

TENDRING DISTRICT COUNCIL

ANNUAL GOVERNANCE STATEMENT 2018-19

1. ACKNOWLEDGEMENT OF RESPONSIBILITY FOR A SOUND SYSTEM OF GOVERNANCE

Tendring District Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded, 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.

In discharging this overall responsibility, the Council acknowledges that it is responsible for: -

- **putting in place proper arrangements for a sound system of governance and internal control;**
- **facilitating the effective exercise of its functions; and**
- **management of risk.**

The Council has approved and adopted a Local Code of Corporate Governance, which is consistent with the principles of the **CIPFA / SOLACE *Delivering Good Governance in Local Government Framework (2016 Edition)***. A copy of the Council's Code is available to be viewed or downloaded from the website (www.tendringdc.gov.uk) or can be obtained by contacting the Head of Governance and Legal Services.

This statement explains how the Council has complied with the Code, and also meets the requirements of the Accounts and Audit Regulations 2015, regulation 6(1), which requires all relevant councils to, each financial year: -

- (a) conduct a review of the effectiveness of the system of internal control
- (b) prepare an Annual Governance Statement

This Annual Governance Statement covers the period from 1 April 2018 up until its publication with the Council's Statement of Accounts on 31 July 2019.

2. ROLES OF THOSE RESPONSIBLE FOR THE DEVELOPMENT AND MAINTENANCE OF THE GOVERNANCE ENVIRONMENT



The roles of those responsible for the development and maintenance of the governance environment can be summarised as follows: -

The Authority (Full Council)	The Executive (The Cabinet)
<ul style="list-style-type: none"> • Approve Constitution and Policy Framework • Approve Council's overall budget • Approve matters reserved by law or by the Constitution to Full Council 	<ul style="list-style-type: none"> • Undertake the Council's Executive functions • Making decisions within the Budget and Policy Framework
Standards Committee	Overview and Scrutiny Committees
<ul style="list-style-type: none"> • Promote and maintain high standards of conduct • Develop culture of openness, transparency, trust and confidence • Embed a culture of strong ethical and corporate governance 	<ul style="list-style-type: none"> • Review or scrutinise Executive decisions • Assist with policy formulation and review • Scrutinise performance in relation to the Council's Corporate Plan, Priorities and Projects and the Budget • Report to Council / Cabinet on council functions/ matters affecting the area or its inhabitants
Audit Committee	Management Team
<ul style="list-style-type: none"> • Approve the Council's Statement of Accounts • Independent assurance of adequacy of risk management framework • Consider Internal / External Audit work and recommendations arising 	<ul style="list-style-type: none"> • Develop and maintain the Council's strategic direction • Ensure delivery of agreed targets within service areas • Review overall performance, both financial and non-financial, and change management
Statutory Officers	Internal Audit
<ul style="list-style-type: none"> • Head of Paid Service – discharge of council functions • Monitoring Officer – lawfulness and fairness of decision making, including scope of powers • Chief Financial Officer (S151) – lawfulness of Council's financial affairs and financial prudence of decision making 	<ul style="list-style-type: none"> • Provide an independent and objective assurance function • Improve effectiveness of risk management, control and governance processes

3. EFFECTIVENESS OF THE KEY ELEMENTS OF THE CORPORATE GOVERNANCE FRAMEWORK

Purpose of the Governance Framework

The governance framework comprises: -

- **the systems and processes, culture and values by which the authority is directed and controlled**
- **its activities through which it accounts to, engages with and leads its communities**

It enables the authority to monitor: -

- **the achievement of its strategic objectives**
- **to consider whether those objectives have led to the delivery of appropriate services and value for money**

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 ongoing process designed to: -

- **identify and prioritise the risks to the achievement of the Council's policies, aims and objectives**

- **evaluate the likelihood and potential impact of those risks being realised**
- **manage those risks efficiently, effectively and economically**

The Governance Framework has been in place within the Council for the year ended 31 March 2019 and reviewed up to the date of approval of the statement of accounts.

The Governance Framework

The key elements that comprise the Council’s governance arrangements include: -

1. The Council’s Constitution, Budget and Policy Framework

- The **Council’s Constitution**, which sets out the Council’s decision making framework, enabling decisions to be taken efficiently and effectively; provides a means of holding decision makers to public account; a structure to deliver cost effective quality services to the community; and defines roles and responsibilities
- A **Corporate Plan** which identifies the Council’s vision, its aims, values, opportunities and values
- **Budget and Policy Frameworks** covering key policies and plans that must be approved or adopted by full Council, including its Budgets, Council Tax, Housing Investment Programme, Local Development Plans, Licensing Policies, Procurement Strategy and Information Governance.

2. Other Strategies, Policies and Procedures

- Clear **Codes of Conduct** which set behavioural expectations for all individuals representing the Council
- **Human Resources Policies and Procedures** covering an extensive range of good employment practices
- **Whistleblowing and Complaints Procedures** that provide individuals with opportunities to report issues within the Council
- **Information and IT Policies and Procedures** protecting data held by the Council
- A wide range of strategies, policies and procedures providing governance frameworks over functions and activities of the Council

3. Examples of Good Governance

- The identification of **Priorities and Projects** and their translation into clear goals enabling the targeting of work by departments
- **Performance Management and Budget Monitoring Frameworks** providing a review of key activities against targets set, delivery of projects, and financial performance
- The Publication of **Agendas, Reports, Minutes and Decisions** providing accurate and reliable information to the public
- A **Corporate Risk Management Framework** providing a structure for risk management within the Council, and a **Corporate Risk Register** identifying the key risk that the Council is exposed to that is subject to regular review
- **External Standards Compliance** including compliance with accounting and auditing codes and standards, and conformance of the Council’s financial management arrangements with the governance requirements of the CIPFA Statement on “*The Role of the Chief Financial Officer in Local Government (2016)*”
- Robust governance arrangements for working, engaging and consulting with the Council’s stakeholders, partners and the public

The Code of Corporate Governance provides a framework of the governance arrangements in place in the Council, and includes additional detail for each of the above headings. The Code is subject to regular review to reflect changes to the Council’s Governance Framework, and any update to the CIPFA / Solace framework.

As part of the Annual Review of the Council’s Governance Framework, a number of activities and actions have been identified and undertaken during 2018/19, strengthening the Council’s Governance Framework. These are set out below against the **Core Principles of Good Governance** identified in the Council’s Code of Corporate Governance.

A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law

- The deadline for compliance of General Data Protection Regulations (GDPR) legislation on 25 May 2018 was completed in conjunction with the Information Commissioner's Office (ICO) twelve point GDPR action plan. Records are being kept and maintained in order to enable the Council to stay within the compliance guidelines set out by the ICO.
- Annual Report on Declarations of Interests and mandatory training requirements for Members submitted to Standards Committee in March 2019, including dedicated planning and licensing training for members of the respective committees.
- On-going training opportunities provided to Officers including dedicated training on the use of Covert Surveillance powers plus topical issues presented to the Senior Managers Forum. Examples of presentations included Digital Transformation project, Guidance on Management of Council owned property and assets, Constitution and Governance, Financial Strategy, Local Plan & Garden Communities, Regeneration projects, Office Transformation project, LGA Peer Review, decision making requirements in local government and the emerging Housing Strategy.
- Emphasising the importance of the Equalities Impact Assessment section content of Reports. Webinars and workshop for officers on Equalities and Diversity considerations.
- Approval by the Audit Committee in January 2019 of an updated Anti-Fraud and Corruption Strategy.
- Approval by the Council in January 2019, following consideration of the recommendation submitted by the Licensing and Registration Committee, of an updated Statement of Policy (Gambling Act 2005).
- Approval by the Council in March 2019, following consideration of the recommendation of the Human Resources and Council Tax Committee, of the Pay Policy Statement 2019/2020 and noting the new Pay Spine that would come into effect on 1 April 2019.
- Adoption by the Standards Committee in July 2018 of a revised Protocol on Member/Officer Relations.
- Following consideration of a recommendation made by the Standards Committee, approval by Council in September 2018 of a minor amendment to Annex E of the Standards Complaint Investigation Procedure to reflect current practice in relation to comments on issues complained of contained in the Investigator's Report.
- Following consideration of recommendations made by an Interview Panel appointed by the Standards Committee, confirmation by Council in November 2018 of four members of the public to be the Council's statutory Independent Persons for standards related matters and members of the Independent Remuneration Panel for matters related to Members' Allowances.
- The Monitoring Officer at the meeting of the Standards Committee in January 2019 drew the Committee's attention to seven national cases relating to a number of key issues.
- The Standards Committee, at its meeting held in March 2019, considered the published report by the Committee on Standards in Public Life (CPSL).
- The Cabinet, at its meeting held in September 2018, adopted a private sector housing enforcement policy under the Housing and Planning Act 2016 to impose financial penalties on irresponsible landlords who continued to provide sub-standards accommodation across the District.

B. Ensuring openness and comprehensive stakeholder engagement

- The Council continued to be engaged in a number of community projects in partnership with stakeholders with a comprehensive update being endorsed by Cabinet during the year, to be delivered to support the Council's Priorities especially in the areas of education, health and well-being and community safety.
- Key corporate projects with stakeholders were also included within the Council's performance management reports including the action plan and associated budget for the 400th Anniversary of the sailing of The Mayflower from Harwich to America.

- The Local Plan Committee, at its meeting held in October 2018, considered the Planning Inspector's (PI's) findings in respect of Section 1 of the Local Plan. The PI had concluded that, whilst the Plan met with legal and procedural requirements (including demonstrating at least 5 years' supply of deliverable housing sites), additional work would be required in order to ensure that it met the tests of soundness. This meant that Section 1 of the Plan (which is common to Braintree, Colchester and Tendring Councils) could not yet be adopted by those Councils and the examination-in-public could not progress to Section 2 of the Plan (i.e. the policies and proposals specific to Tendring Council).

The PI had given the three Councils three options to consider, after consultation between the two other authorities, the Council decided to proceed with option 2, being to do more work in respect of the evidence. The three Councils would review all of the evidence and put it out to public consultation before it was submitted to the PI.

- The Local Plan Committee, at its meeting held in January 2019, agreed a revised Local Development Scheme which included a revised timetable for completing the examination of the Local Plan including the anticipated timetable of consultation periods, examinations-in-public and expected adoption dates. This would ensure that Tendring Council made the most efficient use of its resources and also that stakeholders (e.g. the public, parish/town councils, landowners/developers, partner organisations and the Planning Inspectorate) could organise their time and resources accordingly.
- Cabinet, at its meeting held in December 2018, approved the implementation of the Interim Business Plan for North Essex Garden Communities Ltd for 2018/2019 and its associated budget, the commitment of £100,000 from the Garden Communities budget and the preparation of full options appraisal of garden community options in order to enable Members to take decisions, in due course, on potential development corporation proposals.
- Cabinet, at its meeting held in November 2018, approved publication of Part I of the Council's Brownfield Land Register under the Housing and Planning Act 2016.
- Engagement with key stakeholders on significant matters including changes within service delivery, examples being the Audit Committee's consultation on changes to the Anti-Fraud and Corruption Strategy and the Licensing and Registration Committee's consultation on proposed changes to the Council's Statement of Gambling Policy under the Gambling Act 2005.
- Full Council, at its meeting held in May 2018, considered the recommendations of the Electoral Review Working Party following a public consultation process in relation to the Community Governance Reviews carried out in respect of St Osyth Parish Council and Harwich Town Council.
- All Member briefings on topical subjects including Organised Crime Gangs & Hidden Harms, Cyber security, GDPR, School Places, Members' Code of Conduct, Mental Health, Local Plan & Garden Communities, Emergency Planning, Family Solutions, Review of the Council's Constitution and Superfast Broadband in Essex.
- Dedicated training session for the members of Overview and Scrutiny committees delivered by the Centre for Public Scrutiny focusing on effective approaches in undertaken scrutiny.

C. Defining outcomes in terms of sustainable economic, social and environmental benefits

- Continuing delivery of the Corporate Plan for 2016-2020 which outlined the Council's vision, its priorities and projects, and with community leadership at its heart.
- Working with key partners via the local Health and Wellbeing Board to define and improve health inequalities in Tendring.
- Multi agency partnership (Coastal Communities Team) held a workshop to define the strategic priorities for investment and future regeneration of Jaywick.

- Submitted a bid for the 'Future High Streets Fund' for Clacton Town Centre, the fund being set up by the government to renew and reshape town centres and high streets in a way that improves experience, drives growth and ensures future sustainability.
- Working with the Community Safety RAG contributed to a jointly funded new additional Anti-Social Behaviour Officer and a working with Harwich Town Council funded a PSCO.
- The Council delivered a project during 2018 which involved over 500 Year 6 pupils of 11 primary schools located within the area. Funded by the Police, Fire and Crime Commissioner's Community Safety Development Fund, the project centred on the theme of cultural awareness, being in response to a rise in Hate Crime within Tendring. Partners in the project included Victim Support who engaged with the children via the delivery of workshops that looked at the concept of hate crime, practically racial, and the effects of this on the victims and perpetrator.
- Approval by Cabinet in April and subsequently in December 2018 to extend the SME Growth Fund to 31 March 2020, open it up to all business sectors (except retail) and allocate a further £500,000 to support business growth in the District.
- Regular governance meetings, attended by the Statutory Officers and the Deputy Chief Executive have been established to facilitate the on-going review of corporate governance and the identification of actions that support and promote these issues within the Council.
- The Council approved the Capital and Treasury management Strategy in 2019 that set out key appraisal criteria for capital investment decisions.
- Officers have continued to work on key decision making areas such as full project development and monitoring arrangements along with proportionate due diligence requirements.
- During the year, the Council set aside £100,000 to take forward energy efficiency initiatives.

D. Determining the interventions necessary to optimise the achievement of the intended outcomes

- Approval by Council in March 2019 of a revised Annual Capital and Treasury Strategy (including Prudential and Treasury Indicators) and associated treasury management practices to support the delivery of investment activity that remains in accordance with the relevant Codes of Practice and guidance.
- Approval by Council in November 2018 of the Local Council Tax Support Scheme, Council Tax Exceptional Hardship Policy and Council Tax Exemptions/Discounts for 2019/2020.
- The Council continues to deliver a long term financial sustainability plan during the year with the underlying key aim of protecting services, as far as reasonably practical, during the on-going and challenging public sector financial environment.
- Adoption by Cabinet, at its meeting held in December 2018, of a Fee Policy for Mobile Home Site Licensing under the Mobile Homes Act 2013.
- Approval by Council in November 2018 and subsequently in January and March 2019, following consideration of recommendations submitted by a cross-party Constitution Review Working Group via Cabinet for amendments to the Council's Constitution including its Articles, Procedure Rules, Scheme of Delegation and terms of reference and size of Committees post the 2019 Elections.
- The Council, including Members and Officers had previously fully engaged in a Peer Review undertaken by the Local Government Association which included a section on Governance and Leadership. An Action Plan developed in response to recommendations and findings from the review was approved by Cabinet in May 2018 with subsequent updates being reported to Cabinet in November 2018 and March 2019.
- During the year the Cabinet considers the outcome of dedicated task and finish reviews undertaken by the Overview and Scrutiny Committees.
- The Council supports the governance arrangements (internally and externally) to deliver major projects, such as Garden Communities and the Coastal Community Team (CCT) for Jaywick Sands, which includes scheduling regular meetings attended by senior officers.

E. Developing the entity's capacity, including the capacity of its leadership and the individuals within it

- The Officer structure of the Council has continued to be subject to revision to facilitate service delivery within the resources available responding to evolving priorities and projects, including the establishment of a new Head of Service role for Democratic Services and Elections and dedicated key project officers.
- The Council provided sponsorship for 12 officers to obtain external qualifications including management and leadership and provided training on Leadership of Remote Workers and Teams to 45 members of staff.
- The Council maintained its accreditation of gold standard of Investors in People
- The initiation of a digital transformation project to deliver improvements to business continuity and resilience producing efficiencies in working practices.
- Reporting to full Council if Members fail to attend meetings within 4 months (rather than 6 months automatic disqualification).
- The recruitment of the newly established dedicated Senior Governance Officer supporting the Statutory Officers concentrating during 2018/19 on insurance and risk training, review of the due diligence process for SME applications and recruitment of and working with the new Independent Persons and Remuneration Panel.
- The launch of a governance checklist for Corporate Directors and Heads of Service.

F. Managing risks and performance through robust internal control and strong public financial management

- The retraining of staff and ensuring that rigorous management systems are put in place regarding health and safety.
- Embedding a dedicated fraud and risk management team within the Council encompassing corporate health and safety responsibilities.
- Risk management training was delivered to senior managers by the council's insurers.
- Review and drafting of new data protections clauses within the Council's standard contract documentation for data processing requirements under new legislation.
- The establishment of a regular comprehensive financial performance report to management team and members setting out a snapshot of key financial information in one place. This report includes a risk assessment of key lines of the financial forecast.

G. Implementing good practices in transparency, reporting, and audit to deliver effective accountability

- Monthly reviews being undertaken by the Statutory Officers of the six principles as set out in the Local Code of Corporate Governance consistent with the CIPFA / SOLACE Framework for delivering good governance in Local Government.
- Development of an investment spending decision making template providing guidance on matters to consider such as outcomes to be delivered in accordance priorities, contribution to long term financial sustainability, project management, risks of delivery, equality impact assessments and other miscellaneous decision making requirements.
- Management Team established an improved project management approach including completion of a business case for approval.
- Internal audit now attend key project boards and working parties through the development of schemes and initiatives rather than just at the end of the process.
- Regular reporting to management team of key health and safety issues during the year.

4. OPINION ON THE LEVEL OF ASSURANCE THAT THE GOVERNANCE ARRANGEMENTS CAN PROVIDE

The framework in place provides a sound basis for delivering good governance within the Council.

The Council has a statutory responsibility for conducting, each financial year, a review of the effectiveness of its system of internal control. The review of effectiveness is informed by: -

- **The work of Internal Audit as outlined in the associated annual report**
- **Any issues reported or comment from the Council's external auditors and other review agencies and inspectorates**
- **The work of senior managers within the Council who have responsibility for the development and maintenance of the governance environment**

In practice, review of effectiveness is an ongoing process throughout the year. Set against the backcloth of ongoing reductions in Government funding of the Council and associated savings targets, action has continued within the Council in 2018/19 to provide a sustainable and long term basis against which to deliver services. These changes present governance challenges and risks that have been recognised as part of the process of managing change.

The Council draws assurance on its governance arrangements from a number of sources, in particular: -

- **Internal Audit**
As set out in the Public Sector Internal Audit Standards (PSIAS) there is a requirement under PSIAS 2450 that the Chief Audit Executive must provide an annual report to the Audit Committee, timed to support the Annual Governance Statement. This must include:
 - An annual internal audit opinion on the overall adequacy and effectiveness of the organisation's governance, risk and control framework (i.e. the control environment);
 - A summary of the audit work from which the opinion is derived (including reliance placed on work by other assurance bodies); and
 - A statement on conformance with the PSIAS and the results of the internal audit Quality Assurance and Improvement Programme.

The Internal Audit function undertakes a programme of audits each year to provide the Council and its Audit Committee with assurance on the adequacy of its system of internal control, governance and risk management arrangements. The programme has been adapted to be not only risk based, but to include different audit techniques to make it leaner and more supportive of service delivery to meet the Council's needs.

An unqualified opinion of adequate assurance was provided in 2017/18 due to the control improvements implemented by departments. So far to date all significant issues identified within the 2018/19 financial year have been addressed and mitigated. The immediate corrective actions by operational teams provides assurance that the control environment is being monitored and direct action is taken when significant issues have been identified.

Internal Audit continues to work with services on a consultancy basis to support the implementation of new processes, identify and analyse root cause if necessary and ensure that all relevant employees have the appropriate training to competently carry out their role. Transformation, Project Management, Risk Management and Financial Resilience are some of the areas where this type of work has been undertaken and continues to collaborate resources.

In 2018/19 to date, only three audits from a total of 33 undertaken received an overall audit opinion of “Improvement Required” where high severity issues were identified. The audits were Development Management, Facilities Management and Inventory Control. All significant issues are reported to the Audit Committee with required improvement actions throughout the year to provide a continuous update on the councils control environment, governance arrangements, material issues identified and improvement actions.

The overall direction of travel regarding the internal control environment since 2017/18 has not changed, in some areas it has weakened and in others it has improved; however, as the majority of audits in 2018/19 continued to receive an adequate or substantial assurance opinion it is reasonable to suggest that there has not been a considerable deterioration in internal control and operational processes within the year.

Governance arrangements and internal controls have been evaluated in all audits within the plan, albeit with varying levels of scope. Consultancy work is continuing in respect of risk management, working with the Fraud and Risk Manager to improve processes at a departmental level. Senior Management continue to review strategic risks on a regular basis within Management Team and the Corporate Risk Register is reviewed bi-annually with any feedback reported to Management Team for consideration.

The opinion of the Acting Audit and Governance Manager is drawn from all of the information reported above, external reviews carried out throughout the year from other assurance providers and through the ongoing work in supporting Senior Management and Services in delivering the Councils objectives and vision.

The Internal Audit function is expected to commission an independent assessment on compliance with the Public Sector Internal Audit Standards that have been set by the Institute of Internal Auditors (IIA) and adopted by the Chartered Institute of Public Finance and Accountancy (Cipfa) every five years. Internal Audit received an independent report in 2017/18 concluding conformance with the standards which was reported to the Audit Committee. Although this assessment is undertaken, the Internal Audit function must continue to complete an annual Quality Assurance and Improvement Programme (QAIP) which is a self-assessment questionnaire against the PSIAS. Work remains on-going in respect of this year’s assessment with the final position planned to be reported to the September 2019 meeting of the Audit Committee.

The internal control environment continues to remain stable with no significant changes from 2017/18, an open dialogue with Senior Management on risk remains in place and a generally sound system of internal control has been assessed across the majority of the Councils operational areas. Therefore, an overall unqualified opinion of Adequate Assurance can be provided.

- **External Audit**

The Council is subject to an annual programme of external audit work associated with the Council’s Statement of Accounts and value for money arrangements.

Each year the auditor’s overall findings are brought together in an Audit Results Report and Annual Audit Letter (available on the Council’s website). Action is taken on issues identified, with any material ongoing issues incorporated within Significant Governance Issues below.

- **Other Review Agencies and Inspectorates**

The Council is subject to inspection and review by a number of other agencies and inspectorates. The Council aims to take action to address any issues that arise from such inspections and reviews, and to improve governance arrangements where it is appropriate to do so.

- **Senior Managers**

In addition to the review work undertaken above to review and strengthen the Council’s Governance Framework, the Council’s senior managers have participated in a review of the effectiveness of the system of internal control providing assurance regarding the governance / control environment for their areas of responsibility.

5. ISSUES RAISED IN THE PREVIOUS YEAR’S ANNUAL GOVERNANCE STATEMENT

In respect of the governance issues identified as part of last year’s Annual Governance Statement, the actions undertaken to address and resolve those issues included: -

Governance Issue	Required Action(s)	Completed Action(s)
<p>Managing risks and performance through robust internal control and strong public financial management</p> <p>The Council adopted a new ten year approach to budgeting in 2017, aimed at maximising savings opportunities whilst delivering growth in underlying income to deliver a balanced budget over a ten year forecast.</p> <p>The plan depends upon the use of a reserve specifically established to support the long term financial plan which is estimated to provide up to £3.7 million of funding over the plan period.</p> <p>Risks exist to the plan should income generation schemes not materialise while using non-recurrent reserves to addressing budget gaps is not sustainable should austerity continue.</p>	<p>Continue to develop the long term forecast with a focus on:</p> <ul style="list-style-type: none"> • Ensuring the robustness of assumptions used in financial planning/forecasting. • Prioritising resources whilst maintaining services wherever possible. • Develop a new way of reporting progress against the new long term forecast including an assessment of risk. • Delivery a balanced budget in 2019/20 in-line with the forecast. 	<p>A revised approach to reporting the progress against the new long term forecast has been developed with reports presented to Cabinet on a quarterly basis throughout 2018/19.</p> <p>The report brings together a number of strands of financial information in to one place. Detailed estimates and a comprehensive outturn position will continue to be reported to Members in February and May respectively each year.</p> <p>The long term financial plan remains based on a robust approach with no optimism bias built in and includes an assessment of risk that covers each line of the forecast.</p> <p>The detailed estimates for 2019/20 based on the revised approach adopted were agreed by Full Council in February 2019.</p> <p>Work remains in progress to deliver the next year of the long term forecast with two key areas being the identification of on-going savings and managing on-going cost pressures.</p>
<p>Implementing good practices in transparency, reporting, and audit to deliver effective accountability</p> <p>Developing the entity’s capacity, including the</p>	<p>To develop a robust project management approach to governance arrangements and reporting against the expected benefits / outcomes of the Council’s use of resources.</p>	<p>This action is nearing completion in terms of rolling out a revised business planning / project management approach as early as possible in 2019/20. The work carried out to date has been supported by the Acting Audit and Governance Manager and reflects the key elements of the recently approved Treasury and Capital Strategy and</p>

<p>capacity of its leadership and the individuals within it</p> <p>Council continuing to demonstrate Value for Money in the use of its resources and delivery of major projects, for example, Garden Communities and Jaywick Sands.</p>	<p>To enhance the business planning process to ensure mandates are achieved for initial scoping and developing business cases for deployment and profiling of resources.</p> <p>This will include a review of the Cabinet Report template and issue refreshed guidance on ensuring equalities implications and alternative options are fully incorporated through early considerations. Progress against associated projects to be reported via the Council's performance management framework</p>	<p>peer review recommendations.</p> <p>Review of Cabinet report template completed and due to be implemented from beginning of 2019/2020 Municipal Year.</p>
<p>Developing the entity's capacity, including the capacity of its leadership and the individuals within it</p> <p><i>(Continue the Delivery of the Transforming the Way We Work Project)</i></p> <p>There are four main strands to this project with work already underway:</p> <ul style="list-style-type: none"> • Digital • Customer Service/channel shift • Office Accommodation • People 	<p>Continue to deliver against the project aims and objectives with regular reporting via the Council's performance management framework, including the establishment of Project Boards.</p>	<p>Delivery Boards are in operation and cover the major projects currently underway in the Council. Membership of the boards includes senior management along with the Acting Audit and Governance Manager.</p> <p>Updates against the key projects will continue to be reported via the Council's existing performance management framework.</p> <p>Reporting the delivery of outcomes / benefits will also form part of the new project management approach highlighted above.</p>
<p>Developing the entity's capacity, including the capacity of its leadership and the individuals within it</p> <p>The Council's Committee Structure is reducing to two Overview and Scrutiny Committees focusing on external and internal arrangements</p>	<p>Embed and develop the new Committee Structure during 2018/19.</p>	<p>New Committee structure implemented at Annual Council in April 2018 and was fully operational (including task and finish groups) this year. With a review being undertaken on the effectiveness of the two new Overview and Scrutiny Committees in Autumn 2018.</p> <p>The outcome of the review was to transfer responsibility for the overview and scrutiny functions relating to leisure and tourism and the housing strategy and homeless service from the Resources and Services to Community Leadership</p>

		Overview and Scrutiny Committee
<p>Managing risks and performance through robust internal control and strong public financial management</p> <p>Robust information security arrangements, including the implementation of GDPR</p>	<p>To implement and embed the new requirements introduced via the new responsibilities placed on the Council by the General Data Protection Requirements.</p>	<p>An audit approach was taken to identify the various areas of the Council where the new GDPR arrangements would have an impact with a full compliance gap analysis undertaken. An action plan has been developed which is monitored by the Council's Governance and Policy Group.</p>
<p>Determining the interventions necessary to optimise the achievement of the intended outcomes</p> <p>Outcomes from Peer Review</p>	<p>To develop an action plan for implementation in response to outcomes from the recent review including effective reporting of progress against each action identified.</p>	<p>Action Plan was developed and approved by Cabinet in May 2018. Further updates on progress of actions were submitted to Cabinet in November 2018 and March 2019.</p>

6. SIGNIFICANT GOVERNANCE ISSUES

To support the Council in addressing some of the key issues and improvements that have emerged from the annual review of effectiveness, including any items identified as part of the work of the External Auditor, the following actions have been identified : -

Governance Issue	Action
<p>Managing risks and performance through robust internal control and strong public financial management</p> <p>The Council continues to deliver the ten year approach to budgeting, aimed at maximising savings opportunities whilst delivering growth in underlying income to deliver a balanced budget over a ten year forecast.</p> <p>Risks exist to the plan should savings not achieved and income generation schemes not materialise while using non-recurrent reserves to addressing budget gaps is not sustainable should austerity continue.</p>	<p>Continue to develop the long term forecast with a focus on:</p> <ul style="list-style-type: none"> Ensuring the robustness of assumptions used in financial planning/forecasting. Prioritising resources whilst maintaining services wherever possible. Undertaking targeted reviews of significant areas for cost pressures Continuing to identify opportunities for savings, with the development of a 4 year plan for delivery. <p>Delivery of a balanced budget in 2020/21 in-line with the forecast.</p>
<p>Determining the interventions necessary to optimise the achievement of the intended outcomes</p> <p>By strengthening the linkages between the Corporate Plan priorities and the Council's investment plans.</p>	<p>To identify and maintain an ongoing corporate investment plan (including the capital programme) supporting delivery of the Council's priorities including the development of relevant strategies as necessary.</p>
<p>Ensuring openness and comprehensive stakeholder engagement</p> <p>Supporting the delivery of key housing and</p>	<p>Consultation on a draft Housing Strategy and approval of a business/action plan setting out delivery, funding and</p>

<p>development projects and priorities through open and transparent decision making (including informal briefings). Demonstrating effective use of the council’s resources throughout continuation of the project development. This will include robust governance arrangements including risk management, funding, skills and capacity.</p>	<p>performance of key housing and development building projects such as:</p> <ul style="list-style-type: none"> • Development of Jaywick Sands; • Garden Communities; and • Other relevant sites across the district. <p>Additional specific statutory consultation on the Local Plan and future development of the Garden Communities project.</p>
<p>Developing the entity’s capacity, including the capacity of its leadership and the individuals within it</p> <p>Ensuring compliance of the Council’s governance arrangements through project board reviews and delivery of transformation projects, through the monitoring of key policies.</p>	<p>For the relevant project board or lead officers to identify sufficient resources to demonstrate and monitor compliance with the Council’s policies and procedures (forming the Governance framework) during delivery and embedding the final arrangements.</p> <p>To complete the roll out of the revised business planning and project management approach.</p> <p>Launch the Cabinet report writing through modern.gov using the new template and processes.</p> <p>Recruit to the Senior Governance Officer post.</p> <p>Develop an induction and training programme for the newly elected Councillors covering a range of topics, including dedicated chairmanship training and an overview and scrutiny workshop.</p>
<p>Managing risks and performance through robust internal control and strong public financial management</p> <p>Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law</p> <p>Ensure the Local Code of Corporate Governance and key policies and procedures are up to date.</p>	<p>Through a centralised review develop an action and monitoring plan to include policy review dates and associated decision making.</p>

Progress regarding these governance issues will be monitored throughout the forthcoming year by the Council’s Audit Committee.

7. CONCLUSION

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.

We propose over the coming year to take steps to address the significant governance issues identified in this statement, and to further enhance our governance arrangements. We are satisfied that these steps will address the needs for improvements that were identified in our review of effectiveness and will monitor their implementation as part of our next annual review.

Ian Davidson
Chief Executive

Neil Stock
Leader of the Council

Date:

Date: