

**ROCHFORD DISTRICT COUNCIL**  
**ANNUAL GOVERNANCE STATEMENT**  
**2019/20**

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## 1. CORPORATE GOVERNANCE

Rochford District Council has a duty to conduct at least an annual review of the effectiveness of its governance arrangements.

Under the umbrella of Corporate Governance, the Council is responsible for ensuring that its business, including wholly owned subsidiary companies, is conducted

- in accordance with the law and proper standards,
- that public money is safeguarded, is properly accounted for
- and is used economically, efficiently, and effectively.

The Council also has a legal duty to arrange to continually review and improve the way in which its functions are carried out, while at the same time providing value for money and an effective and efficient service for its residents. The Council is also responsible for maintaining and reviewing a sound system of internal control.

The system of internal control is a significant part of governance and is designed to manage risks to the Council to an acceptable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can, therefore, only provide a reasonable assurance of effectiveness. The system of internal control is based on a continuing process designed to

- identify and prioritise the risks to the achievement of the Council's policies, aims and objectives,
- to evaluate the likelihood and impact of those risks happening,
- and to manage them efficiently, effectively, and economically.

In 2017 the Council approved and adopted a local code of corporate governance (The Code) which is consistent with the seven principles of good governance set out in the Chartered Institute of Public Finance and Accounting and Society of Local Authority Chief Executives (CIPFA / SOLACE) "Delivering Good Governance in Local Government Framework 2016".

The framework for Rochford District Council comprises a wide range of systems, policies, procedures, culture and values by which it is directed and controlled and the methods by which it accounts to, engages with, and leads the community [[view here](#)].

This Annual Governance Statement (AGS or The Statement) summarises the outcome of our review as to how Council has complied with The Code during 2019/20 and meets the requirements of regulation 6(1) (b) of the Accounts and Audit Regulations 2015 on the completion of an AGS. This covers the financial year 2019/20 (but extends to cover the period to the signing of the Statements of Accounts for 2019/20). It identifies areas where the Council exhibits assurance in its arrangements and areas where focus is required to improve such arrangements

It should be noted that the governance of the Council's wholly owned companies under the Green Gateway umbrella do not directly fall under the remit of this Statement; however high-level assurances have been sought on the appropriateness of the arrangements for these companies given their close relationship to the Council. There is a parent company, Green Gateway Trading Ltd. Green Gateway Trading (Development) Ltd, was set up as part of proposals to develop the Council's assets. This company is currently recorded as "Dormant" at Companies' House. Green Gateway Trading (GM) Ltd is a fully functioning company carrying out ground maintenance work for the Council and other organisations under contract. All three of these companies are properly constituted, have a financial auditor appointed and all relevant documentation has been submitted as required at Companies' House. The Council's finance team is contracted to provide day to day financial services to the Company.

During the year the contract management arrangements, by the Place & Environment Directorate, of the grounds' maintenance contract was reviewed and whilst not specifically a review of the governance of Green Gateway Trading (GM) Ltd there was assurance that many relevant requirements were being addressed.

## 2. HOW HAS THIS STATEMENT BEEN PREPARED?

This Statement is set out in line with the seven core principles detailed within the Local Code of Corporate Governance. The principles are;

- **Principle A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law**
- **Principle B: Ensuring openness and comprehensive stakeholder engagement**
- **Principle C: Defining outcomes in terms of sustainable economic, social, and environmental benefits**
- **Principle D: Determining the interventions necessary to optimise the achievement of the intended outcomes**
- **Principle E: Developing the entity's capacity, including the capability of its leadership and the individuals within it**
- **Principle F: Managing risks and performance through robust internal control and strong public financial management**
- **Principle G: Implementing good practices in transparency, reporting, and audit to deliver effective accountability**

Key elements of governance are subject to continuous review by the

- Audit and Review Committees,
- Member Portfolio Holders
- the Leadership Team of directors and assistant directors,
- External Audit
- Internal Audit
- and other Members and Officers as required.

The work of Internal Audit (specifically the Chief Audit Executive's Annual Report and Opinion), Service Assurance Statements completed by senior management, other subject specific reports from relevant senior management, external review agencies and our external auditor are considered in producing this Statement.

The process of corporate risk management has an annual review of the Corporate Risk Framework and Corporate Risk Register, which is reported to the Audit Committee, with a rolling review of specific corporate risks with updates reported twice each year to that Committee.

The Coronavirus Pandemic of 2020 has had a considerable impact on the governance of the Council. Every effort was made to maintain a business as usual approach and to maintain the delivery of key services to residents. The only service that closed down

completely was provision of leisure centres, which was mandatory under the restrictions. Due to the required lockdown measures the formal decision-making process of Council and committees was temporarily suspended until the law was changed to allow councils to meet remotely using telephone and other digital media. This was introduced in May 2020 for all formal council meetings using the Managing Director's emergency powers provided in the Constitution.

The majority of staff were required to work from home if possible, facilitated by the migration to Cloud Services and a roll-out of portable ICT equipment to Members and officers in 2019. A survey of all staff reflected that overall, this has been proven to have worked effectively. Those staff who had to work in the Council's offices did so under strict protocols which ensured compliance with Government guidance. These staff were predominantly engaged in manual processes for which the Council currently has no digital solution. Whether such solutions can be found in the future is within the scope of the Council's Connect Programme.

Procedures were set up to process Government mandated financial relief provided to businesses, and workloads increased, such as processing grants for business, council tax support, hardship payments and housing needs, to assist residents that were impacted financially due to loss or reduction of income. Regular communications, through the website and the usual communications channels including social media, were issued for residents and other stakeholders to keep them advised of developments and services or assistance that may be available. Collaborative working was established with local faith groups and volunteer organisations to form the Rochford District Community Response Hub as a response to Government requirements to assist the most vulnerable residents with no other support networks.

The impact of the pandemic will continue to be felt going forward into 2020/21 from both a financial and operational perspective

Whilst a number of assurances have been obtained to support the overall conclusion set out in this statement, it is important that the following specific assurances are considered:

### **Chief Finance Officer (Section 151)**

The CIPFA Statement on the Role of the Chief Financial Officer (CFO) in Local Government (2016) demands that assurance is provided on a number of governance arrangements relating to the organisation including financial control, reporting, the approach to decision making, compliance with relevant codes and the influence of the CFO within the organisation. These have been considered within the context of this Statement and it has been established that the Council's arrangements conform to the CIPFA requirements and the Section 151 Officer has no significant concerns for the 2019/20 financial year, but noting the significant

financial risks that Covid 19 places on the Council going forward which will require careful monitoring and the agreement of robust mitigation plans for 2020/21 and within the MTFS.

### **Monitoring Officer**

The Monitoring Officer is required to report to the Council in any case where it appears that any proposal, decision or omission by the authority has given rise to or is likely to or would give rise to any contravention of any enactment, rule of law or code of practice or maladministration or injustice in accordance with Sections 5 and 5A of the Local Government and Housing Act 1989. These have been considered within the context of this statement and the Monitoring Officer has no significant concerns to report for 2019/20

### **Chief Audit Executive**

In accordance with the Accounts and Audit Regulations 2015 and the Public Sector Internal Auditing Standards (PSIAS), the Chief Audit Executive (CAE) for the Council is required to provide an opinion on the overall adequacy and effectiveness of the Council's risk management, control, counter fraud and governance processes.

The CAE is satisfied that sufficient work has been undertaken to draw a reasonable conclusion on the adequacy and effectiveness of the Council's arrangements. Based on the work performed during 2019/20 and other sources of assurance, the CAE can provide adequate assurance that the Council's risk management, internal control and governance processes, in operation during the year to 31 March 2020, generally accord with proper practice and are fundamentally sound, although there are opportunities to improve the arrangements to enhance the Council's governance framework. The opinion does not imply that Internal Audit has reviewed and commented on all other risks and assurances relating to the Council. It should be stated that it is not expected that all Council activities will be subject to internal audit coverage in any one year.

From work in supporting the compilation of the Statement it is considered that the approach taken in responding to the Covid-19 pandemic was appropriate and relevant to maintain a high level of service with a good level of communication to all stakeholders.

Internal Audit's work in relation to Information and Communications Technology (ICT) during 2019/20 was based on security, access, and resilience. Such work was non-technical and has relied on physical records and discussion with relevant staff. Significant progress has been made in migrating the Council's ICT systems to the Cloud or managed service environments, which is considered to be more secure than the original structure. There were no significant issues identified in respect of security and access controls.

Resilience, in respect of the Council's in-house ICT infrastructure, required addressing in 2019/20, due to known issues in the in-house ICT infrastructure that came to light in 2018. A detailed survey was carried out during 2019/20 that highlighted several areas to be addressed. The planned work, which would have significantly improved resilience, was postponed due to Covid-19 restrictions, and will be prioritised for completion when restrictions are eased

The CAE's Annual Report for 2019/20 refers to the fact that one audit engagement undertaken in 2019/20 received a "Limited" assurance opinion based on outcomes at the time of testing.

- Sundry Debt Management
  - Ineffective control over creation of periodic invoices
  - Ineffective monitoring of outstanding invoices and management of follow-up action
  - Ineffective control over credit balances that have arisen on debtor accounts

Action plans for improving control or revising procedures were agreed and will be followed up within the Annual Audit Plan for 2020/21.

A conclusion of "limited" assurance was given following testing of a sample of orders as part of a review of Procurement compliance in 2020/21. Reminders have been issued to staff involved in raising orders for goods and services and a follow-up review will be carried out late in 2020/21.



## HOW HAS THE COUNCIL PERFORMED?

Details of levels of compliance with The Code are shown in the tables in **Section 3** and are in the same structure as The Code. Many of the matters listed may fit into more than one principle or sub-principle.

Many of the key governance mechanisms have been in place for some time and this Statement, therefore, describes them, together with key changes and developments within the Council's governance framework during 2019/20 and up to the date of approval of the Annual Financial Report for that year.

Much progress has been made in dealing with the significant governance issues identified in the Statement for 2018/19 and this progress is detailed in **Section 4** below.

Matters that remain outstanding from 2018/19 and significant issues that could impact on future governance identified during 2019/20, for action in 2020/21, are detailed in **Section 5**.

### 3 COMPLIANCE WITH THE SEVEN PRINCIPLES

Core Principle	Sub-Principle
<p><b>Principle A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law</b></p>	<p><b>Behaving with integrity</b></p> <ul style="list-style-type: none"> <li>• Members and officers are expected to act in line with the Seven Principles of Public Life.</li> <li>• Member and Officer Codes of Conduct are published within the Constitution</li> <li>• Roles of Members and Officers are detailed within the Constitution, in particular those with statutory responsibilities.</li> <li>• Members and officers follow an induction process when joining the Council</li> <li>• The Council's Constitution will be reviewed to ensure that it is up to date legally; to improve usability and comprehension and to maintain relevance to changing circumstances e.g. the continued use of digital media for some remote meetings</li> <li>• Register of Interests, Gifts and Hospitality procedures for Members and Officers are in place. This aspect was reviewed in Internal Audit work in 2019/20.</li> </ul>
	<p><b>Demonstrating strong commitment to ethical values</b></p> <ul style="list-style-type: none"> <li>• Standards Committee with Parish representation and independent members re-appointed February 2020.</li> </ul>

Core Principle	Sub-Principle
	<ul style="list-style-type: none"> <li>• Member Declarations of Interest are completed upon election and are published on the Council's Website.</li> <li>• Members are required to declare any interests at Council or Committees attended, where there could be an actual or perceived conflict of interests</li> <li>• A Corporate Inclusion and Equality Policy 2018-21 was adopted in 2018</li> <li>• Equality &amp; Diversity Impact Assessments are required considerations in reports to Council or Committees where decisions are required.</li> <li>• A Values Based Recruitment Policy with associated procedures for officers was launched in January 2018 and was used for recruitment throughout 2019/20</li> <li>• There is an explicit expectation that contractors, working on behalf of the Council, will adhere to standards of the Council in areas of Health &amp; Safety and Safeguarding etc.</li> <li>• There is a whistleblowing policy in place that enables concerns to be raised. This was updated in June 2019. This aspect was reviewed in Internal Audit work in 2019/20.</li> <li>• There is a grievance policy in place which allows staff to raise work-related issues not covered under whistleblowing arrangements.</li> <li>• There is a complaints / compliments procedure in place so that residents may provide relevant feedback to the Council. These have a set deadline for response / resolution by the Council.</li> <li>• There are effective safeguarding procedures, supported by a comprehensive Safeguarding Policy</li> <li>• During the year there was a survey for the Essex Safeguarding Adult Board that was open to voluntary participation by all staff. The Council had the highest response rate across Essex councils and the responses evidenced a high level of engagement and understanding of safeguarding requirements.</li> <li>• Following training for several officers the Council is recognised as a Hate Crime Reporting Centre since 2018/19</li> <li>• A revised Council Corporate Debt Policy and Procedures were agreed in 2019/20, which included revisions to the process such as better consideration of ability to pay when deciding a course of action and signposting to debt assistance organisations such as Citizen's Advice Bureau where appropriate.</li> <li>• The People and Communities Directorate published an enforcement policy, significantly based on environmental health, that explains to those affected by the Council's regulatory activities what to</li> </ul>

Core Principle	Sub-Principle
	<p>expect in respect to its approach to dealing with non-compliance. This includes the publication of a matrix to calculate civil penalties that provides a clear framework for officers to use, ensuring proportionality and consistency in their application.</p> <p><b>Respecting the rule of law</b></p> <ul style="list-style-type: none"> <li>• An Anti-fraud and Corruption policy is in place demonstrating a zero-tolerance approach to fraud carried out against the Council. (This requires an update, which is underway, but is considered generally fit for purpose). This is supported by the Whistleblowing Policy referred above</li> <li>• A Disciplinary Policy (last reviewed 2019) is in place to deal with officer related matters</li> <li>• Procedures are in place to deal with data breaches under the General Data Protection Regulations (GDPR) that came into force in 2018. This aspect was reviewed in internal Audit work in 2019/20.</li> <li>• Procedures are in place for other regulatory reports to be made e.g. health &amp; safety requirements. This aspect was reviewed in internal Audit work in 2019/20.</li> <li>• A clause contained in commercial contracts permits termination of the contract if cases of bribery and corruption, by the contractor, are identified.</li> <li>• The Constitution provides legal guidance and responsibilities of Members and Officers</li> </ul>

Core Principle	Sub-Principle
<p><b>Principle B: Ensuring openness and comprehensive stakeholder engagement</b></p>	<p><b>Openness</b></p> <ul style="list-style-type: none"> <li>• The Business Plan 2016-2020 was in place during 2019/20.</li> <li>• During the year Council resolved that the opportunity for questions to be raised by non-Executive Members at meetings of The Executive be introduced.</li> <li>• Greater use of reports to Council or Committees that are not wholly regarded as confidential than in prior years. Where necessary exempt appendices are used for information that cannot, at the time, be in the public domain.</li> <li>• Reports and Minutes of Council and Committees are available on the Council’s website via the Committee Management Information System (CMIS)</li> <li>• To comply with social distancing measures under Covid-19 restrictions Council meetings and committees were initially suspended. In line with changed legislation, measures were taken to</li> </ul>

Core Principle	Sub-Principle
	<p>enable on-line, virtual meetings to restore the Member decision-making process, and these commenced in May 2020.</p> <ul style="list-style-type: none"> <li>• Guide to Information – Publications Scheme available on the Council's website</li> <li>• There is a wide range of policies and procedures available for public scrutiny on the Council's website</li> <li>• Publication of policies and procedures that provide a wide range of information to residents / stakeholders in respect of recovery and enforcement. (See Principle A)</li> <li>• Effective procedures are in place to respond to Freedom of Information requests or Data Subject requests under the GDPR. GDPR administration was included in Internal Audit work during 2019/20.</li> <li>• There have been a series of staff events and workshops relating to the Asset Development Programme and the Connect Project, to actively engage officers in these key upcoming projects (See Section C).</li> </ul>
	<p><b>Engaging comprehensively with institutional stakeholders</b></p> <ul style="list-style-type: none"> <li>• Active participation in Castle Point &amp; Rochford Local Strategic Partnership (CP&amp;RLSP) with key stakeholders such as the local Clinical Commissioning Group, Police etc. and other key related partnerships such as Community Safety and Health Partnerships.</li> <li>• Creation of the Rochford District Community Response Hub with faith groups, charity groups and volunteers during the pandemic lockdown to provide guidance and services to vulnerable residents</li> </ul>
	<p><b>Engaging with individual citizens and service users effectively</b></p> <ul style="list-style-type: none"> <li>• Guidance is available to Officers on how to create a consultation although there is no overarching policy of when consultations should be considered, apart from those with statutory requirements.</li> <li>• An annual budget survey is carried out and the results are analysed and reported in the council's Budget Report to inform the Medium-Term Financial Strategy (MTFS). In 2019/20 there were responses from 222 residents for the budget survey included in the MTFS for 2020/21 – 2024/25. This was publicised through a number of channels including social media platforms.</li> <li>• The Government launched a new scheme to provide grants to businesses in late March 2019/20 in response to the Covid 19 pandemic. This scheme has been administered by the Council for the Rochford district area, with the first grants being paid to businesses from 1 April 2020. This scheme has been widely publicised via a number of channels including the Council's daily communications</li> </ul>

Core Principle	Sub-Principle
	<p>updates / press releases as well as through social media channels in order to maximise take-up by businesses</p> <ul style="list-style-type: none"> <li>• In addition the Council has engaged widely with residents and businesses during the Covid 19 restrictions via the website, social media, email, and phone communications to make them aware of the support and advice the Council can offer, in particular relating to Council Tax and Business Rates. These updates were provided daily until mid-May when they were reduced to two per week.</li> <li>• Individual web pages were updated during this period to inform about what services were being provided, changes in established operations and what was available to support residents and businesses through the restrictions.</li> <li>• Active “Have Your Say” group that provides feedback on general or specific Council activities with feedback provided to the group in response.</li> <li>• Consultation with residents in respect of planning applications in line with statutory requirements.</li> <li>• Complaints and Compliments procedures available by telephone, writing or online</li> <li>• The Council’s website had 1.1m page views during 2019 with 228K unique visitors.</li> <li>• There was a greater use of various strands of social media during the year for providing information to and engagement with residents. These include eight Twitter accounts, five Facebook pages and an Instagram page. The Corporate Twitter page has 5k followers, Corporate Facebook has 3k likes and Instagram 500 followers.</li> <li>• There are approximately 11k unique subscribers to the different “Tell me more” bulletins.</li> <li>• The Economic Development Team have 1,500 subscribers to the Business “Tell me more” bulletins and nearly 800 followers on the Business Twitter account</li> <li>• Two Business Breakfast events were held during the year with over 100 business or community representatives attending.</li> <li>• A Social Media policy in respect of the use of social media for engaging with residents and other stakeholders was launched for officers in February 2020. This was subject to Internal Audit review during 2019/20.</li> <li>• During 2019/20 the Local Government Ombudsman investigated six complaints from residents. In all cases the Ombudsman supported the approach that the Council had taken, based on published policies and procedures.</li> </ul>

Core Principle	Sub-Principle
<p><b>Principle C: Defining outcomes in terms of sustainable economic, social, and environmental benefits</b></p>	<p><b>Defining outcomes</b></p> <ul style="list-style-type: none"> <li>• The Council welcomed a peer challenge by the Local Government Association during the year that considered a range of issues facing the Council and its arrangements for meeting those issues, including its vision, leadership, governance, financial planning, and capacity. Recommendations were raised to support the Council and an action plan for addressing these is in place and is being delivered against.</li> <li>• The Council Business Plan 2016-20 was in place during 2019/20.</li> <li>• A revised Business Plan 2020-2023 was approved by Council 11/2/2020, which details priorities and desired outcomes through this period.</li> <li>• A 5-year rolling MTFS is refreshed annually and approved by Full Council. The MTFS for 2020/21 to 2024/25 was approved at Extraordinary Council on 11/2/2020 which sets out the longer-term financial projections for the Council, including the likely budget gap in future years and the savings requirement that will need to be found.</li> <li>• The detailed annual budget and Council Tax setting report is approved annually by Council which sets out plans to achieve a balanced budget in-year. The budget for 2020/21 was approved at Extraordinary Council 11/2/2020 and the Council Tax precepts at Council 18/2/2020.</li> <li>• Active participation in the CP&amp;RSLP, involving public and private sector partners</li> <li>• The financial implications of the Covid-19 pandemic will be closely monitored and reported upon.</li> <li>• The Asset Development Programme was further developed during 2019/20. A report from the Investment Board to Council was approved on May 19th. This sought approval of the detailed procurement process, approval of the preferred bidder, approval of the final business case and approved delegation of the authority to carry out negotiations with the preferred bidder to the Assistant Director, Assets &amp; Commercial, subject to final Council approval.</li> <li>• A review of the Housing Options service was completed by the East of England LGA (EELGA) in 2018/19 with a positive endorsement of proposed preventative and relief work in anticipation of the Homeless Reduction Act being enacted. Several recommendations were made, and these were incorporated into the Housing and Homeless Strategy, which was revised in November 2019, with an ongoing action plan to improve the service further. This strategy has been positively reviewed by the Ministry of Housing, Communities and Local Government (MHCLG). The Work of the Housing Allocations role of the Housing Options Team was reviewed by Internal Audit during 2019/20.</li> </ul>

Core Principle	Sub-Principle
	<ul style="list-style-type: none"> <li>• The Housing Options Team have made effective use of schemes with housing associations and placements in houses of multiple occupation (HMO). This has significantly driven down use of bed &amp; breakfast as temporary accommodation and, with another HMO which came online early in 2020/21, this has provided more suitable temporary accommodation for residents in need, in a cost-effective manner.</li> <li>• The Council is in full control of the residential part of the old Kings Head site, following on from a lease signed in May 2019. The Housing Options Team manage the 11 bed HMO jointly with a management company. The movement of clients into these new premises started during the current pandemic period and has enabled those clients with priority needs being accommodated in the district.</li> <li>• The Council facilitates the processing of Well Homes Financial Assistance Grants which enables residents to adapt their properties in order to allow them to remain living in them. This function was reviewed by Internal Audit during 2019/20.</li> <li>• During the year, the Council has actively facilitated and participated the “Open Doors” project in conjunction with the “Meanwhile Foundation” in providing community-orientated services and activities at the former derelict “King’s Head” site in Rochford</li> <li>• The Council plays an active part of the Association of South Essex Local Authorities and, jointly, these authorities are working to prepare the South Essex Plan (a joint strategic plan). The aim is to plan across South Essex to bring growth and prosperity to the area through sustainable economic and housing growth.</li> <li>• Taking account of the emerging strategic policy framework for South Essex, the Council is preparing a Local Plan to articulate the emerging strategic policies and to promote specific local policies and proposals that reflect the needs of the district’s population for growth that will bring sustainable economic, social and environmental benefits.</li> <li>• As part of the Councils ‘Connect’ Project the Council is developing a continuous programme of Cultural and Transformational change across the Council, to maximise performance and service delivery by exploring new ways of working. The approach was presented to Executive on 5/2/20 and Review Committee on 3/3/20</li> <li>• A review was carried out by the Planning Advisory Service over the performance of the delivery of planning decisions by the Development Management Team. Recommendations were made to assist in improvements in this area and an action plan has been agreed with the Portfolio Holder.</li> </ul>

Core Principle	Sub-Principle
	<ul style="list-style-type: none"> <li>• A detailed, project-based procurement exercise is underway to re-tender the waste and recycling contracts with a view to awarding contracts by March 2021</li> </ul> <p><b>Sustainable economic, social, and environmental benefits</b></p> <ul style="list-style-type: none"> <li>• The Council's decision-making process requires consideration of the economic, social, and environmental impacts of policies and plans when taking decisions about service provision.</li> <li>• The MTFs identifies efficiency savings across the Council in a systematic and considered manner.</li> </ul>

Core Principle	Sub-Principle
<p><b>Principle D: Determining the interventions necessary to optimise the achievement of the intended outcomes</b></p>	<p><b>Determining interventions</b></p> <ul style="list-style-type: none"> <li>• Key reports are provided to The Executive and the Investment Board to inform the decision-making process</li> <li>• The role of the Project Management Office (PMO) was revised in 2019/20, with new project scoping and monitoring processes. The terms of reference of the PMO were also updated to provide support to project managers.</li> <li>• Public consultations, both statutory and discretionary, are used as appropriate with feedback reported in the decision-making process</li> <li>• Engagement in CP&amp;RLSP</li> </ul>
	<p><b>Planning interventions</b></p> <ul style="list-style-type: none"> <li>• A reporting process for progression of projects has been developed by the PMO.</li> <li>• An effective monthly budget monitoring process is in place to support Assistant Directors</li> <li>• Financial information and key performance indicators are reported to Members (The Executive) on a regular basis</li> <li>• Active Review Committee carrying out overview and scrutiny functions for the Council</li> <li>• Audit Committee with responsibility for risk and internal controls</li> </ul>
	<p><b>Optimising achievement of intended outcomes</b></p> <ul style="list-style-type: none"> <li>• Linkage between Council's priorities and MTFs (Principle C)</li> <li>• The Council's decision-making process requires consideration of the economic, social, and environmental impacts of policies and plans when taking decisions about service provision.</li> </ul>



Core Principle	Sub-Principle
<p><b>Principle E: Developing the entity's capacity, including the capability of its leadership and the individuals within it</b></p>	<p><b>Developing the entity's capacity</b></p> <ul style="list-style-type: none"> <li>• Ongoing work on Asset Strategy and Asset Delivery Programme to make best use of resources in an effective and efficient manner</li> <li>• Use of external contractors to deliver priority services</li> <li>• Contracted use of expertise from other local authorities e.g. Chief Audit Executive during 2019/20</li> <li>• Recruiting a full-time Head of Finance / S151 Officer during 2019/20</li> <li>• Use of specialist expertise in CP&amp;RSLP</li> <li>• Contract Procedure Rules are in the course of revision to bring them up to date and to maximise a value for money approach to procurement</li> <li>• The IT Section re-acted quickly to the Covid-19 Lockdown working from Home directive and was able to move the Council from office-based to working from home at short notice. This has proven to have been a successful transition due to the migration to Azure and cloud manage service provision and a rollout of laptops and other devices during the latter part of 2019 and early 2020.</li> </ul>
	<p><b>Developing the capability of the entity's leadership and other individuals</b></p> <ul style="list-style-type: none"> <li>• Member training programme including mandatory training for planning decisions, premises licensing and taxi appeals</li> <li>• Roles and responsibilities are detailed in the Constitution, including Codes of Conduct</li> <li>• Ad hoc training as required e.g. on implementation stages of GDPR and procurement.</li> <li>• Member and Officer induction procedures are in place</li> <li>• Those in professional roles undertake Continuous Professional Development in line with their training requirements.</li> <li>• The People Plan (Organisational Development Plan) will be updated during 2020/21 to support the roll out of the Connect transformation programme.</li> <li>• Support is in place for Officers to attend relevant training where appropriate</li> <li>• Appraisal procedures, including regular 1 to 1 meetings, were in place during 2019/20 for Officers of all levels with individual objectives linked to service plans, corporate objectives, and corporate values.</li> <li>• A series of short presentations was trialled during 2019/20 where some service areas explained their roles to small groups of staff to widen understanding of those roles.</li> </ul>

Core Principle	Sub-Principle
	<ul style="list-style-type: none"> <li>• Some services also held open days for staff and Members.</li> <li>• There are regular Intranet blogs by directors and assistant directors to keep staff updated about ongoing issues and projects</li> <li>• Approximately 50% of the staff attended Change Workshops to help them prepare for the transformation of the Council</li> <li>• During 2019/20 the Council also ran several Connect events for all staff to showcase the plans for transformation</li> <li>• There is a pro-active “Live Well” group promoting physical and mental health activities for staff as part of the “Active Essex” initiative</li> </ul>

Core Principle	Sub-Principle
<p><b>Principle F: Managing risks and performance through robust internal control and strong public financial management</b></p>	<p><b>Managing risk</b></p> <ul style="list-style-type: none"> <li>• A risk management framework is in place that is renewed annually and approved by Audit Committee. This was last approved in May 2019.</li> <li>• The Corporate Risk Register (CRR) is subject to a rolling review of risks by the Leadership Team to ensure that they are appropriate and relevant. The update of the CRR is reported to the Audit Committee half-yearly and for 2019/20 this was actioned at the May and November meetings. The review for May 2020 was deferred to July due to Covid-19 restrictions.</li> <li>• Following on from the 2018/19 strategic review of the Council’s approach to risk management, 2019/20 focussed on implementing the resulting action plan, with staff undertaking mandatory refresher training, a revision to the format of risk reports to Leadership Team and the Leadership Team implementing a regular business review meeting with risk as an agenda item. Work also began on a revision to the data capture and analysis of risk, due for formal roll out in 2020/2021.</li> <li>• A set of contract risk registers for medium to high risk contracts was established in 2019/20. All contract risks, including Low risks, have regular reviews to ensure they remain assessed at the right status. This review support the Annual Contract Monitoring Report and exceptions feed into Member and Leadership Team reports.</li> </ul>

Core Principle	Sub-Principle
	<ul style="list-style-type: none"> <li>• Project risk registers will fall under the scrutiny of the PMO as part of the support provided following a restatement of its Terms of Reference and the role of the Leadership Team in project management.</li> <li>• Service Area Risk Registers are considered generally it for purpose although several require detailed review. This aspect was reviewed in Internal Audit work in 2019/20 with half of registers completed. The remainder will be reviewed during 2020/21.</li> <li>• When the Covid-19 restrictions were introduced regular Covid team meetings were established with Leadership Team and other key officers in order to identify and assess the key risk areas, establish priorities and maintain as many of the Council's services as possible. Appropriate mitigating actions were then implemented and monitored in response. This included the identification of additional or re-deployed resources required to manage increased demand on services and/or loss of key personnel due to sickness/shielding.</li> <li>• The Council's decision-making process requires consideration of the economic, social, and environmental impacts of policies and plans when taking decisions about service provision.</li> <li>• Business resilience and continuity arrangements were identified in 2018/19 as requiring further development. Significant work was undertaken in this area to develop an approach relating to service-specific planning. Significant business continuity arrangements were implemented in Spring 2020 as a result of the Covid-19 pandemic</li> </ul>
	<p><b>Managing performance</b></p> <ul style="list-style-type: none"> <li>• A revised Performance Framework detailing roles and responsibility was approved in January 2019</li> <li>• Budget monitoring procedures and financial reporting are in place (Principle D)</li> <li>• The PMO reporting process was revised in year to strengthen the initial business case and implement a regular, detailed update to LT and Members, as appropriate to each individual project.</li> <li>• Reports to Council or Committees on key issues throughout year</li> </ul>
	<p><b>Robust internal control</b></p> <ul style="list-style-type: none"> <li>• The Review Committee carries out an overview and scrutiny function of the Council. It has the authority to Call-in decisions of the Executive and sets its own work plan. It makes an annual report on its work to Council.</li> </ul>

Core Principle	Sub-Principle
	<ul style="list-style-type: none"> <li>• The Audit Committee receives reports and provides challenge of the work of Internal &amp; External Audit, financial statements and matters relating to risk management. This committee meets on four occasions through the year.</li> <li>• There is an Annual Audit Plan prepared by the Chief Audit Executive designed to provide sufficient coverage to make a considered judgement on the system of internal control in the Annual Audit Opinion. The Plan for 2019/20 was approved by the Audit Committee in May 2019.</li> <li>• The Internal Audit function is considered compliant with the Public Sector Internal Audit Standards, and had a positive outcome, external assessment carried out in 2018. The next external assessment has to be completed no later than the 2022/23 financial year.</li> <li>• Output of key financial systems is reviewed during relevant audit engagements. Key financial systems reviewed by Internal Audit in 2019/20 were, Payroll, Sundry Debt Management, Income Receipting &amp; Banking, Council Tax and Business Rates. All were assessed as “adequate” or “good”, with the exception of Sundry Debt Management which was assessed as “limited assurance”, as detailed in Section 2 of this Statement.</li> <li>• Where audit work identifies ineffective procedures or insufficient control, recommendations are made, and these are monitored for completion within reports to the Audit Committee through the year until implemented or superseded.</li> <li>• There are effective counter-fraud measures in place within Revenues &amp; Benefits using internal referrals, the National Fraud Initiative and pan-Essex data matching exercises to identify council tax and business rate payers, and those in receipt of housing benefit with claims, discounts or exemptions they may not be entitled to.</li> <li>• The Council’s approach to counter-fraud is detailed in the Anti-fraud and Corruption Policy.</li> <li>• The Annual Governance Statement is approved by the Audit Committee before inclusion in the final version of the Council’s annual accounts.</li> </ul>
	<p><b>Managing data</b></p> <ul style="list-style-type: none"> <li>• Work has continued on compliance with the GDPR. All required privacy notices are now in place and controls over non-digital data are much improved. Procedures for dealing with data breaches and subject access requests appear effective. Data Protection and Information Management guidance documents are in place. Internal Audit reviewed GDPR procedures in 2019/20</li> </ul>

Core Principle	Sub-Principle
	<ul style="list-style-type: none"> <li>• The Council participates in the Whole of Essex Information Sharing Forum for which a formal data-sharing agreement is in place.</li> <li>• Appropriate measures are in place for accessing / sharing data with organisations such as Department for Work and Pensions and Driver and Vehicle Licensing Agency in appropriate cases. Confirmation of procedures in the latter category was subject to Internal Audit review during 2019/20.</li> <li>• Access controls to the Council's ICT Network and key financial systems were reviewed in Internal Audit work during 2019/20.</li> </ul> <p><b>Strong public financial management</b></p> <ul style="list-style-type: none"> <li>• The External Auditor reviews the Council's financial management and value for money arrangements for which an Annual report is produced. By its nature, the report relates to the prior year and the accounts for 2019/20 will be reported during 2020/21. Detailed findings for 2018/19 were reported to the Audit Committee in December 2019 The Annual Audit Letter for the year ending 31/3/2019 was presented to the Audit Committee in March 2020 by the external auditor which. <ul style="list-style-type: none"> <li>○ reports that the accounts were unqualified,</li> <li>○ confirmed that other information within the financial statements was consistent with the Annual Accounts,</li> <li>○ stated that proper arrangements to secure value for money in the use of resources were in place and</li> <li>○ stated that the Annual Governance Statement for 2018/19 was consistent with their understanding of the Council.</li> </ul> </li> <li>• An established MTFS and budget setting process is in place (Principle C)</li> <li>• Budget monitoring and reporting processes are in place (Principle C)</li> <li>• Council and Committee Reports are available on CMIS to residents and other stakeholders</li> <li>• The financial implications of the Covid-19 pandemic will be closely monitored and reported upon</li> </ul>
Core Principle	Sub-Principle
	<b>Implementing good practice in transparency</b>

Core Principle	Sub-Principle
<p><b>Principle G: Implementing good practices in transparency, reporting, and audit to deliver effective accountability</b></p>	<ul style="list-style-type: none"> <li>• The Council's decision-making process requires consideration of the economic, social, and environmental impacts of policies and plans when taking decisions about service provision.</li> <li>• Effective processes for dealing with freedom of information requests and subject access requests are in place</li> <li>• A wide range of policies and procedures are amongst items published on the Council's website.</li> <li>• The Council is generally compliant with the Transparency Code, with a dedicated page on the Website. This was updated in April 2020</li> <li>• The Contract Register and Council spending records are available on the website for public scrutiny</li> <li>• Agendas, reports and minutes for majority of Council and Committee items are available on Website. This excludes reports or exempt appendices that may be considered private &amp; confidential / commercially sensitive. (See Principle B – Openness)</li> <li>• The Council's Building Control Team is a member of the company, Local Authority Building Control (LABC). This company holds ISO 9001 accreditation for proper standards of record keeping and processing BC applications. This accreditation is valid to June 2021.</li> </ul>
	<p><b>Implementing good practices in reporting</b></p> <ul style="list-style-type: none"> <li>• There is a standard format for Council and Committee Reports (CMIS)</li> <li>• Audit reports, both Internal and External are publicly available (CMIS)</li> <li>• The Council meets timescales for statutory reporting including Annual Accounts and Annual Governance Statement. This was particularly relevant for the final accounts for 2018/19 which were due to be published in July 2019. Due to delays outside the Council's control this was not possible but a notice, compliant with the requirements, was posted on the website outlining the position by the required date.</li> </ul>
	<p><b>Assurance and effective accountability</b></p> <ul style="list-style-type: none"> <li>• The Annual Audit Plan is approved and monitored for progression by the Audit Committee</li> <li>• All audit recommendations, both Internal and External, are monitored and reported to the Audit Committee regularly until implemented or superseded</li> <li>• The Audit Committee may call upon any relevant officer to attend a meeting to clarify matters.</li> <li>• Audit Charter permits direct access to the Audit Committee by the Chief Audit Executive.</li> </ul>

#### 4. DEALING WITH LAST YEAR'S KEY IMPROVEMENT AREAS

The following table sets out the matters arising from the 2018/19 annual review of governance and how they have been addressed in 2019/20.

Governance Area	Governance Matters Identified / Actions Taken	Target Date	Lead Officer
Business Continuity / Resilience	<b>ICT Related</b> Investigatory work will be carried out on the in-house ICT infrastructure to determine areas that are at risk with a view to increasing resilience	October 2019	ICT Business Support & Relationship Manager
<b>Action in 2019/20</b>	A contractor was commissioned and has completed the discovery phase. Recommendations were made for Switch replacements but some pre work had to be carried out first. This has now been completed. Switches were due to be replaced by 31 <sup>st</sup> March configuration work is being carried out remotely but due to Covid – 19 physical replacement of the switches has been postponed. Arrangements for replacement are currently under review.		
Business Continuity / Resilience	<b>Operational Related</b> During 2018/19 Business Continuity updates were started and a full review of service area business continuity plans was requested, and this process started in December 2018	August 2019	Emergency Planning and Business Continuity Officer

<b>Action in 2019/20</b>	The review started in 2018/19 continued with a re-assessment of priority requirements and resources required. Portable, secure, Council owned ICT kit was issued to all staff during the year. Measures taken assisted in the ability to maintain a high level of service during the Covid-19 lockdown period with most staff operating away from Council premises.		
Financial Resilience	The ongoing financial resilience of the Council will continue to be closely monitored, particularly in light of the Government's planned changes to the Fair Funding and Business Rates Retention systems from 2020/21 onwards which could have a significant impact on the council's future funding position.	Ongoing	Section 151 Officer
<b>Action in 2019/20</b>	Position was monitored, noting that the planned changes to the Fair Funding and Business Rates Retention systems have now been delayed further to at least 2022/23		
Project Management	The terms for reference for the Council's Projects and Programme Management Office (PMO) were re-set in January 2018 and the performance of the PMO is due to be reviewed in 2019 to ensure continued effectiveness.	September 2019	Strategic Director
<b>Action in 2019/20</b>	The requirements of project management, particularly in light of large projects that will significantly move forward in 2020/21, resulted in a reshaping of the relationship between the Leadership Team and the Project Management Office, with revised terms of reference and		



	development of relevant project performance reporting.		
ICT Migration	The server migration process is nearing completion for those applications that can move onto RDC's Cloud. An alternative solution is being sought for those applications which it is not possible to move onto RDC's Cloud.	August 2019	ICT Business Support & Relationship Manager
<b>Action in 2019/20</b>	Migration has been completed apart from Academy Revenues and Benefits a date of the 16 <sup>th</sup> April was given as the transfer date but due to Covid 19 this has been postponed to a provisional date of 31 <sup>st</sup> July 2020.		
General Data Protection Regulations	Work will be continued to roll out training to all staff and complete the provision of service areas privacy notices	30 <sup>th</sup> September 2019	Data Protection Officer
<b>Action in 2019/20</b>	Online training was completed during 2019/20 and all required Privacy Notices were published		

## 5. GOVERNANCE AREAS TO BE DEVELOPED IN 2020/21

The review of the effectiveness of the Council's Governance Framework has identified the following actions that will need to be addressed during 2020/21

<b>Governance Area</b>	<b>Governance Matters Identified / Actions Taken</b>	<b>Target Date</b>	<b>Lead Officer</b>
Asset Development Programme	Following the Council appointing a Preferred Bidder for the Asset Delivery Programme the governance structure as set out in the FBC is	2020/21 and beyond	Assistant Director, Assets & Commercial

	<p>now being reviewed and agreed with the Preferred Bidder and will be implemented. The governance structure will ensure the key programme workstreams report into a Partnership Board with Council and Preferred Bidder representation. The structure also ensure stakeholder engagement and internal governance processes can feed into the programme as appropriate.</p>		
Connect Programme	<p>The 'Connect' Programme is a Gold Project which will report to the Executive as part of the quarterly PMO report, any interdependencies between the 'Connect' Programme and the Asset Delivery Programme will be identified as part of the PMO reporting.</p> <p>The Connect Transformation Manager will undertake operational project management reporting to the Assistant Director – Transformation and Customer who is the Senior Responsible Officer for the programme. Individual Invest to Save projects as identified as part of the 'Connect' Programme will have their own governance as appropriate to the nature of the project. The PMO report will capture programme level assurance.</p>	2020/21 and beyond	Assistant Director, Transformation & Customer

Financial Resilience	The impact of Covid 19 on the Council's financial resilience will require careful monitoring and the implementation of mitigating actions to ensure that budgetary plans are sustainable in both the short and medium term. Work has already started on this, with revised projections for 2020/21 and beyond being shared with the Leadership Team (LT) and Members. However, this will require regular review and updating as the impact becomes clearer, alongside the agreement of a clear action plan by LT and the Executive to address pressures arising in 2020/21 and the longer term budget gap.	Ongoing	Section 151 Officer
Impact of and recovery from the Coronavirus Pandemic	The impact of the COVID 19 pandemic has been felt across the entirety of the Council's service provision. No council staff were furloughed, and service provision continued to be delivered predominantly by officers working from home. A skeleton staff of approximately 12 has occupied the South Street offices with adaptations being made to reflect Government guidance. Both of the Council's sites were closed to the public. A workplace restoration project has been incepted to safely ensure return of officers, members and visitors to the council's offices. This work will tie into a review being led by the Council's Emergency Planning Officer to ensure that business continuity plans continue to be followed and updated as restoration takes place. The "new normal" that the Council will "return" to will be underpinned by the work of the Connect Programme which will be expedited to consider	2020/21 and beyond	Managing Director / Strategic Director

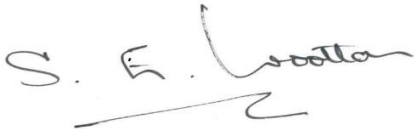
	<p>early initiatives which will bring forward digital connectivity and improved processes to align with achieving the “new normal”. This work will ultimately feed into the Council’s plans for the Asset Development Programme and ultimately how the Council will use and occupy its corporate spaces in the future.</p> <p>The formal decision-making process and standing orders within the Council’s constitution needed to be amended by use of the Managing Director’s Emergency Powers. The transition back to physical meetings will be led by legislation as the Government amends regulations and guidance around public gatherings and the constitution will need to reflect that. The constitution is being reviewed and this will need to be included.</p>		
Peer Review Action Plan	<p>The LGA Peer Review, which reported in November 2019 identified 10 recommendations for the Council to take forward. The Peer Review team indicated that a follow up visit should take place before November 2021 in order to review the Council’s progress. The Council has established an Action Plan which sets out its response to the recommendations and how it proposes to address them. The bulk of the recommendations will be picked up as part of the work being undertaken in the Council’s Asset Development and Connect programmes and some are inextricably linked to the Council’s</p>	2020/21 and beyond	Managing Director / Strategic Director

	business planning, financial resilience and MTFS. It is important, nonetheless, that the Action Plan remains a live document and is updated to reflect the Council's evolving position, so that the comments of the Peer Review team continue to be reflected.		
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3. CONCLUSION

We have been advised on the outcome of the result of the review of the effectiveness of the Governance Framework and consider that the arrangements provide adequate assurance and continue to be regarded as fit for purpose in accordance with the Governance Framework.

We are satisfied that the above steps will address the need for improvements that were identified in the review of effectiveness and will monitor their implementation and operation.



Signed:

Date: 17/11/2020.....

**Cllr. S Wootton**  
**Leader of the Council**



Signed:

Date: 13/11/2020.....

**A Hutchings**  
**Acting Managing Director**

## 6. GLOSSARY

<b>Acronym</b>	<b>Meaning</b>
AGS	Annual Governance Statement
ASELA	Association of South Essex Local Authorities
CAE	Chief Audit Executive (Head of Audit)
CFO	Chief Finance Officer
CIPFA	Chartered Institute of Public Finance Accounting
CMIS	Committee Management Information System (Online information about Members, Council & Committee meeting dates and reports)
Code (The)	Local Code of Corporate Governance
CP&RLSP	Castle Point & Rochford Local Strategic Partnership
CRR	Corporate Risk Register
EELGA	East of England Local Government Association
GDPR	General Data Protection Regulations
HMO	House of Multiple Occupation
ICO	Information Commissioner's Office.
ICT	Information and Communications Technology
LABC	Local Authority Building Control
LGA	Local Government Association
LT	Leadership Team (Directors and Assistant Directors)
MHCLG	Ministry of Housing, Communities and Local Government
MTFS	Medium Term Financial Strategy (A five-year rolling financial strategy)
PMO	Project Management Office
PSIAS	Public Sector Internal Audit Standards
S151 Officer	Officer with responsibility for Internal Control. At Rochford, this officer is also the Chief Finance Officer
SOLACE	Society of Local Authority Chief Executives
Statement (The)	Refers to the Annual Governance Statement