



Oversight and Governance

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AUDIT AND GOVERNANCE COMMITTEE

Monday 11 March 2019
3.00 pm
Council House, Plymouth

Members:

Councillor Kate Taylor, Chair
Councillor Dr Mahony, Vice Chair
Councillors Pengelly, P Smith, Stevens.

Independent Members:

Mr Clarke and Mr Stewart

Members are invited to attend the above meeting to consider the items of business overleaf.

For further information on attending Council meetings and how to engage in the democratic process please follow this link - [Get Involved](#)

Tracey Lee

Chief Executive

Audit and Governance Committee

Agenda

1. Apologies

To receive apologies for non-attendance submitted by Committee Members.

2. Declarations of Interest

Members will be asked to make any declarations of interest in respect of items on this Agenda.

3. Minutes (Pages 1 - 8)

To confirm the minutes of the meeting held on 10 December 2018.

4. Chair's Urgent Business

To receive reports on business which, in the opinion of the Chair, should be brought forward for urgent consideration.

5. Treasury Management Practices, Principles and Schedules 2019/20 (Pages 9 - 62)

6. Strategic Risk and Opportunity Register – Risk Monitoring Report (Pages 63 - 76)

7. Internal Audit Charter & Strategy 2019/20 (Pages 77 - 94)

8. Internal Audit Plan 2019/20 (Pages 95 - 116)

9. External Audit Plan 2018 - 19 (Pages 117 - 152)

10. Final Internal Audit Report: Plymouth Integrated Commissioning Fund – Section 75 Framework Agreement and Financial Framework High Level Review (Pages 153 - 166)

11. Integrated Commissioning Finance and Assurance Review Group Annual Report 2017/18 (Pages 167 - 176)

12. Surveillance, Covert Activities and the Regulation of Investigatory Powers Act 2000 (RIPA) (Pages 177 - 188)

- 13. Governance Arrangements for the Delivery of the Plymouth and South West Devon Joint Local Plan (Pages 189 - 212)**
- 14. Systems Outage Lessons Learned (To Follow)**
- 15. Award of Contracts (Pages 213 - 216)**
- 16. Polling District and polling station review - recommendations (Pages 217 - 290)**
- 17. Tracking Resolutions (Pages 291 - 292)**
- 18. Work Programme (Pages 293 - 298)**

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Audit and Governance Committee**Monday 10 December 2018****PRESENT:**

Councillor Kate Taylor, in the Chair.
Councillor Dr Mahony, Vice Chair.
Councillors Carson

Co-opted Representatives: Mr Clarke and Mr Stewart.

Apologies for absence: Councillor Mrs Pengelly (Councillor Carson substituting).

Also in attendance: Giles Perritt (Assistant Chief Executive), Siân Millard (Oversight and Governance Manager), Andrew Hardingham (Service Director for Finance), Brenda Davis (Audit Manager), Julie Hosking (Corporate Risk Advisor), Chris Flower (Finance Business Partner Capital Treasury and Management), Linda Torney (Assistant Head of Legal Services), David Bray (Grant Thornton), Geri Daly (Grant Thornton) and Jamie Sheldon (Democratic Advisor).

The meeting started at 4.00 pm and finished at 6.00 pm.

Note: At a future meeting, the committee will consider the accuracy of these draft minutes, so they may be subject to change. Please check the minutes of that meeting to confirm whether these minutes have been amended.

46. Declarations of Interest

There were no declarations of interest made by Members in accordance with the code of conduct.

47. Minutes

The Committee agreed the minutes of the meetings held on 1 October 2018.

48. Chair's Urgent Business

There were no items of Chair's urgent business.

49. Annual Audit Letter

Andrew Hardingham (Service Director for Finance) presented the Annual Audit Letter.

The annual audit letter summarised the key issues arising from the work that we have carried out at Plymouth City Council for the year ended 31 March 2018.

It was addressed to the Council and is also intended to communicate the key findings identified to key external stakeholders and members of the public.

BDO issued an unmodified opinion on the financial statements on 13 August 2018.

BDO audit identified five errors above the reporting threshold that, if corrected, would reduce the deficit for the year by £2.571 million. These were not corrected by Plymouth City Council management as they were concluded to be immaterial to the financial statement both individually and cumulatively. BDO concurred with that conclusion.

BDO identified one material misstatement in respect of the classification of £54.8m of grants received in advance, which was corrected. This also resulted in a prior year adjustment of £39.6m.

BDO issued an unmodified conclusion on the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources on 13 August 2018.

50. **Mid-Year Treasury Management Report 2018/19**

Chris Flower (Finance Business Partner) presented this report.

The Local Government Act 2003 required the Council to set out its Treasury Strategy and to prepare an Annual Investment Strategy.

The Council's Strategy for 2018/19 was approved by Full Council at its budget meeting on 16 February 2018.

Provided an update on the progress and outcomes against the Treasury Management Strategy for the six month period ended 30 September 2018.

It is a requirement of the CIPFA Code of Practice on Treasury Management that a mid-year report, as a minimum, would be presented to Full Council.

The Audit and Governance Committee noted the report.

51. **Treasury Management Strategy 2019/20**

Chris Flower (Finance Business Partner) presented Treasury Management Strategy 2019/20 report.

Outlined the Treasury Management Strategy for 2019/20 which included the Annual Investment Strategy, the new Non-Treasury Management Investment Strategy and the Minimum Revenue Provision Statement.

The reports are required by The Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice for Treasury Management in Public Services.

The Audit and Governance Committee agreed to recommend the Treasury Management Strategy 2019/20 (incorporating the authorised limits, operational boundaries and prudential indicators) to the Cabinet for recommendation on to Council.

52. **Capital Financing Strategy 2019/20**

Chris Flower (Finance Business Partner) presented the Capital Financing Strategy 2019/20.

The Strategy provided a high-level overview of how capital expenditure, capital financing and treasury management activity contributed to the provision of local public services along with an overview of how associated risk is managed and the implications for future financial sustainability.

It was now a requirement as part of the amendments implemented in the 2018/19 Treasury Management Code that all Local Authority's will need to produce a Capital Strategy each year.

The strategy provided an overarching policy framework for the Council's capital programme and planning, and will form part of a suite of strategies which provide a holistic view of the Council's financial planning framework. The report was considered in conjunction with the Medium-Term Financial Strategy, Treasury Management Strategy and Investment Strategy.

The Audit and Governance Committee recommended the Capital Financing Strategy 2018/19 to the Cabinet for approval.

53. **Internal Audit Half Year Report**

Brenda Davis (Audit Manager) presented the Internal Audit Half Year Report.

Members of the Audit and Governance Committee were provided with a position statement on the audit work carried out in the first half of 2018/19, reviewing the performance and effectiveness of the Internal Audit services and provided a mid-year audit opinion on the adequacy of the Authority's internal control environment. The audit work delivered objective and relevant assurance and contributed to the effectiveness and efficiency of the governance, risk management and internal control processes.

The Audit and Governance Committee noted the report.

54. **External Audit Progress Report and Sector Update**

Geri Daly (Grant Thornton) and David Bray (Grant Thornton) presented the External Audit Progress Report and Sector Update.

Audit and Governance Committee were provided with a report on progress in delivering the responsibilities as external auditors.

A summary of emerging national issues and developments that may have be relevant to Plymouth City Council were provided and included a number of challenge questions in respect of these emerging issues which the Committee considered (these were a tool to use, if helpful, rather than formal questions requiring responses for audit purposes).

The Audit and Governance Committee noted the report.

55. **Operational Risk and Opportunity Management Update Report**

Julie Hosking (Corporate Risk Advisor) presented the Operational Risk and Opportunity Management Update Report.

To support the delivery of the City's vision and to enable the provision of high quality services to the citizens and communities of Plymouth it is imperative that effective risk management arrangements are in place.

A fundamental element of Corporate Governance, was risk managed approach to decision making which will enable the council to achieve its objectives and deliver services more efficiently and cost effectively.

The management of risk principles and processes equally applied at operational level, supporting improved performance, integration with corporate planning, projects, change programmes and partnerships.

outlined the continuing progress being made across Services in delivering Operational Risk and Opportunity Registers in line with the Council's shared vision and priorities.

The total number of operational risks now reported had decreased from 121 to 114, comprising of 2 high (red) risks, 69 medium (amber) risks and 43 low (green) risks.

Audit and Governance Committee noted the update.

56. **Whistle blowing Policy**

Brenda Davis (Audit Manager) presented the Whistle Blowing Policy.

The Whistleblowing Policy was last approved by the Audit Committee in June 2013 and that policy has now been subject to a further refresh.

The Whistleblowing Policy applied to all employees and Councillors of Plymouth City Council, including temporary and agency staff and was intended to encourage and enable individuals to raise serious concerns within the Council rather than overlooking a problem.

Paragraph 2.1 of the policy had been updated to make clear that although the policy extends to any other individual who wants to raise an allegation of perceived wrong doing, including consultants, contractors, sub-contractors who are engaged in work for the Council, workers who are not direct employees of Plymouth City Council may not receive the same protection under the Public Interest Disclosure Act.

Whilst the Council will endeavour to provide appropriate advice and support wherever possible in this eventuality, the policy recommended that advice is sought from a trade union representative or from 'Protect' formerly Public Concern at Work (an independent charity set up to provide advice and guidance about whistleblowing issues).

The committee expressed reservations about the wording relating to Anonymous Allegations at 3.3 and agreed to delegate authority to the Chair and Vice Chair to review and approve the Whistleblowing Policy.

57. **Anti-Fraud, Bribery and Corruption Policy, Strategy and Response Plan**

Ken Johnson (Counter Fraud Service Manager) presented the Anti-Fraud, Bribery and Corruption Policy, Strategy and Response Plan.

Fraud was a major drain on the Public Purse and it was therefore imperative that all public-sector staff worked to prevent fraudulent activity and understand the threats and risks involved to the country's economy and specifically the local economy.

The public were entitled to expect the local authority to conduct its affairs with honesty and openness and to demand the highest levels of integrity and conduct from its staff, members and partners.

The Council was committed to clear accountability in the use of resources to achieve desired outcomes for service users and communities.

The opportunity for fraud, bribery and corruption was reduced to the absolute practical minimum enabling the Council to protect the money that is needed to deliver responsive and effective frontline services.

The Anti-Fraud, Bribery and Corruption Policy set out the expectations of Plymouth City Council, described what was meant by fraud, bribery and corruption and outlined the responsibilities of the Corporate Management Team, operational managers, officers and elected members.

The Anti-fraud, Bribery and Corruption Strategy and Response Plan detailed the actions the Council will undertake to prevent fraud, bribery and corruption from happening in the first place. How alleged or suspected occurrences would be investigated and the sanctions available to the Council when it was able to prove an offence beyond reasonable doubt or the offender confessed to having committed a criminal offence against the Authority.

The Audit and Governance Committee agreed the Anti-Fraud, Bribery and Corruption Policy, Strategy and Response plan.

58. **Voter Id - to follow**

Giles Perritt (Assistant Chief Executive) presented the Voter ID report.

Voters in five English council areas: Bromley, Gosport, Swindon, Watford and Woking, were asked to produce a form of identification before voting at last May's Local Elections.

The Government and the Electoral Commission deemed this a success, as the overwhelming majority of voters had the right documents.

The scheme was a "reasonable and proportionate measure" to combat voter fraud at polling stations where an individual pretends to be someone else (known as "personation").

Eleven local authorities across England will be taking part in Voter ID pilots for the 2019 local elections:

- Pendle;
- Ribble Valley;
- North Kesteven;

- Watford;
- East Staffordshire;
- Broxtowe;
- Braintree;
- North West Leicestershire;
- Woking;
- Derby;
- Mid Sussex.

The Electoral Registration Office Team will continue to register as many local residents as possible ahead of the 12 April 2019 deadline. This will include sending a pre-election confirmation letter in February/March 2019 to every household to identify anyone who is missing from the register and inviting them to register.

The Audit and Governance Committee noted the update.

59. **Review of Petitions Guidance**

Linda Torney (Assistant Head of Legal Services) presented the review of petitions guidance report.

The Council had established guidance on how to deal with petitions. Following a recent petition the Audit and Governance Committee had been asked to review that guidance to ensure that the guidance was suitable and to maintain open and transparent decision making.

Members noted the report and agreed to discuss at their group meetings as to whether the petition arrangements needed amending.

60. **Civic Event Calendar 2019**

Siân Millard (Oversight & Governance Manager) presented the Civic Calendar 2019 and provided members an update on forthcoming events.

Members agreed to form a working group to review the objectives of the Lord Mayor's Day and noted the update.

61. **Tracking Resolutions**

Members noted the report.

62. **Work Programme**

Members were invited to email the Chair with any items they would like included on the Work Programme.

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CITY OF PLYMOUTH

Subject:	Treasury Management Practices, Principles and Schedules 2019/20
Committee:	Audit Committee
Date:	11 March 2019
Cabinet Member:	Councillor Lowry
CMT Member:	Andrew Hardingham (Service Director for Finance)
Author:	Chris Flower (Finance Business Partner – Accountant for Capital and Treasury Management)
Contact details:	Tel: 01752 304212 Email: chris.flower@plymouth.gov.uk
Ref:	Fin/CAF
Key Decision	No
Part:	I

Purpose of the report:

The CIPFA Code of Practice on Treasury Management requires the Council to publish its practices, principles and schedules each year. The Treasury Management practices, principles and schedules are in place to ensure the Council's Treasury Management policy is adhered to and that working practices and controls are in place to meet the approved strategy.

The Council Corporate Plan 2016/17 – 2018/19:

Effective financial management is fundamental to the delivery of corporate improvement priorities. Treasury Management activity has a significant impact on the Council's activity both in revenue budget terms and capital investment and is a key factor in facilitating the delivery against a number of corporate priorities.

**Implications for Medium Term Financial Plan and Resource Implications:
Including finance, human, IT and land**

Treasury Management affects the Council's budget in terms of borrowing costs and investment returns. The Treasury Management Strategy sets the authorised limits and operational boundaries within which investment and borrowing decisions are taken and risks managed. Effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving value for money in treasury management, and to employing suitable performance measurement techniques, within the context of effective risk management.

Other Implications: e.g. Child Poverty, Community Safety, Health and Safety, and Risk Management:

The current volatility and uncertainty within the global financial markets has had a substantial effect on Treasury Management activities. The risk in the Council's investments and loans will be constantly monitored and acted upon in accordance with the principles and procedures set out in the Council's Treasury Management Practices, Principles and Schedules.

Recommendations & Reasons for recommended action:

To approve the Treasury Management Practices, Principles and Schedules for 2018/19 as set out in this report to ensure compliance with the CIPFA Code of Practice for Treasury Management.

Alternative options considered and reasons for recommended action:

There are no alternative options. The Council has adopted the CIPFA Code of Practice for Treasury Management which requires the Treasury Management Practices, Principles and Schedules to be scrutinised and approved by the Audit Committee .

Published work/information

Treasury Management Strategy 2019/20 at Council on 25 February 2019

Background papers:

None

Sign off:

Fin	PL.18.19. 224	Leg	LT/622 25/1/2 802	Mon Off	LT/62225/ 1/2802	HR		Assets		IT		Strat Proc	
Originating SMT Member Andrew Hardingham, Service Director for Finance													
Has the Cabinet Member(s) agreed the contents of the report? Yes, but subject to any recommendations from Audit Committee.													

<p>TREASURY MANAGEMENT PRACTICES PRINCIPLES AND SCHEDULES 2019-20</p>	
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This document has been prepared in the sequence provided by CIPFA. For ease of use, the key areas for Plymouth City Council treasury operations are referenced below:

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INTRODUCTION

The Audit Committee is required to approve the Treasury Management Practices, Principles and Schedules each year as a requirement of the Council's Treasury Management Strategy.

The CIPFA Code of Practice on Treasury Management in the Public Services (the Code) was last revised in December 2017. The Code requires setting out the responsibilities and duties of members and officers, allowing a framework for reporting and decision making on all aspects of treasury management. There is now no longer a requirement to formally approve the Treasury Management Code, but instead the Council is now required by law to have regard to the Code.

Treasury Management is defined by CIPFA as:

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

'Investments' in the definition above covers all the financial assets of the Council, as well as other non-financial assets which the Council holds primarily for financial returns, including but not limited to investment property portfolios. Such non-financial assets are not managed as part of the Council's normal treasury management or under treasury management delegations, but they nonetheless require appropriate investment and risk management under the Code; a separate Treasury Management Practice (TMP 13) in this document is therefore included, specific to these investments.

The Code identifies three key principles:

- (1) Public service organisations should put in place formal and comprehensive objectives, policies and practices, strategies and reporting arrangements for the effective management and control of their treasury management activities
- (2) Their policies and practices should make clear that the effective management and control of risk and prime objectives of their treasury management activities and that responsibility for these lies clearly within these organisations. Their appetite for risk should form part of their annual strategy, including any use of financial instruments for the prudent management of those risks, and should ensure that priority is given to security and portfolio liquidity when investing treasury management funds
- (3) They should acknowledge that the pursuit for value for money in treasury management, and the use of suitable performance measures, are valid and important tools for responsible organisations to employ in support of their business and service objectives; and that within the context of effective risk management, their treasury management policies and practices should reflect this

CIPFA recommends that all public service organisations adopt, as part of their standing orders, financial regulations, or other formal policy documents appropriate to their circumstances, the following four clauses.

- (1) The Council will create and maintain, as the cornerstones for effective treasury management
 - a. A treasury management policy statement, stating the policies, objectives and approach to risk management of its treasury management activities

- b. Suitable treasury management practices (TMPs), setting out the manner in which the organisation will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities
- (2) The Council will receive reports on its treasury management policies, practices and activities, including, as a minimum, an annual strategy and plan in advance of the year, a mid-year review and an annual report after its close, in the form prescribed in its TMPs.
- (3) The Council delegates responsibility for the implementation and regular monitoring of its treasury management policies and practices to the Audit Committee and for the execution and administration of treasury management decisions to the Section 151 Officer, who will act in accordance with the organisation's policy statement and TMPs and, if he/she is a CIPFA member, CIPFA's Standard of Professional Practice on Treasury Management
- (4) The Council nominates the Audit Committee to be responsible for ensuring effective scrutiny of treasury management strategy and policies

The Treasury Management Practices (TMPs) comprise:

- TMP 1: Risk management
- TMP 2: Performance measurement
- TMP 3: Decision-making and analysis
- TMP 4: Approved instruments, methods and techniques
- TMP 5: Organisation, clarity and segregation of responsibilities and dealing arrangements
- TMP 6: Reporting requirements and management information arrangements
- TMP 7: Budgeting, accounting and audit arrangements
- TMP 8: Cash and cash flow management
- TMP 9: Money laundering
- TMP 10: Training and qualifications
- TMP 11: Use of external service providers
- TMP 12: Corporate governance
- TMP 13 Non-financial Investments

Schedules supporting these practices and other documents held at an operational level specify the systems and routines to be employed and the records to be maintained in fulfilling the Council's treasury functions.

I. TMP I: RISK MANAGEMENT

- I.1 All treasury management activities involve both risk and the pursuit of reward or gain for the Council. The council's policies and practices emphasise that the effective identification, management and containment of risk are the prime objectives of treasury management activities.
- I.2 The Section 151 Officer will design, implement and monitor all arrangements for the identification, management and control of treasury management risk, will report at least annually on the adequacy/suitability thereof, and will report, as a matter of urgency, the circumstances of any actual or likely difficulty in achieving the organisation's objectives in this respect, all in accordance with the procedures set out in **TMP6 Reporting requirements and management information arrangements**. In respect of each of the following risks, the arrangements which seek to ensure compliance with these objectives are set out as schedules below. Accordingly, it will ensure that robust due diligence procedures cover all external investment.
- I.3 **Credit and Counterparty Risk Management:** Credit and counterparty risk is the risk of failure by a third party to meet its contractual obligations to the Council under an investment, borrowing, capital, project or partnership financing, particularly as a result of the third party's diminished creditworthiness, and the resulting detrimental effect on the Council's capital and revenue resources.
- I.3.1 **Principle:** *The Council regards a key objective of its treasury management activities to be the security of the principal sums it invests. Accordingly, it will ensure that its counterparty lists and limits reflect a prudent attitude towards organisations with whom funds may be deposited, and will limit its investment activities to the instruments, methods and techniques referred to in **TMP4 Approved instruments, methods and techniques**, and listed in the schedule. It also recognises the need to have, and will therefore maintain, a formal counterparty policy in respect of those organisations from which it may borrow, as per the Treasury Management Strategy, or with whom it may enter into other financing arrangements.*

1.3.2 Schedule:

<p>Criteria to be used for creating/managing approved counterparty lists/limits</p>	<p>The Section 151 Officer is responsible for setting prudent criteria and the Council’s treasury advisors will also provide guidance and assistance in setting the criteria.</p> <p>The criteria will be agreed by Council.</p> <p>The current criteria are contained in the Treasury Management Strategy.</p> <p>The Council’s treasury management advisors will advise on credit policy and creditworthiness related issues. The Council’s treasury management advisors will provide a counterparty list based on its criteria (determined at least annually) and will monitor and update the credit standing of the institutions on a regular basis. This assessment will include consideration of credit ratings from main ratings agencies and other alternative assessments of credit strength (for example, statements of potential government support where applicable, resolution mechanisms for failing financial institution’s balance sheet liabilities, CDS information, the composition of an institution’s balance sheet liabilities).</p> <p>Investment limits are set by reference to the lowest long-term rating from the agencies and other relevant factors, including external advice. The Council will also take into account information on corporate developments and market sentiment towards investment counterparties.</p> <p>The credit rating criteria will also apply to securities issued by financial and non-financial institutions, which in some instances, might be higher than that of the issuing institution.</p> <p>Higher time and cash limits may be set for secured investments (e.g. those with underlying collateral or which are by regulation excluded from being bailed-in/restructured in the event of financial distress.)</p> <p>Where there is no investment-specific rating, but collateral upon which the investment secured is rated, then the higher of the collateral and counterparty rating will be used to determine time and cash limits.</p>
<p>Approved methodology for changing limits and adding/removing counterparties</p> <p>Risk management : creditworthiness deteriorates below the minimum criteria</p> <p>(a) ratings are placed on review for downgrade</p>	<p>The Section 151 Officer has delegated responsibility to add or delete counterparties and to review limits to the Council’s treasury management advisors as detailed above.</p> <p>Where an entity’s credit rating is downgraded so that it fails to meet the minimum criteria, then</p> <ul style="list-style-type: none"> - No new investments will be made; - Any existing investments that can be recalled or sold at no cost will be recalled or sold; - Full consideration will be given to the recall or sale of other existing investments with the affected counterparty. <p>Where a credit rating is placed on ‘review’ for possible downgrade (also termed ‘rating watch negative’ or ‘credit watch negative’) so that it may fall below the minimum approved credit criteria, then only investments that can be withdrawn on the next working day will be made with that organisation until the rating review has been completed and its outcome known.</p> <p>The policy will not apply for ‘negative outlooks’ which indicate a long-term direction of travel rather than a possibility of an imminent downgrade.</p>

<p>Counterparty list and limits</p>	<p>A full individual listing of banking* counterparties based on the criteria will be provided by the Council's treasury management advisors. As credit ratings etc. are subject to change without notice, any changes will be advised by the Council's treasury management advisors.</p> <p>* It may be impractical to determine a specific list of non-financial counterparties in whose securities investments might be made. The minimum credit rating criteria, whether the security is secured or unsecured, and due diligence on the counterparty's creditworthiness will determine its selection for investment.</p>
<p>Details of credit rating agencies' services and their application</p>	<p>The Council considers the ratings of the main ratings agencies when making investment decisions. Credit rating agency information is just one of a range of instruments used to assess creditworthiness of institutions.</p> <p>No investments will be made with an organisation if there are substantive doubts about its credit quality, even though it may meet the minimum credit rating criteria.</p>
<p>Description of the general approach to collecting/using information other than credit ratings for counterparty risk assessment</p>	<p>The Council's Treasury Advisor, Arlingclose, provides timely information on counterparties, in terms of credit rating updates and economic summaries. Credit default swap information is received monthly, as well as information on share price.</p> <p>The Council's Treasury Advisor also undertakes analysis on the balance sheet structure of key banking institutions to help inform the potential restructure (i.e. bail-in) of a bank's unsecured liabilities should this be required by the regulatory authorities.</p> <p>In addition, the Council's officers read the quality financial press for information on counterparties.</p>
<p>Country, sector and group listings of counterparties and overall limits applied to each, where appropriate</p>	<p>Investments will be displayed so as to show total group exposure, total country exposure and total sector exposure.</p> <p>Group limits will be set for the above, in terms of monetary value/percentage of overall portfolio, where appropriate. Group limits for organisations under the same ownership will be set at the same level as the lead institution in that group.</p>

1.4 Liquidity Risk Management: Liquidity risk is the risk that cash will not be available when it is needed, that ineffective management of liquidity creates additional unbudgeted costs, and that the Council's business/service objectives will be thereby compromised.

1.4.2 Principle: *The Section 151 Officer will ensure the Council has adequate though not excessive cash resources, borrowing arrangements, overdraft or standby facilities to enable it at all times to have the level of funds available to it which are necessary for the achievement of its business/service objectives.*

The Council will only borrow in advance of need where there is a clear business case for doing so and will only do so for the current capital programme or to fund future debt maturities.

1.4.3 Schedule:

<p>Cash flow and cash Balances</p>	<p>The Council will aim for effective cash flow forecasting and monitoring of cash balances and will maintain a single cashflow forecast to determine the maximum period for which funds may be prudently committed. The forecast is compiled on a prudent basis to minimise the risk of the Council being forced to borrow on unfavourable terms to meet its financial commitments.</p> <p>The Treasury Team shall seek to optimise the balance held in the Council’s main bank accounts at the close of each working day in order to minimise the amount of bank overdraft interest payable or maximise the amount of interest that can be earned.</p> <p>In order to achieve the maximum return from investments, a daily cash balance of +/- £100,000 is the objective for the Council’s bank account.</p>
<p>Short term investments</p>	<p>The Council uses various Reserve Accounts, Call Accounts and Money Market Funds to manage its liquidity requirements These Accounts/Funds are named on the Council’s approved counterparty list. The maximum balance on each of these accounts is reviewed and set as part of the Council’s investment strategy.</p>
<p>Temporary Borrowing</p>	<p>Temporary borrowing up to 1 year through the money market is available should there be a cash flow deficit at any point during the year.</p> <p>At no time will the outstanding total of temporary and long-term borrowing together with any bank overdraft exceed the Prudential Indicator for the Authorised Borrowing Limit agreed by the Council before the start of each financial year.</p>
<p>Bank Overdraft and standby facilities</p>	<p>The Council has an authorised overdraft limit with its bankers Barclays of £100,000 at an agreed rate of 1% above base rate. The facility is used as a contingency.</p>
<p>Policy in terms of borrowing in advance of need</p>	<p>The Council may need to borrow in advance of need where this is expected to provide the best long-term value for money. Since amounts borrowed will be invested until spent, the Council may be exposed to the risk of both the loss of the borrowed sums, and also that investment and borrowing rates may change during the intervening period. These risks will be managed as part of the Council’s overall treasury risk management.</p> <p>The total amount borrowed will not exceed the authorised borrowing limit. The maximum period between borrowing and expenditure is expected to be 2 years, although linking loans with particular items of expenditure is not required.</p>

1.5 Interest Rate Risk Management: Interest Rate risk is the risk that fluctuations in the levels of interest rates create an unexpected or unbudgeted burden on the Council’s finances, against which the Council has failed to protect itself adequately.

1.5.2 Principle: *The Council will manage its exposure to fluctuations in interest rates with a view to containing its interest costs, or securing its interest revenues, in accordance with the amounts provided in its budgetary arrangements as amended in accordance with TMP6 Reporting requirements and management information arrangements.*

1.5.3 Schedule:

Proportions of fixed/variable rate debt/interest	<p>Borrowing/investments may be at a fixed or variable rate.</p> <p>In setting its forward Treasury Strategy on an annual basis, the Council will determine the necessary degree of certainty required for its plans and budgets but will, at the same time, allow sufficient flexibility enable it to benefit from potentially advantageous changes in market conditions and level of interest rates and also to mitigate the effects of potentially disadvantageous changes.</p> <p>The proportion of fixed and variable rate debt will be determined as part of the annual borrowing strategy to address the issues of affordability but without compromising the longer-term stability of the debt portfolio. The proportion will be kept under review on a regular basis.</p>
Managing changes to interest rate levels	<p>The main impact of changes in interest rate levels is to monies borrowed and invested at variable rates of interest.</p> <p>The Council will consider matching borrowing at variable rates with investments similarly exposed to changes in interest rates as a way of mitigating any adverse budgetary impact.</p> <p>The Council may determine it is more cost effect in the short-term to fund its borrowing requirement through the use of internal resources ('internal borrowing') or through borrowing short-term loans. The benefits of such borrowing will be monitored regularly against the potential for incurring additional costs by deferring borrowing or refinancing in future years when interest rates are expected to be higher.</p> <p>Alternatively, the Council may consider forward starting loans where the interest rate is agreed and fixed in advance but the cash is received in later years. This would enable certainty of cost be achieved without suffering a 'cost of carry' in the intervening period.</p> <p>Interest rate forecasts are provided by the Council's advisors and are closely monitored by the Treasury Management Team. Variations from original estimates and their impact on the Council's debt and investments are notified to the Strategic Treasury Management Board as necessary.</p> <p>For its investments, the Council also considers dealing from forward periods dependent upon market conditions. The Council's counterparty term limits will apply and will include the forward period of the investment.</p>
Negative interest rates	<p>Should economic conditions be such that the Bank of England sets Bank Rate at or below zero, this is likely to feed through into negative rates on short term, low risk investments. In this event, security will be measured as receiving the contractually agreed amount at maturity, even if it is below the amount originally invested.</p>

1.6 Exchange Rate Risk Management: The risk that fluctuations in foreign exchange rates create an unexpected or unbudgeted burden on the Council's finances against which the Council has failed to protect itself adequately.

1.6.2 Principle: *The Council will ensure that it protects itself adequately against the risk of fluctuations in foreign exchange rates creating an unexpected or unbudgeted burden on the Council's finances. It will manage any exposure to fluctuations in exchange rates so as to minimise any detrimental impact on its budgeted income/expenditure levels.*

1.6.3 Schedule:

Exchange rate risk management	<p>This Council does not, on a day to day basis, have foreign currency transactions or receipts. The Council holds a Euro account for specific European joint working projects. Any unexpected receipts of foreign currency will be converted to sterling at the earliest opportunity. Where</p> <p>If the Council has a contractual obligation to make a payment in a currency other than sterling then forward foreign exchange transactions will be considered, with professional advice.</p> <p>At the present time statute prevents the Council borrowing in currencies other than Sterling.</p>
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1.7 Inflation risk

Inflation risk, also called purchasing power risk, is the chance that the cash flows from an investment won't be worth as much in the future because of changes in purchasing power due to inflation.

1.7.1 Principle

The Council will keep under review the sensitivity of its treasury assets and liabilities to inflation, and will seek to manage the risk accordingly in the context of the whole organisation's inflation exposures.

Investments over one year	Where balances are expected to be invested for more than one year, the Council will aim to achieve a total return that is equal or higher than the prevailing rate of inflation, in order to maintain the spending power of the sum invested.
Contractual obligations linked to inflation	The Council will identify all contractual obligations which are linked to inflation, whether receipts or payments, in relation to its treasury assets and liabilities and regularly review the financial impact of a <+/- 1%> increase/decrease in inflation from existing levels.

1.8 Refinancing Risk Management: The risk that maturing borrowings, capital, project or partnership financings cannot be refinanced on terms that reflect the provisions made by the organisation for those refinancing, both capital and current (revenue), and/or that the terms are inconsistent with prevailing market conditions at the time.

1.8.1 Principle: *The Council will ensure that its borrowing, private financing and partnership arrangements are negotiated, structured and documented, and the maturity profile of the monies so raised are managed, with a view to obtaining offer terms for renewal or refinancing, if required, which are competitive and as favourable to the organisation as can reasonably be achieved in the light of market conditions prevailing at the time.*

It will actively manage its relationships with its counterparties in these transactions in such a manner as to secure this objective, and will avoid over reliance on any one source of funding if this might jeopardise achievement of the above.

1.8.2 Schedule:

<p>Projected capital investment requirements</p>	<p>Three year projections are in place for capital expenditure and its financing or funding. Financing will be from capital receipts, reserves and any grants or contributions awarded revenue resources or reserves. Funding will be from internal or external borrowing, as decided.</p> <p>As required by the Prudential Code, the Council will undertake Options Appraisal to evaluate the best capital expenditure financing route.</p> <p>The Council's projected long-term borrowing requirement will be linked to the projected Capital Financing Requirement.</p>
<p>Debt profiling, policies and practices</p>	<p>The Council will maintain through its treasury system Logotech reliable records of the terms and maturities of its borrowings, capital, project and partnership funding and, where appropriate, plan and successfully negotiate terms for its refinancing.</p> <p>To assist with long-term borrowing decision making the Council creates, with advice and assistance from its treasury advisor, a 'Liability Benchmark' which forecasts the need to borrow over the medium- to longer-term.</p> <p>Based on the output of the Liability Benchmark and the Council's outlook on interest rates, any longer-term borrowing will be undertaken in accordance with the Code and will comply with the Council's Prudential Indicators and the Annual Treasury Management Strategy.</p> <p>Where the lender to the Council is a commercial body the Council will aim for diversification in order to spread risk and avoid over-reliance on a small number of counterparties.</p>
<p>Policy on LOBO call options</p>	<p>The Council's debt portfolio includes loans borrowed on a LOBO (Lender's Option Borrower's Option) basis.</p> <p>The call dates for each LOBO loan are denoted within the Operations Folder and are referenced to the LOBO documentation.</p> <p>Prior to each call date, the Council will evaluate alternative funding sources for comparable interest rates/maturities. This will be discussed at the regular treasury meeting.</p> <p>If the Lender exercises the call option (directly or via the broker) for a revision to the terms of the loan, the Council will thoroughly evaluate the new terms and additionally seek advice from the Council's advisor.</p> <p>It is important to remain within the timescale for the Council to exercise its option should the call be made, but not be rushed into a decision.</p>
<p>Policy concerning limits on revenue consequences of capital financings</p>	<p>The revenue consequences of financing the capital programme are included in cash flow models, annual revenue estimates and medium term forecasts.</p>

1.9 **Legal and Regulatory Risk Management:** The risk that the Council itself, or a third party with which it is dealing in its treasury management activities, fails to act in accordance with its legal powers or regulatory requirements, and that the Council suffers losses accordingly.

1.9.1 **Principle:** *The Council will ensure that all of its treasury management activities comply with its statutory powers and regulatory requirements. It will demonstrate such compliance, if required to do so, to all parties with whom it deals in such activities. In framing its credit and counterparty policy under TMPI(1) Credit and counterparty risk management, it will ensure that there is evidence of counterparties’ powers, authority and compliance in respect of the transactions they may effect with the Council, particularly with regard to duty of care and fees charged.*

The Council recognises that future legislative or regulatory changes may impact on its treasury management activities and, so far as it is reasonably able to do so, will seek to minimise the risk of these impacting adversely on the organisation.

1.9.2 **Schedule:**

<p>References to relevant statutes and regulations</p>	<p>The treasury management activities of the Council shall comply fully with legal statute and the regulations of the Council such as:</p> <ul style="list-style-type: none"> ▪ CIPFA’s Treasury Management Code of Practice and accompanying Guidance Notes ▪ CIPFA Prudential Code for Capital Finance in Local Authorities and subsequent amendments ▪ CIPFA Standard of Professional Practice on Treasury Management ▪ The Local Government Act 2003 ▪ The Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 SI 2003 No 3146, and subsequent amendments ▪ The MHCLG’s statutory Guidance on Minimum Revenue Provision (MRP) ▪ The MHCLG’s Guidance on Local Government Investments in England The Local Authorities (Contracting out of Investment Functions) ▪ The Localism Act 2011 ▪ The Bank of England’s 2017 Money Markets Code ▪ Council’s Constitution including: <ul style="list-style-type: none"> • Standing Order relating to Contracts • Financial Regulations • Scheme of Delegation
<p>Procedures for evidencing the organisation’s powers/ authorities to counterparties</p>	<p>The Council’s Financial Regulations contain evidence of the power/ authority to act as required by section 151 of the Local Government Act 1972, under the general direction of the Audit Committee.</p> <p>The Council will confirm, if requested to do so by counterparties, the powers and authorities under which the Council effects transactions with them.</p> <p>Where required, the Council will also establish the powers of those with whom they enter into transactions, including any compliance requirements in respect of a duty of care and best practice.</p>

Required information from counterparties concerning their powers/ authorities	Investments shall only be made with institutions on the Council’s authorised lending list or in securities which meet the Council’s approved credit criteria. The Council will only undertake borrowing from approved sources listed in TMP 4.
Statement on political risks and management of the same	Political risk is managed by: <ul style="list-style-type: none"> • adoption of the CIPFA Treasury Management Code of Practice • adherence to Corporate Governance (<u>TMP 12 – Corporate Governance</u>) • adherence to the Statement of Professional Practice by the Section 151 Officer • the roles of the Audit Committee.

1.10 Fraud, Error and Corruption, and Contingency Management: This is the risk that the Council fails to identify the circumstances in which it may be exposed to the risk of loss through fraud, error, corruption or other eventualities in its treasury management dealings, and fails to employ suitable systems and procedures and maintain effective contingency management arrangements to these ends. It includes the area of risk referred to as operational risk.

1.10.1 Principle: The Council will ensure that it has identified the circumstances which may expose it to the risk of loss through fraud, error, corruption or other eventualities in its treasury management dealings. Accordingly, it will employ suitable systems and procedures, and will maintain effective contingency management arrangements, to these ends.

<p>Details of systems and procedures to be followed, including Internet services</p>	<p>Segregation of duties minimises the possibility of fraud and loss due to error, and is detailed in TMP5 Organisation, clarity and segregation of responsibilities, and dealing arrangements.</p> <p>1. <u>Electronic Banking and Dealing</u></p> <p>(a) <u>Banking</u>: The Council's online banking service provided by Barclays is subject to separate log-on and password control allowing varying levels of access. Details of transactions and balances are available as required, and the system also holds historic data. Officers having access to the bank's online system are as follows:</p> <ul style="list-style-type: none"> • Within the Treasury Management Department <ul style="list-style-type: none"> ○ Finance Business Partner ○ Principal Technical Accountant ○ Technical Accounting Officers ○ Apprentice <p>Officer access is reviewed at least 6 monthly or as necessary.</p> <p>(b) Access to the Council's <u>treasury management system</u>, Logotech is limited to those officers listed below, each having a separate log-on and password.</p> <ul style="list-style-type: none"> • Within the Treasury Management Department <ul style="list-style-type: none"> ○ Finance Business Partner ○ Principal Technical Accountant ○ Technical Accounting Officers ○ Apprentice <p>These also are reviewed at least 6 monthly or as necessary.</p> <p>(c) <i>Access and use of the online ICD Portal, for our Money Market Funds and iDeal for Arlingclose dealing platform, is listed below:</i></p> <ul style="list-style-type: none"> • For Fund Selection <ul style="list-style-type: none"> ○ Head of Financial Planning & Reporting ○ Finance Business Partner • For Trading, the following members of the Treasury Management team <ul style="list-style-type: none"> ○ Principal Technical Accountant ○ Technical Accounting Officers <p>Full procedure notes covering the day to day operation of the on-line banking system and the treasury management system are documented.</p> <p>2. <u>Standard Settlement Instructions (SSI) list</u> : a list is maintained of named officers who have the authority to transact loans and investments</p> <ul style="list-style-type: none"> • Brokers and counterparties with whom the Council deals direct are provided a copy of the SSI list. • A list of named officers with authority to borrow from the PWLB and invest with the Debt Management Agency Deposit Facility is also maintained with the PWLB/DMADF. • <u>Payment Authorisation</u>: • Payments can only be authorised by an agreed cheque signatory(ies) of the Council, the list of signatories having previously been agreed with the Council's bank. • Other payments made using online banking system and BACS payments can be authorised by an approved list of signatories. • Inflow and outflow of monies borrowed and invested will only be from the counterparty's bank accounts. • Separate officers will carry out (a) dealing and (b) recording of
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Verification	<p>Loans and investments will be maintained in treasury management system which will include fees and brokerage paid.</p> <p>Transactions will be cross-checked against broker notes, counterparty confirmations and PWLB loan schedules by verifying dates, amounts, interest rates, maturity, interest payment dates etc.</p> <p>When receiving requests for change of payment details, due care will be exercised to ascertain the bona fide of the request and avoid potential fraud. Additional checks will be made through pre-existing contact details for the payee before altering payment details.</p>
Substantiation	<ol style="list-style-type: none"> 1. The Treasury Management system balances are reconciled with financial ledger codes at the end of each quarter and at the financial year end. 2. Working papers are retained for audit inspection. 3. The bank reconciliation is carried out monthly from the bank statement to Civica.
Internal Audit	<p>Internal Audit carry out an annual regulatory review of the treasury management function including probity testing. See <u>TMP7 Budgeting, accounting and audit arrangements</u>.</p>
Contingency Management	<ol style="list-style-type: none"> 1. All treasury systems are retained on the Council's network. Daily back-ups are taken and maintained and network back-ups can be used by the service provider, DELT, to restore files, if necessary. 2. Temporary off-site working facility: The officers who can avail of this facility following an emergency are The Treasury Management Officers who will individually be made aware of the procedures to follow. 3. Electronic Banking System Failure: The Council's bank including the mode of obtaining balance details and information on inflow/outflow of monies and instructions for CHAPS payments can be made over the phone. Hard copies of contact details and account numbers are held onsite, and work mobile phones will be made available. 4. A Disaster Recovery Policy is held by Plymouth City Council.
Insurance Cover details	<p>The Council has Fidelity Guarantee cover. Details of the provider and cover are held by the Corporate Risk and Insurance Team.</p>

1.11 Market Risk Management: This is the risk that, through adverse market fluctuations in the value of the principal sums the Council borrows and invests, its stated treasury management policies and objectives are compromised, against which effects it has failed to protect itself adequately.

1.11.1 Principle: This Council will seek to ensure that its stated treasury management policies and objectives will not be compromised by adverse market fluctuations in the value of the principal sums it invests, and will accordingly seek to protect itself from the effects of such fluctuations.

1.11.2 Schedule:

<p>Details of approved procedures and limits for controlling exposure to investments whose capital value may fluctuate (gilts, CDs etc.)</p>	<p>Investment instruments used by the external fund managers are subject to fluctuation in capital movements and exposed to interest rate risk. In order to minimise these risks capital preservation is set as the primary objective and pursuit of investment performance should be commensurate with this objective.</p> <p>Additionally the following risk control guidelines are set for each fund as part of the fund management agreement to control market risk:</p> <ul style="list-style-type: none"> (a) Maximum weighted average duration of the fund; (b) Maximum permitted exposure to gilts/bonds; (c) Maximum maturity of any instrument. <p>Pooled Funds with a Variable Net Asset Value (VNAV) – The council may consider VNAV funds, as appropriate, in line with its TMSS and on advice from its treasury advisors.</p>
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<p>Accounting for unrealised gains/losses</p>	<p>The method of accounting for unrealised gains or losses on the valuation of financial assets will comply with the Accounting Code of Practice.</p> <p>VNAV pooled funds will be treated as Available for Sale Assets. Segregated fund with external managers will be treated as Fair Value through Profit or Loss.</p> <p>When first adopting IFRS 9, the new accounting standard from FY 2018/19, the Council irrevocably elected to account for individual investments in “equity instruments” at fair value through other comprehensive income (FVOCI), which is very similar to the available for sale accounting. Investments purchased after the transition to IFRS 9 may also be elected to FVOCI upon acquisition. The Council made the election in the 2017/18 statement of accounts for the 31st March 2018 holdings in strategic bond funds, equity funds, multi asset/diversified funds and property funds.</p> <p>Where pooled funds are classed as capital expenditure, any fair value gains and losses charged to Finance I&E will be reversed out to the Capital Adjustment Account via the MiRS. It might therefore appear that the election to FVOCI is unnecessary, however, since regulations might change in future and the election can only be made on initial recognition or on transition to IFRS 9, the Council has including capital expenditure funds in its election.</p>
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2 TMP 2: PERFORMANCE MEASUREMENT

2.1 Principle: *The Council is committed to the pursuit of value for money in its treasury management activities, and to the use of performance methodology in support of that aim, within the framework set out in its treasury management policy statement.*

Accordingly, the treasury management function will be the subject of ongoing analysis of the value it adds in support of the Council’s stated business or service objectives. It will be the subject of regular examination of alternative methods of service delivery, or the availability of fiscal or other grant or subsidy incentives, and of the scope for other potential improvements. CIPFA supports the use of risk benchmarks in measuring treasury management performance.

The performance of the treasury management function will be measured using the criteria set out below.

2.2 Schedule:

<p>Policy concerning methods for testing value for money</p>	<p>Best value reviews will include the production of plans to review the way services are provided by</p> <ul style="list-style-type: none"> ▪ Challenging ▪ Comparing performance ▪ Consulting with other users and interested parties ▪ Applying competition principles <p>In order to pursue continuous improvement in the way the Council’s functions are exercised, having regard to a combination of value for money, efficiency and effectiveness.</p>
<p>Policy concerning methods for performance measurement</p>	<ul style="list-style-type: none"> • Performance measurement at this Council is intended to calculate the effectiveness of treasury activity in delivering the strategic objectives set through the Treasury Management Strategy and the Council’s Prudential Indicators and to enhance accountability. • Prudential Indicators are local to the Council and are not intended as a comparator between authorities. • The performance review will be made in the light of general trends in interest rates during the year and how the decisions made corresponded with these trends and the Council’s agreed strategy, i.e. the Council will avoid hindsight analysis. <p>Any comparison of the Council’s treasury portfolio against recognised industry standards, market indices and other portfolios is intended to</p> <ul style="list-style-type: none"> (i) allow the Council the opportunity to assess the potential to add value through changes to the existing ways in which its portfolio is managed and (ii) permit an informed judgement about the merits or otherwise of using new treasury management techniques or instruments. <p>In drawing any conclusions the Council will bear in mind that the characteristics of its treasury operations may differ from those of other councils, particularly with regard to the position on risk.</p>

<p>Methodology to be applied for evaluating the impact of treasury management decisions</p>	<p>Monitoring of the outcome of treasury management activity against Prudential Indicators approved by the Council will be carried out as part of the budget monitoring reports to the Treasury Management Meetings throughout the year.</p> <p>The year-end Annual Treasury Report will also include, as a matter of course, the outturn against the PIs set prior to the commencement of the financial year and any in-year amendments.</p> <p>The Council's Treasury Management advisers review the existing borrowing and investments and they produce a quarterly report to review the Council's position and benchmark this against other local authorities.</p> <p>The Council participates in the Treasury Management Advisor's quarterly investment benchmarking as well as the Treasury Management Advisor's annual Balance Sheet and Debt benchmarking.</p>
<p>Methodology to be employed for measuring the performance of the Council's treasury management activities</p>	<p>Treasury management activity is reviewed half yearly against strategy and prevailing economic and market conditions through the treasury monitoring report to Strategic Treasury Board.</p> <p>The report will include:</p> <ul style="list-style-type: none"> a) CFR Funding Ratio (gross borrowing as a % of the Loans CFR) b) Gross and Net Borrowing; Leverage Ratio (gross borrowing as a proportion of net borrowing) c) Average rate on gross borrowing vs weighted average maturity d) The effect of new borrowing and/or maturities on the above e) An analysis of any risks inherent within the debt portfolio (e.g. exposure to variable rate; LOBOs in their call period) f) Total investments including average rate and maturity profile g) The rate of return on investments against their indices for internally and externally managed funds h) An analysis of any risks inherent within the investment portfolio (e.g. exposure to market movements in the value of CDs, gilts/bonds, callable deposits in their call period) i) A statement whether the treasury management activity resulted in a breach of the Prudential Indicators and other limits set within treasury strategy j) Daily bank balances: any major deviations from the target bank balances

<p>Benchmarks and calculation methodology with regard to risk and return</p>	<p>Treasury Management Costs – Costs are split into Debt Management, Investment Management and Other. Investment Management is then shown as cost per £m invested, and Debt Management Costs per £m value of debt.</p> <p>Investment returns are compared to 7-day LIBID Internally Managed Investment Returns - total interest accruing during the month or year on average daily balances invested during the calendar month.</p> <ul style="list-style-type: none"> • Externally Managed Investment Returns - the growth (i.e. increase in value of the fund) in respect of the monthly average value of the fund. <p>Debt Management</p> <ul style="list-style-type: none"> ▪ Average Rate on external debt borrowed in financial year ▪ Average period to maturity of external debt ▪ Average period to maturity of new loans in financial year ▪ Ratio of PWLB and market debt (beginning and end of period) ▪ Ratio of fixed and variable rate debt (beginning and end of period)
<p>Best value</p>	<p>The treasury management function will be the subject of ongoing analysis of the value it adds in support of the Council’s stated corporate and service objectives.</p> <p>When tendering for treasury-related or banking services, the Council adheres to its Financial Regulations. These require that :</p> <ol style="list-style-type: none"> a) For placing a contract with a value below £100k, at least 3 quotes are required, for contracts between £100k - £150k 5 quotes are required. Above this a formal tender is required. b) When placing a contract with a value in excess of £172.5k, a tendering process that meets the requirements of the EU procurement procedures (OJEU) is undertaken. c) If necessary, the Council will also consult with other users of similar services as well as with interested parties. d) The Council will also evaluate alternative methods service delivery.

3 TMP 3: DECISION-MAKING AND ANALYSIS

3.1 Principle: *The Council will maintain full records of its treasury management decisions, and of the processes and practices applied in reaching those decisions, both for the purposes of learning from the past, and for demonstrating that reasonable steps were taken to ensure that all issued relevant to those decisions were taken into account at the time.*

The guidance on decision making states that relevant due diligence should take place on all transactions. In respect of investment decisions, the organisation should consider the risks to capital and returns and the implications for the organisation’s future plans and budgets.

The issues to be addressed and processes and practices to be pursued in reaching decisions are detailed below.

3.2 Schedule:

Capital expenditure and investment plans	<p>The 2017 Prudential Code requires the Council to look at capital expenditure and investment plans in the light of overall organisational strategy and resources and ensure that decisions are being made with sufficient regard to the long run financing implications and potential risks to the Council.</p> <p>Effective financial planning, option appraisal and governance processes are essential in achieving a prudential approach to capital expenditure, investment and debt.</p>
Major treasury decisions	<p>As a public service organisation, there is a requirement to demonstrate openness and accountability in treasury management activities. Accordingly, the Council will create and maintain an audit trail of major treasury management decisions which comprise either:</p> <ul style="list-style-type: none"> a) Changes to Prudential Indicator(s) during the course of the financial year b) Options Appraisal to determine a funding decision c) raising a new long-term loan / long-term source of finance d) prematurely restructuring/redeeming an existing long-term loan(s) e) investing longer-term (i.e. in excess of 1 year) f) utilisation of investment instruments which constitute capital expenditure (i.e. loan capital/share capital in a body corporate) g) leasing h) change in banking arrangements i) appointing/replacing a treasury advisor j) appointing/replacing a fund manager k) any other determined by the Council
Process	<p>The Council’s strategy for the application of its treasury policy is set out in the annual Treasury Management Strategy.</p> <p>A rolling monthly cashflow forecast will be prepared for the ensuing 12 months and will include the financing, borrowing and surplus cash requirements of the Council, for the purpose of:</p> <ul style="list-style-type: none"> • applying the strategy on a day to day basis • monitoring the results of the strategy • recommending amendments to the strategy to the Council where applicable during the course of the year.

<p>Delegated powers for treasury management</p>	<p>The Section 151 Officer has delegated powers to carry out the Council’s strategy for debt management, capital finance and borrowing, depositing surplus funds and managing the cash flows of the Council.</p>
<p>Issues to be addressed, evaluation, authorisation</p>	<p>In exercising these powers, the Section 151 Officer and those to whom the treasury activity have been delegated will</p> <ul style="list-style-type: none"> • have regard to the nature and extent of any associated risks to which the Council may become exposed and put in place effective mechanisms for risk management and mitigation; • be certain about the legality of the decision reached and that the necessary authority to proceed has been obtained; • be satisfied that the documentation is appropriate to deliver the Council’s objectives, protect the Council’s interests, and to maintain an effective audit trail; • ensure that the perceived credit risk associated with the approved counterparties parties is judged satisfactory and is within agreed limits; • be satisfied that the terms of any transactions have been fully checked against the market, and have been found to be competitive; is this being carried out. • follow best practice in implementing the treasury transaction. <p>In exercising Borrowing and Funding decisions, the Section 151 Officer will with advice from the council’s Treasury Management Advisors:</p> <ul style="list-style-type: none"> • evaluate economic and market factors that may influence the manner and timing of any decision to fund; • consider alternative forms of funding, including use of revenue resources, leasing and private partnerships; • consider the use of internal resources and/or the most appropriate periods to fund and repayment profiles to use; • consider ongoing revenue liabilities created; • where applicable, monitor regularly the benefits of internal borrowing against the potential for incurring additional costs by deferring borrowing into future years. <p>The Council’s objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income.</p> <p>In exercising Investment decisions, the Section 151 Officer will:</p> <ul style="list-style-type: none"> • Determine that the investment is within the Council’s strategy and pre-determined instruments and criteria; • consider the optimum period, in the light of core balances and reserves, cash flow availability and prevailing market conditions; • the credit risk associated with unsecured investments with banks and building societies • consider the alternative investment products and techniques available if appropriate.
<p>Processes to be followed</p>	<p>The processes to be followed will be in keeping with TMP 4: The Council’s Approved, Instruments, Methods and Techniques.</p>

<p>Evidence and records to be kept</p>	<p>The Council will maintain a record of all major treasury management decisions, the processes undertaken and the rationale for reaching the decision made. These will allow for an historical assessment of decisions made and verification that any checks and safeguards are indeed in place and operating correctly.</p> <p>Records and working papers will be maintained by the Council electronically.</p>
<p>Other</p>	<p>The Council will maintain in its Operating Folder for the call dates for all LOBOs. The Council's Treasury Strategy will also state the maximum exposure to LOBOs being called in that financial year.</p> <p>A LOBO is called; the new interest rate will be reviewed against other borrowing rates, and will be redeemed if necessary.</p>

4 TMP 4: APPROVED INSTRUMENTS, METHODS AND TECHNIQUES

4.1 Principle: *The Council will undertake its treasury management activities by employing only those instruments, methods and techniques detailed in the schedule to this document, and within the limits and parameters defined in **TMPI Risk Management**.*

The consideration of skills and experience is particularly critical where organisations request to be treated as professional clients under MIFID II. Designation under MIFID II should be endorsed by the treasury management strategy and regularly reviewed to ensure that designation remains appropriate.”

4.2 Schedule:

<p>Approved treasury management activities</p>	<p>The Council is permitted to undertake the following activities:</p> <ul style="list-style-type: none"> ▪ Managing cashflow ▪ Capital financing ▪ Borrowing including debt restructuring and debt repayment ▪ Lending including redemption of investments ▪ Banking ▪ Leasing ▪ Managing the underlying risk associated with the Council’s capital financing and surplus funds activities. <p>The above list is not finite and the Council would, from time to time, consider and determine new financial instruments and treasury management techniques; however, the Council will consider carefully whether the officers have the skills and experience to identify and manage the advantages and risks associated with using the instruments/techniques before undertaking them, more so as some risks may not be wholly or immediately transparent.</p>
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<p>Approved capital financing methods and types/sources of funding</p>	<ul style="list-style-type: none"> • Public Works Loans Board (PWLB) or its successor • long term money market loans including LOBOs • temporary money market loans (up to 364 days). • bank overdraft • loans from bodies such as the European Investment Bank (EIB) • Stock issues • Deferred Purchase • Government and EU Capital Grants • Plymouth Bond • Lottery monies • Other Capital Grants and Contributions <ul style="list-style-type: none"> ▪ Private Finance Initiative ▪ Operating and finance leases ▪ Hire purchase ▪ Sale and leaseback <p><u>Internal Resources</u></p> <ul style="list-style-type: none"> • Capital Receipts • Revenue Balances • Use of Reserves <p><u>Approved sources of long-term and short-term borrowing include</u></p> <ul style="list-style-type: none"> • Public Works Loan Board (PWLB) and its successor body • Any institution approved for investments • Any other bank or building society authorised to operate in the UK • UK public and private sector pension funds (except PCC Pension Fund) • Local Capital Finance Company and other special purpose vehicles created to enable local authority bond issues • UK Municipal Bonds Agency and other special purpose vehicles created to enable local authority bond issues • Any other counterparty you intend to borrow from <p>The level of debt will be consistent with the Treasury Management Strategy and the Prudential Indicators.</p>
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<p>Approved investment instruments</p>	<p>The Council will determine through its Annual Investment Strategy (AIS) which instruments it will use, giving priority to the security and liquidity (in that order) of its invested monies. The investments will be categorised as ‘Specified’ or ‘Non Specified’ based on the criteria set out by the ODPM (now MHCLG) in its Investment Guidance March 2004 (as amended).</p> <p>The Council will, where applicable, use the Council’s credit criteria.</p> <p><i>examples</i></p> <ul style="list-style-type: none"> ▪ Deposits with the UK government, the Debt Management Agency Deposit Facility (DMADF), and UK local authorities ▪ Term deposits with banks and building societies ▪ Banks and building societies unsecured short-term (call and notice accounts, deposits, certificates of deposit) ▪ Certificates of deposit ▪ Callable deposits ▪ Investments in Money Market Funds , i.e. ‘AAA’ liquidity funds with a 60-day Weighted Average Maturity (WAM) ▪ Treasury Bills ▪ Gilts ▪ Bonds issued by multilateral development banks ▪ Sterling denominated bonds by non-UK sovereign governments ▪ Covered bonds (i.e. those with underlying collateral) ▪ Unsecured corporate bonds ▪ Reverse Repurchase Agreements (‘reverse repos’) ▪ Investments with Registered Providers of Social Housing (i.e. housing associations) ▪ Commercial paper ▪ Floating Rate Notes
<p>Investments that are not part of treasury management activity</p>	<p>These are investments which the Council invests in other financial assets and property primarily for financial return. Such activity includes loans supporting service outcomes, investments in subsidiaries and the investment property portfolio.</p> <p>The Council ensures that it has the same robust procedures for the consideration of risk and return and</p> <ul style="list-style-type: none"> • ensures that all investments, including non treasury investments are covered in the Capital Strategy. • maintains a schedule of existing material investments, subsidiaries, joint ventures and liabilities including financial guarantees.

<p>Use of Derivatives</p>	<p>The general power of competence in Section 1 of the Localism Act 2011 removes much of the uncertainty over local authorities' use of standalone financial derivatives (i.e. those that are not embedded into a loan or investment).</p> <p>As the Council is unlikely to use derivatives, it is a requirement of the CIPFA Code to clearly detail our policy in the annual treasury strategy.</p> <p>The Council will only use the following standalone financial derivatives: Swaps, forwards, futures and options as these can be clearly demonstrated to reduce the overall level of the financial risks that the Council is exposed to</p> <p>Additional risks presented, such as credit exposure to derivative counterparties, will be taken into account when determining the overall level of risk.</p> <p>Embedded derivatives will not be subject to this policy, although the risks they present will be managed in line with the overall treasury risk management strategy.</p> <p>Financial derivative transactions may be arranged with any organisation that meets the approved investment criteria. The current value of any amount due from a derivative counterparty will count against the counterparty credit limit and the relevant foreign country limit.</p>
<p>MiFID II professional client status</p>	<p>The Council has reviewed its classification with financial institutions under MiFID II and has registered as a professional client.</p> <p>The consideration of skills and experience is particularly critical where the Council has requested to be treated as a professional client under MiFID II. Designation under MiFID II will be endorsed by the treasury strategy and reviewed frequently to ensure the designation remains appropriate.</p>

5 TMP 5: ORGANISATION, CLARITY AND SEGREGATION OF RESPONSIBILITIES, AND DEALING ARRANGEMENTS

5.1 Principle: *The Council considers it essential, for the purposes of the effective control and monitoring of its treasury management activities, for the reduction of the risk of fraud or error, and for the pursuit of optimum performance, that these activities are structured and managed in a fully integrated manner, and that there is at all times a clarity of treasury management responsibilities.*

The principle on which this will be based is a clear distinction between those charged with setting treasury management policies and those charged with implementing and controlling these policies, particularly with regard to the execution and transmission of funds, the recording and administering of treasury management decisions, and the audit and review of the treasury management function.

If and when the Council intends, as a result of lack of resources or other circumstances, to depart from these principles, the Section 151 Officer will ensure that the reasons are properly reported in accordance with TMP6 Reporting requirements and management information arrangements, and the implications properly considered and evaluated.

The Section 151 Officer will ensure that there are clear written statements of the responsibilities for each post engaged in treasury management, and the arrangements for absence cover. The Section 151 Officer will also ensure that at all times those engaged in treasury management will follow the policies and procedures set out. The present arrangements are detailed in the schedule below.

The Section 151 Officer will ensure there is proper documentation for all deals and transactions, and that procedures exist for the effective transmission of funds. The present arrangements are detailed in the schedule below.

The delegations to the Section 151 Officer in respect of treasury management are set out in the schedule below. The Section 151 Officer will fulfil all such responsibilities in accordance with the organisation's policy statement and TMPs and, if a CIPFA member, the Standard of Professional Practice on Treasury Management.

5.2 Schedule:

See Appendix I for Organisation Charts

5.3 Schedule:

<p>Limits to responsibilities at Executive levels</p>	<p>Full Council: receiving and reviewing</p> <ul style="list-style-type: none"> • Prudential Indicators (Capital Expenditure, Authorised Limit, Operational Boundary) • Treasury Management Strategy including the annual Investment Strategy (unless a Capital Strategy is approved by Full Council in which case only the Investment Strategy needs to be approved by Full Council) • Capital Strategy • receiving and reviewing reports on treasury management policies, practices and activities (following receipt by Audit Committee) <p>The Cabinet:</p> <ul style="list-style-type: none"> • approval of amendments to adopted clauses, treasury management policy statement, Treasury management strategy and capital strateg • budget consideration and approval • receiving and reviewing external audit reports and acting on recommendations • approving the selection of external service providers and agreeing terms of appointment
<p>Principles and practices concerning segregation of duties</p>	<p>The segregation of duties will be determined by the Treasury Management Finance Business Partner.</p> <p>Segregation of duties exists in that:</p> <ul style="list-style-type: none"> • the officers responsible for negotiating and closing treasury management deals also record the transactions in the cash book and completing cheque and bank reconciliations but are completely separate from the officer(s) who authorise the deals and any payments. • all borrowing/investments decisions must be authorised by the Section 151 officer or other nominated authorised officers (see below), depending on authorisation levels.

<p>Statement of duties/ responsibilities of each treasury post Including absence cover arrangements</p>	<p>The Section 151 Officer</p> <ul style="list-style-type: none"> • Submit budgets and budget variations in accordance with Financial Regulations and guidance. • Recommend clauses, treasury management policy / practices for approval, reviewing the same on a regular basis, and monitoring compliance • Determine Prudential Indicators and Treasury Management Strategy including the Annual Investment Strategy. • In setting the prudential indicators, be responsible for ensuring that all matters are taken into account and reported to the Council so as to ensure the Council’s financial plans are affordable, prudent and sustainable in the long term. • Establish a measurement and reporting process that highlights significant variations from expectations. • Submit regular treasury management reports as required to the council/cabinet/Audit Committee. • Receiving and reviewing management information reports. • Review the performance of the treasury management function and promote best value reviews. • Ensure the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function. • Ensure the adequacy of internal audit, and liaising with external audit. • Recommend on appointment of external service providers in accordance with council standing orders. • Provide regular updates to relevant Cabinet Members. • Delegated authority to approve loans over 1 year and investments up to 10 years. • Delegated authority to approve loan repayments/rescheduling. • The Section 151 Officer may delegate his power to borrow and invest to the Head of Financial Planning & Reporting, Finance Business Partners and relevant Senior Technical Accountants and Technical Accounting Officers as appropriate.
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	<p>Head of Financial Planning & Reporting</p> <ul style="list-style-type: none"> • The responsibilities of this post will include covering the full responsibilities of the Section 151 Officer in their absence. • Delegated authority to approve loans over 1 year and investments up to 50 years. • Delegated authority to approve loan repayments/rescheduling. • Submit budgets and budget variations in accordance with Financial Regulations and guidance. • Establish a measurement and reporting process that highlights significant variations from expectations. <p>Finance Business Partner</p> <ul style="list-style-type: none"> • Prepare draft Treasury Management Policy, Treasury Management strategy and investment strategy, mid-year and annual Treasury Management report and Treasury Management Practices. • Recommend early repayment of debt over one year and subject to the approval of the Section 151 Officer, or the Head of Financial Planning & Reporting arrange the repayment of these loans. • Prepare budget for capital financing including all treasury management loan and investment activities including MTFS. • Submitting management information reports to the Treasury Management Board, Section 151 Officer and Head of Financial Planning & Reporting. <p>Finance Business Partner and Principal Technical Accountant</p> <ul style="list-style-type: none"> • To provide cover in the absence of the Technical Accounting Officer and to cover the full responsibilities of this post. • Maintaining relationships with third parties and external service providers and reviewing their performance. • Adherence to agreed policies and practices on a day-to-day basis. • Identifying and recommending opportunities for improved practices. • Authority to borrow for periods up to 1 year and lending up to 1 month. Lending in excess of 1 month subject to the agreement of the Treasury Management Board and/or the approval of the Section 151 Officer or Head of Financial Planning & Reporting. • Following approval by the Section 151 Officer undertake all borrowing over 1 year and deposits/investments up to 10 year maturity. • Make recommendations on all lending up to 10 years and borrowing over 1 year maturity. • Updating the Treasury Management Board with information on credit ratings, share prices, economic and press news impacting on the credit quality of the Council's deposits. <p>Technical Accounting Officer</p> <ul style="list-style-type: none"> • Negotiates and closes treasury management deals and records the transaction and payments obtaining authorisation as described above. • Carrying out the execution of transactions • Monitoring performance on a day-to-day basis. • Identifying and recommending opportunities for improved practices. • Using the counterparties list provided by the Council's Treasury Management advisers. • Maintaining the Council's cash flow forecast ensuring funds are available to meet the Council's financial commitments. <p>Cover is reviewed at least every 12 months, or as necessary. Full procedure notes are available, detailing the processes required to enable the day to day operation of the treasury management function.</p>
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	Cover in the absence of the relevant treasury management officer is provided by (depending on authorisation levels:
Description of the relationships between the chief finance officer, the monitoring officer and the head of paid service.	The Section 151 Officer (Chief Finance Officer) and the Head of Legal Services (Monitoring Officer), report into the Strategic Director for Transformation and Change, who in turn reports into the Chief Executive (Head of Paid Services).

5.4 Dealing

Authorised officers	<p>Responsible officer for borrowing/investment decisions :</p> <p>Borrowing activity:</p> <ul style="list-style-type: none"> • Section 151 Officer • Head of Financial Planning & Reporting • Senior Finance Analyst • Finance Business Partner <p>Lending activity:</p> <ul style="list-style-type: none"> • Section 151 Officer • Head of Financial Planning & Reporting • Senior Finance Analyst • Finance Business Partner <p>Authorising payments for borrowing/lending</p> <ul style="list-style-type: none"> • Overnight; <ul style="list-style-type: none"> ○ Technical Accounting Officer • Under 1 year <ul style="list-style-type: none"> ○ Finance Business Partner • Over 1 year <ul style="list-style-type: none"> ○ Section 151 Officer ○ Head of Financial Planning & Reporting <p>Transaction recording:</p> <ul style="list-style-type: none"> • Principal Technical Accountant • Technical Accounting Officer
Dealing limits	<p>Internally Managed Investments:</p> <ul style="list-style-type: none"> • Deposits up to 3 months with unlimited value with the Debt Management Office or £10m with a Local Government organisation or £20m with an approved bank or building society subject to the limits detailed in the Council’s Annual Treasury Management Strategy and the approved lending list.
List of approved brokers	Brokers used by the Council are named in TMP 11: External Service Providers

Policy on brokers' services	It is the Council's policy to utilise the services between at least two brokers. The Council will maintain a spread of business between them in order to avoid relying on the services of any one broker.
Policy on taping of conversations	Conversations with brokers are taped by the brokers, but not by the Council.
Direct dealing practices	<p>Direct dealing is carried out with institutions and with external Ly managed pooled funds identified in the Operational Schedule subject to counterparty and maturity limits and dealing limits.</p> <p>Prior to undertaking direct dealing, the Council will ensure that each counterparty / fund has been provided with the Council's list of authorised dealers and the Council's Standard Settlement Procedures.</p> <p>The template for the Council's Standard Settlement Procedures is included in the Operational Schedule.</p>
Inter-authority dealing	<p>The Council also deals with other local government authorities to invest and borrow funds for treasury management purposes.</p> <p>A record of all deals, together with their specific terms, will be maintained by the Council.</p>
Deal Ticket pro-forma	Deals will be recorded as per the deal ticket pro-forma (pro-forma maintained at operational level)
Settlement transmission procedures	<ul style="list-style-type: none"> • settlements are made by CHAPS. • all CHAPS payments relating to settlement transactions require authorisation by the Finance Business Partners in Finance. • all CHAPS payments require 1 bank signatures • the details are transmitted online to the Council's bankers.
Documentation requirements	<p>For each deal undertaken a record should be prepared giving details of dealer, amount, period, counterparty, interest rate, dealing date, payments date(s), broker.</p> <p>Investments</p> <ul style="list-style-type: none"> • deal ticket authorising the investment • confirmation from the broker • confirmation from the counterparty • Contract notes for purchase and sale of shares/units in pooled funds from the fund's manager/administrator • Chaps payment transmission document <p>Loans:</p> <ul style="list-style-type: none"> • deal ticket with signature to agree loan • confirmation from the broker • confirmation from PWLB/market counterparty • Chaps payment transmission document for repayment of loan.
Arrangements concerning the management of counterparty funds	<ul style="list-style-type: none"> • The Treasury Management Finance Business Partner has responsibility for updating the Council's records with any credit developments. • The Treasury Management Finance Business Partner is tasked with the responsibility for checking that records have been correctly updated to reflect any credit developments.

6 TMP 6: REPORTING REQUIREMENTS AND MANAGEMENT INFORMATION ARRANGEMENTS

6.1 Principle: *The Council will ensure that regular reports are prepared and considered on the implementation of its treasury management policies; on the effects of decisions taken and transactions executed in pursuit of those policies; on the implications of changes, particularly budgetary, resulting from regulatory, economic, market or other factors affecting its treasury management activities; and on the performance of the treasury management function.*

As a minimum, the Council and Audit Committee will receive:

- *An annual report on the strategy and plan to be pursued in the coming year*
- *A mid-year review*
- *An annual report on the performance of the treasury management function, on the effects of the decisions taken and the transactions executed in the past year, and on any circumstances of non-compliance with the organisation's treasury management policy statement and TMPs.*

The Strategic Treasury Management Board will receive regular monitoring reports on treasury management activities and risks.

The Audit Committee will have responsibility for the scrutiny of treasury management policies and practices.

The present arrangements and the form of these reports are outlined below.

6.2 Schedule:

<p>Capital Strategy:</p>	<p>The 2017 Prudential Code includes a new requirement for local authorities to produce a Capital Strategy, which is to be a summary document approved by Full Council covering capital expenditure and financing, treasury management and non-treasury investments.</p> <p>The Capital Strategy is intended to give a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services along with an overview of how associated risk is managed and the implications for future financial sustainability.</p> <p>The Capital Strategy should include:</p> <ul style="list-style-type: none"> • Capital expenditure, including the approval process, long-term financing strategy, asset management, maintenance requirements, planned disposals and funding restrictions. • Commercial activities, including due diligence processes, the Council’s risk appetite, proportionality in respect of overall resources, requirements for independent and expert advice and scrutiny arrangements. • Long-term context in which capital expenditure decisions are made for the above, risk and reward considerations and impact on the achievement of priority outcomes. • Debt management, including projections for the level of borrowing, capital financing requirement and liability benchmark, provision for the repayment of debt, the authorised limit and operational boundary for the coming year and the Council’s approach to treasury management. • Other long-term liabilities, such as financial guarantees. • Knowledge and skills, including a summary of that available to the Council and its link to the Council’s risk appetite. <p>The strategy should include sufficient detail to allow all members to understand how stewardship, value for money, prudence, sustainability and affordability will be secured and to meet legislative requirements on reporting.</p> <p>The Section 151 Officer will report explicitly on the affordability and risk associated with the Capital Strategy and, where appropriate, have access to specialised advice to enable the members to reach their conclusions.</p> <p>The Section 151 Officer will also ensure that where detailed information is required, this will be made available in a format to encourage active engagement and, if necessary, any associated training needs of members.</p> <p>Although there is no requirement in the Code for this to be an annual document, nor for it to be approved before the start of the financial year, the Council will undertake this exercise in 2018/19.</p>
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<p>Frequency of executive reporting requirements</p>	<p>The Section 151 Officer will annually submit budgets and will report on budget variations as appropriate.</p> <p>The Section 151 Officer will submit the Prudential Indicators and the Treasury Strategy Statement (including Annual Treasury Management Strategy) and report on the projected borrowing and investment strategy and activity for the forthcoming financial year to the Council before the start of the year.</p> <p>The Annual Treasury Report will be prepared as soon as practicable after the financial year end and, in all cases, before the end of September.</p> <p>A Mid-Year Treasury Report will be prepared by the Section 151 Officer, which will report on treasury management activities for the first part of the financial year. The report will also provide a forecast for the current year. The Mid-Year Report will be submitted to Council during the year.</p>
<p>Content of Reporting: I. Prudential Indicators</p>	<p>The Council will set the following Prudential Indicators, revise if necessary, and in its annual / semi-annual reports publish 37actual outturn (where appropriate) in respect of:</p> <ul style="list-style-type: none"> ▪ Financing costs as a proportion of net revenue stream (estimate; actual) ▪ Capital expenditure (estimate; actual) ▪ Capital Financing Requirement (estimates; actual) ▪ Authorised limit for external debt ▪ Operational boundary for external debt ▪ Actual external debt <p>Treasury indicators</p> <ul style="list-style-type: none"> ▪ Upper and lower limits to maturity structure of fixed rate borrowing ▪ Upper limit to total of principal sums invested longer than 364 days. <p>The Prudential Indicators are approved and revised by Council and are integrated into the Council’s overall financial planning and budget process.</p> <p>The Audit Committee will also receive a copy of this report to carry out its scrutiny role of treasury management.</p>

<p>2. Treasury Strategy Statement including the Annual Investment Strategy</p>	<p>The Treasury Strategy Statement integrates with the Prudential Indicators being set and will include the following:</p> <ul style="list-style-type: none"> • Link to Capital Financing and Treasury Management Prudential Indicators for the current and ensuing three years • Strategy for financing new borrowing requirements (if any) and refinancing maturing borrowing (if any) over the next three years and for restructuring of debt • the extent to which surplus funds are earmarked for short term requirements • the investment strategy for the forthcoming year(s) (see below*) • the minimum to be held in short term/specified investment during the coming year • the interest rate outlook against which the treasury activities are likely to be undertaken. <p>*Based on the HMCLG’s Guidance on Investments, the Council will produce an Annual Investment Strategy (AIS) which sets out</p> <ul style="list-style-type: none"> ▪ the objectives, policies and strategy for managing its investments; ▪ the determination of which Specified and Non Specified Investments the Council will utilise during the forthcoming financial year(s) based on the Council’s economic and investment outlook and the expected level of investment balances; ▪ the limits for the use of Non-Specified Investments. <p>The AIS will be integrated into the Treasury Strategy Statement.</p> <p>The Audit Committee will also receive a copy of this report to carry out its scrutiny role of treasury management.</p>
<p>3. Annual Treasury Report</p>	<p>The Section 151 Officer will produce an annual report for the Audit Committee on all activities of the treasury management function (including the performance of fund managers) as soon as practicable after year end and in all cases no later than 30 September of the succeeding financial year.</p> <p>The main contents of the report will comprise:</p> <ul style="list-style-type: none"> ▪ confirmation that the Council calculated its budget requirements and set a balanced budget for the Financial Year; ▪ the prevailing economic environment ▪ a commentary on treasury operations for the year, including their revenue effects; ▪ commentary on the risk implications of treasury activities undertaken and the future impact on treasury activities of the Council ▪ compliance with agreed policies/practices and statutory/regulatory requirements ▪ compliance with Prudential Indicators; ▪ performance measures. <p>The Audit Committee will also receive a copy of this report to carry out its scrutiny role of treasury management.</p>

<p>4. Mid-Year Treasury Report</p>	<p>The Section 151 Officer will produce a mid-year report for Council on the borrowing and investment activities of the treasury management function (including performance of fund managers) for the first six months of the financial year.</p> <p>The main contents of the report will comprise:</p> <ul style="list-style-type: none"> • Economic background • Economic forecast (including interest rates forecast) • Treasury Management Strategy Statement update • Performance versus benchmarks • Borrowing information (including premature repayment, new loans information) • Information on investments, including current lending list • Prudential indicators relating to treasury management • Governance framework and scrutiny arrangements <p>The Audit Committee will also receive a copy of this report to carry out its scrutiny role of treasury management.</p>
<p>Content and frequency of management information reports</p>	<p>The Treasury Management Finance Business Partner provides information for the council's Treasury Management advisors who then provide a quarterly monitoring report to the Strategic Treasury Management Board.</p> <p>This report includes details of:</p> <ul style="list-style-type: none"> • This report includes details of: • borrowing and investment activity undertaken including forward deals • brokers' fees • performance of internal and external investments against benchmark • cash flow monitoring • interest rates and forecasts • extent of compliance with the treasury strategy and reasons for variance (if any) • any other, e.g. details of daily bank balances against target balances • Prudential Indicator monitoring and compliance

7 TMP 7: BUDGETING, ACCOUNTING AND AUDIT ARRANGEMENTS

7.1 Principle: *The Section 151 Officer will prepare, and the Council will approve and, if necessary, from time to time will amend, an annual budget for treasury management, which will bring together all of the costs involved in running the treasury management function, together with associated income. The matters to be included in the budget will at minimum be those required by statute or regulation, together with such information as will demonstrate compliance with **TMP1 Risk management, TMP2 Performance measurement, and TMP4 Approved instruments, methods and techniques.** The form which the Council’s budget will take is set out in the schedule below.*

*The Section 151 Officer will exercise effective controls over this budget, and will report upon and recommend any changes required in accordance with **TMP6 Reporting requirements and management information arrangements.***

The Council will account for its treasury management activities, for decisions made and transactions executed, in accordance with appropriate accounting practices and standards, and with statutory and regulatory requirements in force for the time being. The present form of the Council’s accounts is set out in the schedule.

The Council will ensure that its auditors, and those charged with regulatory review, have access to all information and papers supporting the activities of the treasury management function as are necessary for the proper fulfilment of their roles, and that such information and papers demonstrate compliance with external and internal policies and approved practices. The information made available under present arrangements is detailed below.

7.2 Schedule:

<p>Statutory/regulatory requirements</p>	<p>Balanced Budget Requirement: The provisions of S32 and S43 of the Local Government Finance Act 1992 require this Council to calculate its budget requirement for each financial year including, among other aspects,;</p> <p>(a) the expenditure which is estimated to be incurred in the year in performing its functions and which will be charged to a revenue account and</p> <p>(b) revenue costs which flow from capital financing decisions.</p> <p>S33 of the Act requires the Council to set a council tax sufficient to meet expenditure after taking into account other sources of income.</p>
<p>Proper accounting practice</p>	<p>CIPFA’s Code of Practice on Local Authority Accounting in the United Kingdom: A Statement of Recommended Practice (the local authority SORP) constitutes “proper accounting practice under the terms of S21 (2) of the Local Government Act 2003”.</p>

<p>Financial Statements</p>	<p>The Financial Statements comprise:</p> <ul style="list-style-type: none"> ▪ An explanatory foreword ▪ Accounting policies, changes in accounting estimates and errors ▪ Presentation of financial statements ▪ Movement in reserves statement ▪ Comprehensive income and expenditure statement ▪ Balance sheet ▪ Cash flow statement ▪ Housing revenue account ▪ Collection Fund (England) ▪ Statement of Responsibilities ▪ The Accounting Statements ▪ Additional Financial Statements (Housing Revenue Account, Collection Fund) ▪ Notes to the financial statements ▪ Statements reporting reviews of internal controls or internal financial controls ▪ Events after the reporting period ▪ Related party disclosures
<p>Format of the Council's accounts</p>	<p>The current form of the Council's accounts is available within the Finance Department.</p>
<p>Disclosures relating to treasury management</p>	<p>Due regard will be given to the disclosure requirements under CIPFA's Accounting Code of Practice.</p>

<p>Treasury-related information requirements of external auditors</p>	<p>The following information is specifically requested by the external auditor and should be considered an initial request for information. It is usually followed by more detailed audit testing work which often requires further information and/or explanations from the Council’s officers.</p> <p>Information in this context includes internally generated documents including those from the Council’s Treasury Management System, externally generated documents, observation of treasury management practices which support and explain the operation and activities of the treasury management function.</p> <ul style="list-style-type: none"> ▪ Determination of Affordable Borrowing Limit under Section 3 of the Local Government Act 2003. ▪ Prudential Indicators. ▪ Treasury Management Strategy including Annual Investment Strategy. <p><u>External borrowing:</u></p> <ul style="list-style-type: none"> • New loans borrowed during the year : PWLB certificates / documentation in relation to market loans borrowed (including copy of agreements, schedule of commitments) • Loan maturities. • Compliance with proper accounting practice, regulations and determinations for the amortisation of premiums and discounts arising on loans restructured during the year and previous years. • Analysis of loans outstanding at year end including maturity analysis. • Analysis of borrowing between long- and short-term • Debt management and financing costs <ul style="list-style-type: none"> ▪ calculation of (i) interest paid (ii) accrued interest ▪ interest paid • MRP calculation and analysis of movement in the CFR. • Bank overdraft position. • Brokerage/commissions/transaction related costs.
	<p><u>Investments:</u></p> <ul style="list-style-type: none"> • Investment transactions during the year including any transaction-related costs • cash and bank balances at year end • Short-term investments at year end • Long-term investments at year end (including investments in associates and joint ventures) by asset type, including unrealised gains or losses at year end • calculation of (i) interest received (ii) accrued interest • actual interest received • External fund manager valuations including investment income schedule and movement in capital values, transaction confirmations received (if any) • Basis of valuation of investments • Evidence of existence and title to investments (e.g. Custodian’s Reports. Schedule of any investments in companies together with their latest financial statements); statement of transactions between the company and the Council.

	<p><u>Cash Flow</u></p> <ul style="list-style-type: none"> ▪ Reconciliation of the movement in cash to the movement in net debt ▪ Cash inflows and outflows (in respect of long-term financing) ▪ Cash inflows and outflows (in respect of purchase/sale of long-term investments) ▪ Net increase/decrease in (i) short-term loans (ii) short-term deposits (iii) other liquid resources <p><u>Other</u></p> <ul style="list-style-type: none"> ▪ Amounts which are held on behalf of schools, amounts which are held by schools under delegated schemes ▪ Details of (treasury-related) material events after balance sheet date not reflected in the financial statements. ▪ External advisors'/consultants' charges
Internal Audit	<p>Internal Audit conducts a review of the treasury management function and probity testing, as per their annual plan. The internal auditors will be given access to treasury management information/documentation as required by them.</p>
Compliance with CIPFA Treasury Management and Prudential Codes	<p>Auditors may require evidence/demonstration of compliance with external and internal treasury management policies and strategy.</p> <p>Any serious breach of the TM Code's recommendations or Prudential Indicators should be brought to the attention of the external auditor.</p>
Costs for treasury management	<p>The budget for treasury management forms part of the Finance budget.</p>

8 TMP 8: CASH AND CASH FLOW MANAGEMENT

8.1 Principle: *Unless statutory or regulatory requirements demand otherwise, all monies in the hands of the Council will be under the control of the Section 151 Officer and will be aggregated for cash flow and investment management purposes. Cash flow projections will be prepared on a regular and timely basis, and the Section 151 Officer will ensure that these are adequate for the purposes of monitoring compliance with **TMPI [2] liquidity risk management**. The present arrangements for preparing cash flow projections and their form are set out in the schedule below.*

8.2 Schedule:

<p>Arrangements for preparing /submitting cash flow statements</p>	<p>Cash flow forecasts will be viewed over one time horizons and will be used to formulate the Council’s borrowing and investment strategy by identifying periods of surplus or shortfall of cash balances.</p> <p>The cash flow forecasts and statements are held at operational level.</p> <p>The accuracy and effectiveness of the Council’s cash flows are dependent on the accuracy of estimating expenditure, income and their corresponding time periods.</p> <p>An outline medium-term cash flow model is prepared as part of the MTFS budget process, with projections for 2 further years. It is highly summarised and looks mainly at cash flows arising from the capital programme, the in-year capital financing requirement, scheduled loan repayments and long-term investment maturities, and anticipated movements in reserves.</p> <p>A detailed annual cash flow is prepared for the financial year once the budget for the ensuing year has been agreed, which is monitored and updated on a monthly basis. It identifies the major inflows and outflows on a month by month basis.</p> <p>It is prepared using the agreed revenue budget and capital programme for the financial year and based on the knowledge obtained from the Council’s various service sections incurring the expenditure /receiving the income and can be supplemented by the experience from previous years.</p> <p>Daily cash flows show forecast and planned movements of cash on a daily basis, including the matching of known inflows and payments. This is recorded in the excel cashflow document.</p>
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<p>Content and frequency of cash flow projections</p>	<p>The detailed annual cash flow model includes the following:</p> <ul style="list-style-type: none"> • revenue income and expenditure based on the budget. • profiled capital income and expenditure as per the capital programme. <p>Revenue activities:</p> <p><u>Inflows:</u></p> <ul style="list-style-type: none"> ▪ Revenue Support Grant ▪ Precepts received ▪ Non domestic rates receipts ▪ NDR receipts from national pool ▪ Council tax receipts ▪ DSS / other government grants ▪ Cash for goods and services ▪ Other operating cash receipts <p><u>Outflows:</u></p> <ul style="list-style-type: none"> ▪ Salaries and payments on behalf of employees ▪ Operating cash payments ▪ Housing Benefit paid ▪ Precepts paid ▪ NNDR payments to national pool ▪ Payments to the capital receipts pool <p>Capital activities including financing</p> <p><u>Inflows:</u></p> <ul style="list-style-type: none"> ▪ Capital grants received ▪ Sale of fixed assets ▪ Other capital cash receipts <p><u>Outflows:</u></p> <ul style="list-style-type: none"> ▪ Purchase of fixed assets ▪ Purchase of long-term investments ▪ Other capital cash payments <p>Financing, Servicing of Finance>Returns on Investments</p> <p><u>Inflows:</u></p> <ul style="list-style-type: none"> ▪ New long-term loans raised ▪ New short-term loans raised ▪ Interest received ▪ Discount on premature repayment of loan <p><u>Outflows:</u></p> <ul style="list-style-type: none"> ▪ Loan repayments ▪ Premium on premature repayment of loan ▪ Short-term investments ▪ Capital element of finance lease rental payments ▪ Interest paid ▪ Interest element of finance lease rental payments
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<p>Monitoring, frequency of cash flow updates</p>	<p>The annual cash flow statement is updated monthly with the actual cash inflows and outflows after taking account of any revisions including those relating to grant income and capital expenditure and will be reconciled with:</p> <ul style="list-style-type: none"> • net RSG and NDR payments as notified; • actual salaries and other employee costs paid from account bank statements; • actual payments to Inland Revenue from general account bank statements; • actual council tax received; • actual housing benefit; • actual capital programme expenditure and receipts. 												
<p>Bank statements procedures</p>	<p>The Council receives online bank statements uploaded on a daily basis. These are posted independent of the treasury function and are reconciled to the general ledger on a monthly basis.</p>												
<p>Payment scheduling</p>	<p>The Council has a policy of paying suppliers in line with agreed terms of trade and the following service standards:</p> <ul style="list-style-type: none"> • Small and medium enterprises (SME's – business employing up to 250 people) to be paid within 15 days of receipt of invoice. • All other creditors to be paid within 30 days of receipt of invoice. 												
<p>Monitoring debtor/ creditor levels</p>	<p>Debtor levels are monitored by a monthly Sundry Debtors Monitoring Report which will include an analysis of debt by age and details and details of recovery status.</p> <p>The level of Creditor invoices being processed / remaining unpaid is monitored on a daily basis by the Transaction Centre. A report is produced within three days of the BACS run with details all BACS and cheque payments for the next day in advance and recorded in the cashflow spreadsheet.</p>												
<p>Banking of funds</p>	<p>Instructions for the banking of income are set out in the Financial Regulations. Cash and cheques received in the cashiers section are banked weekly.</p> <p>All the Council's sections are advised of the requirement to bank on a regular basis in order to comply with recommended best practice and also remain within the particular insurance limits for the Council's premises.</p>												
<p>Listing of sources of information</p>	<p>The treasury function receives cash flow information from the following persons/departments:</p> <table border="1" data-bbox="496 1608 1342 1821"> <thead> <tr> <th>Type of Information</th> <th>Source</th> </tr> </thead> <tbody> <tr> <td>Capital Spend and Receipts</td> <td>Capital Accounting Team</td> </tr> <tr> <td>Government Grants</td> <td>Logasnet</td> </tr> <tr> <td>Payroll</td> <td>HR payroll department</td> </tr> <tr> <td>Debtors and Creditors</td> <td>Transaction Centre</td> </tr> <tr> <td>Loans and Deposits</td> <td>Treasury Management Team</td> </tr> </tbody> </table>	Type of Information	Source	Capital Spend and Receipts	Capital Accounting Team	Government Grants	Logasnet	Payroll	HR payroll department	Debtors and Creditors	Transaction Centre	Loans and Deposits	Treasury Management Team
Type of Information	Source												
Capital Spend and Receipts	Capital Accounting Team												
Government Grants	Logasnet												
Payroll	HR payroll department												
Debtors and Creditors	Transaction Centre												
Loans and Deposits	Treasury Management Team												
<p>Practices concerning prepayments to obtain benefits</p>	<p>The following practices concerning prepayments are followed to obtain benefits: All prepayments must be authorised by the approved signatory in the respective department.</p>												

9 TMP 9: MONEY LAUNDERING

9.1 Principle: *The Council is alert to the possibility that it may become the subject of an attempt to involve it in a transaction involving the laundering of money. Accordingly, it will maintain procedures for verifying and recording the identity of counterparties and reporting suspicions, and will ensure that staff members involved in this are properly trained. The present arrangements, including the name of the officer to whom reports should be made, are detailed in the schedule below.*

9.2 Schedule:

<p>Anti money laundering policy</p>	<p>This Council’s policy is to prevent, wherever possible, the organisation and its staff being exposed to money laundering, to identify the potential areas where it may occur and to comply with all legal and regulatory requirements, especially with regard to the reporting of actual or suspected cases.</p> <p>The Council has accepted responsibility to ensure that those of its staff who are most likely to be exposed to money laundering can make themselves fully aware of the law and, where necessary, are suitably trained.</p>
<p>Treasury documentation</p>	<p>The Council will reflect the anti-laundering measures it has in place as part of its treasury documentation. Such measures include:</p> <ul style="list-style-type: none"> – Awareness of what constitutes money laundering; – The obligation to report knowledge of/having reasonable grounds to believe an offence might be committed; – Maintaining up-to-date direct dealing and SSI mandates with counterparties
<p>Nomination of Responsible Officer(s)</p>	<p>(a) The Council has nominated the Section 151 Officer to be the responsible officer(s) to whom any suspicions relating to transactions involving the Council will be communicated.</p> <p>(b) The responsible officer(s) will be conversant with the requirements of the Proceeds of Crime Act 2002 and will ensure relevant staff are appropriately trained and informed so they are alert for suspicious transactions.</p> <p>(c) The responsible officer(s) will make arrangements to receive and manage the concerns of staff about money laundering and their suspicion of it, to make internal enquiries and to make reports, where necessary, to National Criminal Intelligence Services (NCIS).</p>

<p>Procedures for establishing the Identity of Lenders and Borrowers</p>	<ul style="list-style-type: none">(a) In the course of its treasury activities, the Council will only borrow from permitted sources identified in TMP 4.(b) The Council will not accept loans from individuals.(c) In the course of its treasury activities, the Council will only invest with those counterparties which are on its approved lending list.(d) The identity and authenticity of commercial institutions (banks, building societies and other financial institutions) authorised to carry out borrowing and lending activity in the UK will be checked via the Bank of England/ Prudential Regulation Authority's website.(e) All receipts/disbursements of funds will be undertaken by BACS or CHAPS settlement.(f) Direct Dealing mandates: The Council will provide (in the case of lending) / obtain (in the case of borrowing) and maintain on file dealing mandates with any new money market counterparty. The mandates should be on letter-headed paper, dated and signed.(g) All banking transactions will only be undertaken by the personnel authorised to operate the Council's banks accounts.(h) If the Council takes/provides loans from individuals, it will establish robust procedures for verifying and recording the appropriate financial and personal information of such individuals.(i) When receiving requests for change of payment details, due care will be exercised to ascertain the bona fide of the request and avoid potential fraud. Additional checks will be made through pre-existing contact details for the payee before altering payment details.
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10 TMP 10: TRAINING AND QUALIFICATIONS

10.1 Principle: *The Council recognises the importance of ensuring that all staff involved in the treasury management function are fully equipped to undertake the duties and responsibilities allocated to them. It will therefore seek to appoint individuals who are both capable and experienced and will provide training for staff to enable them to acquire and maintain an appropriate level of expertise, knowledge and skills. The Section 151 Officer will recommend and implement the necessary arrangements.*

The Section 151 Officer will ensure that council members tasked with treasury management responsibilities, including those responsible for scrutiny, have access to training relevant to their needs and responsibilities.

Those charged with governance recognise their individual responsibility to ensure that they have the necessary skills to complete their role effectively.

The present arrangements are detailed in the schedule below.

10.2 Schedule:

<p>Qualifications/ experience for treasury staff</p>	<p>Part or fully qualified or training towards qualification of one of the accepted accountancy bodies, i.e. CIPFA, ACA, ACCA, CIMA.</p> <p>Member of the Association of Accounting Technicians (AAT) part or fully qualified.</p> <p>Attend treasury training as provided by our Treasury Advisors.</p>
<p>Details of approved training courses</p>	<p>The courses/events the Council would expect its treasury personnel to consider are:</p> <ul style="list-style-type: none"> ▪ Training courses for Accounting, Auditing, Best Value/Competition, Budgeting, Capital Finance & Borrowing, Financial Management run by CIPFA and IPF ▪ Any courses/seminars run by Treasury Management Consultants. ▪ Attending CIPFA seminars and workshops ▪ Training attended by those responsible for scrutiny of the treasury function <p>The Council participates in a CIPFA Employer Accreditation Scheme for CPD purposes which is based on planning, recording and evaluating development.</p>
<p>Records of training received by treasury staff</p>	<p>Treasury-related training records are maintained.</p>
<p>Records of training received by those charged with governance</p>	<p>Training records are maintained of those people/committees responsible for governance of treasury management.</p>

11 TMP 11: USE OF EXTERNAL SERVICE PROVIDERS

11.1 Principle: *The Council recognises that responsibility for the treasury management decisions remains with the organisation at all times. It recognises the potential value of employing external providers of treasury management services, in order to acquire access to specialist skills and resources. When it employs such service providers, it will ensure it does so for reasons which will have been submitted to a full evaluation of the costs and benefits. It will also ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented, and subjected to regular review. And it will ensure, where feasible and necessary, that a spread of service providers is used, to avoid over reliance on one or a small number of companies. Where services are subject to formal tender or re-tender arrangements, legislative requirements will always be observed. The monitoring of such arrangements rests with the Section 151 Officer, and details of the current arrangements are set out in the schedule below.*

11.2 Schedule:

Contract threshold	The Council's Financial Regulations require that a formal contract is in place with external service providers where the contract value is £200k and above. The contract will clearly state the services to be provided and the terms on which they will be provided.
Details of service providers and procedures and frequency for tendering services	<p>(a) Bankers to the Council Barclays Bank 3 Bedford Street Exeter EX1 1LX Tel: 0345 3010 927 Contract period: Commenced 1st April 2014</p> <p>(b) Treasury advisor Arlingclose Limited 35 Chiswell Street, London, EC1Y 4SE Tel: 08448 808 200 Contract period: Commenced 1st January 2015</p> <p>(c) External Fund Manager King & Shaxson 6th Floor, Candlewick House, 120 Cannon Street London, EC4N 6AS</p>

<p>Details of service providers and procedures and frequency for tendering services (cont'd)</p>	<p>(d) Brokers: It is considered good practice for the Council to have at least two brokers and to spread business between them. Tullett Prebon Limited Level 3, 155 Bishopsgate, London, EC2M 3TQ Tel: 020 7200 7000</p> <p>Tradition (UK), Beaufort House, 15 St. Botolph Street, London, EC3A 7QX. Tel: 020 7198 1500</p> <p>London Currency Brokers, LCB House, 8A The Broadway, Pitsea, Essex, SS13 3AY.</p> <p>Martin Brokers (UK) Plc, 1 Churchill Place, Canary Wharf, London, E14 5RD. Tel: 020 7469 9000</p> <p>Sterling International Brokers Limited 1 Churchill Place, 18th Floor, London, EC4 5RD. Tel: 020 7962 9960</p> <p>Arlingclose Limited 35 Chiswell Street, London, EC1Y 4SE Tel: 08448 808 200</p>
<p>Regulatory status of services provided</p>	<p>The Council's external service providers are listed below, along with their regulatory status:</p> <p>All financial services providers are regulated by the Financial Conduct Authority (FCA).</p>
<p>Details of service provided by Treasury Advisor</p>	<p>The Council will seek to take expert advice on interest rate forecasts, annual treasury management strategy, debt rescheduling and use of various borrowing and investment instruments.</p>
<p>Bribery Act</p>	<p>The Council is mindful of the requirements of the Bribery Act 2011 in its dealings with external providers</p>

12 TMP 12: CORPORATE GOVERNANCE

12.1 Principle: *The Council is committed to the pursuit of proper corporate governance throughout its businesses and services, and to establishing the principles and practices by which this can be achieved. Accordingly, the treasury management function and its activities will be undertaken with openness and transparency, honesty, integrity and accountability.*

The Council has adopted and has implemented the key recommendations of the Treasury Management Code of Practice (Revised 2009). This, together with the other arrangements detailed in the schedule below, are considered vital to the achievement of proper corporate governance in treasury management, and the Section 151 Officer will monitor and, if and when necessary, report upon the effectiveness of these arrangements.

12.2 Schedule:

Stewardship responsibilities	The S151 Officer ensures that systems exist to deliver proper financial administration and control and maintaining a framework for overseeing and reviewing the treasury management function.
List of documents to be made available for public inspection.	The following documents are freely available for public inspection: <ul style="list-style-type: none"> ▪ Annual Statement of Accounts ▪ Budget Book ▪ 5 Year Capital Plan ▪ Treasury Management Policy ▪ Treasury Management Strategy ▪ Capital Strategy ▪ Budget Monitoring Reports ▪ Annual and Half Year Treasury Report
Council’s website.	Financial information is additionally available on the Council’s website.
Procedures for consultation with stakeholders.	Members and senior officers of the Council are consulted via reports to the Audit Committee and officer/member briefing sessions.

TMP 13: INVESTMENTS THAT ARE NOT PART OF TREASURY MANAGEMENT ACTIVITY

13 The Council recognises that investment in other financial assets and property primarily for financial return, taken for non-treasury management purposes, requires careful investment management. Such activity includes loans supporting service outcomes, investments in subsidiaries, and investment property portfolios.

The Council will ensure that all the organisation’s investments are covered in the capital strategy, investment strategy and will set out, where relevant, the Council’s risk appetite and specific policies and arrangements for non-treasury investments. It is recognised that the risk appetite for these activities may differ from that for treasury management.

The Council will maintain a schedule setting out a summary of existing material investment, subsidiaries, joint ventures and liabilities including financial guarantees and the organisation’s risk exposure.

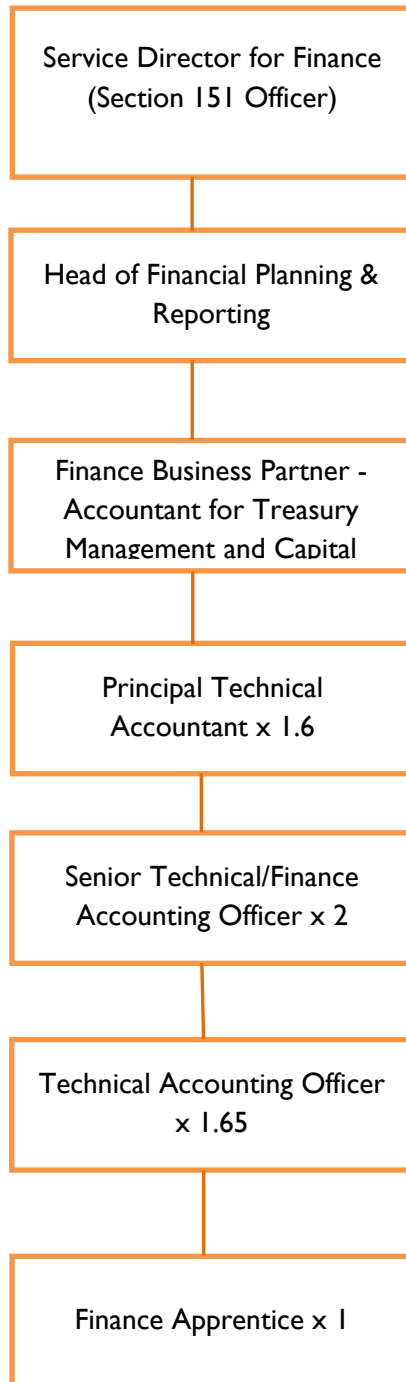
The Council recognises that many of the principles underlying TMPs 1 to 12 will apply to non-treasury investments as they do to treasury investments. However, some aspects are likely to differ significantly, and these are laid out below. A published schedule has been agreed by Council that sets out the investment practices for non-treasury investments and this will be complied with by all officers or agencies responsible for such investments.

13.1 Schedule

Register of non-treasury investments and financial guarantees	The Council will regularly updated a list of non-treasury investments, existing material investment, subsidiaries, joint ventures and liabilities and financial guarantees. An outline of such investments is in the Council’s Capital Strategy.
Schedules to be maintained	The published schedule is agreed by full Council and sets out the organisation’s investment management practices for non-treasury investments. Details are set out in the Council’s capital strategy and will cover the following areas: <ul style="list-style-type: none"> • Risk management • Decision making, governance and organisation • Reporting and management information • Performance measurement and management • Training and qualifications.
Risk Management	Follow TMPI and schedules as detailed previously, including investment and risk management criteria for any material non-treasury investment portfolios. Due diligence processes and procedures are undertaken to reflect the additional risk the Council is taking on.
Independent and expert advice	Independent expert advice is sought for property purchases as part of the due diligence.
Training and qualifications	Relevant knowledge and skills in relation to non-treasury investments will be arranged and maintained

Appendix I

Organisation Chart for Capital and Treasury Management (FTE)



PLYMOUTH CITY COUNCIL

Subject:	Strategic Risk and Opportunity Register – Risk Monitoring Report
Committee:	Audit and Governance Committee
Date:	11 March 2019
Cabinet Member:	Councillor Lowry (Cabinet Member for Finance)
CMT Member:	Giles Perritt (Assistant Chief Executive)
Author:	Julie Hosking, Corporate Risk Advisor
Contact details	Tel: 01752 304495 email: Julie.hosking@plymouth.gov.uk
Ref:	CRM/JKH
Key Decision:	No
Part:	I

Purpose of the report:

This report provides a summary of the latest formal monitoring exercise completed for the Strategic Risk and Opportunity Register for the period September 2018 to February 2019.

Appendix A to the report provides the revised Strategic Risk and Opportunity Register showing the current status of each risk and the movement in risk score compared with the previous monitoring period.

Overall, as a result of the review, the total number of risks now reported on the Register has increased from 14 to 16.

The Corporate Plan 2016 - 19:

The Strategic Risk and Opportunity Register includes links to the Corporate Plan priorities – monitoring of control action for strategic risks therefore contributes to the delivery of the Council's core objectives.

**Implications for Medium Term Financial Plan and Resource Implications:
Including finance, human, IT and land**

None arising specifically from this report but control measures identified in Directorate Operational Risk and Opportunity Registers could have financial or resource implications.

Other Implications: e.g. Child Poverty, Community Safety, Health and Safety and Risk Management:

None arising specifically from this report but community safety, health and safety issues and risks are taken into account in the preparation of risk and opportunity registers.

Equality and Diversity

Has an Equality Impact Assessment been undertaken? Not required.

Recommendations and Reasons for recommended action:

The Audit and Governance Committee is recommended to:

- Discuss and note the current position with regard to the Strategic Risk and Opportunity Register. Reason: As part of the Committee’s responsibility for monitoring key aspects of internal control.

Alternative options considered and rejected:

Effective risk management processes are an essential element of internal control and as such are an important element of good corporate governance. For this reason alternative options are not applicable.

Published work / information:

Plymouth City Council’s Risk and Opportunity Management [Strategy](#)
 Previous Strategic Risk Monitoring reports to the Audit and Governance Committee (submitted bi-annually)

Background papers:

None.

Title	Part I	Part II	Exemption Paragraph Number						
			1	2	3	4	5	6	7

Sign off:

Fin	pl.18.19 .232	Leg	ALT/ 3050 8/27	Mon Off		HR		Assets		IT		Strat Proc	
Originating SMT Member: Giles Perritt, Assistant Chief Executive													
Has the Cabinet Member(s) agreed the contents of the report? Yes													

1.0 Introduction

- 1.1 The position with regard to the Strategic Risk and Opportunity Risk Register was last reported to this Committee on [1 October 2018](#). This report provides a summary of the latest monitoring exercise covering the position as at 28 February 2019.

2.0 Strategic Risk and Opportunity Register – Monitoring Summary

- 2.1 In accordance with the strategy requirement for twice-yearly monitoring, the latest review and monitoring exercise was completed in January and February 2019 with the results discussed, and further actions agreed, by Corporate Management Team on 19 February 2019.
- 2.2 Attached to this report at Appendix A is the revised Strategic Risk and Opportunity Register showing the current status of each risk and any movement in risk score compared with previous monitoring periods, together with explanatory commentary on the key issues for each risk.

3.0 Headline Issues

3.1 Red Risks

Red Risk SF2 – Delivering Council services within the envelope of the resources provided in 2019/20-2021/22 Medium Term Financial Strategy. Risk to services of not delivering within reduced budgets and to delivery of the Plymouth Plan from reduced revenue and funding of the Capital Programme - (Row No. 1)

The Medium Term Financial Strategy (MTFS) was approved by Council on the 19 November 2018. The Strategy addresses the funding gap as of that date, (with particular focus on 2019/20) for the following three financial years. 2019/20 is the last year of the four year Settlement. At this stage there is uncertainty about future funding levels until the Government make further announcements. This is not expected until the autumn of 2019 which makes medium term financial planning extremely difficult. The Council will continue to press for a better deal for the residents of Plymouth.

Red Risk SF3 - Being unable to deliver Council services within the envelope of the resources provided in 2018/19 – (Row No. 2)

Cabinet Portfolio Members and Officers have worked to identify savings proposals to offset increased budget pressures (linked to risk SCYPF2 shown at 3.3).

Red Risk SEPSI – Reduction in the quality of education provision negatively affecting level of pupil attainment – (Row No. 3)

The Plymouth Challenge (a collaboration of several educational specialists who are working together to improve educational outcomes across Plymouth), has identified three strands designed to raise achievement. The School Support, Challenge and Intervention Policy is being updated and will go to Cabinet in March 2019. The Policy will make clear the Council's relationship with schools.

3.2 New Risks

Red Risk SCEO3 – Failing to, or inability to understand impacts of Brexit in light of current uncertainty and lack of government guidance, adversely affects the Council’s ability and capacity to manage changes and deliver its objectives – (Row No. 5)

Active scenario planning is being undertaken by Brexit Officers Working Group, informed by a Brexit specific risk register. The highest area of concern is that Brexit consequences may impact further the already decreasing care market capacity, resulting in a lack of placements and higher costs.

Amber Risk SCEO4 – Potential snap national elections and/or referendum caused by Brexit – (Row No. 8)

All key partners in election delivery have been briefed and confirmed their ability to be ready at short notice should a snap election or referendum be called.

Green Risk SF6 – Maintaining awareness of anti-fraud measures to help prevent or identify instances of fraud, corruption and bribery and help protect public funds – (Row No. 13)

The Anti-Fraud, Bribery and Corruption and Whistle blowing Policies were endorsed by the Audit and Governance Committee in December 2018. A compulsory Counter-Fraud eLearning package has been rolled out. This risk has been added to ensure continuous alignment to the Council’s Risk and Opportunity Management Strategy.

3.3 New Strategic Risks (formerly Operational Risks)

Red Risk SCYPF2 - Projected in-year overspend in Children's Social Care caused by unprecedented demand and level of support needed to keep young people safe, such as specialist residential care placements with high levels of staffing – (Row No. 4)

This risk has been escalated from the Children, Young People and Families Operational Risk Register to reflect the new and emerging funding pressure on the service due to unprecedented demand and increased costs and complexity of children’s placements. Plymouth is experiencing a large increase in the number of vulnerable children needing care and this cost pressure reflects the escalating costs for specialist residential care and the cost of care packages.

Amber Risk SEPS2 – Growing volume and complexity of demand across services, increases risk of failure to meet statutory duties and impacts our ability to improve outcomes for vulnerable children and young people with Special Education Needs and Disabilities (SEND) – (Row No. 6)

This risk has been escalated from Education, Participation and Skills Operational Risk Register in light of potential long-term consequence of increased demand on adult services.

3.4 Risk Score Decreased

Green Risk SCYPFI - Risk to vulnerable children and young people in the care system, by not delivering early intervention and prevention and

responding as soon as possible to their needs and promote better long term life outcomes. Reduced from 16 to 9 – (Row No. 14)

One of the main mitigations for this risk is The Troubled Families Programme which is a UK Government scheme under the Department for Communities and Local Government (MHCLG) with the aim of helping troubled families turn their lives around. The programme includes a Payment by Results element of funding. The MHCLG conduct a validation process known as the 'spot check' which involves checking evidence of eligibility, successful outcomes and whole family working. The risk score has been reduced to reflect a successful 'spot check' which took place in November 2018. The MHCLG team noted areas of good practice in Plymouth, particularly around development of a digital Early Help Assessment Tool for use across a variety of services and noted a commitment both to effective collection and use of data, and multi-agency, holistic support for families.

3.5 Deleted Strategic Risks

Amber Risk SODPHI – The organisation's ability to meet performance and delivery expectations in relation to statutory duties and deadlines are reduced – (Row No. 17)

This risk will continue to be managed via the Office of the Director of Public Health's Operational Risk Register.

Amber Risk SCEO2 - Potential failure to deliver effective electoral services functions due to inadequate resourcing and processes and lack of appropriately qualified staff – (Row No. 18)

Following the successful delivery of both the Local and By-Elections last year this risk will be removed from the strategic risk register but the Election risk register will continue to be regularly updated together with continual monitoring of business continuity arrangements and data quality.

Amber Risk SCEO1 - Failing to support our most financially vulnerable residents by not monitoring the risk of increased poverty/hardship as a result of the impact of Welfare Reform and reduced funding for discretionary welfare funds – (Row No. 19)

The impact of welfare reform continues to be monitored and discretionary welfare schemes reviewed by the Policy and Intelligence Team, Customer Services and Finance Team who then feed-back into the Medium Term Financial Strategy.

4.0 Performance and Risk

4.1 Operational Risk and Opportunity Registers will be updated as part of business planning 2019.

4.2 Alignment of performance and risk continues to be developed. Work is underway to use performance monitoring in order to measure control effectiveness and further support the risk assurance process.

4.3 Appendix B provides the Evaluating Key Controls framework which is aligned to the Council's risk appetite to ensure we do not commit more resource than is necessary for the level of risk.

4.4 We are currently trialling the framework on a compliance risk within Street Services and if this is successful, will roll-out across other service areas.

5.0 Summary and Conclusion

5.1 The Council's success in dealing with the risks that it faces can have a major impact on achievement of key priorities, objectives and ultimately therefore, the level of service to the community.

5.2 Risk management is not a stand-alone activity that is separate from the main activities and processes of the organization. Risk being formally aligned and working alongside other compliance functions helps to promote a joined-up approach to all aspects of governance.

5.3 This aligned approach acts as an effective early warning system for the recording, monitoring and management of risks that threaten the delivery of the Council's strategic objectives and plans.

5.4 The next formal review of the Strategic Risk and Opportunity Register will take place in August 2019.

ROW NO	RISK REF	DEPT	DESCRIPTION OF RISK (Risk description should include cause / risk event / consequence and risk category)	LINK TO CORPORATE PLAN	KEY CONTROLS / SOURCES OF ASSURANCE (aligned to three lines of defence)			PREVIOUS RESIDUAL RISK RATING		CURRENT RESIDUAL RISK RATING		RAG RATING / CHANGE IN RISK RATING	ACTION PLAN / FUTURE MITIGATION / ASSURANCE PLAN	HOW WILL PROGRESS BE MEASURED (LIST MEASURABLE BENEFITS AND NON-QUANTIFIABLE BENEFITS)	TARGET DATES (or review date if target unknown)	RESPONSIBLE OFFICER(S)	DIRECTOR / ASSISTANT DIRECTOR	RISK CHAMPION		
					Policies and procedures Link to business plan Delegations of authority / Fraud checks Risk and control framework Performance Management Project Management reviews	Programme Boards Functional compliance reviews Working Groups	Audit Reports Regulatory Reviews Snr Executive Committees Scrutiny Committees Portfolio Boards Peer Reviews	01/08/2018 Review Nov 18		Feb-19										
					First Line of Defence (Operational management activity)	Second Line of Defence (Strategy/Policy oversight and support)	Third Line of Defence & Framework Oversight (Audit / Member, Snr Executive and External oversight/validation)	P	I	P	I									
1	SF2 On Op (OF2) & On IRR	Finance	Delivering Council services within the envelope of the resources provided in 2019/20-2021/22 Medium Term Financial Strategy - Risk to services of not delivering within reduced budgets and to delivery of the Plymouth Plan from reduced revenue and funding of the Capital Programme Risk Category: FINANCIAL	Spending money wisely	Higher profile of Council's finances at both CMT and Cabinet. Budget presented to senior officers and members in scoreboard format, delivering greater transparency and challenge. Budget sessions and DMTs. A Budget Recovery Group has been set up to respond to current in-year pressures.	An officer working group comprising of our Senior Leadership Team and senior finance management has met regularly to advance the MTFS. Finance and Assurance Review Group (FARG) monitor integrated commissioning risks	Progress reported within monthly finance reporting to Cabinet members. Continued Member engagement in Budget process and MTFP setting process by having regular Member briefings. CMT have the MTFS as a standing agenda item. Audit & Governance Committee oversee the financial reporting process. The Chief Internal Auditor supports the Audit & Governance Committee and reviews its effectiveness annually.	5	5	25	5	5	25	R	Treasury Management diversification of portfolio to increase income. Investment in income earning assets. Ambitious capital programme and strategic investments from income earning assets. Cross department strategy on grant maximisation. Identification of new revenue funding sources to support the budget e.g. use of section 106 income in current and future years. To mitigate against this risk all options and innovative solutions will continue to be explored in the final two months of the year so further reductions can be made to the forecast overspend. Section 151 Officer will be meeting all Strategic Directors and undertaking a 'deep dive' of all budgets. Budget Recovery Group will be undertaking a line-by-line analysis of all budgets. Implementation of the Section 151 Officer's recommendations from the Budget Assurance Statement	Better return on the investment portfolio. Income generation monitored via revenue budget. Improved efficiency and reduced costs. Increase in successful bids. Reduced contract costs. Regular updates on the progress of the Budget Recovery Group are to be provided to CMT.	Ongoing Qly MTFS updates Ongoing Qly reviews Ongoing Ongoing	Paul Looby	Andrew Hardingham	Aaron Perrin
2	SF3 On IRR	Finance	Being unable to deliver Council services within the envelope of the resources provided in 2018/19 leading to negative impact on budgets, loss of reputation, negative impact on front line services and a negative opinion from external audit. Risk Category: FINANCIAL	Spending money wisely	RAG ratings have been identified for all savings and cost pressures that emerge during the year. Budget presented to senior officers and members in scoreboard format, delivering greater transparency and challenge. Portfolio fact cards have been produced for each portfolio member setting out areas of responsibility and savings targets and efficiencies. Budget sessions and DMTs.	Finance and Assurance Review Group monitor Integrated Commissioning risks. MTFS Working Group has met regularly to manage the budget process. Budget Management Group has been set up in response to the projected overspend reported in Q2.	Progress reported within monthly finance reporting to Cabinet members. Continued Member engagement in Budget process and MTFP setting process by having regular Member briefings. Regular project accounting reports to the Transformation Portfolio Review Group. Audit & Governance Committee oversee the financial reporting process. The Chief Internal Auditor supports the Audit & Governance Committee and reviews its effectiveness annually. Higher profile of Council's finances at both CMT and Cabinet. CMT have the MTFS as a standing agenda item. Portfolio fact cards have been produced for each Portfolio member setting out areas of responsibility and savings targets and efficiencies Staff suggestions for cost saving have been requested. Portfolio Holders undertaking line-by-line reviews of budgets.	5	5	25	5	5	25	R	Treasury Management diversification of portfolio to increase income. Investment in income earning assets. Ambitious capital programme and strategic investments from income earning assets. Cross department strategy on grant maximisation. Continue the Transformation Programme which is improving efficiency and reducing costs whilst still delivering benefits to the customer. Significant savings are focussed in the following key programmes:- Growth, Assets and Municipal Enterprise (GAME2); Integrated Health & Wellbeing; Transforming the Corporate Centre Identification of new revenue funding sources to support the budget e.g. use of section 106 income in current and future years. To mitigate against this risk all options and innovative solutions will continue to be explored in the final two months of the year so further reductions can be made to the forecast overspend. Investigating earlier implementation of Fees and Charges, review of reserves, bad debt provision, accelerated income generation. Further capitalisation.	Better return on the investment portfolio. Income generation monitored via revenue budget. Improved efficiency and reduced costs. Increase in successful bids. Reduced contract costs.	Ongoing Qly MTFS updates Ongoing Qly reviews Ongoing	Paul Looby	Andrew Hardingham	Aaron Perrin
3	SEPS1 On IRR	Education, Participation & Skills	Reduction in the quality of education provision negatively affecting level of pupil attainment. The risk is very high (red) in the secondary sector but less so in the primary sector (amber). Risk Category: COMPLIANCE, REGULATION & SAFEGUARDING	A caring council - Improved schools where pupils achieve better outcomes	Ofsted inspection outcome tracking. Data analysis. Plymouth Leadership Advisor works with schools and provides challenge to Multi Academy Trust CEOs	Trust development to secure school improvement.	Ofsted inspection. Plymouth Education Board. Education & Children's Social Care Overview & Scrutiny Committee.	4	5	20	4	5	20	R	Plymouth Education Board (and sub groups) will increasingly hold all schools to account. Development of an accountability and support model involving a number of partners. The Plymouth Challenge will create a partnership of distinct interventions to drive improvement. The Plymouth Challenge has identified three strands designed to raise achievement. The School Support, Challenge and Intervention Policy is being updated and will go to Cabinet in March 2019. The Policy will make clear the relationship with schools.	Ofsted Inspection results. Attainment levels and data analysis. Evidence of innovative solutions based programmes that are evaluated against outcomes.	Review Apr 19	David Bowles	Judith Harwood	Julie Reed
4	SCYPF2 Formerly ORR On IRR	Children's Social Care	Projected in-year overspend in Children's Social Care caused by unprecedented demand and level of support needed to keep young people safe, such as specialist residential care placements with high levels of staffing. Risk Category: FINANCIAL	Spending money wisely	Independent fostering review action plan. Service redesign implemented including invest to save case for increase in number of Social Workers. Savings have been identified but pressure still exists	Finance and Assurance Review Group (FARG)	Independent fostering review Regional Youth Justice Board Budget Management Group	4	5	20	4	5	20	R	Additional management solutions and escalated action to deliver further savings from the council's transformation programme will be brought to the table over the coming months in order to address the in year forecasted overspend. Ongoing rigour in decision making to manage demand. Ensuring action plan milestones are reached	Financial Results Delivery Performance		Neelam Bhardwaja	Alison Botham	Sandy Magee
5	SCEO3 On IRR	CEX	Failing to, or inability to understand impacts of Brexit in light of current uncertainty and lack of government guidance adversely affects the Council's ability and capacity to manage changes and deliver its objectives. Risk Category: REPUTATION	Providing quality public services	Brexit specific risk register; Brexit workshop / scenario planning; Growth Board on-line advice tool; Officer attendance at local and regional events; Brexit impact scoping within Medium Term Financial Strategy; Government funding announced	Policy & Intelligence Officer; Brexit Officer Group; Business continuity group meet on a fortnightly basis; HMRC Boarders Group	Brexit, Infrastructure & Legislative Change Overview & Scrutiny Committee; Overview and Scrutiny and Select Committee; Regional engagement work - LEP and Peninsula; One Plymouth / CMT - quarterly update	New		5	4	20	R	Continued regional engagement to maintain strong influence; Continue to act promptly on government guidelines when issued; Outputs from Officer Group	Reports to Brexit, Infrastructure & Legislative Change Overview & Scrutiny Committee	Ongoing	Kevin McKenzie	Giles Perritt	Maddie Halifax	

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6	SEPS2 Formerly ORR On IRR	Education, Participation & Skills	Growing volume and complexity of demand across services increases risk of failure to meet statutory duties and impacts our ability to improve outcomes for vulnerable children and young people with Special Education Needs and Disabilities (SEND):- Short/medium-term consequences:- -Compliance failures -Customer disappointment/failure to manage expectations -Media reporting and adverse publicity -Damage to reputation -Impact on other departments/increased caseloads -Reduced staff resilience Long-term consequences:- -Litigation -Reduced ability of those affected to achieve full potential / impact on future economy / increased demand for adult services Risk Category: COMPLIANCE, REGULATION & SAFEGUARDING	A caring council - Keep children, young people and adults protected	Ofsted inspection outcome tracking; Role profiles are reviewed when staff leave; KPIs	Monitoring of EPS Scorecard; Monitoring of risks	Ofsted inspections; Plymouth Education Board; Education & Children's Social Care Overview & Scrutiny Committee	4	4	16	4	4	16	A	Action plans to manage impact; Performance management going forward; Review of Service demands to identify trends; Strategic planning for the department will set our future arrangements to secure functions and capacity; Transformation and move to partnership working with schools to secure functions and improve capacity.	Delivery plans and clear service standards; Performance Scorecard; Actions from staff wellbeing and stress surveys.	Ongoing	Judith Harwood	Alison Botham	Julie Reed
7	SF5 On IRR	Finance	The Council not meeting its obligation to keep data secure by failing to adhere to Data Protection Act 2018 Regulations results in loss of trust in the Council and/or financial penalty from the ICO Risk Category: COMPLIANCE, REGULATION & SAFEGUARDING	Providing quality public services	Staff awareness training has been rolled out. Incident reporting and management in place. Escalation of breaches to Management of Information Security Forum (MISF) and Senior Information Risk Owner (SIRO). Annual IT Health Check Regular vulnerability scans carried out IT Infrastructure patching policy in place Pro-active monitoring by Babcock. ICO Action Plan. Information Audit completed for all departments Staff workshops completed re: GDPR	Management of Information Security (MISF) Group Devon Information Security Partnership (DISP) Information Lead Officer Group (LOG) raise awareness within department Information Governance Manager has raised awareness of GDPR at CMT and DMTs Completion of mandatory eLearning being tracked through Balanced Scorecards	Senior Information Risk Owner (SIRO) in place. Annual Information Governance report to Audit and Governance Committee External Compliance assessment. CMT regularly briefed.	5	3	15	5	3	15	A	Roll out staff awareness training to all staff. Implement greater reporting consistency within directorates. Implement improved incident analysis within the Service Desk. Ensure full corporate attendance for MISF. Improved contract management with partners. Implement greater reporting consistency within directorates. Implement improved incident analysis within the Service Desk. Ensure full corporate attendance for MISF. Standardised breach management processes distributed to key staff. 2017 saw a decrease in breaches, however 2017/18 has seen an increase in escalations to the ICO. Implement compliance requirements into Delt business as usual - This is a workstream of the information management project. Corporate Privacy Notice complete, service specific Notices being finalised.	Reports from HR training detailing completion statistics Improved breach reports distributed to directorates Detailed breach reports for partners and escalation at contract management meetings Reporting of non-attendance to directors Monitor action plan through MISF/LOG	Ongoing Ongoing Ongoing Ongoing	John Finch	Andy Ralphs	Emma Rose
8	SCEO4	CEX	Potential snap national elections and/or referendum caused by Brexit Risk of not having enough staff available, voter fatigue - negative impact on our register as well as election turn-out, heightened stress level with the core and wider team. Risk Category: REPUTATION	Providing quality public services	Election Risk Register Communication Plan to core and wider team to prepare Partners have been briefed and confirmed readiness (Polling stations / Printers and other key partners)	Call out ARO to CMT for support	Elections Programme Board	New		5	3	15	A	Ongoing Brexit monitoring		Ongoing	Glenda Favor-Ankersen	Giles Perritt	Maddie Halifax	
9	SSS1	Street Services	Risk of non delivery of a plan for waste that delivers increased recycling levels in Plymouth and ensures it meets the PFI targets agreed in the SW Devon Waste Partnership The city's recycling targets are achieved and the service is modernised and fit for purpose so that the increase in demand on the service in accordance with the Plymouth Plan Housing Growth can be met Risk Category: DEVELOPMENT & REGENERATION	A growing city - A green, sustainable city that cares about the environment	Modernisation Plan in place across Street Scene and Waste Department focussing on back office systems and processes which are designed to improve the delivery of frontline services for customers. Measures either delivered or in progress include communications campaigns; utilising other teams in the Council who are engaging with residents to also encourage recycling; improving service request resolution times; optimising crew routes; and new technology to transform task allocations and data recording.	Monthly Modernisation Board to review progress against Modernisation Plan, supported by regular Performance meetings to assess customer experience. Monthly Balanced Scorecard of KPIs which include recycling rates.	The South West Devon Waste Partnership hold quarterly meetings.	3	4	12	3	4	12	A	Delivery of the Modernisation Plan. Continued delivery of alternate weekly collections against adopted business case - monthly monitoring with SWDWP partners with regard to disposal tonnages. Utilisation of commissioned participation survey to target areas that have lower rates of recycling. Investment in recycling campaigns across the city. Introduction of recycling on the go pods.	Delivery against Modernisation Plan, service standards and KPIs. Monitoring of tonnages against forecasted disposal amounts	Ongoing	Lou Hayward	Lou Hayward	Andy Sharp
10	STS1 On IRR	Office of the Director of Public Health	Failure to reduce Health Inequalities will mean our poorest residents continue to live shorter lives as well as more years in ill health. This risk impacts the city's growth ambitions as well as the sustainability of the health and social care system through increased demands on welfare care, support and health services. Further risk of failing to achieve the city's vision where "an outstanding quality of life is enjoyed by everyone" and the key Caring Plymouth objective to reduce health and social inequalities. Reducing inequalities particularly in health and between communities is a long term priority for the City Council to support the delivery of the vision for Plymouth where an outstanding quality of life is enjoyed by everyone Risk Category: COMPLIANCE, REGULATION & SAFEGUARDING	A caring city - Reduced health inequalities	Thrive Plymouth framework was adopted by full council in 2014 and links directly to the Plymouth Plan and Integrated Commissioning Strategies. It provides good foundation to achieve prevention in all services and decision making processes. The focus of Thrive Plymouth in year one was on workplace health and wellbeing, in year two it was on schools and young children, in year three it was on localising the national 'One You' health improvement campaign, and in year four was on mental wellbeing (focussing on the five ways to wellbeing). The current year five focus is on people connecting through food. This was launched on 16 October 2018. The focus of Year six (starting in November 2019) is Mayflower 400.	Finance and Assurance Review Group review Joint Integrated Commissioning Risk Register quarterly.	The Health & Wellbeing Board. Thrive Plymouth integral to the original Plymouth Plan and updated information included in the refreshed version (monitored via CMT/Cabinet/Full Council.) The Director of Public Health's annual report focusses on the previous year of Thrive Plymouth (highlighting successes and challenges)	3	4	12	3	4	12	A	Persistent action across the Council is required at many levels to tackle inequalities by addressing the wider detriments of health. The public health team and partners continue to work with employers (year one focus) and schools (year two focus) to influence healthier lifestyles. The team continues to embed and promote the national One You campaign across the city. The 'five ways to wellbeing' has been adopted across the city as the single approach to improving mental wellbeing. Thrive Plymouth has an annual focus determined by local and national priorities an annual action plan is developed and implemented. The Thrive Plymouth Network will continue to meet on a quarterly basis to ensure delivery of the programme.	At the highest level health inequalities can be measured in changes in life expectancy. ODPH produces a report each year to monitor this, along with a Thrive Plymouth Performance Framework providing more detail at a local level. Each year of the Thrive Plymouth campaign is evaluated and reported upon in the subsequent DPH annual report. At the 5 year and 10 year stage we will hope to repeat the Health and Wellbeing survey to give us additional monitoring progress.	Jan-19	Sarah Lees / Rob Nelder	Ruth Harrell	Scott Senior

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11	SHR1	Finance	Maintaining Corporate/Senior Leadership Team capacity and resilience to deliver the Council Plan. Potential for adverse impact on the citizens of Plymouth and the Council's reputation if strategic workforce plans are not effectively implemented. We take responsibility for our actions, care about their impact on others and expect others will do the same. Critical success factors: attraction, recruitment, development and retention of senior leaders; organisational design which is fit for purpose to deliver our statutory duties and Council objectives. Senior Leaders reporting they feel safe, happy and thriving at work with appropriate arrangements in place to support resilience Risk Category: SERVICE DELIVERY / REPUTATION	Providing quality public services	Organisational Restructure toolkit in place. CMT/SLT leadership development programme under evaluation. Team Plymouth quarterly events in place. Multi-agency coaching network in place. Occupational Health and Employee Assistance Programme in place. Succession Plans being developed for all critical roles. Agile HR policies and procedures available on staffroom. Workforce data. Sickness absence and staff turnover. Agency/interim spend controls.		Organisational Design proposals approved by Council in January for full implementation by summer 2018. People Strategy 2016-20 endorsed by Cabinet May 2017 (Talent, Leadership & Culture). Senior Leadership capacity has increased with the Strategic Director for Customer and Corporate Services appointed to and started with PCC in November 2018.	2	5	10	2	5	10		Implementation 01/10/2018 with 6 month review	Tracey Lee	Tracey Lee	Maddie Halifax
12	SSP11	Strategic Planning & Infrastructure	Cladding issues on buildings in Plymouth above 18m that have the potential to contain, or have been identified as containing ACM cladding that has a risk of combustion Risk Category: COMPLIANCE, REGULATION & SAFEGUARDING	A caring council - Keep children, young people and adults protected	National guidance has been produced and actioned or communicated by PCC. A strategic overview on affected buildings has taken place and communication to all relevant building owners. 24 hour patrols and a full list of fire and safety measures have been fully implemented at 3 sites including compartmentalisation and all publically owned buildings are being reviewed. Sprinkler system is being installed in 3 Devonport towers.		The responsibility lies with the individual building owners but PCC and Devon and Somerset Fire and Rescue Service have taken the lead on communicating relevant information to all affected properties. Strategic lead overview (Gold) at PCC with support from DSFRS and the relevant affected building 'responsible person'.	2	5	10	2	5	10		May-19	Paul Barnard	Anthony Payne	Andy Sharp
13	SF6 On IRR	Finance	Maintaining awareness of anti-fraud measures to help prevent or identify instances of fraud, corruption and bribery and help protect public funds. Risk Category: REPUTATION / FINANCIAL	Spending money wisely	Anti-Fraud, Bribery and Corruption Policy; Whistle blowing Policy; Register of interests/hospitality; Fraud Awareness eLearning; Data analytics tool being implemented	Devon Audit Partnership Counter-Fraud Team; Operational Risk Management Group	Audit & Governance Committee; S151 Officer; Monitoring Officer	New		2	5	10		Ongoing	Paul Looby / Ken Johnson	Andrew Hardingham	Aaron Perrin	
14	SCYPF1 On IRR	Children's Social Care	Risk to vulnerable children and young people in the care system, by not delivering early intervention and prevention and responding as soon as possible to their needs and promote better long term life outcomes. Early intervention aims to promote better long term life outcomes for families, and in doing so, also prevent them needing more intensive and higher cost services in the future, such as children's social care or the criminal justice system. Risk Category: COMPLIANCE, REGULATION & SAFEGUARDING	A caring council - Focus on prevention and early intervention	Troubled Families Programme Early Help Assessment Tool The Children and Young People's Commissioning Plan Families with a Future initiative	CYP System Design Group. Performance and Complaints monitoring.	Local Safeguarding of Children Board. Claims Validation 'spot check' compliance achieved from the Troubled Families Team of the Ministry of Housing, Communities and Local Government	4	4	16	3	3	9	Ongoing	Tracey Green / Siobhan Wallace	Neelam Bhardwaja	Sandy Magee	
15	SSP12	Strategic Planning & Infrastructure	Risk of failing to deliver the range of housing to meet Plymouth's need via the Joint Local Plan (JLP) and the Homes for Plymouth Programme Risk Category: DEVELOPMENT & REGENERATION	A growing city - A broad range of homes	Progress on previous Plan for Homes sites regularly reviewed. Sites identified in the JLP 5 year land supply regularly reviewed. Each JLP site now has a Delivery Strategy, with various forms of proposed intervention based upon the identification of resources. Review of partnerships and partners to manage delivery and ensure capability. On-going strategic relationship management with Homes England to achieve a fair share of the national funding.		Plymouth Growth Board. GAME Board. JLP Member Steering Group. JLP Leadership Delivery Group.	3	3	9	3	3	9	Annual delivery monitoring year end and on going	Paul Barnard	Paul Barnard	Andy Sharp	
16	SED1	Economic Development	Risk of not delivering sustained and accelerated economic and population growth in line with the Council's Corporate Plan and vision for the City which could lead to higher unemployment and lack of the right labour skills to match the needs of businesses. The city's Local Economic Strategy seeks to concentrate efforts on the things that will generate the greatest returns to our economy. It recognises the opportunity presented by Mayflower 2020 as a major milestone in the reinvention of Plymouth as Britain's Ocean City and as a catalyst for business growth in marine and related industries, the visitor economy, the culture of the city in its broadest sense, and raising the city's profile and reputation in global markets. Risk Category: DEVELOPMENT & REGENERATION	A growing city - Economic growth that benefits as many people as possible	We have put in place a series of economic development measures including for People - 1000 Club, Building Plymouth, Urban Enterprise Programme, Manufacturers Challenge. Place regeneration we have undertaken direct development (Header Court), started on-site at Oceansgate, signed a City Deal, embarked on Plymouth Science Park phase 5 now open. Inward investment - continued support, two new landings in the city - the Ship (Site) and at Turnchapel. Supporting Babcock to grow. Business Support we have set out a £2.5m social enterprise investment fund, supported the Gain Growth Fund, attended trade shows and reworked the inward investment guide/website. Secured £69.9m of external and grant funding. Other developments - Oceansgate phase 1 topping out ceremony, completion of Plymouth Science Park phase 5, Langage Phase 2, The Box, Roborough Eco Village, Drake Circus Leisure. Combined efforts are also having economic impact with a jobs pipeline of over 3000, over 3500 apprenticeships starts in 2017, GVA growth and continue low unemployment. Employers such as Thales, SiteL, Becton Dickinson, Dartmouth Foods, Burts Crisps, Babcock, Princess Yachts, Crowne Plaza and Premier have all made significant investments in Plymouth.	GAME Programme Board.	Growth Board. There is governance in place at the City Deal Programme Board and strategic oversight provided by the Growth Board	3	3	9	3	3	9	Ongoing	David Draffan	David Draffan	Andy Sharp	

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17	SODPH1	ODPH	The organisation's ability to meet performance and delivery expectations in relation to statutory duties and deadlines are reduced. This is due to operational service pressures arising from a combination of: 1. Growing volume and complexity of demand across services; 2. Reduced staff and staffing resilience in a time of significant and rapid change to the design and delivery of services. Examples of where such pressures potentially create this risk include product safety, food borne illness and contaminated land compliance with health and safety. Public Protection Service is an upstream service, that is highly preventative in protecting health, safety and wellbeing Risk Category: COMPLIANCE & REGULATION & SAFEGUARDING		All areas of work have been assessed and prioritised to attempt to focus attention on those areas of highest need. All areas have been risk assessed and we follow a triage system to focus resources on areas of greatest risk, however, residual risk remains. We continue to make efficiencies and continue to make progress however we have suffered from staffing issues and corporate support from IT and Transformation programs		Food Standards Audit has taken place. An action plan has been agreed and we are working towards completion. An action plan for workplace stress has been produced and plans to improve staff wellbeing.	3	5	15	Delete	D	Continual reassessment of prioritisation system to ensure our targeting of resources is correct. Constant review of intelligence and information to identify trends and emerging risks and to identify efficiencies in ways of working Moved to ODPH Operational Risk Register	Customer satisfaction, balanced budgets including income targets, monitoring demand. Staff wellbeing and stress surveys. Benchmarking with other local authorities or providers. Generation of performance score card has been implemented.	Oct-18	Alex Fry, Rachael Hind, Nicola Horne, Katharine O'Connor	Ruth Harrell	Scott Senior
18	SCEO2	Chief Executive Office	Potential failure to deliver effective electoral services functions due to inadequate resourcing and processes and lack of appropriately qualified staff. Consequences could include a negative impact upon maximising registration and a risk of disenfranchising voters. All eligible people are able to participate in the electoral process, should they wish to do so with resident and stakeholder confidence through: -Capability and resilience developed -Integrity of systems -Rigour in process and planning Risk Category: COMPLIANCE, REGULATION & SAFEGUARDING	Providing quality public services	Establishment of all new posts (including Head of Electoral Services) Election risk register regularly updated. Local and By-elections successfully delivered. New Electoral Registration System (Xpress) implemented.	Elections Programme has dedicated Programme Manager and operational management resource. Elections Programme Board review Election risk register. Continue to monitor business continuity arrangements and review data quality.	Chief Executive is the Senior Risk Owner. Assistant Chief Executive is the Project Executive. Strategic Election Board Audit & Governance Committee and Local Partnership Gateway review give Council reassurance on delivery of the development programme	3	4	12	Delete	D	Capture learning from 2018 Canvass. Scope options for ICT investment to enhance data quality. Workforce development. Resource planning and recruitment with HROD and Comms with CMT support.	Ongoing review as per Programme	Ongoing	Glenda Favor-Ankersen	Tracey Lee	Maddie Halifax
19	SCEO1 On IRR	Chief Executive Office	Failing to support our most financially vulnerable residents by not monitoring the risk of increased poverty/hardship as a result of the impact of Welfare Reform and reduced funding for discretionary welfare funds. Risk Category: COMPLIANCE, REGULATION & SAFEGUARDING	A caring council - Focus on prevention and early intervention	Impact of welfare reform continues to be monitored and discretionary welfare schemes reviewed and quarterly welfare dashboard produced. Plans implemented and strategies in place to create jobs. Support continues to Credit Unions and other financial inclusion initiatives. Local support agreement for Universal Credit claimants. Child Poverty Action Plan in April 2019		Safer Plymouth Partnership aligns governance structure with Health and Wellbeing Board. Child Poverty Cross Party Working Group	4	4	16	Delete	D	Review and recommitment advice services. Regular review of local Council Tax Support Scheme. Support for implementation of Universal Credit and those affected by the benefit cap. Create jobs and widening access to employment market. Reduce use of costly loans. Review and implementation of the Child Poverty action plan.	Contract monitoring of commissioned Advice Services. Customer Satisfaction Rates/Welfare dashboard. Economic Performance Monitoring arrangements. Child Poverty Action Plan	Ongoing	Darin Halifax	Giles Perritt	Maddie Halifax

EVALUATING KEY CONTROLS

Risk & Opportunity Management

Measuring control effectiveness

Measuring control effectiveness is difficult for most organisations and what is needed is evidence to prove the controls in place are right for the resources, budget and risk.

A control is something that is currently in place to reduce risk. They have often been brought in as a result of a previous situation or incident. In many cases these situations arise, not because of a lack of controls, but because of a failure of existing controls. So the key to managing risk effectively is to ensure that our controls are effective.

Risk appetite

The Council's Risk Appetite recognises that the appetite for risk varies according to the activity being undertaken and that different appetites and tolerances to risk apply. Risks that are categorised under compliance, regulation, safeguarding, financial and reputation are treated with a higher level of management activity and oversight. The key controls in place to mitigate the risk cause should be evaluated to identify, where possible, appropriate performance measures.

Criticality / Key Control

Not all the controls associated with risks will have the same impact to reduce or maintain the level of the risk. If all of the controls associated with high consequence risks are treated the same, we may commit more resources than are necessary to the assurance function. To that end, assigning criticality to each of the controls will assist in prioritisation and identification of a key control. (Key control = Scored 3 and above)

Criticality Score	Description
5	The control is absolutely critical to the management and reduction of the risk. If this control is ineffective or partially effective, the likelihood and/or consequence of the risk will increase significantly
4	The control is very important to the management and reduction of the risk. If this control is ineffective or partially effective, the likelihood and/or consequence of the risk will increase
3	The control is important to the management and reduction of the risk. If this control is ineffective or partially effective, the likelihood and/or consequence of the risk will increase
2	The control has some impact on the management and reduction of the risk. Depending on the criticality of the other controls, an analysis should be undertaken to determine the necessity of this control
1	The control has little to no impact on the management and reduction of the risk. It is unlikely this control is required.

Examples of key controls

Preventative key controls	Detective key controls	Corrective key controls
Policies and procedures; Authorisation and approval; Staff Training	Reviews of performance; Reconciliations; Audits and investigations; Monitoring	Business continuity plans; Insurance; Disaster recovery plans; Case reviews

Effectiveness

Performance measures are used to assess the true effectiveness of the controls. An example is shown below:-

Risk: Catastrophic material failure of infrastructure

Cause: Lack of/ineffective maintenance

Event: Causes injury or death

Key Controls	Criteria
1. Preventative/routine maintenance program	% of routine maintenance tasks carried out in accordance with designated timeframes
2. Inspections	% of maintenance inspection carried out in accordance with designated timeframes % of issues identified during inspections that are rectified within specified timeframes

Effectiveness of Control 1	Performance
Effective	100% of routine maintenance tasks conducted within designated timeframes
Mostly effective	80-90% of routine maintenance tasks conducted within designated timeframes
Partially effective	50-79% of routine maintenance tasks conducted within designated timeframes
Not effective	<50% of routine maintenance tasks conducted within designated timeframes

Effectiveness of Control 2	Performance
Effective	100% of maintenance inspections conducted within designated timeframes and 100% of issues identified during inspections are rectified with specified timeframes
Mostly effective	80-99% of maintenance inspections conducted within designated timeframes and 80-99% of issues identified during inspections are rectified within specified timeframes

Partially effective	50-79% of maintenance inspections conducted within designated timeframes and anything less than 79% of issues identified during inspection are rectified with specified timeframes
Not effective	<50% of maintenance inspections conducted within designated timeframes and anything less than 70% of issues identified during sections are rectified within specified timeframes.

Providing we undertake the measurement of the controls, we can now provide evidence of effectiveness to management. In doing so, we are providing them with assurance that the risks with the most significant consequences to the Council are being effectively controlled. This level of assurance cannot be provided when control effectiveness is guessed rather than assessed.

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PLYMOUTH CITY COUNCIL

Subject:	Internal Audit Charter & Strategy 2019/20
Committee:	Audit and Governance Committee
Date:	11 March 2019
Cabinet Member:	Councillor Lowry
CMT Member:	Andrew Hardingham (Service Director Finance)
Author:	Robert Hutchins, Head of Devon Audit Partnership Brenda Davis, Audit Manager
Contact details	Tel: 01752 306713 email: robert.hutchins@devonaudit.gov.uk brenda.davis@devonaudit.gov.uk
Ref:	Your ref. AUD/BD
Key Decision:	No
Part:	I

Purpose of the report:

Re-affirmation of the Internal Audit Charter and Strategy for 2019-20. The only minor amendments from the Charter and Strategy documents approved by the Audit Committee in March 2018 is to update the titles in both documents to read Audit and Governance Committee and Service Director for Finance and Section 6 – Resources and Skills in the Audit Strategy has been updated (changes highlighted in yellow) following the transfer of the Counter Fraud Team to Devon Audit Partnership.

One of the requirements of the Public Sector Internal Audit Standards (PSIAS) is that the purpose, authority and responsibility of the internal audit activity are formally defined in an internal audit charter and strategy, consistent with the Definition of Internal Auditing, the Code of Ethics and the Standards. The internal audit charter and strategy are in the accompanying documents.

The PSIAS sets additional Public Sector requirements where the internal audit charter and strategy must also:

- define the terms 'board' and 'senior management' for the purposes of internal audit activity;
- cover the arrangements for appropriate resourcing;
- define the role of internal audit in any fraud-related work; and
- include arrangements for avoiding conflicts of interest if internal audit undertakes non-audit activities.

The Audit Strategy is a high-level statement of how the internal audit service will be delivered and developed in accordance with the Charter and how it links to the organisational objectives and priorities. It will communicate the contribution that Internal Audit makes to the organisation and should include:

- internal audit objectives and outcomes;
- how the Head of Devon Audit Partnership will form and evidence his opinion on the governance, risk and control framework to support the Annual Governance Statement;
- how Internal Audit's work will identify and address significant local and national issues and risks;
- how the service will be provided, and
- the resources and skills required to deliver the Strategy;

The Strategy should be approved, but not directed, by the Audit and Governance Committee.

1. The Charter and Strategy complies with the mandatory requirements of the Public Sector Internal Audit Standards.
2. Delivery of the Internal Audit Service will be by the Devon Audit Partnership.

Corporate Plan

The Internal Audit service assists the Council in delivering robust standards of public accountability and probity in the use of public funds and has a role in promoting high standards of service planning, performance monitoring and review throughout the organisation, together with ensuring compliance with the Council's statutory obligations.

Our work supports delivery of the values and priorities set out in Corporate Plan by ensuring that resources are used wisely, and service areas understand and deliver quality public services which meet customer and community needs and keep people safe.

Implications for Medium Term Financial Plan and Resource Implications: Including finance, human, IT and land

None.

Other Implications: e.g. Child Poverty, Community Safety, Health and Safety and Risk Management:

The work of the internal audit service is an intrinsic element of the Council's overall corporate governance, risk management and internal control framework.

Equality and Diversity

Has an Equality Impact Assessment been undertaken? Not required.

Recommendations and Reasons for recommended action:

Members of the Audit and Governance Committee agree the Internal Audit Charter & Strategy for the year 2019/20.

Alternative options considered and rejected:

None, as failure to maintain an adequate and effective system of internal audit would contravene the Accounts and Audit Regulations 2015 and the Public Sector Internal Audit Standards.

Published work / information:

None

Background papers:

None

Sign off:

Fin	pl.18.19.224	Leg	lt/62225/2/2 802	Mon Off		HR		Assets		IT		Strat Proc	
Originating SMT Member Andrew Hardingham, Service Director for Finance													
Has the Cabinet Member(s) agreed the contents of the report? Yes													

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PLYMOUTH CITY COUNCIL

INTERNAL AUDIT CHARTER (March 2019)

MISSION

The Mission of Devon Audit Partnership is to enhance and protect organisational value by providing risk based and objective assurance, advice and insight across its partners.

TERMS OF REFERENCE

This Charter formally describes the purpose, authority, and principal responsibilities of the Council's Internal Audit Service, which is provided by the Devon Audit Partnership (DAP), and the scope of Internal Audit work. This Charter complies with the mandatory requirements of the Public Sector Internal Audit Standards.

DEFINITIONS

Internal auditing is defined by the Public Sector Internal Audit Standards (PSIAS) as "an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes".

The PSIAS set out the requirements of a 'Board' and of 'senior management'. For the purposes of the internal audit activity within The Council the role of the Board within the Standards is taken by the Council's Audit and Governance Committee and senior management is the Council's Corporate Leadership Team.

The PSIAS make reference to the role of "Chief Audit Executive". For The Council this role is fulfilled by the Head of Devon Audit Partnership (HoDAP).

STATUTORY REQUIREMENTS

Internal Audit is a statutory service in the context of The Accounts and Audit (England) Regulations 2015, which state:

5.—(1) A relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance.

In addition, the Local Government Act 1972, Section 151, requires every local authority to designate an officer to be responsible for the proper administration of its financial affairs. In the Council, the Service Director for Finance is the 'Section 151 Officer'. One of the ways in which this duty is discharged is by maintaining an adequate and effective internal audit service.

THE PURPOSE AND AIM OF INTERNAL AUDIT

The role of Internal Audit is to understand the key risks of the Council; to examine and evaluate the adequacy and effectiveness of the system of risk management and the entire control environment as operated throughout the organisation and contribute to the proper, economic, efficient and effective use of resources. In addition, the other objectives of the function are to:

- support the Section 151 Officer to discharge his / her statutory duties
- contribute to and support the Finance function in ensuring the provision of, and promoting the need for, sound financial systems
- support the corporate efficiency and resource management processes by conducting value for money and efficiency studies and supporting the work of corporate working groups as appropriate
- provide a quality fraud investigation service which safeguards public monies.

The existence of Internal Audit does not diminish the responsibility of management to establish systems of internal control to ensure that activities are conducted in a secure, efficient and well-ordered manner.

Internal Audit for The Council is provided by Devon Audit Partnership. We aim to provide a high quality, professional, effective and efficient Internal Audit Service to the Members, service areas and units of the Council, adding value whenever possible.

PROFESSIONALISM, ETHICS AND INDEPENDENCE

Being Professional

We (Devon Audit Partnership) will adhere to the relevant codes and guidance. In particular, we adhere to the Institute of Internal Auditors' (IIA's) mandatory guidance including the Definition of Internal Auditing, the Code of Ethics, and the Public Sector Internal Audit Standards. This mandatory guidance constitutes principles of the fundamental requirements for the professional practice of internal auditing within the public sector and for evaluating the effectiveness of Internal Audit's performance. The IIA's Practice Advisories, Practice Guides, and Position Papers will also be adhered to as applicable to guide operations. In addition, Internal Audit will adhere to The Council's relevant policies and procedures and the internal audit manual.

Internal Auditors must apply the care and skill expected of a reasonably prudent and competent internal auditor. Due professional care does not, however, imply infallibility.

Our Ethics

Internal auditors in UK public sector organisations must conform to the Code of Ethics as set out by The Institute of Internal Auditor's. This Code of Ethics promotes an ethical culture in the profession of internal auditing. If individual internal auditors have membership of another professional body then he or she must also comply with the relevant requirements of that organisation.

The Code of Ethics extends beyond the definition of internal auditing to include two essential components:

1. Principles that are relevant to the profession and practice of internal auditing;
2. Rules of Conduct that describe behaviour norms expected of internal auditors.

The Code of Ethics provides guidance to internal auditors serving others, and applies to both individuals and entities that provide internal auditing services.

The Code of Ethics promotes an ethical, professional culture. It does not supersede or replace Codes of Ethics of employing organisations. Internal auditors must also have regard to the Committee on Standards of Public Life's Seven Principles of Public Life.

Being Independent

Internal Audit should be independent of the activities that it audits.

The status of Internal Audit should enable it to function effectively. The support of the Council is essential and recognition of the independence of Internal Audit is fundamental to its effectiveness.

The Head of Devon Audit Partnership should have direct access to and freedom to report in his or her own name and without fear or favour to, all officers and members and particularly to those charged with governance (the Audit and Governance Committee). In the event of the necessity arising, the facility also exists for Internal Audit to have direct access to the Chief Executive, the S.151 Officer and the Chair of the Audit and Governance Committee.

The Council should make arrangements for Internal Audit to have adequate budgetary resources to maintain organisational independence.

The Head of Devon Audit Partnership should have sufficient status to facilitate the effective discussion of audit strategies, audit plans, audit reports and action plans with senior management and members of the Council.

Auditors should be mindful of being independent. They;

- Must have an objective attitude of mind and be in a sufficiently independent position to be able to exercise judgment, express opinions and present recommendations with impartiality;
- Notwithstanding employment by the Partnership / Council, must be free from any conflict of interest arising from any professional or personal relationships or from any pecuniary or other interests in an activity or organisation which is subject to audit;
- Must be free from undue influences which either restrict or modify the scope or conduct of their work or significantly affect judgment as to the content of the internal audit report; and
- Must not allow their objectivity to be impaired by auditing an activity for which they have or have had responsibility.

AUTHORITY

Internal Audit, with strict accountability for confidentiality and safeguarding records and information, is authorised full, free, and unrestricted access to any and all of the organisation's records, physical properties, and personnel pertinent to carrying out any engagement.

All employees are requested to assist Internal Audit in fulfilling its roles and responsibilities. This is enforced in the Accounts and Audit (England) Regulations 2015 section 5(2-3) that state that:

Any officer or member of a relevant authority must, if required to do so for the purposes of the internal audit—

- (2) (a) make available such documents and records; and
- (b) supply such information and explanations; as are considered necessary by those conducting the internal audit.
- (3) In this regulation “documents and records” includes information recorded in an electronic form.

In addition, Internal Audit, through the HoDAP, where deemed necessary, will have unrestricted access to:

- the Chief Executive
- Members
- individual Heads of Service
- Section 151 Officer
- Monitoring Officer
- all authority employees
- all authority premises.

ACCOUNTABILITY

Devon Audit Partnership is a shared service established and managed via a Partnership Committee and Board with representation from each of the founding partners. The Partnership operates as a separate entity from the client authorities and Internal Audit is therefore independent of the activities which it audits. This ensures unbiased judgements essential to proper conduct and the provision of impartial advice to management. Devon Audit Partnership operates within a framework that allows the following:

- unrestricted access to senior management and members
- reporting in its own name
- separation from line operations

Every effort will be made to preserve objectivity by ensuring that all audit members of audit staff are free from any conflicts of interest and do not, ordinarily, undertake any non-audit duties.

The Head of Devon Audit Partnership fulfils the role of Chief Audit Executive at the Authority and will confirm to the Audit and Governance Committee, at least annually, the organisational independence of the internal audit activity.

The Service Director for Finance 'Section 151 Officer' will liaise with the Head of Devon Audit Partnership and is therefore responsible for monitoring performance and ensuring independence.

Internal Auditors must exhibit the highest level of professional objectivity in gathering, evaluating, and communicating information about the activity or process being examined. Internal Auditors must make a balanced assessment of all the relevant circumstances and not be unduly influenced by their own interests or by others in forming judgments.

The Head of Devon Audit Partnership reports functionally to the Audit and Governance Committee on items such as:

- approving the internal audit charter;
- approving the risk based internal audit plan;
- receiving reports from the Head of Devon Audit Partnership on the section's performance against the plan and other matters;
- approving the Head of Devon Audit Partnership's annual report'
- approve the review of the effectiveness of the system of internal audit.

The HoDAP has direct access to the Chair of Audit and Governance Committee and has the opportunity to meet with the Audit and Governance Committee in private.

RESPONSIBILITIES

The Chief Executive, Service Directors and other senior officers are responsible for ensuring that internal control arrangements are sufficient to address the risks facing their services.

The Head of Devon Audit Partnership will provide assurance to the Service Director Finance 'Section 151 Officer' regarding the adequacy and effectiveness of the Council's financial framework, helping meet obligations under the LGA 1972 Section 151.

The HoDAP will provide assurance to the Monitoring Officer in relation to the adequacy and effectiveness of the systems of governance within the Council helping him/her meet his/her obligations under the Local Government and Housing Act 1989 and the Council's Constitution. The HoDAP will also work with the Monitoring Officer to ensure the effective implementation of the Council's Whistleblowing Policy.

Internal Audit responsibilities include but are not limited to:

- examining and evaluating the soundness, adequacy and application of the Council's systems of internal control, risk management and corporate governance arrangements;
- reviewing the reliability and integrity of financial and operating information and the means used to identify, measure, classify and report such information;
- reviewing the systems established to ensure compliance with those policies, plans, procedures and regulations which could have a significant impact on operations;
- reviewing the means of safeguarding assets and, as appropriate, verifying the existence of such assets;
- investigating alleged fraud and other irregularities referred to the service by management, or concerns of fraud or other irregularities arising from audits, where it is considered that an independent investigation cannot be carried out by management;
- appraising the economy, efficiency and effectiveness with which resources are employed and the quality of performance in carrying out assigned duties including Value for Money Studies;
- working in partnership with other bodies to secure robust internal controls that protect the Council's interests;
- advising on internal control implications of new systems;
- providing consulting and advisory services related to governance, risk management and control as appropriate for the organisation;
- being responsible for reporting significant risk exposures and control issues identified to the Audit and Governance Committee and to senior management, including fraud risks, governance issues.

INTERNAL AUDIT MANAGEMENT

The PSIAS describe the requirement for the management of the internal audit function. This sets out various criteria that the HoDAP (as Chief Audit Executive) must meet, and includes:

- be appropriately qualified;
- determine the priorities of, deliver and manage the Council's internal audit service through a risk based annual audit plan;
- regularly liaise with the Council's external auditors to ensure that scarce audit resources are used effectively;
- include in the plan the approach to using other sources of assurance if appropriate;
- be accountable, report and build a relationship with the Council's Audit and Governance Committee and S.151 Officer; and
- monitor and report upon the effectiveness of the service delivered and compliance with professional and ethical standards.

These criteria are brought together in an Audit Strategy which explains how the service will be delivered and reflect the resources and skills required.

The Head of Devon Audit Partnership is required to give an annual audit opinion on the governance, risk and control framework based on the audit work done.

The HoDAP should also have the opportunity for free and unfettered access to the Chief Executive and meet periodically with the Monitoring Officer and S.151 Officer to discuss issues that may impact on the Council's governance, risk and control framework and agree any action required.

INTERNAL AUDIT PLAN AND RESOURCES

At least annually, the Head of Devon Audit Partnership will submit to the Audit and Governance Committee a risk-based internal audit plan for review and approval. The HoDAP will:

- develop, in consultation with Heads of Service, an annual audit plan based on an understanding of the significant risks to which the organisation is exposed;
- submit the plan to the Audit and Governance Committee for review and agreement;
- implement the agreed audit plan;
- maintain a professional audit staff with sufficient knowledge, skills and experience to carry out the plan and carry out continuous review of the development and training needs;
- maintain a programme of quality assurance and a culture of continuous improvement;

The internal audit plan will include timings as well as budget and resource requirements for the next fiscal year. The Head of Internal Audit will communicate the impact of resource limitations and significant interim changes to senior management and the Audit and Governance Committee.

Internal Audit resources must be appropriately targeted by assessing the risk, materiality and dependency of the Council's systems and processes. Any significant deviation from the approved Internal Audit plan will be communicated through the periodic activity reporting process.

It is a requirement of the Council's Anti-Fraud and Corruption Strategy that the Head of Devon Audit Partnership be notified of all suspected or detected fraud, corruption or impropriety. All reported irregularities will be investigated in line with established strategies and policies. The audit plan will also include sufficient resource to carry out proactive anti-fraud work.

Internal Audit activities will be conducted in accordance with Council strategic objectives and established policies and procedures.

Monitoring of Internal Audit's processes is carried out on a continuous basis by Internal Audit management, and the Council's members and management may rely on the professional expertise of the Head of the Devon Audit Partnership to provide assurance. From time to time, independent review is carried out: for example, through peer reviews; ensuring compliance with the PSIAS is an essential approach to such a review.

REPORTING

The primary purpose of Internal Audit reporting is to communicate to management within the organisation information that provides an independent and objective opinion on governance, the control environment and risk exposure and to prompt management to implement agreed actions.

Internal Audit should have direct access and freedom to report in their own name and without fear or favour to, all officers and members, particularly to those charged with governance (the Audit and Governance Committee).

A written report will be prepared for every internal audit project and issued to the appropriate manager accountable for the activities under review. Reports will include an 'opinion' on the risk and adequacy of controls in the area that has been audited, which, together, will form the basis of the annual audit opinion on the overall control environment.

The aim of every Internal Audit report should be:

- to give an opinion on the risk and controls of the area under review, building up to the annual opinion on the control environment; and

- to recommend and agree actions for change leading to improvement in governance, risk management, the control environment and performance.

The Manager will be asked to respond to the report in writing, within 30 days, although this period can be extended by agreement. The written response must show what actions have been taken or are planned in relation to each risk or control weakness identified. If action is not to be taken this must also be stated. The Head of Devon Audit Partnership is responsible for assessing whether the manager's response is adequate.

Where deemed necessary, the Internal Audit report will be subject to a follow-up, normally within six months of its issue, in order to ascertain whether the action stated by management in their response to the report has been implemented.

The Head of the Devon Audit Partnership will

- submit periodic reports to the Audit and Governance Committee summarising key findings of reviews and the results of follow-ups undertaken;
- submit on an annual basis an Annual Internal Audit Report to the Audit and Governance Committee, incorporating an opinion on the Council's control environment, which will also inform the Annual Governance Statement.

RELATIONSHIP WITH THE AUDIT AND GOVERNANCE COMMITTEE

The Council's Audit and Governance Committee will act as the Board as defined in the Public Sector Internal Audit Standards (PSIAS),

The Specific Functions of the Audit and Governance Committee are set out in the Council's Constitution (Part E Responsibility for Functions).

The Head of Devon Audit Partnership will assist the Committee in being effective and in meeting its obligations. To facilitate this, the HoDAP will:

- attend meetings, and contribute to the agenda;
- ensure that it receives, and understands, documents that describe how Internal Audit will fulfil its objectives (e.g. the Audit Strategy, annual work programmes, progress reports);
- report the outcomes of internal audit work, in sufficient detail to allow the committee to understand what assurance it can take from that work and/or what unresolved risks or issues it needs to address;
- establish if anything arising from the work of the committee requires consideration of changes to the audit plan, and vice versa;
- present an annual report on the effectiveness of the system of internal audit; and
- present an annual internal audit report including an overall opinion on the governance, risk and control framework

QUALITY ASSURANCE AND IMPROVEMENT PROGRAMME

The PSIAS states that a quality assurance and improvement programme must be developed; the programme should be informed by both internal and external assessments.

An external assessment must be conducted at least once in five years by a suitably qualified, independent assessor.

In December 2016 Terry Barnett, Head of Assurance for Hertfordshire Shared Internal Audit Service who completed an external validation of the Partnership. Terry concluded that;

"It is our overall opinion that the Devon Audit Partnership **generally conforms*** to the Public Sector Internal Audit Standards, including the Definition of Internal Auditing, the Code of Ethics and the Standards.

** **Generally Conforms** – This is the top rating and means that the internal audit service has a charter, policies and processes that are judged to be in conformance to the Standards*

CHARTER – NON CONFORMANCE AND REVIEW

Any instances of non-conformance with the Internal Audit Definition, Code of Conduct or the Standards must be reported to the Audit and Governance Committee, and in significant cases consideration given to inclusion in the Annual Governance Statement.

The Head of Devon Audit Partnership will advise the Audit and Governance Committee on behalf of the Council on the content of the Charter and the need for any subsequent amendment. The Charter should be approved and regularly reviewed by the Audit and Governance Committee.

Devon Audit Partnership

March 2019

PLYMOUTH CITY COUNCIL

INTERNAL AUDIT STRATEGY (March 2019)

1 INTRODUCTION

Internal Audit is a statutory service in the context of The Accounts and Audit (England) Regulations 2015, which state:

5.(1) A relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards (PSIAS) or guidance.

In addition, the Local Government Act 1972, Section 151, requires every local authority to designate an officer to be responsible for the proper administration of its financial affairs. In the Council, the Service Director for Finance is the 'Section 151 Officer'. One of the ways in which this duty is discharged is by maintaining an adequate and effective internal audit service.

The PSIAS refers to the role of Chief Audit Executive and requires this officer to ensure and deliver a number of key elements to support the internal audit arrangements. For the Council, the role of Chief Audit Executive is provided by the Head of Devon Audit Partnership (HoDAP).

The PSIAS require the HoDAP to produce an Audit Charter setting out audits purpose, authority and responsibility. We deliver this through our Audit Strategy which:

- is a high-level statement of how the internal audit service will be delivered and developed in accordance with the Charter and how it links to the organisational objectives and priorities;
- will communicate the contribution that Internal Audit makes to the organisation and should include:
 - internal audit objectives and outcomes;
 - how the HoDAP will form and evidence his opinion on the governance, risk and control framework to support the Annual Governance Statement;
 - how Internal Audit's work will identify and address significant local and national issues and risks;
 - how the service will be provided, and
 - the resources and skills required to deliver the Strategy.
- should be approved, but not directed, by the Audit and Governance Committee.

The Strategy should be kept up to date with the organisation and its changing priorities.

2 INTERNAL AUDIT OBJECTIVES AND OUTCOMES

The primary objective of Internal Audit is to provide an independent and objective opinion to the Council on the governance, risk and control framework by evaluating its effectiveness in achieving the organisation's objectives through examining, evaluating and reporting on their adequacy as a contribution to the proper, economic, efficient use of resources.

To achieve this primary objective, the HoDAP aims to fulfil the statutory responsibilities for Internal Audit by:

- identifying all of the systems, both financial and non-financial, that form the Council's control environment and governance framework, and contribute to it meeting its obligations and objectives – the 'Audit Universe';
- creating an audit plan providing audit coverage on the higher risk areas in the Audit Universe;
- undertaking individual audit reviews, to the standards set by the PSIAS, to independently evaluate the effectiveness of internal control;
- providing managers with an opinion on, and recommendations to improve, the effectiveness of risk management, control and governance processes;
- providing managers with advice and consultancy on risk management, control and governance processes;
- liaising with the Council's external auditors to ensure efficient use of scarce audit resources through the avoidance of duplication wherever possible; and
- providing the Council, through the Audit and Governance Committee, with an opinion on governance, risk and control framework as a contribution to the Annual Governance Statement.

3 OPINION ON THE GOVERNANCE, RISK AND CONTROL FRAMEWORK

As stated above, one of the key objectives of Internal Audit is to communicate to management an independent and objective opinion on the governance, risk and control framework, and to prompt management to implement agreed actions.

Significant issues and risks are to be brought to the attention of the S.151 Officer as and when they arise. Regular formal meetings should also be held to discuss issues arising and other matters.

The HoDAP will report progress against the annual audit plan and any emerging issues and risks to the Audit and Governance Committee.

The HoDAP will also provide a written annual report to the Audit and Governance Committee, timed to support their recommendation to approve the Annual Governance Statement, to the Council.

The Head of Devon Audit Partnership's annual report to the Audit and Governance Committee will:

- (a) include an opinion on the overall adequacy and effectiveness of the Council's governance, risk and control framework;
- (b) disclose any qualifications to that opinion, together with the reasons for the qualification;
- (c) present a summary of the audit work from which the opinion is derived, including reliance placed on work by other assurance streams;
- (d) draw attention to any issues the HoDAP judges particularly relevant to the preparation of the Annual Governance Statement;
- e) compare the audit work actually undertaken with the work that was planned and summarise the performance of the internal audit function against its performance measures and targets; and

- (f) comment on compliance with the Public Sector Internal Audit Standards and communicate the results of the internal audit quality assurance programme.

4 PLANNING, INCLUDING LOCAL AND NATIONAL ISSUES AND RISKS

The audit planning process includes the creation of and, ongoing revision of an “audit universe”. This seeks to identify all risks, systems and processes that may be subject to an internal audit review.

The audit universe will include a risk assessment scoring methodology that takes account of a number of factors including: the Council’s own risk score; value of financial transactions; level of change, impact on the public; political sensitivity; when last audited; and the impact of an audit. This will inform the basis of the resources allocated to each planned audit area.

The results from the audit universe will be used in creating an annual audit plan; such a plan will take account of emerging risks at both local and national level.

Assignment planning

Further planning and risk assessment is required at the commencement of each individual audit assignment to establish the scope of the audit and the level of testing required.

5 PROVISION OF INTERNAL AUDIT

The Internal Audit for The Council is provided by Devon Audit Partnership

The Head of Devon Audit Partnership has established policies and procedures in an Audit Manual to guide staff in performing their duties and complying with the latest available PSIAS guidance. The manual is reviewed and updated to reflect changes in working practices and standards.

Internal Audit Performance Management and Quality Assurance

The PSIAS state that the HoDAP should have in place an internal performance management and quality assurance framework; this framework must include:

- a comprehensive set of *targets to measure performance*. These should be regularly monitored and the progress against these targets reported appropriately;
- seeking *user feedback* for each individual audit and periodically for the whole service;
- a periodic review of the service against the Strategy and the achievement of its aims and objectives. The results of this should inform the future Strategy and be reported to the Audit and Governance Committee;
- internal quality reviews to be undertaken periodically to ensure compliance with the PSIAS and the Audit Manual (self-assessment); and
- an action plan to implement improvements.

Performance Measures and targets

The Head of Devon Audit Partnership will closely monitor the performance of the team to ensure agreed targets are achieved. A series of performance indicators have been developed for this purpose (please see over).

Internal Audit Performance Monitoring Targets.

Performance Indicator	Full year target
Percentage of Audit Plan completed	90%
Customer Satisfaction - % satisfied or very satisfied as per feedback forms	90%
Draft reports produced with target number of days (currently 15 days)	90%
Final reports produced within target number of days (currently 10 days)	90%

There are a number of other indicators that are measured as part of the audit process that will be captured and reported to senior management.

Task	Performance measure
Agreement of Annual audit plan	Agreed by Chief Executive, CMT and Audit and Governance Committee prior to start of financial year.
Agreement of assignment brief	Assignment briefs are agreed with and provided to auditee at least two weeks before planned commencement date.
Undertake audit fieldwork	Fieldwork commenced at agreed time.
Verbal debrief	Confirm this took place as expected; was a useful summary of the key issues; reflects the findings in the draft report.
Draft report	Issued within 15 days of finishing our fieldwork. Report is "accurate" and recommendations are both workable and useful.
Draft report meeting (if required)	Such a meeting was useful in understanding the audit issues.
Annual internal audit report	Prepared for senior management consideration by end of May. Report accurately reflects the key issues identified during the year.
Presentation of internal audit report to management and audit committee.	Presentation was clear and concise. Presenter was knowledgeable in subject area and able to answer questions posed by management / members.
Contact with the audit team outside of assignment work.	You were successfully able to contact the person you needed, or our staff directed you correctly to the appropriate person. Emails, letters, telephone calls are dealt with promptly and effectively.

Once collated the indicators will be reported to the S.151 Officer on a regular basis and will be summarised in an annual report. Performance indicator information will also be presented to the Audit and Governance Committee for information and consideration.

The Head of Devon Audit Partnership is expected to ensure that the performance and the effectiveness of the service improves over time, in terms of both the achievement of targets and the quality of the service provided to the user.

Customer (user) feedback

The PSIAS and the Internal Audit Manual state that internal audit performance, quality and effectiveness should be assessed at two levels:

- for each individual audit; and
- for the Internal Audit service as a whole.

Customer feedback is also used to define and refine the audit approach. Devon Audit Partnership will seek feedback from:-

- auditees;
- senior leadership; and
- executive management.

The results from our feedback will be reported to Senior Management and the Audit and Governance Committee in the half year and annual reports.

Internal quality reviews

Devon Audit Partnership management have completed a self-assessment checklist against the PSIAS and have identified that there are no omissions in our practices. We consider that we fully meet over 95% of the elements; partially meet 3% (6); and are not required to or do not meet 2% (5) of the elements. The self-assessment will be updated annually, and, if management identify areas where we could further strengthen our approaches, these will be added to the Quality Action Improvement Plan.

In December 2016 Devon Audit Partnership welcomed Terry Barnett, Head of Assurance for Hertfordshire Shared Internal Audit Service and his colleague Chris Wood, Audit Manager, who completed an external validation of the Partnership.

Terry and Chris concluded that;

“It is our overall opinion that the Devon Audit Partnership **generally conforms*** to the Public Sector Internal Audit Standards, including the Definition of Internal Auditing, the Code of Ethics and the Standards.

** **Generally Conforms** – This is the top rating and means that the internal audit service has a charter, policies and processes that are judged to be in conformance to the Standards*

6 RESOURCES AND SKILLS

Resources

The PSIAS and the Audit Manual states that:

- Internal Audit must be appropriately staffed in terms of numbers, grades, qualifications and experience, having regard to its responsibilities and objectives, or have access to the appropriate resources;
- The Internal Audit service shall be managed by an appropriately qualified professional with wide experience of internal audit and of its management; and
- The Chief Audit Executive (Head of Devon Audit Partnership) should be of the calibre reflecting the responsibilities arising from the need to liaise with members, senior management and other professionals, and be suitably experienced.

Devon Audit Partnership currently has **c.30** staff who operate from any one of our three main locations (Plymouth, Torquay and Exeter). The Partnership employs a number of specialists in

areas such as Computer Audit, Contracts Audit and **Counter Fraud Investigators** as well as a mix of experienced, professionally qualified and non-qualified staff.

The Partnership draws on a range of skilled staff to meet the audit needs. Our current staff (**as at February 2019**) includes:-

- 3 x CCAB qualified
- 6 x qualified IIA
- 2 x qualified computer audit (QICA & CISA)
- 10 x AAT qualified
- **5 x ACFS (accredited counter fraud specialists)**
- 4 x ILM (Institute of Leadership & Management) level 5 or above

Devon Audit Partnership uses MorganKai Insight (MKi) as an audit management system. This system allows Partnership management to effectively plan, deliver and report audit work in a consistent and efficient manner. The system provides a secure working platform and ensures confidentiality of data. The system promotes mobile working, allowing the team to work effectively at client locations or at remote locations should the need arise.

Staff Development and Training

Devon Audit Partnership management assess the skills of staff to ensure the right people are available to undertake the work required.

Staff keep up to date with developments within internal audit by attending seminars, taking part in webinars and conferences, attending training events and keeping up to date on topics via websites and professional bodies. Learning from these events helps management to ensure they know what skills will be required of our team in the coming years, and to plan accordingly.

Devon Audit Partnership follows formal appraisal processes that identify how employees are developing and create training and development plans to address needs.

Devon Audit Partnership

March 2019

PLYMOUTH CITY COUNCIL

Subject: Internal Audit Plan 2019/20
Committee: Audit and Governance Committee
Date: 11 March 2019
Cabinet Member: Councillor Lowry
CMT Member: Andrew Hardingham (Service Director Finance)
Author: Robert Hutchins, Head of Devon Audit Partnership
Brenda Davis, Audit Manager
Contact details Tel: 01752 306713
email: robert.hutchins@devonaudit.gov.uk
brenda.davis@devonaudit.gov.uk
Ref: Your ref. AUD/BD
Key Decision: No
Part: 1

Purpose of the report:

Standards for Internal Audit in local government are set out in the Public Sector Internal Audit Standards (PSIAS). The PSIAS confirm that the Council should periodically prepare a risk-based plan of Internal Audit activity that is designed to support an annual opinion on the effectiveness of the systems of governance, risk management and internal control and is informed by the audit strategy, consultation with stakeholders and a dynamic assessment of risks.

The PSIAS state that 'the chief audit executive' must communicate the internal audit activity's plans and resource requirements to senior management and the board (Audit & Governance Committee) for review and approval.

Corporate Plan

The Internal Audit service assists the Council in delivering robust standards of public accountability and probity in the use of public funds and has a role in promoting high standards of service planning, performance monitoring and review throughout the organisation, together with ensuring compliance with the Council's statutory obligations.

Our work supports delivery of the values and priorities set out in Corporate Plan by ensuring that resources are used wisely, and service areas understand and deliver quality public services which meet customer and community needs and keep people safe.

**Implications for Medium Term Financial Plan and Resource Implications:
Including finance, human, IT and land**

Delivery of the audit plan will assist the council in delivering value for money services.

Other Implications: e.g. Child Poverty, Community Safety, Health and Safety and Risk Management:

The work of the internal audit service is an intrinsic element of the Council's overall corporate governance, risk management and internal control framework.

Equality and Diversity

Has an Equality Impact Assessment been undertaken? Not required.

Recommendations and Reasons for recommended action:

Members are requested to review and approve the Internal Audit Plan for 2019/20.

Alternative options considered and rejected:

None, as failure to maintain an adequate and effective system of internal audit would contravene the Accounts and Audit Regulations 2015 and the Public Sector Internal Audit Standards.

Published work / information:

None

Background papers:

None

Sign off:

Fin	pl.18.19.225	Leg	lt/62225/3/2802	Mon Off		HR		Assets		IT		Strat Proc	
Originating SMT Member Andrew Hardingham, Service Director for Finance													
Has the Cabinet Member(s) agreed the contents of the report? Yes													

Internal Audit

Internal Audit Plan 2019-2020

Plymouth City Council Audit Committee

March 2019

Not Protectively Marked

Robert Hutchins
Head of Audit Partnership



Auditing for achievement

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<p>Devon Audit Partnership</p> <p>The Devon Audit Partnership has been formed under a joint committee arrangement comprising of Plymouth, Torbay, Devon, Torridge and Mid-Devon councils and we aim to be recognised as a high quality internal public sector service provider. We work with our partners by providing professional internal audit service and assurance services that will assist them in meeting their challenges, managing their risks and achieving their goals. In carrying out our work we are required to comply with the Public Sector Internal Audit Standards along with other best practice and professional standards.</p> <p>The Partnership is committed to providing high quality, professional customer services to all; if you have any comments or suggestions on our service, processes or standards, the Head of Partnership would be pleased to receive them at robert.hutchins@devonaudit.gov.uk .</p>	<p>Confidentiality and Disclosure Clause</p> <p>This report is protectively marked in accordance with the government security classifications. It is accepted that issues raised may well need to be discussed with other officers within the Council, the report itself should only be copied/circulated/disclosed to anyone outside of the organisation in line with the organisation’s disclosure policies.</p> <p>This report is prepared for the organisation’s use. We can take no responsibility to any third party for any reliance they might place upon it.</p>
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Introduction

Internal auditing is defined by the Public Sector Internal Audit Standards (PSIAS) which set out the requirements of a 'Board' and of 'senior management'. For the purposes of the internal audit activity within The Council the role of the Board within the Standards is taken by the Council's Audit Committee and senior management is the Council's Corporate Management Team.

This Council's Internal Audit Charter formally describes the purpose, authority, and principal responsibilities of the Council's Internal Audit Service, which is provided by the Devon Audit Partnership (DAP) as represented in the audit framework at appendix 1, and the scope of Internal Audit work. The PSIAS make reference to the role of "Chief Audit Executive". For The Council this role is fulfilled by the Head of Devon Audit Partnership. The Audit Committee, under its Terms of Reference contained in the Council's Constitution, is required to review and approve the Internal Audit Plan to provide assurance to support the governance framework (see appendix 2).

The chief audit executive is responsible for developing a risk-based plan which takes into account the organisation's risk management framework, including using risk appetite levels set by management for the different activities or parts of the organisation as represented in appendix 3.

The audit plan represents the proposed internal audit activity for the year and an outline scope of coverage. At the start of each audit the scope is discussed and agreed with management with the view to providing management, the Chief Finance Officer (Section 151) and members with assurance on the control framework to manage the risks identified. The plan will remain flexible and any changes will be agreed formally with management and reported to Audit Committee.

Expectations of the Audit Committee for this annual plan

Audit to Committee members are requested to consider:

- the annual governance framework requirements;
- the basis of assessment of the audit work in the proposed plan;
- the resources allocated to meet the plan;
- proposed areas of internal audit coverage for 2019/20.

In review of the above the Audit Committee are required to approve the proposed audit plan.

Robert Hutchins
Head of Audit Partnership

Annual Service Level Plans

Customer & Corporate / Finance

In support of the Head of Health, Safety & Wellbeing, we will undertake reviews within service areas to ensure compliance with H&S Standards; including the management of the control of exposure to vibration.

With ever more services available digitally, the risk remains that a cyber incident could result in the loss of data as well as disruption to council services. Audit will continue to assess the Cyber Security arrangements in place against standards defined by the NCSC and industry best practice. We will liaise, as appropriate, with the Corporate Information Manager and Delt.

Assurance work will be undertaken on areas termed as key financial systems; these process the majority of income and expenditure of the Council, and which have a significant impact on the reliability and accuracy of the annual accounts.

Executive Office

The Council is committed to high ethical standards and in support of these standards we will review the arrangements in place for the declaration of gifts and hospitality.

Performance information must be underpinned by good quality data. We will work in collaboration with Oversight and Governance to review the quality and robustness of the source data used in the reporting of corporate indicators.

Place

Reorganisation within Street Services has resulted in the Garage and Fleet becoming separate business entities and management have requested an independent view on the effectiveness of the governance and administrative arrangements in operation for both Fleet and Garage.

Work to review the effectiveness of arrangements in place across the three Councils for monitoring & delivery of the Plymouth and South West Devon Joint Local Plan has been requested by the Service Director for Strategic Planning & Infrastructure and agreed by the Deputy Head of Paid Service for S.Hams / W.Devon Councils.

People

As the Council strives to improve the standards of private rented sector in the City, our work will consider the effectiveness of the enforcement system for decent homes standards.

The Universal Youth Service is not actually a statutory function and the Service Director for Community Connection is keen for audit to undertake a review which will evaluate the basis of the items offered, consider the use of buildings, spend, outcome and the added value of the service.

This years plan also allows time to look at:

- Childrens Short Break Service;
- Provider market for Children's Residential Placements;
- Integrated Care Partnersip.

Due to transformational change a pot of days has been included for use by Educations, Participation and Skills. Audit to meet with the Head of Service at the end April when the picture will be clearer to determine where the days are to be used.

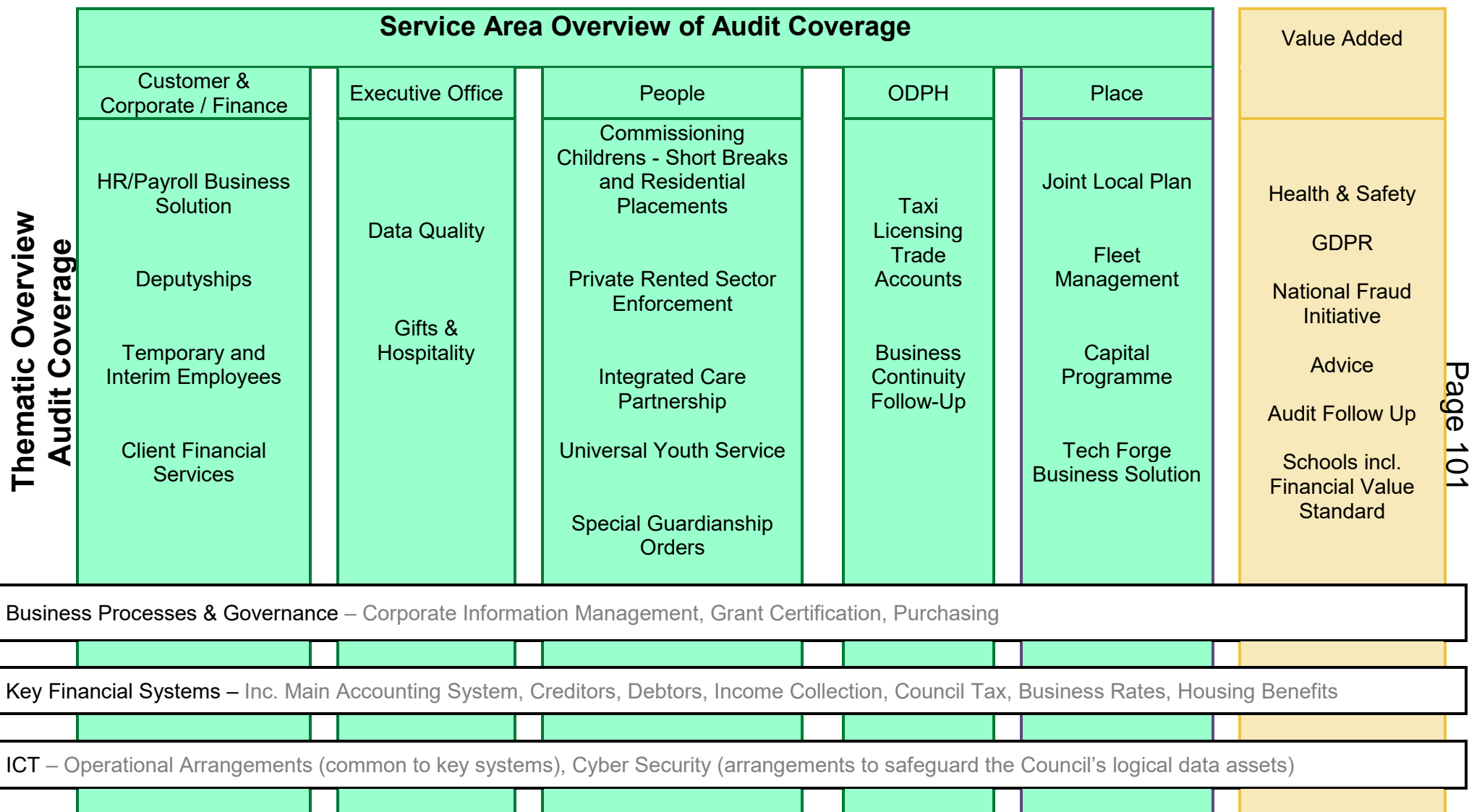
ODPH

Management have requested that we consider the arrangements in place for the administration of the Private Hire and Hackney Carriage trading accounts.

We will also review progress in implementing audit recommendations relating to the resilience of Council partners and contractors in the supply chain for critical services.

Value Added

All our work aims to "add value" the authority, be this by way of improving control and minimising risk, or making the most of opportunities in an effective manner. We will undertake the annual follow up on all audit areas identified as 'Improvements Required' in 2018/19. Proactive anti-fraud work will be carried out in liaison with the Corporate Fraud Team who transferred to Devon Audit Partnership May 2018.



The diagram shows the thematic approach to the elements proposed for audit coverage in the coming year as identified through risk assessment and discussion with Senior Management. This overview is supported by the proposed audit reviews and associated risks.

High Level Audit Plan

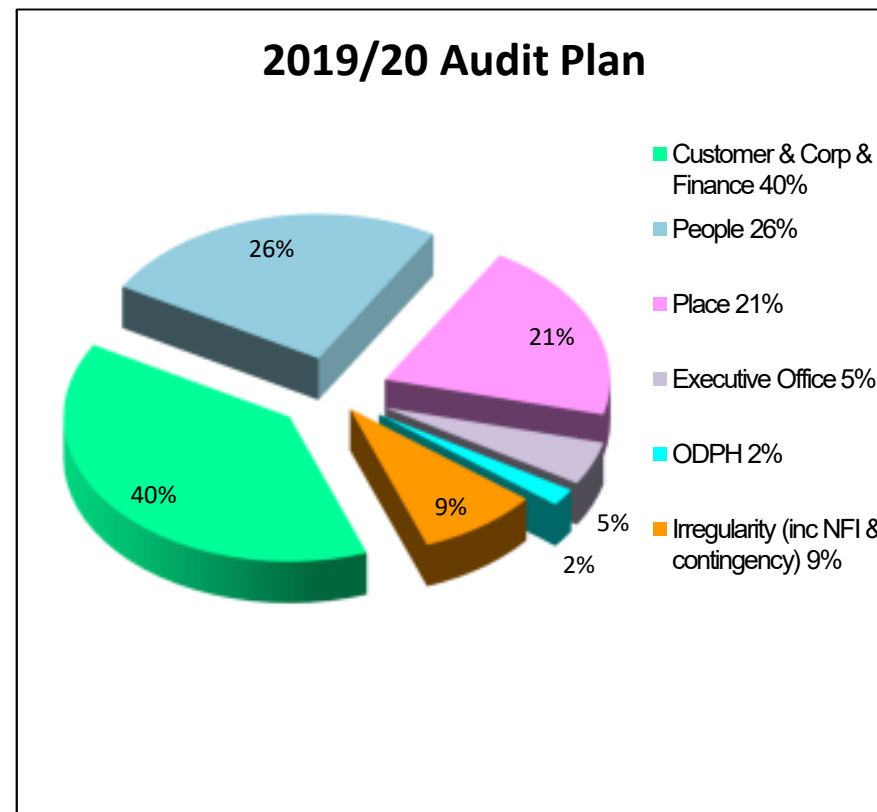
This table shows a summary of planned audit coverage for the year totalling 1,139 direct days. It should be borne in mind that, in accordance with the Public Sector Internal Audit Standards, the plan needs to be flexible to be able to reflect and respond to the changing risks and priorities of the Authority and, to this end, it will be regularly reviewed with directorates, and updated as necessary, to ensure it remains valid and appropriate. As a minimum, the plan will be reviewed in six months to ensure it continues to reflect the key risks and priorities of the Council given the significant changes across the public sector. In order to allow greater flexibility, the Internal Audit Plan includes a small contingency to allow for unplanned work

We have set out our plan based on the current organisational structure for the Authority. Detailed terms of reference will be drawn up and agreed with management prior to the start of each assignment – in this way we can ensure that the key risks to the operation or function are considered during our review.

The following pages give a brief overview of the focus of proposed audit coverage for the year.

A detailed analysis of proposed audit reviews is provided in the following schedule.

In addition, we estimate that our work on maintained schools within the City will total 31 days.



Proposed audit reviews and associated risks

Risk Assessment Key

SRR / ORR – Local Authority Strategic or Operational Risk Register reference

ANA - Audit Needs Assessment risk level

Risk Area / Audit Entity	Risk / Audit Needs Assessment (ANA)	Proposed Audit Work / Scope	Proposed Timings (Quarter)	Estimated Audit Effort (Days)
Customer and Corporate / Finance				
Core Assurance – Key Financial System				
I.T. Material Systems	ANA - High	Review of core operational processes that are common to all the Council's Key Financial Systems using work programmes based on core ICT control areas.	Q3 – Q4	15
Civica Financials: <ul style="list-style-type: none"> • Creditors • Main Accounting • Debtors • Purchasing 	ANA <ul style="list-style-type: none"> - High - High - Medium - High 	System walkthrough to consider the design and effectiveness of key controls with focused test sampling to determine compliance. Follow-up of any recommendations made in 18/19.	Q2 – Q4	75
Academy Revs & Bens: <ul style="list-style-type: none"> • Housing Benefits • Council Tax • Business Rates NNDR 	ANA <ul style="list-style-type: none"> - High - Medium - Low 	System walkthrough, focused risk based sample testing and follow-up of 18/19 reviews for each service area.	Q3 – Q4	52
Cash / Bank Receipting System	ANA - High	System review will include consideration of the effectiveness of income collection arrangements in operation across the Council.	Q3	30
Treasury Management	ANA - Medium	System walkthrough, focused risk based sample testing and follow-up of 18/19 review.	Q3	10
iTrent - Payroll	ANA - Medium	System walkthrough with risk based sample testing expanded to include PCC client controls.	Q3	30
Core Assurance - Other				
Corp Information Management	ANA – High	Audit support the Authority's ILOG and examine policies and processes relating to the management of information held throughout the organisation.	Q1 – Q4	6

Risk Area / Audit Entity	Risk / Audit Needs Assessment (ANA)	Proposed Audit Work / Scope	Proposed Timings (Quarter)	Estimated Audit Effort (Days)
Cyber Security	ANA - High	Being conducted alongside the ICT Material Systems review, Audit will continue to assess the Cyber Security arrangements in place to safeguard the Council's logical data assets. Audit will refer to standards defined by the NCSC and industry best practice and liaise, as appropriate, with the Corporate Information Manager and Delt.	Q3 – Q4	15
General Data Protection Regulation (GDPR)	ANA – High Client Request	The GDPR apply from 25 May 2018 and have introduced new elements and some significant enhancements to the DP Act. Review of arrangements in place across the organisation to measure compliance.	Q2	15
HR/Payroll Business Solution	ANA – High Client Request	Delt to implement new HR/Payroll system - pot of days for audit oversight / advice.	Q1 – Q4	5
Health & Safety	ANA - High	Following on from H&S self-assessments, provide support by undertaking system reviews within service areas to ensure compliance; including the management of the control of exposure to vibration.	Q1 – Q4	30
Procurement	ANA – High Client Request	We will liaise with procurement officers to determine how this pot of days is best used to support the business.	Q1 – Q4	10
Temporary & Interim Employees	ANA – High Client Request	Review volume of temporary contracts and the requirements of IR35 on interim contracts to understand the impact on the Council.	Q1	26
Client Financial Services	ANA – High	Detailed follow-up to measure progress in implementing the action plan following the 18/19 review which was Improvements Required. To include those processes undertaken by Livewell SW.	Q2 – Q3	15
Deputyships	ANA – Medium	Detailed follow-up to measure progress in implementing the action plan following 18/19 review which was Improvements Required.	Q2 – Q3	15
Schools Financial Value Standards (SFVS)	Statutory ANA - Low	Collection of SFVS self assessments completed by schools. Preparation of the Direct Schools Grant (DSG) Chief Financial Officer (CFO) Assurance Statement for 17/18 to be returned to DfE by 31 st May 2017	Q1 & Q4	3
Audit Advice to Customer & Corporate / Finance and carry forward for completion of 18/19 work	n/a		n/a	40

Risk Area / Audit Entity	Risk / Audit Needs Assessment (ANA)	Proposed Audit Work / Scope	Proposed Timings (Quarter)	Estimated Audit Effort (Days)
Audit planning, monitoring and performance reporting	n/a		n/a	25
Audit Governance	n/a	Performance reporting to Directors and reporting to and attending Audit Committee (see p12)	n/a	35
Executive Office				
Core Assurance - Other				
Data Quality	ANA – High	In liaison with the Performance Team in Oversight & Governance, we will undertake reviews of the quality and robustness of the source data used in the reporting of corporate indicators.	Q1 – Q4	25
Gifts & Hospitality	ANA – Medium	Review of the policies and practices relating to gifts and hospitality.	Q3	10
Audit Advice to Executive Office	n/a		n/a	10
Audit planning, monitoring and performance reporting	n/a		n/a	6
Audit Governance	n/a		n/a	6
People				
Core Assurance – Key Financial System				
CareFirst - Children Independent Placements	ANA – Medium Client Request	Review of the new spend & approval processes (including forms and workflow) currently being developed.	Q3 – Q4	20
Core Assurance - Other				
Finance & Assurance Review Group (FARG)	ANA – High Client Request	The purpose of FARG is to provide oversight, scrutiny and assurance of the integrated fund and under the membership requirements laid down in the terms of reference, internal audit will continue to have a seat on FARG to providing real time support and challenge through their attendance.	Q1 – Q4	5

Risk Area / Audit Entity	Risk / Audit Needs Assessment (ANA)	Proposed Audit Work / Scope	Proposed Timings (Quarter)	Estimated Audit Effort (Days)
Special Guardianships (Children)	ANA – High	Review of the arrangements in place for payments where special guardianship orders have been made. These give a person parental responsibility in law for a child / young person whilst not severing all links with birth parent(s).	Q1	15
Legal Care Proceedings (Childrens)	ANA – Medium	Follow-up review to measure progress in implementing the recommendations from the 17/18 review.	Q2	2
Childrens's Short Break Contracts	ANA – Medium Client Request	The short break service is for children and young people with a disability & gives carers a short break from responsibilities. We will review the effectiveness of the systems in place to administer these breaks.	Q2 -Q3	20
Commissioning Contracts	ANA – Medium Client Request	Audit review of the provider market for Children's Residential Placements.	Q2 – Q3	25
Anti-Social Behaviour Tools	ANA – Medium Client Request	Audit review and validation of the way in which Anti-Social Behaviour tools are being used.	Q2	10
Children's Safeguarding	ANA - Medium	Progress in setting up a Review Panel included in 18/19 audit plan. Small pot of days to provide independent assurance that the panel is in place and the governance arrangements robust.	Q1 – Q3	5
HMO Licensing	ANA – Medium Client Request	Review of the system in place for the licensing of Houses in Multi Occupation (HMO's).	Q3 – Q4	15
Universal Youth Services	ANA – Medium Client Request	Evaluate the basis of the items offered, use of buildings, spend, outcome and added value.	Q2 – Q3	25
Dynamic Purchasing System (DPS)	ANA – Medium Client Request	New business system developed in partnership with Independence CIC (INCIC) for Disabled Facility Grant adaptations.	Q1	10
Private Sector Enforcement	ANA – Medium Client Request	Consider the effectiveness of the enforcement system for decent homes standards in the private rented sector.	Q1 -Q2	15
Integrated Care Partnership	ANA – Medium	A review of the enagement and procurement process. This will be a joint review undertaken with the CCG internal audit service.	Q1 – Q2	15
Education, Participation & Skills Dept	ANA – Medium Client Request	Due to transformational change a pot of days requested. Audit to meet with Head of Service end April when the picture will be clearer to determine where the days to be used.	Q1 – Q4	30

Risk Area / Audit Entity	Risk / Audit Needs Assessment (ANA)	Proposed Audit Work / Scope	Proposed Timings (Quarter)	Estimated Audit Effort (Days)
Families with a Future (Payment by Results)	Statutory Client Request	Audit review and certification for each monthly claim.	Q1 – Q4	25
Audit Advice to People and carry forward for completion of 18/19 work	n/a		n/a	15
Audit planning, monitoring and performance reporting	n/a		n/a	19
Audit Governance	n/a		n/a	25
Office of the Director of Public Health				
Taxi Licensing Trade Accounts	ANA – Medium Client Request	Review of the arrangements for the administration of the Private Hire and Hackney Carriage trading accounts.	Q2	5
Business Continuity Follow -Up	ANA - High	Light touch follow-up to measure progress in implementing audit recommendation following work in 17/18 which considered the resilience of Council partners and contractors in the supply chain for critical services.	Q2	3
Audit Advice to Public Health	n/a		n/a	10
Audit planning, monitoring and performance reporting	n/a		n/a	4
Audit Governance	n/a		n/a	4
Place				
Waste PFI	ANA – High	Processes around contract management including recycling credits. Audit presence on Project Board.	Q1 – Q4	3
Highways, Fleet & Garage – Insurance Claims	ANA – Medium Client Request	Review the Council's ability to successfully defend insurance claims within these service areas.	Q2 – Q4	25

Risk Area / Audit Entity	Risk / Audit Needs Assessment (ANA)	Proposed Audit Work / Scope	Proposed Timings (Quarter)	Estimated Audit Effort (Days)
Trade Waste Follow-Up	ANA - Medium	Follow-up on progress new manager is making on implementing audit recommendations and how the service is evolving with the introduction of "new, more commercial systems"	Q2 – Q3	10
New Business Solutions - Tech Forge (Cloud)	ANA –Medium Client Request	Audit assurance required in respect of the project to migrate of property data to Tech Forge Cloud. Work undertaken by the service will include data cleanse, centralisation of data, interfaces with Civica Financials.	Q1 – Q2	10
Capital Programme	ANA –Medium Client Request	Review of governance arrangements and options for streamlining processes.	Q3 – Q4	20
Garage	ANA –Medium Client Request	Garage now separate from the Fleet Management - review of governance and administrative arrangements.	Q2 – Q3	20
Fleet Management	ANA –Medium Client Request	Fleet Management now separate from the Garage - review of governance and administrative arrangements.	Q3 – Q4	20
Commercial Properties – Digitalisation of Proforma Process	ANA –Medium Client Request	Commercial portfolio worth £88m, generating over £6m of rental income. Work ongoing with review of Proformas - audit checks requested towards end of process.	Q1 – Q2	10
Joint Local Plan	ANA –Medium Client Request	Review of governance arrangements across PCC, SHDC & WDBC to confirm effectiveness of arrangements for monitoring & delivery of the plan. Agreement has been given by the Deputy Head of Paid Service for SH/WD.	Q1 – Q4	30
Grant Certification	Statutory	Those grants where the grant determination requires independent certification of expenditure by Internal Audit.	Q1 – Q4	30
Audit Advice to Place and carry forward for completion of 17/18 work	n/a		n/a	25
Audit planning, monitoring and performance reporting	n/a		n/a	20
Audit Governance	n/a		n/a	20

Risk Area / Audit Entity	Risk / Audit Needs Assessment (ANA)	Proposed Audit Work / Scope	Proposed Timings (Quarter)	Estimated Audit Effort (Days)
Irregularities and National Fraud Initiative (NFI)				
Advice, Irregularities, NFI & Contingency	n/a	<p>Internal Audit will continue to investigate irregularities referred to it by managers. Cases which are considered fraudulent will be referred to the DAP Counter Fraud Team for investigation and possible prosecution. Where control weaknesses are identified, the Audit Team work with service areas to address these issues.</p> <p>Co-ordinate the NFI exercises across the Authority.</p>	Q1 – Q4	<p>30</p> <p>25</p>

Fraud Prevention and Detection and Internal Audit Governance

Fraud Prevention and Detection and the National Fraud Initiative

Counter-fraud arrangements are a high priority for the Council and assist in the protection of public funds and accountability. Devon Audit Partnership will continue to investigate instances of potential fraud and irregularities referred to it by managers, and will also carry out pro-active anti-fraud and corruption testing of systems considered to be most at risk to fraud. In recognition of the guidance in the Fraud Strategy for Local Government “Fighting Fraud Locally” and the TEICCAF (The European Institute for Combatting Crime and Fraud) publication “Protecting the English Public Purse 2016”. In February 2018 Cabinet approved the transfer of the Council’s Corporate Fraud Team (CFT) to Devon Audit Partnership in May 2018 further enhancing the joint working arrangements of the Internal Audit and Counter Fraud teams, enabling intelligence to be shared and resources focussed on higher risk areas and in identifying and preventing fraud before it happens.

Additionally, new guidance recently introduced by CIPFA, in their ‘Code of practice on managing the risk of fraud and corruption’, and also the new Home Office ‘UK Anti-Corruption Plan’, will further inform the direction of counter-fraud arrangements going forwards. Nationally, the notable areas of fraud include Housing Benefit, Council Tax, Housing and Tenancy, Procurement, Insurance, Abuse of Position, Blue Badges, and Direct Payments (Social Car

The Cabinet Office runs a national data matching exercise (National Fraud Initiative - NFI) every two years. Work on the 2018/19 exercise has commenced with resulting data matches available from early 2019.

Internal Audit Governance

An element of our work is classified as Corporate Governance – this is work that ensures effective and efficient audit services are provided to the Council and the internal audit function continues to meet statutory responsibilities. In some instances this work will result in a direct output (i.e. an audit report) but in other circumstances the output may simply be advice or guidance. Some of the areas that this may cover include:-

- Preparing the internal audit plan and monitoring implementation;
- Preparing and presenting monitoring reports to Senior Management and the Audit Committee;
- Assistance with the Annual Governance Statement;
- Liaison with other inspection bodies (e.g. External Audit, Audit South West);
- Corporate Governance - Over recent years Internal Audit has become increasingly involved in several corporate governance and strategic issues, and this involvement is anticipated to continue during the year;
- On-going development within the Partnership to realise greater efficiencies in the future.

Partnership working with other auditors

We will continue to develop and maintain effective partnership working arrangements between ourselves and other audit agencies where appropriate and beneficial. We will participate in a range of internal audit networks, both locally and nationally which provide for a beneficial exchange of information and practices with the aim of improving the effectiveness and efficiency of the audit process, through avoidance of instances of “re-inventing the wheel” in new areas of work.

In December 2017, the PSAA board approved the appointment of Grant Thornton (GT) as the authority’s external auditors and we will liaise with and provide information to GT, maximising the benefits of closer working. We have also developed an effective working relationship with Audit South West, internal auditors for the NHS Trust and the CCG, as the Council’s integration with Health continues.

Appendix 1 - Audit Framework

Internal Audit is a statutory service in the context of The Accounts and Audit (England) Regulations 2015, which state: "A relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards (PSIAS) or guidance".

DAP, through external assessment, demonstrates that it meets the Public Sector Internal Audit Standards (PSIAS).

The Standards require that the Head of Internal Audit must "establish risk-based plans to determine the priorities of the internal audit activity, consistent with the organisation's goals". When completing these plans, the Head of Internal Audit has taken account of the Authority's risk management framework. The plan has been adjusted and reviewed, as necessary, in response to changes in the Authority's business, risk, operations, programs, systems and controls. The plan takes account of the requirement to produce an internal audit opinion and assurance framework.

This audit plan has been drawn up, therefore, to enable an opinion to be provided at the end of the year in accordance with the above requirements



We will seek opportunity for shared working across member authorities. In shared working Devon Audit Partnership will maximise the effectiveness of operations, sharing learning & best practice, helping each authority develop further to ensure that risk remains suitably managed.

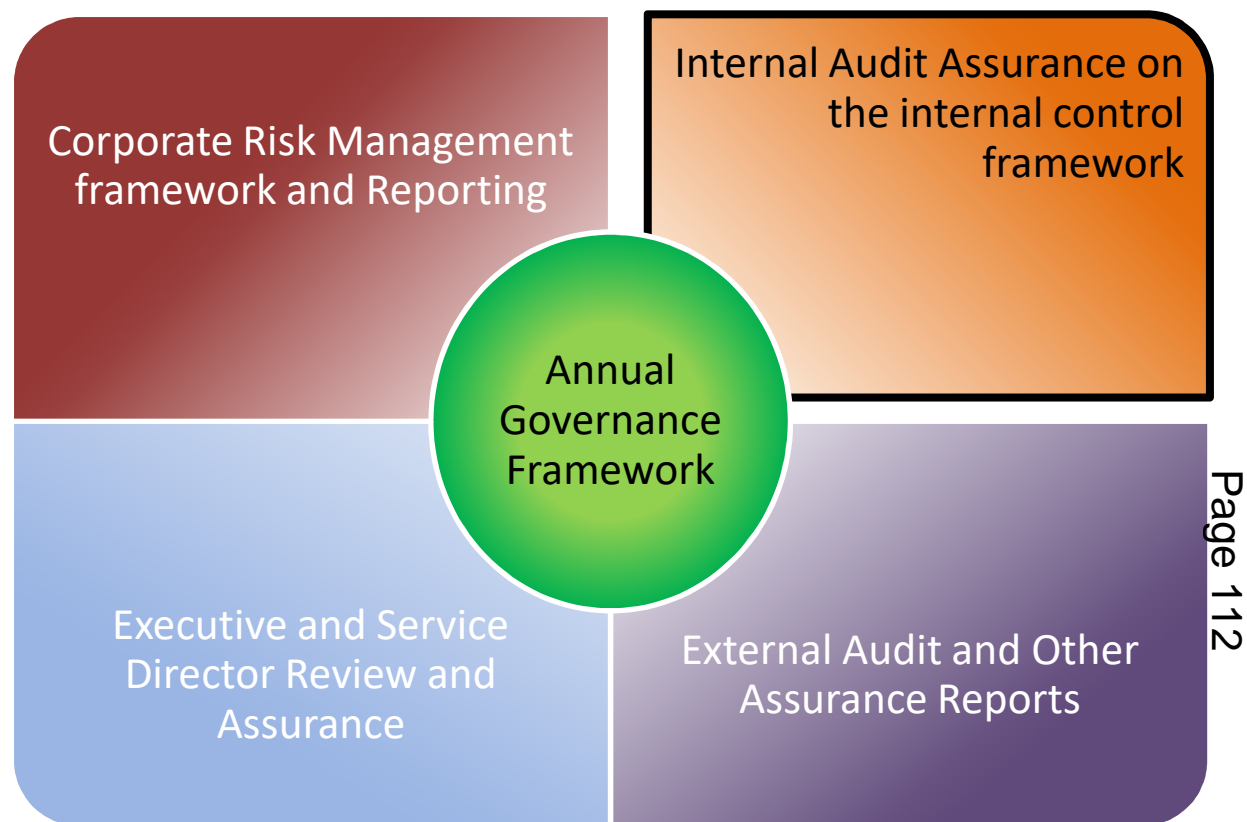
Appendix 2 - Annual Governance Framework Assurance

The Annual Governance Statement provides assurance that

- The Authority's policies have been complied with in practice;
- high quality services are delivered efficiently and effectively;
- ethical standards are met;
- laws and regulations are complied with;
- processes are adhered to;
- performance statements are accurate.

The statement relates to the governance system as it is applied during the year for the accounts that it accompanies. It should:-

- be prepared by senior management and signed by the Chief Executive and Leader of the Council;
- highlight significant events or developments in the year;
- acknowledge the responsibility on management to ensure good governance;
- indicate the level of assurance that systems and processes can provide;
- provide a narrative on the process that is followed to ensure that the governance arrangements remain effective. This will include comment upon;
 - The Authority;
 - Audit Committee;
 - Risk Management;
 - Internal Audit
 - Other reviews / assurance
- Provide confirmation that the Authority complies with CIPFA Framework *Delivering Good Governance in Local Government 2016*.



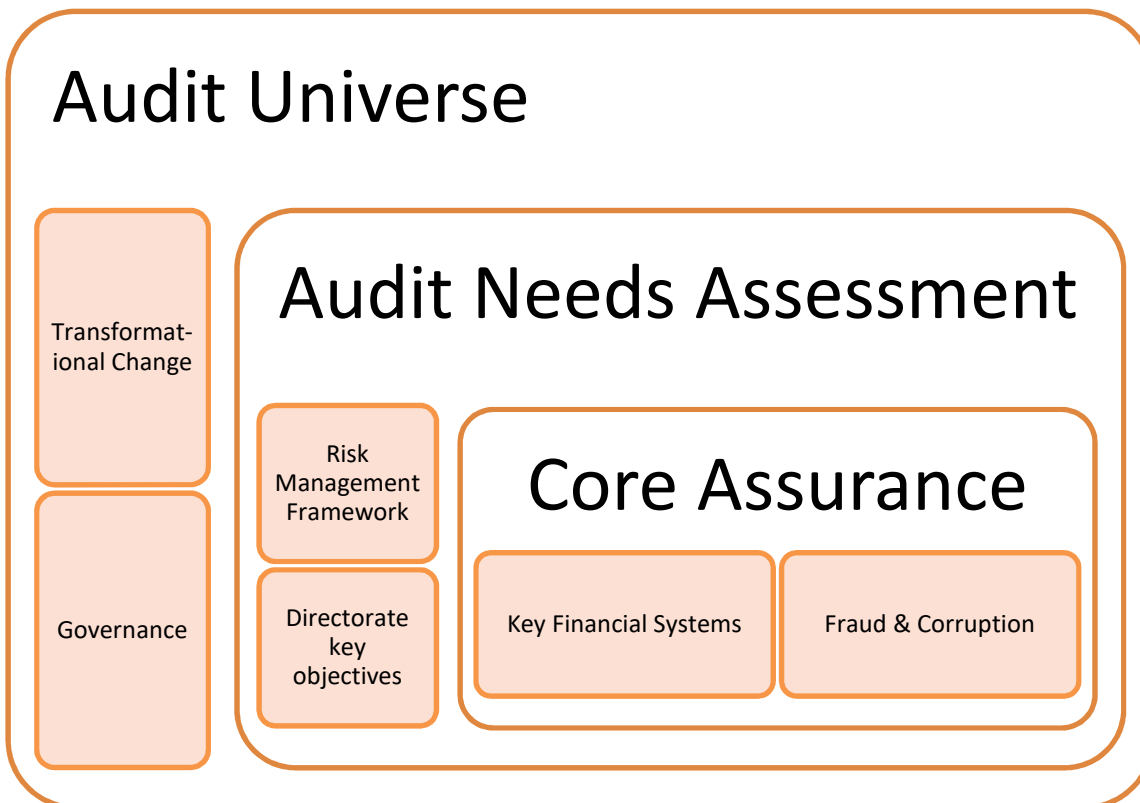
The AGS needs to be presented to, and approved by, the Audit Committee, and then signed by the Chair.

The Committee should satisfy themselves, from the assurances provided by the Annual Governance Statement Working Group, CMT and Internal Audit that the statement meets statutory requirements.

Appendix 3 - Audit Needs Assessment

We employ a risk based priority audit planning tool to identify those areas where audit resources can be most usefully targeted. This involves scoring a range of systems, services and functions across the whole Authority, known as the “Audit Universe” using a number of factors/criteria. The final score, or risk factor for each area, together with a priority ranking, then determines an initial schedule of priorities for audit attention.

The resultant Internal Audit Plan is set out in the ‘proposed audit plan’. There are a number of areas where risk, needs assessment and discussions with management have identified audit need but where there are not sufficient resources in the plan to review them at this stage (see appendix 5). The plan will remain flexible and should priorities need these areas may for part of the planned work.



The audit plan for the year plan has been created by:

Consideration of risks identified in the Authority’s strategic and operational risk registers

Review and update of the audit universe

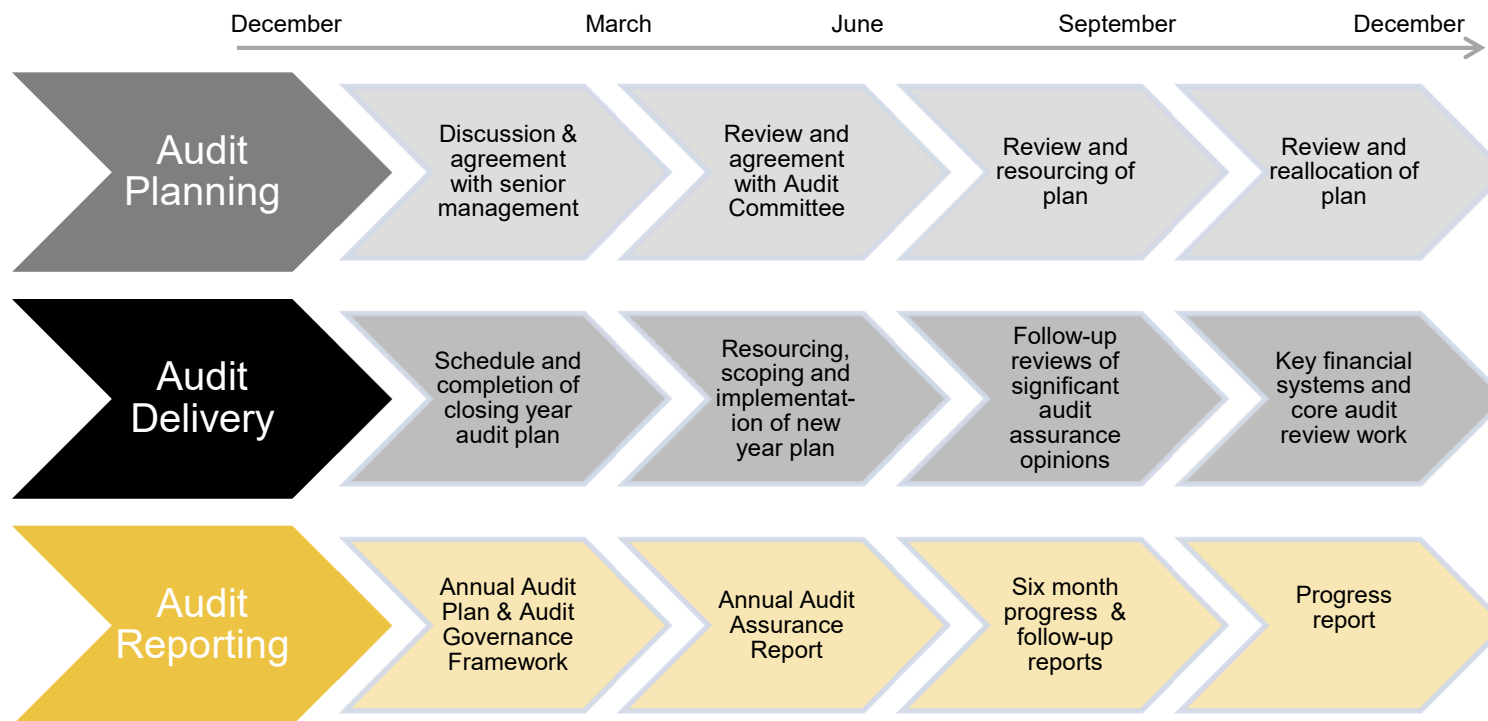
Discussions and liaison with Directors and Senior Officers regarding the risks which threaten the achievement of corporate or service objectives, including changes and / or the introduction of new systems, operations, programs, and corporate initiatives

Taking into account results of previous internal audit reviews

Taking into account Internal Audit’s knowledge and experience of the risks facing the Authority, including factors and systems that are key to successful achievement of the Council’s delivery plans

Requirements to provide a “collaborative audit” approach with the external auditors

Appendix 4 - Our Audit Team and the Audit Delivery Cycle



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 M 07814681196
 E robert.hutchins@devonaudit.gov.uk

David Curnow
 Deputy Head of Audit Partnership
 T 01392 383000
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 E david.curnow@devonaudit.gov.uk

Brenda Davis
 Audit Manager – Plymouth City Council
 T 01752 306713
 M 07816934144
 E brenda.davis@plymouth.gov.uk
 or brenda.davis@devonaudit.gov.uk

Date	Activity
Dec / Jan 2019	Directorate planning meetings
March 2019	Internal Audit Plan presented to Audit & Gov Committee
	Internal Audit Governance Arrangements reviewed by Audit & Gov Committee
	Year end field work completed
Apr 2019	Annual Performance reports written
Jul 2019	Annual Internal Audit Report presented to Audit & Gov Committee
	Follow –up work of previous year’s audit work commences
Sept 2019	Follow-up and progress reports presented to Audit & Gov Committee
Dec 2019	Six month progress reports presented to Audit & Gov Committee
	2020/21 Internal Audit Plan preparation commences

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PLYMOUTH CITY COUNCIL

Subject:	Draft External Audit Plan 18/19
Committee:	Audit & Governance
Date:	13th February 2019
Cabinet Member:	Councillor Lowry
CMT Member:	Andrew Hardingham, Service Director for Finance
Author:	Carolyn Haynes, Financial Controller
Contact details	01752 398927 email: carolyn.haynes@plymouth.gov.uk
Ref:	Fin/CH
Key Decision:	No
Part:	I

Purpose of the report:

To receive the Letter to Management, External Audit Plan and Progress Report from the external auditors Grant Thornton UK (GTUK). This sets out the auditor's responsibilities and the proposed audit approach and scope for the 2018/19 audit.

Corporate Plan

The audit plan will assess fundamental aspects of financial standing and performance management in PCC that relate to the key theme of 'value for money' relating to the Council's corporate priorities.

**Implications for Medium Term Financial Plan and Resource Implications:
Including finance, human, IT and land**

The external audit plan sets out the engagement timetable and framework for the assessment of the Council's financial reporting, management and standing, as well as value for money. The fee for the audit of £105,393 (PY: £136,874) will be paid out of Corporate Fees within Non Distributed Costs and is included in the budget.

Other Implications: e.g. Child Poverty, Community Safety, Health and Safety and Risk Management:

The audit plan for the year ended 31 March 2019 highlights the Council's statutory responsibility in respect of producing the financial statements. Without appropriate closedown processes in place and references to local government financial reporting policies there is a risk that statutory deadlines may be missed or accounting policies misinterpreted without the necessary reference to the external auditor's views or concerns. The consequence of this could result in a qualified audit opinion on the financial statements or a qualified value for money opinion.

Equality and Diversity

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Has an Equality Impact Assessment been undertaken? No

Recommendations and Reasons for recommended action:

The Committee is asked to consider the Audit Plan and the Progress Report from the external auditors. This is to ensure that the Audit Committee are aware of the external audit scope and objectives, overall audit strategy, key audit risks and the proposed audit fees for 2018/19.

The Committee is asked to note the contents of the Letter to Management and the deadline for a coordinated response from the Chair of the Audit and Governance Committee and management which is to be provided by the 30th April 2019.

This report forms part of the independent external audit review process. The Audit Committee's role requires it to receive regular reports from the external auditors on the progress of their work at PCC. Members are also asked to discuss the Audit Plan to identify whether there are any other matters that they wish to be considered as part of the audit.

Alternative options considered and rejected:

N/A

Published work / information:

The letter to management sets out the need for GTUK to ensure that the Council has processes in place to prevent and detect fraud and to ensure compliance with law and regulation.

The Audit Plan summarises the initial assessment of the key risks driving the development of the effective audit for the Council and outlines the planned audit strategy in response to those risks.

The External Audit Progress Report March 2019 provides details of the progress GTUK have made in delivering their responsibilities as external auditors as well as a summary of emerging national issues which the committee may wish to consider.

Background papers:

Title	Part I	Part II	Exemption Paragraph Number						
			1	2	3	4	5	6	7

Sign off:

Fin	djn.18.1 9.234	Leg	Lt/3218 4/2802	Mon Off	Lt/32184/2 802	HR		Assets		IT		Strat Proc	
Originating SMT Member Andrew Hardingham, Service Director for Finance													
Has the Cabinet Member(s) agreed the contents of the report? Yes													

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www.grant-thornton.co.uk

21 February 2019

Dear Andrew

Plymouth City Council
Financial Statements for the year end 31 March 2019

To comply with International Auditing Standards, we need to establish an understanding of the management processes in place to prevent and detect fraud and to ensure compliance with law and regulation. We are also required to make inquiries of both management and those charged with governance as to their knowledge of any actual, suspected or alleged fraud. International Auditing Standards also place certain obligations on auditors to document Management's view on some key areas affecting the financial statements.

To assist us in meeting these requirements, I would be grateful if you would consider and formally respond to the matters set out in the attached schedule. In completing this task, you may wish to take into account the views of other directors where you think appropriate. The schedule relates to operational issues as well as the financial statements.

In addition to our request to management, we will also need to contact the Chair of the Audit and Governance Committee, your Internal Auditors and the monitoring officer. For ease of responding, the question to the Chair of the Audit and Governance Committee is at the foot of the questions to management.

In preparing your responses, it would assist me greatly if you could include a summary of evidence that you have relied on to inform your responses, and the sources of assurance that you have that the relevant management controls have operated effectively through the financial year to date and will operate up to the date the accounts are approved.

It would be useful to coordinate both the Chair of the Audit and Governance Committee and management responses and for a response to be provided by 30 April 2019.

Please contact David Bray if you wish to discuss anything in relation to this request

Yours sincerely,

A handwritten signature in grey ink, appearing to read "G. Daly". The signature is cursive and somewhat stylized, with the first letter of each name being capitalized and prominent.

Geraldine Daly
Associate Director
Grant Thornton UK LLP

Questions to management – Plymouth City Council

Auditor question	Response
Fraud	
Please provide your assessment of how your financial statements may be materially misstated due to fraud, including the nature, extent and frequency of such assessments.	
What are your processes for identifying and responding to the risks of fraud? Have you identified any specific risks of fraud and/ or areas where the risks of fraud likely to exist?	
How do you communicate with those charged with governance regarding your processes for identifying and responding to the risks of fraud?	
How do you communicate with your employee regarding business practices and ethical behaviour?	
Do you have knowledge of any actual, suspected or alleged fraud affecting the entity?	
Related Parties	
Please list your related parties, highlighting any changes from the prior period	
Please provide a summary of the nature of the relationships between the entity and these related parties	
Has the entity entered into any transactions with these related parties during the 2018/19 period, if so, what was the type and purpose of the transaction(s)?	
Going Concern	
Is the going concern basis of accounting a fundamental principle in the preparation of your financial statements?	
Has a preliminary assessment of the entity's ability to continue as a going concern been performed?	

Have you identified events or conditions that, individually or collectively, may cast significant doubt on the entity's ability to continue as a going concern? If so, what are your plans to address them?	
What is your basis for the intended use of the going concern assumption? Do events or conditions exist that, individually or collectively, may cast significant doubt on the entity's ability to continue as a going concern?	
If applicable, please document your basis for concluding that the going concern basis of accounting is not a fundamental principle in the preparation of the financial statements	
Litigation and claims	
Are you aware of possible litigation and/ or claims which may give rise to a risk of material misstatement?	
Accounting estimates	
How do you identify transactions, events, and conditions that may give rise to the need for accounting estimates to be recognised or disclosed in your financial statements?	
Are there any changes in circumstances that may give rise to new, or the need to revise existing, accounting estimates?	
Laws and Regulations	
Are you aware of any non-compliance with any laws and regulations?	

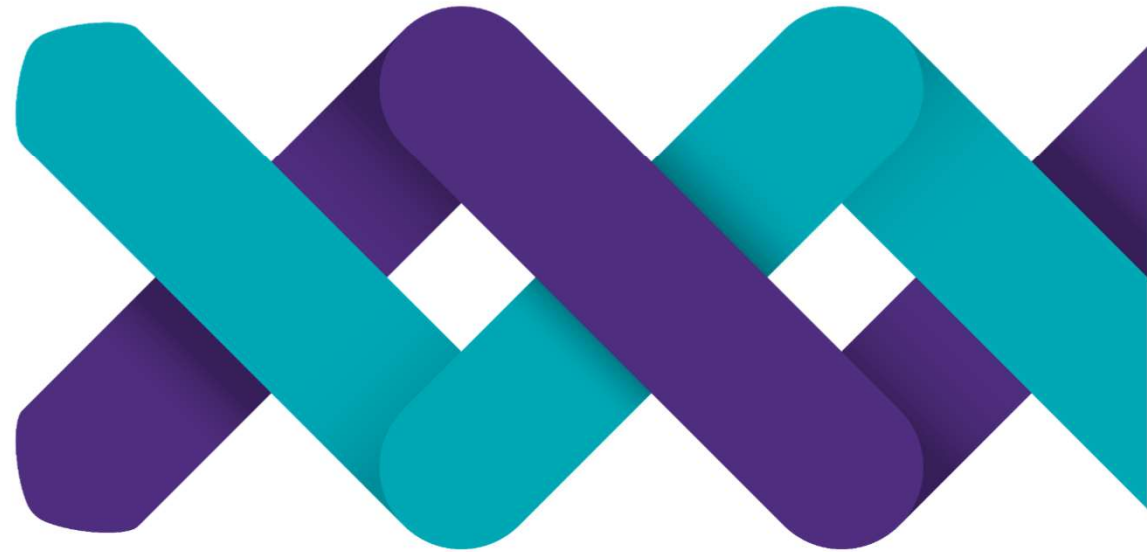
Question to Those Charged with Governance – Plymouth City Council

Auditor question	Response
Do you have knowledge of any actual, suspected, or alleged fraud affecting the entity?	

Audit Progress Report and Sector Update

Plymouth City Council
Year ending 31 March 2019

Committee Date: 11 March 2019



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Progress at 20 February 2019	4
Audit Deliverables	5
Sector Update	6

Introduction



Geraldine Daly
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David Bray
Engagement Manager

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This paper provides the Audit and Governance Committee with a report on progress in delivering our responsibilities as your external auditors.

The paper also includes:

- a summary of emerging national issues and developments that may be relevant to you as a local authority; and
- includes a number of challenge questions in respect of these emerging issues which the Committee may wish to consider (these are a tool to use, if helpful, rather than formal questions requiring responses for audit purposes)

Members of the Audit and Governance Committee can find further useful material on our website (www.grant-thornton.co.uk) where we have a section dedicated to our work in the public sector and where you can download copies of our publications.

If you would like further information on any items in this briefing, or would like to register with Grant Thornton to receive regular email updates on issues that are of interest to you, please contact either your Engagement Lead or Engagement Manager.

Progress at 20 February 2019

Financial Statements Audit

We have started planning for the 2018/19 financial statements audit and have issued a detailed audit plan, setting out our proposed approach to the audit of the Council's 2018/19 financial statements.

We commenced our interim audit on 18 February 2019 and at the time of writing there are no issues to report to the Audit and Governance Committee. Our interim fieldwork visit will include:

- Updated review of the Council's control environment
- Updated understanding of financial systems
- Review of Internal Audit reports on core financial systems
- Early work on emerging accounting issues
- Early substantive testing

We will provide the Committee with a verbal update on the findings from our interim audit

The statutory deadline for the issue of the 2018/19 opinion is 31 July 2019. We will discuss our plan and timetable with officers.

Value for Money

The scope of our work is set out in the guidance issued by the National Audit Office. The Code requires auditors to satisfy themselves that; "the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources".

The guidance confirmed the overall criterion as: "in all significant respects, the audited body had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people".

The three sub criteria for assessment to be able to give a conclusion overall are:

- Informed decision making
- Sustainable resource deployment
- Working with partners and other third parties

Details of our initial risk assessment to determine our approach are included in our Audit Plan, which is included as a separate agenda item for the Audit and Governance Committee meeting.

We will report our work in the Audit Findings Report and give our Value For Money Conclusion by the deadline in July 2019.

Other areas

Engagement with Predecessor Auditors

We visited the offices of your predecessor auditors (BDO) on 4 December 2018 to review their 2017/18 audit files. We have obtained adequate assurance regarding the opening balances for 2018/19 and have not needed to modify our planned audit approach.

Meetings

We met with Finance Officers in February as part of our regular liaison meetings and continue to be in discussions with the Council regarding emerging developments and to ensure the audit process is smooth and effective.

Events

We provide a range of workshops, along with network events for members and publications to support the Council. We held a Financial Reporting Workshop in Plymouth to help to ensure that members of your Finance Team are up to date with the latest financial reporting requirements for local authority accounts.

Further details of the publications that may be of interest to the Council are set out in our Sector Update section of this report.

Audit Deliverables

2018/19 Deliverables	Planned Committee Date	Status
Fee Letter We wrote to the Council's Chief Executive confirming the audit fee for 2018/19 in April 2018.	October 2018	Complete
Accounts Audit Plan We are required to issue a detailed accounts audit plan to the Audit and Governance Committee setting out our proposed approach in order to give an opinion on the Council's 2018/19 financial statements.	March 2019	Complete
Interim Audit Findings Our interim audit commenced on 20 February 2019 and, at the time of writing, was not sufficiently advanced to report any findings to the Committee. We will provide a verbal update to Members and will formally report this work to the next Audit and Governance Committee meeting.	March 2019	In Progress
Audit Findings Report The Audit Findings Report will be reported to the July Audit and Governance Committee.	July 2019	Not yet due
Auditors Report This is the opinion on your financial statements, annual governance statement and value for money conclusion.	July 2019	Not yet due
Annual Audit Letter This letter communicates the key issues arising from our work.	September 2019	Not yet due
Annual Certification Letter This letter reports any matters arising from our certification work carried out in 2018/19.	December 2019	Not yet due

Sector Update

Councils are tackling a continuing drive to achieve greater efficiency in the delivery of public services, whilst facing the challenges to address rising demand, ongoing budget pressures and social inequality.

Our sector update provides you with an up to date summary of emerging national issues and developments to support you. We cover areas which may have an impact on your organisation, the wider Local Government sector and the public sector as a whole. Links are provided to the detailed report/briefing to allow you to delve further and find out more.

Our public sector team at Grant Thornton also undertake research on service and technical issues. We will bring you the latest research publications in this update. We also include areas of potential interest to start conversations within the organisation and with audit committee members, as well as any accounting and regulatory updates.

- [Grant Thornton Publications](#)
- [Insights from local government sector specialists](#)
- [Reports of interest](#)
- [Accounting and regulatory updates](#)

More information can be found on our dedicated public sector and local government sections on the Grant Thornton website by clicking on the logos below:

Public Sector

Local
government

Public Sector Audit Appointments – Report on the results of auditors’ work 2017/18

This is the fourth report published by Public Sector Audit Appointments (PSAA) and summarises the results of auditors’ work at 495 principal local government and police bodies for 2017/18. This will be the final report under the statutory functions from the Audit Commission Act 1998 that were delegated to PSAA on a transitional basis.

The report covers the timeliness and quality of financial reporting, auditors’ local value for money work, and the extent to which auditors used their statutory reporting powers.

For 2017/18, the statutory accounts publication deadline came forward by two months to 31 July 2018. This was challenging for bodies and auditors and it is encouraging that 431 (87 per cent) audited bodies received an audit opinion by the new deadline.

The most common reasons for delays in issuing the opinion on the 2017/18 accounts were:

- technical accounting/audit issues;
- various errors identified during the audit;
- insufficient availability of staff at the audited body to support the audit;
- problems with the quality of supporting working papers; and
- draft accounts submitted late for audit.

All the opinions issued to date in relation to bodies’ financial statements are unqualified, as was the case for the 2016/17 accounts. Auditors have made statutory recommendations to three bodies, compared to two such cases in respect of 2016/17, and issued an advisory notice to one body.

The number of qualified conclusions on value for money arrangements looks set to remain relatively constant. It currently stands at 7 per cent (32 councils, 1 fire and rescue authority, 1 police body and 2 other local government bodies) compared to 8 per cent for 2016/17, with a further 30 conclusions for 2017/18 still to be issued.

The most common reasons for auditors issuing qualified VFM conclusions for 2017/18 were:

- the impact of issues identified in the reports of statutory inspectorates, for example Ofsted;
- corporate governance issues;
- financial sustainability concerns; and
- procurement/contract management issues.

All the opinions issued to date in relation to bodies’ financial statements are unqualified, as was the case for the 2016/17 accounts.

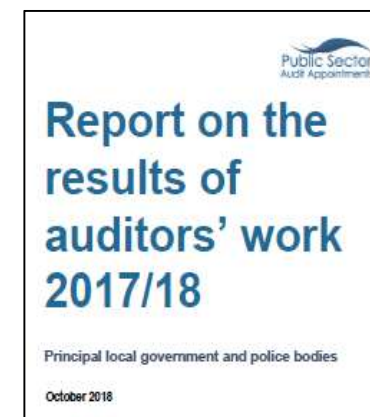
The report is available on the PSAA website:

<https://www.psa.co.uk/audit-quality/reports-on-the-results-of-auditors-work/>

PSAA Report

Challenge question:

Has your Authority identified improvements to be made to the 2018/19 financial statements audit and Value for Money Conclusion?



National Audit Office – Local auditor reporting in England

The report describes the roles and responsibilities of local auditors and relevant national bodies in relation to the local audit framework and summarises the main findings reported by local auditors in 2017-18. It also considers how the quantity and nature of the issues reported have changed since the Comptroller & Auditor General (C&AG) took up his new responsibilities in 2015, and highlights differences between the local government and NHS sectors.

Given increasing financial and demand pressures on local bodies, they need strong arrangements to manage finances and secure value for money. External auditors have a key role in determining whether these arrangements are strong enough. The fact that only three of the bodies (5%) the NAO contacted in connection with this study were able to confirm that they had fully implemented their plans to address the weaknesses reported suggests that while auditors are increasingly raising red flags, some of these are met with inadequate or complacent responses.

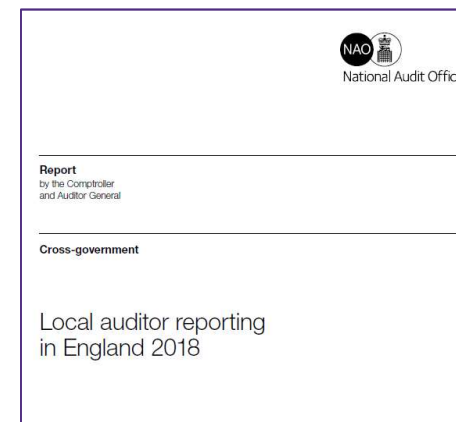
Qualified conclusions on arrangements to secure value for money locally are both unacceptably high and increasing. Auditors qualified their conclusions on arrangements to secure value for money at an increasing number of local public bodies: up from 170 (18%) in 2015-16 to 208 (22%) in 2017-18. As at 17 December 2018, auditors have yet to issue 20 conclusions on arrangements to secure value for money, so this number may increase further for 2017-18.

The proportion of local public bodies whose plans for keeping spending within budget are not fit-for-purpose, or who have significant weaknesses in their governance, is too high. This is a risk to public money and undermines confidence in how well local services are managed. Local bodies need to demonstrate to the wider public that they are managing their organisations effectively, and take local auditor reports seriously. Those charged with governance need to hold their executives to account for taking prompt and effective action. Local public bodies need to do more to strengthen their arrangements and improve their performance.

Local auditors need to exercise the full range of their additional reporting powers, where this is the most effective way of highlighting concerns, especially where they consider that local bodies are not taking sufficient action. Departments need to continue monitoring the level and nature of non-standard reporting, and formalise their processes where informal arrangements are in place. The current situation is serious, with trend lines pointing downwards.

The report is available on the NAO website:

<https://www.nao.org.uk/report/local-auditor-reporting-in-england-2018/>



NAO Report

Challenge question:



Has your Authority responded appropriately to any concerns or issues raised in the External Auditor's report for 2017/18?

National Audit Office – Local authority governance

The report examines whether local governance arrangements provide local taxpayers and Parliament with assurance that local authority spending achieves value for money and that authorities are financially sustainable.

Local government has faced considerable funding and demand challenges since 2010-11. This raises questions as to whether the local government governance system remains effective. As demonstrated by Northamptonshire County Council, poor governance can make the difference between coping and not coping with financial and service pressures. The Department (Ministry of Housing, Communities and Local Government) places great weight on local arrangements in relation to value for money and financial sustainability, with limited engagement expected from government. For this to be effective, the Department needs to know that the governance arrangements that support local decision-making function as intended. In order to mitigate the growing risks to value for money in the sector the Department needs to improve its system-wide oversight, be more transparent in its engagement with the sector, and adopt a stronger leadership role across the governance network

Not only are the risks from poor governance greater in the current context as the stakes are higher, but the process of governance itself is more challenging and complex. Governance arrangements have to be effective in a riskier, more time-pressured and less well-resourced context. For instance, authorities need to:

- maintain tight budgetary control and scrutiny to ensure overall financial sustainability at a time when potentially contentious savings decisions have to be taken and resources for corporate support are more limited; and
- ensure that they have robust risk management arrangements in place when making commercial investments to generate new income, and that oversight and accountability is clear when entering into shared service or outsourced arrangements in order to deliver savings.

Risk profiles have increased in many local authorities as they have reduced spending and sought to generate new income in response to funding and demand pressures. Local authorities have seen a real-terms reduction in spending power (government grant and council tax) of 28.6% between 2010-11 and 2017-18. Demand in key service areas has also increased, including a 15.1% increase in the number of looked after children from 2010-11 to 2017-18. These pressures create risks to authorities' core objectives of remaining financially sustainable and meeting statutory service obligations. Furthermore, to mitigate these fundamental risks, many authorities have pursued strategies such as large-scale transformations or commercial investments that in themselves carry a risk of failure or under-performance.

The report is available on the NAO website:

<https://www.nao.org.uk/report/local-authority-governance-2/>

NAO Report

Challenge question:

Has your Authority got appropriate governance and risk management arrangements in place to address the risks and challenges identified in the NAO report?



CIPFA – Financial Resilience Index plans revised

The Chartered Institute of Public Finance and Accountancy (CIPFA) has refined its plans for a financial resilience index for councils and is poised to rate bodies on a “suite of indicators” following a consultation with the sector.

CIPFA has designed the index to provide reassurance to councils who are financially stable and prompt challenge where it may be needed. To understand the sector’s views, CIPFA invited all interested parties to respond to questions it put forward in the consultation by the 24 August.

CIPFA has also responded to concerns about the initial choice of indicators, updating the selection and will offer authorities an advanced viewing of results.

Plans for a financial resilience index were put forward by CIPFA in the summer. It is being designed to offer the sector some external guidance on their financial position.

CIPFA hailed the “unprecedented level of interest” in the consultation.

Responses were received from 189 parties, including individual local authorities, umbrella groups and auditors. Some respondents called for a more “forward-looking” assessment and raised fears over the possibility of “naming and shaming” councils.

CIPFA chief executive Rob Whiteman said with local government facing “unprecedented financial challenges” and weaknesses in public audit systems, the institute was stepping in to provide a leadership role in the public interest.

“Following the feedback we have received, we have modified and strengthened the tool so it will be even more helpful for local authorities with deteriorating financial positions,” he said.

“The tool will sit alongside CIPFA’s planned Financial Management Code, which aims to support good practice in the planning and execution of sustainable finances.”

CIPFA is now planning to introduce a “reserves depletion time” category as one of the indicators. This shows the length of time a council’s reserves will last if they deplete their reserves at the same rate as over the past three years.

The consultation response document said this new category showed that “generally most councils have either not depleted their reserves or their depletion has been low”.

“The tool will not now provide, as originally envisaged, a composite weighted index but within the suite of indicators it will include a red, amber, green (RAG) alert of specific proximity to insufficient reserve given recent trajectories,” it said.

It also highlighted the broad support from the sector for the creation of the index. “There was little dissent over the fact that CIPFA is doing the right thing in drawing attention to a matter of high national concern,” it said.

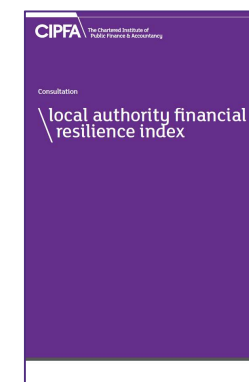
“Most respondents agreed to the need for transparency – but a sizable number had concerns over the possibly negative impacts of adverse indicators and many councils wanted to see their results prior to publication.”

As such, CIPFA plans to provide resilience measurements first to the local authorities and their auditors via the section 151 officer rather than publishing openly.

CIPFA Consultation

Challenge question:

Has the finance team briefed members on the Council’s response to the Financial Resilience Index consultation?



ICAEW Report: expectations gap

The Institute of Chartered Accountants in England and Wales (ICAEW) has published a paper on the 'expectation gap' in the external audit of public bodies.

Context:

The expectation gap is the difference between what an auditor actually does, and what stakeholders and commentators think the auditors obligations might be and what they might do. Greater debate being whether greater education and communication between auditors and stakeholders should occur rather than substantial changes in role and remit of audit.

What's the problem?

• Short-term solvency vs. Longer-term value:

- LG & NHS: Facing financial pressures, oversight & governance pressures

• Limited usefulness of auditors reports:

'The VFM conclusion is helpful, but it is more about the system/arrangements in place rather than the actual effectiveness of value for money'

• Other powers and duties:

implementing public interest reports in addition to VFM

• Restricted role of questions and objections:

Misunderstanding over any objections/and or question should be resolved by the local public auditor. Lack of understanding that auditors have discretion in the use of their powers.

• Audit qualification not always acted on by those charged with governance:

'if independent public audit is to have the impact that it needs, it has to be taken seriously by those charged with governance'

• Audit committees not consistently effective:

Local government struggles to recruit external members for their audit committees, they do not always have the required competencies and independence.

• Decreased audit fees:

firms choose not to participate because considered that the margins were too tight to enable them to carry out a sufficient amount of work within the fee scales.

• Impact of audit independence rules:

new independence rules don't allow for external auditors to take on additional work that could compromise their external audit role

• Other stakeholders expectations not aligned with audit standards

- **Increased auditor liability:** an auditor considering reporting outside of the main audit engagement would need to bill their client separately and expect the client to pay.

Future financial viability of local public bodies

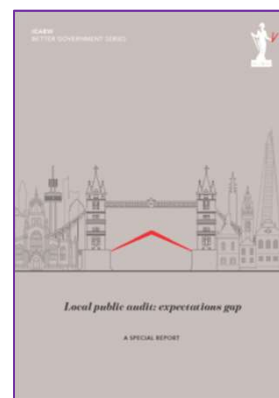
Local public bodies are being asked to deliver more with less and be more innovative and commercial. CFOs are, of course, nervous at taking risks in the current environment and therefore would like more involvement by their auditors. They want auditors to challenge their forward-looking plans and assumptions and comment on the financial resilience of the organisation..

The ICAEW puts forward two solutions:

Solution a) If CFO's want additional advisory work, rather than just the audit, they can separately hire consultants (either accountancy firms not providing the statutory audit or other business advisory organisations with the required competencies) to work alongside them in their financial resilience work and challenging budget assumptions.

Solution b) Wider profession (IFAC, IAASB, accountancy bodies) should consider whether audit, in its current form, is sustainable and fit for purpose. Stakeholders want greater assurance, through greater depth of testing, analysis and more detailed reporting of financial matters. It is perhaps, time to look at the wider scope of audit. For example, could there be more value in auditors providing assurance reports on key risk indicators which have a greater future-looking focus, albeit focused on historic data?

More information can be found in the link below (click on the cover page)



The expectations gap

Challenge question:

How effectively is the audit meeting your expectations?



This version of the report is a draft. Its contents and subject matter remain under review and its contents may change and be expanded as part of the finalisation of the report.

External Audit Plan

Year ending 31 March 2019

Plymouth City Council
21 February 2019





Your key Grant Thornton team members are:

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Jonathan Stancombe

Executive

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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 planning 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 Authority or all 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.

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Introduction & headlines

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Purpose

This document provides an overview of the planned scope and timing of the statutory audit of Plymouth City Council ('the Authority') for those charged with governance.

Respective responsibilities

The National Audit Office ('the NAO') has issued a document entitled Code of Audit Practice ('the Code'). This summarises where the responsibilities of auditors begin and end and what is expected from the audited body. Our respective responsibilities are also set out in the Terms of Appointment and Statement of Responsibilities issued by Public Sector Audit Appointments (PSAA), the body responsible for appointing us as auditor of Plymouth City Council. We draw your attention to both of these documents on the [PSAA website](#).

Scope of our audit

The scope of our audit is set in accordance with the Code and International Standards on Auditing (ISAs) (UK). We are responsible for forming and expressing an opinion on the :

- Authority's financial statements that have been prepared by management with the oversight of those charged with governance (the Audit and Governance Committee); and
- Value for Money arrangements in place at the Authority for securing economy, efficiency and effectiveness in your use of resources.

The audit of the financial statements does not relieve management or the Audit and Governance Committee of your responsibilities. It is the responsibility of the Authority to ensure that proper arrangements are in place for the conduct of its business, and that public money is safeguarded and properly accounted for. We have considered how the Authority is fulfilling these responsibilities.

Our audit approach is based on a thorough understanding of the Authority's business and is risk based.

Significant risks

Those risks requiring special audit consideration and procedures to address the likelihood of a material financial statement error have been identified as:

- Management over-ride of controls
- Valuation of land and buildings
- Valuation of the pension fund net liability
- Proposal to reduce the pension fund net liability

We will communicate significant findings on these areas as well as any other significant matters arising from the audit to you in our Audit Findings (ISA 260) Report.

Materiality

We have determined planning materiality to be £9.775m (PY £10.1m) for the Authority, which equates to 1.7% of your forecast gross expenditure for the year. We are obliged to report uncorrected omissions or misstatements other than those which are 'clearly trivial' to those charged with governance. Clearly trivial has been set at £489k (PY £202k).

Introduction & headlines

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Value for Money arrangements

Our risk assessment regarding your arrangements to secure value for money have identified the following VFM significant risk for 2018/19:

- Delivering the budget for 2018/19 and achieving a sustainable financial future.

We will also review the way in which the Council has considered how the proposal to reduce its pension fund net liability provides value for money.

Audit logistics

Our interim visit will take place in February and March 2019 and our final visit will take place in June and July. Our key deliverables are this Audit Plan and our Audit Findings Report.

Our fee for the audit will be £105,393 (PY: £136,874) for the Authority, subject to the Authority meeting our requirements set out on page 13.

Independence

We have complied with the Financial Reporting Council's Ethical Standard and we as a firm, and each covered person, confirm that we are independent and are able to express an objective opinion on the financial statements.

Key matters impacting our audit

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External Factors

The wider economy and political uncertainty

Local Government funding continues to be stretched with increasing cost pressures and demand from residents. For Plymouth City Council, these pressures are particularly relevant for Adults' and Childrens' services where increasing demand pressures are leading to overspends against the budget.

At a national level, the government continues its negotiation with the EU over Brexit, and future arrangements remain clouded in uncertainty. The Authority will need to ensure that it is prepared for all outcomes, including in terms of any impact on contracts, on service delivery and on its support for local people and businesses.

Changes to the CIPFA 2018/19 Accounting Code

The most significant changes relate to the adoption of:

- IFRS 9 Financial Instruments which impacts on the classification and measurement of financial assets and introduces a new impairment model.
- IFRS 15 Revenue from Contracts with Customers which introduces a five step approach to revenue recognition.

Internal Factors

New audit methodology

We will be using our new audit methodology and tool, LEAP, for the 2018/19 audit. It will enable us to be more responsive to changes that may occur in your organisation and more easily incorporate our knowledge of the Authority into our risk assessment and testing approach.

Our response

- We will consider your arrangements for managing and reporting your financial resources as part of our work in reaching our Value for Money conclusion.
- We will consider whether your financial position leads to material uncertainty about the going concern of the Authority and will review related disclosures in the financial statements.
- We will keep the implications of Brexit under review and will assess the impact of any uncertainty on material valuations within the financial statements.

- We will keep you informed of changes to the financial reporting requirements for 2018/19 through on-going discussions and invitations to our technical update workshops.
- As part of our opinion on your financial statements, we will consider whether your financial statements reflect the changes in the 2018/19 CIPFA Code.

- You will see changes in the terminology we use in our reports that will align more closely with the ISAs.
- We will ensure that our resources and testing are best directed to address your risks in an effective way.

Significant risks identified

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Significant risks are defined by ISAs (UK) as risks that, in the judgement of the auditor, require special audit consideration. In identifying risks, audit teams consider the nature of the risk, the potential magnitude of misstatement, and its likelihood. Significant risks are those risks that have a higher risk of material misstatement.

Risk	Reason for risk identification	Key aspects of our proposed response to the risk
The revenue cycle includes fraudulent transactions	<p>Under ISA (UK) 240 there is a rebuttable presumed risk that revenue may be misstated due to the improper recognition of revenue.</p> <p>This presumption can be rebutted if the auditor concludes that there is no risk of material misstatement due to fraud relating to revenue recognition.</p>	<p>Having considered the risk factors set out in ISA240 and the nature of the revenue streams at the Authority, we have determined that the risk of fraud arising from revenue recognition can be rebutted, because:</p> <ul style="list-style-type: none"> • there is little incentive to manipulate revenue recognition • opportunities to manipulate revenue recognition are very limited • the culture and ethical frameworks of local authorities, including Plymouth City Council, mean that all forms of fraud are seen as unacceptable <p>We therefore do not consider this to be a significant risk for Plymouth City Council.</p>
Management over-ride of controls	<p>Under ISA (UK) 240 there is a non-rebuttable presumed risk that the risk of management over-ride of controls is present in all entities. The Authority faces external scrutiny of its spending and this could potentially place management under undue pressure in terms of how they report performance.</p> <p>We therefore identified management override of control, in particular journals, management estimates and transactions outside the course of business as a significant risk, which was one of the most significant assessed risks of material misstatement.</p>	<p>We will:</p> <ul style="list-style-type: none"> • evaluate the design effectiveness of management controls over journals • analyse the journals listing and determine the criteria for selecting high risk unusual journals • test unusual journals recorded during the year and after the draft accounts stage for appropriateness and corroboration • gain an understanding of the accounting estimates and critical judgements applied made by management and consider their reasonableness with regard to corroborative evidence • evaluate the rationale for any changes in accounting policies, estimates or significant unusual transactions.

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Significant risks identified

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Risk	Reason for risk identification	Key aspects of our proposed response to the risk
Valuation of land and buildings	<p>The Authority revalues its land and buildings on a rolling five-yearly basis. This valuation represents a significant estimate by management in the financial statements due to the size of the numbers involved (£728 million at 31 March 2018) and the sensitivity of this estimate to changes in key assumptions. Additionally, management will need to ensure the carrying value in the Authority's financial statements is not materially different from the current value or the fair value (for surplus assets) at the financial statements date, where a rolling programme is used.</p> <p>We therefore identified valuation of land and buildings, particularly revaluations and impairments, as a significant risk, which was one of the most significant assessed risks of material misstatement.</p>	<p>We will:</p> <ul style="list-style-type: none"> • evaluate management's processes and assumptions for the calculation of the estimate, the instructions issued to valuation experts and the scope of their work • evaluate the competence, capabilities and objectivity of the valuation expert • write to the valuer to confirm the basis on which the valuation was carried out • challenge the information and assumptions used by the valuer to assess completeness and consistency with our understanding • test revaluations made during the year to see if they had been input correctly into the Authority's asset register • evaluate the assumptions made by management for those assets not revalued during the year and how management has satisfied themselves that these are not materially different to current value at year end.
Valuation of the pension fund net liability	<p>The Authority's pension fund net liability, as reflected in its balance sheet as the net defined benefit liability, represents a significant estimate in the financial statements.</p> <p>The pension fund net liability is considered a significant estimate due to the size of the numbers involved (£562 million in the Authority's balance sheet) at 31 March 2018) and the sensitivity of the estimate to changes in key assumptions.</p> <p>We therefore identified valuation of the Authority's pension fund net liability as a significant risk, which was one of the most significant assessed risks of material misstatement.</p>	<p>We will:</p> <ul style="list-style-type: none"> • update our understanding of the processes and controls put in place by management to ensure that the Authority's pension fund net liability is not materially misstated and evaluate the design of the associated controls • evaluate the instructions issued by management to their management expert (an actuary) for this estimate and the scope of the actuary's work • assess the competence, capabilities and objectivity of the actuary who carried out the Authority's pension fund valuation; • assess the accuracy and completeness of the information provided by the Authority to the actuary to estimate the liability • test the consistency of the pension fund asset and liability and disclosures in the notes to the core financial statements with the actuarial report from the actuary • undertake procedures to confirm the reasonableness of the actuarial assumptions made by reviewing the report of the consulting actuary (as auditor's expert) and performing any additional procedures suggested within the report • obtain assurances from the auditor of Devon Pension Fund as to the controls surrounding the validity and accuracy of membership data; contributions data and benefits data sent to the actuary by the pension fund and the fund assets valuation in the pension fund financial statements.

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Significant risks identified

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Risk	Reason for risk identification	Key aspects of our proposed response to the risk
Proposal to reduce the pension fund net liability	<p>As noted on the previous page, the Authority's pension fund net liability represents a significant estimate in the financial statements.</p> <p>The Authority is considering options that could reduce the pension fund net liability, although any payment is not expected to occur until after the financial year end.</p> <p>This type of transaction is both material and unusual and has therefore been assessed as a significant risk.</p>	<p>We will:</p> <ul style="list-style-type: none">• assess the due diligence undertaken by the Authority• review the action taken by the Authority to ensure the transaction's legality, supplementing this with our own independent legal advice where appropriate• assess the arrangements the Authority has in place to assess whether it considers the proposed transaction to reduce the pension fund net liability to be financially sound.• if the transaction goes ahead, review the Authority's proposed accounting treatment to ensure it is compliant with CIPFA's Code and the relevant accounting standards.• ensure

We will communicate significant findings on these areas as well as any other significant matters arising from the audit to you in our Audit Findings Report in July 2019.

Other work

In addition to our responsibilities under the Code of Practice, we have a number of other audit responsibilities, as follows:

- We read your Narrative Report and Annual Governance Statement to check that they are consistent with the financial statements on which we give an opinion and consistent with our knowledge of the Authority.
- We carry out work to satisfy ourselves that disclosures made in your Annual Governance Statement are in line with the guidance issued by CIPFA.
- We carry out work on your consolidation schedules for the Whole of Government Accounts process in accordance with NAO group audit instructions.
- We consider our other duties under legislation and the Code, as and when required, including:
 - Giving electors the opportunity to raise questions about your 2018/19 financial statements, consider and decide upon any objections received in relation to the 2018/19 financial statements;
 - issue of a report in the public interest or written recommendations to the Authority under section 24 of the Act, copied to the Secretary of State.
 - Application to the court for a declaration that an item of account is contrary to law under Section 28 or for a judicial review under Section 31 of the Act; or
 - Issuing an advisory notice under Section 29 of the Act.
- We certify completion of our audit.

Other material balances and transactions

Under International Standards on Auditing, "irrespective of the assessed risks of material misstatement, the auditor shall design and perform substantive procedures for each material class of transactions, account balance and disclosure". All other material balances and transaction streams will therefore be audited. However, the procedures will not be as extensive as the procedures adopted for the risks identified in this report.

Going concern

As auditors, we are required to "obtain sufficient appropriate audit evidence about the appropriateness of management's use of the going concern assumption in the preparation and presentation of the financial statements and to conclude whether there is a material uncertainty about the Authority's ability to continue as a going concern" (ISA (UK) 570). We will review management's assessment of the going concern assumption and evaluate the disclosures in the financial statements.

Materiality

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The concept of materiality

The concept of materiality is fundamental to the preparation of the financial statements and the audit process and applies not only to the monetary misstatements but also to disclosure requirements and adherence to acceptable accounting practice and applicable law. Misstatements, including omissions, are considered to be material if they, individually or in the aggregate, could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Materiality for planning purposes

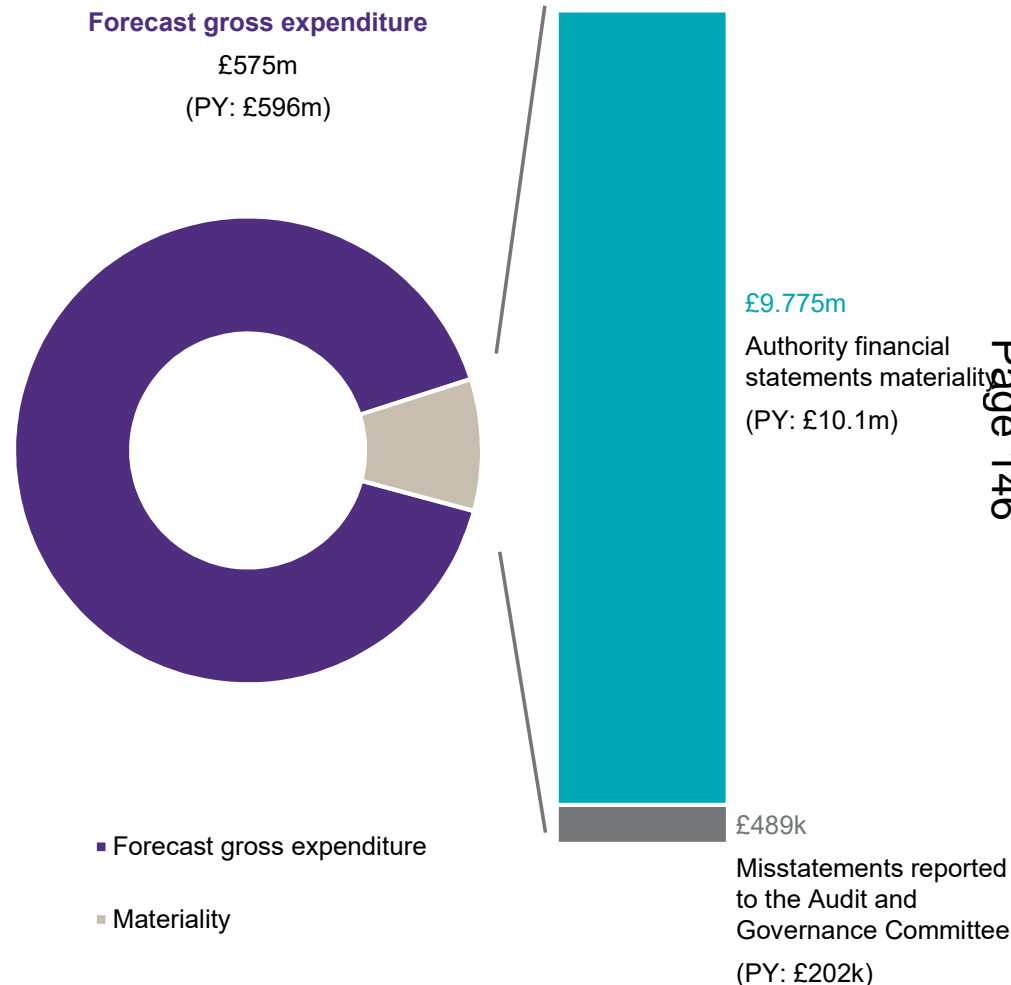
We have determined financial statement materiality based on a proportion of the gross expenditure of the Authority for the financial year. Materiality at the planning stage of our audit is £9.775m (PY £10.1m) for the Authority, which equates to 1.7% of your forecast gross expenditure for the year. We design our procedures to detect errors in specific accounts at a lower level of precision which we have determined to be £10 for the Senior Officer remuneration disclosures.

We reconsider planning materiality if, during the course of our audit engagement, we become aware of facts and circumstances that would have caused us to make a different determination of planning materiality.

Matters we will report to the Audit Committee

Whilst our audit procedures are designed to identify misstatements which are material to our opinion on the financial statements as a whole, we nevertheless report to the Audit Committee any unadjusted misstatements of lesser amounts to the extent that these are identified by our audit work. Under ISA 260 (UK) 'Communication with those charged with governance', we are obliged to report uncorrected omissions or misstatements other than those which are 'clearly trivial' to those charged with governance. ISA 260 (UK) defines 'clearly trivial' as matters that are clearly inconsequential, whether taken individually or in aggregate and whether judged by any quantitative or qualitative criteria. In the context of the Authority, we propose that an individual difference could normally be considered to be clearly trivial if it is less than £489k (PY £202k).

If management have corrected material misstatements identified during the course of the audit, we will consider whether those corrections should be communicated to the Audit and Governance Committee to assist it in fulfilling its governance responsibilities.



Value for Money arrangements

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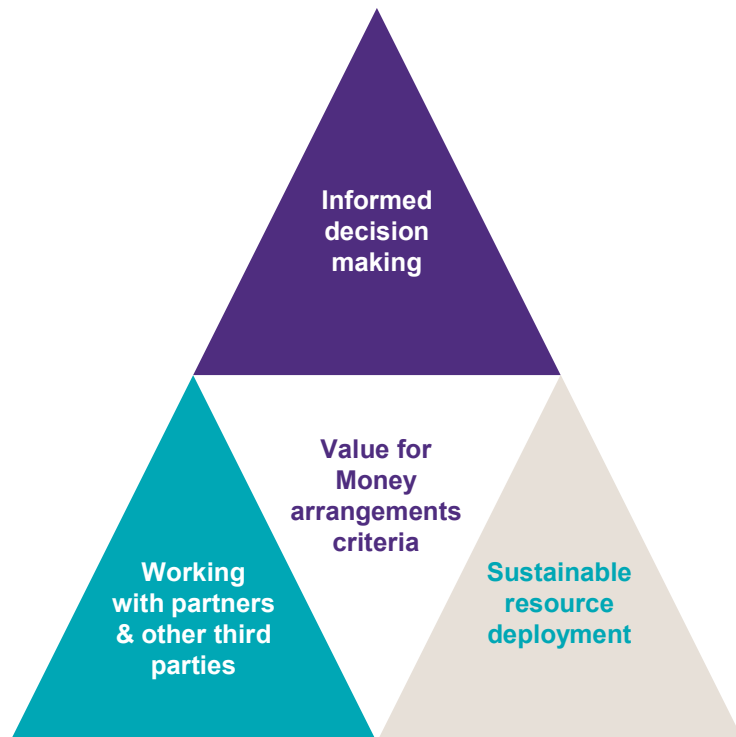
Background to our VFM approach

The NAO issued its guidance for auditors on Value for Money work in November 2017. The guidance states that for Local Government bodies, auditors are required to give a conclusion on whether the Authority has proper arrangements in place to secure value for money.

The guidance identifies one single criterion for auditors to evaluate:

“In all significant respects, the audited body takes properly informed decisions and deploys resources to achieve planned and sustainable outcomes for taxpayers and local people.”

This is supported by three sub-criteria, as set out below:



Significant VFM risks

Those risks requiring audit consideration and procedures to address the likelihood that proper arrangements are not in place at the Authority to deliver value for money.



Delivering the budget for 2018/19 and achieving a sustainable financial future

Achieving the budget in 2018/19 will be difficult due to increased demand and overspends within Adult's Social Care and Children's Social Care.

Looking ahead, ensuring a sustainable financial future will be challenging due to significant savings required over the next two years and the pressures noted in the two high-spend areas noted above.

We will review the arrangements in place to deliver a breakeven position in 2018/19, including managing the demand in adults' and children's services and the mitigating actions to reduce in-year overspends.

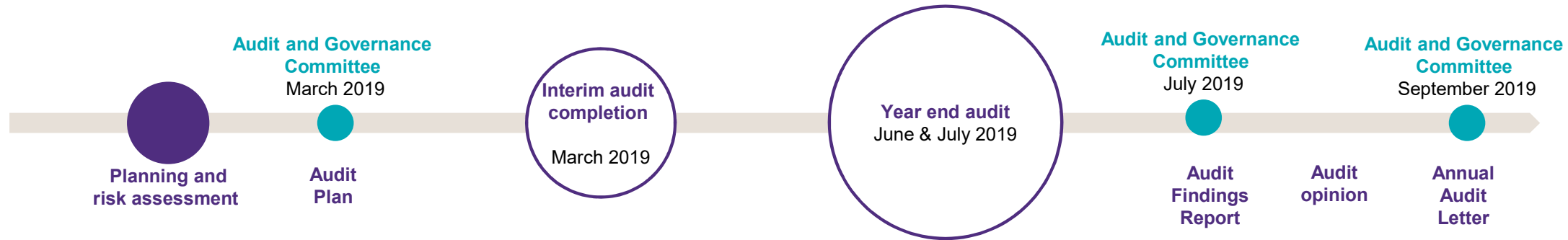
We will review the medium term financial plan and the savings required over the next two to three years to assess whether adequate arrangements are in place.

As noted on page 8, we will also assess the arrangements the Authority has in place to assess whether it considers the proposed transaction to reduce the pension fund net liability to be financially sound.

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Audit logistics, team & fees

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Geraldine Daly, Engagement Lead

Geraldine leads our relationship with you and takes overall responsibility for the delivery of a high quality audit, meeting the highest professional standards and adding value to the Council.



David Bray, Audit Manager

David plans, manages and leads the delivery of the audit, is your key point of contact for your finance team and is your first point of contact for discussing any issues.



Jonathan Stancombe, Audit Incharge

Jonathan's role is to assist in planning, managing and delivering the audit fieldwork, ensuring the audit is delivered effectively, efficiently and supervises and co-ordinates the on-site audit team.

Audit fees

The planned audit fees are £105,393 (PY: £136,874) for the financial statements audit completed under the Code, which are in line with the scale fee published by PSAA. There is no non-Code work (as defined by PSAA) planned. In setting your fee, we have assumed that the scope of the audit, and the Authority and its activities, do not significantly change.

At this stage, we would expect our review of the Council's proposals to reduce its Pension Fund liability (including any legal fees incurred by us) to require a revision to this fee.

Any proposed fee variations will need to be approved by PSAA.

Our requirements

To ensure the audit is delivered on time and to avoid any additional fees, we have detailed our expectations and requirements in the following section 'Early Close'. If the requirements detailed overleaf are not met, we reserve the right to postpone our audit visit and charge fees to reimburse us for any additional costs incurred.

Meeting the 31 July audit timeframe

In the prior year, the statutory date for publication of audited local government accounts was brought forward to 31 July, across the whole sector. This was a significant challenge for local authorities and auditors alike. For authorities, the time available to prepare the accounts was curtailed, while, as auditors we had a shorter period to complete our work and faced an even more significant peak in our workload than previously.

We have carefully planned how we can make the best use of the resources available to us during the final accounts period. As well as increasing the overall level of resources available to deliver audits, we have focused on:

- bringing forward as much work as possible to interim audits
- starting work on final accounts audits as early as possible, by agreeing which authorities will have accounts prepared significantly before the end of May
- seeking further efficiencies in the way we carry out our audits
- working with you to agree detailed plans to make the audits run smoothly, including early agreement of audit dates, working paper and data requirements and early discussions on potentially contentious items.

We are satisfied that, if all these plans are implemented, we will be able to complete your audit and those of our other local government clients in sufficient time to meet the earlier deadline.

Client responsibilities

Where individual clients do not deliver to the timetable agreed, we need to ensure that this does not impact on audit quality or absorb a disproportionate amount of time, thereby disadvantaging other clients. We will therefore conduct audits in line with the timetable set out in audit plans (as detailed on the previous page). Where the elapsed time to complete an audit exceeds that agreed due to a client not meeting its obligations we will not be able to maintain a team on site. Similarly, where additional resources are needed to complete the audit due to a client not meeting their obligations we are not able to guarantee the delivery of the audit by the statutory deadline. Such audits are unlikely to be re-started until very close to, or after the statutory deadline. In addition, it is highly likely that these audits will incur additional audit fees.

Our requirements

To minimise the risk of a delayed audit or additional audit fees being incurred, you need to ensure that you:

- produce draft financial statements of good quality by the deadline you have agreed with us, including all notes, the narrative report and the Annual Governance Statement
- ensure that good quality working papers are available at the start of the audit, in accordance with the working paper requirements schedule that we have shared with you
- ensure that the agreed data reports are available to us at the start of the audit and are reconciled to the values in the accounts, in order to facilitate our selection of samples
- ensure that all appropriate staff are available on site throughout (or as otherwise agreed) the planned period of the audit
- respond promptly and adequately to audit queries.

In return, we will ensure that:

- the audit runs smoothly with the minimum disruption to your staff
- you are kept informed of progress through the use of an issues tracker and weekly meetings during the audit
- we are available to discuss issues with you prior to and during your preparation of the financial statements.

Independence & non-audit services

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Auditor independence

Ethical Standards and ISA (UK) 260 require us to give you timely disclosure of all significant facts and matters that may bear upon the integrity, objectivity and independence of the firm or covered persons relating to our independence. We encourage you to contact us to discuss these or any other independence issues with us. We will also discuss with you if we make additional significant judgements surrounding independence matters.

We confirm that there are no significant facts or matters that impact on our independence as auditors that we are required or wish to draw to your attention. We have complied with the Financial Reporting Council's Ethical Standard and we as a firm, and each covered person, confirm that we are independent and are able to express an objective opinion on the financial statements.

We confirm that we have implemented policies and procedures to meet the requirements of the Financial Reporting Council's Ethical Standard and we as a firm, and each covered person, confirm that we are independent and are able to express an objective opinion on the financial statements. Further, we have complied with the requirements of the National Audit Office's Auditor Guidance Note 01 issued in December 2017 and PSAA's Terms of Appointment which set out supplementary guidance on ethical requirements for auditors of local public bodies.

Other services provided by Grant Thornton

For the purposes of our audit we have made enquiries of all Grant Thornton UK LLP teams providing services to the Authority. No other services were identified, although we expect to carry out the following work later in the year. The fees shown are estimated.

Service	£	Threats	Safeguards
Audit related			
Certification of Housing benefits return	£14,041	Self-Interest (because this is a recurring fee)	The level of this recurring fee taken on its own is not considered a significant threat to independence as the expected fee for this work is estimated at £14,041 in comparison to PSAA's indicative fee for the audit of £105,393 and in particular relative to Grant Thornton UK LLP's turnover overall. Further, it is a fixed fee and there is no contingent element to it. These factors all mitigate the perceived self-interest threat to an acceptable level.
Certification of Teachers' Pensions return	£4,200	Self-Interest (because this is a recurring fee)	The level of this recurring fee taken on its own is not considered a significant threat to independence as the expected fee for this work is £4,200 in comparison to PSAA's indicative fee for the audit of £105,393 and in particular relative to Grant Thornton UK LLP's turnover overall. Further, it is a fixed fee and there is no contingent element to it. These factors all mitigate the perceived self-interest threat to an acceptable level.

Non-audit related

None.

The amounts detailed are fees agreed to-date for audit related and non-audit services to be undertaken by Grant Thornton UK LLP in the current financial year. These services are consistent with the Authority's policy on the allotment of non-audit work to your auditors. All services have been approved by the Audit and Governance Committee. Any changes and full details of all fees charged for audit related and non-audit related services by Grant Thornton UK LLP and by Grant Thornton International Limited network member Firms will be included in our Audit Findings report at the conclusion of the audit.

None of the services provided are subject to contingent fees.

Independence & non-audit services

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Non-audit services provided prior to appointment

Ethical Standards require us to draw your attention to relevant information on recent non-audit / additional services. In the table below we have set out the previous services we have provided to the Authority.

Service	Date of service	Fees £	Would the service have been prohibited if we had been auditor?	Has the outcome of the service been audited or reviewed by another firm?	Commentary
Audit services	2018	12,000	N	N	We were the External Auditor for DELT, a company jointly owned by Plymouth City Council, in 2017/18. We will not be the auditor of DELT in 2018/19.
Accounts production	2018	1,250	Y	N	Production of financial statements for DELT.
Tax compliance	2018	2,250	Y	N	Tax advice to DELT.
Grant claim certification	2018	11,219	N	N	We undertook claim certification work on four EU grant claims. This work was tendered for and won in 2017. We will not be undertaking any future work on these claims.

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We do not believe that the previous services detailed above will impact our independence as auditors.



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PLYMOUTH CITY COUNCIL

Subject:	Final Internal Audit Report: Plymouth Integrated Commissioning Fund – Section 75 Framework Agreement and Financial Framework High Level Review
Committee:	Audit and Governance Committee
Date:	11 March 2019
Cabinet Member:	Councillor Tuffin (Cabinet Member for Health and Adult Social Care)
CMT Member:	Craig McArdle (Strategic Director for People)
Author:	David Northey, Head of Integrated Finance
Contact details	Tel: 01752 305 428 email: david.northey@plymouth.gov.uk
Ref:	
Key Decision:	No
Part:	I

Purpose of the report:

In accordance with the 2018/19 Aligned Audit and Assurance Plan of NEW Devon Clinical Commissioning Group ('the CCG'), as approved by the CCG Audit Committee in Common, a high level review of the CCG's Plymouth Integrated Commissioning Fund arrangements has been undertaken.

Although this work was commissioned by the CCG and undertaken by Audit South West, the recommendations and conclusions give assurance to both organisations (CCG and Plymouth City Council).

The objective of this review was to assess the current s75 Agreement and the supporting Financial Framework to ensure that the documents have been fully completed, are up to date and have been approved and signed as required.

As part of agreeing the scope of work for this review, suitable assurances were provided by the CCG Chief Finance Officer (Western Locality) that the recommendations arising from the audit undertaken in 2014/15 were addressed before the Fund was established. It was also highlighted that Integrated Commissioning Fund arrangements and the supporting agreement and framework have evolved and been updated since the audit was completed. We continue to attend the Finance and Assurance Review Group (FARG) meetings, the key governance group for the Integrated Commissioning Fund, and can confirm the further development of the suitable governance arrangements since the creation of the Fund in April 2015 in order to support the ongoing management on a day to day basis.

The overall conclusion of Audit South West is:

The governance arrangements in place surrounding the s75 Agreement and the Financial Framework are clearly defined in the corresponding documents and are appropriately structured.

In respect of the robustness of the supporting s75 Agreement and the Financial Framework, we were advised that there is no jointly signed s75 Agreement in place, with copies of the original document from April 2015 being separately signed and held within each respective organisation. In partial mitigation, the recent update to the s75 Agreement resulted in a jointly signed covering letter detailing changes that had been made to the document. This also applies to the Financial Framework document for which we were unable to obtain a jointly signed and final version of the document. We have highlighted within this report a number of areas in the Financial Framework which would benefit from updating during its imminent review to ensure that the document continues to be up to date and reflects current arrangements.

Corporate Plan

The integration of finances for both Plymouth City Council and the Clinical Commissioning Group (CCG) are integral to the delivery of the Corporate Plan. It underpins the integration of health and social care provision.

Implications for Medium Term Financial Plan and Resource Implications: Including finance, human, IT and land

The Integrated Fund, overseen by FARG, ensures both organisations provide the maximum resources achievable to address key policy areas. The report sets out the governance of the £630m Fund.

Other Implications: e.g. Child Poverty, Community Safety, Health and Safety and Risk Management:

There are no impacts as a result of this report.

Equality and Diversity

Has an Equality Impact Assessment been undertaken? No

Recommendations and Reasons for recommended action:

The Committee is recommended to:

Note the contents of the Audit Report including the recommendations and conclusion

Alternative options considered and rejected:

None, the governance arrangements require consideration of the report by the Committee

Published work / information:

Background papers:

All background papers are set out in the body of the report

Title	Part I	Part II	Exemption Paragraph Number							
			1	2	3	4	5	6	7	

Sign off:

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Originating SMT Member Craig McArdle

Has the Cabinet Member(s) agreed the contents of the report? Yes

NEW Devon Clinical Commissioning Group

Final Internal Audit Report: Plymouth Integrated Commissioning Fund – Section 75 Framework Agreement and Financial Framework High Level Review

Report Reference: NEWDCCG02/19

December 2018

Distribution List (for action)

Ben Chilcott, Chief Finance Officer (Western Locality)
John Dowell, Chief Finance Officer

Additional Copies (final report, for information)

External Auditors

AUDIT BACKGROUND, SCOPE AND OBJECTIVES

Background

In accordance with the 2018/19 Aligned Audit and Assurance Plan of NEW Devon Clinical Commissioning Group ('the CCG'), as approved by the Audit Committee in Common, a high level review of the CCG's Plymouth Integrated Commissioning Fund arrangements has been undertaken.

The fund was established on the 1st April 2015 and brings together budgets from NEW Devon CCG and Plymouth City Council (PCC) to facilitate the joint commissioning of services for health and social care. A Section 75 Framework Partnership Agreement (s75 Agreement) was drawn up on creation of the Integrated Commissioning Fund to set out the terms on which both parties agreed to collaborate, and to establish a framework through which the parties could secure, through the pooling of funds and aligned budgets, the future position of health and wellbeing services through lead or joint commissioning arrangements.

Supporting the s75 Agreement is a Financial Framework which sets out the general rules and scope for the management and expenditure of public sector funds originating from NHS and Local Government sources. It also makes provision for governance and accountability of:

- The Integrated Commissioning Fund.
- Authorities and responsibilities delegated from the partners.
- Financial planning and management responsibilities.
- Budgeting and budgetary control, including forecasting.¹

During 2014/15, a review of the Integrated Commissioning Fund s75 Agreement and associated Financial Framework was undertaken. This work was led by Devon Audit Partnership, Plymouth City Council's Internal Auditors. The recommendations arising from this work were in respect of actions required in preparation for, and prior to, creating the Integration Commissioning Fund.

Objectives and Scope of the Audit

The objective of this review was to assess the current s75 Agreement and the supporting Financial Framework to ensure that the documents have been fully completed, are up to date and have been approved and signed as required.

As part of agreeing the scope of work for this review, suitable assurances were provided by the Chief Finance Officer (Western Locality) that the recommendations arising from the audit undertaken in 2014/15 were addressed before the Fund was established. It was also highlighted that Integrated Commissioning Fund arrangements and the supporting agreement and framework have evolved and been updated since the audit was completed. We continue to attend the Finance and Assurance Review Group (FARG) meetings, the key governance group for the Integrated Commissioning Fund, and can confirm the further development of the suitable governance arrangements since the creation of the Fund in April 2015 in order to support the ongoing management on a day to day basis. As such, a formal follow-up of the recommendations arising from the 2014/15 work was not required as part of this review.

¹ Taken from the Financial Framework document

OVERALL CONCLUSION

The governance arrangements in place surrounding the s75 Agreement and the Financial Framework are clearly defined in the corresponding documents and are appropriately structured.

In respect of the robustness of the supporting s75 Agreement and the Financial Framework, we were advised that there is no jointly signed s75 Agreement in place, with copies of the original document from April 2015 being separately signed and held within each respective organisation. In partial mitigation, the recent update to the s75 Agreement resulted in a jointly signed covering letter detailing changes that had been made to the document. This also applies to the Financial Framework document for which we were unable to obtain a jointly signed and final version of the document.

We have highlighted within this report a number of areas in the Financial Framework which would benefit from updating during its imminent review to ensure that the document continues to be up to date and reflects current arrangements.

In order to better demonstrate robust governance arrangements and management of the Integrated Commissioning Fund we have recommended that both parties hold a jointly signed copy of the s75 Agreement and Financial Framework.

SUMMARY OF FINDINGS

A summary of our assessment of each area covered by this review is set out below. Our assessment used the following key:

Each finding has an associated individual rating. This is intended to be an indicator of the outcome of our evaluation of the design or operation of the process that is in place to manage the function or task being reviewed

These indicators are separate from the audit report's overall "single assurance opinion" or the "rating of audit recommendations," both of which are based on a broader evaluation of the system and are explained within the Audit Report Information section on the final page of this report.

Rating



Description

Processes are appropriately designed and appear to be operating well. Any areas for improvement that were identified are not significant and are unlikely to reoccur.

Controls and arrangements are generally appropriately designed working well but we have identified areas where these arrangements should be further strengthened. We do not have significant concerns regarding this area and any issues that were identified are unlikely to reoccur if properly managed.

Urgent action is needed to address weaknesses in the processes which are in place to manage the task or function. We have significant concerns regarding this area and consider that issues may arise or reoccur.


Area Reviewed	Rating	Comments
Integration Fund Governance Arrangements		<p>The Integrated Commissioning Fund has been in place now for three and a half years and the governance structure has changed since it was formed. The Integrated Commissioning Board, also known as the Plymouth Integrated Commissioning Board (PICB), which was established to provide oversight and leadership for the delivery of the integrated commissioning function, ceased to exist from July 2018 as it was considered that there was duplication in committees.</p> <p>The governance arrangements are clearly defined within the s75 Agreement, with the updated document now showing that the Western System Improvement Board replaces the former role of the PICB.</p>

The Finance and Assurance Review Group (FARG) has a responsibility to advise on the review of the s75 Agreement and the Financial Framework documents. These arrangements are considered appropriate and should, if followed, ensure that there is suitable oversight and control over the Integrated Commissioning Fund.

Area Reviewed	Rating	Comments
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<p>Review of the Section 75 Framework Agreement</p>		<p>The s75 Agreement is in a standard format and is an ongoing agreement which remains in place until such time as one or both parties wishes to withdraw from the arrangement. We requested a copy of the original s75 Agreement signed by the CCG and Plymouth City Council from the CCG. We were subsequently advised that there was no jointly signed, dated and sealed s75 Agreement, only two separate copies of the Agreement each held by the respective organisations and solely signed by that organisation.</p> <p>The Agreement has been reviewed and updated during 2018 through the FARG and its associated Joint Technical Working Group.</p> <p>A document entitled 'Review of the Section 75 Partnership Agreement', detailing the most recent changes to the s75 Agreement, was signed and dated in October 2018 by the CCG's Chief Finance Officer and by a nominated Council member (undated), in support of the updated s75 Agreement. Updated financial figures for 2018/19 for the Better Care Fund have been included within the revised unsigned s75 Agreement and within the update review document. Also included within the review document are the 2018/19 Integrated Commissioning Fund budget contributions from both the CCG and Plymouth City Council.</p> <p>Legal advice received by the Joint Technical Working Group for the FARG in March/April 2017 indicated that if each party to the agreement produced a letter confirming they were still committed to the fund that would be sufficient to refresh the s75 Agreement.</p> <p>As there is no original jointly signed and sealed s75 Agreement in place we recommend that the newly updated s75 Agreement is formally signed, dated, sealed and an original copy held by both parties, together with the original 2015 version of the Agreement. This will demonstrate more robust governance and management of the Integrated Commissioning Fund and reduce the risk of the terms of the Agreement not being complied with should any issues or disputes arise in the future.</p>
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Area Reviewed	Rating	Comments
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<p>Review of the Financial Framework</p>		<p>The Financial Framework is the key governance document supporting the s75 Agreement for the Integrated Commissioning Fund and was drawn up to describe the ground rules for making and approving financial decisions relating to the Fund.</p> <p>We obtained the latest version of the Financial Framework (v1.0) to establish whether:</p> <ul style="list-style-type: none"> • The Framework has been reviewed on a regular basis. • It is robust and contains relevant and current information. • It has been approved through the appropriate channels.
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The Framework is a detailed document which clearly sets out how the Fund should be managed from a financial perspective. It sufficiently covers the following key areas:

- Scope of the Financial Framework.
- Responsibilities of organisations and individuals.
- Statutory Reporting Requirements.
- Budget Setting.
- Risk Sharing Framework.
- Managing the transactions of the Integrated Commissioning Fund.
- Managing Financial Performance.

Key areas where the Framework could be further strengthened and/or clarified are summarised as follows:

- V1.0 is the latest version but remains in draft form according to its title, with the last update being undertaken in January 2017.
- The document indicates that it requires signing by the Chief Finance Officer (Western Locality) for the CCG and the Head of Integrated Finance for PCC, however the copy we were provided with was unsigned and it is unclear if there is a signed copy.
- The document contains references to years and values which are now out of date and it also refers to the PICB which has now been replaced by the Western System Improvement Board (WSIB), as indicated by the revised s75 Agreement.
- Additional sections have been added to v1.0 of the Framework, most notably examples around how the risk share agreement would work given different scenarios. The examples used refer back to 2014/15 however and would therefore benefit from a refresh.

We were unable to establish the following:

- Whether a signed copy of the Financial Framework exists.
- The approval route for v1.0 of the Financial Framework. This is not set out in the Framework's Document Control Table and minutes of the Plymouth Integrated Commissioning Board (PICB) for the period January to May 2017 did not indicate that the amendments had been taken to the PICB Board for approval, as per the requirements of the Financial Framework.

We understand that the Framework is next due for review by the FARG in December 2018.

To improve clarity and reduce the risk of the Framework not being complied by all parties, the CCG should ensure that the document contains up to date information, reflects current working practice and, if required, is signed by both parties.

A signed copy of the revised document should then be readily accessible within the CCG for ease of reference if needed. Where possible we would suggest not including reference to specific years within the document itself as the requirement for review is now 'as necessary' and should this not be done on an annual basis the document may appear to contain out of date references. Further detailed observations from our review of the Framework are set out at **Appendix A** of this report. These observations should be used to inform the forthcoming review of the Framework by the FARG.

We have raised two recommendations to address the above findings, as detailed in the Action Plan on page 7 of this report.

We would like to acknowledge the help and assistance given by the Finance Team during the course of this review.

RATING OF RECOMMENDATIONS

Recommendations raised in this report have been rated in accordance with the CCG's risk scoring matrix.



Jenny McCall, Director of Audit

REPORT DATA

Date Work Undertaken	October/November 2018
Date of Issue of Draft Report	14 December 2018
Date of Return of Draft Report	17 December 2018
Date of Approval by Director	17 December 2018 (Ben Chilcott)
Date of Approval of Final Report	19 December 2018
Lead Auditor	Angela Tucker, Audit Manager
Client Lead Manager(s)	Ben Chilcott, CFO (Western)
Client Lead Director	John Dowell, CFO
Governance/Regulatory Links	S75 Health & Social Care Act 2006

Rec No	Recommendation	Risk Rating	Management Response	Manager Responsible	Action Date
1	Given there was no original jointly signed, sealed and dated s75 Agreement at the formation of the Integrated Commissioning Fund, this should be rectified using the revised s75 Agreement. Both partner organisations should then hold a fully signed document for future reference.	Medium Risk	Agreed, to be actioned during January 2019	Ben Chilcott Chief Finance Officer (Western Locality) David Northey Head of Integrated Finance – Plymouth City Council	31/01/19
2	The Financial Framework, which supports the s75 Agreement for the Integrated Commissioning Fund, should be reviewed and updated to ensure that it: <ul style="list-style-type: none"> • Reflects current working practice. • Does not contain out of date information such as the existence of the Plymouth Integrated Commissioning Board and references to previous years. • Clearly details the approval route of any future amendments made to the document. <p>A fully signed copy of the revised document should be readily accessible within the CCG for ease of reference if required.</p>	Medium Risk	Agreed, to be actioned during January 2019	Ben Chilcott Chief Finance Officer (Western Locality) David Northey Head of Integrated Finance – Plymouth City Council	31/01/19

Review of Draftv1.0 – Financial Framework – Last updated 26th January 2017

Section	Title/Reference	Comment
Table of Contents	Section C – Sign Off - incomplete	If this section is required, then it should be completed in full.
	Section D – Executive Summary	This section is not included within the document and therefore needs removing.
	Sections 1, 3, 6, 21, 24, 25, 27, 31, 33 – all missing	These sections need to be included.
1.5/2.1/3 etc	References the Plymouth Integrated Commissioning Board	This and all references to the (Plymouth) Integrated Commissioning Board (ICB) will need updating as the Board no longer exists.
5 & 6 & 7	Objectives of the Partners and of the Integrated Commissioning Board (5) Objectives of the Integrated Commissioning Board (6) Objectives and targets of the integrated commissioning function (7)	Clarification on the headings may be of benefit as the headings, particularly (5) and (6). Given the ICB no longer exists (6) presumably this will now need to be the Western System Improvement Board (WSIB), in line with the recently updated s75 Agreement, unless this section (6) is no longer required.
9.3	Responsibilities of Partner organisations' leadership	Are these individuals documented anywhere so there is a record of who can act in those capacities eg who has the 'Authorised Officer' role re s75 for each organisation?
10.1	Reference to Authorised Officer signing approval of changes to s75 agreement. 10.1.3 states the AO must be a member of the ICB (now WSIB)	Chief Finance Officer for the CCG signed off the last s75 'Review of s75 Agreement' update document – clarification required as to whether the CFO is the Authorised Officer and a member of the WSIB (previously PICB).
12.3	Interim Pool Fund Manager	This subsection will need updating as it references 17/18 only and an interim role.
16	Better Care Fund	This will not have been updated for 2018/19 – we would suggest removal of specific values to eliminate need for continual update.
16.4	Reference to BCF Policy Framework, December 2014	This needs to be updated to reflect latest guidance document.
16.12/14	iBCF - We will.... / our	The use of 'we' is not in line with more formal language in the rest of the document.
16.13	iBCF – responsibility for reporting lies with LA	There is now a joint quarterly return so this section may need to be updated to reflect the change.
16.13	Table beneath	This does not seem to fit in with any specific narrative above or below the table. Is it still needed?

Section	Title/Reference	Comment
17	Budget figures and/or reference to years	This will need updating where relevant. If this document no longer requires annual update see section 2.1 we suggest not referencing years and/or budget figures as suggested above for line 16.
21	Local Counter Fraud and Security Management Services	These are two separate services now so this will need to be reflected in the title ie not LCFSMS. NHS Protect is now known as NHS Counter Fraud Authority, this will need updating. Security Management Services – separate wording is required. The CCG has a separate contract with Audit South West to cover this. Arrangements within PCC are not known.
31	Treatment of historical overspends	Spacing – this needs separating from section 30.
41	Financial Risk Framework: Risk Cap Model	This section needs updating as examples reference 2014/15 still. (Note- the copy of the document to be reviewed at FARG in 2018/19 has already removed this whole section).
44.6	Local Operating Rules	Is this still current or does it need updating.
54.1.1	Reference to NHS Litigation	This will need updating to NHS Resolution.
55.1	Reference to 2015/16 in bullet point 2	This will need to be updated or removed.

AUDIT SOUTH WEST – ABOUT US

Audit South West is the largest provider of internal audit, counter fraud and consultancy services in the South West. We maintain a local presence and close engagement within each health community, with audit teams based in Bristol, Exeter, North Devon, Plymouth, Torquay and Cornwall, linked by shared networks and systems. More information about us, including the services we offer, our client base, our office locations and key people can be found on our website at www.auditsouthwest.co.uk.

Audit South West is a member of TIAN; a group of NHS internal audit and counter fraud providers from across England and Wales. Its purpose is to facilitate collaboration, share best practice information, knowledge and resources in order to support the success and quality of our client's services.

All audit reports comply with International Standards for the Professional Practice of Internal Auditing.

CONFIDENTIALITY

This report is issued under strict confidentiality and, whilst it is accepted that issues raised may need to be discussed with officers not shown on the distribution list, the report itself must not be copied/circulated/disclosed to anyone outside of the organisation without prior approval from the Director of Audit.

INHERENT LIMITATIONS OF THE REVIEW

There are inherent limitations as to what can be achieved by systems of internal control and consequently limitations to the conclusions that can be drawn from this review. These limitations include the possibility of faulty judgment in decision-making, of breakdowns because of human error, of control activities being circumvented by the collusion of two or more people and of management overriding controls. Also there is no certainty that controls will continue to operate effectively in future periods or that the controls will mitigate all significant risks which may arise in future. Accordingly, unless specifically stated, we express no opinion about the adequacy of the systems of internal control to mitigate unidentified future risk.

RATING OF RECOMMENDATIONS

The recommendations in this report are rated according to the organisation's risk-scoring matrix. The recommendations have been arrived at by assessing the risk in relation to the organisation as a whole. This should enable recommendations made in different reports to be compared when deciding the priority and level of risk faced by the organisation.

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PLYMOUTH CITY COUNCIL

Subject:	Integrated Commissioning Finance and Assurance Review Group Annual Report 2017/18
Committee:	Audit and Governance Committee
Date:	11 March 2019
Cabinet Member:	Councillor Tuffin (Cabinet Member for Health and Adult Social Care)
CMT Member:	Craig McArdle (Strategic Director for People)
Author:	David Northey, Head of Integrated Finance
Contact details	Tel: 01752 305 428 email: david.northey@plymouth.gov.uk
Ref:	
Key Decision:	No
Part:	I

Purpose of the report:

Under the terms of reference for the Integrated Commissioning Finance and Assurance Review Group (FARG), the Chair will prepare an Annual Report and an Effectiveness Review on the activities of the FARG to be completed each year. This report will detail the work undertaken during the financial year, the successes and risks plus look into the coming year to highlight key tasks. This formal report will be presented to FARG for approval and onward distribution to Plymouth City Council's Audit and Governance Committee and the CCG Western Locality Board.

Corporate Plan

The integration of finances for both Plymouth City Council and the Clinical Commissioning Group (CCG) are integral to the delivery of the Corporate Plan. It underpins the integration of health and social care provision.

Caring Plymouth

The Integrated Fund will ensure the best use of available funds and ensure the Council can:

- Help people take control of their lives and communities through supporting them to live Independently at home;
- Support adults to be safe and confident in their communities;
- Ensure people are treated with dignity and respect.

**Implications for Medium Term Financial Plan and Resource Implications:
Including finance, human, IT and land**

The Integrated Fund, overseen by FARG, ensures both organisations provide the maximum resources achievable to address key policy areas. The report sets out the governance of the £630m Fund.

Other Implications: e.g. Child Poverty, Community Safety, Health and Safety and Risk Management:

There are no impacts as a result of this report.

Equality and Diversity

Has an Equality Impact Assessment been undertaken? No

Recommendations and Reasons for recommended action:

The Committee is recommended to:

Note the contents of the Annual Report 2017/18

Alternative options considered and rejected:

None, the governance arrangements require consideration of the report by the Commttee

Published work / information:

Background papers:

All background papers are set out in the body of the report

Title	Part I	Part II	Exemption Paragraph Number							
			1	2	3	4	5	6	7	

Sign off:

Fin	pl.18.19 .233	Leg	ALT/305 08/01	Mon Off	It/62225 /4/0103	HR		Assets		IT		Str at Pro c	
Originating SMT Member Craig McArdle													
Has the Cabinet Member(s) agreed the contents of the report? Yes													



Northern, Eastern and Western Devon
Clinical Commissioning Group



Integrated Commissioning Finance and Assurance Review Group (FARG) Annual Report 2017/18

Executive Summary

Under the terms of reference for the Integrated Commissioning Finance and Assurance Review Group (FARG), the Chair will prepare an Annual Report and an Effectiveness Review on the activities of the FARG to be completed in the spring of each year. This report will detail the work undertaken during the financial year, the successes and risks plus look into the coming year to highlight key tasks. This formal report will be presented to FARG for approval and onward distribution to Plymouth City Council's Federated Directorates Strategic Planning and Commissioning Group meeting and the CCG Western Locality Board.

On an Integrated Fund of £630m both the CCG and PCC each recorded a small under spend against their budget share, resulting in the risk share on the Plymouth Integrated Fund of £0.064m payable from the CCG to Plymouth City Council. The Section 75 sets out the methodology for the application of the risk share.

The following extract from the Month 12 Integrated Finance Report details the respective positions with CCG reporting an under spend of £0.223m against the budget of £376.437m being 0.05%. The PCC position was reported as an under spend of £0.050m against the budget of £253.755m being 0.02%.

This is the third year of the Fund and the financial outturn is closer to budget than the result for year one.

This is another significant achievement in terms of the joint management of financial positions, and the minimal impact of a joint risk share on an Integrated Fund of this size.

Month 12	Outturn		
	Budget	Actual	Variance
	£000's	£000's	Adv / (Fav) £000's
CCG COMMISSIONED SERVICES			
Acute	184,949	185,097	148
Placements	42,456	41,112	-1,344
Community & Non Acute	56,383	56,405	21
Mental Health Services	27,618	27,649	31
Other Commissioned Services	10,372	11,079	707
Primary Care	47,512	47,625	113
Subtotal	369,291	368,968	-324
Running Costs & Technical/Risk	7,146	7,246	101
CCG Net Operating Expenditure	376,437	376,214	-223
Risk Share		64	64
CCG Net Operating Expenditure (after Risk Share)	376,437	376,278	-159
PCC COMMISSIONED SERVICES			
Children, Young People & Families	37,848	38,005	157
Strategic Cooperative Commissioning	75,472	75,319	-154
Education, Participation & Skills	101,379	101,344	-35
Community Connections	3,967	3,953	-14
Director of people	214	209	-5
Public Health	16,321	16,321	-
Subtotal	235,201	235,151	-50
Support Services costs	16,428	16,428	
Disabled Facilities Grant (Cap Spend)	2,126	2,126	-
Recovery Plans in Development	-	-	-
PCC Net Operating Expenditure	253,755	253,705	-50
Risk Share		-64	-64
PCC Net Operating Expenditure (after Risk Share)	253,755	253,641	-114
Combined Integrated Fund	630,192	629,919	-273

FARG continues to provide oversight, scrutiny and assurance of the Integrated Fund on behalf of Plymouth's Integrated Commissioning and is responsible for contributing to the overall process of financial planning, control and review. The group meets monthly and amongst other agenda items reviews financial risks of the Integrated Fund by exception.

Quality Care Commission (CQC)

Plymouth was the subject of a CQC System Review that took place in December 2017. The review looked at pathways across our system for people moving between hospitals, communities and home. It involved PCC, NEW Devon CCG, Plymouth Hospitals, Livewell and NHS England and it extended to other key provider agencies, patients and service users.

The published report reflects the significant work and progress across the city and acknowledges where we still face significant challenges.

FARG was part of the review and the following comments are extracts from the published CQC Report.

We found there were robust controls and governance arrangements in place to provide assurance that available resources were being used in the most effective manner. Plymouth's financial situation was challenging with both the acute trust and CCG running large deficits, coupled with a funding gap of approximately 10% compared to the rest of Devon. The pooled budget arrangements facilitated open and transparent lines of communication between organisations and clear reporting structures meant system leaders were able to provide assurance they were aware of how resources were being used.

Governance structures were designed to provide assurance. Since the pooling of budgets between PCC and New Devon CCG in 2015, the fund has been hosted by the CCG, with the fund manager being employed by the CCG and the deputy employed by PCC. The pooled budget was managed through an Integrated Commissioning Board. Financial officers worked closely with commissioners to measure the effectiveness of investments. There were a series of dashboards that tracked both budget and activity on a daily basis providing real time financial information.

Better Care Fund (BCF) and Improved Better Care Fund (iBCF)

As partners we not only succeeded in having a joint plan for the Better Care Fund (BCF) signed off and approved by NHS England without any conditions, we also submitted a bid to be part of round one BCF graduation. Although Plymouth was not successful in this bid, it was clear evidence of the strength of our joint working.

At one point in the year, there was a risk of either losing or having NHS England impose conditions on the second and third year tranches of iBCF. Finance successfully supported the commissioning department and senior management's challenge to these proposals and Plymouth has assurance there will be no changes to the original funding allocations.

CQC noted:

The iBCF funding was included within the pooled budget in its entirety and was being used to drive forward next phase of the 'One System, One Aim' programme of activity. The system was meeting requirements of the iBCF funding by providing quarterly update reports to the Department for Communities and Local Government.

IT

A major breakthrough in 2017/18 saw the introduction of a Shared Drive which allows both organisations to save data in a common location. The significance of this is improved efficiency for FARG and JTWG; files can be updated "live" ensuring we are working on only one master; it eliminates the need to share sensitive data via email, improving data protection; links rather than actual files can be sent, reducing the size of the emails. We are continuing to work with DELT colleagues to implement a shared calendar function. This will allow sight of all calendars which will greatly improve the booking of meetings.

Membership

- Pooled Fund Manager (Chief Financial Officer (Western Locality), CCG)
 - Deputy Pooled Fund Manager (Head of Integrated Finance, PCC)
 - Finance Business Partner Integrated Commissioning & Public Health, PCC
 - Finance & Contracting Administrator, CCG
 - Contracting Accountant, CCG
 - Internal Audit Representatives from Audit South West and Devon Audit Partnership (non-voting)
- Plus:
- Integrated Commissioning Project Manager
 - Commissioning Representative, CCG
 - Commissioning Representative, PCC
 - Public Health Representative

During the financial year 2017/18 FARG has continued to meet on a monthly basis as scheduled. These were supplemented with monthly Joint Technical Working Group (JTWG) meetings and/or supplementary ad-hoc meetings as required to discuss and agree the approach for specific areas. Early in the year, changes to structures in PCC resulted in the Business Support Officer for the Integrated Fund being deleted which meant there was no longer business support for the JTWG meetings. There was also a reflection that as the Fund had matured we could consider reducing the frequency of both of the meetings. In January 2018 it was agreed that starting in the new financial year 2018/19 the meetings would each become alternate months, with ad-hoc as required, and both supported by the Finance & Contracting Administrator CCG, giving continuity of support.

Key progress to date

During the year FARG has:

- Worked closely with DELT colleagues on the successful introduction of a joint drive for FARG. This has improved both efficiency and file security by allowing sensitive data to be stored securely without having to be shared via email. It also means files are only saved once, rather than in each organisation.
- Held monthly meetings as scheduled:
- Undertaken due diligence on each organisation's 2017/18 budget for the Fund:
- Built on the benefits of the integrated finance teams co-located on floor 2 Windsor House:
- Allocated the Integrated Fund to the four Integrated Commissioning Strategies and whole system action plans:
- Rolled out further improvements to the content and timing of the now Business as Usual monthly finance monitoring report.
- Regularly reviewed progress and performance of each of the approved savings schemes and, where necessary, seek reports and presentations by lead directors/project managers on progress against planned savings.
- Improved the financial controls around the Better Care Fund and the Improved better Care Fund (iBCF):
- Refined the Work Plan and Forward Plan:
- Improved the data capture for the monthly joint reporting, including increasing the input and awareness of more members of the finance team:
- Worked with both CCG and PCC risk and assurance officers and developed an Integrated Risk Management Framework:
- Worked with both CCG Audit Committee and PCC Audit Committee to ensure the correct level of assurance is provided:
- Worked on developing joint KPIs for the Fund which include:
 - ✓ finance ratios,
 - ✓ payments performance,
 - ✓ debtor control,
 - ✓ NHS England assurance framework requirements,
- Where necessary, seek explanation and corrective action to meet the agreed level of performance.
- Enhanced our overall assurance review, with regular contributions from officers.
- Continue to build on the current BCF arrangements to encompass the new iBCF (Improved Better Care Fund) in 2018/19.
- Introduced an Integrated Risk Register in collaboration with Risk colleagues

National Recognition

Plymouth City Council and the Western Locality Devon CCG were shortlisted for a national Public Finance Innovation Award, sponsored by CIPFA, the Chartered Institute of Public Finance & Accountancy. The award was for the development and implementation of a joint Risk and Opportunity Report for the Fund.

The joint integrated framework is the first of its kind in the country and is the result of 18 months collaboration between both partners. The framework provides a common infrastructure for delivering, maintaining and governing risk management within the integrated commissioning function.

Below is an overview of the key financial risks:

Key Risks:

- Savings delivered from the integration are insufficient to meet the funding gap
- Resources required to deliver integration are not available / funding does not exist to commission external resources
- Statutory, regulatory or political differences between Health and Social Care or partners may lead to tensions
- External factors such as the Success Regime and STP may require a change of commissioning priorities
- Change in key finance personnel
- Financial pressures within the partner organisations and between the partners and the Integrated Fund lead to threats to the on-going resilience of the Integrated Fund

Next Steps/Priorities

- Continue working with DELT colleagues on the introduction of a shared calendar for all FARG members.
- Enhance the monthly Integrated Finance Report to include more detail on both the Better Care Fund and Improved Better Care Fund.
- Work continues within the FARG JTWG meetings to “Making it real” – designing pools within the overall Integrated Fund.
- Ensuring the local work streams are aligned with the wider Sustainable Transformation Plan (STP) for Devon.
- Working with the STP Director of Finance (DoFs) Working Group and the Deputy DoFs meetings to highlight the importance of integrated working and the role of the local authority in health and social care working collaboratively.
- Working closely with commissioning colleagues to maintain the link between budget allocations and the four commissioning strategies.

Attachments:

1. FARG Forward Plan 2017/18



Package

2. FARG Forward Plan 2018/19



Package

3. Month 12 Month 12 (March 2018) Joint Finance Report



Microsoft Word
Document

4. Integrated Risk Management Framework



CCG-PCC RM Policy
Framework - V6.docx

A blue ink signature of David Northey, consisting of a large, stylized 'D' and 'N'.

David Northey
*Head of Integrated Finance &
Deputy Pooled Fund Manager*

A blue ink signature of Ben Chilcott, consisting of a large, stylized 'B' and 'C'.

Ben Chilcott
*Chief Finance Officer, Western
& Pooled Fund Manager*

PLYMOUTH CITY COUNCIL

Subject:	Surveillance, Covert Activities, and the Regulation of Investigatory Powers Act 2000 (RIPA)
Committee:	Audit and Governance Committee
Date:	11 th March 2019
Cabinet Member:	Councillor Peter Smith
CMT Member:	Andrew Hardingham
Author:	Alex Fry – Trading Standards Manager
Contact details	01752 304456
Ref:	RIPA Annual Report 2019
Key Decision:	No
Part:	I

Purpose of the report:

Surveillance is a tool that may be required for the Council to fulfil its obligations to investigate crime, prevent disorder, recover debt, protect the public and establish the facts about situations for which the Council has responsibility.

Staff may consider that it is appropriate to undertake covert activities that result in the subject of enquires being unaware that their actions are being monitored, or enquires are being undertaken without their knowledge. However, covert activities compromise an individual's 'right to privacy', so the use of a covert activity must be lawful, necessary and proportionate in order to comply with the Human Rights Act. Examples of the Council's use of covert surveillance are listed in Appendix A.

This report informs Members about the steps being taken to ensure that the Council is compliant in respect of covert activities.

Audit Committee are requested to accept the Surveillance and Covert Activities Policy.

Corporate Plan

This report is relevant to the Corporate Plan Values of being democratic, responsible and fair. Undertaking covert activities contributes to the corporate vision by reducing crime, helping to ensure residents feel safe, are happy and healthy and helping to ensure economic growth is not jeopardised through unfair or illegal activity.

**Implications for Medium Term Financial Plan and Resource Implications:
Including finance, human, IT and land**

There are no significant implications for the medium term financial plan as the undertaking of surveillance and covert activities is a departmental casework related process. There is not a specific budget cost code and all costs are subsumed within service team budgets. Thus any equipment that is required is obtained through current budgets.

However in order to ensure compliance with the requirements of the HRA and other relevant legislation; sufficient trained managers and staff are required to be available and the resourcing of specialist staff role profiles must be incorporated into Directorate action plans.

Other Implications: e.g. Child Poverty, Community Safety, Health and Safety and Risk Management:

- Child Poverty - none.
- Community Safety - the purpose of the surveillance tool is to promote community safety, prevent crime and disorder, undertake fraud investigation and provide environmental protection.
- Health and Safety - in particular the use of CCTV can promote safety, but officers undertaking surveillance are potentially at risk.
- Risk Management - there is the possibility of loss of reputation and monetary penalties for the Council, through surveillance breaching privacy and that evidence obtained for an investigation will not be accepted. However, complying with RIPA prevents the Council breaching its obligations under the Human Rights Act and associated legislation; as well as enabling the product of surveillance to be used in accordance with the requirements of legislation and good practice.

Equality and Diversity

Has an Equality Impact Assessment been undertaken? No

Recommendations and Reasons for recommended action:

Council are required to be informed about the use of covert surveillance by staff when conducting investigations and to agree a policy.

Members are requested to acknowledge that covert activities can be a necessary and proportionate response for achieving the Council's objectives through approval of the Surveillance and Covert Activities Policy; which allows covert activities to be deployed where necessary and proportionate, under the control of a good practice process based on the Regulation of Investigatory Powers Act requirements.

The report informs members about covert surveillance that has taken place, changes to legislation since the last report and the steps being taken to ensure that the Council is compliant in respect of covert activities.

Alternative options considered and rejected:

The alternative option is for Members to limit the option for Officers to use surveillance as an investigatory tool by:

- a) deciding that Officers will not undertake surveillance or covert activities on behalf of the Council, or
- b) Officers may only use covert activities when a serious crime is being investigated.

This option is rejected as the oversight Commissioners have not found Officers to be irresponsible, the Council has only initiated necessary investigations and has always been proportionate in its use of covert activities.

Thus Officers have been found to have the expertise to deploy the available powers appropriately and to now limit the use of surveillance would have a detrimental impact on Officers ability to undertake investigations in order to fulfil responsibilities of the Council.

Published work / information:

Statutory codes of practice which staff must implement are available

The OSC and IOCCO inspection reports are available on the Council's RIPA webpage.

Background papers:

Title	Part I	Part II	Exemption Paragraph Number							
			1	2	3	4	5	6	7	
Surveillance & Covert Activities Policy										

Sign off:

Fin	akh.18 .19.22 8	Leg	402/ NJ	Mon Off		HR		Assets		IT		Strat Proc	
Originating SMT Member Andrew Hardingham													
Has the Cabinet Member(s) agreed the contents of the report? No													

I Introduction

- 1.1 The last report was submitted in 2017.
- 1.2 There have been no Interception of Communication Commissioner (ICC) Inspection.
- 1.3 In December 2018 the Authority received a desk-top documentary inspection from the Investigatory Powers Commissioner's Office (IPCO).
- 1.4 The IPCO concluded that due to our level of compliance they do not need to conduct a physical inspection. The Directed Surveillance authorisation they examined was compliant. No amendments to the Procedures were required
- 1.5 The Surveillance & Covert Activities policy is submitted for approval.
- 1.4 Neither the ICC or IPCO have notified the Council of any future inspection.

2.0 Use of Surveillance and covert activity since last report

- 2.1 The Policy provides for staff to undertake authorised investigations to enforce legislation. These authorised covert activities are intended to confirm or identify who has been involved in a crime, what has taken place and when events have taken place.
- 2.2 Legislative changes in 2012 introduced a judicial approval process for all Local Authority RIPA applications. Since then after internal authorisation, the Local Authority must seek judicial approval for their RIPA Authorisation. Approval will only be given if the statutory tests have been met and the application is necessary and proportionate. Further, Local Authorities can now only apply for authorisation for directed surveillance under RIPA in connection with investigating offences that are punishable by a maximum term of 6 months imprisonment or are related to the underage sale of alcohol or tobacco.
- 2.3 There has been one Directed Surveillance authorisation under RIPA since the last report. This was in October 2017 and was made by the Trading Standards Service in connection with the supply of illegal tobacco. This was deemed to be compliant when examined by the IPCO.

3.0 Legislative changes

- 3.1 There have been no changes in the relevant RIPA legislation since the last report but there has been a new Covert Surveillance & Property Interference Code of Practice. Procedures have been checked against the new Code and found to be compliant.

4.0 Training

- 4.1 The RIPA Lead Operational Officer and the Legal Service RIPA Co-ordinator have attended update training since the last report.

5.0 Amendments to the policy since the last Report

- 5.1 Paragraph 6.2 of the policy relating to Underage Sales has been amended to reflect the Codes of Practice. Full RIPA authorisation must now be considered

- 5.2 The requirement to have a working group on RIPA has been removed due to very low levels of RIPA authorisations.

Appendix A: Examples of Surveillance in operation:

RIPA was enacted to provide an accredited process to follow by any crime investigating agency (including the Council) when there was likely to be an interference with a person's 'right to privacy' under Human Rights Act Article 8 (HRA).

An authorisation made in accordance with RIPA is a statutory defence against an allegation that the Council has contravened the HRA.

Fraud Investigation:

Sometimes facts about a claim for benefit payments etc. are called into question and to assist the gathering of evidence about a person's relationships or activities, the Investigating Officer may need to covertly observe a person's contacts and work activities.

Public Protection:

Investigating whether goods or services are being obtained or sold within the relevant legislation, may involve obtaining details about traders and their activities, which they have not made public. Trading Standards investigations include those into doorstep crime, illegal tobacco or counterfeiting. Other investigations which may require surveillance include fly-tipping and food fraud.

Anti-Social Behaviour:

In order to obtain evidence of any person engaging in activities that disrupt other individuals, when witnesses are reluctant to come forward, there may be a need to undertake covert filming of the anti-social behaviour, to provide evidence for a Court.

- However all evidence gathering is currently covert, due to cooperation from local communities and the use of BWV is verbally announced.
- Any video or CCTV held by the Council can be requested by the person who has been filmed in line with the Data Protection Act.

SURVEILLANCE AND COVERT ACTIVITIES POLICY



V3.0 | 1 March 2019

I. INTRODUCTION:

- 1.1. The Council has statutory duties of investigation and of proper operation. In order to meet its responsibilities, officers will sometimes consider obtaining information without explicitly making clear that an assessment is taking place. Any activity by Council staff or contractors that is designed to obtain information relevant to criminal or civil concerns about a citizen, service user, or employee without the person's knowledge, is a covert activity. On occasions, so as to assist in concluding an enquiry, formal surveillance of a location or a person may also be considered.
- 1.2. However the Human Rights Act 1998 (HRA) Article 8; provides that everyone has the right to respect for their private and family life, their home and correspondence and this is the key consideration when officers consider obtaining information using a covert activity or surveillance. This right is however subject to an important qualification as Paragraph 2 of Article 8 provides that:
"There shall be no interference by a public authority with the exercise of this right except such as is in accordance with the law and is necessary in a democratic society in the interests of national security, public safety or the economic wellbeing of the country, for the prevention of disorder or crime, for the protection of health or morals, or for the protection of the rights and freedoms of others."
- 1.3. In order to provide for covert activities and surveillance to be authorised and conducted compatibly with Article 8 the Regulation of Investigatory Powers Act 2000 (RIPA) and associated Codes of Practice provide a statutory framework, but do not cover every circumstance when it may be appropriate to support a Council function through undertaking a covert activity or surveillance.
- 1.4. The purpose of this Policy is to direct officers and contractors as to the requirements that must be in place if any covert activity or surveillance is considered to be necessary on behalf of the Council. The product of covert activities undertaken in respect of an individual is described as 'private information'.

2. ACTIVITIES NOT INCLUDED IN THIS POLICY:

- 2.1. An authorisation in accordance with this Policy is not required if the Council has a specific legal basis for conducting covert activities or surveillance, nor does this Policy apply where the proposed action is not likely to result in the obtaining of private information.

Such as when:

- 2.1.1. Agreement has been sought and obtained from all those to be monitored
- 2.1.2. Use of properly signed CCTV, ANPR or BWV systems
- 2.1.3. Recording of excessive noise, or other activities that a person is displaying to the public
- 2.1.4. General observations obtained in the course of employees undertaking their public work role

- 2.1.5. The operational use of any statutory powers of entry, or seizure, on behalf of the Council which are available to an employee in a certain job role

- 2.1.6. Test purchases when there is no intention to record a specific conversation or establish a relationship with the suspected offender
- 2.1.7. Reviewing recorded information
- 2.1.8. Obtaining covertly data, objects, artefacts, fauna, or flora, which is not private information.

3. COVERT ACTIVITY OR SURVEILLANCE COVERED BY THIS POLICY:

3.1. There are seven categories of covert activity that the Council can consider deploying to support its functions and each has a process that must be followed in order to make use of the product from that covert activity.

These are:

- 3.1.1. Serious crime investigation
- 3.1.2. Investigating the sale of tobacco, or alcohol to underage children
- 3.1.3. Acquisition of communications data
- 3.1.4. Monitoring of the use of Council communications equipment / email system
- 3.1.5. Undertaking covert activities as part of a Council function or service delivery
- 3.1.6. Monitoring employees' activities
- 3.1.7. Immediate response to a situation by an employee

4. REQUIREMENTS:

- 4.1. If it is considered that in order to carry out an assessment, investigation or enforcement responsibility, that there is a need to acquire private information through using covert activities, then the obligations of this Policy must be followed by employees and contractors.
- 4.2. Undertaking any covert activities or acquiring any personal data without informing the person under observation, are only appropriate when it is in accordance with the powers of the Council, necessary and a proportionate response in the circumstances.
- 4.3. This Policy provides for processes to be implemented and followed; so as to ensure that the Council has regard to the HRA and to enable the product of covert activities to be used as evidence to support the implementation of Council responsibilities.

5. RESPONSIBILITIES:

- 5.1. Chief Officers are responsible for ensuring the implementation of relevant processes for authorising and recording covert methods of obtaining private information.
- 5.2. Council employees and contractors must complete the relevant authorisation or reporting process required by this Policy; so as to demonstrate that using covert means has been in accordance with statutory controls on obtaining private information.

6. PROCESS REQUIRED FOR EACH TYPE OF COVERT ACTIVITY:

6.1. Serious crime investigation:

This is in respect of a criminal offence which is sought to be prevented or detected, which is punishable whether on summary conviction or on indictment, by a maximum term of at least 6 months of imprisonment. If the deployment of a covert activity is being considered then the RIPA process must be followed. This includes following the relevant Code of Practice and obtaining confirmation for the proposed covert activity from a Magistrate; before any covert activity or surveillance can proceed.

6.2. Investigating the sale of tobacco, or alcohol to underage children:

This is in respect of an offence under sections 146, 147 or 147A of the Licensing Act 2003 or section 7 of the Children and Young Persons Act 1933. If the deployment of a covert activity is being considered then the RIPA process; including following the relevant Code of Practice and obtaining confirmation of any proposed covert activity from a Magistrate must be considered before any covert activity can proceed.

6.3. Acquisition of Communications Data:

This must be in accordance with Chapter II of Part I of the Regulation of Investigatory Powers Act 2000 (RIPA) and the relevant Code of Practice must be followed by employees and contractors.

RIPA Section 21(4) defines three categories of communications data, however Local Authorities are not authorised to acquire “traffic data” i.e. information that identifies any person, equipment or location to or from which a communication is or may be transmitted. Nor does the power to acquire communications data extend to obtaining the content of the communication.

6.4. Monitoring usage of the Council’s electronic communications systems:

This is required to be in accordance with the Lawful Business Practice Regulations and can only be undertaken after an internal authorisation process, (which is the RIPA process excluding authorisation by a Magistrate) that includes an impact assessment undertaken in line with guidance from the Information Commissioner on the implementation of the DPA.

6.5. Undertaking covert activities as part of a Council function or service delivery:

Should an officer consider that undertaking a covert activity or surveillance is necessary in order to progress an assessment or investigation as part of their work role and the activity does not fall under any of the other types of covert activity listed in this policy; then the internal assessment process must be followed, (which is the RIPA process excluding authorisation by a Magistrate).

6.6. Monitoring employees’ activities:

The observation and monitoring of employees without their knowledge or consent must only be undertaken after an internal authorisation process, (which is the RIPA process excluding authorisation by a Magistrate) that includes an impact assessment, undertaken in line with guidance from the Information Commissioner on the implementation of the DPA.

6.7. Immediate response to a situation by an employee:

If because of an employees work role, a person or situation of interest to the Council is suddenly observed, but there is insufficient time to seek a formal authorisation to undertake a covert activity or surveillance in response to immediate events.

An employee can determine that it is appropriate in the light of any known risks to their safety to immediately undertake a covert activity in order to gain private information which seems likely to support the functions of the Council. However the following must then be completed:

- 6.7.1. Only undertake necessary covert activities or surveillance
- 6.7.2. Record the events as soon as practicable within the case file
- 6.7.3. A manager is to review the situation within one working day
- 6.7.4. The case plan to be updated to identify when and how the person who has been observed is to be told of the information observed or collected
- 6.7.5. A manager must consider whether authorisation should be considered for any additional covert activity or surveillance.

7. MONITORING AND REPORTING ON THE EXTENT OF COVERT ACTIVITIES:

- 7.1. Monitoring of the use of covert activities and surveillance is through a report to Councillors by the Senior Responsible Officer (SRO), which is a required role to oversee compliance with RIPA.
- 7.2. The SRO is the Corporate Director / Chief Information Officer, who must advise the lead Councillor quarterly and report annually to Council on the use of covert activities and surveillance.
- 7.3. Reports from the SRO are to include analysis of the covert activities undertaken by service teams and the annual returns required by the RIPA oversight Commissioners; so as to enable Councillors to approve activities as being consistent with this Policy.

8. APPROVAL

V3.0 at Audit Committee 11 March 2019

APPENDIX – GLOSSARY AND REFERENCE

Term	Meaning
2000 Act RIPA	Regulation of Investigatory Powers Act 2000. http://www.homeoffice.gov.uk/counter-terrorism/regulation-investigatorypowers/
ANPR	Automatic Number Plate Recognition
Authorisation	An application which has received the approval of an authorising officer
Authorising officer	A person within a public authority who is entitled to grant authorisations. List available in Document Library
BWV	Body Warn Video – camera and sound recorder attached to an officer to record interactions with citizens
CCTV	Closed Circuit Television Recording
Code of Practice	Codes of Practice issued under RIPA section 71.
Covert	Surveillance is covert if, and only if, it is carried out in a manner calculated to ensure that any persons who are subject to the surveillance are unaware that it is or may be taking place. As defined in section 26(9)(a) of the 2000 Act
Lawful Business Practice Regulations	The Telecommunications (Lawful Business Practice) (Interception of Communications) Regulations 2000 provide that it is lawful to intercept a communication with the express consent of the system controller in a number of circumstances. It is lawful for a public authority to monitor staff emails without their consent in order to establish the existence of facts relevant to the business or activities of the organisation. The system controller must make all reasonable efforts to inform staff that their communications may be intercepted. It is permissible to monitor (but not record) communications without individuals' consent to determine whether or not the communications in question relate to the business or activities of the organisation.
Local Authority use of RIPA	Updated from 01/11/2012 http://www.homeoffice.gov.uk/publications/counter-terrorism/ripa-forms/localauthority-ripa-guidance/
Private information	Any information relating to a person in relation to which that person has or may have a reasonable expectation of privacy. This includes information relating to a person's personal or family affairs. Private information includes information about any person, not just the subject(s) of an investigation. May include personal data, such as names, telephone numbers and address details.
Surveillance	includes monitoring, observing or listening to persons, their movements, conversations or other activities and communications. It may be conducted with or without the assistance of a surveillance device and includes the recording of any information obtained. See section 48(2) of the 2000 Act.

PLYMOUTH CITY COUNCIL

Subject:	Governance Arrangements for the Delivery of the Plymouth and South West Devon Joint Local Plan.
Committee:	Audit and Governance Committee
Date:	11 th March 2019
Cabinet Member:	Councillor Coker
CMT Member:	Anthony Payne (Director for Place)
Author:	Richard Grant (Strategic Planning Manager – Joint Local Plan)
Contact details	Tel: 01752 304331 email: Richard.grant@plymouth.gov.uk
Ref:	
Key Decision:	Yes
Part:	I

Purpose of the report:

This report seeks the approval of the governance arrangements for the delivery of the Plymouth and South West Devon Joint Local Plan, as set out in the accompanying Paper “Plymouth and South West Devon Joint Local Plan – Delivery and Governance”, and in particular the establishment of a member-led Joint Local Plan Partnership Board.

The Plymouth and South West Devon Joint Local Plan has been prepared in collaboration with South Devon Joint Local Plan has been prepared in collaboration with South Hams District Council and West Devon Borough Council. It is nearing the end of the Examination in Public of the plan, undertaken by the Planning Inspectorate on behalf of the Secretary of State, and is hoped that the plan will be able to be adopted in Spring 2019.

Collaboration with South Hams District Council and West Devon Borough Council on production of the plan has taken place through the terms of a Collaboration Agreement, which was agreed at the same time as the decision to collaborate on the JLP was taken, and has been overseen by the Plymouth and South West Devon Joint Local Plan Joint Member Steering Group.

As part of the Examination process, the Inspectors raised questions about how the Councils would ensure delivery of the JLP through ongoing collaboration and joint working. The Councils therefore produced a Governance Topic Paper, which was agreed by the Steering Group, which was submitted to the Inspectors during the Examination. The governance arrangements set out in that paper were accepted by the Inspectors and no further questions or concerns were raised.

Now that the JLP is nearing adoption, it is necessary to ensure that the updated governance arrangements are formally endorsed by the JLP Councils, in order that the Councils can immediately and efficiently proceed to deliver the plan along the lines presented to the Inspectors.

Corporate Plan

A GROWING CITY – the JLP has a strong focus on reinforcing and delivering Plymouth’s radical growth agenda. These governance arrangements will ensure that the JLP can continue the delivery of the growth of the city.

**Implications for Medium Term Financial Plan and Resource Implications:
Including finance, human, IT and land**

There are no additional financial or resource implications of this report. In setting out details of how the JLP Councils will collaborate on the delivery of the Joint Local Plan, and the governance arrangements enabling this work, the report sets out how existing resources will be used in the most efficient way.

Other Implications: e.g. Child Poverty, Community Safety, Health and Safety and Risk Management:

The JLP provides a strategic policy framework for both people and place. The creation of sustainable communities, and the theme of providing quality of life for everyone in the city, runs through the heart of the plans, providing an effective and integrated strategic framework for addressing and responding to issues such as community safety, community cohesion, child poverty and equalities and diversity. This report sets out how the JLP Councils will organise themselves to deliver the Joint Local Plan.

Equality and Diversity

Has an Equality Impact Assessment been undertaken? An Equality Impact Assessment has already been undertaken for the Plymouth and South West Devon Joint Local Plan, and is included in the Final Sustainability Appraisal.

Recommendations and Reasons for recommended action:

It is recommended that approval be given to the establishment of Joint Local Plan Partnership Board in accordance with the Joint Local Plan governance arrangements set out in the Plymouth and South West Devon Joint Local Plan – Delivery and Governance Paper.

REASON: To enable the efficient delivery of the strategy and policies set out in the Plymouth and South West Devon Joint Local Plan by the JLP Councils.

Alternative options considered and rejected:

The JLP Councils could decide not to collaborate on the delivery of the JLP. However, such an approach would lead to a lack of coordination of delivery of policies, and particularly of levels of housing and employment growth across the three authorities. This lack of coordination would likely lead to the strategy as set out in the plan failing to be delivered, jeopardising the 5 Year Land Supply of land for new housing in all three Councils and the achievement of the milestones on the Government's Housing Delivery Test, with the consequences of this being felt by all three authorities. It would also lead to the duplication of work in all three authorities leading to resource inefficiencies.

Published work / information:

Report to Full Council on Plymouth and South West Devon Joint Local Plan – 16th February 2016
Report to Full Council on Plymouth and South West Devon Joint Local Plan – 27th February 2017

Governance Topic Paper (TP6) – January 2018
 Revised Governance Topic Paper (TP6 (Rev)) – March 2018

Background papers:

Title	Part I	Part II	Exemption Paragraph Number							
			1	2	3	4	5	6	7	
Plymouth and South West Devon Joint Local Plan – Delivery and Governance.										

Sign off: comment must be sought from those whose area of responsibility may be affected by the decision, as follows (insert references of Finance, Legal and Monitoring Officer reps, and of HR, Corporate Property, IT and Strat. Proc. as appropriate):

Fin	pl.18.19.219	Leg	LS/32168/J P/F eb19	Mon Off	lt/62225/2702	HR	n/a	Assets	n/a	IT	n/a	Strat Proc	n/a
Originating SMT Member Paul Barnard (Service Director for Strategic Planning & Infrastructure)													
Has the Cabinet Member(s) agreed the contents of the report? Yes													

1.0 Background

- 1.1 On 16th February 2016 the City Council agreed to collaborate with South Hams District Council and West Devon Borough Council on the production of the Plymouth and South West Devon Joint Local Plan. The working arrangements for the collaboration were also approved by the City Council, as set out in the Collaboration Agreement accompanying the report.
- 1.2 The key elements of the collaboration set out at that time were:
- The creation of a Joint Member Steering Group to oversee and guide the work on the Joint local Plan
 - Informal officer collaboration on the Joint Local Plan with each authority committing to make the necessary resources available, with the work on the plan being led by Plymouth City Council's Local Planning Manager.
 - Each authority sharing the costs of preparing the plan.
- 1.3 The City Council approved the Joint Local Plan for Publication and subsequent Submission to the Planning Inspectorate on 27th February 2017. Council also instructed officers to revise the Collaboration Agreement, to ensure that arrangements were put in place for delivery of the JLP post adoption.
- 1.4 The Joint Local Plan was submitted to the Planning Inspectorate on 31st July 2017, and the Examination in Public process commenced. During the Examination, the Planning Inspectors asked questions relating to the ongoing collaboration between the JLP Councils, and the reassurance that could be given that the Councils were committed to working together to deliver the JLP strategy and commitments. In response the Councils produced the Governance Topic Paper ([TP6](#)), which set out in detail the proposed ongoing governance arrangements. This Topic Paper was revised following the Hearings into the JLP which took place between January and March 2018, to reflect discussions with the Inspectors. The Revised Governance Topic Paper ([TP6\(Rev\)](#)) was submitted to the Inspectors in March 2018. Both of these versions of the Governance Topic Paper were approved by the Joint Local Plan Member Steering Group following consultation with the Leaders of the Councils.
- 1.5 Given that the JLP may soon be adopted by the Councils, it is timely to also formally approve the Governance arrangements that the three Councils will use to deliver the JLP. South Hams District Council and West Devon Borough Council will be asked to approve the arrangements at the Full Councils which adopt the JLP. In Plymouth, these matters have been delegated to the Audit and Governance Committee. The Governance Topic Paper has been slightly amended so that it reflects the latest position regarding the Joint Local Plan. It is appended to this Report so that Members can see the detail of the Governance Arrangements.

2.0 Summary of the Governance Arrangements

- 1.6 The Governance Topic Paper proposed the following Governance Arrangements for the delivery of the JLP:
- The Joint Local Plan Member Steering Group will be disbanded and replaced with a Joint Local Plan Partnership Board. This Partnership Board will be a more formal body than the existing Steering Group, with powers to review progress on the implementation of the JLP and engage with the individual Councils in addressing any delivery issues revealed by monitoring. The existing Member representation of the

Steering Group would remain for the Partnership Board – ie 2 senior Members from each Council.

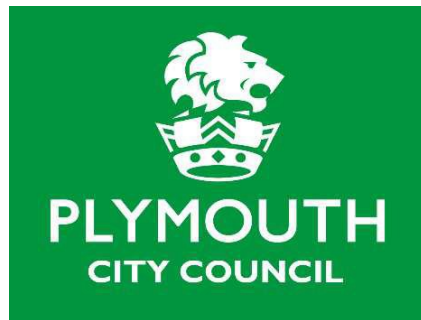
- A Joint Local Plan Senior Management Team, comprising of senior managers from all three Councils to provide oversight and a strategic steer to officers working on the monitoring, delivery and review of the JLP. This joint management team is now operational.
- A new Joint Local Plan Team be created, responsible to all three Councils, and charged with the monitoring and review of the Joint Local Plan, maintaining the evidence base, and providing advice to the three Councils on strategic planning policy matters. This team was operational from August 2018 and is overseeing the final stages of the JLP Examination and adoption.

- 1.7 These arrangements are set out in more detail in the attached paper “Plymouth and South West Devon Joint Local Plan – Delivery and Governance”, which also sets out the scope of the Joint Local Plan Team, and the Terms of Reference of the Joint Local Plan Partnership Board.
- 1.8 The Paper also sets out how the Councils will address any delivery issues which are highlighted by monitoring of the Joint Local Plan up to the first review of the plan. In particular, the Paper sets out that monitoring of housing delivery will take place at the whole plan level, and explains how any issues that are identified by the Councils will be handled.

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West Devon
Borough
Council



South Hams
District Council

Plymouth and South West Devon Joint Local Plan – Delivery and Governance

March 2019

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Introduction

- 1.1 This paper sets out the officer and member arrangements for the implementation of the adopted Plymouth and South West Devon Joint Local Plan (JLP). It sets out:
 - The approach the JLP takes to the distribution of development across the plan area, and the implications of this distribution for monitoring of development and managing the implementation of the JLP strategy.
 - The governance that the JLP Authorities have put in place to ensure that the JLP is effectively monitored, that delivery is properly managed, and that strategic planning continues to take place collaboratively between the 3 LPAs.

Background

- 1.2 Plymouth City Council, West Devon Borough Council and South Hams District Council, working together have prepared a joint local plan for their area - the Plymouth and South West Devon Joint Local Plan (the JLP).
- 1.3 The JLP provides a strategic spatial framework for an acknowledged economic and housing market functional area (SHMA Part 1 (HO13) Section 2). It sets a strategic framework and goes on to set out land required for development (site allocations) and the development management policies to be used to guide development throughout the plan period.
- 1.4 The Plan is driven by the function and character of the place, and particularly by the nature and role of the settlements and the relationship between them. The plan area varies very significantly in its character and with parts of the area performing very different economic roles, yet there are strong relationships between the different parts. Managing these roles and relationships for the greater wellbeing of the area and its communities in the future is the purpose of the Plan.
- 1.5 It should be emphasised that the JLP represents the first time that the three JLP Authorities have collaborated so fully on plan making. There is a clear commitment to continuing and building upon the collaboration that has occurred so far.

Managing the Distribution of Development, and the Implications for the Delivery of Housing

- 1.6 The Plan seeks to do something more than could ever be achieved by three separate plans for individual districts defined by administrative boundaries – it sets out a strategic framework unconstrained by local authority boundaries for managing the relationship between the growing city of Plymouth and the surrounding rural areas. It does this by framing the strategy around two Policy Areas: the Plymouth Policy Area (PPA) which includes the city and parts of South Hams adjoining the city boundary, and the Thriving Towns and Villages Policy Area (TTVPA) which comprises the remaining parts of South Hams and West Devon. The Policy Areas are therefore different from the local authority areas due to the inclusion of parts of South Hams on the fringe of Plymouth into the Plymouth Policy Area, and the amalgamation of the remaining part of South Hams with all of West Devon into the Thriving Towns and Villages Policy Area. The definition of the Policy Areas in this way recognises the relationship between housing, economic activity, infrastructure and movement, and seeks to move towards more sustainable patterns of development.
- 1.7 The JLP makes provision for housing to be developed to meet identified needs, and distributes that housing across the plan area to achieve a sustainable pattern of development. It expresses the amount of housing to be developed during the Plan period by setting the plan housing requirement at the whole plan level (26,700 new homes – note that this excludes any housing to be provided in the Dartmoor National Park).

The above approach means that if a five year supply of land for new homes cannot be demonstrated against the whole plan requirement at any time, the supply will need to be addressed at the whole plan level – i.e. as the plan requirement is set at the whole plan level, the consequences of there being a lack of a 5 year land supply are also taken into consideration at the whole plan level. Nevertheless, the JLP also sets out how many new homes are expected to be delivered in the two Policy Areas and in the three local planning authorities. These additional figures are based on:

- A distribution of housing development that gives force to the sustainable development strategy that forms the basis of the Joint Local Plan
- the housing sites identified in the housing supply.

They are not housing requirements. They are intended to be used

to show that each LPA is bringing forward development in line with the strategy set out in the JLP, ensuring that through monitoring of delivery, each LPA is making decisions which will implement the JLP approach. These figures are therefore an important element of the governance that the JLP authorities are setting up to deliver the JLP, and enable the JLP authorities to ascertain where any shortfall in supply has arisen by both policy area and LPA, and to therefore take responsibility, acting to address the shortfall in those places where it has arisen. Appendix One sets out how this approach would be used if a five year land supply of lands for housing could not be demonstrated at any time.

Governance Arrangements

- 1.8 The innovative and positive approach taken in the JLP requires similarly innovative and positive approaches to its implementation. The JLP Authorities have therefore developed new arrangements to be put in place upon adoption of the JLP. These arrangements have the following aims:
- To ensure that implementation of the JLP is monitored on a consistent basis across the plan area, and is clearly reported
 - To ensure that there is a clear and consistent understanding of the JLP across the three LPAs and that consistent advice on policy is given to Members and officers
 - To ensure that in the event that monitoring should show that the JLP is not being implemented as envisaged, or that key delivery targets are not being met, that there is Member oversight and scrutiny which enables remedial action to be taken by each LPA.
- 1.9 The JLP Authorities have therefore put in place the following structures to drive delivery of the JLP, and particularly to ensure that the approach to housing delivery and five year land supplies at the whole plan level is maintained:

A Joint Local Plan Team

- 1.10 The Joint Local Plan Team is a joint officer team of the three authorities, working together under common leadership, with a clear role and responsibilities, and reporting to a combined senior management team. This is a natural evolution of the group that has undertaken the collation of evidence and the preparation of the JLP, but with a stronger and simpler structure. The team works across the three JLP

Authorities, advising Members and Officers on the implementation and eventual review of the JLP.

- 1.11 Clearly all decisions on planning applications will in future be made in accordance with the JLP as adopted, according to the relevant legislative and policy provisions. The Joint Local Plan Team will assist the Development Management Committees of the Councils by advising case officers of the implications of any proposals for the delivery of the JLP, by providing advice on the application and interpretation of the JLP strategy, and attending the committees where appropriate to provide similar advice to Members. The Joint Local Plan Team will also assist in Member and officer training, to ensure a consistent understanding of the JLP across the three LPAs.
- 1.12 The terms of reference for the new Joint Local Plan Team are appended to this paper as Appendix 2.

A Single Team undertaking monitoring of the JLP, and a single AMR

- 1.13 The Joint Local Plan Team plays a key role in undertaking the dynamic monitoring of the implementation of the JLP on a consistent basis across the Plan area. Monitoring will have a vital role going forward, in particular in keeping on top of the provision of housing across the plan area and in managing any measures arising from any concern about the maintenance of a five year supply of land for housing. The Joint Local Plan Team would therefore be in control of monitoring housing delivery against the whole plan requirement, reporting on the 5 year land supply for the whole plan area, and setting out the implications of housing delivery for each local planning authority, including any evidence of past and/or future fall in supply in the context of the 5 year land supply position..
- 1.14 There will be one common Annual Monitoring Report for the JLP, supplemented by more frequent monitoring and review to assist in managing the implementation of the JLP.

The Joint Local Plan Partnership Board

- 1.15 The JLP was prepared under the guidance of a member Steering Group made up of two members from each of the three participating local authorities. This Steering Group continues to meet and whilst not a decision-making body has provided strong and consistent guidance on the formulation of

the JLP on behalf of the JLP Authorities.

- 1.16 The JLP Authorities have decided that the JLP Member Steering Group should evolve to become a Joint Local Plan Partnership Board, made up of senior members from each authority. This Partnership Board would be a more formal body than the existing Steering Group, with powers to review progress on the implementation of the JLP and engage with the individual Councils in addressing any delivery issues revealed by monitoring. The Joint Local Planning Team would provide officer support to the Partnership Board, advising on the results of monitoring and recommending actions to be taken. Clearly, the responsibility for making decisions on planning applications remains with the Planning Committees of the three local authorities, but it is the intention of these arrangements that the new Joint Local Plan Team should provide advice and guidance to the case officers, and that the JLP Partnership Board should have a role scrutinising the results of decisions made at the local level on the delivery of the JLP.
- 1.17 It will be the responsibility of the Partnership Board to ensure that all elements of the Joint Local Plan are being delivered as set out in the plan. This means that the Partnership Board will be responsible for examining the results of the monitoring of all elements of the plan – including housing delivery, employment land delivery, retail land delivery, and infrastructure – and taking action in the event that delivery does not match what is set out in the plan.
- 1.18 An example of how the JLP authorities envisage these arrangements working would be in the event of monitoring showing the lack of a five year land supply at the whole plan level. The Joint Local Planning Team would alert the Partnership Board to the issue and to the implications – ie that given the lack of a 5 year land supply para 11 of the 2018 NPPF is engaged and that housing proposals across the plan area should be considered in the light of the presumption in favour of sustainable development with the 'tilted balance' engaged. Monitoring against the LPA indicators set out in annex 2 of the JLP should reveal which LPA is experiencing the under delivery, enabling the Board to ascertain why delivery is not occurring as expected. The Board would then assist the LPA to develop appropriate actions based on the Housing Implementation Strategy set out in para 3.32 of the JLP, and to implement agreed actions, to remedy the under delivery and achieve a 5 year land supply. The seniority of the Members on the Partnership

Board would enable actions to be taken directly to the decision making committees of each LPA.

- 1.19 The Terms of Reference for this Board are appended to this Topic Paper as Appendix 3.

APPENDIX 1 – FIVE YEAR LAND SUPPLY SCENARIOS

Key principles:

The key principle underpinning the approach that the JLP Councils will use when taking actions to maintain a 5 year land supply of sites is that of **Collective responsibility**. This principle means that the LPAs commit to work together to ensure that the five year supply target is achieved for the Plan Area as a whole.

The monitoring levels:

Monitoring data on housing delivery will be collected at three levels:

- Whole plan area – 26,700 dwellings. This is the level at which 5 year land supply and Housing Delivery Test performance will be monitored in the light of the 2018 NPPF and PPG.
- Policy Areas (for the purpose of monitoring the delivery of the spatial strategy as set out in the JLP)
 - Plymouth PA – 19,000 dwellings
 - TTV PA – 7,700 dwellings
- LPA Areas (for the purpose of monitoring the delivery of each LPA's contribution to the overall housing requirement for the JLP)
 - Plymouth – 13,200 dwellings
 - West Devon – 3,200 dwellings
 - South Hams – 10,300 dwellings (5,800 dwellings in Plymouth PA; 4,500 dwellings in TTV PA)

Primary plan-monitor-manage tools:

The following tools represent the main methods that the JLP Councils will use to monitor housing delivery and the maintenance of a 5 year land supply of sites:

- Single Joint Local Plan Team overseeing monitoring and management of 5 year land supply and Housing Delivery Test performance.
- Annual Monitoring Report, including a detailed Annual Housing Statement setting out detailed reporting on housing delivery issues and 5 year land supply position against the JLP whole plan requirement..

- Ongoing internal monitoring of delivery progress and sites intelligence during the year.
- Annual housing forum to discuss with industry:
 - General market conditions
 - Housing supply and delivery constraints.
 - Progress on planning applications/consents issued
 - Actions required to maintain supply
- Rolling Housing Implementation Strategy – to be incorporated in Annual Housing Statement – including actions the JLP Councils are taking to ensure maintenance of a 5 year land supply and housing delivery.

Governance tools to deliver individual and collective responsibility:

In the event that a 5 year land supply of sites cannot be demonstrated, the following processes would be triggered, overseen and guided by the Joint Local Plan Partnership Board.

- In the event that there is a shortfall in five year supply at Plan Area level, the Joint Councils collectively will enter into formal discussions to reach an agreement on the details of measures to remove the shortfall, identifying:
 - The scale of the shortfall.
 - The location of the shortfall (i.e. . in which LPA is the shortfall occurring, comparing delivery to the LPA monitoring targets set out above).
 - The LPA/s taking responsibility for removing the shortfall.
 - The actions to be taken to remove the shortfall.
- This overall process will be guided by the Joint Local Plan Partnership Board.

Development management scenarios.

The JLP sets out a position in which the tilted balance is triggered if the whole plan area cannot demonstrate a 5 Year Land Supply. This means that the tilted balance is not triggered if an individual LPA cannot demonstrate a 5 YLS against the monitoring targets in Annex 2 of the JLP, as long as the whole plan area can demonstrate a 5YLS.

NB – ‘Tilted Balance’ is a term which has been used to describe how judgements on planning applications should be made when a 5 Year Land Supply cannot be demonstrated. It simply means that in such a situation, the contribution that a housing proposal could

make to improving the housing supply in an area and therefore contributing to a 5 Year Land Supply of sites for housing should be weighed against any potential reasons to refuse the application. The amount of weight given to this consideration by Inspectors is often considerable, leading to a greater number of permissions for housing on such sites in places where housing land supply and delivery has not kept pace with the requirement set out in an up to date local plan.

Under the governance arrangements set out in this Paper, the Joint Local Plan Team will monitor housing delivery across the whole plan area, the Policy Areas, and at LPA level. The JLP Team will also monitor the maintenance of a 5 Year Land Supply so that any deficiencies are picked up and reported to the JLP Partnership Board at the earliest opportunity and are used to inform decision making by Planning Committees.

In terms of DM decision making, it is also important to ensure that when refusal reasons are drawn up for inappropriate development proposals, that reference is made to the JLP distribution strategy as expressed by the Policy Areas – as this will provide an additional policy position for considering applications. The scale of development will clearly be a factor in such a consideration, and it would be for the JLP Team to provide clear guidance to planning committees as to how policy should be applied.

SUMMARY OF SCENARIO

Scenario where 5 year supply targets not met in part/full	1. Application of LPA monitoring target	2. Application of Policy Area policy target	3. Application of HMA policy target	4. Consequences
Where the whole Plan Area cannot show a five year supply	<ul style="list-style-type: none"> Aim to rectify the issue – initially within the LPA area(s) where the deficiency is occurring. 	<ul style="list-style-type: none"> In event that no remedy within the LPA area(s) where the deficiencies are occurring, aim to remedy in the other LPA area of each respective policy area. 	<ul style="list-style-type: none"> In event that the situation has not been able to be remedied in either or both policy areas sufficient to satisfy the HMA target, the JLP Councils undertake full review of the cause and potential solutions to the deficiency within the policy area(s) concerned. 	<ul style="list-style-type: none"> If no remedy found within policy areas, the Framework’s presumption in favour of sustainable development becomes primary consideration. The JLP Councils will need to formally consider whether the need for a partial or full review of the JLP is required.

APPENDIX 2 - SCOPE OF THE JOINT LOCAL PLAN TEAM

- The JLP Councils are committed to putting in place joint officer arrangements in relation to the monitoring, implementation and future review of the joint local plan.
- This will be delivered through a dedicated Joint Local Plan Team that will report to the Joint Local Plan Senior Management Team and be responsible to the Joint Local Plan Partnership Board.
- The primary responsibility of the Joint Local Plan Team will be to ensure the delivery of effective programme management of the preparation, monitoring, implementation and review of the Joint Local Plan.
- To undertake this primary responsibility the team will:
 - Establish a consistent JLP monitoring framework across the Plan Area and for each Policy Area and LPA – covering housing, employment, retail and all of the indicators identified in the plan - and commission work as required to ensure that this framework is delivered and maintained.
 - Maintain up to date information on the 5 year housing land supply situation for each LPA and each Policy Area.
 - Maintain a local plan delivery risk register and putting in place appropriate mitigation strategies and intervention programmes as required.
 - Maintain a sound and robust evidence base, meeting statutory requirements and ensuring that the LPAs have the core information available to meet their wider planning responsibilities.
 - Provide training and consistent quality support to officers and members in relation to interpretation of the JLP and its monitoring information through the development management process.
 - Provide strategic policy guidance and support to teams leading on the preparation of supplementary planning documents and to neighbourhood planning groups.
 - Produce reports (at least annually) on the delivery of the JLP and identifying any interventions / remedial measures needed where the plan is off track.

- Programme manage partial and full reviews of the JLP as required.
- Represent the LPAs in regional and national planning as appropriate, including horizon scanning of national policy changes.
- Maintain an up to date local development scheme and authorities monitoring reports, and commission work as appropriate to meet other statutory requirements, including brownfield land registers and statement of community involvement.
- Provide support and advice to the JLP Partnership Board, and to officers and Members of the JLP Authorities, in relation to plan preparation, monitoring, implementation and review.

APPENDIX 3 - PLYMOUTH AND SOUTH WEST DEVON JOINT LOCAL PLAN PARTNERSHIP BOARD – TERMS OF REFERENCE

1 Overall objective

- 1.1 To oversee the preparation, monitoring and review of the Plymouth and South West Devon Joint Local Plan and to keep the individual local planning authorities (LPAs) on the agreed course to implement the plan.

2 Key functions

- 2.1 To ensure that the constituent councils maintain a clear programme for preparation, monitoring and review of the Joint Local Plan and associated Supplementary Planning Guidance through annual updates of the Local Development Scheme (LDS) and oversight of the project plans identified in the LDS.
- 2.2 To provide strategic guidance to the LPAs in their plan making and delivery functions.
- 2.3 To provide active and dynamic overview of the performance of each LPA in meeting targets for maintaining a five year housing land supply for each Policy Area, and for delivering all other elements of the JLP, including the delivery of key infrastructure and development projects.
- 2.4 To identify where key plan targets are not being realised and to ensure that appropriate action is recommended.
- 2.5 To keep under review changes to the international, national, regional and local context which affect the plan and its delivery.
- 2.6 To keep under review the effectiveness of governance around the preparation, monitoring, implementation and review of the JLP.
- 2.7 To direct such work through the JLPC Senior Management Team as necessary in the fulfilment of the Board's overall objectives.

3. Accountability

- 3.1 The Partnership Board is not a constituted committee of the constituent councils and has no executive or local authority decision making powers delegated to it.
- 3.2 Decisions in relation to the review of, implementation of, or amendments to the Joint Local Plan will require ratification through the standard governance processes of each constituent council.
- 3.3 The Partnership Board will make recommendations for action to constituent councils or the representatives as appropriate.

4. Membership

- 4.1 Membership will comprise 2 Members following authorities. Each Local Authority will agree their own Members.
 - Plymouth City Council

- West Devon Borough Council
- South Hams District Council

4.2 The Partnership Board will co-opt additional partners whom it is considered are most likely to be able to assist in the delivery of the JLP, such appointments will not be voting members. A Member from Devon County Council will be co-opted onto the Partnership Board as a key delivery partner.

5. Frequency and meeting locations

- 5.1 The Partnership Board will meet at least twice per year which will be reviewed after 12 months, including an Annual General Meeting to receive and agree the Annual Monitoring Report.
- 5.2 The date, time and venue of meetings will be fixed in advance by the Board and an annual schedule of meetings published.
- 5.3 Additional meetings may be convened at the request of the Chair in consultation with the JLP Senior Management Team
- 5.4 All meetings will take place in locations as determined by the authority chairing the Partnership Board.

6. Voting

- 6.1 In principle, all decisions and recommendations will be reached on a consensus basis.
- 6.2 In exceptional circumstances, and where decisions cannot be reached by a consensus of opinion and/or there is a need to provide absolute clarity to executive bodies, voting will take place and decisions agreed by a simple majority of all members present.
- 6.3 Where there are equal votes the matter will be escalated to the Leaders of the LPAs for decision.

7. Chair

- 7.1 The Chair shall serve a one-year term beginning in May of each year.
- 7.2 The Chair will rotate between constituent authorities.
- 7.3 Where the Chair is not present, the members present shall select a Chair for the meeting.
- 7.4 Two Vice-Chairman will be selected, to represent each of the two authorities not represented by the Chairman.

8. Declaration of Interests

- 8.1 Members of the Board must, before the end of 28 days beginning with the day on which they become a member of the Board, notify the host authority's monitoring officer of any disclosable pecuniary interests.

9. Quorum

- 9.1 At a meeting of the Board the quorum shall be at least one representative from each of Plymouth City Council, South Hams District Council and West Devon Borough Council.

10. Substitutes

- 10.1 Substitutes to the Board will not be allowed.

11. Vacancy

- 11.1 Should a vacancy occur by virtue of the death, resignation, or ineligibility replacements will be appointed by the constituent authority which holds the vacancy.

12. Access to Information/ Freedom of Information

- 12.1 Partnership Board meetings will not be public meetings, however, there will be one meeting per year held as the Partnership Board Public Forum at which the Annual Monitoring Report will be presented.
- 12.2 Freedom of Information Act provisions shall apply to all business.

13. Papers

- 13.1 The agenda and supporting papers shall be in a standard format and circulated at least five working days in advance of meetings. The minutes of decisions taken at meetings will be kept and circulated to constituent authorities as soon as possible and will be published on the host authority's website.
- 13.2 Meetings summons and related papers will be provided electronically to members.

14. Secretariat

- 15.1 The administration of the Board will be supported by the Chair's Authority

15. Communications

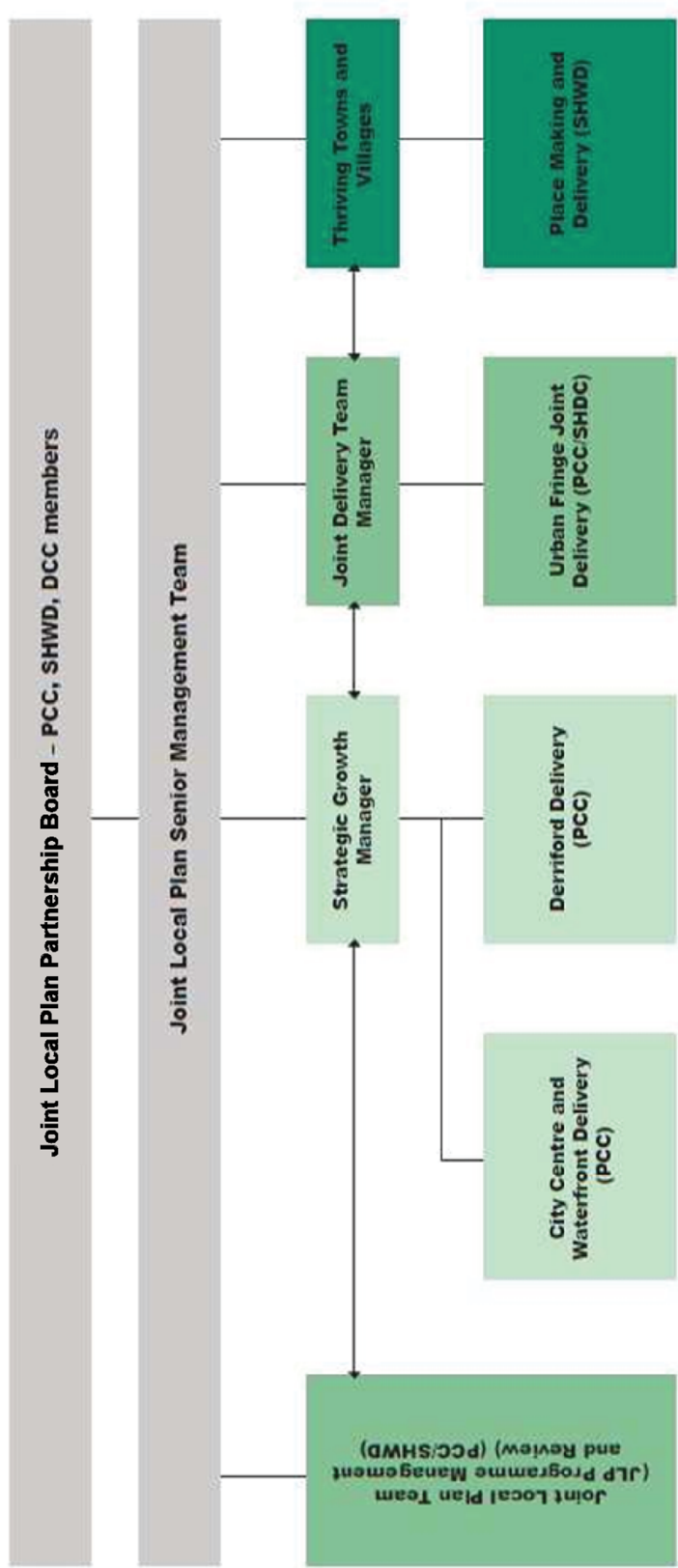
- 16.1 The Joint Local Plan team will prepare communications on behalf of the Board for the approval by the Chair.
- 16.2 Communications will be shared with members of the Board electronically before being issued publically.
- 16.3 Communications will be issued by the Communications Team of the Chair's authority with the agreement of the Chairman and the two Vice Chairmen.

16. Gaps in procedure

- 17.1 Where there are gaps in procedure the Chair determines what to do.

APPENDIX 4 – JLP GOVERNANCE STRUCTURE DIAGRAM

PROPOSED JOINT LOCAL PLAN GOVERNANCE FRAMEWORK



Note: This diagram shows structures that are explicitly related to the management and delivery of the Joint Local Plan. It is not an attempt to show the complete structure for how each council manages its planning functions.



PLYMOUTH CITY COUNCIL

Subject:	Award of Contracts
Committee:	Audit and Governance
Date:	11 March 2019
Cabinet Member:	Councillor Smith.
CMT Member:	Giles Perritt (Assistant Chief Executive)
Author:	Linda Torney, (Assistant Head of Legal Services)
Contact details	Tel: 01752 304430 email: linda.torney@plymouth.uk
Ref:	Your ref. LT
Key Decision:	No
Part:	1

Purpose of the report:

To make recommendations about whether to adopt a general policy about dealing with announcements about the award of tenders as practice has varied in the past.

Corporate Plan

Having a transparent process about dealing with the announcement of contract award decisions links into our corporate plan values of being fair open and honest about how we act,

**Implications for Medium Term Financial Plan and Resource Implications:
Including finance, human, IT and land**

None directly arising from this report.

Other Implications: e.g. Child Poverty, Community Safety, Health and Safety and Risk Management:

None directly arising from this report.

Equality and Diversity

Has an Equality Impact Assessment been undertaken? No

Recommendations and Reasons for recommended action:

The Committee is asked to consider the approach that should be adopted in relation to the award of contracts in future in light of the issues highlighted in the report and make recommendations to Cabinet about this.

The options appear to be:

(i) – To have a general approach to always announce the name of the successful tenderer at Cabinet in every situation.

(ii) - To have a general approach to announce the name of the successful tenderer at Cabinet in all cases apart from those where an existing tenderer has put in a tender for a follow on contract.

(iii) - To not have a general approach but to consider the merits of announcing the name of the successful tenderer at Cabinet on a case by case basis.

Alternative options considered and rejected:

These are contained in the main recommendation

Published work / information:

None

Background papers:

None

Title	Part I	Part II	Exemption Paragraph Number							
			1	2	3	4	5	6	7	

Sign off: comment must be sought from those whose area of responsibility may be affected by the decision, as follows (insert references of Finance, Legal and Monitoring Officer reps, and of HR, Corporate Property, IT and Strat. Proc. as appropriate):

Fin	djn.18 .19.23 7	Leg	AT /622 25	Mon Off	AT /62 22 5	HR		Assets		IT		Strat Proc	
Originating SMT Member													
Has the Cabinet Member(s) agreed the contents of the report? Yes													

Background

1.0 Cabinet wishes to adopt a general policy about dealing with announcements about the award of tenders as practice has varied in the past.

1.1 The situations when awards of contracts are made fall into three categories:

(i) When a contract is awarded for a new service, there is no existing contractor and the decision does not directly affect any of the Council's workforce.

(ii) When the Council outsources a service and its own workforce will be affected by the outcome of the decision.

(iii) When the Council renews an existing contract where there is an existing contractor and workforce and service that will be affected by the outcome of the decision.

1.2 Major contract awards are usually made by Cabinet. This means that if the name of the successful tenderer is announced in the meeting it will immediately be available to the public on the Council's website.

1.3 In cases of new contracts this should not cause any issues in respect of existing services that are provided by the Council.

1.4 In cases where it is planned to outsource a council service, the Council's workforce will be affected by the decision. In these cases managers will know the date when a decision about the contract award will be made, have the opportunity in advance to discuss the potential impact of the decision to be made and have an opportunity to put in place arrangements to inform their staff of the decision as soon as it is known.

1.5 However different factors come into play when a follow on contract is awarded where a Council service is provided by a contractor. This is particularly the case in situations where that contractor is not successful in their bid to continue to run the service. They may be subject to immediate financial pressures as a result of the decision and will need to be prepared to respond to questions from their staff. Where it is a major contract they are also likely to have to deal with questions from the press. At the same time they need to continue to operate services for Council pending the transfer of the Service to the new provider at a point where staff who do not want to transfer may look for jobs elsewhere or leave. In these situations officers have found it helpful to have an opportunity to inform the contractor of the decision in private before the decision is made public; to allow time to make plans about the continuation of services during the transition period and to give the contractor the opportunity to inform their staff so that they do not become aware of the decision through the press. However this approach is not in keeping with the Councils general approach for decisions to be made in public.

Options for future practice

2.0 The Committee is asked to consider the approach that should be adopted in relation to the award of contracts in future and make recommendations to Cabinet about this.

2.1 The options appear to be:

(i) – To have a general approach to always announce the name of the successful tenderer at Cabinet in every situation.

(ii) - To have a general approach to announce the name of the successful tenderer at Cabinet in all cases apart from those where an existing tenderer has put in a tender for a follow on contract.

(iii) - To not have a general approach but to consider the merits of announcing the name of the successful tenderer at Cabinet on a case by case basis.

PLYMOUTH CITY COUNCIL

Subject:	Polling District and Polling Stations Review
Committee:	Audit and Governance Committee
Date:	11 March 2019
Cabinet Member:	Councillor Peter Smith
CMT Member:	Giles Perritt, Assistant Chief Executive
Author:	Glenda Favor-Ankersen, Head of Electoral Services
Contact details	Tel: 01752 398 073 email: Glenda.favor-ankersen@plymouth.gov.uk
Ref:	PDPR 2018
Key Decision:	No
Part:	1

Purpose of the report:

The attached report presents our final recommendations for the Polling Districts, Polling Places and Polling Stations Review for 2019/2020.

Local authorities must comply with legislation about the location and accessibility of polling districts and polling places. The mandatory review process is set out in the Representation of the People Act 1983, and includes a public consultation. We are required to review every five years, and this review must be completed by 31 January 2020.

In compliance with the legislation, the current review of polling places and polling districts began in October 2018, and an initial recommendations report was published for consultation on Monday 5 November 2018. The consultation phase ended on Friday 14 December 2018, and included views from local residents and stakeholders in the city, including any issues with access to premises or facilities for people with disabilities. The review also took into account the impact of the next four years' worth of planned residential developments on existing electoral arrangements.

It is the Returning Officer's role to select the polling stations. It will be Full Council which will make decisions on any proposed changes to polling districts or polling places. The final scheme for polling arrangements will be adopted by the Chief Executive in accordance with the Council's constitution.

The polling districts, polling places and polling stations finally decided on will be used for the May 2020 Local and Police and Crime Commissioner elections.

Corporate Plan

This report complies with statutory obligations and requirements and supports Plymouth City Council's corporate values of being democratic, responsible and fair.

**Implications for Medium Term Financial Plan and Resource Implications:
Including finance, human, IT and land**

The Council reviewed value for money considerations and is recommending the reduction in the number of mobile polling stations from 13 to 8 which will result in a saving of approximately £10,000.

Other Implications: e.g. Child Poverty, Community Safety, Health and Safety and Risk Management:

The risk register for this review is available as a background paper to this report.

Equality and Diversity

Has an Equality Impact Assessment been undertaken? Yes

The PDPR Equality Impact Assessment (EIA) is included as a background document to this report.

Recommendations and Reasons for recommended action:

To recommend that Council approves the proposed changes to polling stations as set out in the Polling Districts, Places and Stations Review Recommendations Report, set out starting at page 4 of that report; for the reasons set out in that report.

Alternative options considered and rejected:

The review is mandatory, and the recommendations are based on extensive consultation against a range of criteria



Published work / information:

<https://www.plymouth.gov.uk/votingandelections/pollingdistrictreview2018>

Background papers:

Title	Part I	Part II	Exemption Paragraph Number							
			1	2	3	4	5	6	7	
1A OFFICIAL Briefing Note PDPR 2018, item 39. PDF 132 KB	✓									
1B OFFICIAL Business Case PDPR 2018, item 39. PDF 145 KB	✓									
1C OFFICIAL Project Initiation Document PDPR 2018, item 39. PDF 152 KB	✓									
2 OFFICIAL PDPR 2018 Risk Register V0.03, item 39. PDF 69 KB	✓									
3 OFFICIAL Polling District Review Comms Plan V3, item 39. PDF 90 KB	✓									
4 OFFICIAL Polling District Review Methodology V3, item 39. PDF 77 KB	✓									
5 OFFICIAL Report on Polling Stations Status V2, item 39. PDF 4 MB	✓									
6 OFFICIAL 2018 Polling Stations Costs and Attendance, item 39. PDF 403 KB	✓									

OFFICIAL

7 OFFICIAL 2018 Projected Electorate per Ward, item 39.  PDF 395 KB	✓							
8 OFFICIAL 20180817 Future Potential Housing Growth 1st April 2017-2034, item 39.  PDF 7 MB	✓							
Polling District Review Equality Impact Assessment	✓							

Sign off:

Fin	pl.18.19.226	Leg	lt/32166/2702	Mon Off	HR	Assets	IT	Strat Proc
Originating SMT Member Giles Perritt, Assistant Chief Executive								
Has the Cabinet Member(s) agreed the contents of the report? Yes								

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EQUALITY IMPACT ASSESSMENT

Polling Districts, Polling Places and Polling Stations Review 2018



STAGE I: What is being assessed and by whom?

What is being assessed - including a brief description of aims and objectives?

Plymouth City Council has conducted a review of Polling Districts, Polling Places and Polling Stations from 1 October 2018 to date. This review is a mandatory process comprising a number of specified steps set out in Schedule A1 to the Representation of the People Act 1983. Local Authorities must comply with a number of legislative requirements regarding the location and accessibility of Polling Districts and Polling Places. Organisations involved in administering elections are to make reasonable adjustments to enable people sharing a relevant protected characteristic to exercise their vote.

By conducting this assessment, a better understanding of the potential impact of the review process on residents with protected characteristics have been gained. The assessment ensures that the review is conducted in an inclusive manner and complied with the requirements of the Equality Act 2010. Section 149 of the Equality Act 2010 outlines the specific legal duties on public sector to have due regard to the need to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act; advance equality of opportunity between people who share a relevant protected characteristic and people who do not share it; and foster good relations between people who share a relevant protected characteristic and people who do not share it.

Sources:

Parts 3 of the Equality Act 2010

Section 149 of the Equality Act 2010

<https://www.equalityhumanrights.com/sites/default/files/equality-and-human-rights-law-during-an-election-period.pdf>

https://www.electoralcommission.org.uk/__data/assets/pdf_file/0008/237194/Accessibility-report-call-for-evidence.pdf

<https://www.electoralcommission.org.uk/i-am-a/electoral-administrator/polling-place-reviews>

Our aim:

Plymouth City Council aims to make voting as accessible to everyone as possible. In conducting a review of Polling Districts, Polling Places and Polling Stations, Plymouth City Council will continue to ensure that due regard is paid to the access needs of all voters, including those with protected characteristics. In doing so, Plymouth City Council will follow the guidance of the Electoral Commission and the Equality and Human Rights Commission.

STAGE 1: What is being assessed and by whom?	
	Our objectives: 1. No barriers to voting for people with protected characteristics 2. Everyone can vote on their own and in secret
Responsible Officer	Glenda Favor-Ankersen, Head of Electoral Services
Department and Service	Electoral Registration Office
Date of Assessment	September 2018

STAGE 2: Evidence and Impact				
Protected Characteristics (Equality Act)	Evidence and information (e.g. data and feedback)	Any adverse impact?	Future Actions	Timescale and who is responsible?
Disability and Health	<p>Mental Health</p> <ul style="list-style-type: none"> In 2015 there were over 26,200 people in Plymouth estimated to have a common mental health issue including depression, anxiety, and obsessive compulsive disorder. In 2015 over 11,700 Plymouth residents aged 18-64 years were estimated to have more than one mental health issue, a figure that is projected to decrease to around 11,500 by 2030. <p>Dementia and Memory Loss</p> <ul style="list-style-type: none"> In 2014, 3,251 people over the age of 65 were estimated to be living with dementia in Plymouth. By 2030 it is 	<p>People with disabilities will have important views and helpful suggestions as to the accessibility of Polling Stations which must be captured by the review. The review is anticipated to have a positive impact on those groups.</p> <p>Mental health:</p> <ul style="list-style-type: none"> May not understand that their vote and opinions matter May not have the confidence to share their views May appear to be angry or aggressive as a result of their confusion, fear or embarrassment May need support and specific reminding of opportunity to share their views as part of the review May need representation from support groups 	<ul style="list-style-type: none"> For each of the following groups, it is recommended that the review calls on views from representative support groups and charities. Communication and Engagement campaign to promote the review Consultation with disabled voters, local charities and organisations to ask what we can do to support elections for everyone; capture experiences of people with disabilities 	<p>5 November 2018 to 14 December 2018 - publishing of the review's consultation on our website</p> <p>Emmanuelle Marshall</p> <p>May 2020 implementation of the Review's recommendations</p> <p>Glenda Favor-Ankersen, Head of Electoral Services</p>

STAGE 2: Evidence and Impact				
Protected Characteristics (Equality Act)	Evidence and information (e.g. data and feedback)	Any adverse impact?	Future Actions	Timescale and who is responsible?
	<p>expected that this number will have risen to 4,855</p> <p>Physical Disability (including visual impairment, speech and language impairment, hearing impairment)</p> <ul style="list-style-type: none"> • More people are living with a disability now than in the past because we're living longer and improved medical treatments are enabling more people to manage long-term health problems. There are higher levels of long-term health problems or disability, and lower levels of reported 'good' or 'very good' health in Plymouth compared to England • According to the 2011 Census, 10.0% of Plymouth residents reported having a long-term health problem or disability that limits their day-to-day activities a lot and has lasted, or is expected to last, at least 12 months. The England value was 8.3%. The 2011 Census also reported fewer Plymouth residents thought their health was 	<p>Memory Loss:</p> <ul style="list-style-type: none"> • May need support and specific reminding of opportunity to share their views as part of the review. • May need representation from support groups. <p>Some polling stations face challenges in meeting the physical access needs of disabled people.</p> <p>Physical disability:</p> <ul style="list-style-type: none"> • Difficulty entering and exiting a polling station • Mobility difficulties inside a polling station <p>Visual impairments, vision loss and blindness:</p> <ul style="list-style-type: none"> • May not be able to read the proposals for change and maps • May experience challenges reading information on our website. <p>Speech and Language disorders:</p> <ul style="list-style-type: none"> • May not be able to find or say the words they want to in order to communicate their needs • May not have the confidence to cast their vote 	<ul style="list-style-type: none"> • Work with disability organisations to provide information in accessible formats • Use historical information collected from Presiding Officers detailing any advice/help offered to people with disabilities so we can track how many people we have helped to vote and note any issues/procedures we could improve. • Assess options to improve reach and target people with disabilities through use of social media and third sector networks • Invite third sector partners to polling stations visits • Capture experience of staff – able to spot a need/able to help/resources /space/venue 	

STAGE 2: Evidence and Impact				
Protected Characteristics (Equality Act)	Evidence and information (e.g. data and feedback)	Any adverse impact?	Future Actions	Timescale and who is responsible?
	<p>'good' or 'very good', compared to England.</p> <p>Learning Disability</p> <ul style="list-style-type: none"> Overall prevalence of learning disabilities in Plymouth was 0.51% in 2014/15, a value higher than England (0.44%). Data from the same source indicates that in 2014 Plymouth had rates of children with learning disabilities known to schools of 25.3 per 1,000 pupils compared 33.7 per 1,000 in England; and rates of adults (18 to 64 years) with learning disabilities receiving long-term support from Plymouth City Council of 5.3 per 1,000 population compared with 3.7 per 1,000 in England. <p>Chronic Illness</p> <ul style="list-style-type: none"> In England, an estimated 15 million people suffer with a chronic illness. Cancer, heart disease, stroke & respiratory disease account for most deaths in Plymouth. Together they account for 54% of deaths in the city, 	<p>Hearing impairments, hearing loss and deafness:</p> <ul style="list-style-type: none"> People who are British Sign Language users may not have English as a first language. They may struggle to understand signs, posters and instructions written in English. They may have a lower comprehension of complicated instructions written in English. <p>Intellectual disability:</p> <ul style="list-style-type: none"> May experience limitations; <ul style="list-style-type: none"> In learning Thinking Solving problems Making sense of the world Developing everyday life skills Communicating with others May experience challenges reading or understanding the review process May not have the confidence to share their views <p>Learning Disability</p> <ul style="list-style-type: none"> May experience challenges including; <ul style="list-style-type: none"> Problems with reading 	<ul style="list-style-type: none"> Capture ways to improve communications from feedback – channels/ messages/use of adapted resources/customer care and help 	

STAGE 2: Evidence and Impact				
Protected Characteristics (Equality Act)	Evidence and information (e.g. data and feedback)	Any adverse impact?	Future Actions	Timescale and who is responsible?
	<p>1,324 out of a total 2,453 registered in 2012.</p> <ul style="list-style-type: none"> Rates for deaths from all four diseases combined are higher in Plymouth than in England (56.6 compared to 52.7 per 10,000 population) <p>Autism The prevalence of autism in the UK population is estimated to be at 157 per 10,000 populations (1.6%) (Baron-Cohen '09)</p> <p>Estimates suggest that up to 80% of those with ASD (Autistic Spectrum Disorder) do not have learning disabilities (Elsabbagh et al 2012) From these figures, it is estimated that 2,700 people living in Plymouth have ASD. The number of adults with the diagnosis of ASD is unknown but likely to be large.</p> <p>The above average level of disability in Plymouth suggests that PCC will be placed under greater pressure than the majority of other Councils.</p> <p>Feedback provided via an Electoral Commission</p>	<ul style="list-style-type: none"> Spoken language Writing Reasoning ability Coordination, behaviour, and interactions with others may also be affected. <ul style="list-style-type: none"> May experience challenges accessing information on our website. May experience challenges understanding the voting process May not have the confidence to share their views <p>Chronic Illness:</p> <ul style="list-style-type: none"> May show no external symptoms May have fluctuating symptoms and needs within short periods of time <p>Autism/ (ASD):</p> <ul style="list-style-type: none"> May show no external symptoms May experience challenges when trying to communicate their needs Will have different needs to anyone else with Autism 		

STAGE 2: Evidence and Impact				
Protected Characteristics (Equality Act)	Evidence and information (e.g. data and feedback)	Any adverse impact?	Future Actions	Timescale and who is responsible?
	<p>questionnaire on the 'Experiences of people with disabilities at the 8 June 2017 UK Parliamentary general election' highlight some key actions and recommendations which can be found via accessing opening the hyperlink below.</p> <p>Data obtained from the Joint Strategic Needs Assessment Plymouth report 2017. https://www.plymouth.gov.uk/sites/default/files/Plymouth%20Report%20October%202017.pdf</p> <p>Data also obtained from Integrated Care Community Needs Assessment. https://www.plymouth.gov.uk/sites/default/files/IntegratedCommissioningCommunityNeedsAssessment.pdf</p> <p>Chronic Illness data obtained from Thrive Plymouth https://www.plymouth.gov.uk/publichealth/thriveplymouth/aboutthriveplymouth/chronicdiseases</p>			

STAGE 2: Evidence and Impact				
Protected Characteristics (Equality Act)	Evidence and information (e.g. data and feedback)	Any adverse impact?	Future Actions	Timescale and who is responsible?
Age	<p>Age discrimination occurs when someone is treated unfairly because of their age or because they are part of a specific age group.</p> <p>People are living longer and one in three people in our community is aged over 50. It is estimated that Plymouth's population will increase by over 16,000 by 2030 and the largest increase will be seen in those aged 75 years and older (54.6 per cent)i.</p> <p>Older people are particularly vulnerable to social isolation and loneliness. A half of people aged 75 and over live alone (ONS, 2010). An estimated one in six pensioners in the poorest fifth of the population is socially isolated. Older people are less likely to use modern technology than younger people, which can also impact on social isolation as well as being a potential barrier in the workplace. Over 90% of men and 81% of women use the internet frequently at aged 50 but this drops to a third of men and 14% of women by age 80iii.</p> <p>Young people are less likely to vote and are often put off by existing mechanisms for engaging</p>	<p>The way information is accessed may vary between groups of different age. Solely providing information by digital means may prevent some segments of this population from accessing information.</p> <p>For many residents, participating in the polling process is synonymous with attending a polling station. This can be a means of socialising that some residents prefer to postal voting.</p> <p>Old age also brings about physical challenges that are described in the disability paragraph of this report. Those may prevent individuals from accessing polling stations and must be mitigated against.</p>	<p>Access to PDPR information must be facilitated for all age groups. Information on the review will be shared not only on the internet and via social media, but also made available at our library and in the One Stop shop.</p>	<p>November 2018 publishing of the public consultation.</p> <p>September 2019, publishing of the review's outcomes.</p> <p>Glenda Favor-Ankersen, Head of Electoral Services</p>

STAGE 2: Evidence and Impact				
Protected Characteristics (Equality Act)	Evidence and information (e.g. data and feedback)	Any adverse impact?	Future Actions	Timescale and who is responsible?
	<p>local communities. Young people report lower levels of knowledge about politics than other age groups, are less likely than other age groups to participate in political activities, to be on the electoral register, and to vote. The average age of councillors, candidates and MPs is over 50iv. The proportion of young people (18-24) who voted in 2017 was more than in 2015 but is still less than other age groups.</p>			
Faith, religion or belief	<p>The 2011 census recorded that Christians were still the largest faith community although their numbers had declined significantly since the previous census in 2001. While a majority of people still identify with some religion, our society is becoming more secular: more people than ever before identify with no religion. Some smaller faith communities are growing rapidly, principally because of migration. Islam is the religion with the second largest number of followers and there are small but significant numbers of Buddhists, Hindus, Sikhs, Jews and Ba'hai. Other belief systems with small numbers of followers</p>	<p>Many of the existing polling stations in Plymouth are located in Christian churches or church halls. This may have an impact on residents of other faiths who may not feel welcome or may not want to enter such places.</p>	<ul style="list-style-type: none"> • As much as practicable, ensure that polling stations are located in venues that are secular. • Ensure that churches are used only when strictly necessary, and with awareness of the potential impact on the local community. 	<p>May 2020 implementation of the Review's recommendations</p> <p>Glenda Favor-Ankersen, Head of Electoral Services</p>

STAGE 2: Evidence and Impact				
Protected Characteristics (Equality Act)	Evidence and information (e.g. data and feedback)	Any adverse impact?	Future Actions	Timescale and who is responsible?
	include Humanists, Pagans and Spiritualists. Some of our smaller faith communities do not have easy access to space in which to worship or to celebrate other religious rituals and occasions. Islamophobia is an ongoing problem which may increase in the current international climate. This can also impact other communities such as the Sikh community.			
Gender, including marriage, pregnancy and maternity	<p>Key issues affecting women include the gender pay gap, issues related to pregnancy and maternity and sexual harassment and violence including domestic abuse. Men are less likely to attend university, have a shorter life expectancy and are also affected by domestic abuse, although to a lesser extent than women.</p> <p>Overall 50.6 per cent of our population are women and 49.4 per cent are men: this reflects the national figure of 50.8 per cent women and 49.2 per cent men.</p> <p>There were 3280 births in 2011. Birth rate trends have been on the increase since 2001, but since</p>	<p>The review is not anticipated to have an adverse impact on any of the issues related to gender, marriage, pregnancy or maternity.</p> <p>Accessibility of polling stations should be the same for families with young children (possibly with pushchairs) as for any other residents.</p>	<p>Where practicable, ensure that our polling station locations are push chair friendly.</p>	<p>May 2020 implementation of the Review's recommendations</p> <p>Glenda Favor-Ankersen, Head of Electoral Services</p>

STAGE 2: Evidence and Impact				
Protected Characteristics (Equality Act)	Evidence and information (e.g. data and feedback)	Any adverse impact?	Future Actions	Timescale and who is responsible?
	2010 the number of births has stabilised. Areas with highest numbers of births include Stonehouse (142), Whitleigh (137) and Devonport (137). Of those aged 16 and over, 90,765 people (42.9 per cent) are married. 5,190 (2.5 per cent) are separated and still legally married or legally in a same-sex civil partnership.			
Gender reassignment	The Equality Act 2010 states that “a person has the protected characteristic of gender reassignment if the person is proposing to undergo, is undergoing or has undergone a process (or part of a process) for the purpose of reassigning the person's sex by changing physiological or other attributes of sex.” This means that this person is protected by the law even if they have not undergone surgery or received treatment. Recent surveys have put the prevalence of transgender people between 0.6 and 1% of population (some very recent reports have upped this to 2%). Over the last 8 years the prevalence of transgendered	The review is not anticipated to have an adverse impact on any of the issues related to gender reassignment.	N/A	N/A

STAGE 2: Evidence and Impact				
Protected Characteristics (Equality Act)	Evidence and information (e.g. data and feedback)	Any adverse impact?	Future Actions	Timescale and who is responsible?
	people in the UK has been increasing at an average rate of 20%+ per annum in adults and 50% for children.			
Race	<p>Our community is slowly becoming more diverse. Whilst the proportion of our community that are White British remains higher than the UK average it is decreasing. At the time of the 2001 census 97 per cent of our population was White British. By 2011 this had decreased to 93 per cent.</p> <p>Local population growth between the 2001 and 2011 census had been driven by migration from outside the UK (63 per cent), most commonly from newly admitted EU countries. We are a dispersal area for asylum seekers: around 300 people will be accommodated in the City at any given time.</p> <p>Our Black and Minority Ethnic (BAME) communities are very diverse. The Polish, Chinese and Kurdish communities are amongst the largest. The census records that there are at least 43 main languages spoken in the city, and nearly 100 different languages</p>	The review is not anticipated to have an adverse impact on any of the issues related to race.	N/A	N/A

STAGE 2: Evidence and Impact				
Protected Characteristics (Equality Act)	Evidence and information (e.g. data and feedback)	Any adverse impact?	Future Actions	Timescale and who is responsible?
	are spoken in our schools. We have a small resident Gypsy and Traveller community.			
Sexual orientation including civil partnership	<p>The 'protected characteristic' of sexual orientation as stated in the Equalities Act 2010 refers to those individuals who are attracted to those of the opposite sex, the same sex or either sex. There is evidence demonstrating that individuals who identify as lesbian, gay, bi-sexual and/or any other sexual orientation (LGB+) experience discrimination and marginalisation in their daily lives compared to their heterosexual counterparts. There are no definitive data on sexual orientation at a local or national level. A recent estimate from the 2015 ONS Annual Population Survey (APS) suggests that 1.7 per cent of the UK population is LGB: if this figure was applied to Plymouth it would mean that there are approximately 3,649 LGB people in the city.</p> <p>There are 464 people in a registered Same-Sex Civil Partnership.</p>	The review is not anticipated to have an adverse impact on any of the issues related to sexual orientation.	N/A	N/A

STAGE 3: Are there any implications for the following? If so, please record 'Actions' to be taken		
Local Priorities	Implications	Timescale and who is responsible?
Reduce the gap in average hourly pay between men and women by 2020.	None	N/A
Increase the number of hate crime incidents reported and maintain good satisfaction rates in dealing with racist, disablist, homophobic, transphobic and faith, religion and belief incidents by 2020.	None	N/A
Good relations between different communities (community cohesion).	None	N/A
Human Rights	The Human Rights Act 1998 conveys the right to participate in free elections and the right not to be discriminated against. The review of Polling District and Polling Stations intends to have positive implications on the exercise of this human right. The actions taken during the review of our polling stations and polling district intend to remove or minimise any barriers to access for residents, thus preventing disenfranchisement.	November 2018 (consultation) until May 2020 (implementation)

STAGE 4: Publication			
Director, Assistant Director/Head of Service approving EIA.	Giles Perritt	Date	26/02/2019

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POLLING DISTRICTS, PLACES AND STATIONS REVIEW 2018



RECOMMENDATIONS REPORT

INTRODUCTION

Local Authorities must comply with a number of legislative requirements regarding the location and accessibility of Polling Districts and Polling Places. The mandatory review process comprises a number of specified steps set out in Schedule A1 to the Representation of the People Act 1983, which include a public consultation.

This review of polling places and polling districts began in October 2018. An initial recommendations report was published for consultation on Monday 5 November on our website and also made available in libraries. In addition, an event was held at the Council House on Friday 7 December to bring the review to the attention of members of the Plymouth Area Disability Action Network (PADAN). The consultation phase of the Polling District and Polling Station Review ended on Friday 14 December 2018.

The review considered representations from local residents and stakeholders in the city, including any issues regarding access to premises or facilities for persons with disabilities. In addition, the review also took into account the impact of the next four years' worth of planned residential developments on existing electoral arrangements.

During the 6 weeks consultation period, the polling district consultation page on our website was the object of 477 unique visits from members of the public. In total, 50 residents provided extended comments on our recommendations online, by email, phone or face to face. All comments were published on our website.

It is the Returning Officer's role to select the polling stations. It will be Full Council which will make decisions on any proposed changes to polling districts or polling places. The final scheme for polling arrangements will be adopted by the Chief Executive in accordance with the Council's constitution.

The polling districts, polling places and polling stations finally decided on will be used for the May 2020 local and Police and Crime Commissioner elections.

Scope of the review

Plymouth is divided into 116 polling districts each associated with one of 113 polling stations (three of those polling stations are double). Polling districts, geographic subdivisions of each ward, as well as polling stations for each of those districts are within the scope of this review. The review is considering the continued suitability of the existing arrangements and, when necessary, will make proposals for:

- The creation or removal of districts,
- "Change" or "no change" to the boundaries between districts,
- "Change" or "no change" to the referencing of those districts,
- "Change" or "no change" to the polling stations within those districts.

Not in scope

City ward boundaries and parliamentary constituency boundaries are not in scope of this review. The legislation requires that ward boundaries are reviewed by the Boundary Commission, not by Local Authorities themselves. We do not have a mandate to suggest alterations to the boundaries between the wards.

The review will not be able to consider comments regarding local authority boundaries, neighbouring parliamentary constituencies, the names of local authorities or other electoral areas within or bordering Plymouth City.

Glossary of terms

Polling District - A polling district is a geographical sub-division of an electoral area.

Polling Place - A polling place is the area in which the Returning Officer selects the polling station. In Plymouth, polling places represent the same area as the polling district to allow a greater degree of flexibility in deciding where a polling station should be located.

Polling Station - The polling station is the room or building where the poll takes place.

Accessing information

The report presents information for each ward of the city. These are presented in alphabetical order and are listed in a contents table on page 3.

In order to illustrate those recommendations for each ward, maps of the existing arrangements as well as maps of our proposed arrangements are available on our polling station page:

<https://www.plymouth.gov.uk/votingandelections/pollingdistrictreview2018>

In the polling district information tables provided for each ward, the word “Electorate” refers to the total number of registered voters in the district, as of August 2018.

In the polling station information tables provided for each ward, the expression “Polling Station Electorate” refers to the total number of registered voters in the district who have opted to attend a polling station to vote, as of August 2018. This figure excludes electors from the district who may have opted to vote by other means. This figure informs us of the maximum number of electors who may attend the polling station on polling day.

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BUDSHEAD WARD**Existing Polling Districts**

Polling district	Polling Station	Electorate¹	Recommendations
EA	Mobile Unit at Canterbury Drive	1,415	No change
EB	St. Peters RC Primary School	1,447	No change
EC	Bethany Evangelical Church	1,066	No change
ED	Salvation Army Community Hall	1,410	No change
EE	Mobile Unit at Kirkwall Road	739	No change
EF	Manadon Masonic Hall	854	No change
EG	Derriford United Reformed Church Hall	2,690	Changes of district boundaries

Existing Polling Stations

Polling Station	Polling district	Polling station electorate²	Disabled access	Recommendations
Mobile Unit at Canterbury Drive	EA	1,143	Yes ³	No change
St. Peters RC Primary School	EB	1,204	Yes - ramped	No change
Bethany Evangelical Church	EC	881	Yes	No change
Salvation Army Community Hall	ED	1,117	Yes	No change
Mobile Unit at Kirkwall Road	EE	554	Yes ³	Replacement
Manadon Masonic Hall	EF	684	Yes	No change
Derriford United Reformed Church Hall	EG	2,153	Yes	No change

¹ Total number of registered electors in the district.

² Number of registered electors in the district who have opted to vote at a polling station.

³ Although mobile polling stations are suitably equipped to enable access for all voters (ramps and handrails for disabled access) there are still ongoing concerns due to inherent characteristics of mobile units, such as their narrow entrance and limited internal area.

Recommendations

District EC and ED – Alterations to district boundaries

In order to facilitate access to a polling station for most residents, a small alteration to the boundaries between district EC and ED is suggested.

The residents of the south eastern side of Taunton Avenue, in the portion of the road between Woodfield Primary School and the junction with Lancaster Gardens would now vote at Bethany Evangelical Church in district EC.

One comment was received in support of this change.

The review recommends that this change of district boundaries is implemented.

Mobile Unit at Canterbury Drive in district EA – No change

Although mobile polling stations are suitably equipped to enable access for all voters (ramps and handrails for disabled access) there are still ongoing concerns due to inherent characteristics of mobile units, such as their narrow entrance and limited internal area. This review investigates opportunities to remove mobile polling stations whenever circumstances allow. However, this must be balanced against the necessity to provide accessible and convenient polling stations that meet the specific needs of each ward. This mobile polling station serves a substantial number of electors in a part of the ward where no alternatives could be identified. No suitable alternatives were put forward during the consultation.

This review therefore recommends no change to this polling station.

Mobile Unit at Kirkwall Road in district EE - Replacement of polling station

The review investigates opportunities to remove mobile polling stations whenever circumstances allow. However, this must be balanced against the necessity to provide accessible and convenient polling stations that meet the specific needs of each ward.

An alternative polling station has been identified at the Crownhill Community Centre. The Centre is within the polling district, 0.6 miles away from the current polling station. The centre is located on the north east side of Budshead Road. Electors from the south side of Budshead Road would have to cross this main road to access this proposed polling station. The Centre is accessible by public transport and by car, and offers excellent facilities, including disabled car parking spaces and ramped access to the polling room.

One comment was received in relation to this proposal. One resident suggested using the 1st Crownhill Scouts Headquarters on Dayton Close. The site was visited and the location would be suitable as a replacement. However, the Crownhill Community Centre offers excellent facilities,

including excellent access for disabled residents. The centre is deemed more visible and accessible than the Scouts' headquarters.

The review therefore recommends a change of polling station to the Crownhill Community Centre.

District EG – Alterations to district boundaries

Two members of the public asked the council to review the possibility of splitting district EG into two smaller districts alongside Looseleigh Lane, suggesting that EG be split back to what it was in 2005.

One resident commented that the size of the district should warrant a review of its boundaries. The polling station for EG is a long distance to travel for electors who reside south of Looseleigh Lane. The polling station is at the top of a very long hill which makes it hard to access for residents with reduced mobility.

A suitable polling station for the south of the district was not suggested by the residents during the consultation. None could not be identified during the review. The review will not recommend the creation of a new mobile polling unit.

Due to the large number of the electorate, we recommend the creation of two smaller polling districts, EG and EH. Due to the lack of available locations in the south of the district, the polling station for both districts will remain at Derriford United Reformed Church Hall.

The review therefore recommends that this change of district boundaries is implemented.

Summary of proposed new Polling Districts and Polling Stations

New Polling district	New Polling Station	Address	Estimated Electorate¹	Estimated Polling station electorate²
EA	Mobile Unit at Canterbury Drive	At junction with Budshead Road, PL5 4HH	1,415	1,143
EB	St. Peters RC Primary School	Brentford Avenue, PL5 4HD	1,447	1,204
EC	Bethany Evangelical Church	Budshead Road, PL5 4DT	1,078	891
ED	Salvation Army Community Hall	Whitleigh Court, PL5 4AA	1,397	1,106
EE	Crownhill Family Centre	Crownhill Fort Road, PL6 5BX	739	554
EF	Manadon Masonic Hall	Tavistock Road, PL6 5EL	854	684
EG	Derriford United Reformed Church Hall	Powisland Drive, PL6 6AB	1,390	1,153
EH	Derriford United Reformed Church Hall	Powisland Drive, PL6 6AB	1,300	1,000

¹ Total number of registered electors in the district.

² Number of registered electors in the district who have opted to vote at a polling station.

COMPTON WARD**Existing Polling Districts**

Polling district	Polling station	Electorate ¹	Recommendations
LA	Mobile Unit at Kneelee Gardens	817	No change
LB	Compton C of E Primary School	1,699	No change
LC	Compton Methodist Church Hall	2,765	No change
LD	Emmanuel Parish Hall	1,907	No change
LE	Mutley Baptist Church - Main Hall	2,071	No change

Existing Polling Stations

Polling district	Polling station	Polling station electorate ²	Disabled access	Recommendations
LA	Mobile Unit at Kneelee Gardens	700	Yes ³	No change
LB	Compton C of E Primary School	1,327	Yes	No change
LC	Compton Methodist Church Hall	2,270	Yes	No change
LD	Emmanuel Parish Hall	1,514	Yes	No change
LE	Mutley Baptist Church - Main Hall	1,779	Yes	No change

¹ Total number of registered electors in the district.

² Number of registered electors in the district who have opted to vote at a polling station.

³ Although mobile polling stations are suitably equipped to enable access for all voters (ramps and handrails for disabled access) there are still ongoing concerns due to inherent characteristics of mobile units, such as their narrow entrance and limited internal area.

Recommendations

No changes of polling districts are proposed in this ward.

Mobile Unit at Kneelee Gardens in district LA – No change.

Residents around Kneelee Gardens currently have access to a mobile polling station. For reasons stated above, this review investigates opportunities to remove mobile polling stations whenever circumstances allow. However, this must be balanced against the necessity to provide accessible and convenient polling stations that meet the specific needs of each district. On this occasion, an alternative polling station could not be identified, this report therefore does not recommend changes.

One comment was received from a member of the public about the location of the mobile polling station in the centre of the green not being suitable. According to the resident, this requires the crossing of a busy road and for mobility impaired residents is a real obstruction to voting.

Alternative locations were investigated in the district. The Golden Hind pub was dismissed on account of not offering a segregated function room that could be reserved for polling.

The position of the mobile unit on the green will be reviewed to ensure it is as accessible as possible given the circumstances.

This review therefore recommends no change to this polling station.

Compton C. of E. Primary School in district LB – No change

Two members of the public expressed an objection to Compton CofE Primary school being used as a polling station. The Church of Jesus Christ of Latter Day Saints was approached as a potential alternative, but this has not resulted in a successful outcome. No alternative polling station was put forward during the consultation, and none other were identified during the review.

This review therefore recommends no change to this polling station.

DEVONPORT WARD**Existing Polling Districts**

Polling district	Polling Station	Electorate¹	Recommendations
AA	Marlborough Primary Academy	1,541	Change of boundaries with district AE
AB	Salvation Army Hall	2,361	No change
AC	Keyham Green Places Centre	2,377	No change
AD	Keyham Methodist Community Centre	1,649	No change
AE	Mount Wise Neighbourhood Centre	3,026	Change of boundaries with district AA

Existing Polling Stations

Polling district	Polling Station	Polling station electorate²	Disabled access	Recommendations
AA	Marlborough Primary Academy	1,276	Yes	No change
AB	Salvation Army Hall	1,981	Yes	No change
AC	Keyham Green Places Centre	1,938	Yes	No change
AD	Keyham Methodist Community Centre	1,414	Yes	No change
AE	Mount Wise Neighbourhood Centre	2,428	Yes	No change

¹ Total number of registered electors in the district.

² Number of registered electors in the district who have opted to vote at a polling station.

Recommendations**District AA and AE – Alterations to district boundaries**

In order to lower the number of electors in district AE, and to facilitate access to a polling station for most residents, the following alterations to the district boundaries are suggested.

The boundaries between ward district AA and AE would move southwards to include more residents into ward district AA. The residents of the following streets would now vote at Marlborough Primary Academy in Morice Square in district AA:

- Fore Street,
- Phelps Street,
- Wall Street,
- Mill Street,
- Mildren Way,
- St Aubyn Street and

- Duke Street.

No comments were received on this proposal.

This review therefore recommends that the proposed changes of boundaries are implemented.

No changes of polling stations are recommended in this ward.

Summary of proposed new Polling Districts and Polling Stations

New Polling district	New Polling Station	Address	Estimated Electorate ¹	Estimated Polling station electorate ²
AA	Marlborough Primary Academy	Morice Square, PL1 4NJ	2,117	1,734
AB	Salvation Army Hall	Balfour Terrace, PL2 1RS	2,361	1,981
AC	Keyham Green Places Centre	Renown Street, PL2 2DT	2,377	1,938
AD	Keyham Methodist Community Centre	Admiralty Street, PL2 2BR	1,649	1,414
AE	Mount Wise Neighbourhood Centre	Clowance Street, PL1 4LQ	2,441	1,954

¹ Total number of registered electors in the district.

² Number of registered electors in the district who have opted to vote at a polling station.

DRAKE WARD**Existing Polling Districts**

Polling district	Polling Station	Electorate ¹	Recommendations
MA	Creative Courts on Central Park Avenue	1,725	No change
MB	Sherwell Church Hall	1,053	No change
MC	Charles-with-St Matthias Church	1,084	No change
MD	Mount Street Primary School	1,922	No change

Existing Polling Stations

Polling district	Polling Station	Polling station electorate ²	Disabled access	Recommendations
MA	Creative Courts on Central Park Avenue	1,484	Yes	No change
MB	Sherwell Church Hall	952	Yes	No change
MC	Charles-with-St Matthias Church	955	Currently out of order	No change
MD	Mount Street Primary School	1,719	Yes	No change

¹ Total number of registered electors in the district.

² Number of registered electors in the district who have opted to vote at a polling station.

Recommendations**Charles-with-St Matthias Church in district MC – No change**

The last elections brought about some comments regarding the continued suitability of this polling station, as the lift which is intended to improve access to the church to disabled electors is not functional.

One comment was received in relation to this proposal. One member of the public suggested approaching Onward House as an alternative to the Church. Attempts at making contact with Onward House were made by email and by telephone on repeated occasions. No response has been received.

A visit was undertaken at the Church on 20 November 2018 to determine whether any action could be taken to support the church. The existing lift is beyond repair. The church has sought quotes to provide an alternative access solution for residents with reduced mobility, but this requires heavy structural work at a cost beyond what is reasonable for the Council to provide. It is recommended that the polling station remains at the church hall. Residents with impaired mobility who would struggle to get access to the church will be assisted at the door by the polling station staff and a mitigation plan will be implemented to facilitate access.

This review therefore recommends no change to this polling station.

EFFORD AND LIPSON WARD**Existing Polling Districts**

Polling district	Polling station	Electorate ¹	Recommendations
PA	Mobile Unit at Kensington Road	1,366	No change
PB	Lipson Vale Primary School	1,369	No change
PC	Laira Green Primary School Children's Centre	1,368	No change
PD	Mobile Unit at the corner of Pike Street and Old Laira Road	1,556	No change
PE	Church of Our Lady of Mount Carmel	708	No change
PF	Mobile Unit near Humber Close	895	No change
PG	St. Pauls Church Community Hall	2,774	No change

Existing Polling Stations

Polling district	Polling station	Polling station electorate ²	Disabled access	Recommendations
PA	Mobile Unit at Kensington Road	1,207	Yes ³	No change
PB	Lipson Vale Primary School	1,147	Yes	No change
PC	Laira Green Primary School Children's Centre	1,170	Yes	No change
PD	Mobile Unit at the corner of Pike Street and Old Laira Road	1,241	Yes ³	No change
PE	Church of Our Lady of Mount Carmel	585	Yes	No change
PF	Mobile Unit near Humber Close	717	Yes ³	No change
PG	St. Pauls Church Community Hall	2,279	Yes	No change

¹ Total number of registered electors in the district.

² Number of registered electors in the district who have opted to vote at a polling station.

³ Although mobile polling stations are suitably equipped to enable access for all voters (ramps and handrails for disabled access) there are still ongoing concerns due to inherent characteristics of mobile units, such as their narrow entrance and limited internal area.

Recommendations**No changes are recommended in this ward.**

This review investigates opportunities to remove mobile polling stations whenever circumstances allow. This must be balanced against the necessity to provide accessible and convenient polling stations that meet the specific needs of each ward. The mobile polling stations in this district serve substantial numbers of electors in areas of the ward.

Comments were received from members of the public with regards to the mobile polling stations in this ward.

Mobile unit adjacent to Humber Close (near Deer Park Drive).

One resident reported that this mobile unit was difficult to find, and requested consideration be made to use the nearby Austin Farm School or a vacant shopping unit on Frogmore Avenue.

This neighbourhood is removed from the rest of the ward, due to its location on a hillside near the dual carriage way. The two locations suggested are part of a different ward and would not significantly improve access for electors.

The availability of vacant shops cannot be guaranteed for any length of time, therefore vacant premises on Frogmore Avenue cannot be considered as an alternative polling station.

One of the criteria for the review was also to avoid, whenever possible, using schools as polling stations. Creating a new polling station in a school is not recommended.

This review therefore recommends no change to this polling station.

Mobile Unit at the corner of Pike Street and Old Laira Road

One resident reported that parking and access were difficult on Pike Road. The resident asked us to consider making use the nearby St Mary the Virgin church, the old library or the supermarket in Marsh Mills.

A visit was undertaken to the area. The location of St Mary the Virgin Church at the end of a narrow cul-de-sac on a steep hill was deemed unsuitable. The large supermarket on Marsh Mills is a long distance away from the majority of electors in the district. The old library building is currently used privately as a nursery.

This review therefore recommends no change to this polling station.

Mobile Unit at Kensington Road

One resident informed us that access to this mobile unit was very difficult. The resident asked us to consider using the nearby fire station, or Park Lodge Café in Freedom Fields Park.

The Freedom Park Café is out of ward. Having a polling station out of ward should be avoided unless in exceptional circumstances.

A visit was also carried out to Pure Gym on Alexandra Road. The venue is located on a large road, central to the district, and provides excellent access and car parking facilities. However, the space available within the venue is on a first floor, and no lift is available for disabled residents.

The fire station building at the corner of Longfield Place and Greenbank Road is not deemed a suitable location.

This review therefore recommends no change to this polling station.

EGGBUCKLAND WARD**Existing Polling Districts**

Polling district	Polling station	Electorate ¹	Recommendations
HA	Manadon Vale Primary School	1,987	No change
HB	Crownhill Methodist Church	815	No change
HC	Courtlands Special School Academy	1,702	No change
HD	The Village Hall	1,529	No change
HE	Austin Farm Academy - Nursery	2,287	No change
HF	St. Edwards Primary School	1,846	No change

Existing Polling Stations

Polling district	Polling station	Polling station electorate ²	Disabled access	Recommendations
HA	Manadon Vale Primary School	1,478	Yes	Change of polling station
HB	Crownhill Methodist Church	652	Yes	No change
HC	Courtlands Special School Academy	1,275	Yes	No change
HD	The Village Hall	1,212	Yes	No change
HE	Austin Farm Academy - Nursery	1,819	Yes	No change
HF	St. Edwards Primary School	1,513	Yes	No change

¹ Total number of registered electors in the district.

² Number of registered electors in the district who have opted to vote at a polling station.

No changes of polling districts are proposed in this ward.

Manadon Vale Primary School in district HA

9 comments were received concerning Manadon Vale Primary School. Many residents proposed moving the polling station out of Manadon Vale Primary School due to concerns that the school closure compromises the education of children in the foundation year. The residents expressed concerns as to the safeguarding of children whilst members of the public were allowed to access the site.

Alternative locations suggested by members of the public were investigated. A visit was conducted to the Church of the Ascension Church Hall. The amenities at the hall are excellent, but the Church Hall is located in a part of the district that is difficult to access for residents living in the west of the district.

The Community Hub at Bolitho Park suggested as a replacement to Manadon Vale School, is already being considered as a potential polling station for Honicknowle. The facilities at the Community Hub will be appropriate to accommodate a double polling station.

This review recommends a change of polling station from Manadon Vale Primary School to the Manadon Sports and Community Hub on St Peter's Road.

Summary of proposed new Polling Districts and Polling Stations

New Polling district	New Polling Station	Address	Estimated Electorate¹	Estimated Polling station electorate²
HA	Community Hub	Bolitho Park, PL5 3JH	1,987	1,478
HB	Crownhill Methodist Church	Crownhill Road, PL6 5AG	815	652
HC	Courtlands Special School Academy	Widley Lane, PL6 5JS	1,702	1,275
HD	The Village Hall	Miles Mitchell Avenue, PL6 5LY	1,529	1,212
HE	Austin Farm Academy - Nursery	Delamere Rad, PL6 5XQ	2,287	1,819
HF	St. Edwards Primary School	Fort Austin Avenue, PL6 5ST	1,846	1,513

HAM WARD**Existing Polling Districts**

Polling district reference	Polling Station	Electorate¹	Proposed changes
BA	St. Philips C of E Church Hall	1,522	No change
BB	Weston Mill Oak Villa Social Club	707	No change
BC	North Prospect Library	2,706	Change of district boundaries
BD	Mobile Unit at Tewkesbury Close ³	561	Merger with BE
BE	Morice Baptist Church	1,703	Merger with BD and change of district boundaries
BF	St. Pancras' Church	3,040	Change of district boundaries

Existing Polling Stations

Polling district reference	Polling Station	Polling station electorate²	Disabled access	Proposed changes
BA	St. Philip's C of E Church Hall	1,241	Yes	No change
BB	Weston Mill Oak Villa Social Club	552	Yes	No change
BC	North Prospect Library	2,227	Yes	No change
BD	Mobile Unit at Tewkesbury Close	471	Yes ³	Removal
BE	Morice Baptist Church	1,407	Yes	No change
BF	St. Pancras' Church	2,422	Yes	No change

¹ Total number of registered electors in the district.

² Number of registered electors in the district who have opted to vote at a polling station.

³ Although mobile polling stations are suitably equipped to enable access for all voters (ramps and handrails for disabled access) there are still ongoing concerns due to their inherent characteristics, such as their narrow entrance and limited internal area.

Recommendations**District BC and BE - Alteration to polling district boundaries**

This review proposes alterations to the western side of this district, between the current district BE and BC.

Residents of the following streets would join district BC and would now attend the North Prospect Library to vote:

- Grassendale Avenue,
- Woodville Close,
- Vixen Way,

- Foliot Road,
- Ash Grove,
- Burrator Gardens and
- Overdale Road.

No comments were received in relation to this proposal.

This review therefore recommends that the proposed changes of boundaries are implemented.

District BD and BE – Merger of two districts

District BD is substantially smaller than other districts in the ward. The merger of district BD with district BE is proposed. Morice Baptist Church would become the new polling station for the now larger district. The proposed new district would grow to an estimated size of 1,878 electors.

One comment was received in relation to this proposal. One resident pointed out the difference in size between proposed district BC & BD and the smaller district BB, but acknowledged the difficulty of identifying a suitable polling station in the area.

This review therefore recommends that the proposed changes of boundaries are implemented.

Mobile Polling Station on Tewkesbury Close – Removal of mobile polling station.

The review investigates opportunities to remove mobile polling stations whenever circumstances allow.

The merger of districts BD and BE would lead to the decommissioning of this mobile polling unit. Residents would now vote at Morice Baptist Church which is located 0.3 miles away from the current polling station. Morice Baptist church is currently used as a polling station and offers good facilities, car parking, and good access.

One comment in support of the proposal was received from a resident.

This review therefore recommends that the proposed changes of boundaries are implemented and that the mobile polling station on Tweeksbury Close is removed.

District BE and BF - Alteration to polling district boundaries

In order to facilitate access to a polling station for most residents, a small alteration to the boundaries between districts BE and BF is suggested.

The residents of the Conway Gardens would now vote at St Pancras' Church in current district BF.

No comments were received in relation to this proposal.

This review therefore recommends that the proposed changes of boundaries are implemented.

St Phillip's CofE Church in district BA

One resident questioned the arrangements in place for disabled access to St Phillip Church on Bridwell Road in Ham district. Access to the Church is limited due to its location on a steep hill. There is a long flight of steps at the entrance to the church. This is mitigated by an electric stair lift, but the resident expressed concerns at its functionality, especially in poor weather condition. The

resident asked whether an alternative location could be found either at Weston Mill Primary School or at Oak Villa Sports Club. One of the aims of the review was, whenever possible, to avoid using schools in order to minimise disruption to the education of primary school children in the city. It is therefore not recommended to move back to the school. Oak Villa Sports Club is already a polling station for district BB and is out of the boundaries of district BA.

It is recommended that the polling station remains at the church. Residents with impaired mobility who would struggle to get access to the church will be assisted at the door by the polling station staff and a mitigation plan will be implemented to facilitate access.

This review therefore recommends no change to this polling station.

Summary of proposed new Polling Districts and Polling Stations

New Polling district	New Polling Station	Address	Estimated Electorate ¹	Estimated Polling station electorate ²
BA	St. Philips C of E Church Hall	Bridwell Road, PL5 1AF	1,522	1,241
BB	Weston Mill Oak Villa Social Club	Ferndale Road, PL2 2EL	707	552
BC*	North Prospect Library	North Prospect Road, PL2 2NE	3,243	2,691
BD*	St. Pancras Church	Honicknowle Lane, PL2 3QT	3,095	2,456
BE	Morice Baptist Church	Ham Drive, PL2 2NJ	1,667	1,368

* The creation of double polling stations at those venues is proposed in this district to cater for their large electorate.

HONICKNOWLE WARD**Existing Polling Districts**

Polling district	Polling Station	Electorate ¹	Recommendations
DA	West Park Library	1,338	No change
DB	Honicknowle Youth & Community Centre	1,837	Change of boundaries with district DG
DC	Mobile Unit at Chaucer Way	1,343	No change
DD	Mobile Unit at Sedley Way	1,342	No change
DE	Ernesettle Community School	1,208	No change
DF	St. Aidan's Church Hall	2,020	No change
DG	Knowle Primary School	1,180	Change of boundaries with district DB

Existing Polling Stations

Polling district	Polling Station	Polling station electorate ²	Disabled Access	Recommendations
DA	West Park Library	1,132	Yes	Replacement
DB	Honicknowle Youth & Community Centre	1,562	Yes	No change
DC	Mobile Unit at Chaucer Way	1,100	Yes ³	No change
DD	Mobile Unit at Sedley Way	1,131	Yes ³	Replacement
DE	Ernesettle Community School	1,002	Yes	No change
DF	St. Aidan's Church Hall	1,649	Yes - ramped	No change
DG	Knowle Primary School	970	Yes	No change

¹ Total number of registered electors in the district.

² Number of registered electors in the district who have opted to vote at a polling station.

³ Although mobile polling stations are suitably equipped to enable access for all voters (ramps and handrails for disabled access) there are still ongoing concerns due to inherent characteristics of mobile units, such as their narrow entrance and limited internal area.

Recommendations**Districts DB and DG – Alterations to district boundaries**

In order to even out the electorate between the two districts, and to simplify access to a polling station, it is proposed that residents from the following streets will move from district DB to DG:

- Shaldon Crescent,
- Marldon Close,
- Modbury Close,
- Kenn Close,

- Haytor Close and
- Foxtor Close.

Those residents would now vote at Knowle Primary School instead of the Honicknowle Youth and Community Centre.

One resident expressed his support for the proposed changes.

This review recommends that the proposed changes of boundaries are implemented.

Districts DE and DF – Alterations to district boundaries

In order to even out the electorate between the two districts, and to simplify access to a polling station, it is proposed that residents from the following streets will move from district DF to DE:

- Redhill Close,
- Acklington Place,
- Yelverton Close,
- Culdrose Close and
- Perranporth Close.

Those residents would now vote at Ernesettle Community School instead of St Aidan's Church Hall. One resident expressed his support for the proposed changes.

This review recommends that the proposed changes of boundaries are implemented.

West Park Library – Replacement of Polling Station

There is a plan to repurpose the use of West Park Library building in the next few years. As a replacement, this report proposes to move the polling station to St Francis Church on Little Dock Lane in the east of the district. St Francis Church is located 0.4 miles away from the current polling station. Although this proposed polling station is not central to the district, it is very accessible on foot and by public transport.

No comments were received about this proposal.

This review recommends a change of polling station from West Park Library to the St Francis of Assisi Church on Little Dock Lane.

Mobile unit at Chaucer Way in district DC

This review investigates opportunities to remove mobile polling stations whenever circumstances allow. However, in this instance, no suitable alternatives were identified in the area. The review therefore does not recommend a change unless suitable alternative polling arrangements are put forward during the consultation.

One comment was received in relation to this proposal. One resident expressed concerns as to the accessibility of this mobile polling station. The resident suggested considering replacing this mobile unit by a polling station at Shakespeare School or in the supermarket on transit way.

One of the criteria for the review was also to avoid, whenever possible, using schools as polling stations. Creating a new polling station in a school is not recommended. A visit took place to the supermarket but no suitable location was identified.

This review therefore recommends no change to this polling station.

Mobile unit at Sedley Way in district DD

This review investigates opportunities to remove mobile polling stations whenever circumstances allow. However, in this instance, no suitable alternatives were identified in the district.

In extreme circumstances, polling stations can be situated outside a polling district. The lack of a suitable accessible location in this district constitutes such a circumstance. An alternative location has been put forward on the boundary between this ward and Egguckland ward. The Manadon Sport and Community Hub, on the site of the former Ministry of Defence pitches on St Peter's Road is very close to the current mobile polling station. It is very accessible and visible to residents in this district. The Hub is in its final phase on construction and scheduled to be complete March 2019. Its suitability as a polling station will be investigated further after construction.

One resident expressed his support for the proposed changes. A visit to the site was undertaken and construction plans indicate the site will provide excellent facilities for a polling station in 2020.

This review recommends a change of polling station from the mobile unit at Sedley Way to the Manadon Sports and Community Hub on St Peter's Road.

Summary of proposed new Polling Districts and Polling Stations

New Polling district	New Polling Station	Address	Estimated Electorate¹	Estimated Polling station electorate²
DA	St Francis of Assisi Church	Little Dock Lane, PL5 2LP	1,338	1,132
DB	Honicknowle Youth & Community Centre	Honicknowle Green, PL5 3PX	1,471	1,246
DC	Mobile Unit at Chaucer Way	Entrance to Masefield Gardens, PL5 3EF	1,343	1,100
DD	Manadon Sports and Community Hub	St Peters Road, PL5 3FD	1,342	1,131
DE	Ernesettle Community School	Biggin Hill, PL5 2RB	1442	1,179
DF	St. Aidan's Church Hall	Ernesettle Green, PL5 2SS	1,783	1,467
DG	Knowle Primary School	Ringmore Way, PL5 3QG	1,542	1,276

¹ Total number of registered electors in the district.

² Number of registered electors in the district who have opted to vote at a polling station.

MOOR VIEW WARD**Existing Polling Districts**

Polling district	Polling Station	Electorate ¹	Recommendations
GA	Leigham Community Hall	2,233	No change
GB	Mainstone Sports & Social Club	1,206	No change
GC	Elm Community Centre	2,061	Creation of a new district
GD	Thornbury Primary School	2,573	Creation of a new district
GE	St. Anne's Church Hall - Glenholt	1,823	No change

Existing Polling Stations

Polling district	Polling Station	Polling station electorate ²	Disabled access	Recommendations
GA	Leigham Community Hall	1,857	Yes	No change
GB	Mainstone Sports & Social Club	978	Yes	No change
GC	Elm Community Centre	1,641	Yes	No change
GD	Thornbury Primary School	2,083	Yes	No change
GE	St. Anne's Church Hall - Glenholt	1,412	Yes	No change
GF	A new Polling Station is to be commissioned in the proposed new district			

¹ Total number of registered electors in the district.

² Number of registered electors in the district who have opted to vote at a polling station.

Recommendations

The number of electors in the ward is large. In district GD and GC the number of electors is slightly higher than the recommended 2,000 electors by district. The number of electors in the district could grow beyond this limit in the next five years as the ward is anticipated to welcome 1000 new electors by 2020 due to developments.

The creation of a new District GF is proposed in the western side of the ward. This new district would reduce the size of district GD and GC.

The proposed boundary for this new district would follow a near vertical line across the ward. It would run along Runway Road to the north, down to its junction with Plymbridge lane, then along Derriford Road, down Blunts Lane all the way down to its junction with Forder Valley Road.

Residents in the south west of this new boundary would join the new district GF. This new district would comprise Derriford Hospital and the Plymouth Science Park.

In the north of the ward, residents of the following streets would join the new district GF:

- Runway Road
- Radar Road,
- Albacore Drive,
- Lysander Lane,
- Canberra Road,

- Piper Street,
- Brymon Way,
- Airborne Drive and
- the South East of Plymbridge Lane.

Residents of the new Palmerston Heights and Bircham Combe estates, south of William Prance Road would join the new district GF. This includes:

- Buttercup Road,
- Bluebell Street,
- Sandpiper Road,
- Cornflower Walk,
- Pintail Way and
- Jackdaw Road.

Residents in the north east of the new boundary would continue to be part of district GD and vote at Thornbury Primary School. All estates to the east of Blunts Lane, and adjacent to Miller Way would remain in Ward District GD.

Residents in the south east of the new boundary would continue to be part of district GC and vote at the Elm Community Centre.

One comment was received in relation to this proposal. The resident was appreciative of the need to create a new district in this ward, but expressed his concerns as to the availability of suitable polling stations.

A number of organisations were approached in response to this comment. The medical centres the coroner's office and the army base were dismissed as unsuitable due to the nature of their sectors. The office of DELT Shared Services were visited and deemed unsuitable for holding the election, as were the facilities at Adrenalin Leisure centre due to limited accessibility.

The Future Inn hotel provides excellent facilities to host a polling station, which include a large car park and wide accessible conference rooms.

This review recommends the creation of a new district GF and the creation of a new polling station at the Future Inn hotel on William Prance Road.

Summary of proposed new Polling Districts and Polling Stations

New Polling district	New Polling Station	Address	Estimated Electorate ¹	Estimated Polling station electorate ²
GA	Leigham Community Hall	Thurlestone Walk, PL6 8QG	2,233	1,857
GB	Mainstone Sports & Social Club	Pattinson Drive, PL6 8RU	1,206	978
GC	Elm Community Centre	Leypark Walk, PL6 8UE	1,846	1,447
GD	Thornbury Primary School	Miller Way, PL6 8UL	2,142	1,732

GE	St. Anne's Church Hall - Glenholt	Glenholt Road, PL6 7JA	1,823	1,412
GF	Future Inn Hotel	William Prance Road, PL6 5ZD	637*	530*
*The electorate numbers in this district will increase with the new developments at Palmerston Heights and Bircham Combe.				

¹ Total number of registered electors in the district.

² Number of registered electors in the district who have opted to vote at a polling station.

PEVERELL WARD**Existing Polling Districts**

Polling district	Polling stations	Electorate¹	Recommendations
KA	St. Gabriel The Archangel Church	2,675	Alterations to district boundaries
KB	St. Edward's Church Hall	2,021	Alterations to district boundaries
KC	Montpelier Primary School	2,378	Alterations to district boundaries
KD	Pennycross Methodist Church Hall	2,193	Alterations to district boundaries
KE	Trinity United Reformed Church Hall	1,157	Alterations to district boundaries

Existing Polling Stations

Polling district	Polling stations	Polling station electorate²	Disabled access	Recommendations
KA	St. Gabriel The Archangel Church	2,191	Yes	No change
KB	St. Edward's Church Hall	1,674	Yes – temporary ramp	No change
KC	Montpelier Primary School	1,850	Yes	Replacement
KD	Pennycross Methodist Church Hall	1,855	Yes	Replacement
KE	Trinity United Reformed Church Hall	931	Yes – temporary ramp	No change

¹ Total number of registered electors in the district.

² Number of registered electors in the district who have opted to vote at a polling station.

Recommendations**District KA and KB – changes to district boundaries**

The boundary between district KA and KB would move northwards to include more residents into district KB. Residents of the following streets would move to district KB and vote at St Edward's Church on Home Park Avenue:

- Elim Terrace,
- Hawkers Lane,
- Trelorin Gardens and
- Verden Close.

Residents of the whole of Weston Park Road would remain in district KB. Residents of Wesley Avenue and Wesley Cottages would remain in district KA and vote at St Gabriel the Archangel on Peverell Terrace.

No comments were received from residents in relation to this proposal.

This review therefore recommends that the proposed changes of boundaries are implemented.

District KB and KD – changes to district boundaries

The boundary between district KD and KB would move northwards to include more residents into district KB. Residents of Bickham Park Road and Burleigh Park Road would move to district KB and vote at St Edwards' Church Hall. Residents of Torr View Avenue, Pounds Park Road and St Martin's Avenue would remain in district KD and vote at Holy Family Church on Beacon Park Road.

No comments were received from residents in relation to this proposal.

This review therefore recommends that the proposed changes of boundaries are implemented.

District KB and KE – changes to district boundaries

The boundary between district KE and KB would move northward to include more residents into district KB. Residents of Pine Gardens would now join district KB and vote at St Edward's Church on Home Park Avenue.

No comments were received from residents in relation to this proposal.

This review therefore recommends that the proposed changes of boundaries are implemented.

District KC and KD – changes to district boundaries

In order to ensure the new polling stations are central to the districts, the following alterations to the district boundaries are suggested.

The boundaries between ward district KC and KD would move southwards to include more residents into ward district KD. Residents of the following streets would move to district KD and vote at Holy Family Church on Beacon Park Road:

- Beaconfield Road,
- Elmcroft,
- Birchfield Avenue,
- Oakcroft Road,
- Fircroft Road,
- Cedarcroft Road,
- Beehcroft Road,
- St Boniface Drive,
- Beacon Park Rd (No. 186 to No. 200),
- Belair Villas,
- St Boniface Close and
- Vaughan Close.

Residents of Montpelier Road, Elphinstone Road and all road adjacent to these would remain in district KD and vote at Holy Family Church on Beacon Park Road.

Residents of Northdown Road, Parker Road, Lyndhurst Road, and all roads south of these would remain in district KC and vote at St Bartholomew on Outland Road.

No comments were received from residents in relation to this proposal.

This review therefore recommends that the proposed changes of boundaries are implemented.

District KD and KE – changes to district boundaries

The boundary between district KD and KE would move northwards to include more residents into districts KE. The new boundary would now run along the west side of West Park Road. Residents of Limetree Road and Chestnut Road would now join district KE and vote at the Trinity United Reformed Church on Torr Lane.

No comments were received from residents in relation to this proposal.

This review therefore recommends that the proposed changes of boundaries are implemented.

Montpelier Primary School in district KC - Replacement of polling station

The last elections brought about comments regarding the continued suitability of this polling station due to the limited size of the polling room and the impact of the poll on the running of the school.

This report proposes to move the polling station to St Bartholomew on Outland Road in the south of the district. St Bartholomew is located 0.5 miles away from the current polling station. Although this proposed polling station is not central to the district, it is very accessible by car, on foot and by public transport. The venue provides good facilities and a car park.

Two comments were received from members of the public in relation with this proposal.

One resident expressed the view that Montpelier Primary School should be retained as a polling station for district KD in Peverell Ward as it is a good location for the many elderly residents in the vicinity who may struggle with mobility.

Another resident expressed some concerns that the elections turnout in district KD may be affected by moving the polling station to the border of the ward, which increases the travelling distance for some residents. The distance between the two polling station being less than 0.5 miles, this is likely to have a minimal effect on voter turnout. The change of polling station will benefit another group of residents in the south of the district.

The changes of district boundaries between district KC and KD also minimise the impact on residents. Most residents north of Montpelier primary school will change district and vote at the Holy Family Catholic Church, which is only 0.2 miles away from the school.

This review recommends a change of polling station from Montpelier Primary School to St Bartholomew Church on Outland Road.

Pennycross Methodist Church Hall in district KD - Replacement of polling station

The 2018 elections brought about a comment about the poor accessibility of this polling station, due to its location in a narrow cul-de-sac, and the shortage of amenities for elections staff.

This reports proposes to move the polling station to Holy Family Roman Catholic Church on Beacon Park Road in the north of the district. Holy Family Church is located 0.2 miles away from the current polling station on a main road. Although this proposed polling station is out of the current district boundaries, it is provides ramped access throughout and offers good facilities. A redrawing of the district boundaries will be necessary to ensure this station is central to the new district.

No comments were received from residents in relation to this proposal.

This review recommends a change of polling station from Pennycross Methodist to Holy Family Roman Catholic Church on Beacon Park Road.

Summary of proposed new Polling Districts and Polling Stations

New Polling district	New Polling Station	Address	Estimated Electorate¹	Estimated Polling station electorate²
KA	St. Gabriel The Archangel Church	Peverell Terrace, PL3 4JJ	2,515	2,058
KB	St. Edward's Church Hall	Home Park Avenue, PL3 4PG	2,370	1,942
KC	St Bartholomew Church	Outland Road, PL2 3BZ	1,688	1,291
KD	Holy Family Catholic Church	Beacon Park Road, PL2 3JR	2,507	2,100
KE	Trinity United Reformed Church Hall	Torr Lane, PL3 5NY	1,313	1,065

¹ Total number of registered electors in the district.

² Number of registered electors in the district who have opted to vote at a polling station.

PLYMPTON CHADDLEWOOD WARD**Existing Polling Districts**

Polling district	Polling Station	Electorate ¹	Recommendations
QA	Chaddlewood Primary School	874	Merger with district QB or redrawing of boundaries
QB	Glen Park Primary School	2,727	Merger with district QA or redrawing of boundaries
QC	Chaddlewood Farm Community Centre	2,472	No change

Existing Polling Stations

Polling district	Polling Station	Polling station electorate ²	Disabled access	Recommendations
QA	Chaddlewood Primary School	715	Yes	Removal or No change
QB	Glen Park Primary School	2,168	Yes	No change
QC	Chaddlewood Farm Community Centre	2,091	Yes	No change

¹ Total number of registered electors in the district.

² Number of registered electors in the district who have opted to vote at a polling station.

Recommendations

Two options have been identified with regards to district QA and QB.

Option 1 – Redrawing of the boundaries between district QA and QB

The number of polling station electors in district QB is currently 2,168, which is higher than the recommended number of electors by district. It is adjacent to district QA which is smaller than the recommended size of electorate per district.

A change of district boundaries between district QA and QB is proposed in order to balance the electorate across both wards. Both existing polling stations would be retained.

The new boundary between district QA and QB would move eastwards and run along Hillcrest Drive.

Residents of the following streets would move to district QA and vote at Chaddlewood Primary School:

- Hillcrest Close,
- Kenmare Drive,
- Chelmer Close,
- Beauy Close,
- Deveron Close,
- Wensum Close,
- Wain Park,

- Grange Road,
- Manor Park Road and
- Chaddlewood Close.

No comments were received on this proposal during the consultation.

Option 2 - Merger of districts QA and QB

The merger of district QA and QB and the relocation of the polling station to Glen Park Primary school are proposed. Although the resulting district would become very large, the merger has the benefit of reducing the number of schools being used as polling stations. However, this new district would be larger than the maximum number of electors recommended by the electoral commission.

No alternative to the primary schools were identified during the consultation and the review.

Three comments were received by members of the public in relation to this proposal. One resident supported the proposal to merge district QA and QB in Plympton Chaddlewood, thus decommissioning one of the schools. One resident supported the proposal to merge districts QA & QB of Plympton Chaddlewood and the use of Glen Park Primary as a polling station central to the new district.

One of the ward councillors suggested using the Chaddlewood Farm Community Centre only as a polling station for all districts of Plympton Chaddlewood, thus freeing both schools. This proposal is not viable in light of the size of the ward.

This review attempted, whenever possible, to limit the impact of elections on schools. On this occasion it was found that the need to comply with Electoral Commission guidance on size of the electoral should take precedence over this objective. Two polling stations could not cater effectively for a large number of electors, especially during national elections when the turnout is more than 70%. The review finds that the total number of electors in the ward warrants the existence of three districts.

Option 3 – No change

This option would maintain the existing polling districts and polling stations in their current state. This would mean that the imbalance in the electorate between district QA and QB would be maintained. The review recommends against this option as this would lead to a less than optimal use of election resources.

This review recommends that Option 1 is implemented.

Summary of proposed new Polling Districts and Polling Stations

New Polling district	New Polling Station	Address	Estimated Electorate ¹	Estimated Polling station electorate ²
QA	Chaddlewood Primary School	Hemerdon Heights, PL7 2EU	1,519	1,194
QB	Glen Park Primary School	Glen Road, PL7 2DE	2,069	1,679
QC	Chaddlewood Farm Community Centre	Chaddlewood Centre, PL7 2XS	2,472	2,091

PLYMPTON ERLE WARD**Existing Polling Districts**

Polling district	Polling Station	Electorate ¹	Recommendations
SA	St. Mary's C of E Infants School	1,379	Merger with district SB
SB	Mobile Unit at Merafield Road	1,026	Merger with district SA
SC	Rees Youth & Community Centre	851	No change
SD	Longcause Community School	1,512	No change
SE	Yealmpstone Farm Primary School	2,019	No change

Existing Polling Stations

Polling district	Polling Station	Polling station electorate ²	Disabled access	Recommendations
SA	St. Mary's C of E Infants School	1,153	Yes	Replacement
SB	Mobile Unit at Merafield Road	838	Yes ³	Removal
SC	Rees Youth & Community Centre	701	Yes	No change
SD	Longcause Community School	1,177	Yes	Replacement
SE	Yealmpstone Farm Primary School	1,652	Yes	No change

¹ Total number of registered electors in the district.

² Number of registered electors in the district who have opted to vote at a polling station.

³ Although mobile polling stations are suitably equipped to enable access for all voters (ramps and handrails for disabled access) there are still ongoing concerns due to inherent characteristics of mobile units, such as their narrow entrance and limited internal area.

Recommendations**St Mary's C. of E. Infant School in district SA – Replacement of polling station**

The last elections brought about concerns regarding the closing of the school on polling day. St Mary's Church Hall is being put forward as an alternative to this polling station. St Mary's Church Hall is located immediately next to the school. Amenities are very good, and include good car parking facilities.

Two comments were received from residents in support of this proposal.

This review recommends a change of polling station from St Mary's C. of E. Infant School to St Mary's Church Hall on Market Road.

District SA and SB – Merger of the districts

In order, whenever possible, to reduce the number of mobile polling stations, a merger of district SA and district SB is suggested. There is a possibility of creating a large district served by a polling station at St Mary's Church Hall, which is a well-appointed polling station.

Residents of the following streets would now join district SA and vote at St Mary's Church Hall on Market Road:

- Merafield Road,

- Grantham Close,
- Woodland Drive,
- Amados Close,
- Merafield Drive and
- Amados Drive.

The mobile unit at Merafield Road in district SA would be decommissioned as a result of the merger. No comments were received from residents in relation to this proposal.

This review therefore recommends that the proposed changes of boundaries are implemented.

Longcause Community School in district SD – Replacement of polling station

The last elections brought about a representation from the management of the school regarding the continued suitability of the schools' main hall for use as a polling station. Concerns were raised about the impact of the poll on the running of the school and the wellbeing of its pupils.

The creation of a new polling station in alternative location within the district is proposed. The Brook Inn was put forward during the consultation. This venue is located 0.2 miles away from the school and offers a car park with disabled spaces, and a convenient function room which would need to be ramped on polling day to enable access to disabled residents.

No comments were received from residents in relation to this proposal.

This review recommends a change of polling station from Longcause Community School to the Brook inn in Plympton St Maurice.

Summary of proposed new Polling Districts and Polling Stations

New Polling district	New Polling Station	Address	Estimated Electorate¹	Estimated Polling station electorate²
SA	St Mary's Church Hall	Market Road, PL7 IQW	2,405	1,991
SB	Rees Youth and Community Centre	Mudge Way, PL7 2PS	851	701
SC	The Brook Inn	Longbrook Street, PL7 1 NJ	1,512	1,177
SD	Yealmpstone Farm Primary School	Meadowfield Place, PL7 1XQ	2,019	1,652

¹ Total number of registered electors in the district.

² Number of registered electors in the district who have opted to vote at a polling station.

PLYMPTON ST MARY WARD**Existing Polling Districts**

Polling district	Polling place	Electorate ¹	Recommendations
RA	Woodford Methodist Church	2,200	No change
RB	St. Peters Lutheran Church	1,721	No change
RC	Boringdon Primary School	2,300	No change
RD	Colebrook Community Centre	1,868	No change
RE	Plympton Fire Station	2,059	No change

Existing Polling Stations

Polling district	Polling place	Polling station electorate ²	Disabled access	Recommendations
RA	Woodford Methodist Church	1,755	Yes	No change
RB	St. Peters Lutheran Church	1,374	Yes	No change
RC	Boringdon Primary School	1,821	Yes	No change
RD	Colebrook Community Centre	1,518	Yes	No change
RE	Plympton Fire Station	1,653	Yes	No change

¹ Total number of registered electors in the district.

² Number of registered electors in the district who have opted to vote at a polling station.

No changes of polling districts or polling stations are proposed in this ward.

Two comments were received from members of the public in relation to this ward.

Plympton Fire Station in district RE

One resident expressed their support for our proposal to retain the Plympton Fire Station as a polling station for district RE in Plympton St Mary ward.

St Peter's Lutheran Church in district RB

One resident expressed their satisfaction with the proposals to continue using St Peter's Lutheran Church as a polling station for district RB in Plympton St Mary ward.

PLYMSTOCK DUNSTONE WARD**Existing Polling Districts**

Polling district	Polling station	Electorate¹	Recommendations
UA	Mobile Unit at Holmwood Avenue	1,112	Merger with district UB
UB	Staddiscombe Club Function Room	1,687	Merger with district UA
UC	Goosewell Primary School	1,949	No change
UD	Elburton Methodist Church	2,220	No change
UE	Morley Youth & Community Centre	1,647	No change
UF	St. Matthews Church	1,177	No change

Existing Polling Stations

Polling district	Polling station	Polling station electorate²	Disabled access	Recommendations
UA	Mobile Unit at Holmwood Avenue	933	Yes ³	Decommissioning
UB	Staddiscombe Club Function Room	1,449	Yes – temporary ramp	No change
UC	Goosewell Primary School	1,459	Yes	No change
UD	Elburton Methodist Church	1,706	Yes	No change
UE	Morley Youth & Community Centre	1,302	Yes	Change
UF	St. Matthews Church	942	Yes	No change

¹ Total number of registered electors in the district.

² Number of registered electors in the district who have opted to vote at a polling station.

³ Although mobile polling stations are suitably equipped to enable access for all voters (ramps and handrails for disabled access) there are still ongoing concerns due to inherent characteristics of mobile units, such as their narrow entrance and limited internal area.

Recommendations

District UA and UB – Merger of the districts

The residents on Holmwood Avenue currently have access to a mobile polling station. One of the criteria for the review was to explore, whenever possible, the possibility to reduce the number of mobile polling stations. Therefore, the merger of district UA and UB and the relocation of the polling station to the Staddiscombe Club on Staddiscombe Road are proposed. This would result in the creation of a large ward, served by a double polling station at the Staddiscombe Club Function Room.

Residents of the following streets would now vote at the Staddiscombe Club Function Room:

- Paddock Close
- Great Orchard Close
- Southgate Avenue
- Southgate Close
- Basinghall Close
- Tudor Close
- Holmwood Avenue
- Hurst Close
- Arnison Close
- Budleigh Close and
- Marlow Gardens
- Cophorn Gardens
- Goosewell Road
- Goswela Gardens
- Long Park Close
- Gowela Close

The Staddiscombe Club is already the polling stations for district UB. There is capacity at the club to cater for the needs of this enlarged ward, with spacious parking facilities and existing arrangements to improve access for people with reduced mobility. There are existing public transport connections to this polling station from both district UA and district UB. Paddock Close, which is the furthest away from the proposed polling station, is a 0.7 miles walking distance away from the Staddiscombe Club.

One comment was received from a member of the public in support of this proposal.

This review therefore recommends that the proposed changes of boundaries are implemented.

Elburton Methodist Church in district UD

Two resident expressed concerns about the suitability of Elburton Methodist Church as a polling station for district UD in Plymstock Dunstone, due to concerns about its accessibility for disabled residents, as well as issues with the facilities available to polling staff on the day of the poll.

Elburton Village Hall was visited to see whether it would provide a suitable alternative location. The facilities at the Village Hall would be suitable to host a polling station but would not offer a substantial improvement on our current arrangements. A meeting at Elburton Methodist Church took place to discuss mitigation and resolve the issues that arose in the last elections. Elburton Methodist Church provides excellent car parking and access facilities that we will be able to take full advantage of in the next election. This review therefore recommends no change to this polling station.

This review recommends no change to this polling station.

Morley Centre in district UE

The Morley Centre is currently owned by Plymouth City Council but is due to be put for sale soon after the 2 May 2019 elections. There is no precise timescale, however, for the sale and redevelopment of the site. The building will remain standing until the redevelopment is complete, which may take a number of months. The site is currently divided between a private children's nursery, which is still running and the disused youth centre's premises where the elections are normally held.

We have assessed the Plymstock Children's Centre, near Dunstone school, to be the most suitable replacement. There will be no disruption to the school. The disruption to families will be minimal, and disruption to electors will also be minimal, due to the new site being so close to the existing location.

This review therefore recommends a change of polling station from the Morley Centre to the Plymstock Children's Centre in Shortwood crescent.

Summary of proposed new Polling Districts and Polling Stations

New Polling district	New Polling Station	Address	Estimated Electorate¹	Estimated Polling station electorate²
UA	Staddiscombe Club Function Room	Staddiscombe Road, PL9 9LT	2,799	2,382
UB	St. Matthews Church	Sherford Road, PL9 8DQ	1,177	942
UC	Goosewell Primary School	Furzehatt Villas, PL9 9HD	1,949	1,459
UD	Elburton Methodist Church	Springfield Road, PL9 8PR	2,220	1,706
UE	Plymstock Children's centre	Shortwood Crescent, PL9 8TQ	1,647	1,302

¹ Total number of registered electors in the district.

² Number of registered electors in the district who have opted to vote at a polling station.

PLYMSTOCK RADFORD WARD**Existing Polling Districts**

Polling district reference	Polling place	Electorate ¹	Recommendations
TA	Oreston Methodist Church	1,543	Change of district boundaries
TB	Hooe Baptist Church	3,761	Change of district boundaries
TC	Goosewell Primary School	1,120	Change of district boundaries
TD	Plymstock Sports Pavilion	2,305	Change of district boundaries
TE	Pomphlett Methodist Church Hall	2,072	No change

Existing Polling Stations

Polling district reference	Polling place	Polling station electorate ²	Disabled access	Recommendations
TA	Oreston Methodist Church	1,256	Yes	No change
TB	Hooe Baptist Church	3,002	Yes	No change
TC	Goosewell Primary School	889	Yes - temporary ramp	Replacement
TD	Plymstock Sports Pavilion	1,792	Yes - temporary ramp	No change
TE	Pomphlett Methodist Church Hall	1,775	Yes	No change

¹ Total number of registered electors in the district.

² Number of registered electors in the district who have opted to vote at a polling station.

Recommendations**District TB and TC – change of boundaries between districts**

The number of polling station electors in district TB is currently 3,002, which is higher than the recommended 2,000 electors by district. It is adjacent to district TC which is smaller than the recommended size of electorate per district.

A change of district boundaries between district TB and TC is proposed in order to balance the electorate across both wards, and facilitate access to a polling station to the greatest number of residents. An alternative polling stations in Radford Park is proposed for the new district TC.

The east of district TB would now be combined with district TC. The following streets would now be included into district TC:

- Homer Park,
- Homer Park Lane,
- Furland Close,
- Broom Park,
- Westcombe Crescent,
- Reddicliff Road,

- Reddicliff Close,
- Rowland Close,
- Barnwood Close,
- White Lady Road,
- Badger View and
- Mitchell Close.

The Beckly Centre near Radford Park is proposed as the new polling station for district TC, as a replacement to Goosewell Primary School.

No comments were received in relation to this proposal.

This review therefore recommends that the proposed changes of boundaries are implemented.

Districts TD and TA – change of boundaries between districts

In order to even out the electorate between ward TD and TA and improve accessibility to residents some changes of boundary are proposed. Residents of the following streets could join district TA and now vote at Oreston Methodist Church instead of the Plymstock Sports Pavilion:

- Dean Park Road,
- Quarry Park Road and
- Quarry Park Avenue.

No comments were received in relation to this proposal.

This review therefore recommends that the proposed changes of boundaries are implemented.

District TC and TD – change of boundaries between districts

To improve accessibility to residents, moving the boundary between the north of district TC and the south of district TD is proposed.

Residents on both sides of Burrow Hill would move from TC to TD and now vote at the Plymstock Sports Pavilion.

Cobb Lane, and the portion of Furzehatt Road parallel to it would be removed from district TC and included to district TD. Residents of Cobb Lane and this short stretch of Furzehatt Road would now vote at the Plymstock Sports Pavilion.

No comments were received in relation to this proposal.

This review therefore recommends that the proposed changes of boundaries are implemented.

Goosewell Primary School in district TC – replacement of polling station

The last election brought about some comments from members of the public about the suitability of using this school to hold elections. Goosewell Primary School currently hosts a double polling station, which is inconvenient and confusing for electors. In addition, this polling station is currently out of the boundaries of this ward, which should be avoided unless in extreme circumstances.

The Beckly Centre near Radford Park is proposed as the new polling station for district TC, as a replacement to the school. This change is subject to the changes of district boundaries being approved.

The Beckly Centre is location near the junction between Hooe Road and White Lady Road. Although this is not a central location, this is accessible to all residents of the new district. There are car parking facilities near the centre. There are existing public transport connections to this polling station from across district TC. The west side of Staddon Park Road, which is the furthest away from the proposed polling station, is a 0.7 miles walking distance away from the Beckly Centre.

No comments were received on this proposal

This review recommends a change of polling station from Goosewell Academy to the Beckly Centre on Mayers Way.

Pomphlett Methodist Church in district TE

During the consultation, Pomphlett Methodist Church conveyed their willingness to continue providing their premises for the purposes of Elections

Summary of proposed new Polling Districts and Polling Stations

New Polling district	New Polling Station	Address	Estimated Electorate¹	Estimated Polling station electorate²
TA	Oreston Methodist Church	Plymstock Road, PL9 7LL	1,659	1,340
TB	Hooe Baptist Church	Hooe Road, PL9 9RS	2,897	2,337
TC	The Beckly Centre	Mayers Way, PL9 9DF	1,878	1,460
TD	Plymstock Sports Pavilion	Dean Cross Road, PL9 7AZ	2,234	1,725
TE	Pomphlett Methodist Church Hall	Pomphlett Road, PL9 7BL	2,065	1,762

¹ Total number of registered electors in the district.

² Number of registered electors in the district who have opted to vote at a polling station.

SOUTHWAY WARD**Existing Polling Districts**

Polling district	Polling Station	Electorate¹	Recommendations
FA	Mary Dean Primary School	679	Merger with district FA
FAB	Mary Dean Primary School	992	Merger with district FAB
FB	Mobile Unit at Dunnet Road	1,317	No change
FC	Southway Youth Centre	1,165	No change
FD	Beechwood Primary School	1,380	No change
FE	Widewell Primary School	1,451	Changes to boundaries with district FF
FF	Church of the Holy Spirit	2,187	Changes to boundaries with district FE
FG	Mobile Unit at Hessary Drive ³	808	No change

Existing Polling Stations

Polling district	Polling Station	Polling station electorate²	Disabled access	Recommendations
FA	Mary Dean Primary School	522	Yes – temporary ramp	No change
FAB	Mary Dean Primary School	766	Yes – temporary ramp	No change
FB	Mobile Unit at Dunnet Road	1,005	Yes ³	No change
FC	Southway Youth Centre	968	Yes	No change
FD	Beechwood Primary School	1,074	Yes	No change
FE	Widewell Primary School	1,155	Yes	No change
FF	Church of the Holy Spirit	1,727	Yes	No change
FG	Mobile Unit at Hessary Drive	683	Yes ³	No change

¹ Total number of registered electors in the district.

² Number of registered electors in the district who have opted to vote at a polling station.

³ Although mobile polling stations are suitably equipped to enable access for all voters (ramps and handrails for disabled access) there are still ongoing concerns due to inherent characteristics of mobile units, such as their narrow entrance and limited internal area.

Recommendations

This review investigates opportunities to remove mobile polling stations whenever circumstances allow. However, this must be balanced against the necessity to provide accessible and convenient polling stations that meet the specific needs of each ward.

Mobile Unit at Dunnet Road in district FB – no change

In this instance, no suitable alternative could be identified. The area is residential only, with no suitable alternative polling station. Residential development are taking place in the district on the site of the old Oakwood primary school, and the number of electors is anticipated to grow.

One resident commented that the location of the mobile polling unit in Dunnet Road in district FB (situated at the bottom of a hill, near the junction between Dunnet Road and Tamerton Foliot Road) is not adequate. A visit to the site did not uncover any other suitable alternative location within the district boundaries.

This review therefore recommends no change to this polling station.

Mobile Unit at Hessary Drive – FG – no change

District FG is the smallest in the ward with 808 electors, but it is also geographically isolated from the rest of the ward, due to the topography of the area. The only access to the area is via a dual carriage way, and there are few practicable walkways to connect this north-eastern district to others. It is therefore not practicable to suggest a merger with a neighbouring district. No suitable alternative polling stations were identified in the area or its vicinity.

One resident expressed their dissatisfaction with this mobile unit, and proposed the use of Roborough Church. Roborough Church and Roborough Recreation Hall are out of the Local Authority's boundaries. No alternative polling stations could be identified as a replacement.

This review therefore recommends no change to this polling station.

Districts FA and FAB - Merger of the two districts

The number of electors in each district is currently lower than the numbers recommended by good practice. Residents from both districts vote at the same polling station at Mary Dean Primary School.

The review recommends the merger of district FA and FAB at Mary Dean Primary School.

Two residents expressed concerns about the continued use of Mary Dean's Primary School as a polling station. Those resident proposes moving the polling station out of Mary Dean's Primary School due to concerns about the suitability of the school building to hold the polling station whilst remaining open for children. One resident suggested the relocation of the polling station to the church hall in Tamerton Foliot.

A visit to St Mary's Church and Church Hall was undertaken in response to these comments in November 2018. Neither the Church nor the Church Hall provide suitable facilities for the conduct of elections: the church itself could be used, but the staff welfare facilities inside were very limited. The church hall provides excellent facilities, but access for residents with disabilities is very limited due to the topography of the site. There is no direct access from the car park, the route to the venue is a steep slope and there are two steps leading to the front door.

Contact has been made with local businesses to identify whether they would be suitable locations. A visit to the site is pending.

This review therefore recommends that the proposed changes of boundaries are implemented. No change to this polling station is recommended until a suitable alternative location can be identified.

District FF and District FE – Changes to district boundaries

District FF is the largest district in the ward, and its electorate is anticipated to grow in the next five years. It is adjacent to district FE which has a much smaller electorate. In addition, electors in the east and south east of district FF may have equivalent, or better access to the polling station for district FE, Widewell Primary School.

Redrawing the district boundaries between district FF and district FE will ensure that the electorate is more evenly distributed across both districts. This will create capacity in district FF to sustain growth in the next five years.

The review proposes changes to the district boundary between FF and FE. Other boundaries will not be affected.

The district boundary along the south-east of Southway Drive would be moved. The south-east and east portion of the current district FF could merge with district FE. The south-east boundary of district FF would now run along the watercourse at the back of Barningham Gardens.

Residents of the following streets, known as Birdcage Farm, would now vote at Widewell Primary School:

- Barningham Gardens,
- Corsham Close,
- Davenham Close,
- Barndale Crescent and all streets adjacent to Barndale Crescent.

Residents of the west side of Tavistock Road, up to Widewell Lane, including residents of Boundary Place will now join district FE and vote at Widewell Primary School.

Residents of Frewin Gardens and Butler Close would remain in district FF and continue to vote at the Church of the Holy Spirit.

No comments were received on this proposal.

This review therefore recommends that the proposed changes of boundaries are implemented.

Beechwood Primary School in district FD

One resident expresses an objection to Beechwood Primary School being used as polling stations, due to the impact of elections on safeguarding children and the disruption caused to parents.

No alternative to the school could be identified during the review, and none were proposed in response to the consultation.

This review therefore recommends no change to this polling station.

Widewell Primary School in district FE

Four residents expressed an objection to Widewell Primary School being used as polling stations, due to the impact of elections on safeguarding children and the disruption caused to parents. As an alternative, the resident suggests using a mobile polling station either to a fenced off area to the side of the school, or at Beverston Green. One of the objective of the review was to reduce, whenever possible, the use of mobile polling stations, the creation of a new mobile unit is therefore not proposed. No alternative to the school could be identified during the review.

This review therefore recommends no change to this polling station.

Summary of proposed new Polling Districts and Polling Stations

New Polling district	New Polling Station	Address	Estimated Electorate¹	Estimated Polling station electorate²
FA	Mary Dean Primary School	Mary Dean Avenue, PL5 4LS	1,671	1,288
FB	Mobile Unit at Dunnet Road	Near junction with Tamerton Foliot Road, PL6 6LR	1,317	1,005
FC	Southway Youth Centre	Hendwell Close, PL6 6TB	1,165	968
FD	Beechwood Primary School	Rockfield Avenue, PL6 6DX	1,380	1,074
FE	Widewell Primary School	Lulworth Drive, PL6 7ER	2,154	1,676
FF	Church of the Holy Spirit	Clittaford Road, PL6 6DJ	1,479	1,192
FG	Mobile Unit at Hessary Drive	Hessary Drive, PL6 7DG	808	683

¹ Total number of registered electors in the district.

² Number of registered electors in the district who have opted to vote at a polling station.

ST BUDEAUX WARD**Existing Polling Districts**

Polling district	Polling Station	Electorate¹	Recommendations
CA	Tamar View Community Resource Centre	1,901	No change
CB	The Barn, Kit Hill Crescent	1,605	No change
CC	St. Boniface Church Hall	1,913	No change
CD	Plaistow Hill Infant and Nursery School	830	Merger of district CD and CE
CE	Kings Tamerton Community Centre	2,009	Merger of district CD and CE
CF	St. Pauls Church Hall - St Budeaux	1,589	No change

Existing Polling Stations

Polling district	Polling Station	Polling Station Electorate²	Disabled Access	Recommendations
CA	Tamar View Community Resource Centre	1,703	Yes - Ramped	No change
CB	The Barn, Kit Hill Crescent	1,249	Yes	No change
CC	St. Boniface Church Hall	1,588	Yes	Replacement
CD	Plaistow Hill Infant and Nursery School	644	Yes	Replacement or no change
CE	Kings Tamerton Community Centre	1,595	Yes - ramped	No change
CF	St. Pauls Church Hall - St Budeaux	1,286	Yes	No change

¹ Total number of registered electors in the district.

² Number of registered electors in the district who have opted to vote at a polling station.

Recommendations

Districts CD and CE

Two options have been identified with regards to district CD and CE.

Option 1 – No change

Although district CD is smaller than others in the ward, the topography of the district has been a decisive factor in the design of this district. The school is the only suitable location in this district.

Plaistow Hill Primary School provides an accessible polling station to residents in the north of the ward at the top of a steep hill. The school provides good access to residents with reduced mobility, and car parking facilities.

Option 2 - Merger of districts CD and CE

The number of polling station electors in district CE is currently 2,009 which makes it the largest in the ward. It is adjacent to district CD which is smaller than the recommended size of electorate per district.

District CD is substantially smaller than other districts in the ward. To remove the need to use Plaistow Hill infant school as a polling station, the merger of district CD with district CE is proposed. The proposed new district would grow to a size of 2,839 electors, which is larger than the maximum number of electors recommended by the electoral commission. However, the polling station electorate in this district is very low as there is a large proportion of postal voters in this district. The total polling station electorate in this enlarged ward would be 2,239.

Three residents commented on this proposal.

With regards to changes proposed in district CE and CD of St Budeaux ward, one of the ward member expressed his opposition to option 2, due to a number of risks associated with the merger: the creation of a very large polling district, the added distance for residents of current district CE which may impair their ability to vote, the limited capacity of the current polling station and the potential for traffic disruption.

One resident expressed some concerns with regards to moving the polling station for district CE to King's Tamerton Community Centre in district CD which would make it much more difficult to access. The resident proposes St Paul's Church as an alternative as it is on a convenient bus route. However, St Paul's Church is already a polling station for district CF, and is located a considerable distance from district CD and CE.

Another resident expresses his opposition to option 2. As an alternative, the resident suggest increasing the side of district CD at the expense of CE with Trevithick Rd & Weston Mill Road becoming the new boundary. This alternative proposal would result in district CD growing much larger in size and district CE becoming much smaller, thus reversing the current situation. This option has been appraised and would not result in improved accessibility for residents in the south and west of the district.

This review recommends option 1 - no change.

St Boniface Church Hall in district CC - Replacement of polling station

The 2018 elections brought about a comment about the poor accessibility of this polling station, due to its location at the bottom of a very steep hill, thus preventing access for residents with mobility issues.

St Budeaux Baptist Church on Fletemoor Road was approached as a replacement but declined our request to host a polling station.

The new St Budeaux library which is in development has been put forward as a replacement. The site of the new library is very close to St Boniface Church Hall, and it is likely that residents would experience similar access issues due to the topography of the site.

No comments were received on this proposal and no alternative polling stations were identified during the consultation.

This review recommends no change until the facilities at the new library can be assessed.

Summary of proposed new Polling Districts and Polling Stations

New Polling district	New Polling Station	Address	Estimated Electorate ¹	Estimated Polling station electorate ²
CA	Tamar View Community Resource Centre	Poole Park Road, PL5 IDD	1,901	1,703
CB	The Barn, Kit Hill Crescent	Barne Barton, PL5 IEJ	1,605	1,249
CC	St Boniface Church Hall	Percy Street, PL5 IQH	1,913	1,588
CD	Plaistow Hill Infant and Nursery School	Roman Way, PL5 2DT	830	644
CE	Kings Tamerton Community Centre	Trevithick Road, PL5 2BH	2,009	1,595
CF	St. Paul's Church Hall - St Budeaux	Pemros Road, PL5 INE	1,589	1,286

ST PETER AND THE WATERFRONT WARD**Existing Polling districts**

Polling district	Polling Station	Electorate¹	Recommendations
NA	St. Jude's Church Hall	656	Change of boundaries with district NB
NB	The Burgess Hall	2,408	Change of boundaries with district NA
NC	St. Andrew's C of E Primary School	1,662	Change of boundaries with district NG
ND	St. Paul's Church Hall	1,008	No change
NE	High Street Primary Academy	1,736	No change
NF	Howesons in St. Peter's Church	1,284	Merger with district NG
NG	Frederick Street Centre	1,041	Merger with district NF
NH	Pilgrim Primary School	1,347	Change of boundaries with district NB

Existing Polling Stations

Polling district	Polling Station	Polling station electorate²	Disabled access	Recommendations
NA	St. Jude's Church Hall	554	Yes	Replacement
NB	The Burgess Hall	1,931	Yes	No change
NC	St. Andrew's C of E Primary School	1,293	Yes	No change
ND	St. Paul's Church Hall	800	Yes	No change
NE	High Street Primary Academy	1,425	Yes	Replacement
NF	Howesons in St. Peter's Church	1,095	Yes	No change
NG	Frederick Street Centre	822	Yes	Decommissioning
NH	Pilgrim Primary School	1,157	Yes	No change

¹ Total number of registered electors in the district.

² Number of registered electors in the district who have opted to vote at a polling station.

Recommendations**District NA and NB – Change of district boundaries****St Jude's Church Hall – Replacement of Polling Station**

The polling station at St Jude's Church Hall is outside of ward boundaries, which is a situation that must be avoided unless in extreme circumstances. Currently, the polling station caters for a small number of electors. Suitable alternative are being investigated in the new district. We welcome suggestions from residents for alternative polling stations in the new district.

The district is very small, and is adjacent to one much larger. In order to balance the number of electors between the two districts, and to cater for a likely increase of population in both wards, a change of district boundaries is proposed.

The current district NA would merge with the north of district NB. A new polling station in the current district NB would need to be identified and secured, but this part of the district presents many opportunities to identify an accessible polling station.

The new boundaries of an enlarged district NA would run along Exeter Street and Royal Parade to the south. The boundary to the west of the new district NA would run along western approach, Market Avenue and Raleigh Street. The north boundary would follow Cobourg Street, Regent Street and Tothill Avenue. The eastern boundary would follow St Jude's Road.

Residents of the following streets would now join district NA and vote at a location yet to be identified in the new district:

- Courtenay Street,
- New George Street,
- Cornwall Street,
- Mayflower Street and
- Old Town Street.

Two residents commented on this proposal.

One resident conveyed their support for this proposal, suggesting a potential location for a polling station for district NA, namely the Salvation Army Citadel.

St Jude's Church responded to the proposal of moving the polling station for district NA to an alternative location within St Peter and the Waterfront ward. The church conveyed their willingness to continue providing their premises for the purposes of elections should they be needed in future. A visit took place at the Plymouth College of Art. The college offers excellent facilities for polling staff and is highly accessible and visible.

This review therefore recommends that the proposed changes of boundaries are implemented. This review recommends a change of polling station from St Jude's Church to Plymouth College of Art on Tavistock Place.

High Street Primary Academy – district NE – Replacement of Polling Station

In order to minimise, wherever possible, the use of schools during elections, a change of polling station is proposed. The new proposed polling station would now be the Millfield Trust's HQ Business Centre on Union Street. The Millfield Trust's HQ Building is conveniently located on a main road, with excellent public transport link, and a car park with disabled spaces. The proposed polling station would be located on the first floor of the building. A lift is available for residents with restricted mobility and the reception of the building will be manned. This venue is central to the district, located less than 0.3 miles away from the current polling station.

No comments were received on this proposal

This review recommends a change of polling station from High Street Primary School to the Millfield Trust's HQ building on Union Street.

District NG and NH - Change of district boundaries

To facilitate access to a polling station to residents on the south eastern side of Western Approach, a change of district boundaries is proposed. Residents of the following streets would now join the current district NH and vote at Pilgrim Primary School:

- Colin Campbell Court,

- Morley Court,
- Harwell Court,
- and any residents in the flats adjacent to the Colin Campbell Court car park.

No comments were received on this proposal.

This review therefore recommends that the proposed changes of boundaries are implemented.

District NG and NC – Change of district boundaries

To facilitate access to a polling station to residents on the south side of Union Street, a change of district boundaries is proposed between district NG and NC. Residents of the following streets would now join district NC and vote at St Andrews C of E Primary School:

- Martin Street,
- the east of Sawrey Street,
- Bath Lane,
- Bath Place and
- the east of Millbay Road.

No comments were received on this proposal

This review therefore recommends that the proposed changes of boundaries are implemented.

District NG and NF – Merger of the two districts

In order to minimise the number of polling stations, the merger of district NG and NF are recommended. The polling station for current district NF, Howesons in St Peter’s Church would be retained as the polling station for this enlarged district.

One resident commented on this proposal. The resident welcomed the combination of district NF and NG to reduce the number of districts in St Peter and the Waterfront ward.

This review therefore recommends that the proposed changes of boundaries are implemented. The resulting district will now be referenced NF.

Summary of proposed new Polling Districts and Polling Stations

New Polling district	New Polling Station	Address	Estimated Electorate¹	Estimated Polling station electorate²
NA	Plymouth College of Art	Tavistock Place, PL4 8AT	703	598
NB	The Burgess Hall	Notte Street, PL1 2HG	2,349	1,877
NC	St. Andrews C of E Primary School	Citadel Road, PL1 3AY	1,657	1,287
ND	St. Pauls Church Hall	Durnford Street, PL1 3QW	1,008	800

NE	The Millfield Trust HQ Business Centre	Union Street, PL1 3HQ	1,736	1,425
NF	Howesons in St. Peters Church	Wyndham Square, PL1 5EG	2,133	1,795
NG	Pilgrim Primary School	Oxford Street, PL1 5BQ	1,530	1,261

¹ Total number of registered electors in the district.

² Number of registered electors in the district who have opted to vote at a polling station.

STOKE WARD**Existing Polling Districts**

Polling district	Polling station	Electorate ¹	Recommendations
JA	St. Barnabas Church (Now Redeemer Church)	2,691	No change
JB	Stoke Damerel Centre	1,835	No change
JC	Stoke Methodist Church	1,499	No change
JD	Pilgrim United Reformed Church	2,808	No change
JE	St. Marks Church	1,213	No change

Existing Polling Stations

Polling district	Polling station	Polling Station Electorate ²	Disabled Access	Recommendations
JA	St. Barnabas Church (Now Redeemer Church)	2,185	Yes	No change
JB	Stoke Damerel Centre	1,477	Yes	No change
JC	Stoke Methodist Church	1,221	Yes	No change
JD	Pilgrim United Reformed Church	2,330	Yes	No change
JE	St. Marks Church	1,042	Yes	No change

¹ Total number of registered electors in the district.

² Number of registered electors in the district who have opted to vote at a polling station.

No changes of polling district or polling stations are proposed in this ward.

St Barnabas' Church in district JA (Now Redeemer Church)

One resident asked us to check the suitability of the disabled access to St Barnabas' Church, now Church of the Redeemer.

A visit was undertaken in December 2018 to evaluate the suitability of the building for the purpose of holding an election. A drop-off point is available near the ramp leading to the church. The entrance to the church is made via double doors. Car parking facilities are limited and can be restricted to disabled electors on the day of polling.

No alternative locations were put forward during the consultation and none were identified as a replacement.

The review therefore recommends no change to this polling station.

SUTTON AND MOUNT GOULD WARD**Existing Polling Districts**

Polling district	Polling Station	Electorate ¹	Recommendations
OA	Mount Gould Methodist Church	1,505	No change
OB	Salisbury Road Primary School	1,488	No change
OC	Salisbury Road Baptist Church Hall	1,482	No change
OD	Tothill Community Centre	1,268	No change
OE	Plymouth & District Table Tennis League HQ	1,067	Merger with district OF
OF	Prince Rock Primary School	1,722	Merger with district OE
OG	Tresillian Street Centre	852	Merger with district OH
OH	Tresillian Street Centre	371	Merger with district OG

Existing Polling Stations

Polling district	Polling Station	Polling station electorate ²	Disabled access	Recommendations
OA	Mount Gould Methodist Church	1,316	Yes	No change
OB	Salisbury Road Primary School	1,313	Yes	Replacement
OC	Salisbury Road Baptist Church Hall	1,291	Yes	No change
OD	Tothill Community Centre	1,047	Yes	No change
OE	Plymouth & District Table Tennis League HQ	942	Yes*	Replacement
OF	Prince Rock Primary School	1,414	Yes	No change
OG	Tresillian Street Centre	726	Yes	No change
OH	Tresillian Street Centre	258	Yes	No change

* Although this polling stations is equipped to enable access for all voters a recent inspection visit brought about a concern regarding the accessibility of this polling station to electors with disabilities.

¹ Total number of registered electors in the district.

² Number of registered electors in the district who have opted to vote at a polling station.

Recommendations**Districts OG and OH – merger of the districts**

District OG and OH are small adjacent districts which both use the Tresilian Street Centre as a polling place, following the closure of the previous polling station in district OH in 2017. There is a possibility to merge district OG and OH and to retain the Tresilian street centre as the polling station for this district.

In order to facilitate access to this polling station, a redrawing of the boundaries of this district is proposed. The new boundary for district OG would now follow Gdynia Way and the Laira Bridge Road. Residents south of these streets would now vote at the Tresillian Street Centre.

This review therefore recommends that the proposed changes of boundaries are implemented. This review recommends the Tresillian Street centre as the polling station for this enlarged district.

Districts OE and OF – merger of the districts

A recent inspection visit brought about a concern regarding the accessibility of the Plymouth & District Table Tennis League HQ to electors with disabilities. A suitable alternative polling station could not be identified in this district. There is a possibility to merge district OE and OF and to continue using Prince Rock Primary School as a double polling station for an enlarged district. Prince Rock Primary School is already a polling station for district OF. It would be conveniently located in the centre of the proposed new district with good public transport links.

No comments were received on this proposal.

This review therefore recommends that the proposed changes of boundaries are implemented.

District OA – Mount Gould Methodist Church

One resident expressed concerns about the ward boundary between Efford and Lipson ward and Sutton and Mount Gould ward. Due to the design of the boundary, the resident has to vote at Mount Gould Methodist Church, which is further away than the polling station on Kensington Road, which services district PA in Efford and Lipson.

As ward boundaries fall outside of the scope of this review and consultation, and are beyond our mandate, this comment could not be taken into account.

St Jude's Church to become polling station for OB

The church is currently an out of ward polling station for St Peter and the Waterfront ward. This report recommends decommissioning the church in order to identify a location within the ward. St Jude's church is a good location within district OB and is ideally situated to become the new polling station for district OB as a replacement for Salisbury Road Primary School.

This review recommends a change of polling station from Salisbury Road Primary School to St Jude's Church.

Summary of proposed new Polling Districts and Polling Stations

New Polling district	New Polling Station	Address	Estimated Electorate¹	Estimated Polling station electorate²
OA	Mount Gould Methodist Church	Faringdon Road, PL4 7NW	1,505	1,316
OB	St Jude's Church	Beaumont Road, PL4 9BJ	1,488	1,313
OC	Salisbury Road Baptist Church Hall	Rosebery Avenue, PL4 8SX	1,482	1,291
OD	Tothill Community Centre	Knighton Road, PL4 9DA	1,268	1,047
OE	Prince Rock Primary School	Embankment Road, PL4 9JF	2,789	2,356

OF	Tresillian Street Centre	Tresillian Street, PL4 0QP	1,223	984
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¹ Total number of registered electors in the district.

² Number of registered electors in the district who have opted to vote at a polling station.

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Audit & Governance Committee – Tracking Resolutions

Minute No.	Resolution	Progress
10 December 2018 Minute 51. Treasury Management Strategy 2019/20	The Audit and Governance Committee agreed to recommend the Treasury Management Strategy 2019/20 (incorporating the authorised limits, operational boundaries and prudential indicators) to the Cabinet for recommendation on to Council.	Approved at 26 February 2019 City Council.
10 December 2018 Minute 52. Capital Financing Strategy 2018/19	The Audit and Governance Committee recommended the Capital Financing Strategy 2018/19 to the Cabinet for approval.	Approved at 26 February 2019 City Council.
10 December 2018 Minute 56 Whistle Blowing Policy	The committee expressed reservations about the wording relating to Anonymous Allegations at 3.3 and agreed to delegate authority to the Chair and Vice Chair to review and approve the Whistleblowing Policy.	Approved by the Chair and Vice Chair 19 February 2019
10 December 2018 Minute 60 Civic Centre Calendar 2019	Members agreed to form a working group to review the objectives of the Lord Mayor’s Day and noted the update.	Lord Mayor's Day Cross-Party Working Group established and objectives reviewed.

Greyed out box = action completed

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Audit Committee Work Plan 2018/19

		2018							2019					
Item	Lead Officer	M 31	J	J 30	A	S	O 1	N	D 10	J	F	M 11	A	M
Draft Statement of Accounts 2017/18 and Annual Governance Statement	Carolyn Haynes			*										
Strategic Risk and Opportunity Register Monitoring Report and the Integrated Commissioning Risk Register	Julie Hosking											*		
Operational Risk and Opportunity Management - Update Report	Julie Hosking			*										
Risk and Opportunity Management Annual Report 2017/18	Julie Hosking			*										
Information Annual Governance Report	John Finch						*							
Annual Report on Treasury Management Activities for 2017/18	Chris Flower	*												

Audit Committee Work Plan 2018/19

Item	Lead Officer	2018							2019					
		M 31	J	J 30	A	S	O 1	N	D 10	J	F	M 11	A	M
Treasury Management Practices, Principles and Schedules 2019/20	Chris Flower											*		
Mid-Year Treasury Management Report 2018/19	Chris Flower								*					
Treasury Management Strategy 2019/20	Chris Flower								*					
Counter Fraud Annual Report	Mike Hocking / Ken Johnson			*										
Health and Safety Annual Report	Clare Cotter							*						
Internal Audit Annual Report 2017/18	David Curnow / Brenda Davis	*												

Audit Committee Work Plan 2018/19

		2018							2019					
Item	Lead Officer	M 31	J	J 30	A	S	O 1	N	D 10	J	F	M 11	A	M
Internal Audit Half Year Report 2017/18	David Curnow / Brenda Davis								*					
Internal Audit – Progress Report	David Curnow / Brenda Davis						*							
Internal Audit Follow Up Report 2017/18	David Curnow / Brenda Davis						*							
Internal Audit Charter and Strategy 2018/19	David Curnow / Brenda Davis											*		
Internal Audit Plan 2018/19	David Curnow / Brenda Davis											*		
Annual Report to Those Charged with Governance (ISA260 Report) 2017/2018 including Value for Money (VFM) (External Auditor)	External Auditor BDO			*										

Audit Committee Work Plan 2018/19

		2018							2019					
Item	Lead Officer	M 31	J	J 30	A	S	O 1	N	D 10	J	F	M 11	A	M
External Audit Progress Report	External Auditor GT								*					
Planning Report (External Auditor)	External Auditor GT											*		
Annual Audit Letter	External Auditor BDO						*							
Grant Claims and Returns Certification (External Auditor)	External Auditor BDO								*					
Integrated Commissioning – Finance Assurance Review Group – Annual Report 2017/18 including ASW Audit Programme for CCG	David Northey											*		
Terms of Reference for Audit & Governance Committee	Andrew Hardingham/ Sian Millard	*												

Audit Committee Work Plan 2018/19

		2018							2019					
Item	Lead Officer	M 31	J	J 30	A	S	O 1	N	D 10	J	F	M 11	A	M
Independent Remuneration Panel Review	Siân Millard	*												
Review of Rolling Work Plan	Lead Officer/DSO	*												
Whistle Blowing and Anti Fraud	Ken Johnson								*					
Strategic Risk Register	Julie Hosking						*							
Councillor Long Service Award	Siân Millard						*							
Delegation of functions to Audit and Governance Committee	Linda Torney						*							
Honorary Alderman Criteria	Siân Millard											*		
Motions on Notice	Ross Jago											*		
Voter Id	Glenda Favor-Ankersen								*					
Petition Arrangements	Linda Torney								*					
The Operational Risk Monitoring Report	Julie Hosking								*					
Civic Calendar	Siân Millard								*					
Capital Strategy report	Chris Flower								*					
Surveillance, Covert Activities and the Regulation of Investigatory Powers Act 2000 (RIPA)	Alex Fry											*		

Audit Committee Work Plan 2018/19

		2018							2019					
Item	Lead Officer	M 31	J	J 30	A	S	O 1	N	D 10	J	F	M 11	A	M
Councillor casework survey	Siân Millard													
JLP Governance	Paul Barnard											*		
Polling District review	Emmanuelle Marshall											*		
Items to be Scheduled														
Member Development Annual Report	Siân Millard													
Contract Standing Orders	Holly Golden													
Councillor casework survey	Siân Millard													
Honorary Alderman Criteria	Siân Millard													