

## Appendix 6: Audit Assurances and Themes

### Assurance



### Objective

To assess the effectiveness of the arrangement for managing the delivery of services contained within the Partnership Agreement between South Essex Homes (SEH and Southend Council (the Council).

### Summary

The Council has a clear overall plan in place for arrangements to manage the Partnership Agreement with South Essex Homes (SEH). This plan is based on a Strategic Board, composed of officers from the Council and SEH. The agreement prescribes six subgroups sitting under the Strategic Board which focus on management of specific areas of the agreement, such as 'Operations' and 'Sustainability'. These subgroups report to the Strategic Board on significant issues in their areas, and Key Performance Indicators (KPIs) are also reported to the Strategic Board on a quarterly basis.

The Council's planned approach is largely in line with the principles of effective contract management. However, various aspects of this approach are not yet in place, even though the Partnership Agreement has been running since January 2021. For example:

- The Partnership Agreement prescribes that SEH should produce a Partnership Plan setting out how it intends to fulfil the Agreement. This Plan is currently only partially complete, and its completion would enable the Council to better scrutinise arrangements and ensure the goals of the two parties remain aligned
- One of the six subgroups, relating to IT, has not yet been set up. The existence of this subgroup is necessary as SEH's IT arrangements underpin its overall performance, and need to be subject to oversight by individuals with sufficient IT expertise
- Many documents, including Terms of Reference for the subgroups, are in place but have not yet been finalised, limiting the Council's ability to provide scrutiny.

Underpinning these issues is the limited level of resource that the Council currently has allocated to manage the administration of the Partnership Agreement. In particular, this function is currently performed by the Interim Head of Housing, who has a senior role and may not be best suited for some of the more administrative functions, such as tracking relevant documents and meeting dates. There is also a risk that the arrangement would suffer significantly in this individual's absence. We understand that an additional member of staff has now been recruited to provide additional support to the Head of Housing to manage the contract with SEH.

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We have also made a number of tailored recommendations as to how the Council can further build on its planned approach. For example:

- The Council should provide some level of scrutiny over the underlying data for SEH's KPIs to confirm the KPIs are accurately reported. Currently, the Council accepts the accuracy of SEH's data, which may limit the assurance the KPIs provide if there are issues with SEH's data processing
- The Council should hold meetings separate from SEH to discuss any issues, and to consider the Partnership Agreement in the context of the Council's goals.
- Further work should be performed around Risk Registers and Issues Logs, including rolling these out more widely among the subgroups. The Strategic Board should also hold strategic level versions of these documents, summarising a small number of key areas in order to maintain oversight of areas that could be detrimental to the overall performance of the Partnership.

Number of actions agreed:14