

Annual Governance Statement 2013/14



I Scope

The London Borough of Bexley is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. The authority 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 responsibility, the London Borough of Bexley is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, including the management of risk.

The London Borough of Bexley has approved and adopted a code of corporate governance, which is consistent with the principles of the CIPFA/SOLACE Framework Delivering Good Governance in Local Government.

A copy of the code is on our website at www.bexley.gov.uk. This statement explains how the London Borough of Bexley has complied with the code and also meets the requirements of the Accounts and Audit (England) Regulations 2011. The Council maintains a separate Governance Compliance Statement on pension fund matters. This is in compliance with the Local Government Pension Scheme Regulations 2013. The Compliance Statement is included in the Pension Fund's annual report, and at its website www.yourpension.org.uk/bexley

2 Purpose

The governance framework comprises the systems, processes, culture and values, by which the authority is directed and controlled and through its activities which it accounts to, engages with and leads its communities. It enables the authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate services and value for money.

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 London Borough of Bexley's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The governance framework has been in place at the London Borough of Bexley for the year ended 31 March 2014 and up to the date of approval of the Statement of Accounts.

3 Governance Arrangements

The key elements of the systems and processes that comprise the authority's governance arrangements include.



3.1 Identifying and communicating the authority's vision of its purpose and intended outcomes for citizens and service users

The Council's Business Process was reviewed in 2010/11. The process is focused on internal reporting requirements, supporting the Council's drive to be a lean, effective and high performing Council.

The Corporate Plan (2011-14) sets out the Council's key priorities and commitments and is refreshed each year and is published on our website. Departmental Service Plans clearly define the role of service areas in achieving corporate and service objectives.

The Bexley Status Report provides a quarterly performance monitoring report to Council Members and the public and is reported through the organisation & democratic decision making process – Management Board, Cabinet and Scrutiny Committees. It focuses on our progress in achieving the priorities and commitments. Progress against the key priorities is also reported through the Leader's Report to full Council and short quarterly articles in the Bexley Magazine, delivered to every household.

Deputy Director level reports provide quarterly performance monitoring against a 'balanced scorecard' of measures relating to each Department's contribution to the Corporate Plan and their service priorities, presented alongside indicators of their budget, savings, risk management, customer service and workforce management. These are considered at Directorate Management Team meetings and Management Board.

As the Corporate Plan reaches the end of its lifespan in 2014, a new Plan will be adopted by the new Council following local elections in May 2014. The performance framework will be revised to reflect the new Corporate Plan during the Summer of 2014.

3.2 Reviewing the authority's vision and its implications for the authority's governance arrangements

The Council's Corporate Plan and Service Plans are reviewed on an annual basis. The end of year Bexley Status Report (Quarter 4) provides an annual position statement of the Council's performance against its key priorities and commitments. A summary is included in the Bexley Magazine. The Council's Budget Strategy and Medium Term Financial Strategy are published and reviewed annually. Summary of accounts is published in Bexley Magazine annually.

3.3 Translating the vision into objectives for the authority and its partnerships

Progress against key priorities and commitments is measured by performance indicators and reported through the quarterly Bexley Status Report (see above).

Internally, customised performance management reports are reviewed for each service area to look at their overall service delivery and efficiency. These are reviewed quarterly by Directorate Management Teams and Management Board and any underlying issues are addressed.

A new performance framework was developed in 2012/13. These have been regularly updated for our Children's safeguarding service, focused on the improvements being made in the light of the Ofsted judgement in 2012. This has been developed with the Safeguarding Improvement Board and is reported monthly, both internally and publically (Cabinet & Scrutiny). Aspects of this performance framework are reported to the Local Safeguarding Children's Board and contribute to the multi-agency performance framework reported and considered by this partnership.

The 'golden thread' runs from the Corporate Plan priorities, through to Departmental Service Plans and onwards into team plans and individual objectives agreed and monitored through regular appraisals.

3.4 Measuring the quality of services for users, for ensuring they are delivered in accordance with the authority's objectives and for ensuring that they represent the best use of resources and value for money

Bexley Business Process includes quarterly monitoring of progress against key priorities and commitments. Internal performance monitoring includes consideration of 'balanced scorecards' for each department, considering budget, workforce, risk, performance and customer service standards, including complaints & FOI. Performance measures for each service aim to provide insight into the outcomes achieved by the service and the quality of the service as well as the quantity of work undertaken. The balanced scorecard approach enables the quality of service to be considered alongside the cost of that service and the efficiency savings being made.

The Authority has continued to prioritise its resources within tighter budgets and has secured economy, efficiency and effectiveness, for example by achieving cost reductions and by improving efficiency and productivity. The Authority has substantially delivered on its two main strategic plans in place:

- Strategy 2014, for transformation, and
- Bexley First, which is aimed at reducing internal costs.

With the Strategy 2014 programme completed, attention is now being given to the period beyond 2014 - 2018.

3.5 Defining and documenting the roles and responsibilities of the executive, non executive, scrutiny and officer functions, with clear delegation arrangements and protocols for effective communication

The roles of officers, the executive and regulatory committees are set out in the Constitution and Code of Corporate Governance. There is a general scheme of delegations to officers and a Scheme of Specific Delegations to Officers.

3.6 Developing, communicating and embedding codes of conduct, defining the standards of behaviour for Members and staff

The Council has defined a set of Core Values

Bexley Values



Innovation



Partnership



Listening &
Responding



Leadership



Open &
Accessible

These underpin all of the Council's work and its delivery of services. The values are an integral part of Bexley's Business Process and have been developed based on feedback from staff, Members' aspirations and best practice from within local government.

There are also High Performance Indicators for every role which specify how the values are carried through into required behaviours. Consideration of performance against these HPI's forms part of the assessment under the Council's appraisal scheme. Key messages are reinforced during staff briefings, in staff communications such as Stars and the Managers' Core Briefing.

Immediately following election to the office of Councillor, all Members are given a copy of the Bexley Members' Code of Conduct. Additional information is provided to each Member at the initial induction programme. Regular updated information and training is provided to all Members on the operation of Bexley's Code, in addition to other topics as required throughout their time in office. Members are

encouraged to liaise with the Council's Monitoring Officer and Member Services/Legal Teams on any matter that either concerns them, or they feel further advice might be necessary. Bexley's Code of Conduct for Members and procedures for dealing with any complaint of misconduct are available on the Members' Portal on the Council's website and within the Council's Members' Portal where all important information, significant to the role of Members is placed.

3.7 Reviewing the effectiveness of the authority's decision-making framework, including delegation arrangements, decision making in partnerships and robustness of data quality.

Delegation arrangements have been amended to reflect the Council's revised organisational structure. Decision-making arrangements have also been reviewed to ensure they comply with current legal requirements.

The Constitution and Code of Corporate Governance contains Financial Regulations and Contract Procedure Rules. These have been revised and updated to reflect the changing organisation and revised ways of working and were approved at the General Purposes Committee meeting held in September 2013.

The Director of Finance and Resources has undertaken a review in partnership with CIPFA (Chartered Institute of Public Finance and Accountancy) and is developing a devolved Financial Model to increase budgetary ownership, create stronger financial control and management in some areas of the Council. This includes a review of policies, training skills needs analysis, and the subsequent provision of a focussed training programme.

3.8 Reviewing the effectiveness of the framework for identifying and managing risks and demonstrating clear accountability

The Council has a Risk Management Strategy, agreed by Management Board and Members. The strategy sets out the process for managing risks. To complement the strategy a "Quick Guide" is available setting out how risks are to be identified, recorded and reviewed. Risks are regularly reviewed as part of the Corporate Planning process and Quarterly Monitoring Statements. In addition, a summary of the most significant risks is included in the monthly Resource Monitoring to Management Board. The strategy is kept under regular review. For example, it was updated in 2013 to reflect and acknowledge the emerging risks around information security.

3.9 Ensuring effective counter-fraud and anti-corruption arrangements are developed and maintained

The risk of fraud is included as a risk on the Council's corporate risk register. The Audit Committee approved the Council's Anti-Fraud and Corruption Strategy which aims to prevent, deter and detect fraud and corruption. It sets out the roles and responsibilities of the Council and its officers. Fraud awareness reminders are issued on the Council's web-site, in team briefings and the Council magazine, Stars. Financial Regulations, Contract Procedure Rules, and Codes of Conduct for Members and employees set out the framework for minimising the risk of fraud. Internal Audit are responsible within the Council for Corporate Counter Fraud. There is a dedicated specialist fraud team which deals with suspected benefit fraud. Both teams continue to review and develop the robustness of the Council's arrangements. The Council is a member of NAFN (the National Anti Fraud Network). Internal Audit works closely with bodies such as the Police, Audit Commission and the former National Fraud Authority. It has reviewed reports from the National Fraud Authority such as "Fighting Fraud Locally" and the Audit Commission "Protecting the Public Purse" to identify areas perceived as high risk nationally and in response have targeted counter fraud coverage to safeguard the Council. This will be a mix of targeted proactive work, such as fraud data matching with other authorities, intelligence and awareness raising, and systems audits where the robust management of the risk of fraud will be a key objective within the audit.

3.10 Ensuring effective management of change and transformation

The Council has robust processes in place to manage and monitor change in the organisation. An organisational readiness group has overseen the key areas of change management needed on Bexley First. High level monitoring of the change needed on new ways of working comprises measuring progress against a suite of key performance indicators with regular reporting to senior managers.

Change programmes are managed using the Bexley Project Methodology which includes a programme board and project teams with responsibility for key areas. Staff are engaged through change champions, planned communication and staff briefing. Development programmes to address potential needs are a feature of change programmes undertaken, e.g. on Bexley First.

3.11 Ensuring that the authority's financial management arrangements conform with the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2010)

The Director of Finance and Resources is a professionally qualified accountant (CIPFA) and his core responsibilities include those set out in the above statement. He is a full member of Management Board and reports directly to the Chief Executive. He is responsible for the promotion and delivery of good financial management so that public money is safeguarded and used appropriately, economically, efficiently and effectively. He ensures that the budget is robust and reserves are adequate, in line with CIPFA's guidance.

Appropriate management accounting systems, functions and controls are in place so that finances are kept under review on a regular basis. Medium term business and financial planning processes are in place to deliver strategic objectives. Timely, accurate and impartial financial advice and information is provided to assist in decision making and to ensure that the authority meets its policy and service objectives and provides effective stewardship of public money and value for money in its use.

The authority maintains a prudential framework; keeps its commitments in balance with available resources; monitors income and expenditure levels to ensure that this balance is maintained and takes corrective action when necessary.

The authority ensures compliance with CIPFA's Prudential Code Framework for Local Authority Capital Finance and CIPFA's Treasury Management Code.

The authority has put in place effective internal financial controls covering codified guidance, budgetary systems, supervision, management review and monitoring, physical safeguards, segregation of duties, accounting procedures, information systems and authorisation and approval processes.

3.12 Ensuring the authority's assurance arrangements conform with the governance requirements of the CIPFA Statement on the Role of the Head of Internal audit (2010) and, where they do not, explain why and how they deliver the same impact

The Statement sets out the five principles that define the core activities and behaviours that belong to the role of the HIA in public service organisations and the organisational arrangements needed to support them. Compliance with the Code requirements has been assessed.

The Head of Internal Audit and Risk plays a critical role in delivering the Council's strategic objectives and meets the requirements of the Code in all material respects by:

- championing best practice in governance, objectively assessing the adequacy of governance and management of existing risks, commenting on responses to emerging risks and proposed developments; and
- giving an objective and evidence based opinion on all aspects of governance, risk management and internal control.

To perform this role the Head of Internal Audit and Risk:

- is a senior manager with regular and open engagement across the organisation, particularly with the Leadership Team and with the Audit Committee;
- leads and directs an internal audit service that is resourced to be fit for purpose; and
- is a professionally qualified accountant (CIPFA) and professionally qualified internal auditor (Chartered Institute of Internal Auditors) and is suitably experienced.

3.13 Ensuring effective arrangements are in place for the discharge of the Monitoring Officer function

The following arrangements are in place to enable the Monitoring Officer to effectively discharge the statutory functions imposed by the post:

Maintaining and monitoring the Constitution.

The Monitoring Officer maintains, monitors and reviews the Council's Constitution (in conjunction with the Head of Paid Service)

Ensuring lawfulness and fairness of decision making.

Following consultation with the Head of Paid Services and the Chief Finance Officer, the Monitoring Officer will report to the full Council, or the Cabinet in relation to an executive function any proposal, decision or omission he considers has given rise to unlawfulness or maladministration. Such a report will have the effect of stopping the proposal or decision or omission being implemented until the report has been considered.

Supporting the Members' Code of Conduct.

The Monitoring Officer contributes to the promotion and maintenance of high standards of conduct within the Council. This includes the provision of direct support to the Members' Code of Conduct Committee and all other relevant Committees and Members.

Conducting investigations.

The Monitoring Officer, at his discretion, ensures the conduct of initial and formal investigations into complaints against Members. Unresolved complaints and/or particularly serious issues relating to breaches of the Members' Code of Conduct will be referred by the Monitoring Officer to the Members' Code of Conduct Committee.

Maintenance of the Register of Members' Interests.

The Monitoring Officer is responsible for establishing and maintaining a register of interests of Members and co-opted Members of the Council.

Proper officer for access to information.

The Monitoring Officer ensures that executive decisions, together with reasons for those decisions and relevant officer reports and background papers are made publicly available as soon as possible.

Providing advice as to legality.

The Monitoring Officer provides advice on the scope of powers and authority to take decisions, maladministration, financial impropriety and probity to Members and officers of the Council.

To ensure the effective undertaking of these duties, the Monitoring Officer:

- has meetings with the Chief Executive, the Director of Finance and Resources and the Head of Committee Services and Scrutiny in order to review current and likely future issues with regard to legal, constitutional or ethical implications
- maintains good liaison and working relations with the Independent Person(s) in relation to complaints against Members of the Council and the Council's auditors in relation to matters of financial propriety
- ensures that Members and officers are kept abreast of new legislation and changes in the law which are relevant to the carrying out of the Council's functions. This takes a variety of forms including reports, briefing notes and training sessions as appropriate to Members and officers.

In the London Borough of Bexley, this role is undertaken by the Head of Legal Services.

3.14 Ensuring effective arrangements are in place for the discharge of the Head of Paid service function

The Head of Paid Service has overall responsibility for the management and co-ordination of the employees appointed by the Council. The Head of Paid Service is required to report to the Council as appropriate with regard to the way in which the overall discharge by the Council of its different functions is co-ordinated, the number and grades of staff required for the discharge of these functions, the way in which these people are organised and managed and the way in which they are appointed.

In the London Borough of Bexley, this role is undertaken by the Chief Executive.

3.15 Undertaking the core functions of an Audit Committee

The Council has an Audit Committee which deals with issues relating to the Council's system of internal control, risk management and financial reporting as well as providing a forum for the discussion of issues raised by internal and external auditors. The Committee also monitors the effective implementation of risk management and anti-fraud and corruption policies. In addition, it reviews the draft Annual Governance Statement and Annual Statement of Accounts.

3.16 Ensuring compliance with relevant laws and regulations, internal policies and procedures, and that expenditure is lawful

There is an internal process to ensure that Legal Services officers contribute to reports prior to publication. Legal Services contribution to this process is designed to ensure the Council has the relevant statutory authority to proceed. In addition, Legal Services facilitate briefing sessions with Members and officers on legislative developments and the implications for the Council.

Further, the Monitoring Officer has overall responsibility for ensuring the Council acts within its statutory powers and discharges its statutory duties. Part of this process includes procuring specialist external support (e.g. Counsel/ Solicitors), where appropriate.

The Council's Internal Audit Section carry out a risk based programme of audit work which in part is aimed at ensuring compliance with Council policy, procedures rules and regulations.

3.17 Whistle-blowing and dealing with complaints from the public

The Council is committed to the highest standard of openness and accountability. Consistent with that commitment the Council encourages employees and others with serious concerns about any aspect of the Council's work to come forward and voice those concerns. The Council publicises its Whistle-blowing Policy and Anti-Fraud and Corruption strategy on its web-site, and has an online facility for reporting suspected fraud or corruption. Reports are investigated in accordance with the Strategy.

The Complaints and FOI Team provides specialist professional support across the Council in the management and handling of complaints and information requests, in line with relevant legislation and statutory requirements, and to ensure customers receive a good service. The Complaints and FOI Team provides data and management information for departmental Senior Management Team meetings to highlight the current position in respect of complaints and information requests; to help identify any emerging trends; and to help in the analysis and options for dealing with complex cases.

The improvements undertaken by the team during 2013/14 have included working with the iCasework ICT system providers to implement a number of system enhancements to make iCasework more user-friendly and geared to meeting the authority's reporting and management information requirements. Additionally, the Team has established a Complaints Improvement Plan for Children's Social Care that sets out the recommendations from the independent panels that were held in three cases at stage 3 of the statutory children's complaints procedure. These improvement actions will be monitored against the noted timescales, key stages and officer accountabilities. During 2013/14 the Complaints and FOI Team dealt with a significant increase in the number of Freedom of Information requests, with a total of 1567 FOIs received. This represents a 25% increase in FOIs received in 2013/14 by comparison with 2012/13. Consequently, the Team is looking at strategies to efficiently manage the FOI workload, including the development of its FOI Publication Scheme. This will mean that more information is routinely provided on its website, which will include an anonymised list of previous FOI requests made and the responses that were provided.

3.18 Identifying the development needs of Members and senior officers in relation to their strategic roles, supported by appropriate training

Regular training and development for Members takes place across the Council. Councillors are elected for a four-year period and they are offered initial Induction Sessions within three weeks. Newly elected Councillors meet the Chief Executive and the Board Members before spending time with representatives from each Directorate. They are provided with a strategic overview of the work undertaken by the teams in that area of the Council's responsibilities. These visits ensure that new Members have the opportunity to meet senior managers, providing an opportunity to discuss priorities, current arrangements and successes.

To support Members in understanding the workings of the Council, a range of information briefings are also arranged. These are designed to provide them with relevant information they may need in their new role. This also allows Members the opportunity to ask questions of Council officers with whom they will be working over the coming four years. The programme is aimed primarily at newly elected Members, however all elements of the programme are offered to re-elected Members if they feel it would be helpful to them. In addition, individual training sessions with the Organisational Development Team are arranged on any area of IT felt necessary or useful.

A programme of training and familiarisation for all Cabinet Members is available, dependent on the specific portfolio, by specialist officers. Cabinet Members are provided with regular meetings with officers and the Legal Team to enable them to understand the requirements of their new role, particularly with regard to their legal obligations on behalf of the Council.

Specialist training is provided to all Members of the Council on a range of subjects and issues. Some of these training sessions are delivered on a standard range of subjects, such as basic Planning and Licensing laws, while other sessions are organised in response to specific needs required, or following requests from Members.

All Members who sit on the Overview and Scrutiny Sub-Committees are offered an introduction training session on the purpose and function of Overview and Scrutiny. These sessions advise Members what Overview and Scrutiny Committees can and cannot do, the various tools available to Members of those committees and any current examples of good practice etc.

All senior officers are appraised in accordance with the Council's scheme and this includes discussion and consideration of training and development needs. This discussion includes professional and technical requirements, as well as broader development needs.

The Council provides a number of opportunities for senior staff including coaching and mentoring, membership of professional networks, seminars from those with previous experience, learning from other authorities and formal development in order to enhance their skills.

3.19 Establishing clear channels of communication with all sections of the community and stakeholders, ensuring accountability and encouraging open consultation

A range of communication methods are used -

- Information sharing – mainly through the Bexley Magazine, a 32-page A4 colour publication which is delivered quarterly to all households and businesses in the Borough, but also using the local media, the Council's website and poster campaigns. Increasing use is being made of email newsletters, including the new Bexley Magazine Extra newsletter, which is emailed to a growing number of subscribers. More use is also being made of social media, primarily the Council's @bexleycomms and @whatsoninbexley Twitter streams.
- Bexley's online Information Observatory provides a one-stop shop of facts and figures about the borough for residents, businesses, Council employees and partners.
- Consultation, which seeks stakeholders' views as part of the authority's decision-making process. The Council is committed to creating and maintaining effective working relationships with all sectors of the community and a range of consultation and engagement channels are used. Details of all consultations are published on the Council's website. In late 2013 a wide ranging consultation on the Council's budget for 2014/15 and its future budget priorities, which generated almost 1,000 responses. A residents' survey to follow-up on that carried out in 2012 is also planned.

- 2013 saw another of the annual engagement opportunities organised at the popular annual Danson Festival in July, which provided an opportunity for residents to meet their local councillor, or council officers and discuss any issues face-to-face. Unfortunately, the 2014 Festival has been cancelled due to ground conditions.
- Engagement also takes place through a range of forums, ranging from the Borough's Children's Parliament and Youth Council to the Single Equality Group and other bodies, to encourage meaningful discussions on issues of interest to specific groups.

Where possible, communication and engagement activities are carried out in co-operation with the Council's partners. To take one example, Bexley CCG buys a page of editorial in each issue of the Bexley Magazine. Partner organisations can also have access to the Council's network of large outdoor poster sites. Arrangements have been to use the email networks of local partners, including Bexley Borough Neighbourhood Watch, for important communications campaigns.

3.20 Enhancing the accountability for service delivery and effectiveness of other public service providers

Other Public sector service providers are held to account through a range of statutory and non statutory boards and through the Scrutiny process. The key statutory arrangements include the Health and Wellbeing Board, the Bexley Community Safety Partnership and the Local Safeguarding Boards. Informal arrangements include the Chief Executives' Operations Group and the Children's Partnership. Health Scrutiny and Crime and Disorder Scrutiny oversee the work of partner agencies involved in delivering health and community safety services.

3.21 Incorporating good governance arrangements in respect of partnerships and other group working as identified by the Audit Commission's report on the governance of partnerships, and reflecting these in the authority's overall governance arrangements.

The Bexley Health and Well-being Board, chaired by the Leader of the Council, is the statutory partnership which continues to work with partners across the health economy to deliver improved health and wellbeing outcomes for residents and patients. The Board encourages joint working and integration of services to deliver on a range of health and well-being priorities. An executive group and thematic groups work with commissioners and providers to deliver on the priorities of the Board as set out in the Health and Wellbeing Strategy.

The broader thematic partnership arrangements, including Bexley Community Safety Partnership and Bexley Children's Partnership are supported by the Chief Executives' Operations Group. It exists to bring together the efforts of organisations from the public, private, community and voluntary sectors thereby co-ordinating shared strategic objectives which address key local issues. It also co-ordinates the production of partnership plans and strategic documents that address agreed local needs and priorities and encourages co-operation in the implementation of these plans and related initiatives.

4 Review of effectiveness

- 4.1 The London Borough of Bexley has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of the Executive Managers within the Authority who have responsibility for the development and maintenance of the governance environment, the Head of Internal Audit and Risk's Annual Report and by comments made by the external auditors and other review agencies and inspectorates. The statement was completed following a review of the Council's local code of corporate governance against the CIPFA/SOLACE - Delivering Good Governance in Local Government Framework. The AGS is a corporate document so input has been obtained throughout the organisation. A group of officers with the appropriate knowledge and expertise and levels of seniority is in place with the following Terms of Reference:
- Consider the extent to which the authority complies with the principles and elements of good governance set out in the Framework.
 - Identify systems, processes and documentation that provide evidence of compliance.
 - Identify the individuals and committees responsible for monitoring and reviewing the systems, processes and documentation identified.
 - Identify issues that have not been addressed in the authority and consider how they should be addressed.
 - Identify the individuals who would be responsible for undertaking the actions that are required.
- The group is chaired by the Director of Finance and Resources (Section 151 Officer) and includes the Monitoring Officer & senior officer representatives from Human Resources, Internal Audit, Risk Management, Policy and Performance, Committee Services and Scrutiny, and Member Services.
- 4.2 The results of the review are considered by the Council's Management Board, reported to the Audit Committee and published with the Council's accounts. In doing this, the Council is looking to provide assurance that its governance arrangements are adequate and operating effectively in practice, or where gaps are revealed, that actions are planned to ensure effective governance in future.
- 4.3 Internal Audit is an assurance function that provides an independent and objective opinion to London Borough of Bexley on its control environment. It operates to defined standards as set out in the Public Sector Internal Audit Standards. The Accounts and Audit Regulations contain a requirement for Councils to annually review the effectiveness of their internal audit. A self assessment against the Public Sector Internal Audit Standards was reviewed by the Director of Finance and Resources and Deputy Director of Finance who remain satisfied that the system of Internal Audit is effective. The Section generally conforms to the Public Sector Internal Audit Standards.
- 4.4 The Council published a local account demonstrating achievements and priorities of Adult Social Services. A peer Review has also been held for Adult Safeguarding, in May 2013, resulting in an action plan for continued improvement. A review was undertaken a year later to check progress.
- 4.5 In March 2014, Ofsted inspected Bexley's Children's Safeguarding and Looked After Children Services. Ofsted published its report into the inspection of Bexley's Safeguarding and Looked After Children Services on 23 May 2014. Safeguarding was judged to 'require improvement'. Although this is an improvement on the previous Ofsted rating, the Council is still subject to the notice to improve from the Department for Education and the Safeguarding Improvement Board continues to meet, chaired by Dame Moira Gibb.
- 4.6 In 2013, the Council was subject to an external voluntary audit undertaken by the Information Commissioners Office (ICO). This was a detailed review and concluded that the arrangements for data protection compliance with regard to governance and controls provide reasonable assurance that processes and procedures are in place and are being adhered to. Recommendations were made to enhance existing processes and the follow up report from the ICO in November concluded that the Council had made good progress.

4.7 The Council's External Auditor Grant Thornton reported in relation to the 2012/13 Accounts:

- issued unqualified opinions on the accounts which give a true and fair view of the Council's and Pension Fund's financial positions as at 31 March 2013 and the income and expenditure for the year;
- issued a qualified "except for" conclusion in respect of the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources as a result of the August 2012 Ofsted inspection report on the Council's Safeguarding Children Services, which were assessed as inadequate at the time;
- submitted the council's Whole of Government Accounts submission;
- at the date of their letter the National Non Domestic Rates return had been certified with amendment.

4.8 Grant Thornton's work supporting their Value for Money (VfM) conclusion, as part of the statutory external audit, included a review to determine if the Council has proper arrangements in place for securing financial resilience. In so doing they considered whether the Council has robust financial systems and processes in place to manage its financial risks and opportunities, and to secure a stable financial position that enables it to continue to operate for the foreseeable future.

They reviewed the financial resilience of the Council by looking at:

- Key indicators of financial performance;
- Its approach to strategic financial planning;
- Its approach to financial governance; and
- Its approach to financial control.

The Council received green ratings in all categories meaning that arrangements meet or exceed adequate standards.

5 Conclusion on the Results of the Review of Effectiveness

We, the Chief Executive and Leader of the Council 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. The areas already addressed and those to be specifically addressed with new action plans are outlined below in Section 5.

	Issue	Action
5.1	<p>Key Improvement Themes arising from the March 2014 Ofsted Inspection of Children's Services.</p> <ul style="list-style-type: none"> • Recruitment and retention /reduce reliance on agency staff / Reduce turnover to achieve stability of workforce. • Embed routine Quality Assurance and Performance Management. • Improved data quality and provision of accurate live management information to drive improvement. • Embedding consistent good practice. • Maintain the current sense of urgency and pace to deliver improvement. • Evidence of improved outcomes/impact for children. • LSCB to deliver its statutory function bringing rigour and challenge to the improvement journey for all children's partner agencies. • Need to clarify the relationship and accountabilities between LSCB and SIB to set the foundation for transition from the SIB to the LSCB lead. • Implementing Devolved Financial Management. • Providing budget assurance, including implementation of the Thriving Families Model / Step down of clients and staffing resource shift. 	<p>Children's social care has undertaken a transformation of the service since the Safeguarding and LAC inspection in July 2012. An LGO Peer Review in January 2014, DfE 12 month review in February 2014 and the Ofsted Single Inspection in March 2014, all noted that improvements have been made but that further, ongoing work was required to embed consistent good practice and achieve the impact required for vulnerable children in Bexley.</p> <p>There is therefore a need to sustain the recent pace of improvement to not only address the Ofsted inspection findings but also to consolidate the improvement and build on this to achieve a "good" grading in future inspections. It is only at this point that we can be sure all Bexley children receive a consistently good service.</p> <p>There remains too much variability and inconsistency in social work practice and management oversight. A key aim is to reduce this inconsistency.</p> <p>Nine key priorities have been identified to ensure continued improvement in children's social care service. These are:-</p> <ul style="list-style-type: none"> • Universal and early help is available to reduce escalation of needs and risks to a point where social care services are not needed. • Vulnerable children consistently have risk recognised and reduced; Children are seen and safe. • Assessments are consistently of a high quality in recognising risk based on analysis of history and current events. Assessments inform SMART plans that support purposeful timely work which delivers measurable impact for the child. • All Services focus on achieving permanence so that children are secure in knowing where they will grow up. • Children and families voices are heard and inform practice and service development. • Social Workers have manageable caseloads to support good practice. • SWs receive good quality supervision that drives good practice and decision making for vulnerable children. • The service has an operating environment that encourages retention of good staff. • Service development and priorities and deployment of resources are informed by analysis of community needs and trends. <p>There is a more comprehensive, detailed operational plan underpinning the 9 priorities and these priorities are linked to the multi-agency Continuous Improvement Plan. The Council and partners regularly monitor the action plans to ensure progress is being made.</p>

5.2	<p>The Council's overall financial position has been influenced by spending pressures originating from Children's Safeguarding. A need has been identified to establish sustainable and embedded monitoring systems and to strengthen compliance with Financial Regulations and Contract Procedure Rules in this area.</p>	<p>The Director of Finance and Resources has established a group to monitor key spending areas and provide constructive challenge. Particular areas of focus will include staffing budgets, engagement of agency staff and looked after agency placement budgets. The Service Management has provided assurances to the Chief Executive that action will be taken to strengthen internal controls.</p>
5.3	<p>The new system of Education Support Grants introduced by the Government for 2013/14 means that financial support to local education authorities is reduced further each time a Council controlled school opts for Academy status. Matching savings in what are often largely fixed costs is difficult to achieve.</p>	<p>This is a further issue to be taken into account in the Council's Financial Planning. We will also continue to review our cost base. We will also continue to review our cost base.</p>
5.4	<p>The Council has long recognised the increasing financial pressures arising from its ageing population. A recent review has identified that the number of over 65's will increase by around 5% by 2016/17 with higher increases in the upper age bracket. In addition, there has been a growth in the number of people with learning difficulties and their longevity, and the number of students with special educational needs entering further education is also increasing with greater financial responsibility falling to the Council.</p>	<p>The Council's latest Medium Term Financial Strategy reflects the latest projected demographic trends which are based on data produced by Government statistical information systems. The Council continues to actively seek ways of mitigating the potential financial impact. Managing future demand is a key challenge for the Council.</p>
5.5	<p>There were a number of welfare reform changes introduced in 2013, including the Housing Benefit Size Criteria for underoccupying social rented sector tenants, the overall cap to Benefit payments, introduction of a new Local Welfare Assistance scheme, and implementation of the Council Tax Reduction scheme. These changes impacted on many Bexley residents and proved challenging for the Benefits Service to introduce. There is some evidence to suggest that the initial marked increase in contacts arising from these changes is starting to slow, although a number of challenges continue to exist, with some residents reporting the impact of a number of welfare changes simultaneously. The requirement that working age claimants meet the first 10% of their Council Tax payments is likely to result in enhanced customer contacts throughout 2014. The government's decision to end dedicated funding to local authorities for Local Welfare schemes from April 2015 means that these services are likely to come under further pressure over the next few years.</p>	<p>A corporate welfare reform group was established to oversee, co-ordinate, and report on the Council's actions in relation to welfare reform. This has since been replaced by a welfare advice providers' forum and network which will be run jointly by the Voluntary Service Council and Bexley. The forum aims to find ways that organisations providing advice services can work together to try and achieve the best possible outcomes for those Bexley residents who are affected by the welfare reforms. The forum seeks to link support around issues such as debt, housing, health and employment and build on the work previously done through the welfare reform group. There has been effective and close co-ordinated working between the various departments involved in supporting those affected by welfare reforms.</p>

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

Signed:

Chief Executive

Date

Signed:

Leader of the Council

Date

