

**Audit Committee 19 July 2023**  
**Written Answers to Audit Committee Advance Questions**

The link to the papers for this meeting can found [here](#).

**Agenda Item 4 - Risk management - Quarter 4 2022/23**  
(pages 7-32 in the agenda pack)

**Question 1**

**SR1) I understand the notion of closing the risk and keeping the option of resumption. How is this being monitored and over what timescales?**

**Written Answer**

All risk is managed according to the 'three line of defence' model as set out in the Risk Management Strategy.

In practical terms this means that day to day risk is managed within service areas and escalated to management as required. The Council also has access to specialist advice including (for example in the case of Covid-19), the Council's Health & Safety Officer and the Surrey Local Resilience Forum.

In the event that Covid (or indeed any other new pandemic threat) (re-)emerges, the Council also has appropriate emergency and business continuity plans in place.

There is no specific time constraints on the ongoing monitoring of the potential risk to the organisation, and the Council's Executive (advised by the Corporate Governance Group, comprised of senior manager) has the ability to re-open this (or a similar) strategic risk at any time.

**Question 2**

**SR2) Do we have significant financial deficits and if so a) are they forecast to increase? b) are they due to what we have had to do to support residents or through a lack of investment returns?**

**Written Answer**

The authority is obliged in law to approve a 'balanced' revenue budget each year, whereby it has to demonstrate how forecast expenditure will be funded from specific income sources (including council, tax, business rates, grants, fees & charges and any planned calls on reserves).

Quarterly budget monitoring reports are then presented to Executive to confirm that overall, the budget remains under control throughout the year.

These reports highlight any budgets that are at risk of overspending and make recommendations on the action required to ensure that the overall budget remains under control.

There are always risks of overspends due to increases in demand or shortfalls in forecast income that were not anticipated when the budget was approved. However

over recent years the authority has consistently ended the year with an underspend overall compared to the approved budget.

The budget monitoring arrangements help ensure therefore that the Council is well-placed to manage the risks of an overspend (deficit) and to take corrective action as soon as an individual service budget comes under pressure.

Over the medium term, like all authorities, this Council faces continued budget risks due to potential increases in costs while sources of income (specifically government support) are likely to reduce.

These risks are mitigated by preparing the five year Medium Term Financial Plan that sets out future budget forecasts in order to confirm the potential scale of budget gap (expenditure exceeding income) that may arise if action is not taken to reduce costs or identify new sources of income.

The authority has also established the Financial Sustainability Programme that is overseeing delivery of a number of projects and initiatives that have the objective of reducing costs or generating new income to help ensure that the budget remains in balance over future years.

### **Question 3**

**SR2) In mitigation Projects- do we have details of what we have looked at recently, what we are looking at now and are we looking at local, national or both?**

#### **Written Answer**

The reference to projects in relation to this risk relates the Financial Sustainability Programme.

A quarterly update on the Financial Sustainability Programme is provided to the Overview & Scrutiny Committee and the Executive, the latest update being available here: <https://reigate-banstead.moderngov.co.uk/documents/s26643/Annex%204%20Q4%20SFP%20Update.pdf>

As noted in this document, this includes activities to delivery 'quick wins' and larger projects. Quick wins have included things like reviewing printing/postage costs and income from filming at Council premises, and re-letting catering contracts in our parks. Larger projects will include things like reviewing our procurement and contract management processes, and looking at process modernisation and 'ways of working' across the Council.

### **Question 4**

**SR2) Fees and charges- does this include services being sold to other areas, eg other councils or bodies. What charges are involved?**

#### **Written Answer**

A comprehensive review of fees and charges was undertaken as part of the 2023/24 budget setting process. This included looking across the range of fees and charges

that we set locally for service provision to residents, businesses and other customers. A useful overview of these was included in the draft Budget report considered by the Executive last November, Table 9 of the following report <https://reigate-banstead.moderngov.co.uk/documents/s22409/Service%20Financial%20Planning%20202324.pdf>

Charges to other authorities for providing services (for example Revenues, Benefits and Fraud services) are agreed on a case-by-case basis, and may be based on an hourly rate, a one-off charge or commission against debt being collected.

### **Question 5**

**SR2) With energy costs reducing are we seeing a drop in these or are we looking at alternative forms?**

#### **Written Answer**

The council has recently secured a much improved energy contract, as reported to the Executive here: <https://reigate-banstead.moderngov.co.uk/documents/s26744/Energy%20Supply%20Contract%20202325.pdf>

This sees a saving on current costs – from October onwards – of around £340,000 per year.

Work is also underway to identify opportunities for renewable energy generation on Council buildings, including via the installation of solar PV, for which funding from the Strategic CIL fund has been secured.

### **Question 6**

**SR4) What help and assistance are we still offering to residents, has this dropped since covid or does the financial crisis still mean an increase as we are seeing food banks and food clubs suffering a drop in stock?**

#### **Written Answer**

The Council still offers a wide range of help and assistance to residents, although as might be expected this has evolved since the midst of the pandemic.

Current economic circumstances mean that a number of our residents continue to face hardship, including associated with the cost of living.

Our offer to residents includes our Family Support and Money Support teams, who engaged with 347 households last year. We have used funding from the Household Support Fund to benefit 9,490 households last year in different way, with 823 households also supported under the discretionary council tax energy rebate scheme.

We also continue to support 5 food clubs – with over 300 members across the borough - as well as community fridges. And we work with a wide range of voluntary and community sector partners to coordinate wider support for residents in need.

More information about our intervention services is provided in our Quarter 4 KPI dashboard, reported here <https://reigate-banstead.moderngov.co.uk/documents/s26744/Energy%20Supply%20Contract%20202325.pdf>

[banstead.moderngov.co.uk/documents/s26568/Minutes%20of%20Previous%20Meeting.pdf](https://reigate-banstead.moderngov.co.uk/documents/s26568/Minutes%20of%20Previous%20Meeting.pdf)

#### **Question 7**

**SR5) What levels are staff turnover at now, is that short term staff or longer term, what is the percentage of staff deficit and what is being done to recruit?**

#### **Written Answer**

As of quarter 4 2022/23, staff turnover was at 19%; turnover was low during and straight after the pandemic but has increased in recent months.

More detail of staff turnover figures (which are a corporate key performance indicator) was last considered by the Overview & Scrutiny Committee and Executive in June – papers available via the agendas on Modern.Gov, including at <https://reigate-banstead.moderngov.co.uk/documents/s26640/Annex%201%20Q4%20KPI%20Dashboard.pdf>

A useful summary of some of the action that is being taken in relation to staff turnover is recorded in the O&S minutes from their last meeting where this KPI was considered here <https://reigate-banstead.moderngov.co.uk/documents/s26568/Minutes%20of%20Previous%20Meeting.pdf> . This includes use of temporary resources, promotion or secondment of existing staff, direct recruitment and sharing resources with other authorities. No significant impact on the delivery of services has been experienced.

#### **Question 8**

**SR6) How many construction projects have the council started and how many are completed?**

#### **Written Answer**

In the past year or so the Council has completed construction projects at Camelia Close in Tadworth, Octavia Cottages in Horley, and Wheatley Court in Redhill. Construction activity at The Rise in Redhill is nearing completion. All construction projects are progressed with the application of the controls identified in the risk register; with 'dashboard' progress reports made available to members on a monthly basis via the Modern.Gov library.

**Question 9 – This question contained EXEMPT information**

#### **Question 10**

**SR9) How many cases of fraud have the council dealt with and the percentage of successful completions in recouping funds?**

#### **Written Answer**

Performance in relation to Fraud is reported as a contextual performance indicator – the latest report was at Q4 2022/23 (recently considered by the Overview & Scrutiny Committee and Executive) and is available via the agendas on Modern.Gov, including at <https://reigate-banstead.moderngov.co.uk/documents/s26568/Minutes%20of%20Previous%20Meeting.pdf>

[banstead.moderngov.co.uk/documents/s26640/Annex%201%20Q4%20KPI%20Dashboard.pdf](https://banstead.moderngov.co.uk/documents/s26640/Annex%201%20Q4%20KPI%20Dashboard.pdf)

This reports that the fraud team has identified, opened and investigated 924 cases in 2022/23, and fraud was detected in 66 of these. Cashable savings are recovered either through standard Council recovery routes or by taking legal action if necessary.

## **Agenda Item 5 - Internal Audit - Quarter 4 2022/23 Progress Report**

(Pages 33-54 in the agenda pack)

### **Question 11**

(Paragraph 15) With regards to Head of service responsibility have we records of where things have gone wrong and learning outcomes?

### **Written Answer**

The Mod.Gov extranet library includes the completed internal audit reports for Members to view. Within these reports, additional information is available on the observations of the audit and the management responses being taken as a result. Some audit reports may also include additional points where the internal audits are able to suggest added value opportunities.

Observations set out potential weakness or areas for improvement identified by the audit review. Management responses are prepared by Heads of Service and officers within the relevant teams to address these observations and resolve the potential risks or concerns.

Observations do not necessarily always reflect where things have gone wrong, but may highlight areas where there could be a risk of this in future. The management actions therefore reflect the learning outcomes of the internal audit review and how responsible Heads of Service have agreed work to implement that learning, address any current concerns, and avoid future risks.

### **Question 12 - This question contained EXEMPT information**

### **Question 13**

(Annex 3) There is mention of a review of the procurement strategy, do we have an update on this?

### **Written Answer**

A RBBC Procurement and Contract Management transformation programme began in late June 2023. The research & discovery phase of this programme is now largely complete, allowing for scoping to take place, providing the following outline:

- Establish a Task & finish group (complete)
- Secure dedicated in-house procurement resource (approach approved w/c 10/07)
  - Interim lead (Aug – Dec)
  - Permanent Procurement & Contract Management Principal (Nov onwards)
  - Level Four Business & Administration Apprentice (Jan onwards)
- The Interim Procurement & Contract Principal will lead on:
  - Establishing a RBBC Procurement Board
  - Drafting a RBBC Procurement & Contract Management Strategy, including:
    - Value for money

- Social Value
- Sustainable & Ethical Procurement & Contract Management
- Ensuring we have an up to date RBBC Contract Register
- Designing and embedding a robust approach to contract management
- Relevant updates to the Constitution

As with most transformation, this programme will operate across three Horizons that run concurrently:

1. Fix the basics
  - a. Processes that work
  - b. People with capacity and capability
  - c. Platforms that allow frictionless working
2. Optimise what already works well
3. Innovate

The timetable for delivery is dependent on securing both the Interim & Permanent officers, however where possible delivery has already begun utilising scarce capacity within existing resource.

The aim is for the key deliverables to be in place within the next six months, with further iteration as appropriate while they embed into 2024.

### **Agenda item 6 - Draft Annual Governance Statement 2022/23**

(Pages 55-68 in the agenda pack)

#### **Question 14**

The employee code of conduct as noted in Self-assessment. Has this been completed or do we have a possible time frame?

#### **Written Answer**

An internal audit review of our approach to Decision Making & Accountability was undertaken in 2019/20 and 2022/23. The latter review concluded with 'reasonable' assurance, with two management actions arising.

One action has been completed. The other relates to the employee code of conduct. The Head of Organisation Development & Human Resources is expecting to complete the review of the Employee Code of Conduct by the end of December 2023.