

Review on the effectiveness of corporate governance arrangements

Introduction

Swindon Borough Council annually reviews the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by executive managers within the Council who have responsibility for the development and maintenance of the governance environment, the Head of Internal Audit's annual report, and also by comments made by the external auditors and other review agencies and inspectorates.

Corporate Directors and relevant Heads of Service have completed an assurance questionnaire reviewing the control environment within their service and the results of the questionnaire have been used to help inform our assessment of significant control issues for the Council.

The following process, split over the seven key principles, has been applied in maintaining and reviewing the effectiveness of the system of corporate governance. Both in-year and year-end review processes have taken place.

Review of effectiveness

A. Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law

The roles and responsibilities of the executive, scrutiny and other functions are clearly defined through relevant terms of reference. The terms of reference can be found within the Constitution available on the Council's website at: <http://www5.swindon.gov.uk/moderngov/ecSDDisplay.aspx?NAME=SD6028&ID=6028&RPID=5623685>

The Constitution is reviewed at least annually and agreed at Full Council.

The Council's Monitoring Officer has responsibility for ensuring that the Council acts lawfully by considering any proposal, decision or omission to ensure that it wouldn't give rise to unlawfulness or if any decision or omission has given rise to maladministration. The Monitoring Officer did not have to exercise his powers under section 5 of the Local Government and Housing Act 1985.

The Council has also revised its Local Code of Corporate Governance to reflect the updated guidance from CIPFA/SOLACE during 2016/17.

The Council maintains a register of interests for both Members and Officers. The register includes declarations of gifts and hospitality.

The Monitoring Officer provides advice to Members throughout the year regarding any potential conflicts of interest and the need to declare these under the Localism Act 2011 and the local Member Code of Conduct.

The Standards Committee has monitored standards of conduct of Members and advised the Council on probity issues. Standards Committee received five complaints regarding (Borough and Parish) Councillors during 2017/18. None of these resulted in formal investigations although three were referred to the Monitoring Officer for action. A paper for the March 2018 Standards Committee says that eight Code of Conduct Complaints will be considered by the Assessment Panel on the 22nd March 2018.

The role of the Director of Finance as Section 151 Officer has been assessed by Internal Audit against the CIPFA statement on the role of the Chief Financial Officer in Local Government and found to be meeting the requirements of the statement.

A Corporate Governance Working Group, consisting of both Members and officers reviews the effectiveness of the Council's corporate governance arrangements. The Group also give guidance and opinion to the Leader of the Council and the Deputy Monitoring Officer on ongoing governance issues. During 2017/18 these included: the Overview and Scrutiny committee structure; revisions to the 2017/18 Constitution; use of electronic copies of meeting papers in order to reduce the Council's printing costs; and to comment on the proposed merger of the One Swindon Leadership Board and the Health and Wellbeing Board.

The Council operates a whistleblowing policy that provides a confidential and secure means for staff to raise concerns. Thirteen whistleblowing cases were reported during 2017/18. The outcomes of investigations are reported to the Standards Committee. The Council also subscribes to Public Concern at Work who provide an independent, confidential service where employees can report issues where they do not wish to use the internal processes.

The Council has established a Corporate Fraud team who will investigate allegations of external fraud against the Council. Internal Audit investigate any employee fraud.

B. Ensuring openness and comprehensive stakeholder engagement

The Council's constitution sets out how the Council operates, how decisions are made and the procedures that are followed to ensure that these are efficient, transparent and accountable to local people.

The constitution sets out that decisions will be made in accordance with the following principles:

- proportionality (i.e. the action must be proportionate to the desired outcome)
- due consultation and the taking of professional advice from officers
- respect for human rights
- a presumption in favour of openness
- clarity of aims and desired outcomes

The Council has a Consultation Policy that sets out set out the Council's commitment to effective and efficient public consultation and sets the expectation that this commitment will be consistently applied, particularly in relation to the Council's key decisions.

The Council will consult with residents, businesses, partner bodies and other stakeholders and will use the results of the consultation to inform its decision-making processes, to develop and refine its policies, and to drive improvement in the services for which it is responsible. The Council has carried out consultations on the budget and proposed policy changes such as Special Educational Needs (SEN) Transport. Further details are available at:

https://www.swindon.gov.uk/downloads/20019/consultations_engagement_and_surveys

The Council carried out a Residents' Survey in 2017. Satisfaction with the Council (66%) and perceived value for money (52%) were in line with national averages. Trust in the Council (60%) however is below the national average. Satisfaction with the local area as a place to live was slightly above the national average at 84%.

The Council's Change Manager: Equality and Diversity, confirmed that the Council is compliant with the Public Sector Equality Duty (Equality Act 2010) and has in place a consistent approach to equality analysis. All Cabinet reports include specific equality consideration showing 'due regard' to the duty. This information is quality assured prior to Cabinet meetings. The Council has clear 2017-2019 Equality Objectives in place and receives scrutiny of its work by the Equality Advisory Group.

Details regarding Data Protection and Freedom of Information are provided on the Council's website. The publication scheme sets out information that is available.

The Council also has collected information in accordance with the Local Government Transparency Code 2015 and is currently reviewing how best to present this on the website.

The Council has established a Customer complaints, comments and feedback process which is available on the Council's website:

https://www.swindon.gov.uk/site_search/results/?q=complaints along with separate processes for Children and Adults.

C. Defining outcomes in terms of sustainable economic, social and environmental benefits

The Corporate Plan sets out a clear set of priorities and pledges, which enable Councillors and officers to prioritise their work and ensure that the Council is using its increasingly limited resources to best effect in pursuit of delivering the vision for Swindon.

The Corporate Plan focuses on four outward facing objectives:

- Improve infrastructure and housing to support a growing, low carbon economy
- Offer education opportunities that lead to the right skills and right jobs in the right places
- Ensure clean and safe streets and improve public spaces and local culture
- Help people to help themselves while always protecting the most vulnerable children and adults

Performance against these priorities are captured in the Council Performance dashboard that is available on the Council's website and can be found in the links below:

[Priority one: Improve infrastructure and housing to support a growing, low-carbon economy](#)

[Priority two: Offer education opportunities that lead to the right skills and right jobs in the right places](#)

[Priority three: Ensure clean and safe streets and improve public spaces and local culture](#)

Priority four: Help people to help themselves while always protecting the most vulnerable children and adults

The Council's Performance Dashboard shows that the following progress has been made:

Priority	No. of Pledges	Achieved	On Track	Need Improvement
One	14	2	9	3
Two	5	0	2	3
Three	4	0	3	1
Four	7	0	4	3
Total	30	2	18	10

The Swindon Borough Local Plan 2026 is the principal planning policy document for Swindon Borough, providing the development strategy to deliver sustainable growth to the year 2026. It sets out how much development the Borough needs and identifies where, when, and how development will take place in Swindon Borough. It also includes a set of more detailed development management policies used to assess planning applications in the Borough. The Swindon Borough Local Plan 2026 was formally adopted by Swindon Borough Council on 26 March 2015.

D. Determining the interventions necessary to optimise the achievement of the intended outcomes

The Council has a robust decision-making process that ensures defined outcomes can be achieved in a way that provides the balance between the various types of resource inputs while still enabling effective and efficient operations. A clear statement of the Council's priorities and pledges is set out in the Corporate Plan.

The Council's External Auditor, Grant Thornton, was satisfied that in all significant respects, the Council had proper arrangements in place to secure economy, efficiency and effectiveness in the use of its resources. In reaching this conclusion the External Auditor completed an overall assessment of arrangements and risks for the year of audit and looked in detail at how the Council built up savings plans and included them in to budgets.

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 (2015). Timely support, information and responses are provided to our external auditors. Findings and recommendations from both our Internal and External Auditors are considered by senior management and at the Council's Audit Committee.

As detailed above the Council has a Performance Dashboard that forms part of a regular performance report to the Corporate Management team along with the Corporate Risk Register. Key issues regarding performance and risk are discussed and appropriate action taken to address any issues arising.

An Internal Audit review identified that significant improvements were required to the Council's business continuity arrangements. A peer review was

commissioned and the recommendations made both by internal Audit and from the peer review are being acted upon.

E. Developing the Council's capacity, including the capability of its leadership and the individuals within it

The Council is looking to develop leadership skills. It has introduced various initiatives during 2017/18 such as:

- Swindon Future Leaders Programme - Working with the University of the West of England, the Council has developed a programme which will lead to a recognised qualification and is aimed at those people who have shown the potential to be our next heads of service and directors.
- Aspiring Leaders – for staff who have been identified as someone having leadership potential in the future.
- Swindon Manager Programme - To support managers with their development we have set out the competencies required at the most fundamental level and are working to build them into a full leadership and management development programme. The foundation levels competencies and guidance and support to achieve them are set out here.
- Development of e-learning including mandatory courses and links to Future Learn
- One to one coaching

Staff should have appraisals on an annual basis with six-monthly update review, along with regular 1:1's and team meetings. Compliance with the requirement for appraisals has improved over 2017/18.

Information is regularly cascaded to staff through all staff briefings, the Core Brief and through senior management/leadership teams and individual team meetings.

One of the themes of the Swindon Programme is Workforce Excellence. The aim of this theme is to ensure that the Council has workforce policies and practices in place which support a modern, effective and efficient organisation; a consistent approach to pay and reward; and the Council will be seen as an attractive recruitment proposition with slick recruitment processes.

Performance monitoring is in place to ensure that the Council effectively manages its workforce with a particular focus on reducing absence management, which at present is above national average. The Council is also investing in its workforce to ensure that effective leadership and management is in place to support the workforce of the future (see above).

F. Managing risks and performance through robust internal control and strong public financial management

The Executive is responsible for considering overall financial and performance management and receives comprehensive reports on a regular basis. It also receives reports relating to risk management and monitors the corporate risk register, as well as being responsible for key decisions and for initiating corrective action in relation to risk, performance and internal control issues.

The risk management strategy and the Corporate Risk Register is regularly updated in consultation with Corporate Management Team and presented to

both Leaders Advisory Group and Audit Committee. The latest report to Audit Committee can be found at:

<http://sbcvpwmmgv02:9070/ieListDocuments.aspx?CId=687&MId=8011&Ver=4>

The Council's Performance Framework is led by the Director: Performance, People and Engagement. The framework includes a Performance and Corporate Health dashboard that enables the Council to better target resources and demonstrates the organisation's desire to be as transparent as possible. The Performance dashboard is reported regularly to Corporate Management Team and is available at: <https://www.swindon.gov.uk/vision>

The terms of reference for the Audit Committee reflect CIPFA guidance best practice. The Committee is a full committee of the Council emphasising the commitment to ensuring that there are high standards of internal control, governance and risk management within the Council.

The Committee is responsible for reviewing the financial performance, risk management, has an oversight of Treasury Management and both, Internal and External Audit performance and their findings and recommendations.

The Audit Committee also reviews the Council's assurance statements to ensure that they properly reflect the risk environment and any actions to improve it

The Internal Audit section was externally assessed against the Public Sector Internal Audit Standards during 2016/17. The assessment, carried out by Bristol City Council, concluded that the Council's Internal Audit section conforms to the requirements of the Standards.

A self-assessment of the Head of Internal Audit's role has also been made against CIPFA's statement on the Role of the Head of Internal Audit in Public Service organisations. It was found that the requirements of the CIPFA statement are being met but made two recommendations i.e. the need to update the Internal Audit strategy and noted the role of the Head of Internal Audit in preparing the Annual Governance Statement.

The Head of Internal Audit's Annual report is presented to Audit Committee. The overall opinion regarding the Council's governance, risk management and internal control arrangements was that they were satisfactory. A link to the Head of Audit's report is below:

<http://ww5.swindon.gov.uk/moderngov/ieListMeetings.aspx?CId=687&Year=0>

Corporate Directors and Heads of Service completed assurance statements to confirm that key elements of the control framework were in place during the year in their departments. They were also asked to identify areas where control weaknesses had resulted in a significant issue arising for the department.

Specific assurances were also obtained from Heads of Service with regard to the governance arrangements in place for key partnerships.

The Senior Information Risk officer (SIRO) has assessed the Council's information governance and security arrangements and has stated that:

'Following the refresh of its information technology and governance policies in 2016/17 the Council also invested in MetaCompliance, a policy delivery, management awareness and compliance tool. A phased roll-out of this software

to all computer users has ensured that currently compliance records show that more than 98% of our computer users have now read, been tested upon and agreed to abide by the Council's IT Acceptable Use Policy.

Day One essentials Information Governance training is now available for new staff and will shortly be automatically delivered via the MetaCompliance tool to all new starters when they first login to a Council computer. The Moodle training platform has been procured to delivery mandatory ongoing training and the most recent purchase of the Learning Pool public sector training catalogue will ensure that bespoke up-to-date awareness and training e-learning courses will be available to all staff and can be deployed via MetaCompliance to ensure mandatory take-up if required.

The Information Governance Board membership has been refreshed and has met on a monthly basis during 2017/18. Standing essential agenda items and oversight of the Information Governance Team's work stream have ensured high level visibility of Information Governance priorities. Information Asset Managers roles are still maturing, but this has not been helped by the recent large number of personnel changes across senior managers.

Data Protection and Freedom of Information had been located in and managed by Legal Services until late 2017. However, the Information Governance Team is currently under the line management of the Information Governance Manager within the Information and Technology service area. A decision on where this team will sit going forward is awaited.

Project work to prepare for the General Data Protection Regulation and the new Data Protection Act has been ongoing since Quarter 4 of 2017. Progress is being reported monthly to the Information Governance Board and compliance gaps are being reported to Corporate Management Team from April 2018. The Council's Internal Audit Service is also conducting an ongoing audit of the project to assist in ensuring a successful and compliant delivery of the outcomes.

Work to develop Information Risk Management is continuing and the Council's Information Asset and Risk Register is being developed to provide a more comprehensive picture of the information the Council holds and the threats and risks to be managed. Information risk has been escalated to the Council's corporate risk register for Corporate Management Team awareness and scrutiny.

PSN compliance remains outstanding, mostly due to component software needed to run legacy systems. The PSN project manager has a clear programme of work to get Swindon compliant by mid-2018 which will deliver Swindon IG toolkit 13 and 14.

In order to exchange some specific Public Health data we are required to gain Cyber Secure Plus accreditation to meet needs of new NHS IG Toolkit and Cyber toolkit. Work to achieve this will follow PSN compliance.

Work continues to develop in-house Information and Technology capacity and capabilities and modernisation of the service following the in-sourcing of the service from Capita. Some of the key deliverables are:

- Migrations from Capita Private Cloud computing facilities to SBC ones.

- Building modern secure, networking and cloud storage facility at SBC.
- Plan to encrypt swindon.gov.uk emails to meet DPA compliance

The Council's archive for paper records has been made largely fit for purpose and a long-term archiving solution has been identified and is in the process of procurement. The contract is due to be signed in May 2018 and plans are in place to exit the current storage location in July 2018.'

An Annual Governance Statement is produced that sets out the Council's governance arrangements, a review of the effectiveness of those arrangements and highlights any areas for improvement. This statement is signed by the Leader of the Council and the Chief Executive and is published with the Statement of Accounts. This review feeds in to the Annual Governance Statement.

G. Implementing good practices in transparency, reporting and audit to deliver effective accountability

Details of Council meetings including agendas and minutes, showing what decisions have been made, are available on the Council's website. As mentioned above the Monitoring Officer will ensure that all decisions are legal and the Chief Finance Officer will ensure that resources are available for decisions made.

The Audit Committee complies with the current CIPFA guidelines. It is understood that revised guidelines are to be issued shortly. The Head of Internal Audit will work with the Audit Committee during 2018/19 to ensure that they comply with any revised guidelines.

The Head of Internal Audit produces a report for each Audit Committee meeting setting out which audit reports have been issued since the previous Committee meeting. The report also contains a summary of each finalised report setting out the key recommendations made.

Audit Committee's terms of reference include a requirement for the Head of Internal Audit to present at least one full Internal Audit report where a 'significant' or 'of concern' risk has been identified. The relevant Head of Service will attend to say what action has been taken to address agreed recommendations. Reports are also presented on areas that fall within the Committee's terms of reference. Internal Audit reports presented to Audit Committee include those on: Domestic Abuse Strategy; Corporate Fraud; Treasury Management; Education Attainment; Performance and Risk Management Framework; Commercial Assets and New Eastern Villages.

External Audit also attend each Audit Committee to present their reports including any relevant recommendations.

Significant issues raised by Internal Audit are also reported to Corporate Management Team.

Last year's statement

The review has identified that the following areas included in last year's statement have progressed sufficiently for them not to be included in this year's statement or were one-off occurrences that are not applicable to the year being reviewed:

- **Transfer of staff from SEQOL.** Due to SEQOL ceasing to trade approximately 500 staff had to be brought back in-house over a very short time period during 2016/17. Services brought back in-house included: the front line social work team; two older people care homes; a learning disability care service; shared lives; building futures; Swindon Support team; the Hospital social work team; Enterprise Works etc. Work was also required to find new providers for four older people day services. The staff transfers were carried out in a very short period and involved a significant amount of officer time, however there was no adverse effect on service users.
- **Parishes.** A significant diversion of resources was required during 2016/17 to:
 - Work with pilot parishes regarding the transfer of services
 - Establish new parishes including the election of new Councillors
 - Disaggregate budgets and service provision
 - Consult regarding the proposed changes
 All areas of the Council have now been successfully parished.
- **Housing maintenance contract management.** An Internal Audit review of the contract management arrangements within Housing was undertaken during 2016/17. The audit found a number of significant weaknesses. A subsequent follow-up audit carried out later in the year found that procedures had improved but there was still a significant amount of work required to implement agreed audit recommendations. Further Internal Audit work is planned in this area during 2018/19.

These areas will continue to be reviewed and relevant risks will be included and managed through the Council's Corporate Risk register.

However, further progress is still required in the following areas before they can be taken off the statement:

- Information Governance and Security
- GCSE attainment

Areas for improvement to be included in the Annual Governance Statement for 2017/18

Whilst these arrangements generally work well the review identified a number of significant governance issues that need to be addressed:

Governance issue	Lead Officer
Information Governance and Security	Director: Digital Services and Corporate Programmes
Financial Stability and the Swindon Programme	Director of Finance
Children Services	Corporate Director: Children
GCSE attainment	Head of Education
Premises management	Corporate Director: Resources and Growth

- **Information Governance and Security:** Following the refresh of its information technology and governance policies in 2016/17 the Council also invested in MetaCompliance, a policy delivery, management awareness and compliance tool. A phased roll-out of this software to all computer users has ensured that currently

compliance records show that more than 98% of our computer users have now read, been tested upon and agreed to abide by the Council's IT Acceptable Use Policy.

PSN compliance remains outstanding, mostly due to component software needed to run legacy systems. The PSN project manager has a clear programme of work to get Swindon compliant by mid-2018 which will deliver Swindon IG toolkit 13 and 14.

Work continues to develop in-house Information and Technology capacity and capabilities and modernisation of the service following the in-sourcing of the service from Capita. Some of the key deliverables are:

- Migrations from Capita Private Cloud computing facilities to Council ones.
 - Building modern secure, networking and cloud storage facility at the Council.
 - Plan to encrypt swindon.gov.uk emails to meet Data Protection Act compliance
- **Financial Stability and the Swindon Programme:** In response to the pressures facing the Council it has adopted a cross-cutting approach, the Swindon Programme, to address the funding gap in the period to March 2020. Across the two year period from April 2018-March 2020 it is anticipated that £30million of savings need to be delivered. During the course of the 2018/19 financial year the Council will need to focus on the delivery of in-year savings already identified while developing plans for closing the remaining gap in the subsequent year.
- Given the importance of this work the Council's Corporate Management Team convenes as the Programme's Board on a monthly basis to provide leadership for the individual work streams and, where appropriate, redirect resources to ensure that progress is maintained.
- **Children Services:** The recent Ofsted inspection that focussed on the children's services 'front door' confirmed two areas that require priority action from the Council. The 'front door' refers to the service provided to professionals and members of the public with advice, information and support about services for children and young people who are potentially vulnerable or at risk. The priorities include improving the identification of risk so that there is no delay in decision making when children are at risk of harm and the quality of management oversight in relation to safeguarding practice.

Ofsted recognised that "a well-targeted programme of improvement has begun" including the revision of early support for vulnerable children as well as plans to increase senior leadership capacity and management training for all managers. Inspectors noted that these are not yet embedded or sustained enough to ensure that the front door is providing a consistently safe, well-targeted and timely response to every child. Colleagues in Children's Services and across the Council are working hard to implement the improvement plan and bring about rapid change and improvement for children and families. The improvement priorities have been developed following both internal and external review and have been supported by Cabinet with £7.5m of investment in the service over the next two years.

We have been proactive in seeking support from other Local Authorities and The Local Government Association's regional children's services adviser has brokered support to help us on our journey of improvement.

- **GCSE Attainment:** Significant action was taken during 2017/18 to develop a robust governance structure that enables and challenges performance concerning school improvement in Swindon. This has included the development of the Swindon Challenge Board (established in March 2017) which has funded a considerable number of improvement projects within schools and updated the Schools Causing Concern Strategy as well as the School Improvement strategy. GCSE results are currently below the national average and pupil progress measures are too low. Raising attainment across the Borough will not be a quick fix however, and time will be needed for the Board to have an impact on a rise in standards.

An on-going challenge for the Council is ensuring the involvement of academies in contributing to the improvement agenda. This has improved over the past twelve months with much closer working with the Regional Schools Commissioners office. The Council and the academy schools now work with national organisations (PIXL, Rossendale National Research School) and external academy trusts. All bar one of the Council's secondary schools is an academy and although the local authority has responsibility for school improvement there is a lack of direct power that the Council can use to influence the performance of academies and ultimately attainment.

- **Premises Management:** an Internal Audit review of the premises management arrangements within the Council was undertaken during 2017/18. The audit found a number of significant weaknesses including:
 - A lack of clarity regarding roles and responsibilities as the Council's Health and Safety Policies for Fire Risk Assessments and Legionella Management (in hot and cold water systems) are not sufficiently detailed
 - No overall performance process in place to ascertain the extent and status of any fire risk assessment actions or legionella risk assessment actions for corporate buildings as there is no corporate management and monitoring conducted of parties' assigned responsibility under the current process
 - Formal risk criteria is not in place to determine the frequency of risk assessments for buildings and to provide a standard and consistent approach.

Corporate Management Team (CMT) had also raised concerns and the Director: Resources and Growth initiated a work stream to resolve the issues raised both by CMT and Internal Audit. The work of this work stream is nearing completion and the key issues raised are being addressed. Internal Audit has scheduled a follow-up audit to be carried out during 2018/19 to ensure agreed recommendations have been implemented.

Overall opinion on the Council's governance arrangements

The review has found that the Council's governance arrangements continue to be regarded as fit for purpose in accordance with the governance framework.