



NORWICH City Council

Committee name: Audit

Committee date: 17/09/2024

Report title: Assurance Maps for NCSL

Portfolio: Councillor Kendrick, Cabinet member for Resources

Report from: Head of Internal Audit

Wards: All Wards

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Purpose

1.1 This report shows the Audit Committee how the Council has oversight of its wholly owned company Norwich City Services Limited (NCSL).

1.2 **Recommendations:**

It is recommended that:

Members review the assurance maps for NCSL and note how the Council has oversight of this company.

Policy framework

The council has five corporate priorities, which are:

- A prosperous Norwich.
- A fairer Norwich.
- A climate responsive Norwich.
- A future-proof Norwich.
- An open and modern council. This report meets the “An open and modern council” corporate priority.

This report helps to meet all above corporate priorities.

Introduction and background

1. An assurance map is a matrix comprising a visual representation of all the internal and external providers of assurance services usually against the risks of the organisation or the controls of a business process / service.
2. Assurance provides confidence / evidence / certainty to management and Audit Committee that what needs to be done (operationally and strategically) is being

done.

3. The model used for assurance maps is called the 'Three Lines of Assurance' model developed by the Chartered Institute of Internal Auditors (CIIA) which identifies and groups sources of assurance under one of the three lines.
4. The three lines of assurance are from the business operation which performs the day-to-day activity – the first line. Examples of sources of assurance in this line are a 1:1 meeting between a manager and staff member, team meetings, self-assessment returns, peer review of a piece of work, or KPIs. Assurance can be in the form of notes of a meeting or a person's word. This line of assurance lacks independence and objectivity but does provide opportunities for management to ask questions about how things are going.
5. The second line comes from organisational oversight which can be through other functions within the organisation for example, risk, quality assurance or compliance functions that provide assurance that regulatory or quality requirements are met, or senior management and member oversight. Examples of sources of assurance in this line are results of compliance reviews, senior management meetings and reports, committee or group meetings. This line is more objectivity but still lacks independence.
6. The third line is independent assurance which is provided from outside the organisation, independent of the organisation. Examples of sources of assurance are peer reviews, HSE inspections, inspection by regulators or internal audit, benchmarking by outside bodies. This line is both independent and objectivity, being outside the organisation.
7. Assurance maps in essence identify and record the key sources of assurance that inform management and the Audit Committee on the effectiveness of the key controls/processes that are relied upon to manage risk and achieve objectives and provide a picture of where the Council receives assurance, has too much, is duplicated, or has none.
8. To help Audit Committee understand how the Council has oversight of NCSL and the activities it performs, two assurance maps have been completed, one for environment services and one for building maintenance.

Consultation

9. Not applicable for this report.

Implications

Financial and resources

10. There are no specific financial implications from this report; the internal audit plan will be delivered from within the resources available.
11. There are no proposals in this report that would reduce or increase resources.

Legal

12. There are no specific legal implications from this report.

Statutory considerations

Consideration	Details of any implications and proposed measures to address:
Equality and diversity	Not applicable for this report
Health, social and economic impact	Not applicable for this report
Crime and disorder	Not applicable for this report
Children and adults safeguarding	Not applicable for this report
Environmental impact	Not applicable for this report

Risk management

Risk	Consequence	Controls required
The Committee may not have any assurance that the governance arrangements of the Council's oversight of NCSL are robust.	The Committee is unable to provide this assurance to Full Council or Cabinet or fulfill its role.	Assurance maps have been developed to provide this assurance.

Other options considered

13. Not applicable for this report.

Reasons for the decision/recommendation

14. To enable the Committee to understand how the Council has oversight of NCSL.

Background papers: None

Appendices:

Appendix A – Assurance maps for Environment Services and Building Maintenance

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Assurance Map for NCSL – Building Maintenance

First line of assurance – business operation: -

Performance KPIs & Metrics / Measures	Reports	Self-assessments	Team Meetings	Line Management monitoring
<p>KPI Balanced Scorecard: - Targets in place and RAG ratings. Covers e.g., repairs satisfaction, repairs figures, lettings figures, customer satisfaction, repair completion times, voids turnaround times and satisfaction. Some KPIs are contractual. Reported to the Operational Team Meeting (see 2nd line of assurance).</p> <p>Operational Dashboards: - In place for repairs, voids and customer satisfaction. Used by the Property Services Team.</p>	<p>Finance report: - Covers all of property services. Is reported to senior mgmt. Also, goes to the Operational Team Meeting (see 2nd line of assurance)</p>	<p>A self-assessment (HQN toolkit) against the 4 Consumer Standards, which came into effect 1 April 2024, is taking place. The Council is assessing whether it meets these standards and the evidence to support this, and what actions are need if not. Halfway through, the Council considers that it meets about 80-85% of the standards. The Regulator for Social Housing would use this in an inspection to assess the Council's compliance with the Consumer Standard.</p>	<p>A service team meeting takes place. A team meeting for Repairs, and Voids take place.</p>	<p>1:1s: - As Head of Property & Building Safety, Jordan Barr meets with the Tony Wiggins, Director of Property Services for a 1:1 catch up. The Director of Property Services meets with Davina Howes, Executive Director of Communities and Housing for a 1:1 catch up.</p>

2nd line of assurance – senior management and corporate oversight including Members: -

Contract Meetings with NCSL	Alliance Team Meeting with NCSL	Core Group Meeting with NCSL	Executive oversight of NCSL	Member Oversight of NCSL
<p>Operational Team Meeting (OTM): - Takes place monthly.</p> <p>Attended by: Contract Managers and a finance person from NCC and NCSL.</p> <p>Standing agenda covering e.g.: operational updates on repairs, voids and KPIs, financial performance, H&S, quality assurance (inspections), tenant feedback (customer satisfaction and complaints) , progress with works and invoicing, risk register, and Improvement Plan progress.</p> <p>Actions recorded.</p>	<p>Meeting every 2 months, to commence once the contract has been renegotiated (early autumn).</p> <p>This meeting is about strategic oversight and guidance for the OTM, and at this meeting change controls e.g., for staffing resource moves, and budget allocations will be authorised.</p> <p>Attended by: NCC - Alliance Managers, Jordan Barr Head of Property & Building Safety and Director of Property Services, Tony Wiggins NCSL - Operations Director, Paul Youngs and one other NCSL person.</p> <p>Minutes and / or actions will be recorded.</p>	<p>Quarterly meeting to commence once the contract has been renegotiated (early autumn).</p> <p>This meeting is about the strategic overview of NCSL.</p> <p>Attended by: NCC - Davina Howes, Executive Director of Communities and Housing NCSL - Bob Granger, MD of NCSL.</p> <p>Minutes and / or actions will be recorded.</p>	<p>CEO: - Monthly meetings between the CEO of NCC and the MD of NCSL. Monthly meetings between the CEO of NCC and the Chair of NCSL. Discussion and actions recorded.</p> <p>ELT: - Receives quarterly finance report on Property Services</p> <p>ELT Assurance Meeting (monthly and includes SLT)): - This meeting will review NCSL's performance.</p>	<p>Shareholder Panel: - CEO attends this quarterly meeting. Progress against the Improvement Plan is reported here.</p> <p>Portfolio Holder briefing meetings: - These take place with Cllr Jones - operational on e.g., voids, and a strategic one take place.</p>

3rd line of assurance – independent assurance: -

Notices / inspections	Peer and External Reviews	Online data collections and benchmarking	External Audit	Internal Audit
<p>No notices have been issued from the Regulator of Social Housing, the ICO or the HSE and no inspections have taken place.</p>	<p>Local Partnerships: - (public sector consultancy group jointly owned by the LGA, HM Treasury and Welsh Government):</p> <p>Review of the strategic and governance arrangement at NCSL took place in autumn 2023. Recommendations were made which are in progress.</p>	<p>Tenant Satisfaction Measures (TSM Return) (annual requirement by end of June): -</p> <p>These are a core set of performance measures against which all registered providers must publish their performance to the Regulator of Social Housing as a requirement of the Transparency, Influence and Accountability Standard (one of the 4 Consumer Standards).</p> <p>Some of these are collected from tenant perception surveys e.g., ‘overall satisfaction’, ‘satisfaction with repairs’, ‘satisfaction with time taken to complete most recent repair’, etc, and some from management information e.g., ‘homes that do not meet the Decent Homes Standard’, ‘repairs completed within target timescale’, etc.</p> <p>This is relevant assurance as NCSL complete repairs works and some of the TSMs are about repairs as detailed above.</p> <p>The results are published on the Council’s website.</p> <p>Housemark (a data and insight company for the UK housing sector, jointly owned by the</p>	<p>External audit by Ensors for NCSL.</p>	<p>2023/24: -</p> <p>Repair and maintenance and voids – Limited assurance.</p> <p>Housing Compliance - H&S Statutory Compliance Checks – Reasonable assurance.</p>

		<p>National Housing Federation and the Chartered Institute for Housing)</p> <p>Performance benchmarking – the Council receives an annual presentation of their results, comparisons with peers and housing sector insight. The Council also produces and circulates two reports of their own based on two selected peer groups (all Local Authorities and all housing providers with stock between 20-30k).</p> <p>The Council participates in the ‘Pulse’ benchmarking offered by Housemark, where a selected number of KPIs are benchmarked monthly to provide real-time comparisons. The results are shared through the housing headlines dashboard.</p>		
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Assurance Map for NCSL – Environment Services

First line of assurance – business operation: -

Performance KPIs & Metrics / Measures	Reports	Team Meetings	Line Management monitoring
<p>KPI Balanced Scorecard: - Targets in place and RAG ratings.</p> <p>Covers: Compliance, Operations (includes completion of schedules), Finance, Customer and KPIs.</p> <p>KPIs relate to:</p> <ul style="list-style-type: none"> • Health and Safety • Land Audit Management System for Street Cleaning and Grounds Maintenance (LAMS) outcomes • Responsiveness to service requests • Tree management • Play area safety and • Financial performance <p>Reported to the Contracts Board Meeting (see 2nd line of assurance).</p>	<p>Finance report: - Covers all of property services. Is reported to ELT.</p> <p>Fleet and SHEQ (safety, health, environment and quality) Report: - Received monthly.</p> <p>Covers: Operator Licence Compliance H&S & Environment Site Inspections Vehicle and Driver Compliance Checks Near Miss & Hazard Spots Motor Incidents Personal Injuries and Updates</p>	<p>A monthly team meeting takes place between the Head of Environment Services, the Environment Services Manager and the Contracts Manager.</p> <p>Fortnightly Ops meeting: - The Contract Manager from NCC meets with the Contract Manager at NCSL.</p> <p>Reviews operational performance over the previous 4 weeks as well as ongoing issues.</p> <p>Minuted meeting.</p>	<p>1:1s: - As Head of Environment Services, Andrew Summers meets with Davina Howes, Executive Director of Communities and Housing for a 1:1 catch up.</p> <p>The Head of Services meets with the Oliver Furbur, the Environment Services Manager for a 1:1 catch up.</p>

2nd line of assurance – senior management and corporate oversight including Members: -

Meetings with NCSL	Core Group Meeting with NCSL	Executive oversight of NCSL	Member Oversight of NCSL
<p>Contracts Board Meeting: - Takes place monthly.</p> <p>Attended by: The Head of Environment Services, the Environment Services Manager and the Contracts Manager from NCC and the Operations Director and other senior managers from NCSL.</p> <p>Standing agenda covering: Finance, KPI Balanced Scorecard, NCSL Requirements for Winter Schedule, LAMS outcomes, Grass cutting, street cleaning, Graffiti, Business Continuity Planning, Specifications Review and AOB.</p> <p>Actions recorded.</p> <p>Weekly meeting: - This takes place between the Head of Environment Services from NCC and the Operations Director from NCSL and acts as a catch up and chance to discuss arising issues.</p>	<p>Quarterly meeting to commence once the contract has been renegotiated (early autumn).</p> <p>This meeting is about the strategic overview of NCSL.</p> <p>Attended by: NCC - Davina Howes, Executive Director of Communities and Housing NCSL - Bob Granger, MD of NCSL.</p> <p>Minutes and / or actions will be recorded.</p>	<p>CEO: - Monthly meetings between the CEO of NCC and the MD of NCSL. Monthly meetings between the CEO of NCC and the Chair of NCSL. Discussion and actions recorded.</p> <p>ELT: - Receives quarterly finance report on Property Services.</p> <p>ELT Assurance Meeting (monthly and includes SLT)): - This meeting will review NCSL's performance.</p>	<p>Shareholder Panel: - CEO attends this quarterly meeting.</p> <p>Portfolio Holder briefing meetings: - These take place on environment services.</p>

3rd line of assurance – independent assurance: -

Notices / inspections	Peer and External Reviews	Online data collections and benchmarking	External Audit	Internal Audit
<p>No notices have been issued by the ICO or the HSE recently, and no inspections have taken place.</p>	<p>Local Partnerships: -(public sector consultancy group jointly owned by the LGA, HM Treasury and Welsh Government):</p> <p>Review of the strategic and governance arrangement at NCSL took place in autumn 2023. Recommendations were made which are in progress.</p> <p>Others: -</p> <p>Two years ago, external consultants were commissioned to look at productivity, efficiencies, and improvements in the contract as part of the Medium-Term Financial Strategy to find savings. As a result of this, a target operating model was implemented by NCSL.</p> <p>Progress was reported to the Portfolio Holder at the time and all actions relating to this review have been completed.</p>	<p>Others: -</p> <p>Two years ago, external consultants benchmarked the services delivered by NCSL against industry best practice in relation to staffing resources, productivity, and costs and this is being used to make improvements in productivity and efficiencies.</p> <p>LAMS (Land Audit Management System): -</p> <p>This is a quality inspection system to monitor grounds maintenance and street cleansing. As a member of the Association for Public Service Excellence’s (APSE) performance networks, NCC can measure the quality of their own localities, and at the same time benchmark themselves against other local authorities.</p> <p>Random site inspections are completed by NCC, and the results are fed into APSE’s LAMS to generate an overall score and scores e.g., for street cleansing which are reported to the Contracts Board and are a KPI.</p> <p>APSE is a not-for-profit unincorporated association working with over 300 councils throughout the UK.</p>	<p>External audit by Ensors for NCSL.</p>	<p>2022/23: -</p> <p>Environment Services (Tree Mgmt, playgrd equipment, open spaces - inspection and maint.) - Reasonable</p>