

Final Southend-on-Sea Borough Council Annual Governance Statement – 2020/21

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 there are robust governance arrangements between the Council and its subsidiaries.
- 1.3 The Council approved and adopted an updated Local Code of Governance in December 2019, which is consistent with the principles of the CIPFA/SOLACE Framework Delivering Good Governance in Local Government. A copy of the Council's code is part of the Council's Constitution and is available on the Council's [website](#)¹ or can be obtained from the Corporate Strategy Team, Civic Centre, Victoria Avenue, SS2 6ER.
- 1.4 This Annual Governance Statement explains how the Council has complied with the Code and also meets the requirements of Section 6 of the Accounts and Audit Regulations 2015 (England) in relation to the production and publication of an Annual Governance Statement. The Council has also taken account of the further guidance provided by CIPFA in Bulletin 06 covering Application of the Good Governance Framework in 2020/21.

2. The purpose of the Annual Governance Statement

- 2.1 The governance framework comprises the systems, processes, culture and values, by which the Council is directed and controlled and the activities through which it is accountable 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.

¹ The Local Code is available at www.southend.gov.uk/downloads/file/3928/local-code-of-governance-2019

2.3 The governance framework has been in place at the Council for the year ended 31 March 2021 and up to the date of approval of the annual statement of accounts.

3. The Council's Governance Framework

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

Citizens:

- Community participation
- Co-design and production with citizens
- Customer satisfaction
- Consultation and engagement
- Complaints, compliments and comments

Performance:

- Outcome based business planning and strategy
- Decision making / constitution
- Policy framework and procedures
- Performance management, including data quality
- Risk management, whistleblowing
- Business continuity
- Information management security
- Contract management
- Project management
- Change / transformation management

Resources:

- Outcome based financial planning and reporting, budgetary control and treasury management
- Commissioning
- Procurement
- Asset Management
- Fraud & Corruption and Insurance
- Value for Money

People:

- Workforce management & development
- Values and behaviours - codes of conduct for members and staff
- Staff performance management
- Health and safety
- Ethical governance

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 Chief Executive has the responsibility for overseeing the implementation and monitoring of the Code of Governance, 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 undertaken by the officer Good Governance Group;
- An annual report to the Corporate Management Team and the Audit Committee on the adequacy of governance arrangements; and
- An annual review of 'The Local Code of Governance', with any significant amendments 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 assessed 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. Minor changes can also be made to the Constitution by the Chief Executive in consultation with the Group Leaders and the Monitoring Officer.

3.7 The Council operates a Leader and Cabinet model of governance, with the Leader (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, a chief officer can take a decision in consultation with the relevant 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 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 councillors with written notice given to the Chief Executive within five working days from the date of publication of the digest.

3.10 The Council operates a pre-Cabinet scrutiny system where scrutiny and opposition councillors 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 committee members. A key role of

the Committee is to help oversee the councillors' Code of Conduct and to monitor the effectiveness of the councillors' Code of Conduct. The Standards Committee also deals with formal complaints against councillors.

- 3.12 The Council operates a development and training programme for councillors 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 Council on the adequacy and effectiveness of these arrangements.
- 3.14 The Council's major policy objectives and priorities are outlined in the 'Road Map to 2023', which outlines the ambition for the borough to 2050, five related themes and the 26 desired outcomes – reviewed annually. Reports outlining progress against key areas of delivery are reviewed by the Corporate Management Team, Cabinet and Scrutiny Committees.
- 3.16 Regular financial monitoring reports providing explanations of variance from budget and a projected outturn are also considered by Cabinet and the Scrutiny Committees. A five year Medium Term Financial Plan is refreshed annually and shaped by the priorities agreed by the Council. The Council has also developed a Financial Sustainability Strategy providing a 10 year horizon. The Council's annual budget process is subject to engagement, consultation, and scrutiny by all interested stakeholders. Formal public Scrutiny Committees take place at the end of January, prior to consideration by Cabinet and decision by full Council on the overall budget package in February. This enables a robust, costed, and balanced, budget to be set. The overall budget development and approval arrangements complies with good practice, and helps to ensure that the Council remains financially resilient.
- 3.17 The Council operates a four year **capital programme**, with the application of a 'gateway review' process, enable items on a reserved list to be subject to further consideration before being included in the programme. This, among other things, enables consideration of levels of required resourcing to be applied to projects in line with the capacity of the organisation and support for a more outcome focussed approach.
- 3.18 The Corporate Risk Register is reviewed regularly by the Corporate Management Team, and by the Cabinet every six months. Project risk and departmental risk registers are reviewed by service area management teams.
- 3.19 The Council engages with its communities within a participation, consultation and engagement framework that harnesses co-design and asset based community development principles, with outputs integrated into business planning and delivery.
- 3.20 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 the Deputy Chief Executive. This has assisted the Council in reaching Level 5 (out of 5) diamond award on the RoSPA (Royal Society for the Prevention of Accidents) Quality Safety Award assessment.

3.21 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 compliments is submitted to Cabinet and Council annually.

3.22 As a result of the COVID-19 pandemic the Council has operated and updated these governance arrangements using remote working technology as far as possible to reduce the risk of infection to Members and officers, as explained in the review of effectiveness below.

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 and desired outcomes. To support the post holder in the fulfilment of their duties, and ensure the Council has access to effective financial advice, in 2016 the Chartered Institute of Public Finance Accountants (CIPFA) issued an updated 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:

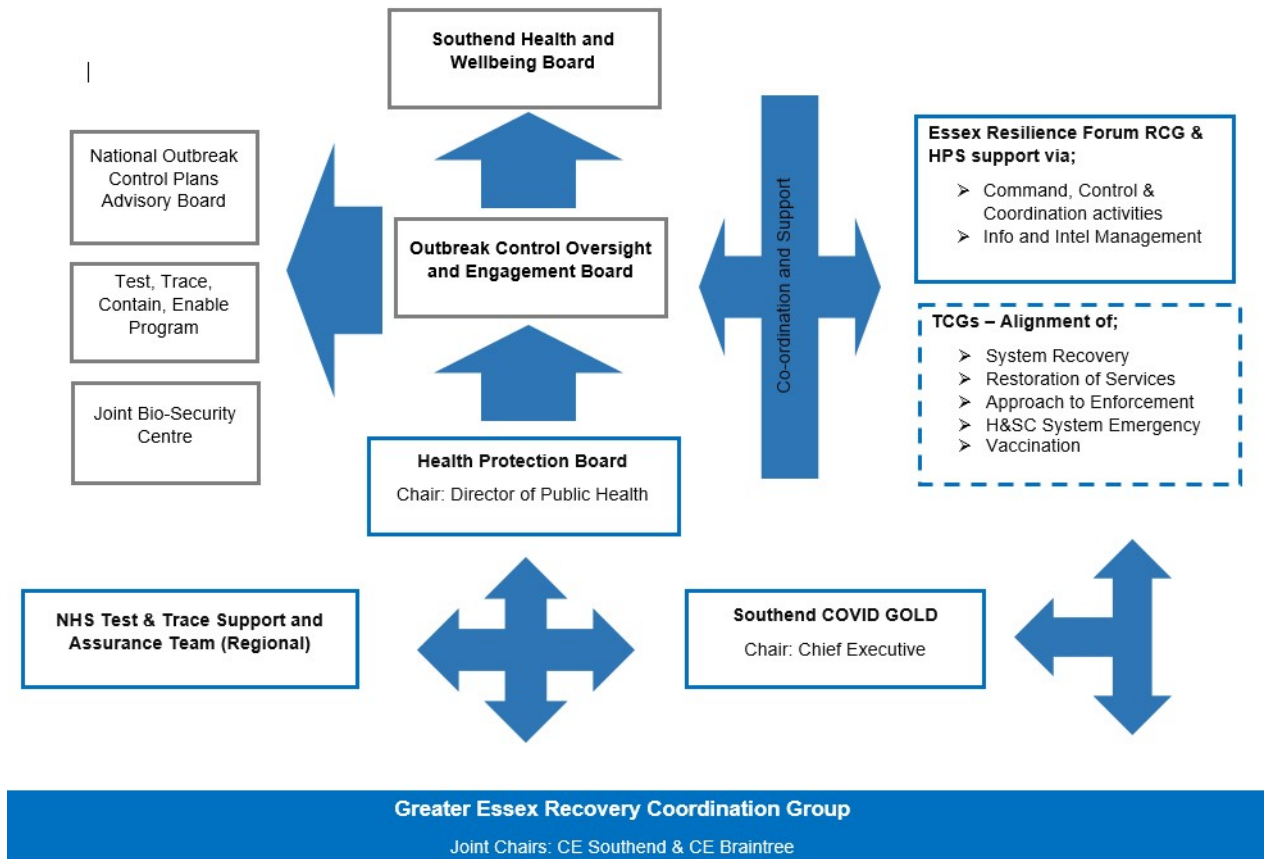
- The CFO in a local authority is a key member of the leadership team, helping it to develop and implement strategy and to resource and deliver the Council's strategic objectives sustainably and in the public interest;
- The CFO in a local authority must be actively involved in, and able to bring influence to bear on, all material business decisions to ensure immediate and longer term implications, opportunities and risks are fully considered, and aligned with the Council'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 reports to councillors.

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 the Senior Leadership Group; work undertaken by the Good Governance Group; the Head of Internal Audit's annual report; by comments made by external auditors and other external agencies and inspectorates. The Council has also undertaken an evidenced based self-assessment against each of the 17 standards contained within the new CIPFA Financial Management Code (see below, 5.15).
- 5.2 The year 2020/21 has been dominated by the Covid19 pandemic, which has had a fundamental impact on day to day life, national public policy and the governance, services and finances of all local authorities. The Council's civil contingency arrangements were put into effect in the run up to national lockdown from 23.3.20, and have adapted since, aligning closely to Government requirements and the collective response of the Essex Resilience Forum (ERF). The Council's response to and management of the impact of the pandemic has been outlined in reports to Cabinet in June and September 2020 and June 2021.
- 5.3 The Council's Gold command and Silver tactical groups, along with collaborative working with partners, oversaw an unprecedented mobilisation of council, partner and community resources to meet the crises. This enabled: the ongoing provision of Personal Protective Equipment (PPE); getting essentials to those in need via a helpline service; securing accommodation for rough sleepers; getting financial support to businesses; ensuring residents and visitors are safe on the seafront and elsewhere; ensuring the safety of those in care homes; keeping education going, supporting the roll out of the test and trace and vaccination programmes. This was achieved at speed and with many staff going above and beyond the call of duty, and while keeping other services operating. Further support in managing the response and recovery has been driven by three 'recovery cells' of senior officers and partners focussed on:
- Pandemic Management & Recovery;
 - Economic Crises & Recovery and
 - Budget, Sustainability & Transformation
- 5.4 The borough's **Covid-19 Local Outbreak Control Plan (LOCP)**, produced in June 2020, provided the framework for local implementation of the national Test, Trace, Contain and Enable (TTCE) programme and has been central to controlling the rate of reproduction and spread of infection. This has been overseen by the newly established **Outbreak Control Oversight & Engagement Board (OCOEB)** of key councillors and the **Health Protection Board**, of key officers and health partners to review progress on vaccination, testing, contact tracing, advice on compliance and enforcement of restrictions, infection and mortality rates and to review any local outbreaks and impact of new variants. Both report to the Health & Wellbeing Board. The LOCP was updated in November, and in March 2021 was replaced with a Local Outbreak Management Plan in line with changing circumstances.

Pandemic governance arrangements – Southend and Essex



- 5.5 New councillor **governance arrangements** were put in place from April 2020, to ensure councillors could continue to make key decisions and ensure access by the public by holding on-line or hybrid meetings. Such meetings, for formal decisions, continued up until the permission to do so expired on 6 May 2021. The pandemic highlighted the need for agile, timely and effective decision making and to this effect, the Council commissioned an independent review of the Council’s constitution, the findings of which will be considered by the new administration. This links to a re-positioning of the roles of officers in providing more support to councillors enable more effective decision making.
- 5.6 Aligned to this has been a new **councillor development programme**, being co-designed with councillors, to equip them with the skills and knowledge they need to be an effective 21st century councillor. The Council refreshed the Protocol on Councillor/Officer relations, with an action plan developed that encompasses: the introduction of a dedicated members support hub (to improve handling of members enquiries); an improved induction programme; improvements to councillor’s ICT requirements; more political awareness training for officers and opportunities for better understanding respective roles and how these can be mutually supportive. This has been helped to some extent by the development of Cabinet working parties that have allowed for more informal policy discussions between backbench and Cabinet councillors and officers from outside of senior management.
- 5.7 Decision making processes for urgent matters and routine business that would normally go to Cabinet or Committee (**the ‘Standing Order 46’ process**) were adapted and took effect from the start of 2020/21. This included provision for

consultation on such matters with all group leaders, not just the relevant cabinet member/s.

- 5.8 Five reports were called-in from the Cabinet or referred directly for review by the People Scrutiny Committee, 23 reports to the Place Scrutiny Committee and 17 reports to the Policy and Resources Scrutiny Committee. The draft General Fund Revenue and Capital Budget for 2021/22 to 2025/26 was referred directly to each of the scrutiny committees for review, as was the annual Comments, Complaints and Compliments report for 2019/20. The Council's COVID-19 response, associated recovery plans and the impact of the pandemic on its Medium-Term Financial Strategy for the period to 2024/25, were also referred directly to each of the scrutiny committees.
- 5.9 The three 'in-depth' scrutiny reviews commenced in the context of the Southend 2050 ambition during 2019/20, were completed. These concerned the review of the level of domestic waste recycling and ways to achieve higher rates (Place Scrutiny Committee); the appropriate use of reablement for older people when discharged from hospital (People Scrutiny Committee) and council and councillor communication with local people and stakeholders (Policy & Resources Scrutiny Committee).
- 5.10 The 2020 elections were postponed because of the pandemic and the **joint administration** of Labour, Independent and Liberal Democrat councillors continued for the 2020/21 municipal year. The administration reviewed and revised the Southend 2050 Road Map and desired outcomes, building on positive aspects of the crises, such as an improved environment, and to restore damage caused, including to the local economy.
- 5.11 Covid transformed the way the Council worked, with most staff **working remotely**, and accelerated the way digital is part of the fabric of the organisation - benefiting from **a re-designed ICT operating model**. This has enabled, for example, the rapid deployment of new laptops and softphones, better use of digital collaboration channels and enhanced network security.
- 5.12 The Council's **Transforming Together** programme was progressed to move the organisational culture towards one that can deliver the desired 2050 outcomes by enabling the council to be more agile, efficient, more entrepreneurial and more engaged with residents and customers. This included:
- Embedding the Council's refreshed set of **values and behaviours** through 'annual performance conversations' (staff appraisals);
 - A revamped **staff induction** programme
 - Developing a 2 year transformational leadership development programme for officers and councillors, including a mentoring programme, action learning sets, coaching support, training for leading high performing teams;
 - Developing the Your Learning and **Knowledge Hub** on-line platforms training & development portal enabling staff to access over 2000 learning resources over 55 areas.
 - A staff led revision of the council's approach to **reward and recognition**
 - Progressing agile working through a '**worklife**' programme, using agile project methodology, more flexible work arrangements, providing creative workspaces, hot desking, remote working and providing a service design

'lab' to help creative thinking and minimise hierarchical and practical constraints.

- The **service design** team supported the council in harnessing agile and co-design principles, ensuring the end user is involved in design challenges. This approach was used, for example, in relation to special educational needs, senior management administration support, business support and the Council's approach to dropped kerbs, among others.

5.13 However, in light of the impact of Covid and anticipated circumstances, the transformation programme and delivery model has been repurposed as '**Future Ways of Working**' to enable a re-focus on priorities, delivery at pace and with a view to putting more structure and resource behind the drive for change.

5.14 **Officer governance arrangements** have continued to evolve, including in relation to officer boards introduced to focus on commissioning and investment and which help drive decisions on the use of resources for the Southend 2050 priorities. Both boards are now operating more strategically, including ensuring any proposals are tested against the commissioning framework principles.

5.15 The Council undertook a self-assessment against the six core principles and 17 standards contained within **CIPFA's Financial Management Code**. Officers reviewed the evidence of the Council's current arrangements compared to the Code's expectations and expressed their degree of confidence about how well these arrangements met the Code's expectations, using the RAG rating:

Red	Not compliant
Amber	Compliant but with scope for further improvement
Green	Compliant

5.16 The findings, reported to Audit Committee in April 2021, found the Council is self-assessed as achieving overall compliance with the expectations of the FM Code. The Council meets the minimum expectations for all 17 standards, with good compliance for 13 standards and demonstrable compliance, but with recognised scope for further improvement, for four standards.

5.17 Significantly, the current **financial landscape** and operating environment for the Council remain extremely challenging and uncertain. While the Council remains financially resilient from both the impact of Covid and the range of local demand and spending pressures, the Council is currently predicting a cumulative budget gap of £20.7m to the end of 2025/26. Additional costs and lost income resulting from Covid are estimated to be at least £36m for 2020/21 (not including staff time), although this has largely been met by additional government grants and support. The Council's 10 year Financial Sustainability Strategy, agreed in 2020, will, therefore, be reviewed in the autumn.

5.18 A **Budget Transformation Programme for 2022/23 – 2025/26**, was agreed as part of the Council's overall budget package, with areas identified to be scoped and developed further during 2021/22. This will support the Council's future financial sustainability, help target resources and avoid a financial 'cliff edge' that would need drastic action over a short time frame.

5.19 Other measures to support a drive towards financial sustainability and shape our priority focus include: on-going budget reviews; implementation of outcome-based

budgeting; better linking of business planning and budgeting to service outcomes; effective and creative management of service demand; review of major contracts; further implementation of the Commissioning Framework; exploring new commercial opportunities; a range of income generation initiatives and a future business transformation programme.

- 5.20 Outcomes Based Planning and budgeting, started in 2019/20 looks to repurpose and align resources towards agreed priorities and outcomes. In line with that is a '**Getting to Know Your Business**' programme for service managers, introduced in 2020/21, with the first phase helping to establish a baseline for all services on costs, income generation, value for money and relative performance. The Council was supported in this by Grant Thornton, who provided an independent review of our medium term financial assessment by using their specifically designed forecasting model for councils.
- 5.21 This combined assessment, together with a comprehensive 'strategic-fit' review against our Ambition, economic recovery aspirations and delivering better outcomes and value for money influenced the development of the investments, savings, income generation proposals and level of council tax agreed for 2021/22.
- 5.22 The Council continued to play a central role in the growth and recovery agenda developed with the **Association of South Essex Local Authorities (ASELA)**. This was set out in the publication of its Growth & Recovery Prospectus that outlines the investment programmes and projects needed to deliver productive jobs, physical and digital connectivity, 'blue and green' infrastructure and new, affordable homes for residents and business. The governance arrangements to oversee the work of ASELA and its associated programmes is being formalised with a view to establishing a Joint Committee with other councils under Section 101 of the Local Government Act 1972.
- 5.23 The Council continued to be an active partner to the South East Local Enterprise Partnership (SELEP), with the Council represented by the Deputy Leader at the main (Strategic) Board, Accountability Board and investment panel, and by the Portfolio Holder or Deputy Leader at the South Essex sub-board "Opportunity South Essex" and the ESIF Committee. The Council has secured further funding from SELEP for which it is accountable.
- 5.24 Following the establishment of Porters Place Southend-on-Sea LLP as the joint venture partnership to progress the Better Queensway regeneration project in April 2019, the joint venture made a successful application for hybrid planning consent in March 2021. This includes outline consent for the whole site and detail for the first phase of delivery focused on the highway. Through the partnership £4.2m Get Building Fund was also secured.
- 5.25 The Council continued to act as the accountable body for a number of externally funded projects operating across Southend, South Essex and the wider South East. These include the South East Business Boost (SEBB) European Regional Development Fund programme, the Enterprise Advisor Network provision in Southend and the Construction Industry Training Board funded South Essex Construction Training Academy (SECTA).
- 5.26 The Airport Business Park Management Company was activated following practical completion. Its primary role being the management of the common parts of the

estate and management of the service charge.

- 5.27 Following an **LGA Remote Peer Support** of how the Council and partners can more effectively support 18-25 year olds in the borough (in October 2020), the Council revised the governance arrangements for **Southend Adult Community College (SACC)**. A shadow internal board was established at the start of 2021 and went live in April 2021 when the Governing Body held its last meeting. An external Advisory Board is being recruited to provide expert advice and check and challenge.
- 5.28 The appointment was made of a new Independent Safeguarding Advisor for Southend's Strategic Safeguarding Partnership, Professor Maggie Atkinson, former Children's Commissioner for England.
- 5.29 A cross-Council working group continued to co-ordinate the Council's response to the impact of **Brexit**. Arrangements were closely aligned to those of the Essex Resilience Forum and included updating civil contingency and business continuity arrangements, putting in place new arrangements for regulatory services, assessing and mitigating changes to EU funded projects, ensuring Council policies reflected new legislation and guidance, keeping residents informed, supporting local business and promoting the EU Settlement Scheme.
- 5.30 The cross party **Shareholder Board**, formed to oversee the governance of the Council's companies and joint ventures, chaired by the Leader and reporting to Cabinet, continued to meet. It received the accounts and business plans of South Essex Homes; Southend-on-Sea Forum Management Ltd (a zero profit joint venture between the University of Essex, the Council and South Essex College set up to manage the property of The Forum) and Porters Place Southend LLP, joint venture formed to regenerate the Queensway estate.
- 5.31 Mandatory e-learning for both data protection and cyber security was undertaken for staff, supplemented by alternative tailored training for those for who using an e-learning platform might not be appropriate. Recommendations from previous audits were progressed. Policies and internal processes have been updated, including the Acceptable Use Policy and Digital Information Security Policy.
- 5.32 The Council's approach to cyber security was enhanced by use of a self-assessment tool, the outcome of which has informed the future operating model for ICT and digital enablement. The Council's approach to information management, data protection and cyber security was also reviewed by completing the NHS Data Security Protection Toolkit enabling assessment against Department of Health information governance policies and standards. For 2020/21 the Council was independently assessed as providing 'substantial assurance' in meeting 'standards met' compliance.
- 5.33 The Council is due an LGA Corporate Peer Challenge (CPC) (the last one was in 2015) and this was postponed for 2020 because of Covid and the need for it to take place 'on-site'. In anticipation of a full CPC the Council undertook a remote 'Corporate Health Check' in April 2021, welcoming a team of peers to assess the overall health of the organisation and helping to shape the Council's approach to recovery. The Health Check focussed on the Council's priorities; community engagement; systems and processes; investment in staff and councillors; digital capacity and financial planning. The feedback highlights a range of positive findings, including, the Council's response to the pandemic, the way the Council is

progressing its ambitions and the soundness of the Council's finances. The report makes seven recommendations, covering: agreeing fewer priorities and focus; the need for a simpler narrative; building relationships with communities; the need for greater discipline and rigour and progressing councillor training & induction

- 5.34 At the initial independent OFSTED/CQC formal area SEND (Special Educational Needs and Disability) inspection in October 2018, the area was required to submit a Written Statement of Action (WSOA), which was approved by regulators in May 2019. Each area required to produce a WSoA is subject to a revisit by OFSTED/CQC to determine progress against each of the aspects identified as significant weaknesses. Southend Area SEND received an on-site, blended revisit, between 7-9 May 2021. The visit included scrutiny of all documentation supplied, interviews with relevant stakeholders, including pupils and parents, and a parental survey.
- 5.35 The area received the final outcome letter for the revisit, on 22 June, identifying that of the four aspects of weakness, we had made sufficient progress against three of them - the Local Offer; the quality of Education Health and Care Plans and the quality of education provision received by learners with SEND. In the fourth aspect, Leadership and Joint Commissioning, whilst regulators had noted more recent progress, they considered that this was yet to fully impact upon children and families and determined that sufficient progress had not been made in this aspect. OFSTED/CQC will play no further part in monitoring the original WSoA, but the DfE will support progress in the remaining aspect. As an area, as before, progress will be reported in this and other aspects of SEND provision through our governance boards and to the Health and Wellbeing Board.
- 5.36 Progress on actions to enhance governance arrangements arising from the 2019/20 Annual Governance Statement were reported to Audit Committee during the year, with progress on relevant outcomes against the action.

6. Internal Audit

- 6.1 The annual risk-based Audit Plan was prepared in consultation with Directors, Deputy Chief Executives and the Chief Executive. It was developed by the Head of Internal Audit and approved by the Audit Committee. Terms of Reference and reports for specific audits are discussed with relevant Directors, Deputy Chief Executive or the Chief Executive before being finalised, with the recommended actions required to mitigate risks summarised in an action plan.
- 6.2 Internal Audit revisits action plans where the original report's opinion was either Partial or Minimal assurance. These actions are retested and the results of this work is reported to the Corporate Management Team and Audit Committee as part of the Quarterly Performance Report.
- 6.3 **Draft Head of Internal Audit Opinion for the year ended 31 March 2021**
- 6.4 The Head of Internal Audit Annual Report and opinion for 2020/21 states that:
- 6.5 Governance comprises the arrangements put in place to ensure that the intended outcomes for stakeholders are defined and achieved. Such arrangements can take many forms and still be effective. Appropriate assurance is then required that these processes are fit for purpose and being applied throughout the organisation.

- 6.6 During 2020/21 the Council continued to build on the work that had been undertaken to create the shared ambition for the borough and desired outcomes for its residents, visitors, students and other stakeholders. Updates have been made to refresh the outcomes being sought and their delivery arrangements to ensure that these remain appropriate given the changed context and circumstances being faced. This has involved continuing to transform the culture, the way that the Council operates and review of the governance arrangements, so that the Council shifts to a culture, a focus, a structure and ways of working that are most effective and appropriate to deliver the required outcomes in the changed circumstances.
- 6.7 The impact of the covid-19 pandemic began to manifest itself in the latter part of the previous year as the Council went into emergency response mode in line with the rest of the country and most of the world. The Council's response held up well through the year, coordinating a wide range of resources from a range of different sources to provide the support, response and management of the community to meet the requirements of the Borough as it went through the period of lockdown. Significant changes were made to the operations of the Council, including most staff working remotely and many staff being redeployed from their usual duties to support the response to the pandemic. This has enabled the Council to deliver what was required, including the significant contribution made by the Public Health team through their work delivering the Local Outbreak Control Plan in the early part of the year, evolving to become the Local Outbreak Management Plan towards the end of the year. The governance arrangements in respect of this work were reviewed and found to be operating effectively.
- 6.8 There remains much to do and further challenges ahead as the Borough and the Council has now moved into outbreak management and recovery mode, and the Council is preparing to deliver and meet those multiple challenges. As a result there continues to be significant changes made to way the Council is operating. The governance arrangements and ways of working in the current situation continue to develop and evolve, and, therefore, there is a need for these to have the opportunity to be properly embedded and assurance obtained that they are working effectively as intended before they can be confirmed to be operating effectively. Management is needing to work in the context of the continuously changing pandemic situation, which does make it more difficult to achieve a period of stability that would assist with the embedding of arrangements.
- 6.9 Therefore, the remainder of this report should be read within this context.
- 6.10 With regards to the assurance provided by audit work undertaken, in these areas, the design and operation of the Council's risk management, control and governance framework in place for the year was satisfactory overall.
- 6.11 No issues have come to my attention this year, other than those already disclosed, that I believe need including in the Council's Annual Governance Statement.
- 6.12 The basis for forming this opinion is an assessment of:
- the design and operation of the underpinning governance and assurance framework
 - the range of individual opinions arising from risk based and other audit assignments that have been reported during the year, taking into account the relative significance of these areas

- whether management properly implement actions arising from audit work completed, to mitigate identified control risks within reasonable timescales.

6.13 The Head of Internal Audit has not reviewed all risks and assurances relating to the Council's activities in coming to his opinion.

6.14 **Compliance with Professional Standards, Head of Internal Audit Opinion**

6.15 The Institute of Internal Auditors assessed the in-house team as fully meeting most of the Standards, as well as the Definition, Core Principles and the Code of Ethics at the last assessment undertaken (classified as "Generally Conforms", the highest rating).

Good assessments were achieved in relation to:

- reflection of the Standards
- focus on performance, risk and adding value
- quality assurance and improvement programme.

Needs improvement assessments were given in relation to:

- coordinating and maximising assurance
- the efficiency of its operations.

6.16 During 2020/21 the team has continued to deliver work using the improved approach resulting from development and implementation of the Compliance with the UK Public Sector Internal Audit Standards Action Plan arising from the assessment by the Institute of Internal Auditors. As a result the service has substantially conformed to the relevant professional standards throughout the year.

6.17 The only area where the Council has chosen not to implement the Standards 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.

7. **Issues for the Annual Governance Statement**

7.1 No issues have come to our attention this year, other than those already disclosed, that we believe need including in the Council's Annual Governance Statement'.

8. **External Inspections and assessments**

8.1 Assurance over the control environment is also obtained from external inspections and assessments of service areas. External assessments for 2020/21 included:

- **LGA Health Check – April 2021** – as outlined above.
- **LGA Remote Peer Support** of how the Council and partners can more effective support 18-25 year olds in the borough - October 2020
- **Adult Services:** Self-assessments undertaken as part of the Eastern Region Improvement Board through a process of independent challenge from a previous Director of Adult Services, 'buddied' with another council to test our thinking/enhance learning. The self-assessment identified: finance and resources; data quality and performance; safeguarding and care quality as

areas of focus. DHSC are currently looking at what the Council does as part of agreeing a future inspection regime for adult social care.

- **SEND Ofsted/CQC re-visit** – May 2021, as outlined above.
- **0-19s Services Public Health** - CQC used their interim transitional methodology approach - no formal assessment provided but advised that the Council has been identified as 'low risk' in this area.
- There were no Ofsted school inspections completed during the financial year 2020/21. The overall position at April 2021 therefore was:
 - Primary schools: 5 outstanding, 26 good, 2 requires improvement.
 - Secondary Schools: 5 outstanding, 4 good, 2 requires improvement, 1 inadequate.
 - Special schools: 1 outstanding, 3 good, 1 requires improvement.
 - Pupil Referral Unit/alternative provision: 1 good, 1 requires improvement.
- Adult Social care ratings:
 - Nursing homes: 10 good, 6 requires improvement.
 - Residential homes: 3 outstanding, 62 good, 12 requires improvement, 2 inadequate.
 - Domiciliary care agencies: 4 outstanding; 31 good; 7 requires improvement; 1 inadequate, 7 unrated.
 - Community care services: 12 good; 1 requires improvement, 3 unrated.

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 2021/22

No	Area	Action	Date of Implementation	Responsible Officer
1.	Review the Council's priorities in the context of the ongoing impact of Covid.	Agree fewer priorities to provide clearer focus for the council, including a refresh of Southend 2050 Ambition, Outcomes and Road Map milestones.	September 2021	Chief Executive
2.	Progress the next iteration of the Council's transformation programme – Future Ways of Working.	Review the Council's ways of working with a view to improving operational performance across the organisation. This will include undertaking a review of business support functions, progressing the digital strategy and re-engineering systems and processes to ensure a better customer experience.	March 2022	Director of Transformation/Executive Director, Strategy, Change & Governance
3.	Undertake a review of councillor decision making.	Review the current Constitution with a view to improving the effectiveness of the Council's decision-making processes, including streamlining the content and making it easier to follow.	September 2021	Executive Director, Legal & Democratic Services/ Executive Director, Strategy, Change & Governance
4.	Financial Management Code Self-Assessment action plan	To implement the Financial Management Code Self-Assessment action plan, progressing the four areas identified, which while currently compliant, need to be strengthened/improved.	March 2022	Executive Director, Finance & Resources

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 POLKINGHORNE
CHIEF EXECUTIVE & TOWN CLERK
DATE: 21 MARCH 2023

COUNCILLOR STEPHEN GEORGE
LEADER OF THE COUNCIL
DATE: 21 MARCH 2023

SBC Corporate Governance Actions – 2020/21 – Progress

No.	Governance Issue	Action	Responsible Officer	Comment on Progress
1.	Covid 19 relaxation, restoration and recovery	To ensure that the Council's governance arrangements are adapted to meet the Council's response to the Covid-19 pandemic. This will include enabling remote councillor formal and informal meetings and undertaking a revision of the Council's constitution to ensure it is suitable to meet new circumstances and to help deliver the Council's ambitions and desired outcomes.	Chief Executive	Remote councillor formal meetings were successfully held throughout the year. The Council commissioned Bevan Brittan law firm to undertake a review of the Constitution, so that it would better reflect how the Council wants to operate. The review is being considered by the new administration and Council as a whole.
2	Southend 2050 - Transformation	Continue to ensure the necessary skills, tools, new ways of working and right culture are in place to support the Council's workforce to deliver the ambition and desired outcomes of the 2050 Road Map and to support the Council's response to the Covid 19 pandemic.	Executive Director – Transformation	<ul style="list-style-type: none"> • Refreshed approach to Council transformation programme through the introduction of Future Ways of Working, involving a wider range of officers and enhanced alignment to Southend 2050. • Embedded the refreshed values & behaviours through 'annual performance conversations' (staff appraisals). • Developed a 2-year transformational leadership development programme for officers and councillors, including a mentoring programme, action learning

No.	Governance Issue	Action	Responsible Officer	Comment on Progress
				<p>sets, coaching support, training for leading high performing teams.</p> <ul style="list-style-type: none"> • Revamped staff induction programme • Developed the Your Learning and Knowledge Hub on-line platforms training & development portal. • Revised the council’s approach to reward and recognition. • Programme of health & wellbeing webinars. • Progressed agile working through a ‘worklife’ programme, using agile project methodology, more flexible work arrangements, creative workspaces, remote working and providing a service design ‘lab’ to help creative thinking. • The service design team supported agile and co-design principles across a range of service reviews and • Revised councillor development and induction programmes.
3	Southend 2050 – officer governance	Ensure the Council’s officer governance architecture is effective, along with other governance bodies, in supporting the delivery of the 2050 programme and providing the necessary assurance in approach to that delivery to demonstrate good governance.	Executive Director, Legal & Democratic Services	Officer governance arrangements continued to evolve, including the officer boards previously introduced to focus on commissioning and investment, helping to drive decisions on the use of resources for the Southend 2050 priorities. Both boards are now operating more strategically,

No.	Governance Issue	Action	Responsible Officer	Comment on Progress
				including ensuring any proposals are tested against the commissioning principles and playing an increasing role in setting the agenda to challenge how things are done.
4	Risk Management	Implement and embed the Council's updated risk management framework and approach that was approved during 2019/20.	Head of Internal Audit	<p>Work continued on implementation of the strategy through the updated Transforming Together programme as part of the Behaviours & Culture element aiming to ensure that risk awareness and horizon scanning is business as usual for all teams. This has focussed on accessing key elements, including:</p> <ul style="list-style-type: none"> • Officer Governance Boards • Better Queensway project management arrangements • Children's Services improvement work • Capital Programme Board <p>In addition, the corporate risk register has been reformatted for clarity, reviewed and updated and is being reported to Cabinet.</p>