



## **MONITORING REPORT OF GOVERNANCE ARRANGEMENTS AS PRESENTED IN THE ANNUAL GOVERNANCE STATEMENT**

### **1 PURPOSE OF REPORT**

- 1.1 To present an update of governance arrangements as presented in the Annual Governance Statement.
- 1.2 To report on progress against the action plan to address governance issues as identified in the Annual Governance Statement
- 1.3 To report on progress against the action plan – relating to the internal audit into Senior Manager Pay and Conditions – included as an Addendum to the 2020/21 Annual Governance Statement, also included in the Annual Governance Statement for 2022/23.

### **2 LINKS TO COUNCIL'S PRIORITIES AND OBJECTIVES**

- 2.1 Assurance processes and improvement work support the delivery of all the Council's priorities and objectives

### **3 RECOMMENDATION**

- 3.1 It is proposed that the Committee **RESOLVES**
  - (1) To note the assurance provided by this report about the operation of the Council's governance framework, as presented in the Annual Governance Statement.

### **4 INTRODUCTION**

- 4.1 In July 2024, the Committee was presented with the Annual Governance Statement (AGS) for the financial year 2023/24.
- 4.2 Part of the requirement of the Council's governance arrangements is a monitoring report on the operation of the assurance framework for the Council, presented to Committee twice a year – once in the autumn and again

in the spring, before the next AGS (looking back over the previous financial year) is brought before Committee in the summer.

- 4.3 Governance arrangements include individual officer leads – at Assistant Director Level, as well as the Head of Internal Audit – who have responsibility for the governance processes set out below and are members of the Good Governance Group. This report was developed with contributions from, and in consultation with, officers from this group.

## **5 MONITORING RESULTS FOR KEY GOVERNANCE PROCESSES**

- 5.1 The following sections of the report set out an update against each of the key governance processes, as presented in the Annual Governance Statement for 2023/24.

### **Consultation and Engagement**

- 5.2 The Council has the core requirements for Customer Engagement and Consultation in place although because of inconsistency across service areas was assessed as Partial in the AGS.
- 5.3 Currently the degree of ongoing engagement varies, with front-line services more likely to consult than support services. For example, the housing repairs contractors routinely seek feedback after repairs are carried out. Leisure Services undertake regular feedback from customers and use software to calculate a “Net Promoter Score” which gives an indication of how likely existing customers are to recommend the leisure centres to other people.
- 5.4 Supported by new software, such as Citizen Space, which makes any Council consultation look more professional, easier to complete and quicker to analyse, there have been a number of consultations held so far over the 2024/25 financial year, including: various consultations relating to the Castle Point Plan; Licensing Policy; Gambling Policy; and Waste and Recycling.
- 5.5 However, the lack of tenant and leaseholder engagement has been identified as a key weakness by the Regulator for Social Housing. This has resulted in a pending inspection by the Regulator in November 2024. In advance of this, the Council has put in place a Tenant Satisfaction Survey, which runs to the end of March 2025, and is developing an improvement plan for implementation over the next 18-24 months which will seek to address all areas of Housing services within Castle Point Borough Council.
- 5.6 In order to address engagement with residents across the Borough the Council has introduced bi-annual Castle Point Together Magazines. These are physical copy magazines that are distributed to every household in the borough with a Spring/Summer and Autumn/Winter edition. These magazines contain key information for residents about the Council’s activities as well as key issues that require meaningful resident engagement (for example, the Castle Point Plan).

**Business Planning and Strategy, including Partnerships**

- 5.7 Business Planning and Strategy, including Partnerships was assessed as Partial in the AGS, mainly because of delays in the production of service plans for 2023/24 and overdue updates to policies across the Council.
- 5.8 However, progress has been made producing a comprehensive list of policies and strategies produced from an existing register as well as lists included in service reviews being undertaken by each Assistant Director. These are now stored in the same software (Ideagen) used by the Council to manage performance, risks and actions, although the number of policies and strategies requiring review is likely to need some support from a central resource which is being built into the service review of the Assistant Director for Policy, Performance and Customer. However, there have been improvements to the ordering and availability of lists of key polices and strategies on the Council's website and on the intranet for internal policies.
- 5.9 The Council's Administration has agreed a "Community Commitment" [document](#) setting out their priorities and key performance indicators for the current electoral term. A new Corporate Plan is in the process of development, working towards adoption by Full Council in March 2025.
- 5.10 Partnership assurance processes have been subject to further development work. A partnership strategy and framework has been developed and provided to those considering setting up new partnerships as well as advice on how to ensure that existing partnerships continue to be effective. Work has also been undertaken to map the partnerships involving the Council to support establishing clarity on ownership – this in turn will support the development of plans about how best to report on the impact of these partnerships to elected members.
- 5.11 Nevertheless, the Council uses partnerships to good effect to increase its capacity. Examples of this include the Castle Point and Rochford Health and Wellbeing Board, the Castle Point Place Partnership as well as working closely with the NHS through the South East Essex Alliance. The recent Corporate Peer Challenge, undertaken by the Local Government Association, reported positively on the value that partners place working in partnership with the Council.
- 5.12 Effective partnership working has helped to bring funding into the Borough: £2m Sport England funding over a 3-year period for projects that improve physical activity levels and associated health and wellbeing outcomes; £227k from a Public Health Accelerator Bid (PHAB) fund from Essex County Council; £1m from the Police, Fire and Crime Commissioner for Essex to

upgrade CCTV technology across Castle Point; and the central role that the Borough will play in the Thames Estuary Festival in 2025.

- 5.13 This lays as solid foundation for greater partnership working and opportunities, not least of which confirmation that the Long Term Plan for Town funding will go ahead and the developing role of the South Essex Councils in planning economic growth and strategic infrastructure.

**Financial Planning, Reporting and Budgetary Control, including Value for Money**

- 5.14 In the AGS, compliance with financial planning, reporting and budgetary control processes was assessed as a Satisfactory level of compliance, so the Council has good control over its finances.
- 5.15 New financial regulations, adopted in May 2024, have given budget holders the ability to work more autonomously from Finance (whilst maintaining appropriate financial controls) and quarterly reporting to Cabinet now includes details of all variances of over £10,000 and the overall forecast for both General Fund and Housing Revenue Account budgets.
- 5.16 Identified areas for improvement include addressing some deficiencies in the budget reports – non-inclusion of detailed transactions making up the overall balance (put in place for 2024/25) – and also vacancies in the Council's Finance team which limited their ability to challenge budget holders as robustly as desired. The service review being undertaken by the Assistant Director for Finance and Procurement proposes a business-partnering model to address this.
- 5.17 At year end, variances compared to budget are reported on all service areas, with commentary given on those more than +/- £10,000. External assurance is provided by the annual audit of the Council's Statement of Accounts undertaken by the Council's external auditors although, as is being experienced by most councils, the external audits are currently out of sequence with the Council's annual reporting cycle and work is being undertaken at a national level to rectify this.
- 5.18 The Council's Section 151 Chief Finance Officer (the Assistant Director, Finance and Procurement) maintains a ten-year rolling financial forecast and reports a medium term (three-year) forecast to Cabinet and Council annually. The ten-year forecast is supported by three years detailed budget workings with the remaining years of the forecast being adjusted for future anticipated cost pressures and changes to Council Tax and other sources of funding. Assumptions adopted in the forecast are contained in a detailed report made to Cabinet and Special Council in February annually.
- 5.19 The Council maintains a level of reserves more than the minimum level recommended by the Council's Chief Finance Officer and set a balanced budget for 2024/25. A funding gap is forecast for future years, and this has

been drawn to the attention of Members and was referenced in the budget setting report to Cabinet and Council in February 2024. Work to manage the medium-term financial position continues and has seen a zero-based budget approach adopted alongside a comprehensive fees and charges review, and the Transformation Programme will be an important aspect of delivering the changes required. The LGA Corporate Peer Challenge also included recommendations around these two points, but Castle Point is not unique in this respect, with most other Councils also facing significant budget gaps.

### **Asset Management**

- 5.20 In the Annual Governance Statement, compliance with asset management processes was assessed as Partial.
- 5.21 A Planned Preventative Maintenance (PPM) programme was commissioned for 2023/24 across 10 corporate assets, with works anticipated to begin in late Spring 2023. Funding provision was earmarked, and work has progressed across all ten sites with 98% of the allocated budget expended. The programme for the remaining sites is subject to review, led by the recently recruited Assistant Director for Estates and to be informed by new stock condition surveys.
- 5.22 Statutory compliance testing is completed as required. However, due to the lack of delivery of the PPM programme across previous years, a number of the Council's assets have fallen into a state of disrepair requiring both reactive maintenance and significant investment to bring up to a minimum required standard.
- 5.23 A full review of housing maintenances and responsive repairs programmes was instigated in Q2 and Q3 2024/25. This has revealed that significant improvements in data management are required through a new integrated data system for each property which brings together the data from various sources, including contractors into one centralised place. In addition, the Council is to review how it manages the housing stock as part of the root and branch reset of housing management services in the Housing Improvement Programme and is procuring a whole estate stock condition survey to inform this work.
- 5.24 The Member led Asset Review Board (which is a working group of the Cabinet) was introduced towards the end of 2023/24 to develop the approach to the strategic management of assets. Relating to this, in February 2024, a report was taken to Cabinet to approve the new Acquisition and Disposal of Council Owned Land Policy.
- 5.25 The Council also made good progress in 2023/24 in developing plans for the use of the Council offices at Kiln Road by other organisations, work which will continue in 2024/25. To support all of the above work, additional resource has been put in place in the Asset Management team.

**Risk Management**

- 5.26 Compliance with risk management processes were assessed as Partial in the AGS.
- 5.27 Work was undertaken with Leadership Team over two workshops in the summer and autumn of 2023 to completely refresh the corporate risk register, with clear accountability assigned to each risk. This corporate register is reviewed and updated by Assistant Directors at the quarterly Business Review Board and is also reviewed by the Senior Leadership Team.
- 5.28 Consistency of how risk is managed by services areas is an area for improvement. The Council is implementing the use of existing software to increase the visibility of and support managing risks, with the corporate risk register moving over to this software during the current financial year, followed by service risk registers early 2025/26

**Health and Safety**

- 5.29 Compliance with health and safety processes were assessed as Satisfactory in the AGS.
- 5.30 As an employer the Council continues in its aim to meet its statutory Health and Safety duties and to achieve this employs a 'competent person'. The 'competent person', who as the corporate health and safety lead maintains an overview of Council arrangements and provides analysis on current management performance. Health and safety e-learning completion rates are at 85% as at October 2024. It is acknowledged that the workforce would benefit from additional training on health and safety which is in the workplan for the Assistant Director, People and Engagement.
- 5.31 However, an external review of health and safety arrangements was undertaken and a report issued in August 2024 which raised a number of areas that required improvement in our corporate arrangements (to note that housing health and safety is a matter for the Regulator for Social Housing and is being dealt with separately). In response, October was designated as "Health and Safety Awareness Month" to raise awareness across the organisation and an action plan is being implemented, with high priority actions for completion by the end of November 2024, with remaining action by the end of February 2025.
- 5.32 Additional interim Health and Safety resource has been recruited to support the delivery of the actions identified from the external review. The Council established its Health and Safety Board in October 2024, which brings together management and staff from all services along with Trade Union representatives. The Board has oversight from an elected Member champion and is responsible for supporting the delivery of key actions.

- 5.33 Internal audit has been provided oversight of the recommendations of the external review and will support the ongoing review of achievement of these.

### **Business Continuity**

- 5.34 The approach to Business Continuity (BC) was assessed as Minimal in the Annual Governance Statement.
- 5.35 An audit report in February 2024 raised several actions to be taken including: alignment of the Business Continuity Strategy to the needs of the Council; regular testing, exercising and business continuity awareness training; using lessons learned to develop the Council's approach to business continuity; and increased governance and oversight about business continuity across the organisation.
- 5.36 The Emergency Planning and Business Continuity Lead has been in post since June 2024, tasked with taking forward the work to address the issues raised in the above audit report. A test call-down exercise was conducted in July 2024 and has revealed a number of required improvements in arrangements for contacting all staff in the event of an emergency; these gaps are now being addressed. The next phase of work is to meet with all Assistant Directors to understand their areas of responsibility and understand what existing business continuity arrangements are in place. This is expected to conclude by mid-November 2024.
- 5.37 Once business continuity arrangements are reviewed and established, there will need to be a rigorous programme of testing the plans to ensure these are robust and address business critical activities and services identified.

### **Performance Management**

- 5.38 Core Performance Management arrangements are in place but were assessed as Partial in the AGS.
- 5.39 A Corporate Performance Scorecard is produced quarterly and presented to Cabinet. Performance data to produce this report was held in a database, supplemented by spreadsheets to visualise that data. A key piece of work that started in May 2024 was to move away from this custom-built database to a business information system already in use in the Housing department. Reporting is now generated from this new system, reducing manual intervention and increasing the speed of reporting following the close of the previous quarter. The Corporate Business Manager, who has been leading this work, is liaising with Assistant Directors and Service Managers to review performance data and develop new performance indicators.

- 5.40 An Audit of performance management arrangements was issued in September and reported partial assurance. In summary a “framework is in place for performance management, however further controls are required to ensure consistency and regularity, and to embed performance management responsibilities throughout the Council.” System development work will help to address these findings, particular those relating to the need for documented methods of calculating performance and clearly defined ownership of performance.
- 5.41 The same report reviewed arrangements for the workforce side of performance management, with recommendations relating to the Council’s approach to staff appraisals and monitoring of compliance with these arrangements. The required improvement of policy, process and training in this area is underway and expected to be complete by end of March 2025.

**Workforce Management**

- 5.42 Workforce management was assessed as having a Satisfactory level of compliance in the AGS.
- 5.43 The HR policy framework requires a full refresh with work underway in 2024/25. The Council also makes use of online training platforms particularly for induction and training in health and safety arrangements.
- 5.44 A further area for improvement is to address the lack of investment in Learning and Development (especially relating to managing people). There has also been an historic lack of strategy behind career development and succession planning, something which is being addressed through service reviews which are considering existing staff structures and building in a clear succession pathway into the new design. A dedicated Learning and Development Lead has been recruited to and starts in November 2024, their focus will be on undertaking a skills gap analysis and developing, with services, a comprehensive learning and development programme across the Council.
- 5.45 Sickness absence is comparatively low, and work is underway to proactively manage cases. It should be noted that the Council has low levels of workforce-management casework and in 2023/24 no cases progressed to an employment tribunal.

**Data Quality**

- 5.46 Compliance with requirements around Data Quality was assessed as Satisfactory in the AGS.
- 5.47 Systems are designed in some areas to ensure data quality requirements are considered, for example, guidance and procedures in place across revenues and benefits to ensure accuracy of data and reporting from IT systems. To provide further assurance in this area, a reminder about the importance of



data quality, together with a short presentation on the topic, is sent out annually to managers. However, it has become clear that data quality issues have arisen in Housing Management Services which will be addressed as part of the Housing Improvement Programme.

- 5.48 As referenced in the above section about Performance Management, there is a need to better document methods of calculating performance, which will improve our approach to data quality and minimise the risk of poor data quality.

### **Information Governance**

- 5.49 Processes for Information Governance are in place but were assessed as Partial in the AGS.
- 5.50 The Assistant Director for Legal and Democratic Services, in their role as Data Protection Officer (DPO), ensures compliance with the General Data Protection Regulations (GDPR). The Assistant Director for Policy Performance and Customer is the Senior Information Risk Owner (SIRO) and leads on and implements the information governance (IG) risk assessment and management processes within the Council.
- 5.51 A review of mandatory staff training on information governance is underway and will be informed by an audit of data governance currently in progress. Managers are also required to follow the data security breach management procedure in the event of a data breach. To date in 2024/25, the number of data breaches is low, with just three minor breaches none of which were required to be referred to the Information Commissioner's Office.
- 5.52 Although the Council has information asset registers in place, they need to be reviewed alongside Data Privacy Notices, especially since the tier 2 and tier 3 restructure.
- 5.53 An audit of cyber security arrangements was finalised in March 2024. Progress has been made on some of the recommendations although there is still a need to document key accountabilities, responsibilities, and delegations between the Council and third parties in response to a cyber incident. Work continues keeping the Council's systems secure, with rollout of new anti-virus software across the IT estate. An independent scan of the Council's systems by the Cybersecurity Centre of Excellence (CCoE) indicates improvement from the 2023 scan, with scores comparable with other district-level councils. Castle Point is in a group alongside 73 (of 165) other such councils scoring overall 3 out of 5 and is working to address any vulnerabilities identified in the report to improve this score in the 2025 scan.
- 5.54 The Council has in place processes for managing any Freedom of Information (FOI) and Subject Access Requests (SAR) received. Performance for responding to FOIs is reported at the Business Review Board, with 92% of the 416 FOIs responded to on time, up to the end of October 2024. The Council

has only received 6 SARs, but due to the complexity of the requests, the requesters were notified of any delay and all 6 requests been fully responded to.

### **Procurement**

- 5.55 Compliance with Procurement processes was assessed as Partial in the AGS.
- 5.56 An audit of procurement arrangements reported in September 2024 and identified a number of areas for improvement to arrangements. Following the appointment of a Procurement Manager in July 2024, progress has been made against these recommendations, including implementation of a “no PO, no pay” policy, refinement in the new supplier onboarding process and development of a new contracts register. In addition, work to ensure the Council’s Contract Procedure Rules are compliant with the new Procurement Act is complete.
- 5.57 It was expected that the Procurement Act 2023 would be implemented in October 2024, although a recent announcement from Government has pushed this back towards to the end of February 2025 to allow the Government to update the National Procurement Policy Statement (NPPS). Officers will continue to work to ensure that the Council’s procurement arrangements are in line with this legislation in time for this revised implementation date.
- 5.58 The Council is a member of the Essex Procurement Partnership (EPP) with officers using the expertise provided to undertake procurement exercises from developing invitations to tender through to contract award, for a range of services and to quantify savings from procurements compared to budgeted costs.
- 5.59 However, there are a number of improvements being implemented, including better planning on some procurements to ensure that resources are in place to support procurement exercises, and to avoid the need for exemptions to be applied. Some procurements could also benefit from a more fundamental options appraisal (i.e. a full commissioning approach of which procurement may only be one option, rather than defaulting to automatically re-tendering for the same service). The Council’s contract register has been significantly improved although further work is required in this area, to ensure that all contracts are recorded accurately on this register.

### **Project Management**

- 5.60 The assessment of the Council’s Project Management arrangements was Partial in the AGS.
- 5.61 Although the Council has a project toolkit and workbook in place – development of these has been supported by audits from companies

specialising in project and programme management – application of these remains inconsistent.

- 5.62 A specialist resource brought in to support the Transforming Together programme introduced a range of templates, processes and governance structures. The templates, in particular, have proved useful, especially the Business Case template which was used to develop the case for investment in a new Customer Relationship Management system which was approved by Cabinet in September 2024.
- 5.63 Resourcing of project management remains an issue, although one which will soon be addressed as the service review for Policy Performance and Customer is implemented. Supported by recommendations from the recent Corporate Peer Challenge by the Local Government Association, it has been agreed that the Council will employ two new officers to support project and programme arrangements. This resource is expected to be in place no later than the end of the financial year (allowing for recruitment and notice periods). In the intervening period, the Council will use temporary resource to provide capacity and skills. A good example of this is the Housing Improvement Programme for the Council's Housing services, the programme for which has been set up at pace by a project specialist with implementation supported by a resource sourced on secondment from Essex County Council.

### **Complaints**

- 5.64 Compliance with processes around the handling of complaints was assessed as Satisfactory in the AGS.
- 5.65 There is a tool in place to records complaints under stage 1 and stage 2 of the Council's complaints policy although use of this recording tool needs to be more comprehensive as although stage 2 (escalated) complaints are recorded, stage 1 complaints may be dealt with at service level without any centralised record.
- 5.66 The framework for local government complaints has undergone several changes in recent years that has required the Council to update its Complaints Policy to ensure that it remained compliant with Ombudsman guidance. The Housing Ombudsman Service (HOS) and Local Government and Social Care Ombudsman (LGSCO) have introduced a new Joint Complaint Handling Code for local authorities to use as the basis for their complaints policy.
- 5.67 A revised corporate complaints policy was adopted in November 2024 and the Council will adopt a consistent approach which is aligned with the Housing Ombudsman Service's requirement in dealing with complaints. The new policy clarifies the Council's approach to dealing with complaints and complainants in a clear and transparent manner.

- 5.68 Furthermore, to monitor the performance of the Council's complaint handling processes in compliance with the Code, an annual report will be presented to the Overview and Scrutiny Committee and then to Cabinet for endorsement. The Code provides for key details and assessment criteria to be included in the annual report including identifying any service improvements.
- 5.69 The number of complaints investigated by the Housing Ombudsman and the Local Government & Social Care Ombudsman is low – five in total over 2023/24 with three closed after initial enquires, one found in favour of the Council, and one found in favour of the complainant. So far in 2024/25, there have been 2 complaints referred to the Ombudsman both of which have been referred back to the complainant because they have yet to complete the Council's internal complaint's process.

**Ethical Governance including Fraud & Corruption and Whistleblowing**

- 5.70 An assessment of ethical governance was undertaken, and the arrangements were assessed as Satisfactory in the AGS.
- 5.71 A Councillor's Code of Conduct exists along with appropriate mechanisms, including a Standards Committee. New Members of the Council have received induction training on the code of conduct and have completed the necessary register of interests. As a condition of office, all Members are required to sign an undertaking that they will observe the Code of Conduct. There is a requirement to re-sign this undertaking when there are any major revisions to the Code as well as on election or re-election.
- 5.72 The Constitution has been further reviewed and updated. The draft versions of the Constitution were presented to Council in July and October 2023 and in January 2024. The final version of the Constitution was adopted by the new Council at its Annual Meeting in May 2024. The Constitution also includes the requirement for the Council to appoint a Standards Committee which has a role that includes promoting and maintaining high standards of conduct and behaviour as well as hearing any complaints referred to it by the Monitoring Officer for breaches of the Code. The Council will be appointing two Independent Persons who must be consulted before the Council makes a finding as to whether a Member has failed to comply with the Code of Conduct.
- 5.73 The annual review of the Constitution is underway and a member working group has been set up by the Overview and Scrutiny Committee. This will ensure that the Constitution is up to date and fit for purpose to strengthen the governance arrangements in place for the Council.
- 5.74 The Counter Fraud Strategy 2024-2027 and supporting policies (Bribery and Corruption Policy, Whistleblowing Policy and Anti-Money Laundering Policy) all attribute to the ability of the Council to protect its assets as well as enable the Council to actively pursue those that commit offences against the interests

of the Council. These were all approved and adopted by this Committee in September 2024.

- 5.75 Key corporate documents relating to staff conduct are in place. In December 2023, the Council launched a new set of values and behaviours, developed by Key Change Champions and in consultation with staff: Trust; Respect; Improving & Learning; and Customer Focus. The Code of Conduct for Staff sets out policies and expectations for staff conduct. It is published on the Intranet and a copy is issued to every new starter in their induction pack. Where there is a suspected case of staff misconduct, arrangements are in place to investigate such potential issues. The number of investigations into alleged staff misconduct has remained low with three investigations in 2023/24, and just one investigation to the end of October 2024.
- 5.76 Further to the Internal Audit report into Senior Manager Pay and Conditions that identified a number of deficiencies and anomalies, the Council has taken a range of well-documented and reported actions. These were documented in full in the AGS for 2023/24, presented to Audit & Governance Committee in July 2024. An update on the action plan included in that report is included here in Appendix 2. In October 2024, a [report](#) was taken to Council relating to the claim for restitution.
- 5.77 Counter Fraud and Investigation services continue to be provided by Thurrock Council with progress in delivering their planned programme of work reported quarterly to the Audit & Governance Committee.
- 5.78 At its meeting in October 2024, Full Council approved the recruitment of Independent Persons to the Audit and Governance Committee, Overview and Scrutiny Committee, Standards Committee and to the Independent Remuneration Panel. This decision supports compliance with statutory requirements under the Localism Act 2011 and the Local Authorities (Members' Allowances) (England) Regulations 2003. It follows good practice and promotes good governance for Members, strengthening independent scrutiny of the Council. Recruitment for the roles is underway.

### **Progress on the action plan in the Annual Governance Statement**

- 5.79 This report includes, as Appendix 1, the action plan from the latest AGS, with an update on progress against the actions.

## **6 OPTIONS**

- 6.1 Option 1: Do nothing. This option is not recommended as the Audit & Governance Committee has a key role to play in monitoring and reporting on the adequacy and effectiveness of its governance, risk management and controls.

- 6.2 Option 2: Note the assurance provided by this monitoring report about the operation of the Council's governance framework, requesting further details, if required.
- 6.3 Preferred Option: Option 2. This option will allow the Audit & Governance Committee to fulfil their role in monitoring and reporting on the adequacy and effectiveness of its governance, risk management and controls.

## **7 RISK IMPLICATIONS**

- 7.1 Failure to operate robust governance arrangements can potentially lead to poor management, performance, stewardship of public money, public engagement and ultimately, poor outcomes for citizens and service users. It increases the risk that corporate priorities will not be delivered.

## **8 FINANCIAL IMPLICATIONS**

- 8.1 There are no direct financial implications arising from this report. Good governance helps ensure that the Council is achieving value for money and that financial risks are minimised.

## **9 LEGAL IMPLICATIONS**

- 9.1 The Accounts and Audit Regulations 2015 section 6 states that:

(1) A relevant authority must, each financial year— (a) conduct a review of the effectiveness of the system of internal control required by regulation 3; and (b) prepare an annual governance statement;

(2) If the relevant authority referred to in paragraph (1) is a Category 1 authority, following the review, it must—

(a) consider the findings of the review required by paragraph (1)(a)

(i) by a committee; or

(ii) by members of the authority meeting as a whole; and

(b) approve the annual governance statement prepared in accordance with paragraph (1)(b) by resolution of—

(i) a committee; or

(ii) members of the authority meeting as a whole.

(3) [Makes reference to Category 2 authorities – not relevant to Castle Point Borough Council which is Category 1]

(4) The annual governance statement, referred to in paragraph (1)(b) must be —

(a) approved in advance of the relevant authority approving the statement of accounts in accordance with regulations 9(2)(b) or 12(2)(b) (as the case may be); and

(b) prepared in accordance with proper practices in relation to accounts

## **10 HUMAN RESOURCES IMPLICATIONS**

10.1 Workforce management is one of the key assurance processes reported in the Annual Governance Statement, and in this monitoring report. There are robust plans in place to address any concerns that have been identified to ensure the Council has good workforce management practice in place. There are no direct human resources implications.

## **11 EQUALITY AND DIVERSITY IMPLICATIONS**

11.1 There are no direct equality implications, although the assurance process of Consultation and engagement covers the need to consult, especially when considering changes to or cessation of council services. An Equality Impact Assessment has not been completed as no decision is being made.



Ben Brook

Assistant Director – Policy Performance & Customer

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### **Background Papers:-**

Castle Point Borough Council Annual Governance Statement 2023/24

Castle Point Borough Council Local Code of Governance (January 2023)

Chartered Institute of Public Finance and Accountancy (CIPFA) / Society of Local Authority Chief Executives and Senior Managers (SOLACE) publication: Delivering Good Governance in Local Government – Framework

Chartered Institute of Public Finance and Accountancy (CIPFA) / Society of Local Authority Chief Executives and Senior Managers (SOLACE) publication: Guidance Note for English Authorities

The CIPFA Finance Advisory Network, The Annual Governance Statement, meeting the requirements of the Accounts and Audit Regulations 2003, Incorporating Accounts and Audit (Amendment) (England) Regulation 2006, Rough Guide for Practitioners

The Accounts and Audit Regulations 2015

Delivering Good Governance in Local Government Framework 2016

For further information please contact Ben Brook on:-

Phone: 01268 882358

Email: [bbrook@castlepoint.gov.uk](mailto:bbrook@castlepoint.gov.uk)



**Appendix 1 – Action plan to address significant governance issues identified in the Annual Governance Statement**

	<b>Issue</b>	<b>Action 2024/25</b>	<b>Date of implementation</b>	<b>Responsible officer</b>	<b>Update on progress</b>
1.	Need for a more formal approach to gathering the views of the Castle Point public.  <i>Governance process: Consultation and Engagement</i>	Investigate options for undertaking an annual satisfaction and perceptions survey	Decision on approach by end Q2 2024/25	Assistant Director for People & Engagement	Good progress has been made on engaging with residents as part of meaningful consultation on a number of initiatives, including the Castle Point Plan.  Additional resource within the communications function will continue to build on this progress.
2.	Need for a refreshed and aligned strategic framework to support longer-term planning.  <i>Governance process: Business Planning and Strategy, inc. Partnerships</i>	Develop and adopt a new Corporate and Community Plan.  Develop approach to service planning which aligns with the new Corporate and Community Plan	End Q3 2024/25  End Q3 2024/25	Strategic Leadership team  Assistant Director for Policy, Performance & Customer	The new corporate plan is in early stages of development, working towards adoption by Full Council in March 2025.  Service plans for the 2025/26 financial year will be developed as part of the service reviews being undertaken by each Assistant Director, and will align with the priorities as set out in the new corporate plan.
3.	Strategic approach to asset management.  <i>Governance process: Asset Management</i>	Develop a strategic approach to asset management (buildings and land) which takes a view across the assets managed by individual	High level plan in place by end Q3 2024/25	Assistant Director for Estates	An Asset Strategy is being developed and on target for end of Q3 2025/26 as an overarching strategy for the management approach of buildings and land. An Asset Management Plan was previously prepared for 2019 – 2024. This is under

		service areas to ensure that these are collectively put to best use to support the Council to deliver its aims and objectives.			review and will also be updated by Q3 for 2025 – 2030.
4.	<p>Improve and expand the application of good risk management across the organisation.</p> <p><i>Governance process: Risk Management</i></p>	<p>Migrate corporate risk register into IT system to support management of risk.</p> <p>Development of service risk registers and move into IT system.</p>	<p>Corporate risk register held in IT system by end Q2 2024/25.</p> <p>Service risk registers complete by end Q2 2024/25 (into IT system by end Q3 2024/25).</p>	<p>Assistant Director for Policy, Performance &amp; Customer</p> <p>All ADs</p>	<p>Work migrating the corporate risk register into the information management IT system has been delayed because of other higher-priority development work relating to the corporate scorecard and audit recommendations.</p> <p>Assistant Directors will be refining their service level risk registers over the remainder of the 2024/25 financial year, migrating into the information management IT system in Q1 2025/26.</p>
5.	<p>More consistent and robust approach to managing performance.</p> <p><i>Governance process: Performance Management</i></p>	<p>Migrate corporate performance scorecard into IT system.</p> <p>Develop performance dashboards for service areas</p>	<p>End Q2 2024/25</p> <p>Over year to end Q4 2024/25</p>	<p>Assistant Director for Policy, Performance &amp; Customer</p>	<p>The corporate performance scorecard data is now held in the information management IT system, with reports generated from this system for the first two quarters of 2024/25.</p>

					Assistant Directors and their teams have been working with the Corporate Performance Manager to define performance measures to be held in the system. Report templates are now complete and capable of being generated. Work will continue with all service areas over the remainder of the financial year.
6.	<p>Clarity on Information Governance key role and addressing cyber security risks.</p> <p><i>Governance process: Information Governance</i></p>	<p>Clarify where the SIRO sits in the new organisation structure.</p> <p>Implement cyber security incident management audit recommendations.</p>	End Q2 2024/25	<p>Assistant Director for Legal &amp; Democratic Services</p> <p>Assistant Director for Policy, Performance &amp; Customer</p>	<p>The role of Senior Information Risk Owner (SIRO) sits with the Assistant Director for Policy, Performance &amp; Customer.</p> <p>There are a number of cyber security incident management audits recommendations that are outstanding. A follow-up audit on progress is scheduled for January 2025. Work continues keeping the Council's systems secure.</p>
7.	<p>Ensure transparency over contracts is in place and develop mechanisms to support planning of new procurement of good and services.</p> <p><i>Governance process: Procurement</i></p>	<p>Update contract register to ensure it is up-to-date and accurate.</p> <p>Update procurement guidance to reflect the requirements of the Procurement Act 2023 and include guidance on commissioning.</p>	<p>End Q2 2024/25</p> <p>End Q3 2024/25</p>	<p>All contract managers</p> <p>Assistant Director for Finance &amp; Procurement</p>	<p>A new contracts register has been created, with guidance and compliance requirements to be rolled out in the near future.</p> <p>The Council's amended Contract Procedure Rules have been drafted and will be presented to December's Council meeting for approval. Training is being developed.</p>

8.	<p>Good practice of programme and project management seen through Transforming Together (TT) moved across to business as usual</p> <p><i>Governance process: Project Management</i></p>	<p>Assimilate TT documentation with Council project management framework and guidance.</p> <p>Put in place a Project Management Officer to support the business to plan and track implementation of projects.</p>	<p>End Q2 2024/25</p> <p>End Q3 2024/25</p>	<p>Assistant Director for Policy, Performance &amp; Customer</p>	<p>A review of the TT documentation has taken place and is being held for rollout once a new resource is in place to support the overall management of projects across the Council.</p> <p>The service review undertaken by the Assistant Director for Policy, Performance &amp; Customer has been approved and includes two new roles which will support the Council to plan and track implementation of projects. This resource is expected to be in place by no later than the end of the financial year.</p>
9.	<p>Need for a clear approach to workforce management, including the policy framework and appraisal process</p> <p><i>Governance process: Workforce Management</i></p>	<p>HR policy refresh and renewal.</p> <p>Develop and implement new approach to appraisals</p>	<p>Over the year to end Q4 2024/25</p>	<p>Assistant Director for People &amp; Engagement</p>	<p>The review of the whole HR policy framework is underway, with the Trade Unions engaged in this process.</p> <p>A new approach, policy and training relating to the performance management of staff is due to be implemented by end March 2025.</p>

**Appendix 2 - action plan – relating to the internal audit into Senior Manager Pay and Conditions – included as an Addendum to the 2020/21 Annual Governance Statement, also included in the Annual Governance Statement for 2022/23**

	<b>Issue</b>	<b>Action 2023/24</b>	<b>Date of implementation</b>	<b>Responsible officer</b>
1.	A lack of an open, fair and transparent approach to recruitment to ensure the best suited individuals are recruited into senior roles, and the setting of salaries of these individuals	<p>The Council’s transformation programme has implemented a new establishment structure at Tiers 2 and 3 of the organisation. Appointments to roles have been made through advertisement and a robust interview process utilising external advisers, member panels and skills tests. Roles have been job evaluated by the East of England LGA. Across the rest of the workforce job evaluation is being undertaken with all roles (current and new) evaluated in line with the LGA’s Single Status Agreement. All new roles are advertised and appointed following an objective interview process. Progress of the job evaluation project is reported to the Staff Appointments and Review Panel. Appointments to Chief Officer posts are made by Full Council.</p> <p><b>November 2024 Update:</b> Job Evaluation implemented effective 1 September 2024. Robust approach to</p>	September 2024	Assistant Director People & Engagement

	<b>Issue</b>	<b>Action 2023/24</b>	<b>Date of implementation</b>	<b>Responsible officer</b>
		recruitment for all roles, including those at senior level continues. Action complete.		
2.	The payment of market supplements and retentions without clear rationale or supporting evidence to substantiate the payments initially or on an ongoing basis	<p>The Council’s Market Supplement Policy was rewritten and agreed by the Trade Unions (Unison and GMB) and formally reported to the Staff Appointments and Review Panel on 5 July 2023.</p> <p>Where market supplements are paid to staff the process set out in the policy is followed and reviewed annually by HR in line with that policy with all supporting evidence and sign offs provided.</p> <p><b>Update November 2024:</b> Market Supplement Policy remains in place. All Market Supplement payments were reviewed as part of the Job Evaluation project and all are subject to further review before end March 2025. Action complete.</p>	December 2022	Assistant Director People & Engagement

	<b>Issue</b>	<b>Action 2023/24</b>	<b>Date of implementation</b>	<b>Responsible officer</b>
3.	Performance payments made to individuals without clear setting of objectives, or evidence of assessment to demonstrate performance has been satisfactory and thus payments are due	The scheme which had existed was brought to an end on 31 October 2023. The Council does not now have any such payments.  <b>Update November 2024:</b> Action complete	November 2023	Head of Paid Service
4.	Unequal and preferential treatment of senior managers via their pay and conditions compared to other staff within the organisation, including for the granting of flexible retirement and associated schemes	The scheme which had existed was brought to an end on 31 March 2023. The Council does not now have any such payments.  <b>Update November 2024:</b> Action complete	April 2023	Head of Paid Service
5.	Inappropriate authorisation of payments made by officers and deliberate attempts to conceal the actions being taken in some cases	The Council’s Constitution and Financial Regulations have been updated and adopted by Full Council on 22 May 2024 The process of review of the Constitution was overseen by the Council’s Scrutiny Committee.  This new constitution sets out the delegations for officers and for members. Training is being provided to officers and members.	September 2024	Assistant Director Finance & Procurement (s151 Officer)  Assistant Director Legal & Democratic Services (Monitoring Officer)

	Issue	Action 2023/24	Date of implementation	Responsible officer
		<p>The refreshed Audit &amp; Governance Committee and the Overview &amp; Scrutiny Committee are receiving specialist external training for members and Independent Persons are being recruited to participate in meetings to assist members in their scrutiny function.</p> <p><b>Update November 2024:</b></p> <p>Review of the Constitution is on the work plan of the Overview &amp; Scrutiny Committee and a Constitution Working Group is undertaking this detailed work reporting into the Committee.</p> <p>Training has been completed.</p> <p>A decision was made at Full Council on 9 October 2024 to recruit Independent Persons for Audit &amp; Governance Committee, Overview &amp; Scrutiny Committee and Standards Committee. Recruitment process is expected to be completed by March 2025.</p>		
6.	Senior managers using their position within the organisation to change and develop policies that they will	The restructuring of the senior management team has enabled new transparency in terms of clear, defined roles and responsibilities with “dotted line” accountabilities incorporated as well as hierarchical line management. The s151 Officer and the Monitoring	September 2023	Head of Paid Service



	Issue	Action 2023/24	Date of implementation	Responsible officer
	benefit from without following appropriate processes.	Officer are part of management meetings at Tier 2 and Tier 3 to ensure corporate visibility and meet regularly with the Head of Paid Service as a “Golden Triangle” to review issues and risks.  <b>Update November 2024:</b> Action complete		