently and identify and remedy similar cases. It will take action to prevent similar problems in future.

Bristol's comments, learning actions, service improvement and/or remedial actions:

Bristol has apologised to the service user, his family and the complainant in writing, setting out the faults identified and actions taken/to be taken, to prevent similar faults in future and remedy the injustice caused.

BCC has paid the service user £5,000 for the stress, anxiety and harm this experience caused him and reimbursed him with £1200 for the unnecessary redecoration of his flat.

BCC has paid the complainant £250 for the time and trouble he spent dealing with this complaint.

BCC has taken steps towards arranging a suitable placement for the service user

BCC has reviewed cases which had been waiting over one year for a placement, ensuring these were prioritised and progressed swiftly with due consideration of human rights

BCC has ensured staff recognise when human rights are engaged and ensure they are addressed

BCC has reviewed assessment practice across the Council to ensure consistency and Care Act compliance

BCC has ensured staff responsible for responding to complaints, are adequately trained and able to identify where cases should be referred to more senior officers.

BCC has ensured there is an effective mechanism for following up where complaints about poor practice have been received and to check that improvements are made and sustained.

The Council has agreed to review assessment practice across the Council to ensure it is consistent and Care Act compliant.

The Council has agreed to ensure staff recognise when human rights are engaged and that they are addressed.

The Council has agreed to review any cases which have been waiting over one year for a placement, ensuring these are prioritised and progressed swiftly with due consideration of human rights.

The Council has agreed to ensure staff responsible for responding to complaints, are adequately trained and able to identify where cases should be referred to more senior officers.

The Council has agreed to ensure it has an effective mechanism for following up where complaints about poor practice have been received and to check that improvements are made and sustained

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- [Bristol City Council \(19 014 084\)](#)
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Upheld complaint about Education and Children's Services - Sep 2020

Ombudsman summary:

The Council was at fault when it delayed consulting on a potential post-16 educational placement for the complainant's son. The Council was also at fault for a general delay in planning his transition to post-16 education. It cannot be said, on the evidence, this made a substantive difference to his situation, but the delays caused frustration to the complainant, and the Council has agreed to offer a financial remedy for this. The Council has also agreed to ensure its post-16 transition planning processes are adequate to adhere to the Code of Practice.

Bristol's comments, learning actions, service improvement and/or remedial actions:

The Council has agreed to offer a financial remedy for this. Payment was made in October 2020.

The Council has agreed to ensure it begins planning for a child's transition to post-16 education in Year 9 as required by the Code of Practice.

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- [Bristol City Council \(19 013 952\)](#)
-

Upheld complaint about Adult Care Services Aug 2020

Ombudsman summary:

Mrs X complained about the Council's handling of her application for disabled adaptations. In particular, she says the Council agreed to a downstairs extension then changed its mind. The Council was at fault for telling Mrs X the extension was approved before completing its assessment. It has already apologised for this. There was no fault in the way it reached a later decision to approve a through floor lift and ground floor toilet.

Bristol's comments, learning actions, service improvement and/or remedial actions:

The Council had already apologised for telling Mrs X the extension was approved before completing the assessment and the Ombudsman considered to be an appropriate remedy.

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- [Bristol City Council \(19 013 945\)](#)
-

Upheld complaint about Adult Care Services July 2020

Ombudsman summary:

Mr X complained on behalf of his father, Mr Y, about a safeguarding enquiry carried out by the Council. The Ombudsman found there was some fault in the Council's initial safeguarding enquiry and record keeping. There was no fault in the outcome of the enquiry.

Bristol's comments, learning actions, service improvement and/or remedial actions:

Mr X did not suffer significant injustice as a result because the Council carried out further investigation when it learned Mr X had more evidence. It took suitable steps and the outcome did not change.

Complaints and Enquiries Received (by Category) 2020-21

Authority Name	Adult Social Care	Benefits and Tax	Corporate and Other Services	Education and Children's Services	Environmental Services, Public Protection and Regulation	Highways and Transport	Housing	Planning and Development	Other	Total
Adur District Council	0	1	3	0	0	0	7	1	1	13
Allerdale Borough Council	0	0	4	1	6	0	1	4	0	16
Amber Valley Borough Council	0	1	0	0	1	0	0	9	0	11
Arun District Council	1	4	1	0	1	0	0	8	0	15
Ashfield District Council	0	3	2	0	5	1	1	2	1	15
Ashford Borough Council	0	2	0	0	0	0	5	11	0	18
Aylesbury Vale District Council	0	0	0	0	0	0	1	1	0	2
Babergh District Council	0	0	3	0	1	0	2	6	0	12
Barnsley Metropolitan Borough Council	5	1	0	4	6	1	1	3	0	21
Barrow-in-Furness Borough Council	0	1	3	0	2	0	0	1	0	7
Basildon Borough Council	0	1	1	0	5	0	8	2	1	18
Basingstoke & Deane Borough Council	1	1	0	0	9	3	2	9	0	25
Bassetlaw District Council	0	4	1	0	2	0	1	4	0	12
Bath and North East Somerset Council	1	5	3	6	3	2	1	7	1	29
Bedford Borough Council	3	1	2	12	10	2	2	2	0	34
Birmingham City Council	40	44	8	60	69	22	102	15	2	362
Blaby District Council	0	0	1	0	1	0	1	5	0	8
Blackburn with Darwen Council	5	3	4	6	4	3	0	2	0	27
Blackpool Borough Council	6	1	5	3	4	1	3	3	0	26
Bolsover District Council	0	0	1	0	2	0	2	1	0	6
Bolton Metropolitan Borough Council	11	2	0	4	6	5	3	6	1	38
Boston Borough Council	0	0	1	0	2	0	0	2	0	5
Bournemouth, Christchurch and Poole Council	14	3	9	18	16	9	10	18	1	98
Bracknell Forest Council	2	0	1	6	4	2	0	3	0	18
Braintree District Council	0	0	1	0	0	0	0	10	0	11
Breckland District Council	0	0	1	0	1	0	2	7	0	11
Brentwood Borough Council	0	1	1	0	4	0	4	5	0	15
Brighton & Hove City Council	3	6	4	4	7	5	9	5	1	44
Bristol City Council	8	11	5	13	19	9	16	16	1	98
Broadland District Council	0	0	0	0	3	0	1	4	0	8
Broads Authority	0	0	1	0	0	1	0	0	0	2
Bromsgrove District Council	0	4	0	0	0	0	0	3	0	7
Broxbourne Borough Council	0	2	0	0	4	2	0	1	1	10
Broxtowe Borough Council	0	1	1	0	2	0	7	2	0	13
Buckinghamshire Council	11	8	6	21	7	9	9	22	0	93
Buckinghamshire County Council	2	0	0	8	1	3	0	0	0	14
Burnley Borough Council	0	4	1	0	4	0	0	3	0	12
Bury Metropolitan Borough Council	5	4	1	13	5	5	3	1	1	38
Calderdale Metropolitan Borough Council	5	6	2	9	6	10	0	10	0	48
Cambridge City Council	0	0	1	0	2	0	3	6	0	12
Cambridgeshire County Council	12	0	1	16	2	8	0	0	0	39
Cannock Chase District Council	0	2	1	0	1	0	3	2	1	10
Canterbury City Council	0	0	1	0	5	2	4	8	0	20
Carlisle City Council	1	0	1	0	2	0	0	2	0	6
Castle Point Borough Council	0	1	0	0	1	0	3	1	0	6
Central Bedfordshire Council	4	3	1	11	2	2	3	6	1	33
Charnwood Borough Council	0	3	1	0	2	0	4	4	0	14
Chelmsford City Council	0	0	0	0	1	1	1	3	0	6
Cheltenham Borough Council	0	1	0	0	2	1	1	6	0	11
Cherwell District Council	0	0	1	0	2	0	0	5	0	8
Cheshire East Council	10	4	6	25	9	10	4	11	0	79
Cheshire West & Chester Council	8	3	4	14	9	4	1	13	1	57
Chesterfield Borough Council	0	0	0	1	0	0	1	4	0	6
Chichester District Council	0	1	0	0	2	1	0	2	0	6
Chiltern District Council	0	0	0	0	0	0	0	0	0	0
Chorley Borough Council	0	0	1	0	1	0	0	7	0	9
City Of Bradford Metropolitan District Council	17	26	5	32	9	7	4	10	0	110
City of London	0	4	1	1	1	2	1	1	0	11
City of Wolverhampton Council	7	3	3	9	8	1	4	5	0	40
City of York Council	6	3	3	5	2	8	2	9	0	38
Colchester Borough Council	0	2	1	0	4	4	1	3	0	15
Copeland Borough Council	0	1	0	0	0	0	0	1	0	2
Corby Borough Council	0	1	1	0	1	0	2	1	0	6
Cornwall Council	22	11	6	13	5	10	8	37	3	115
Cotswold District Council	0	2	1	0	1	0	0	4	0	8
Council of the Isles of Scilly	0	0	0	1	0	0	0	7	0	8
Coventry City Council	7	3	3	17	6	6	7	5	0	54
Craven District Council	0	5	1	0	0	0	0	7	0	13
Crawley Borough Council	0	1	0	0	2	0	4	4	0	11
Cumbria County Council	15	0	3	15	1	9	0	2	1	46
Dacorum Borough Council	0	1	1	0	0	0	4	9	2	17
Darlington Borough Council	8	1	1	3	1	0	1	3	1	19
Dartford Borough Council	0	1	0	0	1	0	7	3	0	12
Dartmoor National Park Authority	0	0	0	0	0	0	0	5	0	5
Daventry District Council	0	0	0	0	2	0	0	9	0	11
Derby City Council	6	4	2	12	1	0	1	0	0	26
Derbyshire County Council	19	0	6	44	1	10	0	0	1	81
Derbyshire Dales District Council	0	1	1	0	4	0	1	6	0	13
Devon County Council	16	1	1	39	7	30	0	1	2	97
Doncaster Metropolitan Borough Council	4	20	7	9	4	3	2	5	2	56
Dorset Council	14	5	4	17	10	3	1	15	0	69
Dover District Council	0	2	2	0	1	0	5	4	0	14

Dudley Metropolitan Borough Council	14	1	3	13	7	5	9	5	1	58
Durham County Council	22	3	5	22	13	7	2	23	0	97
East Cambridgeshire District Council	0	1	0	0	0	0	1	6	0	8
East Devon District Council	0	1	0	0	0	1	4	7	0	13
East Hampshire District Council	0	1	1	0	2	1	2	3	0	10
East Hertfordshire District Council	0	3	0	0	3	0	1	7	0	14
East Lindsey District Council	0	2	3	0	2	0	1	5	0	13
East Northamptonshire Council	0	0	0	0	1	0	0	5	0	6
East Riding of Yorkshire Council	11	1	5	13	8	0	7	10	1	56
East Staffordshire Borough Council	0	1	0	0	2	0	0	2	0	5
East Suffolk Council	0	4	1	0	9	5	5	11	0	35
East Sussex County Council	27	0	1	24	3	8	0	1	0	64
Eastbourne Borough Council	0	3	1	0	3	0	6	1	0	14
Eastleigh Borough Council	1	0	1	0	0	1	1	5	0	9
Eden District Council	0	1	0	0	0	1	0	1	0	3
Elmbridge Borough Council	0	0	1	0	0	0	1	5	0	7
Environment Agency	0	0	0	0	7	0	0	0	0	7
Epping Forest District Council	0	2	1	0	1	0	5	11	0	20
Epsom & Ewell Borough Council	0	1	2	0	5	0	0	4	0	12
Erewash Borough Council	0	2	0	0	2	0	0	6	0	10
Essex County Council	44	0	5	48	9	26	0	2	0	134
Exeter City Council	0	0	1	0	1	0	4	1	0	7
Exmoor National Park Authority	0	0	0	0	0	0	0	1	0	1
Fareham Borough Council	1	3	1	0	1	0	2	4	0	12
Fenland District Council	0	3	0	0	0	0	1	3	0	7
Folkestone & Hythe District Council	1	0	2	0	6	0	5	3	0	17
Forest of Dean District Council	0	1	1	0	1	0	1	5	0	9
Fylde Borough Council	0	1	0	0	1	0	0	4	0	6
Gateshead Metropolitan Borough Council	3	0	3	9	2	4	5	8	2	36
Gedling Borough Council	0	0	0	0	1	0	1	0	0	2
Gloucester City Council	0	1	1	0	3	0	3	1	0	9
Gloucestershire County Council	19	0	0	21	0	11	0	2	1	54
Gosport Borough Council	0	0	0	0	0	1	1	1	0	3
Gravesham Borough Council	1	0	0	0	1	1	7	1	0	11
Great Yarmouth Borough Council	0	1	0	0	2	0	1	3	0	7
Greater London Authority	0	0	2	0	0	0	0	0	0	2
Guildford Borough Council	1	1	3	0	1	0	2	4	0	12
Halton Borough Council	2	1	2	5	3	3	0	1	0	17
Hambleton District Council	0	0	1	0	2	0	0	2	0	5
Hampshire County Council	19	0	5	48	4	35	0	3	1	115
Harborough District Council	0	0	2	0	2	1	0	4	0	9
Harlow District Council	0	0	1	0	4	1	12	0	1	19
Harrogate Borough Council	1	1	2	0	1	0	4	6	0	15
Hart District Council	0	1	1	0	0	0	0	3	0	5
Hartlepool Borough Council	4	1	2	2	0	1	1	4	1	16
Hastings Borough Council	0	3	0	0	3	0	1	3	0	10
Havant Borough Council	0	2	1	0	1	1	1	5	0	11
Herefordshire Council	6	3	7	10	5	6	0	13	0	50
Hertfordshire County Council	21	0	6	34	5	14	0	0	2	82
Hertsmere Borough Council	1	4	0	0	1	2	4	2	0	14
High Peak Borough Council	0	2	1	0	2	0	0	0	0	5
Hinckley & Bosworth Borough Council	0	0	1	0	0	0	1	6	1	9
Horsham District Council	0	1	1	0	2	1	2	5	0	12
Huntingdonshire District Council	1	11	1	0	3	0	0	6	0	22
Hyndburn Borough Council	0	2	0	0	1	0	1	1	0	5
Ipswich Borough Council	0	4	2	0	1	0	2	2	0	11
Isle of Wight Council	10	3	2	6	3	3	2	6	0	35
Kent County Council	56	0	4	79	5	9	1	1	1	156
Kettering Borough Council	0	3	2	0	0	0	2	3	1	11
King's Lynn & West Norfolk Council	0	1	0	0	0	0	3	4	0	8
Kingston upon Hull City Council	10	0	10	19	3	4	5	1	1	53
Kirklees Metropolitan Borough Council	8	13	5	9	12	5	7	14	0	73
Knowsley Metropolitan Borough Council	5	0	1	3	0	0	0	1	0	10
Lake District National Park Authority	0	0	0	0	0	0	0	6	0	6
Lancashire County Council	44	0	7	55	4	11	0	3	0	124
Lancaster City Council	1	1	4	0	1	1	2	1	0	11
Leeds City Council	23	10	14	23	18	4	24	17	2	135
Leicester City Council	8	8	10	16	4	5	11	6	1	69
Leicestershire County Council	10	0	0	22	3	13	0	4	0	52
Lewes District Council	0	0	2	0	2	1	2	7	0	14
Lichfield District Council	0	1	0	0	1	0	0	4	0	6
Lincoln City Council	0	2	0	0	2	1	3	1	1	10
Lincolnshire County Council	24	0	1	15	2	7	0	3	0	52
Liverpool City Council	14	9	3	18	4	4	9	10	0	71
London Borough of Barking & Dagenham	7	3	6	17	13	25	20	6	3	100
London Borough of Barnet	13	16	7	15	13	19	19	20	0	122
London Borough of Bexley	10	3	1	14	9	1	10	11	1	60
London Borough of Brent	15	13	4	14	12	13	20	4	0	95
London Borough of Bromley	11	7	4	24	5	12	12	11	0	86
London Borough of Camden	12	6	2	9	4	11	27	6	1	78
London Borough of Croydon	25	8	7	23	17	19	23	19	2	143
London Borough of Ealing	20	21	5	10	20	20	37	10	1	144
London Borough of Enfield	11	10	7	9	13	14	27	9	6	106
London Borough of Hackney	17	7	2	14	4	17	26	4	4	95
London Borough of Hammersmith & Fulham	8	4	1	5	6	7	22	5	1	59
London Borough of Haringey	22	21	3	16	12	6	32	7	3	122
London Borough of Harrow	6	18	5	8	9	11	15	1	0	73
London Borough of Havering	6	4	2	8	4	9	15	6	1	55
London Borough of Hillingdon	17	9	3	5	12	13	20	8	0	87
London Borough of Hounslow	16	9	4	7	6	11	21	8	2	84
London Borough of Islington	8	6	3	10	3	6	23	3	2	64
London Borough of Lambeth	16	16	3	12	9	23	41	7	7	134

London Borough of Lewisham	5	28	6	11	8	11	21	12	0	102
London Borough of Merton	8	7	3	7	5	7	2	9	0	48
London Borough of Newham	10	5	6	15	17	19	42	5	1	120
London Borough of Redbridge	14	7	3	23	12	5	20	9	1	94
London Borough of Richmond upon Thames	5	6	3	21	4	4	3	9	1	56
London Borough of Southwark	4	4	5	8	10	5	35	9	2	82
London Borough of Sutton	4	2	6	15	6	7	8	2	0	50
London Borough of Tower Hamlets	7	13	3	11	12	12	31	2	5	96
London Borough of Waltham Forest	6	7	1	15	18	15	29	5	3	99
London Borough of Wandsworth	15	4	2	19	3	7	14	6	0	70
Luton Borough Council	9	8	2	8	10	3	6	9	0	55
Maidstone Borough Council	0	8	0	0	2	3	1	12	0	26
Maldon District Council	0	0	1	0	2	0	0	6	1	10
Malvern Hills District Council	0	0	0	0	1	0	0	2	0	3
Manchester City Council	16	19	5	19	15	13	8	7	0	102
Mansfield District Council	0	1	0	0	0	0	0	2	0	3
Medway Council	6	4	1	15	7	5	6	4	2	50
Melton Borough Council	0	0	0	0	0	1	2	3	0	6
Mendip District Council	0	1	2	0	1	2	0	7	0	13
Mid Devon District Council	0	0	1	0	1	0	2	2	0	6
Mid Suffolk District Council	0	1	0	0	1	0	2	10	0	14
Mid Sussex District Council	0	0	1	0	3	2	4	5	0	15
Middlesbrough Borough Council	3	7	0	15	10	3	0	2	0	40
Milton Keynes Council	9	2	4	8	12	5	9	4	0	53
Mole Valley District Council	0	0	0	0	1	0	0	5	0	6
New Forest District Council	0	5	1	0	1	0	2	8	0	17
New Forest National Park Authority	0	0	0	0	0	0	0	1	0	1
Newark & Sherwood District Council	0	2	3	0	0	1	1	4	0	11
Newcastle upon Tyne City Council	11	5	3	3	8	5	4	0	0	39
Newcastle-under-Lyme Borough Council	1	1	2	0	2	0	1	3	0	10
Norfolk County Council	25	0	2	50	1	6	0	1	1	86
North Devon District Council	0	0	0	0	1	0	2	4	0	7
North East Derbyshire District Council	0	0	1	0	2	1	3	6	0	13
North East Lincolnshire Council	5	1	7	8	2	2	1	2	0	28
North Hertfordshire District Council	0	0	2	0	1	0	2	6	1	12
North Kesteven District Council	0	1	1	0	1	0	1	7	0	11
North Lincolnshire Council	5	0	3	6	3	2	1	9	0	29
North Norfolk District Council	0	3	1	0	1	0	2	3	0	10
North Somerset Council	6	3	1	9	6	0	1	11	1	38
North Tyneside Metropolitan Borough Council	3	2	0	10	2	1	6	5	0	29
North Warwickshire Borough Council	0	0	0	0	0	0	1	1	0	2
North West Leicestershire District Council	0	3	3	0	2	0	3	4	0	15
North York Moors National Park Authority	0	0	0	0	0	0	0	3	0	3
North Yorkshire County Council	22	0	5	15	1	8	0	2	0	53
Northampton Borough Council	0	3	1	0	8	0	9	9	1	31
Northamptonshire County Council	26	0	3	27	0	5	0	0	0	61
Northumberland County Council	13	9	5	11	5	4	1	21	1	70
Northumberland National Park Authority	0	0	0	0	0	0	0	0	0	0
Norwich City Council	0	5	3	0	6	2	8	3	1	28
Nottingham City Council	6	6	2	11	11	2	12	2	0	52
Nottinghamshire County Council	31	0	2	20	2	9	0	1	0	65
Nuneaton & Bedworth Borough Council	0	4	4	1	3	1	3	6	0	22
Oadby & Wigston Borough Council	0	1	2	0	0	1	1	0	0	5
Oldham Metropolitan Borough Council	10	6	3	10	10	5	2	11	1	58
Oxford City Council	0	1	1	0	2	1	1	2	1	9
Oxfordshire County Council	7	0	1	21	1	6	0	1	0	37
Peak District National Park Authority	0	0	0	0	0	0	0	1	0	1
Pendle Borough Council	0	3	4	0	1	0	0	1	1	10
Peterborough City Council	5	3	2	10	6	4	6	3	0	39
Plymouth City Council	12	7	3	10	14	7	3	9	1	66
Portsmouth City Council	7	2	5	7	0	1	8	3	1	34
Preston City Council	0	1	1	0	3	0	0	5	0	10
Reading Borough Council	3	1	3	7	2	10	2	4	0	32
Redcar & Cleveland Council	7	0	1	4	4	0	0	0	0	16
Redditch Borough Council	0	0	2	0	1	0	0	1	0	4
Reigate & Banstead Borough Council	0	2	0	0	2	0	6	0	0	12
Ribble Valley Borough Council	0	0	0	0	1	0	0	4	0	5
Richmondshire District Council	0	2	1	0	1	1	1	1	0	7
Rochdale Metropolitan Borough Council	15	4	1	7	3	4	1	4	0	39
Rochford District Council	0	1	0	0	0	0	1	2	0	4
Rossendale Borough Council	0	2	1	0	4	0	0	0	0	7
Rother District Council	0	0	3	0	1	0	0	7	0	11
Rotherham Metropolitan Borough Council	4	3	2	15	3	1	2	4	3	37
Royal Borough of Greenwich	7	4	3	23	8	9	15	6	1	76
Royal Borough of Kensington & Chelsea	7	2	0	4	4	4	18	4	0	43
Royal Borough of Kingston upon Thames	8	4	5	8	8	7	11	10	2	63
Royal Borough of Windsor and Maidenhead Council	2	3	1	5	8	4	3	5	0	31
Rugby Borough Council	0	2	1	0	5	0	1	2	0	11
Runnymede Borough Council	0	0	1	0	2	0	6	1	0	10
Rushcliffe Borough Council	0	5	2	0	1	0	0	4	0	12
Rushmoor Borough Council	0	0	0	0	0	0	1	0	0	1
Rutland County Council	2	1	1	2	1	0	0	0	0	7
Ryedale District Council	0	0	1	0	0	0	1	0	0	2
Salford City Council	4	9	1	15	6	3	5	5	3	51
Sandwell Metropolitan Borough Council	10	24	2	12	9	2	13	3	3	78
Scarborough Borough Council	0	3	2	0	2	3	1	3	0	14
Sedgemoor District Council	0	0	1	0	4	0	1	4	0	10
Sefton Metropolitan Borough Council	8	5	3	15	3	5	4	2	3	48
Selby District Council	0	2	0	0	0	0	2	7	0	11
Sevenoaks District Council	0	0	0	0	2	1	1	6	0	10
Sheffield City Council	21	3	8	18	11	9	9	14	2	95
Shropshire Council	7	1	7	9	3	7	2	9	1	46

Slough Borough Council	0	4	1	8	1	4	8	4	0	30
Solihull Metropolitan Borough Council	5	3	4	14	7	2	4	9	0	48
Somerset County Council	12	0	4	13	2	4	0	0	1	36
Somerset West and Taunton Council	0	3	3	0	10	3	7	6	0	32
South Cambridgeshire District Council	0	2	0	0	0	0	3	9	0	14
South Derbyshire District Council	0	0	0	0	1	0	1	2	0	4
South Downs National Park Authority	0	0	0	0	0	0	0	2	0	2
South Gloucestershire Council	8	3	4	5	3	7	2	10	0	42
South Hams District Council	0	1	1	0	5	0	1	10	0	18
South Holland District Council	0	1	1	0	0	0	2	5	0	9
South Kesteven District Council	0	1	1	0	1	0	5	7	0	15
South Lakeland District Council	0	1	1	0	1	1	0	4	0	8
South Norfolk District Council	0	0	1	0	6	0	0	1	1	9
South Northamptonshire District Council	0	3	0	0	2	0	1	3	0	9
South Oxfordshire District Council	0	3	2	0	4	0	0	9	0	18
South Ribble Borough Council	1	1	0	0	2	0	0	4	0	8
South Somerset District Council	0	0	3	0	1	0	2	15	0	21
South Staffordshire District Council	0	2	0	0	0	0	0	7	0	9
South Tyneside Metropolitan Borough Council	9	1	4	9	5	1	5	5	1	40
Southampton City Council	2	4	2	5	7	1	2	4	2	29
Southend-on-Sea Borough Council	4	4	5	7	1	4	8	5	1	39
Spethorne Borough Council	0	0	4	0	1	0	2	2	0	9
St Albans City Council	0	1	0	0	2	1	3	11	1	19
St Helens Metropolitan Borough Council	7	2	2	6	2	1	0	5	1	26
Stafford Borough Council	0	1	1	0	1	0	0	6	0	9
Staffordshire County Council	30	0	4	43	6	16	0	1	0	100
Staffordshire Moorlands District Council	0	1	2	0	0	1	0	5	0	9
Stevenage Borough Council	1	1	1	0	2	1	7	2	0	15
Stockport Metropolitan Borough Council	13	2	3	2	8	5	4	1	0	38
Stockton-on-Tees Borough Council	0	5	1	15	3	1	1	2	1	29
Stoke-on-Trent City Council	6	7	4	22	6	3	7	1	1	57
Stratford-on-Avon District Council	0	4	3	0	1	0	4	5	0	17
Stroud District Council	0	3	0	0	2	0	0	7	0	12
Suffolk County Council	9	0	8	64	5	8	0	1	0	95
Sunderland City Council	7	3	5	12	2	1	2	2	0	34
Surrey County Council	24	0	8	70	1	18	1	2	1	125
Surrey Heath Borough Council	0	2	0	0	2	0	1	1	0	6
Swale Borough Council	0	0	0	0	3	0	3	5	0	11
Swindon Borough Council	4	4	2	9	9	8	3	3	1	43
Tameside Metropolitan Borough Council	5	9	0	12	7	4	0	5	1	43
Tamworth Borough Council	0	3	2	0	1	1	1	0	1	9
Tandridge District Council	0	3	2	0	2	0	4	8	0	19
Teignbridge District Council	0	5	1	0	4	0	1	5	0	16
Telford & Wrekin Council	8	1	2	6	1	3	1	8	0	30
Tendring District Council	0	1	3	1	4	0	2	4	0	15
Test Valley Borough Council	0	1	1	0	3	0	0	3	0	8
Tewkesbury Borough Council	1	1	0	0	0	0	2	3	0	7
Thanet District Council	0	2	3	0	9	0	9	5	0	28
Three Rivers District Council	0	2	0	0	2	3	3	4	0	14
Thurrock Council	1	1	3	9	4	2	7	2	1	30
Tonbridge and Malling Borough Council	0	2	0	0	3	0	0	3	2	10
Torbay Council	9	8	5	12	4	6	1	5	0	50
Torridge District Council	0	1	0	0	2	0	0	7	0	10
Trafford Council	6	7	2	11	20	3	1	3	0	53
Transport for London	0	0	3	0	21	192	5	0	2	223
Tunbridge Wells Borough Council	0	0	1	0	3	0	2	5	1	12
Uttlesford District Council	1	0	0	0	1	0	0	2	0	4
Vale of White Horse District Council	0	1	1	0	0	0	1	7	0	10
Wakefield City Council	7	5	6	14	2	4	4	4	0	46
Walsall Metropolitan Borough Council	11	1	1	15	2	1	1	6	1	39
Warrington Council	6	5	2	7	2	3	2	7	1	35
Warwick District Council	0	3	0	0	4	0	3	7	1	18
Warwickshire County Council	20	0	1	25	0	3	0	0	1	50
Watford Borough Council	0	1	2	0	2	10	1	2	0	18
Waverley Borough Council	0	1	0	0	2	0	4	7	0	14
Wealden District Council	0	5	3	0	2	0	0	8	1	19
Wellingborough Borough Council	0	0	1	1	2	0	1	2	0	7
Welwyn Hatfield Borough Council	0	3	3	0	2	1	5	1	3	18
West Berkshire Council	5	0	4	13	4	2	3	6	0	37
West Devon Borough Council	0	0	2	0	1	0	0	5	0	8
West Lancashire Borough Council	0	1	1	0	4	0	3	3	0	12
West Lindsey District Council	0	0	0	0	3	0	1	10	1	15
West Oxfordshire District Council	0	3	0	0	0	0	2	6	0	11
West Suffolk Council	0	0	3	0	2	1	2	2	0	10
West Sussex County Council	25	0	4	39	1	17	0	1	2	89
Westminster City Council	4	6	4	3	10	5	43	3	4	82
Wigan Metropolitan Borough Council	2	2	4	13	7	2	5	2	1	38
Wiltshire Council	13	3	8	19	9	5	1	20	0	78
Winchester City Council	0	2	2	0	0	0	1	6	0	11
Wirral Metropolitan Borough Council	15	5	0	14	8	4	1	4	0	51
Woking Borough Council	0	2	1	1	1	1	3	2	0	11
Wokingham Borough Council	2	3	3	5	1	1	2	7	0	24
Worcester City Council	0	1	0	0	0	1	1	2	0	5
Worcestershire County Council	14	0	2	15	0	1	0	0	0	32
Worthing Borough Council	0	0	1	0	5	0	4	0	0	10
Wychavon District Council	0	1	2	0	1	0	3	5	0	12
Wycombe District Council	0	0	1	0	0	0	0	1	0	2
Wyre Borough Council	0	0	0	0	3	0	0	6	1	10
Wyre Forest District Council	0	2	0	0	1	0	0	1	0	4
Yorkshire Dales National Park Authority	0	0	0	0	0	0	0	1	0	1
Totals	1670	1017	723	2328	1362	1301	1531	1737	161	11830

Notes

These statistics include all complaints and enquiries that were received from 01 April 2020 to 31 March 2021.

To allow authorities to respond to the Covid-19 pandemic, we did not accept new complaints and stopped investigating existing cases between March and June 2020. This reduced the number of complaints we received and decided in the 20-21 year.

Some cases are received and decided in different business years. This means the number of complaints and enquiries received may not match the number of decisions made.

You can find comparisons with last year's data on the second tab of this workbook.

For more information on how to interpret our statistics, please visit: <https://www.ljo.org.uk/information-centre/reports/annual-review-reports/interpreting-local-authority-statistics>

Complaints and Enquiries Decided (by Outcome) 2020-21

Authority Name	Invalid or Incomplete	Advice Given	Referred Back for Local Resolution	Closed after Initial Enquiries	Not Upheld	Upheld	Total	Uphold Rate (%)	Average uphold rate (%) of similar authorities
Adur District Council	1	2	6	1	1	1	12	50%	53%
Allerdale Borough Council	1	0	3	2	1	1	8	50%	53%
Amber Valley Borough Council	0	0	2	1	2	1	6	33%	53%
Arun District Council	0	0	7	4	1	0	12	0%	53%
Ashfield District Council	2	2	0	8	3	0	15	0%	53%
Ashford Borough Council	3	0	5	8	2	0	18	0%	53%
Aylesbury Vale District Council	0	0	1	2	2	4	9	67%	53%
Babergh District Council	1	0	4	5	1	0	11	0%	53%
Barnsley Metropolitan Borough Council	2	0	9	4	1	5	21	83%	72%
Barrow-in-Furness Borough Council	0	0	4	3	0	0	7	0%	53%
Basildon Borough Council	3	4	6	4	1	0	18	0%	53%
Basingstoke & Deane Borough Council	3	0	4	10	2	1	20	33%	53%
Bassetlaw District Council	2	0	1	8	0	1	12	100%	53%
Bath and North East Somerset Council	2	1	10	10	1	2	26	67%	63%
Bedford Borough Council	0	0	10	16	3	5	34	63%	63%
Birmingham City Council	21	27	123	90	23	107	391	82%	72%
Blaby District Council	0	0	2	2	2	0	6	0%	53%
Blackburn with Darwen Council	1	1	14	8	1	4	29	80%	63%
Blackpool Borough Council	2	1	10	6	5	2	26	29%	63%
Bolsover District Council	2	2	0	2	0	1	7	100%	53%
Bolton Metropolitan Borough Council	5	1	12	7	6	7	38	54%	72%
Boston Borough Council	0	0	2	2	0	0	4	0%	53%
Bournemouth, Christchurch and Poole Council	8	4	26	31	4	9	82	69%	63%
Bracknell Forest Council	1	0	4	8	3	5	21	63%	63%
Braintree District Council	0	0	3	5	0	0	8	0%	53%
Breckland District Council	0	0	4	5	1	1	11	50%	53%
Brentwood Borough Council	1	1	5	2	1	2	12	67%	53%
Brighton & Hove City Council	2	2	15	17	4	12	52	75%	63%
Bristol City Council	9	7	22	34	4	19	95	83%	63%
Broadland District Council	1	0	1	2	3	1	8	25%	53%
Broads Authority	0	1	1	0	0	0	2	0%	0%
Bromsgrove District Council	0	0	2	4	2	1	9	33%	53%
Broxbourne Borough Council	1	1	3	3	0	1	9	100%	53%
Broxtowe Borough Council	0	4	2	5	0	3	14	100%	53%
Buckinghamshire Council	6	0	24	30	1	2	63	67%	63%
Buckinghamshire County Council	0	0	1	11	2	11	25	85%	71%
Burnley Borough Council	1	0	2	4	1	2	10	67%	53%
Bury Metropolitan Borough Council	3	1	11	9	4	7	35	64%	72%
Calderdale Metropolitan Borough Council	1	1	20	17	1	11	51	92%	72%
Cambridge City Council	0	0	2	5	1	3	11	75%	53%
Cambridgeshire County Council	1	1	8	15	4	7	36	64%	71%
Cannock Chase District Council	1	3	3	2	0	0	9	0%	53%
Canterbury City Council	1	2	10	3	1	4	21	80%	53%
Carlisle City Council	0	0	3	1	0	0	4	0%	53%
Castle Point Borough Council	0	1	4	2	0	1	8	100%	53%
Central Bedfordshire Council	4	1	9	10	1	10	35	91%	63%
Charnwood Borough Council	1	3	3	3	8	1	19	11%	53%
Chelmsford City Council	0	0	2	2	1	0	5	0%	53%
Cheltenham Borough Council	0	0	5	3	0	2	10	100%	53%
Cherwell District Council	0	0	1	6	3	0	10	0%	53%
Cheshire East Council	7	1	14	30	12	21	85	64%	63%
Cheshire West & Chester Council	6	1	13	15	10	7	52	41%	63%
Chesterfield Borough Council	0	1	1	1	0	4	7	100%	53%
Chichester District Council	1	0	1	3	0	0	5	0%	53%
Chiltern District Council	0	0	0	2	2	0	4	0%	53%
Chorley Borough Council	1	0	2	6	1	1	11	50%	53%
City Of Bradford Metropolitan District Council	3	2	38	34	4	19	100	83%	72%
City of London	1	1	3	2	1	0	8	0%	72%
City of Wolverhampton Council	3	2	14	11	5	6	41	55%	72%
City of York Council	1	1	6	17	7	12	44	63%	63%
Colchester Borough Council	1	0	5	7	0	0	13	0%	53%
Copeland Borough Council	1	0	0	0	0	0	1	0%	53%
Corby Borough Council	0	1	2	1	0	1	5	100%	53%
Cornwall Council	9	0	32	51	15	18	125	55%	63%
Cotswold District Council	0	0	1	3	1	0	5	0%	53%
Council of the Isles of Scilly	0	0	1	0	1	0	2	0%	63%
Coventry City Council	3	2	31	17	3	10	66	77%	72%
Craven District Council	2	0	3	6	0	2	13	100%	53%
Crawley Borough Council	4	2	1	3	2	1	13	33%	53%
Cumbria County Council	1	1	13	14	7	14	50	67%	71%
Dacorum Borough Council	2	2	6	6	0	1	17	100%	53%
Darlington Borough Council	1	1	6	5	2	4	19	67%	63%

Dartford Borough Council	0	1	4	4	1	3	13	75%	53%
Dartmoor National Park Authority	0	0	1	3	1	0	5	0%	0%
Daventry District Council	1	0	3	4	1	2	11	67%	53%
Derby City Council	0	0	8	13	3	9	33	75%	63%
Derbyshire County Council	5	1	33	20	6	13	78	68%	71%
Derbyshire Dales District Council	0	0	5	5	0	1	11	100%	53%
Devon County Council	6	2	14	38	11	13	84	54%	71%
Doncaster Metropolitan Borough Council	6	1	13	24	5	3	52	38%	72%
Dorset Council	6	0	19	24	13	17	79	57%	63%
Dover District Council	0	0	4	6	1	4	15	80%	53%
Dudley Metropolitan Borough Council	1	4	19	15	7	17	63	71%	72%
Durham County Council	3	1	24	43	8	21	100	72%	63%
East Cambridgeshire District Council	1	0	0	8	0	0	9		53%
East Devon District Council	0	3	2	7	1	1	14	50%	53%
East Hampshire District Council	0	0	5	4	1	0	10	0%	53%
East Hertfordshire District Council	0	0	5	5	2	0	12	0%	53%
East Lindsey District Council	2	0	2	6	3	2	15	40%	53%
East Northamptonshire Council	1	0	0	3	3	0	7	0%	53%
East Riding of Yorkshire Council	0	4	19	10	6	6	45	50%	63%
East Staffordshire Borough Council	0	1	1	3	1	1	7	50%	53%
East Suffolk Council	3	2	6	12	2	4	29	67%	53%
East Sussex County Council	3	2	16	17	9	21	68	70%	71%
Eastbourne Borough Council	1	0	5	5	1	1	13	50%	53%
Eastleigh Borough Council	1	0	3	3	0	4	11	100%	53%
Eden District Council	0	0	0	1	2	1	4	33%	53%
Elmbridge Borough Council	1	0	1	4	1	1	8	50%	53%
Environment Agency	0	0	2	2	1	0	5	0%	0%
Epping Forest District Council	1	0	7	7	1	2	18	67%	53%
Epsom & Ewell Borough Council	0	0	5	7	2	3	17	60%	53%
Erewash Borough Council	0	0	2	4	0	0	6		53%
Essex County Council	11	0	33	58	17	43	162	72%	71%
Exeter City Council	3	1	1	2	1	2	10	67%	53%
Exmoor National Park Authority	0	0	0	1	0	0	1		0%
Fareham Borough Council	0	0	3	5	2	0	10	0%	53%
Fenland District Council	0	1	3	5	2	0	11	0%	53%
Folkestone & Hythe District Council	0	1	4	5	2	5	17	71%	53%
Forest of Dean District Council	0	0	2	6	0	1	9	100%	53%
Fylde Borough Council	0	1	0	2	2	0	5	0%	53%
Gateshead Metropolitan Borough Council	2	5	12	9	10	6	44	38%	72%
Gedling Borough Council	0	0	0	1	0	0	1		53%
Gloucester City Council	1	0	3	2	1	3	10	75%	53%
Gloucestershire County Council	4	0	14	19	9	11	57	55%	71%
Gosport Borough Council	0	1	1	1	0	0	3		53%
Gravesham Borough Council	0	3	4	0	1	0	8	0%	53%
Great Yarmouth Borough Council	0	0	5	2	1	1	9	50%	53%
Greater London Authority	0	0	0	2	0	0	2		71%
Guildford Borough Council	1	3	1	3	1	2	11	67%	53%
Halton Borough Council	0	1	4	5	2	6	18	75%	63%
Hambleton District Council	0	0	1	0	0	1	2	100%	53%
Hampshire County Council	23	4	27	31	4	27	116	87%	71%
Harborough District Council	0	0	1	4	1	0	6	0%	53%
Harlow District Council	0	3	5	6	0	1	15	100%	53%
Harrogate Borough Council	1	2	5	4	2	1	15	33%	53%
Hart District Council	0	0	2	2	1	1	6	50%	53%
Hartlepool Borough Council	1	0	7	4	1	3	16	75%	63%
Hastings Borough Council	1	0	2	5	1	1	10	50%	53%
Havant Borough Council	0	0	3	3	0	1	7	100%	53%
Herefordshire Council	1	0	9	24	3	3	40	50%	63%
Hertfordshire County Council	4	1	19	34	7	16	81	70%	71%
Hertsmere Borough Council	1	0	9	1	2	0	13	0%	53%
High Peak Borough Council	0	0	2	4	0	0	6		53%
Hinckley & Bosworth Borough Council	2	0	1	4	2	0	9	0%	53%
Horsham District Council	0	0	5	2	1	0	8	0%	53%
Huntingdonshire District Council	0	0	10	9	1	3	23	75%	53%
Hyndburn Borough Council	2	1	2	0	0	1	6	100%	53%
Ipswich Borough Council	1	0	5	3	2	1	12	33%	53%
Isle of Wight Council	3	1	9	10	11	7	41	39%	63%
Kent County Council	9	0	40	49	14	40	152	74%	71%
Kettering Borough Council	1	3	1	5	0	1	11	100%	53%
King's Lynn & West Norfolk Council	0	0	5	1	2	1	9	33%	53%
Kingston upon Hull City Council	2	2	17	18	2	9	50	82%	63%
Kirklees Metropolitan Borough Council	2	5	27	22	8	13	77	62%	72%
Knowsley Metropolitan Borough Council	2	1	0	1	3	4	11	57%	72%
Lake District National Park Authority	1	0	0	2	0	0	3		0%
Lancashire County Council	8	2	22	43	11	22	108	67%	71%
Lancaster City Council	1	1	6	1	0	0	9		53%
Leeds City Council	7	13	25	52	8	25	130	76%	72%
Leicester City Council	4	2	23	29	5	13	76	72%	63%
Leicestershire County Council	2	2	13	22	6	13	58	68%	71%
Lewes District Council	1	0	6	6	1	4	18	80%	53%
Lichfield District Council	0	0	1	3	0	0	4		53%
Lincoln City Council	1	1	4	4	0	2	12	100%	53%
Lincolnshire County Council	0	1	12	16	5	12	46	71%	71%
Liverpool City Council	3	0	25	26	7	20	81	74%	72%

London Borough of Barking & Dagenham	4	11	35	41	1	11	103	92%	72%
London Borough of Barnet	4	1	54	40	11	26	136	70%	72%
London Borough of Bexley	8	1	13	23	7	7	59	50%	72%
London Borough Of Brent	1	3	35	25	1	12	77	92%	72%
London Borough of Bromley	1	1	29	34	12	26	103	68%	72%
London Borough of Camden	6	11	25	19	3	18	82	86%	72%
London Borough of Croydon	9	9	51	29	13	23	134	64%	72%
London Borough of Ealing	7	8	47	42	7	19	130	73%	72%
London Borough of Enfield	7	9	31	35	3	17	102	85%	72%
London Borough of Hackney	10	5	33	22	2	18	90	90%	72%
London Borough of Hammersmith & Fulham	4	11	16	14	3	7	55	70%	72%
London Borough of Haringey	9	13	29	36	9	27	123	75%	72%
London Borough of Harrow	4	4	26	30	2	23	89	92%	72%
London Borough of Havering	2	4	13	23	6	12	60	67%	72%
London Borough of Hillingdon	3	5	15	36	14	13	86	48%	72%
London Borough of Hounslow	4	3	33	22	6	10	78	63%	72%
London Borough of Islington	7	13	19	15	5	12	71	71%	72%
London Borough of Lambeth	9	19	36	34	12	25	135	68%	72%
London Borough of Lewisham	2	7	38	30	3	11	91	79%	72%
London Borough of Merton	3	1	18	14	6	7	49	54%	72%
London Borough of Newham	8	17	38	27	7	19	116	73%	72%
London Borough of Redbridge	4	4	24	35	11	20	98	65%	72%
London Borough of Richmond upon Thames	1	1	13	22	5	10	52	67%	72%
London Borough of Southwark	3	13	28	22	7	17	90	71%	72%
London Borough of Sutton	1	0	16	21	4	8	50	67%	72%
London Borough of Tower Hamlets	3	10	38	29	5	25	110	83%	72%
London Borough of Waltham Forest	3	6	27	32	7	22	97	76%	72%
London Borough of Wandsworth	4	3	28	20	2	10	67	83%	72%
Luton Borough Council	4	0	17	19	4	7	51	64%	63%
Maidstone Borough Council	0	0	9	9	7	7	32	50%	53%
Maldon District Council	0	1	5	1	1	0	8	0%	53%
Malvern Hills District Council	0	0	0	2	1	1	4	50%	53%
Manchester City Council	4	1	25	34	8	14	86	64%	72%
Mansfield District Council	0	0	2	2	0	0	4		53%
Medway Council	4	2	13	22	9	7	57	44%	63%
Melton Borough Council	1	1	0	1	0	1	4	100%	53%
Mendip District Council	0	0	5	8	1	1	15	50%	53%
Mid Devon District Council	1	1	2	2	2	1	9	33%	53%
Mid Suffolk District Council	1	2	4	3	0	0	10		53%
Mid Sussex District Council	1	0	2	6	1	3	13	75%	53%
Middlesbrough Borough Council	2	0	9	17	4	3	35	43%	63%
Milton Keynes Council	5	2	14	11	8	17	57	68%	63%
Mole Valley District Council	0	0	0	4	0	2	6	100%	53%
New Forest District Council	1	0	6	5	2	1	15	33%	53%
New Forest National Park Authority	0	0	0	1	1	0	2	0%	0%
Newark & Sherwood District Council	0	0	1	6	0	1	8	100%	53%
Newcastle upon Tyne City Council	5	3	17	7	4	10	46	71%	72%
Newcastle-under-Lyme Borough Council	1	0	6	1	0	1	9	100%	53%
Norfolk County Council	4	2	25	21	14	27	93	66%	71%
North Devon District Council	0	0	2	0	3	2	7	40%	53%
North East Derbyshire District Council	2	1	4	5	1	1	14	50%	53%
North East Lincolnshire Council	0	0	9	19	1	4	33	80%	63%
North Hertfordshire District Council	3	0	4	4	1	2	14	67%	53%
North Kesteven District Council	0	0	4	7	1	0	12	0%	53%
North Lincolnshire Council	1	0	6	9	4	4	24	50%	63%
North Norfolk District Council	0	1	3	4	1	0	9	0%	53%
North Somerset Council	2	0	11	18	3	5	39	63%	63%
North Tyneside Metropolitan Borough Council	2	2	5	9	2	6	26	75%	72%
North Warwickshire Borough Council	0	0	1	1	0	0	2		53%
North West Leicestershire District Council	2	1	3	6	1	1	14	50%	53%
North York Moors National Park Authority	0	0	1	2	0	0	3		0%
North Yorkshire County Council	1	0	10	21	5	14	51	74%	71%
Northampton Borough Council	3	4	5	19	1	5	37	83%	53%
Northamptonshire County Council	2	1	30	14	8	15	70	65%	71%
Northumberland County Council	4	1	20	22	12	10	69	45%	63%
Northumberland National Park Authority	0	0	0	0	0	0	0		0%
Norwich City Council	1	2	13	7	2	2	27	50%	53%
Nottingham City Council	2	5	13	16	4	3	43	43%	63%
Nottinghamshire County Council	3	0	9	26	13	15	66	54%	71%
Nuneaton & Bedworth Borough Council	2	0	1	12	4	0	19	0%	53%
Oadby & Wigston Borough Council	0	1	2	2	1	1	7	50%	53%
Oldham Metropolitan Borough Council	3	2	19	16	5	10	55	67%	72%
Oxford City Council	1	1	1	5	1	4	13	80%	53%
Oxfordshire County Council	1	1	16	6	9	7	40	44%	71%
Peak District National Park Authority	0	0	0	1	2	0	3	0%	0%
Pendle Borough Council	0	1	2	2	2	0	7	0%	53%
Peterborough City Council	1	0	16	11	5	8	41	62%	63%
Plymouth City Council	4	1	22	19	4	14	64	78%	63%
Portsmouth City Council	1	4	8	10	2	2	27	50%	63%
Preston City Council	0	0	2	5	0	1	8	100%	53%
Reading Borough Council	1	1	5	16	2	3	28	60%	63%
Redcar & Cleveland Council	0	2	6	5	2	5	20	71%	63%
Redditch Borough Council	1	1	0	4	0	0	6		53%
Reigate & Banstead Borough Council	0	1	3	2	1	6	13	86%	53%

Ribble Valley Borough Council	1	0	1	0	0	0	2		53%
Richmondshire District Council	0	1	1	6	0	0	8		53%
Rochdale Metropolitan Borough Council	2	2	7	14	0	6	31	100%	72%
Rochford District Council	0	0	0	0	1	1	2	50%	53%
Rossendale Borough Council	1	0	2	3	1	2	9	67%	53%
Rother District Council	1	0	6	4	1	2	14	67%	53%
Rotherham Metropolitan Borough Council	3	3	10	14	3	3	36	50%	72%
Royal Borough of Greenwich	4	5	26	24	7	21	87	75%	72%
Royal Borough of Kensington & Chelsea	3	4	8	9	4	15	43	79%	72%
Royal Borough of Kingston upon Thames	6	3	19	19	1	9	57	90%	72%
Royal Borough of Windsor and Maidenhead Council	1	1	11	7	4	9	33	69%	63%
Rugby Borough Council	2	0	4	4	0	1	11	100%	53%
Runnymede Borough Council	0	3	3	2	1	1	10	50%	53%
Rushcliffe Borough Council	0	0	4	6	4	0	14	0%	53%
Rushmoor Borough Council	0	0	1	0	0	0	1		53%
Rutland County Council	0	0	2	4	3	2	11	40%	63%
Ryedale District Council	0	0	0	2	0	0	2		53%
Salford City Council	2	3	15	13	1	4	38	80%	72%
Sandwell Metropolitan Borough Council	10	6	22	24	3	13	78	81%	72%
Scarborough Borough Council	1	0	1	6	3	0	11	0%	53%
Sedgemoor District Council	0	0	3	7	1	1	12	50%	53%
Sefton Metropolitan Borough Council	6	2	15	14	4	9	50	69%	72%
Selby District Council	0	2	2	3	2	0	9	0%	53%
Sevenoaks District Council	0	0	1	7	1	0	9	0%	53%
Sheffield City Council	5	7	23	35	7	17	94	71%	72%
Shropshire Council	3	0	16	15	8	8	50	50%	63%
Slough Borough Council	1	4	12	8	1	1	27	50%	63%
Solihull Metropolitan Borough Council	1	2	16	14	2	8	43	80%	72%
Somerset County Council	3	0	11	8	4	13	39	76%	71%
Somerset West and Taunton Council	1	2	5	12	3	7	30	70%	53%
South Cambridgeshire District Council	2	1	5	4	1	4	17	80%	53%
South Derbyshire District Council	0	1	1	2	0	0	4		53%
South Downs National Park Authority	0	0	0	0	3	0	3	0%	0%
South Gloucestershire Council	2	0	14	14	5	6	41	55%	63%
South Hams District Council	0	0	9	7	0	5	21	100%	53%
South Holland District Council	0	0	2	1	0	2	5	100%	53%
South Kesteven District Council	0	3	7	4	1	0	15	0%	53%
South Lakeland District Council	0	0	2	6	1	0	9	0%	53%
South Norfolk District Council	2	0	3	0	0	1	6	100%	53%
South Northamptonshire District Council	0	0	1	5	2	4	12	67%	53%
South Oxfordshire District Council	0	1	5	5	4	0	15	0%	53%
South Ribble Borough Council	1	0	0	4	2	0	7	0%	53%
South Somerset District Council	0	0	8	11	0	1	20	100%	53%
South Staffordshire District Council	0	1	3	6	1	1	12	50%	53%
South Tyneside Metropolitan Borough Council	1	2	10	11	4	3	31	43%	72%
Southampton City Council	2	2	12	7	4	8	35	67%	63%
Southend-on-Sea Borough Council	2	6	13	12	6	5	44	45%	63%
Spellthorne Borough Council	0	0	4	3	2	1	10	33%	53%
St Albans City Council	1	1	7	9	5	3	26	38%	53%
St Helens Metropolitan Borough Council	3	0	9	5	1	4	22	80%	72%
Stafford Borough Council	0	0	4	3	0	1	8	100%	53%
Staffordshire County Council	7	1	27	27	7	37	106	84%	71%
Staffordshire Moorlands District Council	2	0	1	6	0	0	9		53%
Stevenage Borough Council	0	2	7	3	0	1	13	100%	53%
Stockport Metropolitan Borough Council	5	2	11	12	2	6	38	75%	72%
Stockton-on-Tees Borough Council	2	1	10	6	5	4	28	44%	63%
Stoke-on-Trent City Council	2	6	16	19	2	8	53	80%	63%
Stratford-on-Avon District Council	2	1	4	4	2	2	15	50%	53%
Stroud District Council	1	0	4	1	1	2	9	67%	53%
Suffolk County Council	4	2	17	41	10	20	94	67%	71%
Sunderland City Council	0	0	12	16	2	1	31	33%	72%
Surrey County Council	6	3	33	39	4	34	119	89%	71%
Surrey Heath Borough Council	0	0	3	3	1	0	7	0%	53%
Swale Borough Council	1	0	1	6	3	0	11	0%	53%
Swindon Borough Council	0	3	11	18	3	6	41	67%	63%
Tameside Metropolitan Borough Council	0	3	7	17	7	9	43	56%	72%
Tamworth Borough Council	1	0	4	2	1	1	9	50%	53%
Tandridge District Council	0	1	3	8	1	1	14	50%	53%
Teignbridge District Council	0	0	3	11	0	3	17	100%	53%
Telford & Wrekin Council	0	0	6	17	1	8	32	89%	63%
Tendring District Council	1	0	6	6	1	0	14	0%	53%
Test Valley Borough Council	0	0	2	2	3	2	9	40%	53%
Tewkesbury Borough Council	3	0	1	1	2	2	9	50%	53%
Thanet District Council	1	2	9	11	4	4	31	50%	53%
Three Rivers District Council	0	0	6	4	1	0	11	0%	53%
Thurrock Council	1	3	12	12	0	13	41	100%	63%
Tonbridge and Malling Borough Council	1	1	1	4	1	1	9	50%	53%
Torbay Council	0	0	14	15	5	13	47	72%	63%
Torridge District Council	0	0	2	3	3	0	8	0%	53%
Trafford Council	1	0	20	19	6	12	58	67%	72%
Transport for London	12	0	108	77	6	15	218	71%	71%
Tunbridge Wells Borough Council	3	0	3	5	0	1	12	100%	53%
Uttlesford District Council	0	0	0	1	0	1	2	100%	53%
Vale of White Horse District Council	0	0	2	5	0	1	8	100%	53%

Wakefield City Council	0	3	13	14	2	6	38	75%	72%
Walsall Metropolitan Borough Council	4	0	14	12	5	9	44	64%	72%
Warrington Council	5	0	16	11	2	6	40	75%	63%
Warwick District Council	2	2	6	5	1	6	22	86%	53%
Warwickshire County Council	1	1	17	13	3	6	41	67%	71%
Watford Borough Council	1	0	6	7	0	3	17	100%	53%
Waverley Borough Council	0	1	1	7	1	3	13	75%	53%
Wealden District Council	2	1	5	5	2	3	18	60%	53%
Wellingborough Borough Council	0	0	3	3	1	0	7	0%	53%
Welwyn Hatfield Borough Council	1	6	5	7	0	2	21	100%	53%
West Berkshire Council	0	0	6	19	4	5	34	56%	63%
West Devon Borough Council	0	0	4	1	2	0	7	0%	53%
West Lancashire Borough Council	0	0	6	3	0	0	9		53%
West Lindsey District Council	0	1	0	9	0	2	12	100%	53%
West Oxfordshire District Council	1	0	4	2	2	1	10	33%	53%
West Suffolk Council	0	1	3	6	1	1	12	50%	53%
West Sussex County Council	6	2	16	31	6	18	79	75%	71%
Westminster City Council	3	11	24	18	11	12	79	52%	72%
Wigan Metropolitan Borough Council	3	3	15	13	1	3	38	75%	72%
Wiltshire Council	1	1	16	29	7	9	63	56%	63%
Winchester City Council	0	1	0	8	0	0	9		53%
Wirral Metropolitan Borough Council	3	2	19	15	4	17	60	81%	72%
Woking Borough Council	2	1	2	5	1	1	12	50%	53%
Wokingham Borough Council	2	0	7	13	4	4	30	50%	63%
Worcester City Council	0	0	0	4	0	2	6	100%	53%
Worcestershire County Council	1	1	13	7	1	8	31	89%	71%
Worthing Borough Council	0	0	2	5	0	3	10	100%	53%
Wychavon District Council	0	0	1	8	0	1	10	100%	53%
Wycombe District Council	0	0	0	1	2	0	3	0%	53%
Wyre Borough Council	1	0	4	5	0	0	10		53%
Wyre Forest District Council	1	0	1	0	0	0	2		53%
Yorkshire Dales National Park Authority	0	0	0	0	1	0	1	0%	0%
Totals	665	555	3480	3950	1040	2104	11794	67%	

Notes

These statistics include all complaints and enquiries that were decided from 01 April 2020 to 31 March 2021.

To allow authorities to respond to the Covid-19 pandemic, we did not accept new complaints and stopped investigating existing cases between March and June 2020. This reduced the number of complaints we received and decided in the 20-21

Some cases are received and decided in different business years. This means the number of complaints and enquiries received may not match the number of decisions made.

You can find comparisons with last year's data on the second and third tabs of this workbook.

For more information on how to interpret our statistics <http://www.lgo.org.uk/information-centre/reports/annual-review-reports/interpreting-local-authority-statistics>.

21 July 2021

By email

Mr Jackson
Executive Director: Resources and Head of Paid Service
Bristol City Council

Dear Mr Jackson

Annual Review letter 2021

I write to you with our annual summary of statistics on the decisions made by the Local Government and Social Care Ombudsman about your authority for the year ending 31 March 2021. At the end of a challenging year, we maintain that good public administration is more important than ever and I hope this feedback provides you with both the opportunity to reflect on your Council's performance and plan for the future.

You will be aware that, at the end of March 2020 we took the unprecedented step of temporarily stopping our casework, in the wider public interest, to allow authorities to concentrate efforts on vital frontline services during the first wave of the Covid-19 outbreak. We restarted casework in late June 2020, after a three month pause.

We listened to your feedback and decided it was unnecessary to pause our casework again during further waves of the pandemic. Instead, we have encouraged authorities to talk to us on an individual basis about difficulties responding to any stage of an investigation, including implementing our recommendations. We continue this approach and urge you to maintain clear communication with us.

Complaint statistics

This year, we continue to focus on the outcomes of complaints and what can be learned from them. We want to provide you with the most insightful information we can and have focused statistics on three key areas:

Complaints upheld - We uphold complaints when we find some form of fault in an authority's actions, including where the authority accepted fault before we investigated.

Compliance with recommendations - We recommend ways for authorities to put things right when faults have caused injustice and monitor their compliance with our recommendations. Failure to comply is rare and a compliance rate below 100% is a cause for concern.

Satisfactory remedy provided by the authority - In these cases, the authority upheld the complaint and we agreed with how it offered to put things right. We encourage the early resolution of complaints and credit authorities that accept fault and find appropriate ways to put things right.

Finally, we compare the three key annual statistics for your authority with similar types of authorities to work out an average level of performance. We do this for County Councils, District Councils, Metropolitan Boroughs, Unitary Councils, and London Boroughs.

Your annual data will be uploaded to our interactive map, [Your council's performance](#), along with a copy of this letter on 28 July 2021. This useful tool places all our data and information about councils in one place. You can find the decisions we have made about your Council, public reports we have issued, and the service improvements your Council has agreed to make as a result of our investigations, as well as previous annual review letters.

I would encourage you to share the resource with colleagues and elected members; the information can provide valuable insights into service areas, early warning signs of problems and is a key source of information for governance, audit, risk and scrutiny functions.

As you would expect, data has been impacted by the pause to casework in the first quarter of the year. This should be considered when making comparisons with previous year's data.

During the year, we issued one public report about your Council's failure to implement agreed recommendations in two previous cases we investigated.

Our investigation into the first complaint found the Council's refuse collection contractor repeatedly missed communal bin collections from the complainant's block of flats. The fault caused the complainant time and trouble in repeatedly contacting the Council to report problems without a permanent solution being found, and he spent time cleaning up the overflowing bin areas.

The Council agreed to our recommendations to apologise, and to instruct its contractor to monitor collections for two months to ensure they happened without failure. The Council also agreed to review its missed collections policy to ensure such matters would be better identified and managed in future.

The Council failed to provide evidence of its compliance with the agreed recommendations, despite numerous requests and opportunities to do so. As a result, we registered a new complaint against the Council about its failure to comply. It then provided us with evidence of its compliance.

Our investigation into a second complaint found your Council had been slow to respond and communicated poorly with a complainant concerned about noise nuisance. The Council agreed to a range of recommendations, including to apologise, to remind its officers of the need to store case-specific files that are accessible to all team members, to review noise nuisance cases every four weeks and to communicate outcomes to complainants.

Again, the Council failed to provide us with evidence of its compliance with the agreed recommendations, despite numerous reminders to do so. We therefore registered a new complaint against the Council for its failure to comply. We then received the evidence we had requested demonstrating compliance with the original recommendations.

After we registered the two complaints for non-compliance the Council advised us it had carried out an internal investigation into its complaints handling as it recognised it had resource issues. I understand the outcome was an increase in staff resources to deal with complaints and improved mechanisms for monitoring the complaints my office investigates.

I issued the public report to highlight the Council's failure to do what it had agreed to, demonstrating a clear breakdown in its corporate governance arrangements and oversight. We consider that when a council agrees to take action to remedy a complaint, it should be accountable for that action and make every effort to comply.

Further to the original recommendations, the Council agreed to apologise to both complainants for failing to carry out the actions agreed in the earlier investigations and make a small payment to them in recognition of the frustration and uncertainty caused. Importantly, the Council agreed to review its arrangements for monitoring complaints. I am pleased the Council has accepted and provided evidence of its compliance with these recommendations.

The year also highlighted more general concerns about your Council's responses to our enquiries. Several of our investigations were delayed by your Council's failure to respond in a timely way to our requests for information. At one stage we were not receiving any responses and had to threaten to issue a witness summons in order to elicit the information we requested. After recent contact with you, I welcome your reassurances that an action plan to address the issues has been put in place. I hope to see the results of this in the coming year.

Supporting complaint and service improvement

I am increasingly concerned about the evidence I see of the erosion of effective complaint functions in local authorities. While no doubt the result of considerable and prolonged budget and demand pressures, the Covid-19 pandemic appears to have amplified the problems and my concerns. With much greater frequency, we find poor local complaint handling practices when investigating substantive service issues and see evidence of reductions in the overall capacity, status and visibility of local redress systems.

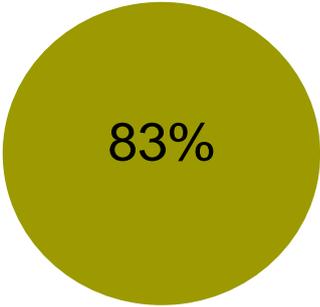
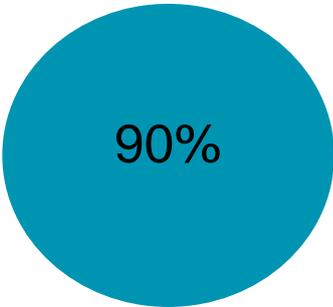
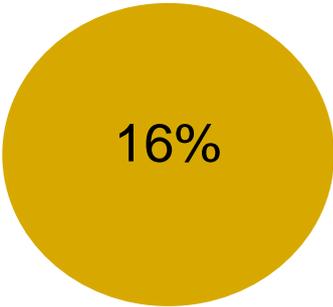
With this context in mind, we are developing a new programme of work that will utilise complaints to drive improvements in both local complaint systems and services. We want to use the rich evidence of our casework to better identify authorities that need support to improve their complaint handling and target specific support to them. We are at the start of this ambitious work and there will be opportunities for local authorities to shape it over the coming months and years.

An already established tool we have for supporting improvements in local complaint handling is our successful training programme. During the year, we successfully adapted our face-to-face courses for online delivery. We provided 79 online workshops during the year, reaching more than 1,100 people. To find out more visit www.lgo.org.uk/training.

Yours sincerely,



Michael King
Local Government and Social Care Ombudsman
Chair, Commission for Local Administration in England

Complaints upheld		
	<p>83% of complaints we investigated were upheld.</p> <p>This compares to an average of 63% in similar authorities.</p>	<p>19 upheld decisions</p> <p>Statistics are based on a total of 23 detailed investigations for the period between 1 April 2020 to 31 March 2021</p>
Compliance with Ombudsman recommendations		
	<p>In 90% of cases we were satisfied the authority had successfully implemented our recommendations.</p> <p>This compares to an average of 99% in similar authorities.</p>	<p>Statistics are based on a total of 21 compliance outcomes for the period between 1 April 2020 to 31 March 2021</p>
<ul style="list-style-type: none">• Failure to comply with our recommendations is rare. An authority with a compliance rate below 100% should scrutinise those complaints where it failed to comply and identify any learning.		
Satisfactory remedy provided by the authority		
	<p>In 16% of upheld cases we found the authority had provided a satisfactory remedy before the complaint reached the Ombudsman.</p> <p>This compares to an average of 10% in similar authorities.</p>	<p>3 satisfactory remedy decisions</p> <p>Statistics are based on a total of 23 detailed investigations for the period between 1 April 2020 to 31 March 2021</p>

NOTE: To allow authorities to respond to the Covid-19 pandemic, we did not accept new complaints and stopped investigating existing cases between March and June 2020. This reduced the number of complaints we received and decided in the 20-21 year. Please consider this when comparing data from previous years.