

Southend-on-Sea Borough Council Annual Governance Statement – 2015/16

1. Scope of responsibility

- 1.1 Southend-on-Sea Borough Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for and used economically, efficiently and effectively. The Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.
- 1.2 In discharging this overall responsibility, the Council is responsible for ensuring the proper arrangements for the governance of its affairs and facilitating the effective exercise of its functions, including arrangements for the management of risk, are in place. This responsibility extends to satisfying itself that any wholly owned subsidiary companies also have robust governance arrangements in place. To this end South Essex Homes has produced its own Annual Governance Statement which is included as part of this statement.
- 1.3 Southend-on-Sea Borough Council has approved and adopted a Local Code of Governance (the Code), which is consistent with the principles of the CIPFA/SOLACE Framework Delivering Good Governance in Local Government. A copy of the authority's code is part of the Council's constitution and is available on the Council's website at www.southend.gov.uk/constitution or can be obtained from the Policy, Engagement and Communications Team, Civic Centre, Victoria Avenue, SS2 6ER.
- 1.4 This statement explains how the Council has complied with the Code and also meets the requirements of Regulation 4 of the Accounts and Audit (England) Regulations 2011 in relation to the production and publication of an Annual Governance Statement.

2. The purpose of the Governance Statement

- 2.1 The governance framework comprises the systems, processes, culture and values, by which the Council is directed and controlled and its activities through which it accounts to, engages with, and leads the community. It enables the Council to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate services and value for money.
- 2.2 The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can, therefore, only provide reasonable, and not absolute, assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of the Council's policies, aims and objectives, to evaluate the likelihood of those risks

being realised and the impact should they be realised and to manage them efficiently, effectively and economically.

- 2.3 The main governance framework has been in place at Southend-on-Sea Borough Council for the year ended 31 March 2016 and up to the date of approval of the annual report and statement of accounts.

3. The Council's Governance Framework

- 3.1 The governance framework ensures the Council's vision and key priorities are effectively promoted and progressed through its corporate governance arrangements and business planning processes. The key elements of the governance framework are as follows:

- Community Engagement
- Business Strategy and Planning
- Financial Reporting including Budgetary Control and Asset Management
- Policy Framework
- Risk Management including Fraud and Corruption
- Health and Safety
- Business Continuity
- Asset management
- Performance Management
- Data Quality
- Information Management and Security
- Value for Money
- Procurement
- Project Management
- Complaints
- Ethical Governance – including Codes of conduct for Members and staff
- Workforce management
- The operation of Cabinet, Scrutiny Committees, Audit Committee and the Standards Committee.

- 3.2 These areas form the main sources of assurance to be considered in any review of the Council's governance arrangements.

- 3.3 The Corporate Director for Corporate Services has the responsibility for overseeing the implementation and monitoring of 'The Code', through a process which includes:

- Regular reports to the Corporate Management Team (CMT) and the Audit Committee which set out:
 - weaknesses identified in the governance arrangements and
 - any corrective action necessary to resolve concerns identified;
- An annual review of the governance framework supported by managers assurance statements certified by Heads of Service and Corporate Directors;
- An annual report to the Corporate Management Team and the Audit Committee on the adequacy of governance arrangements and

- An annual review of 'The Code', with any significant amendments being reported to the Audit Committee, endorsed by Cabinet and approved by Council.
- 3.4 The Council's key governance and business planning processes are also subject to audit on a risk basis. Such work completed during the year forms part of the evidence in support of the Head of Internal Audit's annual opinion on the adequacy and effectiveness of the Council's system of internal control.
 - 3.5 Key elements of the Local Code of Governance are outlined below:
 - 3.6 The Council's Monitoring Officer is responsible for the maintenance of the Constitution and for reviewing its relevance and effectiveness, ensuring that it is fit for purpose at all times. Any changes to the Constitution are approved by full Council.
 - 3.7 The Council operates a Cabinet and strong leader model of governance, with the Leader (who is appointed by Full Council for a four year term) appointing up to 9 other Councillors to form the Cabinet. Cabinet is responsible for the majority of functions of the Council within the budget and policy framework set by full Council. Executive decisions are taken by the Cabinet collectively or by officers acting under delegated powers, depending upon the significance of the decision being made. For urgent issues, the chief officer can take a decision in conjunction with the portfolio holder.
 - 3.8 The Council has three Scrutiny Committees which review and scrutinise proposed decisions in their respective areas of responsibility – People, Place and Policy & Resources. The committees will review and scrutinise decisions made or actions taken in connection with the discharge of any of the Council's functions. In accordance with the Health and Social Care Act 2012, the People Scrutiny Committee also scrutinises health matters.
 - 3.9 Decisions made by the Cabinet may be called in to a Scrutiny Committee in accordance with the provisions of the Scrutiny Procedure Rules. A decision made by Cabinet can be called in by any two Members with written notice given to the Chief Executive within five working days from the date of publication of the digest.
 - 3.10 Since May 2012 the Council has operated a pre-Cabinet scrutiny system where scrutiny and opposition Members are given opportunities to contribute to and offer advice on key decisions prior to consideration by Cabinet. This is achieved by reports to Scrutiny Committees and the outcomes of cross party working groups.
 - 3.11 The Council has a Standards Committee to promote and maintain high ethical standards of conduct for elected and co-opted Members. A key role of the Committee is to help elected and co-opted Members to observe the Members' Code of Conduct and to monitor the effectiveness of the Members' Code of Conduct. The Standards Committee also deals with formal complaints against Members.
 - 3.12 The Council operates a development and training programme for Members to help support them in their strategic roles.

- 3.13 A local authority has a duty to ensure that it is fulfilling its responsibility for adequate and effective risk management, control and governance. To this end, the Council has in place an Audit Committee. The Audit Committee has a key role in overseeing and assessing the risk management, control, and corporate governance arrangements and advising the governing body on the adequacy and effectiveness of these arrangements.
- 3.14 The Council's major policy objectives and priorities are detailed in the Corporate Plan and Annual Report. The plan articulates the authority's vision, is subject to regular progress review, and is approved by the Corporate Management Team, Cabinet, and Council.
- 3.15 The Corporate Plan and Annual Report is underpinned by detailed service plans which are monitored monthly by Departmental Management Teams. In addition, a monthly performance report outlines key performance indicators that underpin the Council's corporate priorities and corporate priority actions. This is monitored by the Corporate Management Team, Cabinet, and each Scrutiny Committee.
- 3.16 Financial monitoring reports are produced on a monthly basis and form part of the Council's Monthly Performance Report. Reports detail explanations of variance from budget and identify a projected outturn for the year and are considered by Cabinet and the Scrutiny Committees. A three year Medium Term Financial Strategy is refreshed annually and is driven by the priorities agreed by the Council and outlined in the Corporate Plan and Annual Report.
- 3.17 The Corporate Risk Register is formally reviewed each quarter by the Corporate Management Team, and the Audit Committee half yearly. Departmental risk registers are reviewed regularly by Departmental Management Teams.
- 3.18 The Council engages with its communities and its arrangements are formulated within a consultation and engagement framework. Consultation and engagement activity and the results of this activity are reported and integrated into service planning and delivery.
- 3.19 The Council has a Health and Safety Policy, with an accompanying action plan that is reviewed each year and overseen by the Strategic Health and Safety Group, chaired by a Corporate Director, which has assisted the Council in reaching Level 5 out of 5 on the RoSPA (Royal Society for the Prevention of Accidents) assessment.
- 3.20 A complaints procedure and a whistle-blowing policy are maintained and kept under review to enable issues to be raised by public, staff, Councillors and co-opted Members, when they feel appropriate standards have not been met. A report analysing complaints, comments and complements is submitted to Cabinet and Council annually.

4. Role of the Chief Financial Officer

- 4.1 The Chief Financial Officer (CFO) occupies a key position in managing the Councils' finances and ensuring that resources are used wisely to secure positive results. In order to support the post holder in the fulfilment of their duties, and ensure that the Council has access to effective financial advice, in 2010 the Chartered Institute of Public Finance Accountants (CPIFA) issued a Statement on the Role of the Chief

Financial Officer in Local Government. The statement:

- Sets out how the requirements of legislation and professional standards should be fulfilled by CFOs in the carrying out of their role and
- Includes five key principles that define the core activities and behaviours that belong to the role of the CFO in public service organisations and the organisational arrangements needed to support them.

These principles are:

- The CFO in a local authority is a key member of the leadership team, helping it to develop and implement strategy and to resource and deliver the authority's strategic objectives sustainably and in the public interest;
- The CFO in a local authority must be actively involved in, and able to bring influence to bear on, all material business decisions to ensure immediate and longer term implications, opportunities and risks are fully considered, and aligned with the authority's overall financial strategy;
- The CFO in a local authority must lead the promotion and delivery by the whole authority of good financial management so that public money is safeguarded at all times and used appropriately, economically, efficiently, and effectively;
- The CFO in a local authority must lead and direct a finance function that is resourced to be fit for purpose; and
- The CFO in a local authority must be professionally qualified and suitably experienced.

4.2 The Council has the necessary arrangements and procedures in place which ensure that these principles are complied with. This is through a combination of direct compliance by the CFO and, where not directly complied with, ensuring there are alternative procedures in place to make sure that the necessary outcomes and objectives are still achieved and suitable controls are in place. For example, this may include deputising arrangements and delegated authority for financial management in the clearance of relevant Member reports.

5. Review of effectiveness

5.1 The Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by: the work of Corporate Directors and Heads of Service within the Council (who have responsibility for the development and maintenance of the governance environment); the Head of Internal Audit's annual report; by comments made by external auditors and other review agencies and inspectorates and by a governance self-assessment reviewed by the Good Governance Group.

5.2 The May 2015 Council elections resulted in a new joint administration with three Southend Independence Group councillors joining the existing administration of Independent, Labour and Liberal Democrat councillors. This new four political group coalition was maintained throughout the year, with the Council's decision making processes continuing to prove effective. A renewed joint administration agreement, and associated commitments, for 2015/16 was adopted by the Council in July 2015, providing a high level policy framework for Council officers and

members to work to.

- 5.3 2015/16 saw the Council undertake a 'summer/autumn of challenge', with a series of peer reviews to enable the Council to take stock of progress, assess challenges ahead and obtain an independent reality check to aid thinking about the future direction of the Council. The peer reviews consisted of:
- LGA Health and Wellbeing Board peer challenge: 23 to 26 July;
 - Children's Safeguarding (Eastern Region LGA Sector Led Improvement programme) Peer Challenge: 15 to 17 September;
 - LGA Public Health peer challenge: 30 September to 1 October;
 - LGA Corporate Peer Challenge: 13-16 October;
 - A local authority school improvement peer review 18 and 19 November.
- 5.4 Following the four day on-site review, the Corporate Peer Challenge feedback (reported to Cabinet on 5.1.16) stated that the Council is one that 'constantly strives to improve outcomes for its residents and itself' with all stakeholders referring to 'the 10 year journey to date that has led to many significant improvements for the borough and for the Council'. It also states that the Council ... 'has a track record of achieving' ... is recognised by stakeholders as having a 'can do' attitude, has benefited from 'an enduring and purposeful senior management leadership' with the Council, both politically and managerially having 'faced and met the significant financial challenges to date'.
- 5.5 The review highlighted a number of issues for the Council to consider going forward. These included: to more clearly articulate its future direction; look to invest more in member development; develop more commercial/alternative service models; look at a more transformational budget process; maximise opportunities for 'cross-wire' working across the organisation and ensure governance arrangements are appropriate for the future.
- 5.6 The feedback was considered by the Corporate Management Team (CMT), Cabinet and Scrutiny Committees and is informing thinking on the future of the borough and the Council. This complemented a series of community conversations (called 'Our Town, Our Future') with local business, community groups and partners along with a programme of 'Leader meetings' with community groups. In addition, the Council has developed a targeted intervention programme for managers and staff, 'Doing the Right Thing', to embed good governance practice, particularly in relation to ethical governance.
- 5.7 The Department for People commissioned the LGA Eastern Region Sector Led Improvement Programme, in September 2015, to conduct a peer review of children's services with a particular focus on safeguarding. The experienced Peer Review team focussed on the 'front door' (the first point of contact for families, children and professionals), the 'early help offer', the first contact team and working with partners including the Local Safeguarding Children's Board. The team were very impressed with staff commitment at all levels, noting a very strong emphasis on ensuring children are safeguarded (report to Cabinet, 5.1.16).
- 5.8 In particular, they were impressed with early help and the ability of staff to respond to safeguarding referrals in a timely manner, the level of resources being put into child sexual exploitation (CSE) and evidence of good partnership working. An

action plan was developed and agreed by the Council to respond to areas of concern identified, with good progress being made against all areas. This includes the development of the Southend Multi-Agency Risk Assessment Conference (MARAC) to tackle domestic abuse and a new early help model of service provision.

- 5.9 The local authority school improvement peer review undertaken in November 2015 proved helpful in addressing challenges and building relationships with schools, in particular moving the Council's model of school improvement forward, in the light of the Education White Paper (Education Excellence Everywhere) and related Government policy developments.
- 5.10 The Health and Wellbeing Board (HWB) responded positively to recommendations from a Local Government Association(LGA) 'follow up' Peer Review in July 2015, by focusing on five 'Big Ticket' priorities and ensuring time for more strategic discussion to address system needs and opportunities. The Board has established, and regularly monitors, a set of performance measures which are driving forward progress for three 'Broad Impact Goals'; a) Increased Physical Activity (prevention of ill health); b) Increased aspiration and opportunity (addressing inequality); c) Increased personal responsibility and participation (sustainability). The Board has agreed a decision making structure which is now 'business as usual', with further strategy development sessions scheduled to inform longer term strategic priorities. The Board commenced its governance role for the A Better Start Southend programme.
- 5.11 The Public Health Peer Review, undertook an appraisal of the current service and made a number of recommendations which are being taken forward.
- 5.12 The Council was a key and active partner in discussions to develop a submission for a Greater Essex devolution bid for greater freedoms and flexibilities, in September 2015, from all local authorities in the County. However, both Southend and Thurrock Councils made clear that neither was willing to support a proposal that includes a Directly Elected Mayor.
- 5.13 The Council pursued its agenda for economic growth through the South Essex Growth Partnership and through continuing to explore potential partnership opportunities with Thurrock Council, as part of its preference for a Thames Gateway based approach.
- 5.14 The Council played, and plays, an active part in the Essex Success Regime, one of three such areas the country identified as having deep-rooted, systemic pressures in the field of health and social care. The Council has brought the benefit of its experience and expertise to the regime of management and financial support and to the desire for greater programme discipline to speed up the pace of change.
- 5.15 The Council further progressed its culture change programme, The Southend Way, which is focussed on three areas of:
- Engaging Leadership
 - Focused Performance
 - Resilience and Growth

- 5.16 To assess the impact of the programme, and other related work, the Council undertook its regular employee engagement survey providing invaluable staff feedback at organisation, directorate, service and group manager levels. The breakdown of results has enabled focussed support in areas where feedback was less positive. The response rate, of 68%, was 11% higher than the 2013 survey with the overall 'engagement score' 1% higher. From 84 questions all but four were above or in line with the local government benchmark, bearing out the award of IIP Gold to the organisation in February 2015 and feedback from the corporate peer reviewers that the Council's employee engagement was 'second to none'.
- 5.17 The Council's Staff Code of Conduct was significantly reviewed and updated to take account of developments in recent years (notably staff use of social media) and was agreed by Council in February 2016. In addition, the Council's Pay Policy Statement and Reward Policy for 2015/16 was agreed at the February 2015 Council meeting and for 2016/17 at the February 2016 Council meeting.
- 5.18 Seven issues were subject to pre-Cabinet scrutiny through reports being considered by a Scrutiny Committee during 2015/16, with other issues (such as future provision of secondary school places) considered through working parties. All budget items were referred directly to the three scrutiny committees. There were 24 'call-ins' from Cabinet to the Policy & Resources, 14 to the People and 21 to the Place scrutiny committees. Three 'in-depth' scrutiny reviews were undertaken: 'Transition arrangements from children's to adult life'; 'Control of personal debt and the advantages of employment' and '20mph speed limits in residential streets'.
- 5.19 The revised and enhanced member development programme for 2014/15 was continued for 2015/16, with an extensive induction programme for new members. The member induction included: sessions on service areas, getting the most from ICT, a bus tour of the borough and one to one briefings on Member Code of Conduct with the Monitoring Officer. Information packs with key sources of information were also made available, along with a dvd outlining the role of a councillor, and key information available via the Council's e-learning portal (SPARK). In total, 30 member training sessions were held during the year on a range of subjects, which included development control, safeguarding, illegal money lending, risk, corporate parenting and child sexual exploitation.
- 5.20 In light of continuing budgetary savings the Council continues to review and adjust staffing structures to meet budgetary requirements and to align services appropriately. The integrated joint commissioning arrangements with Southend CCG began on 1 April 2015, with a new Joint Associate Director of Integrated Care Commissioning to drive improved outcomes for service users and efficiency. The housing function was aligned to the Head of Adult Services from 1 April 2015 in order to better align social care and housing services, particularly given the high level of cross-over of clients between the two areas.
- 5.21 The Council's approach to information management is reviewed each year in respect of completing the Health and Social Care Information Centre Information Governance toolkit, enabling organisational assessment against Department of Health information governance policies and standards. The Council achieved level 3 (the highest possible, in 17/28 requirements and level 2 in the remaining 11) against the required standards. The Department of Health continues to use the Council as a reference site for its work on health and social care integration and the

Information Commissioner's Office continues to use the Council as a reference authority in relation to its work in processing Subject Access Requests.

- 5.22 The Good Governance Group of senior managers met quarterly to review the Council's governance arrangements to ensure they are fit for purpose and comply with good practice requirements and ensure that sufficient assurance is available throughout the year to support the production of the Annual Governance Statement. The group oversaw the agreement by Cabinet, in September 2015, of the Council's revised Local Code of Governance and Corporate Risk Policy and Toolkit.
- 5.23 Service reviews and other assessments identified areas requiring an update to the Council's contract management framework. Work to address these areas has been undertaken to:
- Update the Council's Financial Regulations
 - Update the Council's Contract Procedure Rules
 - Update the Council's Procurement Strategy and Toolkit.
 - Implement a new e-procurement system
 - Collate Council contracts and related documentation.
 - Develop performance information to assess compliance with Contract Procedure Rules
- 5.24 Appendix 2 highlights the significant progress made in these areas of risk and in relation to the current payroll system (notably the upgrade of the payroll system in June 2015). However, risks to the payroll system will be a continuing area of focus for 2016/17 following a further Internal Audit review.
- 5.25 The Corporate Management Team has undertaken a review of the Council's corporate risk management arrangements, resulting in an updated corporate policy and toolkit for use by council staff.
- 5.26 Regular reviews of the recommendations made are addressed by the Head of Service and Departmental Management Team and subsequently as part of the summary audit progress reports to Audit Committee on a quarterly basis.
- 5.27 Progress on actions to enhance governance arrangements arising from the 2014/15 Annual Governance Statement were reported to Audit Committee during the 2015/16 financial year, with relevant outcomes against the action.
- 5.28 The Council continued to explore new models of service delivery. It approved the establishment of a Local Authority Trading Company to manage Delaware House, Priory House adult care homes and Viking Day Centre to lead improvements in social care across the borough's care economy. The Council's partnership with OVO energy, enabling residents to switch to a Southend specific deal resulted in 4,000 residents signing up to Southend Energy as their partner by end of March 2016. The Council also continued its role in the innovative tripartite management of The Forum, Southend-on-Sea library and learning zone, with South Essex College and the University of Essex.

6. Internal Audit

6.1 The annual risk based Audit Plan was prepared in consultation with Corporate Directors and the Audit Committee. The Audit Plan was substantially delivered with reports issued to senior managers at the conclusion of each audit highlighting internal control weaknesses identified and the actions required to address them. Recommendations were also reviewed to ensure they were implemented properly, by the due date. Periodically summary audit progress reports were taken to Corporate Management Team and the Audit Committee.

6.2 Head of Internal Audit Opinion

6.2.1 The Head of Internal Audit Annual Report and opinion for 2015/16 was considered by the Corporate Management Team and the Audit Committee in June 2016. This stated that:

'As reported last year, where audits identified the need for improvement, the common theme was managers needing to ensure they have a clear understanding of the:

- ***day-to-day actions taken by their staff; and or***
- ***suite of 'management information' needed to inform them of key actions taken by staff and performance achieved; and or***
- ***checks and balances needed in day-to-day activity to reduce the chance of error, omission or fraud.***

It is opportune for the Council to confirm that risk and performance continues to be managed effectively, day-to-day, by operational managers, in support of the delivery of service objectives.

As part of this work, particular consideration needs to be given to ensuring there is clarity around roles and responsibilities where processes cross team, service, department or organisational boundaries. Without clear accountabilities, processes may not operate as efficiently and effectively as possible.

Otherwise, the design and operation of the Council's risk management, control and governance framework is considered to be satisfactory'.

6.2.2 Compliance with Professional Standards, Head of Internal Audit Opinion

The in-house service has substantially conformed to the relevant professional standards throughout the year and the Council's operational requirements throughout the year.

I have obtained assurance from the external supplier regarding its conformance with relevant professional standards, but have not independently confirmed this with regards to audit work completed at the Council.

- 6.3 The only area where the Council has chosen not to implement the standard relates to the appointment and removal of the Head of Internal Audit, as the Council's normal human resources practices would already mitigate this perceived potential risk.
- 6.4 [External audit has confirmed it can rely on Internal Audit's financial systems work to support of the financial accounts audit where appropriate].

7. External Audit

7.1 External Audit is undertaken by BDO LLP which annually concludes whether:

- The financial statements give a true and fair view of the Council's financial affairs;
- The Council has proper arrangements in place to secure economy, efficiency and effectiveness in its use of resources;
- The arrangements for preparing grant claims and other returns to Government departments are operating effectively and
- Grant claims reviews are fairly stated and the return has been prepared in accordance with the relevant terms and conditions.

7.2 Where the auditor identifies weaknesses in the Council's arrangements, these are highlighted in the Final Report to Those Charged with Governance or the Grant Claim Certification Report. The external auditor attends meetings of the Audit Committee and provides a progress report on their recommendations at each meeting. The Progress Report to those Charged with Governance and the Annual Audit Letter 2014/15 were presented to the January 2016 Audit Committee.

8. External Inspections

8.1 Assurance over the control environment is also obtained from external inspections and assessments of service areas. External assessments for 2015/16 included:

- The five peer challenges outlined in paragraph 5.3.
- Three Ofsted primary school inspections (2 'good', 1 'Inadequate').
- One Ofsted secondary school inspection ('requires improvement').

8.2 These along with other external assessments, provide further independent assurance of governance arrangements and the quality of service provision. The Council is also regularly recognised through industry awards such as:

- The Council's Senior Leadership Team was shortlisted for the Municipal Journal's (MJ) 2016 Senior Leadership Team award.
- The Council's Services For Schools team were commended in the MJ's 2016 Excellence in Community Engagement award.
- The Council won a National Cleansing Award (silver) from the Chartered Institute of Waste Management.
- The Council was ranked 82nd in the top 100 in Stonewall's workplace equality index and ranked 9th highest local authority and 7th out of 45 local authorities in the Stonewall Education Equality Index.

- All seven of Southend's beaches have been awarded the prestigious Keep Britain Tidy 'seaside award', including three beaches achieving the top Blue Flag award.
- The Council's planning team were shortlisted for the Royal Town Planning Institute (RTPI) Awards for Planning Excellence

9. Conclusion

- 9.1 We have been advised on the implications of the result of the review of the effectiveness of the governance framework by the Audit Committee and that the arrangements continue to be regarded as fit for purpose in accordance with the governance framework.
- 9.2 Actions to be specifically addressed are outlined below.

Further Actions to strengthen the Council's governance arrangements for 2016/17

No	Area	Action	Date of Implementation	Responsible Officer
1.	Payroll system	To implement all outstanding audit recommendations relating to the Payroll system	March 2017	Joanna Ruffle – Head of People and Policy
2.	Combined authority and joint working	To play an active part in on-going discussions with neighbouring local authorities on joint working (including devolution deals) which will promote the Council's economic growth agenda and other interests, challenging options for a directly elected mayor, developing the South Essex growth agenda and contributing to the Thames Estuary Commission.	March 2017	Rob Tinlin – Chief Executive and Town Clerk
3.	Ofsted Inspection of Children's Services	To implement any recommendations arising from the Ofsted Inspection of Children's Services in April-May 2016.	March 2017	Simon Leftley – Corporate Director of Children's Services

Significant Governance Issues

We propose over the coming year to take steps to address the above matters to further enhance our governance arrangements. We are satisfied that these steps will address the need for improvements that were identified in our review of effectiveness and will monitor their implementation and operation as part of our next annual review.

ROB TINLIN
CHIEF EXECUTIVE
DATE:

COUNCILLOR LAMB
LEADER OF THE COUNCIL
DATE:

APPENDIX 2

SBC Corporate Governance Actions – 2015/16 – Progress

No.	Governance Issue	Action 2015/16	Responsible Officer	Comment on Progress
1.	Contracts Management Framework	<p>That the Council continues to update the contract management framework, including:</p> <ul style="list-style-type: none"> - Updating the Council's Financial Regulations. - Updating the Council's Contract Procedure Rules - Updating the Council's Procurement Strategy and Toolkit. - Implementing a new e-procurement system - Collating and recording Council contracts and related documentation. - Developing performance information to assess compliance with Contract Procedure Rules 	<p>Simon Leftley (Corporate Director for People)</p> <p>Sally Holland (Corporate Director for Corporate Services)</p>	<p>Revised Contract Procedure Rules; Revised Financial Procedure Rules and - Scheme of delegation were agreed by Council in July 2015, with all staff notified of revised procedures in August 'In the Loop' staff bulletin and a series of staff briefing sessions.</p> <p>The Council's Procurement Strategy and toolkit have been completed and procurements are now run via the new e-procurement system. Further development is required to get the 'quick quote module (for under £25,000 contracts) in place. Contract management application is being tested for wider roll out.</p> <p>Contracts are recorded on the Corporate Contracts Register. The vast majority of corporate contracts are held by the Corporate Procurement Team, either electronically or in hard copy. The contract management</p>

				<p>supporting documents are also retained by the team, although there is a need to move this documentation into the e-procurement system.</p> <p>Processes and systems are in place to ensure compliance with the Contract Procedure Rules, including the Agresso gatekeeper process, process review and performance monitoring of compliance. The Corporate Performance Team provide support and analysis to service areas in relation to effective contract management and in developing and embedding contract manager skills across the Council.</p>
2.	Staff Code of Conduct	To introduce and embed a new staff code of conduct that reflects the current needs of the council and encompassing standards required of staff in relation to personal conduct, declarations of interest, political neutrality, gifts and hospitality, use of social media and procuring/managing contracts, among others.	<p>Sally Holland (Corporate Director for Corporate Services)</p> <p>Joanna Ruffle (Head of People and Policy)</p>	<p>Revised staff Code of Conduct agreed by Council in February 2016 encompassing issues of staff personal conduct, declarations of interest, political neutrality, gifts and hospitality, use of social media and procuring/managing contracts, among others. This is complemented by a new social media policy for staff.</p> <p>The new Code is being communicated to staff through a development programme, 'Do the Right Thing' which will encompass a range of competence and ethical issues.</p>
3.	Payroll assurance	To complete the upgrade of the payroll system and to implement all outstanding audit recommendations in full.	Joanna Ruffle (Head of People and Policy)	The upgrade of the payroll system (to Milestone 4) was completed in June 2015. Significant progress has been made in respect of the 2015 Internal Audit actions and

				further actions are being identified and agreed as part of the 2016 Audit.
4.	Direct Payments	To implement all outstanding audit recommendations in full	Simon Leftley – Corporate Director, People	All outstanding audit recommendations have been implemented in full.