



Final Internal Audit Report 2021/22

***Neighbourhoods
Climate Change
20 May 2021***





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1. INTRODUCTION

- 1.1 A UN Intergovernmental Panel on Climate Change published a report in 2018 which stated the impact of global warming of an increase of only 1.5^c would have a catastrophic impact on climate change, for example, extreme heat, drought and flooding. If global warming continued at the current rate, this increase would expect to be reached between 2030 and 2052.
- 1.2 At the full Council meeting on 17 July 2019, Rochdale councillors approved a Climate Emergency Declaration. The main aim of the declaration was that the Council (and the wider borough of Rochdale) would aim to be carbon neutral by 2038. The Council recognises the scale of the challenge is unprecedented, with 97.5% of emissions within the borough beyond the Council's direct control. Hence, everyone in the Borough has a part to play if we are to be successful in reducing emissions. The government's target is to be carbon neutral by 2050, but the Authority recognises the leadership role it has in the Borough and has set the target for 2038 which aligns with the target by the mayor of Greater Manchester.
- 1.3 A report to Cabinet on 28 January 2020 by the Director of Neighbourhoods entitled 'Response to Climate Emergency' was approved. This report sets out a framework for delivery, suggesting what actions and leadership are needed to work towards the ambitions of the Council's declaration.
- 1.4 This work is in the early stages, moving from the declaration, through the delivery of investment, policy initiatives from the Government and alignment with the Greater Manchester (GM) 5 year Environment Plan and the United Nations Sustainable Development Goals (SDGs). The Council will build actions from these initial plans in their drive towards achieving carbon neutrality by the target date of 2038.

2. OBJECTIVES AND SCOPE

- 2.1 The audit entailed a brief high-level review to ensure that initial steps have been taken and that the foundations are in the process of being laid from which future work can be done.
- 2.2 At a more detailed level the scope established assurance with regard to:
 - The Climate Emergency Officer post;
 - The Climate Emergency Business Group;
 - The Climate Emergency Working Group;
 - The detailed Climate Emergency Working Plan; and
 - That the Council's Plan/Strategy is aligned with the GM 5 Year Environment Plan.

2.3 This is a large-scale and long-term project that is hoping to be achieved by 2038. The initial ‘building blocks’ need to be in place to ensure that the declaration reaches all aspects of the borough, including residents, businesses, partners, as well as the Council. There will be opportunities in the future for Internal Audit to revisit this project, to gain assurances on actual progress against expected and the management of risk in general terms as the programme of work truly gets underway and matures over time.

3. ASSURANCE OPINION

3.1 In each report we provide a clear assurance opinion on how effectively risks are being managed in the area under review. The opinion issued for this audit is as follows:

| Assurance Opinion | | Explanation |
|--------------------|---|---|
| Limited | | A number of key risks are not managed effectively. The control systems in operation are in need of significant improvement. |
| Adequate | | The control systems in operation are generally sound. However, opportunities exist to improve the management of some risks. |
| Substantial | ✓ | There is a sound system of control in operation to manage risks effectively. |

3.2 In summary we have given this review a ‘Substantial’ assurance because all the initial work needing to be completed for the tasks ahead has been completed, these include:

- The declaration has been approved by Council with a target date of carbon neutral by 2038;
- Appropriate governance arrangements are in place;
- A draft Climate Change Strategy is in place and work has started on developing an action plan aligned with the GM 5 year Environment Plan and the Sustainable Development Goals;
- A Climate Emergency Working Group has been established;
- A Business Ambassador has been selected;
- A Climate Change and Sustainability Project Manager post has been established and the incumbent has been in post since 1 December 2020;
- £5m initial capital funding has been established for a five year period; and
- External funding streams are being identified and sourced.

- 3.3 We have made only a small number of low/medium priority ranked recommendations to further strengthen and enhance the good controls and processes already in place - see the recommendations in Part 6 of this report.

4. FINDINGS

- 4.1 Although it is early in the borough's journey towards being carbon neutral, good initial foundations have been put in place. The following findings were identified during the audit:
- 4.1.1 Appropriate governance arrangements have been put in place. Councillor Rowbotham, the portfolio holder for Climate Change and Sustainability, is enthusiastic about climate change, has attended training relating to the subject including an LGA Leadership course and regularly challenges staff with questions/issues for them. The formal reporting is currently at the request of the Chair of the Communities, Regeneration and Environment Overview and Scrutiny Committee, but is likely to be formalised on a quarterly basis in the near future. Update and progress reports have already been presented to the committee e.g. 24 February 2021. However, with Climate Change affecting all aspects of the borough, subsequently the reports should also be presented to the other two overview and scrutiny committees. But with three committees to report to the task could become onerous in itself and there are currently thoughts of having a separate scrutiny group just for climate change, with portfolio reports to keep other members updated. The initial reporting path is in place but will be formalised and refined in the coming months. [Recommendation 1]
- 4.1.2 The draft Climate Change Strategy document has been written and is out for consultation. It was submitted and approved by Cabinet in January 2020, but has still to be formally adopted by the full Council. Its detail aligns and links with the GM 5 year plan and with the wider sustainable development goals.
- 4.1.3 A Climate Emergency Working Group has been established with the membership confirmed in December 2020 and the initial meeting on 28 January 2021. As expected at this stage the group is still in its infancy, with the second meeting held on 18 March 2021. Once fully established its first main task will be to sign off the Climate Change Action Plan as a final document and begin to engage with citizens and the wider community.
- 4.1.4 A Business Ambassador has been selected and has been nominated as the business representative on the Working Group. The Green Business Group (previously referred to as the Climate Emergency Business Group) has recently been established, with RDA taking the lead with this Group, using their knowledge of businesses in the area to support and promote climate emergency issues.

- 4.1.5 Due to the Covid-19 pandemic, the resources of the Council have necessarily been diverted towards meeting the challenge of the coronavirus outbreak, which has delayed the development of an action plan. A draft Climate Emergency Action Plan (2020 – 2038) has now been developed and it is intended to submit the first version of the plan to the Climate Emergency Working Group for review.
- 4.1.6 The Council has established a Climate Emergency budget to help support the delivery of the action plan. Capital and revenue investment will be required to deliver such a large scale programme. The Council has initially approved capital investment of £5m (£1m for each of the first five years) in February 2020. Further funding will be required as revenue schemes are developed, both to support the Climate Emergency Working Group and the implementation of the Action Plan. Other sources of funding are being identified within the Authority, for example, funding from Transformation and Reform.
- 4.1.7 The Authority needs a budget to fund the large scale projects within the Authority that will make a difference in reducing carbon emissions. Funding of much smaller amounts is also required for community projects, which will help both in engaging with residents and ‘helping to get the message out’ into the wider community. The current budget of £1m each year (for five years) is not broken down into large or smaller scale projects. It is important that this funding is retained for the large scale projects and does not get eroded away by the smaller scale community projects, which are needed in their own way. If the current budget is intended only for the large scale projects that will start to see some change within the borough then funding from other places (possibly Township funds) needs to be investigated because without engaging with the wider community, ‘behaviour change’ will happen at a much slower pace. [Recommendation 4]
- 4.1.8 The funding available from the Council will only be a small part of that needed to tackle climate change across the borough. Further investment is being sought from government and external funds, for example the funding received from the Government’s Public Sector Decarbonisation Scheme and ERDF funding for the Chamber House Solar Farm. Also a proposal has been submitted to the Combined Authority to fund Carbon Literacy Training. The Authority is also working with partners across the borough, so that knowledge of applying for funding can be shared across establishments. This also has the benefit of these other parties taking on roles for themselves without the Council being the lead on all projects. Staff are also working with other public sector bodies like the GM Combined Authority and exploring opportunities to generate additional revenues through savings made by low carbon/energy projects across the borough e.g. solar farm and electric fleet vehicles.
- 4.1.9 The post of Climate Change and Sustainability Project Officer was approved in October 2020, with recruitment in November 2020 and the successful candidate starting in post on 1 December 2020. The post was established on a three year fixed term contract. This is a considerable workload for one member of staff and it is hoped that some assistance will be available from the Authority’s newly appointed Energy Officer in Technical and Building Surveying with regard to monitoring/reporting/consumption of energy and carbon reporting for the Authority’s own estate. At the present time it is unknown what will happen at the end of the three year contract for the post of Climate Change and Sustainability Project

Officer, but this is an area that needs support and continuous project managing to be on target for carbon neutrality in the Borough by 2038.

- 4.1.10 There have been good arrangements put in place whereby the membership of the Climate Emergency Working Group includes councillors, representatives from Rochdale Boroughwide Housing (RBH), Link4Life, Hopwood Hall College, Youth Parliament, Rochdale (Action Together), a business representative and several Directors from the Local Authority. The only area missing from the membership is community representatives, this has been identified and will be addressed when it has been determined how they should be selected. Other stakeholders will be invited to engage with the Working Group in a cross-sector working approach as and when there are workstreams relevant to their area of expertise, for example GM Groundwork, Petrus, Extinction Rebellion.
- 4.1.11 Risks relating to Climate Emergency have been entered on a risk register aligning with the GMCA reporting to the Green City Board, based on the ARUP model/framework. This initial document is still in the early stages and ties the risks in with those from the wider combined authority. However, Climate Emergency risks are not currently recorded on the Authority's corporate risk register (Pentana System). It is also worth incorporating climate emergency details on the Leadership Team Dashboard to ensure it maintains a high profile within the Authority. [Recommendation 2].
- 4.1.12 The Climate Emergency work is also being aligned with the Council's Corporate Plan. There is a specific outcome in the Plan for a 'greener borough', so there is the opportunity to link these areas ('Greener borough' and climate emergency work) together as the project progresses. The Corporate Plan is due to be refreshed next year and this will also give an opportunity to give more of a highlight to the climate/green area.

Reporting against targets

- 4.2.1 In being able to meet the target of carbon neutrality in the Borough by 2038, the Authority needs to ensure performance reporting is undertaken on a regular basis. This will ensure that the Authority is monitoring and reporting on its own assets, for example, areas like carbon emissions, to ensure we are meeting our own interim targets. Currently, the Climate Change and Sustainability Project Officer emails relevant officers within the Authority requesting them to complete a Climate Change Actions spreadsheet with details of any projects planned or occurring in their area that will have a positive contribution to Climate Change. The details in the spreadsheet can then be summarised for the Authority as a whole, to provide performance reporting data about our own assets. However, to date, the feedback from these requests and data entered has been minimal, with only one officer (who through their own work is involved with the GM Clean Air Plan) completing the spreadsheet. [Recommendation 5 & 6].

Awareness and Buy-in to the Climate Change Agenda

- 4.3.1 As stated previously, tackling climate change related issues both within the Council and the wider Borough is a long-term project. In its role as a key stakeholder, the Council will need to ensure that all directorates are fully aware of and buy-in to the climate change agenda as soon as possible in order that solid foundations can be laid upon which the work ahead can be built.
- 4.3.2 Although it is only relatively early days in the lifecycle of this project, the audit found some instances whereby important information requested by the Climate Change Manager from directorates was on occasions either not forthcoming or at least not in a timely manner.
- 4.3.3 It will be more difficult to achieve the desired high level of buy-in without the full engagement of all concerned. As such, there is an opportunity to instead be more proactive and look actively to further increase the current level of buy-in of the climate change agenda by ensuring that levels of awareness and communications in this area are as good as they possibly can be given the available resource to do so. This will help to promote a behaviour change and ensure that climate change considerations become more part of the fabric of how we operate as an organisation and therefore something that allows us to be proactive with and plan ahead for more effectively. Recommendation 6 refers to how we should explore ways of ensuring this happens rather than leaving things to chance and hoping they develop naturally over time. [Recommendation 3].

5. AREAS FOR DEVELOPMENT

The number and priority of issues identified in the audit are summarised below. Further details are set out in the Action Plan set out in section 6 of this report.

We are satisfied that management has agreed appropriate responses to address the actions by 31st October 2021 at the latest, with most falling due for implementation well before that date. We will however undertake further work at a later date to confirm whether these actions have been implemented successfully.

| | High | Medium | Low | Total |
|--------------------------------|------|--------|-----|-------|
| Actions agreed with management | 0 | 3 | 3 | 6 |

Medium priority issues:

- A risk relating to the Climate Emergency should be entered onto the Corporate Risk Register;
- Establishing a separate Climate Change Overview and Scrutiny Group; and
- Seek to maximise communications with a view to ensuring good awareness and buy-in from all concerned.

6. ACTION PLAN

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| Recommendation 1 – Medium Priority |
| Issue/ Risk Identified: |
| The Climate Emergency is an issue that affects the whole Authority and not just one area, therefore reporting updates should not just be presented to the Communities, Regeneration and Environment Overview and Scrutiny Committees as at present, but should include the other two Overview and Scrutiny Committees. This however, would be an onerous task for staff that are already stretched with the enormity of the target. |
| Recommendation: |
| Management should pursue the initial thought of establishing a separate Climate Change scrutiny group for their formal reporting/updating to Councillors. |
| Rationale: |
| This would help to ensure that any staff time involved in reporting to overview and scrutiny committees is kept to a minimum. |
| Management Action: |
| Establish a joint scrutiny panel from Communities, Regeneration & Environment Overview & Scrutiny Committee; Corporate Overview & Scrutiny Committee; and Health, Schools & Care Overview and Scrutiny Committee to oversee climate change issues. |
| Officer Responsible and Implementation Date: |
| Democratic Services/Climate Change & Sustainability Project Manager. 31 October 2021. |

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| Recommendation 2 – Medium Priority |
| Issue/ Risk Identified: |
| The risks pertaining to Climate Emergency are Authority wide, yet are not currently recorded in the Authority’s corporate risk register. The profile of climate emergency and the risks are also not recorded on the Leadership Team ‘dashboard’. |
| Recommendation: |
| Management should ensure that a risk relating to the Climate Emergency is recorded in the Corporate Risk Register i.e. the Pentana system. (Guidance for this if required should be obtained from the Risk and Insurance Manager). |
| To ensure Climate Change remains high profile it is also worth considering recording relevant issues on the Leadership Team dashboard. |
| Rationale: |
| The Climate Change issues are widespread across the Borough, as well as the Authority, it is therefore important that it retains a high profile on both a corporate and political agenda. The entry with the Leadership Team should help these issues. |
| Management Action: |
| Agreed. Update the Corporate Risk Register with risks relating to the Climate Emergency and ensure regular reporting to Leadership Team. Ensure that monitoring of risks is undertaken and Overview and Scrutiny and the Climate Emergency Working Group are updated on the level of risk and action to mitigate those risks. |
| Officer Responsible and Implementation Date: |
| Head of Policy and Performance and Climate Change and Sustainability Project Manager. 31 August 2021. |

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| Recommendation 3 – Medium Priority |
| Issue/ Risk Identified: |
| As per the narrative at sections 4.3.1 to 4.3.3 above, although it is appreciated that the climate change project is in its relative infancy, it is of paramount importance that all parts of the Council buy in to it and contribute fully whenever called upon to do so. The audit did find some instances whereby information from directorates was on occasions either not forthcoming or at least not in a timely manner. |
| Recommendation: |
| To work more closely with the Council’s Communications Team to plan and implement ways by which higher levels of climate change awareness and buy-in can be achieved both within the Council, with external stakeholders and indeed within our local communities i.e. the general public. Consideration of additional resource (temporary or otherwise) to help with achieving this is something that should be thought about if it transpires that current resource is not deemed to be enough in either the Climate Change area or the Communications area. |
| Rationale: |
| The more aware and engaged people are then the more their behaviour will change and they will better understand the needs behind the climate change project. The more people understand and see the benefits then the more they will be willing to co-operate and contribute where appropriate, thus ensuring that the project progresses well and in a timely manner. |
| Management Action: |
| Develop a Climate Change Communications Plan with links to the Climate Change engagement and consultation approach so that there are effective communications. |
| Officer Responsible and Implementation Date: |
| Head of Communications. Head of Policy & Performance. Climate Change & Sustainability Project Manager. August 2021. |

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| Recommendation 4 – Low Priority |
| Issue/ Risk Identified: |
| The funding is not specified as to whether it is for large scale projects or small community projects. Without some distinction as to monetary limits on the small scale projects they could erode the funding required for major projects. |
| Recommendation: |
| Management should determine how much funding is to be allowed for the small community projects which are necessary to engage with the wider public, as these projects should not drain funds from the main budget necessary for the larger projects which will make a difference to the Borough's carbon emissions. This may involve having discussions with other community funding teams within the Authority, for example Township Funds, to see if there can be some joint funding projects. |
| Rationale: |
| By specifying limits for the smaller community projects staff will know the extent of funding available for the major (and minor) projects. |
| Management Action: |
| Consider establishing a community fund for climate change projects in discussion with Action Together and the Townships Manager(s) and process for applications and grant awards. |
| Officer Responsible and Implementation Date: |
| Head of Policy & Performance/Climate Change & Sustainability Project Manager. 30 September 2021. |

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| Recommendation 5 – Low Priority |
| Issue/ Risk Identified: |
| The Climate Change Actions spreadsheet has several different tabs with titles that link into other documents that the Climate Change and Sustainability Project Officer uses. However, these titles could be subjective or may mean very little to staff in other directorates being asked to complete the details in the spreadsheet. This may explain why only one member of staff (who is involved with other climate change work within the Authority) completed the details and returned the spreadsheet. Yet it is known there are several projects going on within the Authority that could/should have been recorded. |
| Recommendation: |
| Management should look to simplify details within the Climate Change Actions spreadsheet, perhaps by reducing the number of tabs/titles, so that staff can simply record the details about their specific project(s) on the spreadsheet, perhaps then allowing the Climate Change and Sustainability Project Officer to determine which area the project relates to. |
| Rationale: |
| A simplified process for staff within the wider Authority should ensure better engagement and thus an increased volume of information being returned, so that the performance data is captured in a prompt and timely manner. |
| Management Action: |
| Agreed. Develop a simplified version of the actions spreadsheet to include all known actions/projects and costs. Use this as a default spreadsheet and ask services to confirm and complete any outstanding information. Set a realistic deadline for return of submissions and transfer responses onto the master spreadsheet. Update annually and ensure that this information is subsequently used in action planning for climate change. |
| Officer Responsible and Implementation Date: |
| Climate Change and Sustainability Project Manager. 31 May 2021. |

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| Recommendation 6 – Low Priority |
| Issue/ Risk Identified: |
| At present the request to complete the Climate Change Actions spreadsheet is sent to specific members of staff within the Authority. These staff may be second, third or fourth tier but have been selected because they have some knowledge/involvement with climate change issues. This however means that the Service Directors may have no knowledge of this request for data, and likewise if the spreadsheet is not completed, staff would not have to answer to their Director for non-completion, as the Director had no knowledge of its existence. |
| Recommendation: |
| Management should send the request for completion of the Climate Change Actions spreadsheet to each Service Director, asking them to delegate the request to the most appropriate member of staff within their service to complete the document in an accurate and timely manner. |
| Rationale: |
| This will give visibility of this process to the Service Director and will allow the Climate Change and Sustainability Project Officer to escalate to a manager at a higher level if the actions spreadsheet is not completed by the delegated officer. This, in addition to Recommendation 2, should increase the return of data and ensure that as an Authority we are able to report our performance against climate change targets in an accurate and timely manner. |
| Management Action: |
| Agreed. Ensure that requests for data returns are sent to each Service Director to delegate completion of the information. Update the Climate Emergency Steering Group (Officer Group) of progress in gathering the data. |
| Officer Responsible and Implementation Date: |
| Climate Change and Sustainability Project Manager. 30 June 2021. |