

AUDIT COMMITTEE: 18th September 2018

**REPORT OF DIRECTOR PLANNING, TRANSPORT & ENVIRONMENT
AGENDA ITEM: 4.2**

Reason for this Report

1. This report has been produced in response to the Audit Committee's request for an update on governance and control within the Planning, Transport & Environment Directorate. This update is also to provide assurance on the implementation of the recommendations made by Internal Audit.

Background

2. Cardiff Council's Planning, Transport & Environment Directorate has responsibility for a wide and complex range of statutory duties, functions and services, essentially this involves "bringing together place-based services to ensure that Cardiff is able to achieve its Capital City Ambition and to be among the very best in the UK and Europe" to ensure;
 - The streets/highway are clean, well maintained and managed
 - Waste services meet targets for recycling
 - Improved management of productivity, and customer service levels
 - New Development is of a high quality
 - Ensuring value for money, efficient Service Delivery
 - Delivering a range of high profile projects, including:
 - i. The new Central Transport Interchange
 - ii. Significant Waste and Recycling Facilities and Services
 - iii. New transport / Active Travel, such as cycle super highways,
 - vi. Major new Sustainable Communities
 - v. UK best practice Energy Projects

The Directorate is concerned with managing risk at the level of strategy development, operational delivery, and the quality of services to citizens of Cardiff, visitors and businesses. To support this challenging agenda, the directorate currently employs circa 1,116 staff. To illustrate the scale and variety of activities provided, here is a list of the Directorate's Strategic Priorities (SDPs) and example headline actions being delivered by the Directorate during 2018/19 and over the longer term where necessary:

SDP1 - Transforming and improving services:

- Explore and develop a commercial and collaboration strategy for key services
- Adopt Smart City approaches to managing city infrastructures

SDP2 - To deliver a sustainable transport system

- Develop and launch a new Transport & Clean Air Vision for the city
- Support the delivery of the Council's Active Travel agenda

SDP3 - To deliver and manage future growth of the city

- Support the delivery of high-quality and well-connected communities
- Increase the delivery of new houses to meet housing need through the development of LDP strategic sites

SDP4 - To join up frontline street scene services

- Develop options for long-term regional partnership recycling infrastructure arrangements
- Develop a 'Total Street' delivery Plan

SDP5 - Develop Cardiff as a sustainable, resilient and low carbon energy capital

- Develop a City Food Strategy
- Progress a 5 Megawatt Solar Farm at Lamby Way

SDP6 - Deliver high quality bereavement and registration services

- Deliver a long-term solution to ensure adequate burial space is provided for the future
- Develop a sustainable and enhanced service for the kennelling and re-homing of stray dogs

Issues

- (a) Management and mitigation of Directorate risks included in the Corporate Risk Register – the Directorate has developed and integrated a robust process for managing, monitoring and controlling these and other risks which are set out below.

Planning & Review

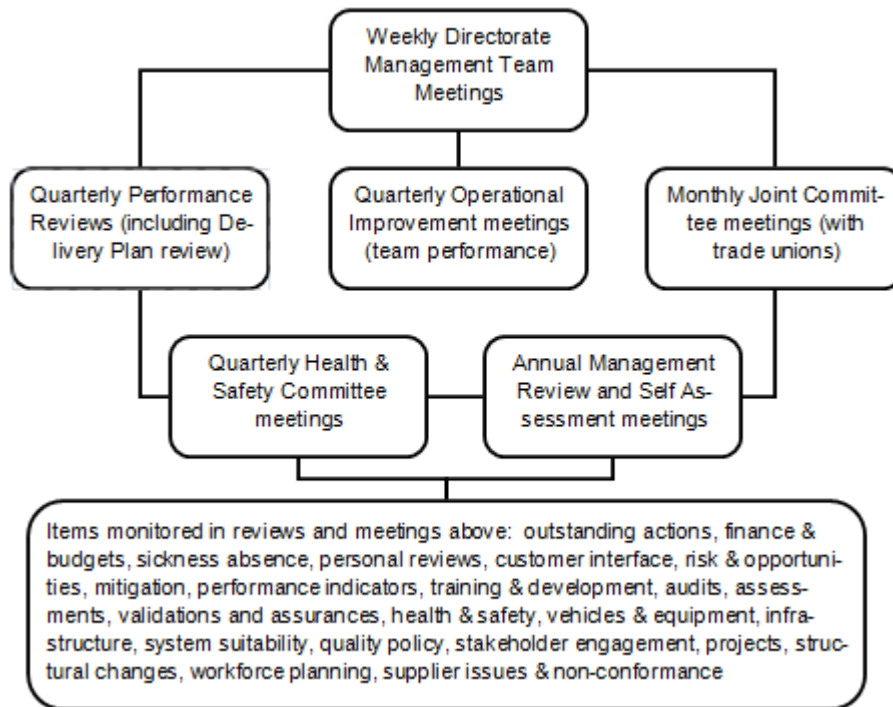
Directorate Delivery Plan – this sets out how we will deliver Corporate Objectives, Capital Ambitions and Directorate Headline Actions. Key consideration is given to resources required for projects, initiatives and objectives along with management of associated risks.

Risk Registers – risks managed by the Directorate are detailed in a number of registers at various levels including Corporate (strategic risks), Directorate (essentially delivery plan risks) and newly emerging Team (operational risks) registers. These risks are monitored on a quarterly basis alongside our Delivery Plan reviews, similarly key outturns (high level risks) are reported to the Senior Management Team.

Quarterly Performance Reviews – this takes place on a quarterly basis and includes monitoring of progress against Corporate Steps, Capital Ambition Statements, Headline Actions, Key Performance Indicators, Key Achievements, Challenges. Reviews are undertaken in parallel with Directorate Management Team meetings to ensure top management awareness, sign off and to identify any impacting risks. Quarterly Performance Reports include key outturns which are subsequently reported to SMT, Relevant Scrutiny Committees and Cabinet.

Directorate Management Team & other supporting meetings – weekly, monthly, quarterly and annual frequency to support Directorates quality management system. These are attended by mananagement team, key officers, trade unions and technical support staff to help monitor, review and make decisions on cross cutting performance and issues, further details are outlined in meeting structure below.

Management Meeting Structure



Current Corporate Risks

Waste Management - Failure to meet statutory recycling targets and deliver cost effective compliance with waste management legislation

Air Quality - Poor air quality is the most significant environmental determinant of health. UK Government has placed the improvement of Air Quality very high on their agenda and it has been made clear that they consider the responsibility for addressing the issue is at the door of Local Authorities.

Coastal Erosion - Breach of current defences resulting in widespread flooding.

City Security -Hostile Vehicle Mitigation – Shortfall in funding identified to complete installation of hostile vehicle mitigation bollards at key city centre locations. The installation provides a barrier and control of access to prevent and deter Vehicle Borne Improvised Explosive Device (VBIED) detonating in an areas identified a high risk crowded place.

Climate Change - Surface Water Flooding - Un-preparedness to the effects of climate change due to lack of future proofing for key (social and civil) infrastructure and business development.

Energy & Sustainability – WG target for Council to be Carbon Neutral by 2030

Energy Security & Cost Certainty - Inability to secure consistent energy supply due to rising energy costs and insecurity of energy supply.

Risk	Current Risk rating	Target Risk Rating	Target Date
Waste Management	B2	TBC	TBC - target to be set following conclusion of review
Air Quality	B1	C3	Q1 2021/22 - This will be achieved if the action to reach compliance in the shortest possible time is delivered. It must also be noted that there is no specified safe limit for air pollution and therefore although legal compliance may be achieved there is still the residual risk associated with air pollution related to nitrous oxides.
Coastal Erosion	B1	D1	Q4 2021/22 (subject to WG funding)
City Security - Hostile Vehicle Mitigation	B1	B1	Part of wider Corporate City Security Risk, Residual Risk Rating is anticipated to remain at B1
Climate Change – Surface Water Flooding	C2	TBC	Part of wider Corporate Climate Change & Energy Security Risk
Energy & Sustainability – Carbon Neutral	C1	TBC	
Energy Security & Cost Certainty	C1	TBC	

(b) Senior Management Assurance Statement - the Directorate Management Team is actively engaged in the review of the Directorate Senior Management Assurance Statement, overall there is a strong application of governance and controls across the Directorate. There has been an improved position in terms of risk identification and management, particularly since undertaking a full review of the Directorate Risk Register and ongoing development of Team Risk Registers across the Directorate. Recent developments to support governance arrangements include the development of a Directorate Code of Governance (DCOG) and emerging Action Plan, and cascading of a Governance Assurance Statement to all OMs and Team Leaders, participation rates to date are at 71% which is really encouraging, an analysis will be undertaken on this approach by the end of September 2018 which will support the further development of our DCOG Action Plan.

(c) Monitoring / implementing recommendations made in Internal Audit reports

The table below identifies the internal audits which are ongoing or planned for PTE in 2018/19 and continuing from 2017/18.

PTE – Internal Audits 2018/19	Status
Budgeting and forecasting	On-going
Section 106 agreements	On-going
Flood risk management	On-going
Weighbridge controls and reporting	On-going
Acting up allowances / payroll payments	On-going
Partnerships and collaborative governance	Planned
Commissioning and Procurement	Planned
Value for Money	Planned
Asset Management	Planned
Stock checks in CTS	Planned

PTE – Internal Audits 2017/18	Assurance Rating	Status
Adopted Land	Limited	Recommendation to be implemented within reasonable timescale - 31/12/2018
Health Check FMIT - Tranman	Insufficient with major improvement needed	6 audit recommendations are currently in the process of being reviewed and implemented. A new CTS Operational Manager has been appointed and will be in post from October 2018. Implementation of internal audit recommendations will be a priority for the senior manager.

RECOMMENDATIONS

1. That the Committee notes the contents of the report.

Andrew Gregory
Director, Planning, Transport & Environment
18th September 2018