

Annual Governance Statement 2014/15



**Brighton & Hove
City Council**

- 1 **Scope of Responsibility:** Brighton & Hove City Council (the council) is responsible for ensuring that its business is conducted in accordance with the law and proper practice standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively to secure continuous improvement.
- 2 In discharging this accountability, the council is responsible for putting in place proper arrangements for the governance of its affairs and effective exercise of its functions, which includes the management of risk.
- 3 The council has approved and adopted a Code of Corporate Governance, which is consistent with the principles of the CIPFA/SOLACE Framework *Delivering Good Governance in Local Government and Guidance Note*. This is included in the Constitution of the Council.
- 4 This Annual Governance Statement explains how the council has complied with its Code of Corporate Governance and also meets the requirements of the Accounts & Audit Regulations 2011.

The Purpose of the Governance Framework

- 5 Governance is about how the council ensures that it is doing the right things, in the right way, for the right people, in a timely, open, honest and accountable manner.
- 6 The governance framework comprises the systems and processes, culture and values by which the council is directed and controlled, and through which it is accountable to, engages with and leads the community. It enables the council to monitor the achievement of its strategic objectives as set out in the Corporate Plan 2011 - 2015, and to consider whether those objectives have led to the delivery of appropriate, cost effective services. The council's Corporate Plan has been updated for 2015 - 2019 and continues to reflect the council's corporate values.
- 7 The governance framework is designed to manage risk to a reasonable level, rather than to eliminate all risk. It can therefore only provide reasonable and not absolute assurance of effectiveness.

The Governance Framework

- 8 The governance framework has been in place at the council for the year ended 31 March 2015 and remains extant.
9. Maintaining the governance framework is an on-going process, and one to which the council is committed in order to ensure continual improvement and organisational learning. This is evidenced by the council commissioning an organisational learning review in February 2015 (for reporting in July 2015) after a senior member of staff, the head of housing, was dismissed. The council investigated the circumstances involved and what lessons need to be learnt. Immediate action was taken but the investigations highlighted a number of organisational issues relating to governance which the council needs to respond to including procedures, accountability, working environment and culture.

10. The key elements of the systems and processes that comprise the council's governance arrangements are shown below together with explanations of how they are embedded.

Council's Purpose, Vision, Values and Performance Management

11. During 2014/15 the council has been developing and strengthening work on new delivery models for public service reform and the additional responsibilities from new legislation. As part of its delivery of the Modernisation outcome, the council has set up a 'Good Governance & Leadership Programme' sponsored by the Head of Law and supported by relevant officers. Sixteen workstreams are identified within that programme including:

- Update of the Member Code of Conduct
- Update and re-launch the Whistleblowing Policy and ensure the database is fit for purpose
- Complete the Multi-agency Integrated Working Guidance
- Establish a Member Procurement Advisory Board to make business orientated commercial decisions
- Update the Scheme of Authorisation
- Review Officers' Governance Board (OGB)

The council continues to review its governance structures and systems to support its on-going modernisation and to ensure that it is well positioned to deliver its new responsibilities effectively.

12. The Corporate Plan 2011-15 was approved by Full Council in October 2011; it was reviewed and updated during 2013/14. It set out the council's purpose, ambition, values and priorities:

Our purpose

- To represent citizens through democratic processes
- To ensure and assure services for the city including statutory responsibilities
- Safeguarding of the most vulnerable
- Leadership and co-ordination of council and the capacity and capability of partners
- Value for money ensuring the best deal for council taxpayers

Our ambition

- A high performing authority
- A fantastic and distinctive place to live, work and visit
- A leader of the city region
- Demonstrably making best use of all resources. Seeking to become a self-sustaining organisation serving its customers well

Our priorities

- Tackling inequality
- Creating a more sustainable city

- Engaging people who live and work in the city
- Modernising the council

13. This has been superseded by the Corporate Plan 2015 – 2019, approved by full Council on 26 March 2015.

The Corporate Plan 2015-2019 sets out “our **purpose** to provide strong civic leadership for the well-being and aspiration of Brighton and Hove. We will be successful if we are judged to deliver the following outcomes:

A good life: Ensuring a city for all ages, inclusive of everyone and protecting the most vulnerable.

A well run city: Keeping the city safe, clean, moving and connected.

A vibrant economy: Promoting a world class economy with a local workforce to match.

A modern council: Providing open civic leadership and effective public services.”

The **principles** that will enable delivery of the organisation’s **purpose** are:

- Public accountability
- Citizen focused
- Increasing equality
- Active citizenship

The Corporate Plan also sets out five service **priorities** upon which to focus efforts to meet the organisation’s **purpose**. These are shared with our city partners in *The Connected City* (the Sustainable Community Strategy for Brighton & Hove) and are as follows:

- Economy, jobs and homes
- Children and young people
- Health and wellbeing
- Community safety and resilience
- Environmental sustainability

14. Since 2012/13, the council has incorporated new organisational values (six) as follows into the council’s constitution, codes of conduct for Members and Officers and the Performance Management Framework:

Respect: Embrace diversity with kindness and consideration and recognise the value of everyone;

Collaboration: Work together and contribute to the creation of helpful and successful teams and partnerships across the council and beyond;

Efficiency: Work in a way that makes the best and most sustainable use of resources, always looking at alternative ways of getting stuff done;

Openness: Share and communicate with honesty about our service and self, whenever appropriate;

Creativity: Have ideas that challenge the ‘tried and tested’, use evidence of what works, listen to feedback and come up with different solutions; and

Customer Focus: Adopt our 'Customer Promise' to colleagues, partners, members and customers.

Excellent progress has been made in embedding the council's values across the organisation and this is evidenced through the council's achievement of the Silver Award for Investors in People in March 2015. During which the assessors noted, "There is definitely a step change in how BHCC operates comparing what we see today to what we saw three years ago".

The council operates an annual staff survey and the results of the survey in 2014 have further demonstrated that the values are clearly evident to our workforce with 74% positive results against the index supporting the impact of the values programme.

- 15 The council's ambitious modernisation portfolio of projects and programmes has been in place since 2012 and is led by the Chief Executive.

Modernisation is the council's portfolio of change management programmes and projects which supports delivery of corporate principles and priorities as outlined in the Corporate Plan. This in turn helps evidence achievement of outcomes in relation to the council's purpose. Modernisation drives the budget planning process and feeds into the Medium Term Finance Strategy.

One of the modernisation programmes is the Good Governance & Leadership Programme.

- 16 The Corporate Performance Team, in collaboration with colleagues across the council, has developed a Performance Management Framework consisting of eight elements - business planning and management, risk management, financial management, customer insight, modernisation projects/programmes, people management, health & safety management, quality assurance.

The purpose of this framework is to:

- set out how the council will manage performance in 2015-16
- ensure everyone understands their responsibilities and accountabilities in order to achieve our purpose through delivering the principles and priorities as set out in our corporate plan
- provide a guide for all those involved in the performance management process.

The leadership and culture programme, Living our Values, which is being delivered to all managers across the council strengthens delivery of this performance framework. It has involved a granular approach looking at performance of self, performance of others and performance of service to drive a performance management culture, emphasising accountability and positive use of individual performance impact to deliver outcomes.

Effective performance management ensures the right actions are taken at the right time so that the council can achieve its purpose through delivering the principles and priorities.

The council uses a variety of mechanisms within its overall approach to performance management and service improvement to measure quality of service to users, ensuring service delivery is in accordance with its objectives, and for ensuring the best use of resources. These include key performance indicators, residents' perceptions,

measurable improvements in value for money, benchmarking, identification and management of key risks.

Performance management processes are embedded throughout the council and regularly reported to relevant stakeholders including members in accordance with agreed timescales. Regular reports are produced to compare actual performance against targets to aid decision making.

Members' and Officers' Capacity and Development

- 17 The success of the council services relies substantially on the contribution of officers to the planning, development and delivery of services. The council recognises that the value of staff contributions will be enhanced through clear communication of the council's expectations, developing staff skills and abilities, providing a safe, healthy, supportive and inclusive working environment.
- 18 The council is committed to developing the capacity of officers in different ways:
 - The council has an on line induction available for all new staff and those who have changed roles recently. The induction programme is a series of short learning modules, which include themes such as; an overview of the organisational structure and services, information on key council and HR policies, such as Annual Leave, Attendance, Code of Conduct, Performance Reviews and important guidelines on how we work with and handle customer data.
 - The council's Performance and Development Planning scheme provides a structured opportunity for a reflective assessment and feedback of progress, success and challenges over the previous six months. This is two-way process, with line managers retaining overall accountability for setting meaningful and measurable objectives, providing feedback on performance, behaviours and the council's values. Required development is identified through this process.
 - A corporate programme of learning and development is available to officers which is commissioned and in part delivered from the Learning and Development Team. The Learning and Development Team also supports mandatory skills training for front line staff, where applicable.
 - Where applicable, officers are also expected to undertake continuing professional development (CPD) of their professions.
 - The council recognised the importance of developing managers and has invested in a mandatory management development programme as part of its wider culture change programme, Living our Values. All existing managers have been offered a place on the programme and it will be a mandatory offering to new managers as part of their induction development.
- 19 The council has a Member training and development programme which is accredited under the South East Employers' Charter for the Member Development Framework. This starts with an extensive induction and is followed by a generic development programme as agreed by the cross-party Member Development Group (met

throughout 2014-15 approximately at each quarter). There is further, more specific, training provided as required (for example for Members serving in Planning, Audit & Standards and Personnel Appeals Panels) as well as bespoke training and development opportunities for Members with special responsibilities, e.g. in addition to the general programme 2014-15, training for Members was provided on Parking Operations and Museums.

Roles, Responsibilities and Behaviour

- 20 To ensure effective leadership throughout the council, Members and officers work together to deliver common objectives with clearly defined functions and roles through the following:
- The council's constitution includes details of the roles and responsibilities of all its committees, the full Council and Chief Officers and the rules under which they operate including protocols.
 - The council's political structure, including roles and responsibilities, are detailed on the council's website.
 - The council's constitution and associated guidance are reviewed regularly to ensure they remain up-to-date, relevant and effective. In 2014/15 there were three such reviews: the Scheme of Delegation to officers; the Code of conduct for Members; and the Scheme of Delegation to Committees (including updated reference to Health & Wellbeing Board Terms of Reference). These helped to update the decision-making process and incorporate the council's values into codes of conduct.
 - The council's Head of Law is the designated Monitoring Officer with responsibilities for ensuring the lawfulness of decisions taken by the council, its committees and officers, providing support and advice on the maintenance of ethical standards and advising the council's Audit & Standards Committee.
- 21 The officer's Executive Leadership Team (ELT) includes, among its members, the Chief Executive, the Executive Director Finance & Resources (section 151 Officer) and the Monitoring Officer (who all have special responsibilities regarding governance). This ensures leadership of, and support to, good corporate governance at the highest level of the organisation. Other members of ELT include the Executive Directors for Children, Adults and Public Health, the Executive Director Environment, Development & Housing as well as the Assistant Chief Executive. They all bring additional perspectives that support legislative compliance and good governance generally.
- 22 The council has adopted a number of codes and protocols that govern the standards of behaviour expected of Members and officers. These are communicated as part of the e-induction process, ongoing awareness training and made available via the council's intranet. These include codes of conduct covering conflicts of interest and gifts and hospitality.
- 23 The Audit & Standards Committee remit includes promoting and maintaining high standards of conduct and ethical governance. During 2014/15 the council revised and updated the Code of Conduct for Members and the complaints process to require Complaints Panels to be chaired by an Independent Person and simplify the process. This followed detailed work undertaken by a cross-party working group chaired by an Independent Person.

Communication and Consultation

- 24 The Community Engagement Framework for the City, introduced by the Brighton & Hove Strategic Partnership (now known as Brighton & Hove Connected) aims to improve the ways in which citizens and communities can influence and shape services through improved communication
- 25 Clear channels of communication have been established with all sections of the community and other stakeholders, ensuring accountability and encouraging open consultation. These include the council Tax leaflet containing budget details, the council's website and social media. The council continued to develop more open and transparent budget consultation during 2014/15 introducing the 'Stop, Start, Change' engagement approach which invited views from citizens, partners and staff as well as continuing to use an on-line budget literacy tool, a budget animation, and budget consultations with the community.
- 26 To complement the general rules under the Codes of Conduct for Members and Officers, the council introduced a Social Media Protocol for Members and Social Networking Policy for Employees to address this increasingly important means of communication for individuals and businesses. These documents are published on the council's website and staff intranet respectively.
- 27 There are a wide range of access channels and opportunities for all parts of the community and key stakeholders to engage in dialogue and consultation. This includes tenants and residents forums and through consultation events and surveys. The council's Corporate Plan and the Annual Statement of Accounts are made available via the council's website and distributed to certain key points across the City.
- 28 As part of its openness and transparency of decision making, advance notices, agendas, minutes and web-casts are available for council meetings. The council makes available a large amount of information through several means and is also committed to meeting its obligations to give rights of public access to information held, through the Freedom of Information Act 2000 and the wider transparency agenda. All key decision-making meetings of the Council, including full Council, Policy & Resources Committee, Health & Wellbeing Board, Housing Committee, Planning Committee, Environment, Transport and Sustainability committee meetings are webcast. The council has also implemented the open government licence scheme.
- 29 The council has a Corporate Complaints Procedure which is in line with the Local Government Ombudsman guidance and follows the Statutory Complaints Procedures for Children's Social Care and Adults Social Care. We have an agreed process whereby the Chief Executive, Directors and Heads of Service are regularly updated on the issues of complaint for their areas and are able to drive and monitor improvements in response to customer feedback.

Control Framework, Risk Management and Audit & Standards Committee

- 30 The council's high-level policies and procedures are updated and regularly communicated to officers and Members. The Good Governance & Leadership Programme specifically recognises this.
- 31 The principal documents include the council's Financial Regulations and Contract Standing Orders alongside other corporate policies on key governance topics, including Business Planning, Counter Fraud, Information Security, Equalities & Diversity, Health & Safety and Whistleblowing. These documents and related guidance and support are also available to the majority of staff through the council's Intranet site and familiarisation with them is covered through the council's e-induction programme.
- 32 Risk management is embedded throughout the council and in its partnership working arrangements. The council's Risk Management Strategy 2014-17 was consulted on and approved in January 2014 and sets out an annual programme of risk management activity for each of the three years. During 2014/15, the council and its partners continued to work together to further develop and refresh the City Wide Risk Register and implementation of actions by the city's strategic partnerships.
- 33 The council's internal audit arrangements are reviewed annually and considered to be effective for 2014/15 conforming to the governance requirements of the Public Sector Internal Audit Standards. The Head of Internal Audit works closely with key members of the Executive Leadership Team and Corporate Management Teams to give assurance and improve the council's financial control framework, give advice and promote good governance throughout the council.
- 34 The responsibility for investigating Housing Benefit and Council Tax Benefit Fraud transferred to the Department for Work and Pensions (DWP). This has enabled the council to establish a new Corporate Fraud Team focusing on non-benefit related frauds. The team has achieved some considerable successes in 2014/15 including returning 19 council dwellings that had been subject to tenancy fraud to the local authority.
- 35 The council's Whistleblowing Policy, was reviewed and refreshed during the year and an interim report made to the Audit & Standards Committee in March 2015. A final report was considered by the Audit & Standards Committee at their June 2015 meeting, with onward reporting for approval to Policy & Resources Committee. It aims to encourage officers, contractors and agency workers to report any instances of unlawful conduct, health and safety risks, damage to the environment, possible fraud and irregularities and unauthorised use of council funds. The Policy is available on the council's intranet and website, and provides the mechanisms to raise concerns and receive appropriate feedback without the fear of victimisation.
- 36 The Head of Health & Safety produced an Annual Report for 2014/15 to demonstrate how the council is operating an effective safety management system and improving standards for the management of health, safety across all services.
- 37 The Audit & Standards Committee is independent of the council's scrutiny functions and embedded as a key part of the council's overall governance framework. Its terms of reference are aligned to CIPFA's best practice guidance for Audit Committees. The membership is politically proportionate and the Chair is an opposition Member. The Committee also has two Independent Persons with extensive experience and who, under the revised complaints process, chair all Member complaints panels.

Compliance with Established Policies, Procedures, Laws and Regulations

- 38 All officers of the council have a responsibility to ensure compliance with established policies, procedures, laws and regulations. Training and awareness sessions are provided as necessary and appropriate induction sessions are carried out. For example, in the important area of Financial Management there is a mandatory e-learning course and follow-up workshop which all Budget Holders must attend.
- 39 Compliance assessments are carried out by management, auditors and through the work of statutory inspectors, including the Care Quality Commission and Ofsted.
- 40 The Head of Law (the Monitoring Officer) has overall responsibility for ensuring the council acts lawfully and without maladministration. This includes reporting on any proposal, decision or omission by the council likely to contravene any enactment or rule of law or any maladministration. No such reports were necessary during 2014/15.

Economic, Effective and Efficient Use of Resources

- 41 As part of the council's modernisation portfolio, it has programmes to deliver modernised services that can achieve substantial efficiency savings and improve value for money. Other objectives include redesigning service delivery to maintain or improve user satisfaction, support the council's priorities, and also reduce the cost of provision where possible. Other cross-cutting objectives including reducing contract costs, increasing income, and growing the domestic and non-domestic taxbases given the significant financial challenges as a result of reductions in central government funding over the next 5 years. The financial assumptions within which the council will operate are set out in the Medium Term Financial Strategy 2015 – 2019 which accompanies the Corporate Plan.
- 42 The council has an Information Management Board to oversee ICT Governance and includes the Monitoring Officer as 'Senior Information Responsible Officer' (SIRO) and two Caldicott Guardians responsible for protecting the confidentiality of service user information.

Financial Management and Reporting

- 43 The council's financial arrangements fully conform to the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2010). As Chief Financial Officer (CFO), the Executive Director of Finance & Resources is a key member of the Executive Leadership Team and Corporate Management Team and is responsible for the proper administration of the council's financial arrangements and leads a suitably qualified and experienced Finance Function.
- 44 The Executive Director of Finance & Resources (as Section 151 Officer) has overall statutory responsibility for the proper administration of the council's financial affairs, including preparation of the Statement of Accounts and making arrangements for

appropriate systems of financial control. No reports were made during 2014/15 on any case of unlawful expenditure, loss or deficiency.

- 45 As mentioned above, the council's Medium Term Financial Strategy (MTFS) sets out the resource projections for the forthcoming five years, the financial challenges and opportunities that it faces and the approach planned to meet the priorities set out in the Corporate Plan. During 2014/15 the MTFS was updated and now includes a longer term resource projection up to 2019.
- 46 The council published a detailed budget book for 2014/15 to enable a greater understanding of where the council spends its money. It published all payments to suppliers over £250 from April 2013.

Partnership Working and Governance Arrangements

- 47 The governance arrangements in respect of partnerships and other group working as identified by the Audit Commission's report *Governing Partnerships: Bridging the Accountability Gap (2005)*, are defined in the council's Financial Regulations.
- 48 The council has a leading role in Brighton & Hove Connected (formerly known as Brighton & Hove Strategic Partnership) the local strategic partnership for the City. During 2014/15 Brighton & Hove Connected continued to implement the sustainable community strategy entitled 'Brighton & Hove – The Connected City'. The vision for Brighton & Hove was agreed as:

'Brighton & Hove- the connected city. Creative, dynamic, inclusive and caring. A fantastic place to live, work and visit.'

- 49 The community strategy has 5 priorities as follows:
 - a. Economy
 - b. Children & young people
 - c. Health & wellbeing
 - d. Community safety & resilience and
 - e. Environmental sustainability
- 50 The strategy is underpinned by two principles which run through all of our work. These are:
 - i) Increasing our equality
 - ii) Improving our engagement.
- 51 Brighton & Hove Connected and the City Management Board have created a range of specialist partnerships that take responsibility for the creation, implementation and monitoring of key city strategies. These include Employment and Skills, Economy, Housing etc.
- 52 The City Management Board (CMB) is chaired by the council's Chief Executive and is the delivery arm of Brighton & Hove Connected. The board is made up of the key public service decision makers in the city in order to focus on delivery improvements

city-wide including performance and risk management. Each board member is accountable to their parent body and to Brighton & Hove Connected.

The Member organisations of CMB are:

- a) Brighton & Hove City Council
- b) Brighton & Sussex University Hospitals
- c) City College Brighton & Hove
- d) Brighton and Hove Clinical Commissioning Group
- e) East Sussex Fire & Rescue Service
- f) Jobcentre Plus
- g) Office of the Sussex Police & Crime Commissioner
- h) Sussex Police
- i) University of Brighton
- j) University of Sussex
- k) Kent, Surrey & Sussex Community Rehabilitation Company

- 53 The council, in partnership with other public sector organisations at the City Management Board, has also developed the City Wide Risk Register to manage the wider risks impacting on the City.
- 54 In 2013/14 the council, in close collaboration with the Clinical Commissioning Group (CCG,) undertook a fundamental review of the Health & Wellbeing Board leading to an enhanced role for the Board that will enable it to provide system leadership across health and local authority social services. In 2014/15 the Board has been chaired by the Leader of the Council and has equal voting representation between the council and the CCG.

Review of Effectiveness

- 55 The council has a statutory responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the systems of internal control. The review of effectiveness is informed by the work of executive managers within the council who have responsibility for the development and maintenance of the governance environment, the Head of Internal Audit's Internal Audit and Opinion Report and also by comments made by the external auditors, other review agencies and inspectorates.
- 56 Through evaluation and analysis during the 2014/15 review, the council has good assurance that its governance arrangements are fit for purpose and reflect the principles of its Code of Corporate Governance.
- 57 An Officers' Governance Board oversees the review of effectiveness of governance arrangements including monitoring actions arising.

58 The process that has been applied in maintaining and reviewing the effectiveness of the governance framework 2014/15 includes the following:

- Evaluation of the robustness of governance arrangements against the six principles of good governance in the CIPFA/SOLACE Delivering Good Governance Framework
- The Annual Opinion of the Head of Internal Audit provides **reasonable assurance** on the overall effectiveness of the council's control environment for the year ended 31 March 2015, but only **limited assurance** on the effectiveness of the council's procurement and contract management practices
- Review and maintenance of the Constitution by the Monitoring Officer
- The provision of an effective Internal Audit Service, including compliance with professional standards, risk based approach, individual internal audit reports providing levels of assurance and monitoring actions to audit recommendations made for improvement
- Risk management process outcomes including strategic risk management actions plans and service risk registers
- Comments made by external auditors and outcomes of external assessments carried out by regulatory bodies.

Governance Issues

59 The annual effectiveness review of governance arrangements referred to above has identified the following significant weaknesses relating to the effectiveness of how services across the council consistently implement purchasing and contract management practices including:

- lack of evidence of tendering
- failure to follow Contract Standing Orders
- failure to retain contract documents
- poor client contract liaison

60 The council's legal and procurement teams are working with contract officers in service departments and have provided training workshops for around 250 officers to ensure standardisation of terms and conditions and high levels of compliance with Contract Standing Orders and best practice. This was planned as part of the third party spend VFM workstream and included an additional 5 full time equivalent staff in the Procurement function to further support improved compliance and best practice.

61 On 27 November 2015, Coin Co International plc, the council's, cash-in-transit contractor entered administration. The council was an unsecured creditor of the company and was owed £3.243m. The council is actively seeking to recover this money, but it is not yet clear whether, after taking into account the costs of company administration/liquidation, any funds will be available to be shared among unsecured creditors. Internal Audit, supported by external consultants, is carrying out a review to determine whether improvements to the Council's procurement processes and decision making could minimise financial risks of this nature in the future.

62 Regarding disclosure of third party transactions, a significant issue identified last year, the council introduced a compulsory scheme for annual return of declarations of interests (including NIL returns) by all Senior Officers and contract officers. This supplements the annual related party transaction declarations undertaken as part of the accounts and the combination of these assists in minimising incidents of non-disclosure. These have now been implemented electronically as part of the council's HR system (PIER) which enables an appropriate line manager to review and authorise disclosures and take appropriate action.

63 In considering the governance issues contained in the Annual Governance Statement for 2013/14 enhancements to the council's governance arrangements have been achieved during 2014/15 including:

- Developing a new approach to the management of corporate fraud following the transfer of housing benefit related work and associated staff to the new national Single Fraud Investigation Service.
- The continued roll out of the Living our Values culture change programme;
- Embedding the Value for Money Programme within the council's Modernisation Programme and ensuring that its governance is fit for purpose;
- Introducing the reformed Health and Wellbeing Board and new Greater Brighton Economic Board;
- Improving how we use a range of financial and non-financial information including customer insight to make improvements to service delivery.

64 In 2014/15 the council made improvement in governance through business as usual (e.g. modernisation/service plans) and implemented some enhancements such as development of Member induction programme to ensure appropriate induction and training for all Members following the local election 2015; and completion of Multi-Agency working guidance.

65 However, as reported to the Audit & Standards Committee in March 2014 the following actions are still in progress and have not been fully implemented:

1. To embed the refreshed approach to Fraud & Corruption awareness across the council including whistleblowing arrangements and declarations of interest
2. Further Information Governance focused work to maintain compliance with the Public Service Network (PSN) Code of Compliance and to meet the requirements of the Information Commissioners Office (ICO)
3. Improved compliance with Contract Standing Orders incorporated into the Value for Money Programme in relation to third party spend
4. Review of Code of Corporate Governance - prioritised refresh of council policies and communication methods to take account of the pace of change
5. Focus on the adequacy of Business Continuity arrangements and work to embed understanding of its practice in council service delivery

In addition new actions will be taken to address the significant weaknesses identified in 2014/15 in relation to purchasing and contract management by:

6. Establishing a Procurement Advisory Board
7. Considering how to develop a procurement and contract management compliance function to work alongside the current advisory including support procurement service

- 66 All existing actions in progress and new action will be monitored for progress by the Officers' Governance Board and Audit & Standards Committee during 2015/16. We are satisfied that the actions required, when fully completed, will address the need for improvements that were identified in the review of effectiveness. We will monitor their implementation and operation as part of the next annual review.
- 67 We propose over the coming year to take actions to address the above matters to further enhance our governance arrangements. We are satisfied that these actions will address the need for improvements that were identified in our review and will monitor their implementation and operation during 2015/16.

Events after 31 March 2015

- 68 The council's chief executive, Penny Thompson, stepped down from her role on 30 June 2015 and on 16 July 2015 Geoff Raw was appointed as acting chief executive. The council is currently recruiting for a permanent head of paid service.
- 69 The council's external auditors, Ernst and Young, have reported in their Audit Results Report dated 22 September 2015, that the council's financial position remains sound at the end of 2014/15, but the overall level of usable reserves available to support spending is reducing. Whilst we expect Ernst and Young to conclude that overall the Council has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ending 31 March 2015 as a whole, this will be "except for arrangements for securing financial resilience".

Signed:

**Geoff Raw
Acting Chief Executive**

Dated:

Signed:

**Councillor Warren Morgan
Leader of the Council**

Dated: