

**London Borough of Bexley**  
**Annual Governance Statement**  
**2014/15**

# **ANNUAL GOVERNANCE STATEMENT 2014/15**

## **1 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](http://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 on its website at [www.yourpension.org.uk/bexley](http://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 2015 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 (2014-18) 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 6 monthly 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 our priorities and commitments. Progress against the key priorities is also reported through the Leader's Report to full Council and short 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 further savings are required to balance our budget, the Corporate Plan and the corporate performance framework will be reviewed.

### **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.

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 6 monthly 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 continues to prioritise its resources within increasing budget pressures. In 2015/16 the organisation introduced an outcomes based budgeting approach. Designed to prioritise the activities the Council will deliver and strengthen the link between those priorities and the resources available. This approach is also designed to increase 'one council' working and to ensure that the synergies across all the services are maximised for the residents and businesses. Strategy 2018 is the programme that covers opportunities to increase efficiency and effectiveness alongside more wide reaching transformation of service delivery.

### **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 –  
Innovation, Listening & responding, Open and accessible, Leadership and Partnership.

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 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 has undertaken a review in partnership with CIPFA (Chartered Institute of Public Finance and Accountancy) and work is underway to devolve more financial management responsibilities to individual service areas, with an initial focus on Children's Services. This aim is to increase budgetary ownership and create stronger financial control and management across all areas of the Council. A new financial manual has been created and is due to be launched in the summer. This sits alongside the Financial Regulations and Contract Procedure Rules and provides budget holders with a simple summary of the key financial procedure that they need to understand and will encounter in the day to day management of their budget. In addition, recognising that devolution of these responsibilities requires budget holders to have a set of basic financial management skills; a training programme is currently underway. This includes a short diagnostic test for all staff for which the results are used to develop a bespoke training plan for each budget holder delivered through a series of webinars and action learning sets.

The roll out of the training programme has started with budget holders in Children's Services but over time will be implemented across all service areas.

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.

### **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. 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 revised in 2013 to reflect and acknowledge the emerging risks around

information security and will be further updated in 2015 to reflect the new performance framework.

### **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. The Council is a member of NAFN (the National Anti-Fraud Network). Internal Audit is responsible within the Council for Corporate Counter Fraud. Until 1 February 2015 there was a dedicated specialist fraud team that dealt with suspected benefit fraud. A Single Fraud Investigation Service (SFIS) was established in 2014/15, under the leadership of the Department for Works and Pensions (DWP), to tackle all Social Security Benefit fraud. The creation of SFIS is designed to meet the Government's strategy of delivering an integrated single organisation, promoting a clear understanding of the purpose, direction, roles and responsibilities in relation to social security fraud, bringing together investigators from local authorities, the DWP and Her Majesty's Revenue and Customs.

Bexley transferred its Benefits Fraud investigation staff and function to the SFIS from 1 February 2015. This means there is no longer a local authority resource for Housing Benefit anti-fraud work, with the exception of a Single Point of Contact (SPOC) remaining to deal with ongoing requests for data and information from SFIS. This is required because SFIS will not have access to Housing Benefit records, details of which will still be required for any fraud investigation involving Housing Benefit fraud. The Council will also be required to sign off on any sanctions arising from SFIS investigation of social security fraud which involve Housing Benefit. SFIS will not undertake fraud work related to claims for Council Tax Reduction, as this is a purely local authority administered discount.

Internal Audit bid successfully for Counter Fraud Funding from the DCLG in partnership with the London Borough of Croydon. The purpose of the Counter Fraud Fund is to support local authorities during the implementation of the Single Fraud Investigation Service as outlined above, and increase the capacity and capability of local government to tackle losses from non-benefit fraud. The fund will help individual local authorities establish an investigative capacity over the next 2 years.

Successful bids needed to demonstrate an innovative approach to tackling fraud encompassing detection, prevention and deterrence from genuine additional activities to achieve financial savings through counter fraud activities. Bids were judged against potential financial savings and benefits on offer, as well as additional criteria such as partnership working, sustainability, feasibility and innovation. The bid allows for accredited training, corporate training resources and a number of pro-active exercises targeted at areas assessed as at higher risk of fraud. Two members of the team have qualified as Accredited Counter Fraud Specialists. An exercise is being undertaken in conjunction with Legal colleagues to update corporate policies and strategies to reflect the new Counter Fraud landscape. The title of the Internal Audit and Risk Section will change to Internal Audit, Counter Fraud and Risk to reflect the new arrangements.

### **3.10 Ensuring effective management of change and transformation**

The Council has in place processes to manage and deliver change effectively. Strategy 2018 is the Council wide transformation programme and is led by the Director of Finance. A new role of Transformation Manager has been created to co-ordinate the transformation work streams including delivery of business cases; financial reporting and engagement with the public, Members, partners and staff. Progress is reported to the Director of Finance who provides a weekly update to Management Board and the Leader of the Council. Business cases are managed using Bexley Project Management methodology with business case managers.

### **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 was a professionally qualified accountant (CIPFA) and his core responsibilities included those set out in the above statement. He retired at the end of September 2014. The new Director of Finance took up duties on 1 October 2014. She is also a professionally qualified accountant (CIPFA) and her core responsibilities include those set out in the above Statement. The change in job title and additional responsibilities emphasises the key role in the newly designated Director of Finance in guiding the Council through the formulation and implementation of its financial plans. She is a full member of Management Board and reports directly to the Chief Executive. She is responsible for the promotion and delivery of good financial management so that public money is safeguarded and used appropriately, economically, efficiently and effectively. She 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. He has recently qualified as an Accredited Counter Fraud Specialist. His title will change to Head of Internal Audit, Counter Fraud and Risk to reflect new arrangements as outlined in paragraph 3.9.

### **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 the Paid Service and the Head of Committee Services and Scrutiny)

**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 and the Head of Committee Services and Scrutiny ensure 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 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 and Risk Section carried out a risk based programme of audit work which in part was 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 the relevant legislation and statutory guidance, to ensure that residents receive a responsive and efficient service. A key objective for the Complaints and FOI Team is to maintain accessible systems that will identify problems and issues in a timely way, enabling interventions to be quickly made to contain problems as well as to remedy the underlying issues. Further work has been undertaken in respect of learning from complaints and the Complaints and FOI Team has set up routine monthly reporting of the improvements to be made following the identification and logging of improvement actions. These improvement actions are monitored against set timescales and quality standards, and routinely checked for completion.

During 2014/15 the Complaints and FOI Team dealt with 1,538 FOI requests, which is not significantly down on the 1,611 requests received the previous year (2013/14).

Therefore, the substantial increase that occurred from 2012/13 to 2013/14, from 1,242 to 1,611 cases (a 29.7% increase) has largely been maintained. All the indications are that the high rate of FOI requests is continuing and there continues to be lobbying by the public and interest groups for the FOI requirements to be made more rigorous as well as to be extended to other organisations. Consequently, the Complaints and FOI Team has looked at strategies to ensure the Council can manage the FOI workload as efficiently as possible, including the development of its FOI Disclosure Log. 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**

The Council is using an increasing range of communications channels, as a result of the decline of traditional media and the growth of online channels.

As in the past, the Council continues to provide information to the local media and gives priority to responding promptly to their enquiries. Our public notices are published monthly in the most widely read local paper, the News Shopper.

With the contraction of the local media, the Council's residents' magazine is becoming increasingly important as a means of ensuring that as many local people as possible receive news and information about the Council's work. The magazine is published quarterly and the Council aims to distribute it to every home in the borough.

The Council also has 60 large poster sites and a number of prominent sites for banners around the borough for use in communications campaigns.

Growing use is made of social media, including Twitter, Facebook and Streetlife, on each of which the number of people who follow the Council is increasingly steadily. Email and email newsletters are also used to communicate significant news between printed issues of the Bexley Magazine and for particular target audiences, such as local businesses.

The Council's online presence plays a crucial role in communications. The front page of our [www.bexley.gov.uk](http://www.bexley.gov.uk) website showcases important news and information and the site is used to provide supporting information and access to online service channels.

Since the Council completed its move into new offices in May 2014, key Council meetings have been webcast, providing the opportunity for more people to watch Council business being discussed and decisions made. The website and social media are used regularly to encourage people to use the service.

Partnership working plays an important part in communications planning and delivery, particularly with the Council's partners in community safety, health, housing and the voluntary sector. The aim is to increase both the reach and cost effectiveness of communications on issues that support the Council's strategic objectives.

A number of consultations were carried out during 2014/15, including high profile consultations on the Council's budget priorities and a range of savings proposals. These generated considerable public interest and debate and fed into the Council's annual budget-making process.

Engagement continues through a range of mechanisms, including the Children's Parliament, Youth Council, Single Equality Forum and Voluntary Sector Forum.

### **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 where key leaders from across the health and care system work together to improve the health of the Bexley population and reduce health inequalities. Members of the Board collaborate to understand the community's needs, agree priorities and encourage commissioners to work collaboratively and join up services. An executive group works with commissioners and providers to deliver on the priorities of the Board as set out in the Health and Wellbeing Strategy. Project groups are established by the Executive Group on a task and finish basis in order to develop multiagency delivery plans.

The broader thematic partnership arrangements, including Bexley Community Safety Partnership and Children's Partnership, service improvement boards, and the Chief Executive Operational Group 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. They also co-ordinate 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 carries out the following:

- Considers the extent to which the authority complies with the principles and elements of good governance set out in the Framework.
- Identifies systems, processes and documentation that provide evidence of compliance.
- Identifies the individuals and committees responsible for monitoring and reviewing the systems, processes and documentation identified.
- Identifies issues that have not been addressed in the authority and consider how they should be addressed.
- Identifies the individuals who would be responsible for undertaking the actions that are required.

The group is chaired by the Director of Finance 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 Bexley Council 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 who remain satisfied that the system of Internal Audit is effective. The Director has recognised that the Section is relatively small and with the Head of Services, is exploring ways of working with Partner authorities to increase resilience for the future. The Section generally conforms to the Public Sector Internal Audit Standards.
- 4.4** Following a peer Review for Adult Safeguarding, in May 2013, Adult Social Care have continued to work within the Sector Led Improvement (SLI) framework developed by the Local Government Association. The Local Account (which is part of this process) highlighting achievements and priorities for adult social care was revised and updated in 2014/15. Bexley participated in a national pilot for "Making Safeguarding Personal" and this has helped ensure that the Council was well placed to meet new Care Act duties under safeguarding. The Bexley Adult Safeguarding Board published its annual report, highlighting progress made and challenges faced in Bexley both for the Council and partners.
- 4.5** In March 2014, Ofsted inspected Bexley's Children's Safeguarding and Looked After Children Services. Ofsted published its report into the inspection on 23 May 2014. Safeguarding was judged to 'require improvement'. The Council welcomed the lifting of an Improvement Notice issued to the Council in September 2014 by the Department for Education on the performance and delivery of its children's services.

Edward Timpson MP, Parliamentary Under Secretary of State for Children and Families informed the Council of his decision on 25 March 2015. In his letter, the Under Secretary wrote:-

"It is clear, both from the Ofsted inspection carried out under the Single Inspection Framework and from a range of wider evidence – including peer reviews and officials' own experience – that the Council has made considerable progress in improving its children's social care services since Ofsted's last inspection of safeguarding services in May 2014. The LGA peer review has provided evidence that the Local Safeguarding Children Board has come through a period of significant improvement and change and is now equipped to take up its safeguarding role in Bexley."

The Council will continue to focus on improvements that will keep the Borough's children safe and to ensure that children and families have access to the good services they have a right to expect. Officers are working hard across the Council to build on the

good progress made. The Council's plan for further improving its children's services covers school effectiveness, special educational needs, inclusion, its workforce, professional practice, efficiency and innovation, prevention and early help, together with needs-led commissioning.

- 4.6** Grant Thornton issued unqualified opinions on the Council's 2013/14 financial statements on 26 September 2014, meeting the deadline set by the Department for Communities and Local Government. Their opinion confirms that the financial statements give a true and fair view of the Council's financial position and of the income and expenditure recorded by the Council.
- 4.7** Grant Thornton issued an unqualified VfM conclusion for 2013/14 on 26 September 2014. Overall, their work highlighted the validity of the proven Strategy 2014 approach. The Council has demonstrated that its planning can cope with changing circumstances. However, there is a need to move to a more transformational approach and the Council will need to change accordingly. Overall, governance and control are sound, but a variety of issues associated with Children's Social Care, including weaknesses in financial control, were identified.

On the basis of their work, and having regard to the guidance on the specified criteria published by the Audit Commission, they were satisfied that in all significant respects the Council put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ending 31 March 2014.

## **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.

## 5 Significant Governance Issues

	Issue	Action
5.1	<p>The funding gap for 2015 – 2018 creates a significant challenge for the Council as this comes on top of savings secured since 2010. The budget for 2015/16 was set and a reduction achieved through service adjustments and efficiency savings of around 3%. These proposals were agreed at full Council in March 2015. Where there is impact on residents the proposals have been subject to external consultation and assessed with regard to any impact on equalities.</p> <p>Proposals for further savings were submitted to the Cabinet on 21 July 2015 and are now part of a consultation process. The new Government's Comprehensive Spending Review has now been set for 25 November and this could result in changes to the Council's financial position. Whilst the Council has a good history of dealing with financial challenges the scale of the future funding gap means that Members, Senior Managers and Partners will have difficult decision to make in a situation where choices may be limited.</p>	<p>Through a process of outcome base budgeting the council has identified a range of outcomes that it sees as priorities for the next few years and beyond. Resources are currently being aligned to those outcomes to create a plan for how it will invest tax payers' money to benefit the residents and businesses of Bexley. This process also takes account of the need to reduce spending to enable the Council to focus the remaining resources to the best effect. These proposals will consist of a number of business cases for disinvesting from some current activities plus a range of transformational projects designed to either maximise opportunities for growth, increase income or reduce demand. Decisions relating to the final Strategy 2018 programme will be taken through the normal democratic process following public consultation.</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>A corporate group is in place to monitor key spending areas and provide constructive challenge. Particular areas of focus include staffing budgets, engagement of agency staff and looked after agency placement budgets. Significant increases were made to the budgets for children's safeguarding from 2015/16 to right-size those budgets against projected need for spending.</p> <p>As part of the preparation of the 2015/16 budget the assumptions in the Medium Term Financial Strategy relating to Children's Services were reviewed to ensure a realistic level of budget provision and to recognise future demographic pressures on the service.</p>



		This area is likely to continue to be volatile and will be regularly reviewed as a high risk area within the Resource Monitoring process.
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5.3	<p>Given the profound changes to adult social care resulting from the Care Act 2014, this inevitably means that there are risks to the Council both in terms of unanticipated financial pressures and possible challenges to the Council.</p>	<p>In mitigation officers have ensured that a robust change programme has been put in place and both Management Board and Cabinet have been kept abreast of developments. In addition, officers have taken a full role in preparatory work undertaken across London with DH, LGA and ADASS. The Council has identified resources for new pressures and requirements as part of the medium term financial planning process.</p>
5.4	<p>The Council is developing a Growth strategy which will shape the Borough over the next two decades with the potential for over 22k new homes and 10k-15k new jobs. Through the Housing Zone and other initiatives we aim to ensure that our borough grows sustainably by planning and securing funding for the right infrastructure, housing quality and tenure mix, jobs and skills to support a growing population. Without this approach, we expect to have far greater challenges to face in meeting the pressures of accelerating demographic change</p>	<p>The Growth Strategy is being developed in full consultation with the community (residents, businesses and other partners) to ensure broad understanding and ownership. We have already published an emerging vision document and, more recently, a Direction of Travel document, signed jointly with the Mayor of London. Significant technical work is underway in partnership with the GLA and TFL that they are part funding. The Council co-chairs a Growth Strategic Board with the Deputy Mayor of London for Planning, that is also attended by other senior politicians and officials. Additionally, work is ongoing to ensure local politicians are appraised of work underway via facilitated workshops.</p>
5.5	<p>Following the Supreme Court Judgement in March 2014 the Council has seen more than a ten-fold increase in requests for Deprivation of Liberty Safeguards (DoLS) assessments. The consequence of this has been increased need for appropriately qualified staff who are authorised to undertake this work. This additional burden has resulted in a backlog of assessments that de facto means some people are being illegally detained in Care Homes or Hospitals – with consequent risk of legal challenge to the Council. This situation reflects similar pressures around the country.</p>	<p>Mitigation has been put in place by increasing resources available to undertake assessments and regular reporting of the situation to both Management Board and Cabinet. Although a backlog continues to be in place, this is incrementally reducing and we are confident that we now have the resources in place to deal with anticipated demand going forward.</p>

<p><b>5.6</b></p>	<p>A number of welfare reforms were introduced in 2013, including the Housing Benefit Size Criteria for under-occupying social rented sector tenants, the overall cap to Benefit payments of £26,000 per annum, 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 Council Tax and Benefit Services to introduce. The impact of the changes is now starting to slow.</p> <p>A number of challenges continue to exist, however, in particular the requirement that working age claimants meet the first 15% of their Council Tax payments before becoming entitled to support. The government's decision to end dedicated funding to local authorities for Local Welfare schemes from April 2015 means residents can no longer receive financial assistance for emergency needs or re-settlement awards.</p> <p>Further government welfare reforms have been proposed, including the lowering of the Benefit Cap to £23,000 per annum and the end of Housing Benefit entitlement for those aged 18 to 21. The impact of these changes for Bexley households and Council services should become clearer after the budget in July.</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 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 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 supplying those affected by welfare reforms.</p>
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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:.....