

Annual Governance Statement 2015/16

Executive Summary

The AGS provides an account of the processes systems and records which demonstrate assurance for the effectiveness of the framework of governance of the County Council's discharge of its responsibilities. This principally covers the period April 2015 to March 2016, as well as covering the period to September 2016, when the accounts are signed.

There are six principles previously adopted by the Regulation Audit and Accounts Committee and the Statement uses those principles as reference points for the assurance to be given about the effectiveness of the Council's governance arrangements. For each principle a table is given to set out what arrangements give the necessary assurance.

Work underway or planned to address any governance issues is set out in an action plan attached. This work is also shown by * in the tables below.

1. Scope of Responsibility

The County Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards and that public money is safeguarded, properly accounted for, and used economically and efficiently.

The County Council is also responsible for putting in place proper arrangements for the governance of its affairs (including as pension fund administrator), the effective exercise of its functions and the management of risk. The County Council has adopted a code of Corporate Governance, consistent with the principles of the CIPFA/SOLACE Framework: Delivering Good Governance in Local Government. CIPFA and SOLACE reviewed the Framework in 2015 to ensure it remains 'fit for purpose' and published a revised edition in April 2016.

This statement explains how the County Council has complied with the Governance Framework and also meets the requirements of the Accounts and Audit Regulations 2011 in relation to the publication of a statement on internal control.

2. The purpose of the Governance Framework

The governance framework comprises the procedures, systems and processes by which the authority is controlled. The quality of governance arrangements underpins the levels of trust in public services and is therefore fundamental to the council's statutory and democratic obligations. A framework of good governance allows the authority to be clear about how it discharges its responsibilities and to account for it to officers and members and to partners, stakeholders and residents. The Annual Governance Statement provides an opportunity for the County Council to consider the robustness of the governance arrangements in place.

3. The Governance Framework

There are six principles of Corporate Governance adopted by the Committee from the CIPFA/SOLACE framework and set out below. Assurance is provided in the tables below as to how those principles are met and how this is demonstrated by the County Council's arrangements. Further work to be done is also highlighted.

1 - Identifying and communicating the County Council's vision and purpose Assured ✓

The County Council's vision is clearly articulated in the Future West Sussex Plan. Progress in achieving the vision is communicated through the Performance Dashboard and Total Performance Monitor.

Key: CR&S = Corporate Resources and Services				
Source of assurance	Where found	Who is responsible	Role	last reviewed/ action planned*
Performance Framework Future West Sussex Plan	Council agenda (February)	Cabinet & Executive Director CR&S	Describes the measure and targets for key corporate service aims	Revised in late 2014. The new framework was approved by Council in February 2016.
Total Performance Monitor	Monthly decision (published)	Executive Director CR&S	Lists all financial changes and tracks measures from the PF. Includes strategic risk register	Reviewed by member group in September 2014, officer review ongoing in 2015/16.*
Management Briefings, road shows and Portal	CMG calendar. Updates (weekly email). Intranet	Chief Executive & Management Team	Communication to staff	A review of Internal communications is underway by the Director of LA&S.*
Connections, public consultation, website, community liaison forums	Web site & Press releases	Head of Communications	Communication to public	New website launched in April 2015. New Consultation Hub launched October 2015.
Partnership meetings, briefings and liaison	Some within Constitution. Records are held by relevant directorate	Relevant Director	Communication to partners	Continuous review and proposal to track external engagement plans better.

The Future West Sussex Plan outlines the main service priorities for the County Council and how they are to be assessed in terms of delivery and outcomes and it was confirmed by Council in February 2016. The Plan has been developed by the Cabinet with the engagement of elected members and staff at all levels. The public **Performance Dashboard** provides details on progress on the key indicators of the Plan. This is underpinned by the business assurance framework, which together with the corporate performance dashboard provide a good level of assurance that the Council's priorities are implemented in practice and that high quality services are being delivered efficiently and effectively.

The **Total Performance Monitor** provides a monthly overview of performance against the agreed priorities and tracks risk management as well as financial projections. A member task and finish group reviewed it in 2014 with a view to achieve this in a more succinct form to ensure its transparency and general accessibility. This has been achieved and the monthly monitor is published as a formal decision report. It records how the six key elements of corporate performance (revenue, capital, savings, workforce, delivery and risk) are monitored and reviewed on a monthly basis by both the Corporate Leadership Team and the Cabinet. This is also subject to scrutiny through the Performance and Finance Select Committee and other Select Committees. This provides clear assurance that resources, including HR and financial resources, are actively monitored and managed effectively throughout the year.

The vision and purpose are reinforced to all staff through **Corporate Management Group briefings** about the delivery of the Future West Sussex Plan and the cascade of key messages through team meetings. All managers are asked to relay messages to their staff groups. Intranet and other internal communications are used and briefings are provided through a management intranet portal and by the Leadership Team holding question and answer sessions open to all staff.

Communication to the public is via the council's web site and public meetings. A new website was launched in April 2015 as part of the **Customer Experience Programme** and a drive for 'digital by default' will be the subject of a review.

Regular meetings with **partners** are held at various levels and between Members and officers either with single organisations, the whole sector or multi-agency. For example, with district councils, senior officers will meet with the Chief Executives. County Joint Leaders' meetings are held. This is aside from the frequent contact that individuals may have across the organisation on specific activities and projects with partners on operational, commissioning and service planning.

Other information is available (on the County Council's website) and sent out regularly – for example, the **Members' Information Service (MIS)** bulletin which give details formal decisions and meetings (such as Select Committees). Ways of improving communication continue to be identified: for example, with town & parish councils, the County Council produces regular monthly newsletters.

2 - Member and Officer – purpose, roles and responsibilities.

Assured ✓

Members and officers have a clear sense of their purpose, roles and responsibilities in line with the vision set out in the Performance Framework.

Key: CR&S = Corporate Resources and Services
 LA&S = Law, Assurance and Strategy
 WOD&DS = Workforce, Organisational Development and Delivery Support

Source of assurance	Where found	Who is responsible	Role	last reviewed
Scheme of delegation	Constitution	Governance Committee Director LA&S	Formal allocation of key roles and functions	Reviewed and updated in February 2016 due to the reintroduction of a Chief Executive post.
Scheme of Delegation	Constitution	Governance Committee Director LA&S	Statutory Officer and senior officer roles	Reviewed and updated in February 2016 due to the reintroduction of a Chief Executive post.
Onward scheme of delegation	Each Executive Director holds and all named delegates hold a copy of their delegations	Overall - Director LA&S Each Executive Director or senior officer named in the scheme.	To ensure that officer roles are clearly defined and up to date, and that delegation of functions to more junior officers has an audit trail to the scheme.	Due for further review in light of change noted above and to re-allocation of some roles to CLT members
Member Training programmes	Held by Director LA&S Member calendar and database	Governance Committee & Director LA&S	Plan and record all member training.	Continually by Member Development Group (sub-group of Governance). The operation of the MDG itself was last reviewed by the Governance Committee in March 2015 to improve its strategic focus.
Member Allowances Scheme	Constitution	County Council and Executive Director CR&S	To set out what allowances and expenses can be paid to members and the rules in place to govern this. This links to the pay and reward strategy.	A review by Independent Remuneration Panel commenced in November 2015 and is expected to make recommendations to the Governance Committee in summer 2016.
Member database – The Mine	Intranet	Director LA&S	Single source of information to support members.	The 'Mine' (launched in November 2014) provides members with a much improved database of useful information.
Corporate Parenting Panel	Constitution & reports	Full Council, Panel members and Executive Director CWE	To oversee the members' responsibilities for children looked after	Reported to full Council December 2015
Adult Safeguarding Panel	Constitution & its reports	Full Council, Panel members and Executive Director CWE	To oversee the members' responsibilities for vulnerable adults	Reported to full Council July 2015. Its role is subject to current review.
HR policies	Intranet	Director WOD&DS	Describe all conditions and procedures affecting officer roles, new induction programme for all staff now covers this.	Continually through HR arrangements and work plans.
Staff role profiles	Intranet	Heads of Service	Describe all officer roles	Updated as roles change.

The Constitution defines and documents the roles and responsibilities of member and officer functions, with clear published delegation arrangements and protocols for decision making and communication. Updating is regular and well managed.

The County Council's range of functions is set out in the Constitution. The Council appoints the Leader who decides the composition and responsibilities of the Cabinet. The Council makes appointments to all committees. These arrangements are clear and fully demonstrated at each full Council meeting.

Member roles – Executive and non-executive roles are defined and published within the constitution and as part of the member database the Mine. The member induction and training programmes cover these. Content and attendance is recorded. A major review of the meetings of full Council undertaken resulted in changes being made to Standing Orders in March 2015 ensuring that its meetings are more flexible and relevant to both members and the public. Subsequent member surveys have endorsed the changes and confirmed no further changes expected. The future member role was considered by the Member Development Group, to define the role in light of increased community champion work and regular review of the political structures in place. The output was submitted to the Local Government Boundary Commission for England in May 2015 to help it to determine how many members should be on the County Council ahead of reviewing electoral division boundaries. In view of the full case given, the Commission supported the Council's view that the existing level of membership was broadly correct, with a minor change to improve electoral equality.

Children's Safeguarding – The Corporate Parenting Panel of Members monitors and reports to full Council on the member responsibilities for children looked after. The Local Safeguarding of Children Board has full partner engagement and its work and records are published and accessible.

Adults' Safeguarding – The Adult Safeguarding Board receives financial contributions from partners to provide formal business support and enable it to deliver its remit. From April 2015 this has been in compliance with the requirement in the Social Care Act 2014. A member level Adult Safeguarding Panel gives oversight of adults' safeguarding work and reports to full Council but the effectiveness of this arrangement is currently under review.

Officers – statutory roles include the designation of the Chief Operating Officer as Head of Paid Service (changing to Chief Executive with effect from April 2016), the Director of Law, Assurance and Strategy as the Monitoring Officer, and the Director of Finance as Chief Financial Officer. The Head of Internal Audit has direct and regular access to the Executive Director of Corporate Resources and Services, has direct access to the Chief Executive and other Directors and has well-established reporting lines to members through the Regulation, Audit and Accounts Committee. The officer scheme of delegation is kept under review. Business Change Officers have liaised with each directorate to oversee the effectiveness of the scheme of officer onward delegation and have worked with the Director of Law, Assurance and Strategy to ensure that there is shared understanding of existing delegations and to continually review them. In future, this role will be allocated to officers within the Directorate of Workforce, Organisational Development and Delivery Support.

The changes to the leadership structure have developed since the approval of the structural changes agreed by full Council in February 2014. A report to Council in July 2014 was approved, establishing a new leadership structure. The new structure

has united services under executive directorates, with joined up teams managing commissioning and delivery of these services. All corporate support services have been united in an executive directorate to provide a single focus of support services to front line services. The post of Chief Executive will now replace the role of Chief Operating Officer as confirmed by the County Council in February 2016. This is because the major transformation change programme is coming to an end and the re-established post will offer a single point of officer accountability. Further adjustments were made to specific responsibilities of other members of the Corporate Leadership Team (as confirmed by Governance Committee in January 2016) to realign director roles formerly reporting to the Chief Operating Officer.

All levels of management within the organisation have a designated **role profile** and these profiles are accessible via the intranet. Officers are given copies of their roles on appointment and are supported by managers through the personal development review and supervision in understanding and developing their roles. Internally published HR procedures cover all aspects of performance and procedure to support managers.

3 - Values of Good Governance, Standards of Behaviour & Financial control
Assured ✓

Good governance and clear standards of behaviour are in place. Actions are planned.

Key: RAAC = Regulation, Audit and Accounts Committee LA&S = Law, Assurance and Strategy WOD&DS = Workforce, Organisational Development and Delivery Support				
Source of assurance	Where found	Who is responsible	Role	last reviewed/ action planned*
External Audit of Accounts	Audit Report	RAAC and Director of Finance	To give external assurance to the quality of the Council's accounts and accounting practice	Full assurance given to 14/15 accounts
Codes of Conduct	Constitution	Standards Committee & Director LA&S	Define standards of behaviour and systems to enforce	Members - July 2012, Officers-code adopted common to all West Sussex Councils Officer Code reviewed by County Council December 2015
Confidential Reporting Policy	Constitution	Standards Committee & Director LA&S	Defines arrangements for any officer to report breaches of rules or standards confidentially	Fully reviewed by the Standards Committee in June 2015 and minor updates were agreed by Council in July 2015.
Anti-fraud and corruption strategy	Constitution	RAAC & Head of Internal Audit	Statutory obligations recorded and enforced	November 2015. Reviewed every 3 to 5 years.
Anti-bribery policy	Constitution	Director LA&S	Statutory obligations recorded and enforced	November 2015. Reviewed every 3 to 5 years.
Financial Regulations	Constitution	Director of Finance Governance Committee	To prescribe the rules for all financial transactions	March 2015
Standing Orders on Procurement and Contracts	Constitution	Director LA&S	To prescribe the rules for all contracts and procurement activity	A full review was undertaken in 2015 to ensure compliance with new EU Directive. RAAC approved the new SOs in November 2015, with implementation from January 2016.
Register of Member Interests	Web site	Director LA&S	Statutory list of interests.	Scheme Entries are updated on an on-going basis. Full review of individual members' entries in May 2013. Quarterly reminders are issued to members asking them to review their entries. This was last done in January 2016
Register of Officer Interests	Web site	Director LA&S	Record of financial and possible conflicting business interests	October 2015. The Director LA&S has created a live update capability on sharepoint from March 2016. Will draw from that for publication
Corporate Complaints Policy	Web site	Chief Operating Officer	Describes mechanism for handling all complaints.	End 2013. Part of customer experience review 2015.
Staff Discipline policy	Intranet	Director WOD&DS	Defines rules and procedures	January 2013
Data Protection Policy	Intranet	Director WOD&DS	Defines rules and procedures	October 2012
Freedom of Information policy	Intranet	Director LA&S	Defines rules and procedures	October 2012
Data Security & Accepted Use Policy	Intranet	Director WOD&DS	Defines rules and procedures	September 2014

The system of internal financial control is based upon a framework of comprehensive financial regulations and procedures which comply with the CIPFA "Good Practice Guide for Financial Regulations in a modern English Council". Control is maintained through regular management information, management supervision, and a structure of delegation and accountability. External audit of the Council's account is robust and transparent. Full and unqualified assurance has been given. The Council's financial management arrangements conform to the governance requirements of the CIPFA 'Statement on the Role of the Chief Financial Officer in Local Government 2010.'

Each executive director is in the process of making a full review of internal governance systems for their areas of responsibility, through a new Assurance Mapping process now in place. The initial statements made based on the Assurance Mapping are checked to identify Council-wide governance issues. Evidence of assurance given is included in the Annual Assurance Statement for each executive directorate, issued by the Head of Internal Audit. These include clear actions for improvement. From both key sources, significant governance implications are included in this Statement's action plan. Annual mandatory training for governance issues is planned, to develop on an on-line basis, easier to monitor. Improved induction procedures are also being developed, which will set out governance issues from the outset.

The **codes of conduct** and protocols for members and officers define the standards of behaviour for members and staff and are published. All members completed the register of interests following the elections in May 2013 and have completed training from the Monitoring Officer on the code of conduct. These are monitored by the Standards Committee, which has a remit to deal with breaches of the member Code of Conduct. Quarterly reminders are issued to all members. Most recently, a message was sent to all members in January 2016 to ask them to review their register of interests, which resulted in several updates being received. Gifts and hospitality received are also included. Democratic Services staff take a proactive approach to adding interests to the register when a member is appointed to an outside body by the Council. At any time, when a member notifies the Service of any change to their register of interests, the change to the register is made as soon as practicable, generally on the same or next working day. The Confidential Reporting Policy ('whistleblowing') was reviewed in 2015 and has been widely promoted. Further work is planned to promote and disseminate the policy and raise its profile with staff and with external partners

Officer interests, including gifts and hospitality, are published on the County Council's website and are updated at least quarterly. Guidance is set out in the Constitution (Part 5). This guidance was fully reviewed in November 2015 and was endorsed by the Standards Committee. An easier system for recording gifts, hospitality and officer interests has been implemented through sharepoint.

National Audit Office guidance on conflicts of interest was issued in February 2015. Officer checks were undertaken and it was confirmed that robust systems are already in place – the register of interests, reminders to declare interests at all meetings and on all decision reports, together with standards training undertaken in 2013.

Complaints and Discipline

There is a two-stage complaints procedure which provides for escalation from the initial point of contact through to the Chief Operating Officer and describes the right to refer the matter to the Local Government Ombudsman. These arrangements are publicised and are monitored by the Council's Standards Committee annually.

There is a fully documented staff disciplinary process to deal with breaches in any contractual rules or code of conduct and staff are made aware, through induction and the performance management framework, of the County Council's expectations in terms of standards of behavior and compliance with agreed policies and codes of conduct.

Information Management

Systems are in place to ensure the effectiveness of controls over data and to manage the business of granting access to personal data where required and to deal with Freedom of Information responsibilities.

4 - Decision Making, Scrutiny and Managing Risk

Assured ✓

Robust and transparent decision-making processes are in place and subject to appropriate scrutiny. Action is planned to make improvements to risk management.

Key: RAAC = Regulation, Audit and Accounts Committee

CR&S = Corporate Resources and Services

LA&S = Law, Assurance and Strategy

Source of assurance	Where found	Who is responsible	Role	last reviewed/ action planned*
The Constitution, including Standing Orders	Constitution	County Council Director LA&S	To confirm the County Council's procedures, including rules governing the conduct of meetings	April 2014. Standing Orders reviewed in March 2015. Minor updates are made at most meetings of the County Council.
Scheme of Delegation	Constitution	County Council & Director LA&S	To fully define who takes what decisions	January 2016 – amendments due to the reintroduction of the Chief Executive
Forward Plan	Web site	Director LA&S	Describes all planned key decisions for next 4 months	July 2014
Protocol on decision making	Constitution	Director LA&S	Describes full detail of arrangements	June 2014. Minor revisions at County Council meetings since then.
Select Committee business planning	Select Committee reports	Performance and Finance Select Committee, Scrutiny Manager	Records planned work.	Continuous
Governance Statement	RAAC agenda	RAAC Executive Director CR&S	Captures all sources of governance assurance	Annual
Assurance mapping	N/A	Executive Director CR&S	Internal checklist for service governance	New checklist has been established with agreement of CLT and is being used this year.
Local Code of Corporate Governance	Governance agenda	Governance Committee Director LA&S	To confirm the corporate governance principles in place	March 2015
Audit Function	Constitution	RAAC Head of Internal Audit	To manage and ensure the effectiveness of Audit.	Annual internal quality review. External review is required every five years. The next review due by March 2018.
Total Performance Monitor	Monthly published	Executive Director CR&S	See above	Subject to current review to focus on monitoring of risks.*
Budget, including medium term financial strategy	Council agenda	County Council Executive Director CR&S	To agree a sound budget and financial strategy	February 2016
Treasury Management Strategy	Council agenda	Executive Director CR&S	To agree a sound strategy and thereby minimise financial risks relating to borrowings and investments	February 2016

Decision Making and Scrutiny

The **County Council** is the ultimate decision-making body and the principal forum for political debate. The County Council takes decisions on the policies and plans that form the Policy Framework, including approval of the budget. The County Council appoints **Select Committees**, the means by which the Executive is held to account through scrutiny of decisions. The non-Executive responsibilities of the council are discharged through its **non-Executive committees** as described in the Scheme of Delegation. The Forward Plan of key decisions describes all significant decisions expected to be taken in the following four months and is updated monthly. The Constitution also prescribes the rules and constraints around urgent decisions and the form and content of decision reports.

The **Governance Committee** oversees the political structure of the County Council and reviews and advises the County Council on the Constitution. The Scheme of Delegation and Protocol on Decision-Making, within the Constitution, requires members and directors to ensure that all decisions are compliant with policies, procedures, law and regulations.

Review and Audit

The County Council annually reviews the effectiveness of its governance framework including the system of internal control. The review is informed by the Head of Internal Audit's annual report and by the external auditor and other agencies and inspectorates. These findings are brought together within this document and are reported annually to the Regulation, Audit and Accounts Committee. The Committee undertakes the functions of an audit committee. This includes review of the work and findings of Internal Audit.

Internal Audit provides an annual appraisal of key financial systems through routine compliance testing and undertakes a number of audit reviews within service departments. This includes adherence to established policies, procedures, laws and regulations.

Risk Management issues are reported through the Total Performance Monitor, which is reported to the Corporate Leadership Team, Cabinet, the Performance and Finance Select Committee and published. Reports are also presented to the Regulation, Audit and Accounts Committee as part of the regular reporting on the effectiveness of risk management arrangements. There is a requirement for material risks to be formally identified in all decision reports.

Risk management has been identified as a weakness at present and work is underway to enhance the current approach to risk management.

5 - Developing Capacity and Capability of Officers and Members

Assured ✓

A system is in place to ensure that all elected members have access to information, guidance and training to enable them to discharge their roles.

All officers have their performance monitored and their development needs identified and addressed. The officer appraisal system is due for review with a new scheme being introduced in June 2016.

Key: LA&S = Law, Assurance and Strategy

WOD&DS = Workforce, Organisational Development and Delivery Support

Source of assurance	Where found	Who is responsible	Role	last reviewed
Member Development Programme	Intranet	Governance Committee Member Development Group Director LA&S	To determine the content of the programme	Attendance and feedback is monitored
Member Induction Programme	Intranet	Member Development Group Director LA&S	To determine the content of the programme	Completed after 2013 election
Specialist Member training	Committee business programme	Director LA&S	Planning Committee, Rights of Way Committee, Treasury and Pensions management, Regulation, Audit and Accounts Committee, Appeals Panel	Completed after 2013 election and to any members newly appointed to that committee on an ad hoc basis. Additional ad hoc training is carried out as required for any committees in response to changes in legislation etc. Annual training is carried out for the Appeals Panel.
Officer Performance Development Review System	Intranet	Director WOD&DS	To keep accurate records of performance and development	Full review undertaken with a user group in 2015. For implementation in April 2016. Training for all managers is in place during 2016.
Performance Management Policy	Intranet	Director WOD&DS	To provide a clear system for addressing poor performance	September 2012. Reviewed when necessary due to changes in legislation, case law or organisational requirements

Officers

The County Council has launched the 'Values-Centred Leadership Programme' for all line managers. This training programme has been launched in early 2016 to help managers in their professional development and to help to ensure that all employees have the proper support and help to carry out their job. Succession planning is undertaken in services. Personal development priorities are developed through the Personal Development Review (PDR) process and training courses are available through an online gateway system. The 'Values-Centred Leadership Programme' will also launch the new appraisal process to ensure that managers can use this effectively for its launch in April 2016. The leadership development programme is in place for the corporate leadership team.

Members

The development needs of members are identified and addressed through a cross-party Member Development Group, which now includes a cabinet member to assist with strategic focus and alignment with the future direction of the Council. This group is established by the Governance Committee and oversees the delivery of a planned programme of Member Development Sessions targeted to meet identified member training needs. This group will consider the future role of members and the training needs that are identified to help members to fulfill this role. A consultant is working on Cabinet development and this is being considered for the community role of members in future. To develop a new leadership approach, there is a joint development programme for the Cabinet and the Corporate Leadership Team.

6 - Engaging with local communities and others to ensure public accountability

Assured ✓

The County Council shows that it exists to serve local communities. Engagement is taken seriously and is used to develop and deliver services. Actions are planned.

Key: LA&S = Law, Assurance and Strategy

WOD&DS = Workforce, Organisational Development and Delivery Support

Source of assurance	Where found	Who is responsible	Role	last reviewed/ action planned*
Function of County Local Committees	Constitution	Cabinet Member for Corporate Relations Director LA&S	Focus of member link to residents	Current CLC review as part of active communities work
Stronger Communities Programme	Performance Framework	Cabinet Member for Residents' Services & Chief Fire Officer	To develop the capacity and skills of groups in local communities and engage them in service planning	Range of work underway
Rules on publicity	Constitution	Director LA&S	To ensure that only compliant and appropriate publicity is given to Council activity	New code from 2013 from DCLG
e-panel	Website	Head of Policy and Communications	To consult residents on varied matters	This is being reviewed in 2016, to ensure it is representative and beneficial for contributors and the organisation*
Connections	Quarterly publication	Head of Policy and Communications	General information to all residents	Regular feedback sought from residents
Public Consultation Policy	Website and Intranet	Director LA&S	To ensure that views are taken into account in major change programmes	Changes carried out 2013. The Council has reviewed its Quality Assurance Process to ensure minimum standards are met for consultation (2016). Planned review of the consultation policy has been planned.*
Decision Report format	Intranet	Director LA&S	Show full record of decision and rationale	June 2014
Equality Impact Report policy	Intranet	Director LA&S	To ensure that decision-making takes account of equalities duties	New format from December 2013
Access to Information Policy	Constitution	County Council Director WOD&DS	To confirm what information should be made publicly available and exemptions	October 2012. New rules in 2014 have been implemented – Roland.

The Constitution defines the purpose of community leadership, effective scrutiny, and public accountability in terms of roles and responsibilities and functions.

Fourteen **County Local Committees** operate within communities and have some executive functions delegated to them. Public access, awareness and involvement in CLCs are assured by the arrangements overseen by Democratic Services. All decisions Committee agendas and Council meetings are publicised and accessible to the public. The Scrutiny function is regularly reviewed to ensure resources focus on those issues that have the most significant impact. Appropriate meetings discussing significant topics are webcast to maximise public engagement.

West Sussex Connections – (a newspaper) is published three times a year and is delivered to every household in the county. This gives valuable service information and contact details to enable local people to understand and get involved with the work of the County Council and to make their views known.

There is a **Residents' e-Panel**, an online community of local people who want to help shape the future of our County and who have agreed to be consulted through regular online surveys. Our approach to consultations is published on our website. Arrangements for significant decisions and scrutiny of them are used to ensure public and stakeholder consultation is undertaken and considered as part of the decision making process.

In order to ensure minimum standards for consultation, the County Council operates a **Quality Assurance process** to ensure these are met. A review of the Consultation Policy is planned for 2015-16.

The County Council has a long history of working with many **partners** to deliver aligned and effective services to our communities. The importance of continuing to work with others is recognised in the Future West Sussex Plan 2015-19.

As part of the **Stronger Communities programme** we are seeking to understand how to make our partnerships more effective and are currently discussing this with a number of partners – borough & district councils, councils for voluntary service/voluntary sector, Action in Rural Sussex, Sussex Association of Local Councils. Communications is one aspect that is being considered.

The County Council aims to put customers and communities first by listening to them through the consultation and engagement processes described above and by improving our online, telephone and face to face services. The programme of 'digital by default' will be the focus for a range of work to maintain this commitment.

4. Main Governance Issues for action or to note

In formulating this year's Governance Statement a number of forms of evidence have been reviewed. Several of these are reported and monitored through the Regulation, Audit and Accounts Committee. To avoid duplication such findings are not noted in this statement except where their implications could affect the overall effectiveness of the authority's governance procedures. The paragraphs below identify the most significant governance issues that are to be addressed through 2015/16.

The main governance issues identified are as follows, arranged around four broad themes of Corporate, Care, Commercial Approach and Monitoring:

Corporate

- **Risk Management** – during 2015/16 significant thought and effort has been committed to improving the County Council's approach to risk management. This has included developing and maintaining strategic and directorate risk registers, implementing the "4Risk" management tool, discussing risk management with elected members through the Total Performance Monitor (TPM), engaging with senior managers through a number of seminars and training sessions and seeking to integrate effective risk management within day to day activity. It is, however, accepted that more needs to be done in order to properly embed risk management techniques within the Council. It is for this reason that risk management remains as a governance issue with focused attention during 2016/17.
- **Compliance** – the 'limited assurance' opinion determined by the Head of Internal Audit for 2014/15 was not derived from a lack of clear rules and procedures within the Council, but from a lack of adherence to them. There has been consistent management emphasis during 2015/16 on the need to follow relevant governance processes throughout the business that the County Council undertakes. This includes, but is not limited to, implementing new capital programme governance processes, revising the officer code of conduct and implementing new contract management guidance and networking arrangements. There will be continued emphasis in this area during 2016/17 to ensure that good practice is developed and any poor practice is eliminated.
- **Devolution** – the 3SC devolution proposals represent a significant opportunity for the Council, in conjunction with many other partners, to improve the lives of the residents and the economy of the 3SC area. However, while the construction of the partnership itself represents a step forward in terms of joint working, there remains significant thought and negotiation to be undertaken in regard of the governance processes of the 3SC. This will be a fine balance between meeting the Government's aspirations in terms of the focus of control of any additional funds or responsibilities and the independence of the individual bodies within the partnership.
- **Business Continuity** – In our pursuit of continuous improvement we are constantly seeking to learn from operational and business continuity events. We have had incidents in the last twelve months that have provided some valuable lessons learnt through the internal and multi-agency debrief processes. As a result the County Council business continuity policy statement has been updated and was approved by the Council in Feb 16. Additionally, significant work is being undertaken to update the business impact analysis for each Directorate, ensure the County Emergency Centre (CEC) is fit for purpose and that corporate and directorate plans are up to date and validated. Work has already been completed on instigating a new Duty Director scheme, making Directors responsible for approving business impact analysis' and business continuity plans for their Directorate, appointing Business Continuity (BC) Coordinators for each Directorate, and allocating each Directorate a dedicated Resilience & Emergencies Team (RET) Advisor.

Care

- **Care capacity** – in October 2014 a detailed report on the care market in West Sussex was produced. Entitled 'Care, Capacity, Quality – A report into the residential care markets for adults and older people in West Sussex', the report set out a number of challenges facing the delivery of these vital services. The risk, caused by the issues set out in the report, to achieving one of the Council's priorities – Independence for Longer in Later Life – is amongst the most significant on the strategic risk register.

Since October 2014 a variety of actions have been undertaken, from a market symposium through to supplier-specific interactions to identify how best to resolve the issues outlined in the report. Resolution of these challenging market issues will take more time and thought, so this matter remains on the risk register and as one of the most significant governance issues in this AGS.

- **Adult social care** – not only is the provision of adult social care services a significant priority for the Council, but it represents a high proportion of the budget. For this reason, effective systems, prompt income collection, data quality, financial compliance, monitoring of services and assurance are essential. A number of recent reviews and operational issues have given rise to some concerns in this area, hence the need to make this a focus for 2016/17.
- **Health and social care integration** – the County Council and its health sector partners have recognised the advantages of working together in a more integrated manner for the benefit of service users as well as to help to address funding shortfalls. In addition, the Government is now encouraging further integration. So while this represents an opportunity to the Council, it is a significant governance issue for two reasons: firstly, the capacity that such integration will require in order to make it successful; secondly, the potential for constraining the Council's ability to adjust its care budgets to cope with future spending restraint.
- **Children's social care budget** – during 2015/16 there have been a number of pressures on the children's social care budget, including additional children looked after compared to that budgeted for (some due to concerns arising from child sexual exploitation (CSE) and unaccompanied asylum seeking children), increased costs due to complexity of care and extra costs arising from needing to engage agency staff where experienced permanent staff are not available. While management action has been taken in the last 5 months or so of 2015/16 to control expenditure, equally robust action will need to be undertaken in 2016/17 to avoid a repeat of the overspend in the new financial year.
- **Ofsted inspection of children's services** – the 2015 Ofsted inspection produced a "requires improvement" assessment, with many encouraging comments. There is a robust action plan currently under development with partners and stakeholders to ensure that appropriate action is undertaken to deliver the Council's aspiration of achieving the rating of "good".

Commercial Approach

- **Commissioning, procurement and contract management** – during the 2014/15 audit year, some weaknesses were identified in the Council's approach to these linked areas. Actions have been taken during 2015/16 to produce improvements, but further action is required particularly in the area of contract management. The current review of the Council's commercial operations will assist in this aspect, but that review will not be complete until the new financial year starts. Therefore it is necessary to leave this governance issue highlighted within the AGS.
- **Aspire** – a recent Ofsted inspection produced an overall effectiveness assessment of "inadequate", within which there were three sub-category assessments of "good" and two of "inadequate". A detailed action plan has been created and will need to be followed through to address the identified weaknesses and to build upon the strengths.
- **Capita Support Services (SSO) and Information Technology (ITO) Services contracts** – during much of 2015/16 a review and reset of the Council's contract with Capita has been ongoing. The review identified many areas where the contract was working well and delivering the Council's original intentions, but other areas where there was misalignment with the Council's current objectives. The reset has been carried out in a collaborative manner with Capita, although the detailed contract changes are yet to be discussed. As this contract is key to service delivery and because the discussions are ongoing, it is appropriate to highlight this area.
- **Capital programme** – a significant overhaul of the capital programme was undertaken throughout 2015/16 culminating in a five year (plus) schedule of proposals being presented to the Council meeting in October 2015. Further to that a revised set of governance arrangements for managing the capital programme was presented to the Council meeting in December. While the basic processes and controls have been put in place, they are yet to be embedded throughout the organisation.

Monitoring from previous year

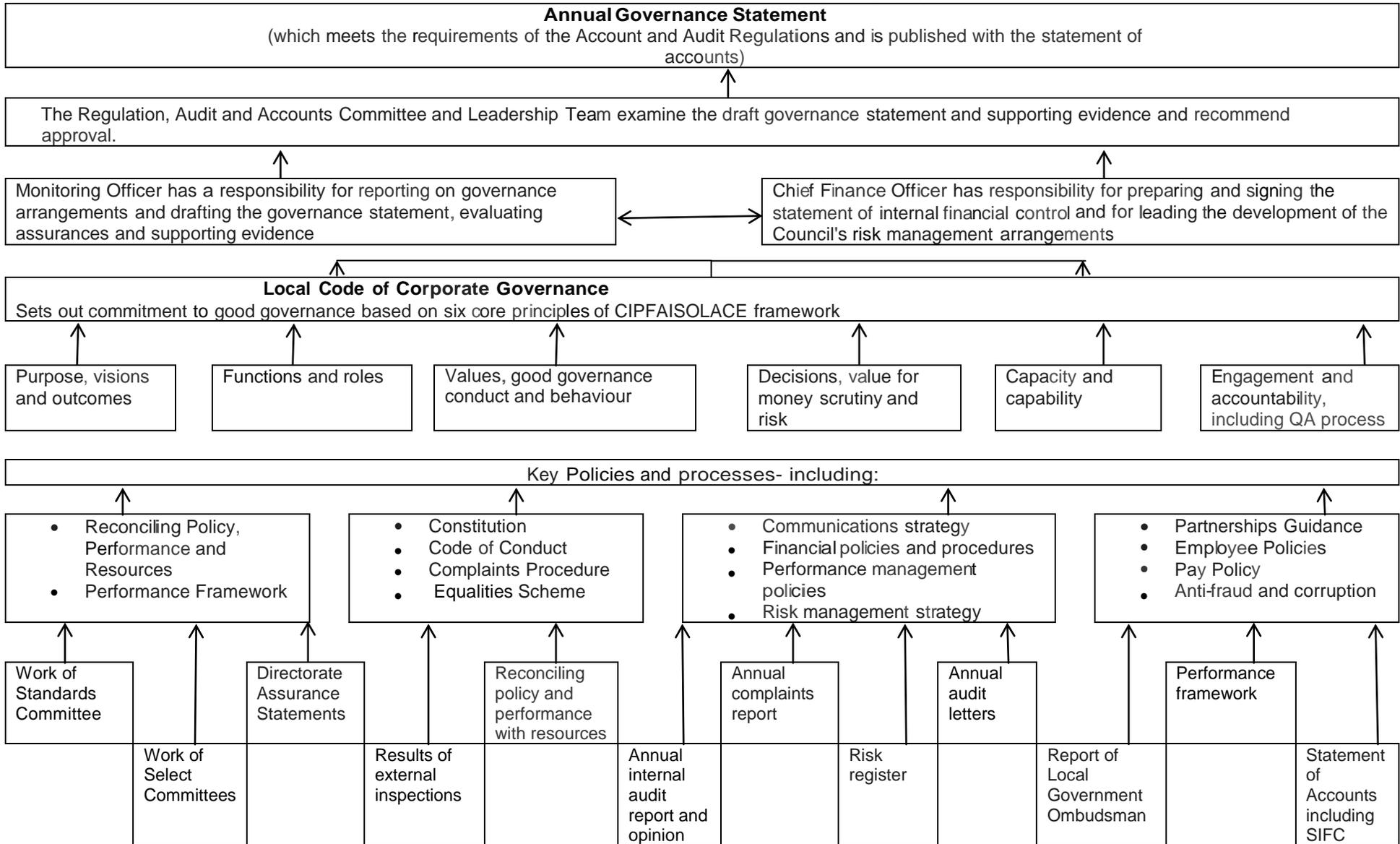
- **Training and induction** – significant work has been undertaken on training and induction during 2015/16 and it is felt that this has had a very positive impact. Rather than just remove it from the governance issues, it is proposed that the intention to monitor the impact of the actions is noted.
- **Major organisational change** – the major changes that took place in 2015/16 are now mainly settled, but it is important to continue to monitor results.

An action plan attached at Appendix B, which sets out how we will address governance issues in the year ahead. We are satisfied that these actions will deliver the improvements necessary and we will continue to monitor, evaluate and report on progress as part of our next annual review.

Louise Goldsmith
Leader of the Council
June 2016

Sean Ruth
Acting Chief Operating Officer
June 2016

Framework for the Annual Governance Statement



All of these sources and others provide assurance on the adequacy and effectiveness of our controls over key risks