INTERNAL AUDIT REPORT

FROM: Audit and Risk Manager **SUBJECT:** Climate Change

TO: Head of Health and Community Protection **DATE:** 14 January 2014

C.C. Chief Executive
Deputy Chief Executives
Service Area Managers
Head of Finance

1. Introduction

1.1. In accordance with the Audit Plan for 2013/14, an examination of the above subject area has been completed recently and this report is intended to present the findings and conclusions for information and action where appropriate.

1.2. Wherever possible, results obtained have been discussed with the staff involved in the various procedures examined and their views are incorporated, where appropriate, in any recommendations made. My thanks are extended to all concerned for the help and co-operation received during the audit.

2. Scope and Objectives of Audit

2.1. The purpose of the audit examination was to report a level of assurance on the adequacy of the corporate framework in meeting the obligations and expectations of the Council in mitigating causal aspects of, and adapting successfully to, climate change.

2.2. The examination comprised an evidential risk-based overview of the management framework in respect of climate change in the context of the following key areas:

§ strategies and policies

§ organisation and structures

§ mitigation planning and implementation

§ monitoring and review.

2.3 The findings are based on consultation with Richard Hall, Head of Health and Community Protection, and examination of relevant documentation and records. The latter includes information drawn from external sources to help ascertain relevant national/regional frameworks, partnerships and support resources dealing with climate change.

3   **Findings**

3.1   Background

3.1.1   Climate change was incorporated into the Council's internal audit plan by virtue of its entry in the Significant Business Risk Register and this is the first audit examination of the subject as a discrete assignment.

3.1.2   Of the various definitions of climate change, the Oxford English Dictionary is seen as the most appropriate to quote here:
"…*a change in global or regional climate patterns, in particular a change apparent from the mid to late 20th century onwards and attributed largely to the increased levels of atmospheric carbon dioxide produced by the use of fossil fuels*".

3.1.3   The Local Government Association describes climate change as "*the biggest long-term threat to our prosperity and wellbeing*", and goes on to say that "*managing this threat demands a radical decarbonisation of the global economy, and a significant technological move away from fossil fuels*".

3.1.4   In line with this perspective, the local government sector has tended to focus policies and resources on improving energy efficiency and reducing carbon emissions in transport and the built environment. For a number of authorities, including Warwick District Council, commitments in this respect are codified by sign-up to the Nottingham Declaration and the 10:10 campaign.

3.1.5   The Nottingham Declaration on Climate Change dates from 2001 and outlines a model framework for the signatory organisation aimed at securing reduction in carbon emissions and adapting to actual climate change in respect of its own operations and to the benefit of the local community. 10:10 is a global campaign targeting individuals, families and organisations in all sectors based on the simpler aim of reducing carbon emissions by 10 per cent each year starting in 2010.

3.1.6   In 2007, the Council published its first Climate Change Strategy which at the time of this report still resides on the website as the official representation of strategic commitment. The document is, however, clearly obsolete and represents a focus that misses a key aspect of the Nottingham Declaration – the recognition that climate change is actually happening bringing with it potential social/economic benefits as well as threats of shifting weather patterns and extreme weather events that have to be adapted to.

3.1.7   The issue of adaptation seems to have come into sharper focus in the wake of the Climate Change Act 2008. While there is little of substance in the Act in terms of requirements of local authorities, apart from publishing data on emissions, the Comprehensive Performance/Area Assessment regime expanded its brief around this time producing a climate adaptation model supporting a National Indicator (NI188).

3.1.8   Although the National Indicators were abolished under the Coalition Government agenda following the 2010 parliamentary elections, the adaptation model is still promoted as a useful tool.

3.1.9   Adaptation is now clearly high on the central government agenda with the Department for Environment, Food and Rural Affairs (DEFRA) having published a Climate Change Risk Assessment (CCRA) and a National Adaptation Programme. The latter contains the following vision statement: "*Local Government plays a central role in leading and supporting local places to become more resilient to a range of future risks and to be prepared for the opportunities from a changing climate*".

3.1.10   It is resilience that comes through clearly as the primary focus for the Climate Change entry in the Significant Business Risk Register. The sole mitigation/control referred to is a 'Climate Change Strategy' with the proviso that an updated strategy is expected to be produced and adopted.

3.1.11   In discussions, however, it was advised that senior management would not support a formal strategy devoted to climate change as this would be contrary to the effective policy of strategy rationalisation introduced in 2010. This leaves the Significant Business Risk Register without any reference to risk mitigation control that can be relied upon for determining audit coverage and assurance.

3.1.12   For this reason, the examination was devoted to an evidential overview of activity on climate change adaptation in the context of what are viewed as four key 'building blocks' for an effective management framework (defined in Paragraph 2.2 above). In the event the findings did not always fit easily within the headings and for this reason recommendations arising are combined at the foot of the report in a departure from the normal report format.

3.2.   Strategies and Policies

3.2.1   In the absence of a strategy dedicated to climate change, the examination has looked for clues on strategic direction in the Sustainable Community Strategy and the Fit for the Future programme. At the time of the audit, the Sustainable Community Strategy is undergoing a 'refresh' based on a new schedule of Strategic Aims, Priorities and Actions only recently approved by the Executive (11th December).

3.2.2   The currently adopted Sustainable Community Strategy makes only passing reference to climate change with the emphasis on designing sustainability into new developments. Fit for the Future only hints at climate change, again under the theme of sustainability.

3.2.3   In the new Strategic Aims, Priorities and Actions climate change is significantly more prominent with greater attention given to adaptation and resilience. Commitment to develop a strategic approach to climate change is manifest in the current Service Delivery Plan for Health and Community Services. Some progress towards this is in evidence, most significantly a gap analysis report produced by the former Sustainability/ Climate Change Officer.

3.2.4   Indications from then evidence are that there is still some way to go towards having a coherent management programme in place capable of delivering on the strategic aims and objectives for climate change.

3.2.5   The aforementioned gap analysis report refers to a policy context still rooted in the Nottingham Declaration. Indications from research are that the Nottingham Declaration has now run its course and the Local Government Association is promoting its Climate Local framework as the Declaration's successor with the support of the National Adaptation Programme. A number of local authorities have signed the Climate Local commitment, although no Warwickshire authorities are currently among them.

3.3   Organisation and Structures

3.3.1   The role of lead officer on climate change is vested in the Head of Health and Community Protection with a support role vested in the temporary post of Sustainability/Climate Change Officer (now part the Environmental Sustainability Team under the new structure). To date, only one person has held the latter post and this was for only six months – approval has been given to re-appoint to the post on a two-year fixed term contract and this will be pursued in the new year.

3.3.2   Functionally, climate change has been recognised as cutting across six Service Areas (now five following officer restructure). This was manifest in an improvement plan produced in 2010 and the constitution of the Climate Change Strategy Group charged with overseeing it. The evidence provided indicates that this Group has not been active for more than two years. Documentation shows a Climate Change Officer Group established to raise awareness across the Council, although the indications are that this Group has not been recently active either.

3.3.3   No evidence could be found of any tangible functioning local partnership framework for joint working on climate change. Literature previously retrieved referring to a Warwickshire Climate Change Partnership has since been withdrawn by the originating authority.

3.3.4   The National Adaptation Programme refers to Local Enterprise Partnerships (LEP) in other parts of the country working with local authorities to identify climate change risks to businesses and reviewing adaption strategies. No indication of any similar process could be found for the Coventry and Warwickshire LEP, nor anything to indicate what Warwick District Council's role would be in this context.

3.4   Mitigation Planning and Implementation

3.4.1   The aforementioned improvement plan from March 2010 represents what appears to be the first concerted attempt to date at an adopted comprehensive and integrated climate change agenda. However, after an update to Senior Management Team in the following month, there is no evidence of further deliberations or representations to senior management or Members with any mention of the improvement plan.

3.4.2   The inevitable conclusion from this is that the climate change agenda became substantially overshadowed by the financial challenges arising from the Coalition Government's public spending plans following the 2010 parliamentary elections. From then on, actions and initiatives on climate change come across as generally fragmented and piecemeal.

3.4.3   One key action arising from the improvement plan was the commissioning of a Climate Change Adaptation Study from external consultants. This was completed and a report delivered in February 2011. Elements of the report relating to planning policy have been incorporated in the new Local Plan Preferred Options document. The Head of Health and Community Protection advised that adaptation plans were put in place for the Council and individual Service Areas and business continuity plans were expected to address more immediate climate-related threats.

3.4.4   The above study also included an appreciation of climate change risks to Council services and a risk assessment by Service Area. There is no evidence of this having been taken any further through senior management or Members and, except for Health and Community Protection, the current Service Delivery Plans give little if any weight to adaptation issues.

3.4.5   Another development of note is the commissioning from external consultants of a Low Carbon Action Plan, which was delivered in February 2012 and from which proposals for a Sustainability Delivery Plan (approved by the Executive in November 2012) are derived. The Plan is based on a selection of prioritised projects from each of three key opportunity areas:

§   Energy Efficiency in Buildings
§   Low and Zero Carbon Technologies
§   Transport.

3.4.6   It was only with the appointment of the Sustainability/Climate Change Officer in April 2013 that tangible progress towards an integrated management framework starts to come back into view, although the resignation of the previous post holder after only six months appears to have again stalled the process. At the time of this report, the post has only recently been advertised.

3.4.7   It is acknowledged that, irrespective of centrally-run initiatives on climate change, ongoing operations are playing a part in mitigation and adaptation in areas such as housing, corporate buildings, flood risk management, air quality monitoring, planning policy and development management. These areas are examined under separate discrete audit assignments (Flood Risk Management is scheduled for review in 2014/15).

3.4.8   The above observations are not intended as an exhaustive reference to the Council's processes and initiatives connected with climate change.

3.5   Monitoring and Review

3.5.1   As with the planning and implementation of actions and initiatives relating to climate change, evidence of monitoring and feedback comes across as fragmented and piecemeal from mid-2010 onwards.

3.5.2   The former Sustainability/Climate Change Officer was assigned a work programme with progress managed directly by the Head of Health and Community Services. There is no evidence of this being translated into any progress feedback to senior management or Members on the Sustainability Delivery Plan specifically or on climate change mitigation/adaptation generally during or after the previous post holder's tenure.

3.5.3   In accordance with the requirements of the Department of Energy and Climate Change under the Climate Change Act 2008, the Council has published data on greenhouse gas emissions form its own estate and operation for 2012/13.

4   **Conclusions**

4.1   The picture to emerge from the examination is one of the challenges of climate change having been addressed piecemeal in fits and starts with senior management failing to give the subject the corporate profile that is seemingly warranted by the challenges being faced.

4.2   Only recently has the profile of adaptation to climate change been raised to its proper level within the corporate strategic framework by virtue of the Sustainable Community Strategy 'refresh'. Various actions and initiatives have been pursued over the years, although the emphasis has tended to be on mitigation of climate change through reduction of carbon emissions.

4.3   However, the process of managing climate change risks is let down significantly by the absence of a coherent resourced programme to deliver on the strategic aims and objectives. The commitment towards developing a strategic approach is recognised, although progress on this substantially dependent on re-appointing to the Sustainability/Climate Change Officer post and keeping the post filled for a long enough period.

4.4   There is also the perception that policies need to be brought into line with national developments, including the National Adaptation Programme which indicates the Local Government Association's 'Climate Local' framework as its vehicle for working with local authorities.

4.5   In view of the above, we are only able at this point to give MODERATE assurance based in the findings that the key risks in connection with climate change are effectively managed.

5   **Recommendations**

5.1   **The climate change entry in the Significant Business Risk Register should be updated with reference to 'Climate Change Strategy' removed and the likelihood rating re-evaluated.**

5.2 **A corporate strategic management programme should be developed based on a 'climate ready' vision to be achieved by a specified point in time.**

5.3 **Management should consider signing up to Climate Local.**

5.4 **The status of local partnership frameworks that can support the Council in its climate change programme should be investigated.**

6 **Management Action**

6.1 The above recommendations are reproduced in the appended Action Plan with management response where supplied.

Richard Barr
Audit and Risk Manager