



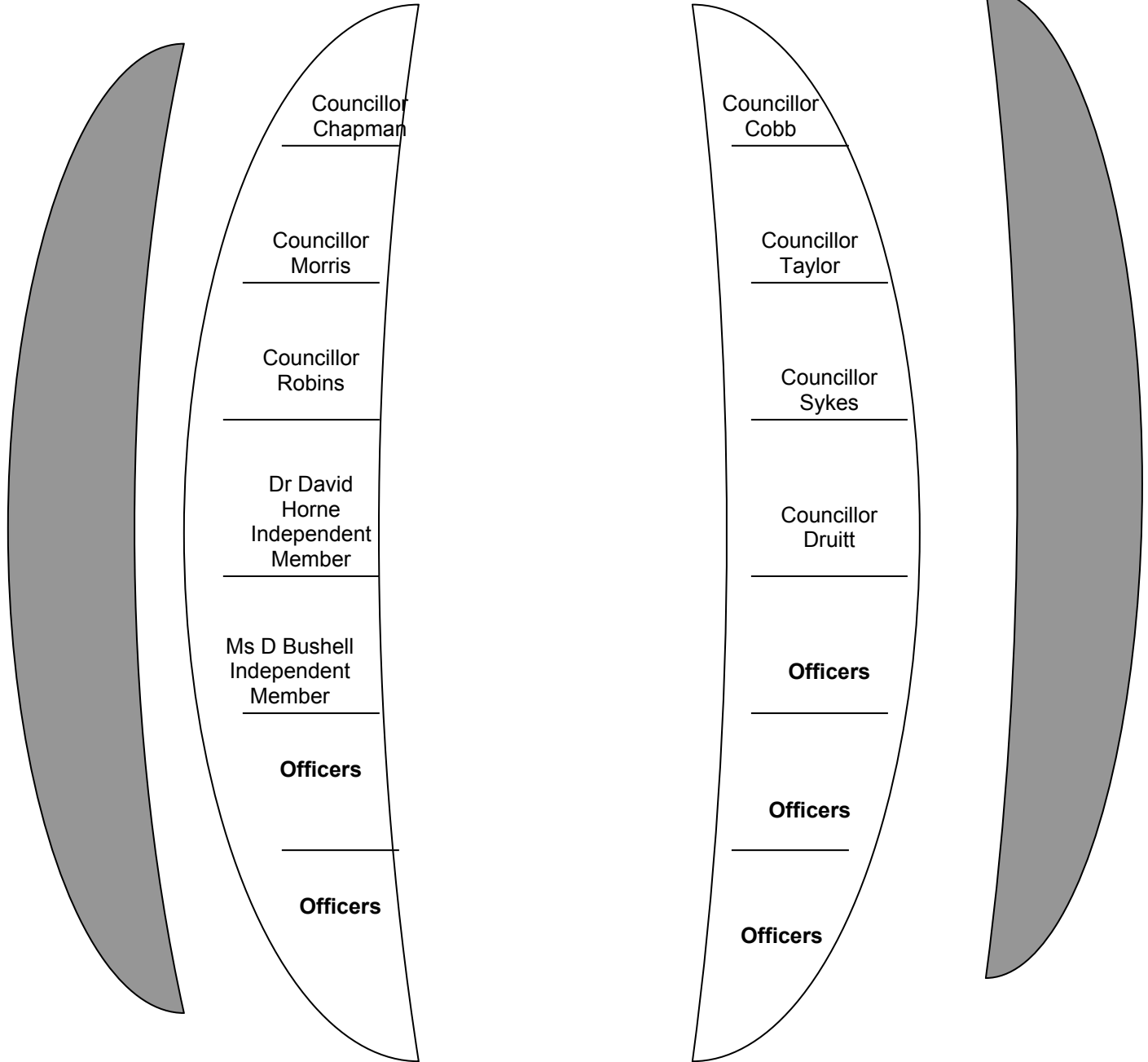
Audit & Standards Committee

Title:	Audit & Standards Committee
Date:	23 June 2015
Time:	4.00pm
Venue	The Ronuk Hall, Portslade Town Hall
Members:	<p>Councillors: A Norman (Chair), Chapman, Cobb, Druitt, Morris, Robins, Sykes and Taylor</p> <p>Co-opted Members: Diane Bushell and Dr David Horne</p>
Contact:	<p>Lisa Johnson Senior Democratic Services Officer 01273 291228 Lisa.johnson@brighton-hove.gov.uk</p>

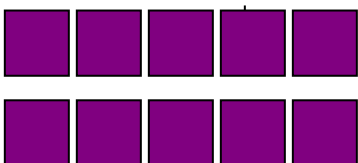
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	An Induction loop operates to enhance sound for anyone wearing a hearing aid or using a transmitter and infra red hearing aids are available for use during the meeting. If you require any further information or assistance, please contact the receptionist on arrival.
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Democratic Services: Audit & Standards Committee

Head of Legal & Democratic Services	Councillor A Norman (Chair)	Executive Director Finance & Resources	Democratic Services Officer
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Public Seating



Press



AGENDA

1 PROCEDURAL BUSINESS

(a) Declaration of Substitutes: Where Councillors are unable to attend a meeting, a substitute Member from the same Political Group may attend, speak and vote in their place for that meeting.

(b) Declarations of Interest:

- (a) Disclosable pecuniary interests;
- (b) Any other interests required to be registered under the local code;
- (c) Any other general interest as a result of which a decision on the matter might reasonably be regarded as affecting you or a partner more than a majority of other people or businesses in the ward/s affected by the decision.

In each case, you need to declare

- (i) the item on the agenda the interest relates to;
- (ii) the nature of the interest; and
- (iii) whether it is a disclosable pecuniary interest or some other interest.

If unsure, Members should seek advice from the committee lawyer or administrator preferably before the meeting.

(c) Exclusion of Press and Public: To consider whether, in view of the nature of the business to be transacted, or the nature of the proceedings, the press and public should be excluded from the meeting when any of the following items are under consideration.

NOTE: *Any item appearing in Part Two of the Agenda states in its heading the category under which the information disclosed in the report is exempt from disclosure and therefore not available to the public.*

A list and description of the exempt categories is available for public inspection at Brighton and Hove Town Halls.

2 MINUTES

1 - 6

To consider the minutes of the meeting held on 10 March 2015 (copy attached).

3 CHAIR'S COMMUNICATIONS

AUDIT & STANDARDS COMMITTEE

4 CALL OVER

- (a) Items (7 to 22) will be read out at the meeting and Members invited to reserve the items for consideration.
- (b) Those items not reserved will be taken as having been received and the reports' recommendations agreed.

5 PUBLIC INVOLVEMENT

To consider the following matters raised by members of the public:

- (a) **Petitions:** to receive any petitions presented to the full council or at the meeting itself;
- (b) **Written Questions:** to receive any questions submitted by the due date of 12 noon on the 16 June 2015;
- (c) **Deputations:** to receive any deputations submitted by the due date of 12 noon on the 16 June 2015.

6 MEMBER INVOLVEMENT

To consider the following matters raised by councillors:

- (a) **Petitions:** to receive any petitions submitted to the full Council or at the meeting itself;
- (b) **Written Questions:** to consider any written questions;
- (c) **Letters:** to consider any letters;
- (d) **Notices of Motion:** to consider any Notices of Motion referred from Council or submitted directly to the Committee.

AUDIT ITEMS

- | | | |
|----------|--|---------------------------|
| 7 | CODE OF CORPORATE GOVERNANCE | 7 - 16 |
| | Report of Head of Legal & Democratic Services (copy attached). | |
| | <i>Contact Officer:</i> Elizabeth Culbert | <i>Tel:</i> 01273 -291515 |
| | <i>Ward Affected:</i> All Wards | |
|
 | | |
| 8 | GOVERNANCE: WHISTLEBLOWING UPDATE | 17 - 38 |
| | Report of Head of Legal and Democratic Services (copy attached). | |
| | <i>Contact Officer:</i> Sarita Arthur-Crow | <i>Tel:</i> 01273 294687 |
| | <i>Ward Affected:</i> All Wards | |
|
 | | |
| 9 | ANNUAL GOVERNANCE STATEMENT 2014/15 | 39 - 58 |
| | Report of Interim Executive Director of Finance & Resources (copy attached). | |
| | <i>Contact Officer:</i> Jackie Algar | <i>Tel:</i> 01273 29-1273 |
| | <i>Ward Affected:</i> All Wards | |

AUDIT & STANDARDS COMMITTEE

- 10 REVIEW OF THE EFFECTIVENESS OF THE SYSTEM OF INTERNAL AUDIT** **59 - 64**
- Report of the Head of Internal Audit (copy attached).
- Contact Officer:* Graham Liddell *Tel:* 01273 291323
Ward Affected: All Wards
- 11 INTERNAL AUDIT PLAN 2015-16 - UPDATE** **65 - 72**
- Report of Head of Internal Audit (copy attached).
- Contact Officer:* Graham Liddell *Tel:* 01273 291323
Ward Affected: All Wards
- 12 STRATEGIC RISK REGISTER REVIEW** **73 - 96**
- Report of Interim Executive Director Finance & Resources (copy attached).
- Contact Officer:* Jackie Algar *Tel:* 01273 29-1273
Ward Affected: All Wards
- 13 STRATEGIC RISK MAP FOCUS: SR2 FINANCIAL OUTLOOK; AND SR18 EFFECTIVE USE OF TECHNOLOGY** **97 - 104**
- Report of Interim Executive Director Finance & Resources (copy attached).
- Contact Officer:* Jackie Algar *Tel:* 01273 29-1273
Ward Affected: All Wards
- 14 AUDIT & STANDARDS COMMITTEE ANNUAL REPORT 2014/15** **105 - 120**
- Report of Head of Internal Audit (copy attached).
- Contact Officer:* Mark Dallen *Tel:* 01273 291314
Ward Affected: All Wards
- 15 INTERNAL AUDIT ANNUAL REPORT AND OPINION 2014-15** **121 - 142**
- Report of Head of Internal Audit (copy attached).
- Contact Officer:* Graham Liddell *Tel:* 01273 291323
Ward Affected: All Wards
- 16 AUDIT & STANDARDS COMMITTEE WORK PROGRAMME** **143 - 148**
- Report of Interim Executive Director Finance & Resources (copy attached).
- Contact Officer:* Graham Liddell *Tel:* 01273 291323
Ward Affected: All Wards
- 17 HROD ANNUAL REPORT** **149 - 206**
- Report of Interim Executive Director Finance & Resources (copy attached).
- Ward Affected:* All Wards

AUDIT & STANDARDS COMMITTEE

- 18 2014/15 AUDIT PROGRESS REPORT** **207 - 218**
Report of Ernst & Young (copy attached).

- 19 ERNST & YOUNG 2015/16 AUDIT FEE LETTER** **219 - 224**
Report of Ernst & Young (copy attached).

INFORMATION ITEMS FROM THE POLICY & RESOURCES COMMITTEE

- 20 TARGETED BUDGET MANAGEMENT (TBM) 2014/15**
Extract from the proceedings of the Policy & Resources Committee held on 11 June 2015 (to be circulated).

- 21 ITEMS REFERRED FOR COUNCIL**
To consider items to be submitted to the 16 July 2015 Council meeting for information.

In accordance with Procedure Rule 24.3a, the Committee may determine that any item is to be included in its report to Council. In addition, any Group may specify one further item to be included by notifying the Chief Executive no later than 10am on the eighth working day before the Council meeting at which the report is to be made, or if the Committee meeting take place after this deadline, immediately at the conclusion of the Committee meeting

PART TWO

- 22 UPDATE ON COIN CO INTERNATIONAL - EXEMPT CATEGORY 3** **225 - 228**
Report of Interim Executive Director of Finance & Resources (circulated to Members only).

Contact Officer: Nigel Manvell, Graham Liddell Tel: 29-3104, Tel: 01273 291323
Ward Affected: All Wards

- 23 PART TWO PROCEEDINGS**
To consider whether the items listed in Part Two of the agenda and decisions thereon should remain exempt from disclosure to the press and public.

AUDIT & STANDARDS COMMITTEE

The City Council actively welcomes members of the public and the press to attend its meetings and holds as many of its meetings as possible in public. Provision is also made on the agendas for public questions to committees and details of how questions can be raised can be found on the website and/or on agendas for the meetings.

The closing date for receipt of public questions and deputations for the next meeting is 12 noon on the fifth working day before the meeting.

Agendas and minutes are published on the council's website www.brighton-hove.gov.uk. Agendas are available to view five working days prior to the meeting date.

Meeting papers can be provided, on request, in large print, in Braille, on audio tape or on disc, or translated into any other language as requested.

For further details and general enquiries about this meeting contact Lisa Johnson, (01273 291228, email lisa.johnson@brighton-hove.gov.uk) or email democratic.services@brighton-hove.gov.uk.

Date of Publication - Monday, 15 June 2015

BRIGHTON & HOVE CITY COUNCIL

AUDIT & STANDARDS COMMITTEE

4.00pm 10 MARCH 2015

COUNCIL CHAMBER, HOVE TOWN HALL

MINUTES

Present:

Councillors Hamilton (Chair), A Norman (Opposition Spokesperson), Lepper, Littman (Opposition Spokesperson), Smith, Phillips and Wealls

PART ONE

75 PROCEDURAL BUSINESS

75a Declarations of substitutes

75.1 Councillor Wealls declared he was substituting for Councillor Janio.

75.b Declarations of interests

75.2 There were none.

75c Exclusion of the press and public

75.3 In accordance with Section 100A of the Local Government Act 1972 ("the Act"), the Committee considered whether the public should be excluded from the meeting during consideration of any item of business on the grounds that it is likely in view of the business to be transacted or the nature of the proceedings, that if members of the public were present during it, there would be disclosure to them of confidential information as defined in Section 100A (3) of the Act.

75.4 **RESOLVED** - That the public are excluded from the meeting from items listed on Part 2 of the agenda.

76 MINUTES OF MEETING HELD ON 13 JANUARY 2015

76.1 Dr Horne was not able to attend the meeting, but had requested that paragraph 69.3 be amended to read '*Dr Horne noted that teacher's superannuation was no longer being dealt with by EY and asked how the Committee would receive the certification.*

Mr Mathers said that was correct and the Council had appointed other auditors for that work'. The Committee agreed.

- 76.2 RESOLVED** – That the Chair be authorised to sign the minutes of the meeting held on 13 January 2015 as a correct record.

77 CHAIR'S COMMUNICATIONS

- 77.1 The Chair noted that this was the last meeting before the elections in May 2015 and thanked all members of the Committee for their work and support. He made particular mention to Councillors Lepper and Smith who were not standing for re-election, and who had both been Mayor and served as Councillors in the city for many years. The Chair added that this would be his last meeting as Chair of the Audit & Standards Committee as he had been in that role for seven years and, whatever the results of the elections would be, he felt that it would be now be appropriate for a new person to Chair the Committee. Councillor Littman thanked the Chair for his work with the Committee.

78 CALL OVER

- 78.1 It was agreed that the following items be called:

- Item 80
- Item 81
- Item 82
- Item 83
- Item 84
- Item 85
- Item 86
- Item 87
- Item 88
- Item 89

79 PUBLIC INVOLVEMENT

- 79.1 There were no Petitions, Written Questions or Deputations.

80 MEMBER INVOLVEMENT

- 80.1 There were no Petitions, Written Questions, Letters or Notices of Motion.

81 MEMBER COMPLAINTS UPDATE

- 81.1 The Monitoring Officer and Head of Legal & Democratic Services advised the Committee that there had been no Member complaints received since the last meeting of the Committee.

82 GOVERNANCE: WHISTLEBLOWING UPDATE

- 82.1 The Committee considered a report of the Interim Executive Director for Finance & Resources on Whistleblowing. The report provided an update on progress and future actions proposed to improve co-ordination of effort and to improve understanding both within the organisation and by customers. The report was presented by the Council's Risk Management Lead.
- 82.2 Councillor Littman noted the proposal to transfer the responsibility for maintaining and holding the Register of Whistleblowing allegations, from Internal Audit to the Head of Legal & Democratic Services and asked why that had been proposed. The Head of Legal & Democratic Services said that at the moment not all the whistleblowing allegations were being captured as they were being caught up with other audit work, and following discussions by the Executive Leadership Team, it had been suggested that the Register be held by Legal & Democratic Services.
- 82.3 Councillor Wealls asked if the Committee members would be advised of what action was taken on allegations made. Head of Legal & Democratic Services said that the intention was to provide an annual report providing that information.

82.4 RESOLVED:

- (1) That the Committee agreed in principle to the proposed changes to the Council's Whistleblowing Policy & Procedure.
- (2) That the Committee noted that a report would be made to the 23 June 2015 Committee to recommend to Full Council to approve the proposed changes to Whistleblowing Policy.

83 INTERNAL AUDIT PROGRESS REPORT

- 83.1 The Committee considered a report of the Head of Internal Audit. The report updated Members of the progress made against the Internal Audit Plan 2014/15. The report was presented by the Audit Manager.
- 83.2 The Chair and Councillor Norman both raised concerns that recommendations from an audit undertaken on the Transport Workshop in 2013 had still not been fully implemented. The Interim Executive Director Finance & Resources said that the Executive Leadership Team had requested a quarterly report to update them on progress made for all high priority recommendations and that could be provided for the Committee.
- 83.3 **RESOLVED:** That the Committee noted the progress made in delivering the Annual Internal Audit Plan 2014/15 and the corporate fraud outcomes achieved.

84 ANNUAL GOVERNANCE STATEMENT 2013/14: FURTHER ACTION PLAN PROGRESS UPDATE

- 84.1 The Committee considered a report of the Interim Executive Director for Finance & Resources on progress made on the Annual Governance Statement 2013/14 action plan. The report was presented by the Council's Risk Management Lead.
- 84.2 Councillor Wealls referred to Appendix 1 and asked who decided on the RAG (Red, Amber, Green) status of the action points. He was advised it would be the appropriate Lead Officer (as listed in the appendix) and the Officer Governance Board who reviewed and monitored the implementation of the action points.
- 84.3 Councillor Wealls noted that a Corporate Business Continuity Group had been set up and asked for more information i.e. when it met, who chaired it etc. The Council's Risk Management Lead said that it had approximately 15 members, met five times a year, was chaired by Mr R Humphries (Emergency Planning and Resilience Manager) and was linked in with the Officers' Governance Board.
- 84.4 **RESOLVED:** That the Committee noted Appendix 1 to the report, which showed the progress made on the action plan for the Annual Governance Statement 2013/14.

85 RISK MANAGEMENT STRATEGY ANNUAL PROGRESS REPORT 2014

- 85.1 The Committee considered a report of the Interim Executive Director for Finance & Resources. The report detailed the progress made on the Risk Management Programme 2014-15 against the identified measures. The report was presented by the Council's Risk Management Lead.
- 85.2 **RESOLVED:** That the Committee noted the report.

86 STRATEGIC RISK MAP FOCUS: SR17 SCHOOL PLACES PLANNING; AND SR15 KEEPING CHILDREN SAFE FROM HARM AND ABUSE

- 86.1 The Committee considered a report of the Interim Executive Director for Finance & Resources. The report was presented by the Executive Director of Children's Services and the Council's Risk Management Lead.
- 86.2 The Committee first considered SR15 Keeping Children Safe from Harm and Abuse.
- 86.3 Councillor Wealls asked who decided on the rating of the 'Effectiveness of Controls', and was advised it was the Executive Director for Children's Services following consultation with local SENCO Board.
- 86.4 Councillor Littman asked how the effectiveness was measured. The Executive Director of Children's Services said that various indicators were used, such as looking at the number of young people referred to the Multi Agency Safeguarding Hub (MASH) or assessing feedback from those who used the services etc.

- 86.5 Councillor A Norman asked what work was done to support young offenders. The Executive Director of Children's Services said that there was a Youth Offending Service which was a multi-agency team which worked with young people from the ages of 10 – 17. The number of young people using the service had reduced by more than half over the last two years.
- 86.6 The Committee then considered SR17 School Places Planning.
- 86.7 The Chair noted that there were spare places at primary schools in Portslade and there was concern that if the admission numbers did not increase it would impact on the viability of the schools. The Executive Director for Children's Services said that the Council were aware of that, but there was movement across the city and it was important to ensure there would be sufficient school places when needed. However, the number of places available would regularly reviewed and where necessary class sizes reduced.
- 86.8 **RESOLVED:** That the Committee considered and noted the report.

87 INTERNAL AUDIT AND CORPORATE FRAUD: STRATEGY AND PLAN 2015/16

- 87.1 The Committee considered the report of the Head of Internal Audit. The report was introduced by the Head of Internal Audit.
- 87.2 Councillor Wealls asked if the Council worked with other Authorities to discuss common problems or issues. The Head of Internal Audit said there was not a national system for raising areas of concern, but the Council did work with other local authorities across the south-east of England including East and West Sussex County Councils.
- 87.3 Councillor A Norman noted that schools would be audited and asked for more information. The Head of Internal Audit said that previously few schools were audited but the proposal for next year was to audit ten schools. School's budgets were large, although most of that covered staff costs, and so it was an important area of work. Councillor Wealls asked who would pay for the audit and what the likely cost would be. The Audit Manager said that it would be financed from central council funds, and the cost of 25 days of auditing planned for the first quarter of 2014/15 would be around £7500.
- 87.4 **RESOLVED:** That the Committee approved the Internal Audit and Corporate Fraud Strategy and Plan 2015/16.

88 ERNST & YOUNG LLP (EY) - AUDIT PLAN 2014/15

- 88.1 The Committee considered the report of the external auditor EY. The report was introduced by Mr P King of EY.
- 88.2 Councillor Wealls referred to point 5.3 of the Audit Plan and noted that only uncorrected misstatements over £593,000 would be reported. Mr King said that the auditors could only give reasonable, not absolute, assurance on an audit and therefore a materiality

level was set. Materiality was defined as the magnitude of an omission or misstatement that could reasonably be expected to influence the users of the financial statements. Councillor Wealls asked if, for example, Council Tax collection was incorrect by £500,000 it would not be reported. Mr King said that as a general rule it would not but if any issues of governance arose, that would be reported and the appropriate action taken.

88.3 Councillor A Norman referred to point 4 of the Audit Plan and asked if there were other areas of high spend which could be considered as concerning by the auditors. Mr King said the auditors would not solely be looking at the numbers, but a high spend could reflect a high quality service or reflect particular priorities of the Council. Mr Mathers (EY) added that any high cost areas identified would be reported back to the Committee.

88.4 **RESOLVED:** That the Committee noted the report.

89 EY - AUDIT PROGRESS REPORT AND SECTOR UPDATE

89.1 The Committee considered the report of the external auditor EY. The report was introduced by Mr S Mathers of EY.

89.2 The Chair asked what the cost of Housing Benefit was. Mr Mathers said it was £180m, and added that this area was audited absolutely with no level of materiality.

89.3 **RESOLVED:** That the Committee noted the report.

90 TARGETED BUDGET MANAGEMENT (TBM) 2014/15 MONTH 9

90.1 **RESOLVED:** That the Committee noted the report.

91 ITEMS REFERRED FOR COUNCIL

91.1 It was agreed that no items be referred to Council.

The meeting concluded at 5.35pm

Signed

Chair

Dated this

day of

Subject:	Code of Corporate Governance		
Date of Meeting:	23 June 2015		
Report of:	Head of Legal and Democratic Services		
Contact Officer:	Name:	Elizabeth Culbert	Tel: 29-1515
	Email:	Elizabeth.Culbert@brighton-hove.gcsx.gov.uk	
Ward(s) affected:	All		

FOR GENERAL RELEASE**1. PURPOSE OF REPORT AND POLICY CONTEXT**

- 1.1 The 2013/14 annual governance statement noted that to ensure continuous improvement in the Council's governance arrangements, the council would review its Code of Corporate Governance. Appendix 1 sets out a draft updated Code.

2. RECOMMENDATIONS:

- 2.1 That the Audit & Standards Committee considers and approves the draft updated Code of Corporate Governance.

3. CONTEXT/ BACKGROUND INFORMATION

- 3.1 Corporate Governance is the means by which the council ensures that it is doing the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner. It comprises the systems and processes, and cultures and values, by which local government bodies are directed and controlled and through which they account to, engage with and, where appropriate, lead their communities.
- 3.2 A code of corporate governance explains how an organisation complies with statutory requirements and best practice guidance on corporate governance. It serves as a means of increasing credibility, accountability and public confidence in the organisation.

4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS

- 4.1 The draft Code is based upon the guidance published jointly by CIPFA¹ and SOLACE² entitled 'Delivering Good Governance in Local Government Framework'. The Guidance sets out six core principles of corporate governance, together with various supporting principles in respect of each core principle.

¹ The Chartered Institute of Public Finance and Accountancy.

² The Society of Local Authority Chief Executives and Senior Managers.

- 4.2 It forms a key part of the council's drive to ensure continuous improvement in the Council's governance.

5. COMMUNITY ENGAGEMENT & CONSULTATION

- 5.1 A wide range of senior officers have been consulted in drafting the updated Code.

6. CONCLUSION

- 6.1 A Code of Corporate Governance forms a key part of the council's drive to ensure continuous improvement in the way the council operates. Members of the Audit & Standards Committee should consider and approve the proposed update.

7. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

- 7.1 There are no financial implications arising from this report. The arrangements set out in the Code of Conduct are expected to be delivered within current budgets.

Finance Officer Consulted: James Hengeveld

Date: 11/06/15

Legal Implications:

- 7.2 There are no legal implications arising from this report.

Lawyer Consulted: Elizabeth Culbert

Date: 11/06/15

Equalities Implications:

- 7.3 None

Sustainability Implications:

- 7.4 None

SUPPORTING DOCUMENTATION

Appendices:

1. Draft Code of Corporate Governance

DRAFT LOCAL CODE OF CORPORATE GOVERNANCE (Updated 08/6/2015)

Introduction

Good governance is crucial as it leads to good management, good performance, good stewardship of public money, good public engagement and ultimately good outcomes for citizens and service users. Further, good governance enables an authority to pursue its aims effectively whilst controlling and managing risk.

Brighton & Hove City Council has a robust Constitution and associated governance documents and arrangements in place. The purpose of this Local Code of Corporate Governance is to set out for members and officers the main principles of good governance that the Council is committed to and to highlight the key policies and processes that are in place to ensure these principles are followed.

What is good governance?

Corporate Governance has been described as being:-

‘how local government bodies ensure that they are doing the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner.’¹

The Council operates through a governance framework which brings together an underlying set of legislative requirements, governance principles and management processes. Development of a Local Code of Governance helps to ensure that proper systems and processes are in place and serves as a means of increasing credibility, accountability and public confidence in the organisation.

The Council’s Purpose, Ambition, Priorities and Values

The Council recognises that establishing and maintaining a culture of good governance is as important as putting in place a framework of policies and procedures. The Council expects members and staff to uphold the highest standards of conduct and behaviour and to act with openness, integrity and accountability when carrying out their duties. The Council’s corporate Plan 2015-2019 sets out the Council’s purpose, ambition, priorities and values.

¹ Delivering good governance in local Government Framework’ CIPFA/SOLACE

The Council's Purpose, Ambition, Priorities and Values

The Council's purpose is to provide strong civic leadership for the wellbeing and aspiration of Brighton & Hove.

We will be successful if we are judged to deliver:

A good life

Ensuring a city for all ages, inclusive of everyone and protecting the most vulnerable.

A well run city

Keeping the city safe, clean, moving and connected.

A vibrant economy

Promoting a world class economy with a local workforce to match.

A modern council

Providing open civic leadership and effective public services.

Underpinning this purpose are six values which describe the professional behaviour required to modernise the council. They are:

- Respect
- Collaboration
- Efficiency
- Openness
- Creativity
- Customer Focus

In addition the Council has four principles built on those shared by the city's partnerships, to deliver our purpose. These are:

Public accountability

A council that works with, and is answerable to, citizens and partners.

Citizen focused

A council that starts from the citizen's point of view, making services simpler, more connected and more personal.

Increasing equality

A more equal city, where everyone is respected and shares in the city's prosperity.

Active citizenship

A city people take pride in, where citizens, communities and businesses are active in addressing things that matter to them.

The Local Code of Corporate Governance

This Local Code is based upon the guidance published jointly by CIPFA² and SOLACE³ entitled 'Delivering Good Governance in Local Government Framework'. The Guidance sets out six core principles of corporate governance, together with various supporting principles in respect of each core principle. The Council's Local Code of Corporate Governance incorporates these principles and identifies good practice and other means of demonstrating the Council's compliance with them.

Principle 1

The Council will focus on its purpose, on outcomes for the community and creating and implementing a vision for the local area.

To do this we will

- Exercise of strategic leadership by developing and clearly communicating the Council's purpose, vision and intended outcomes for residents, visitors and other service users;
- Ensure that users receive a high quality of service, whether directly, in partnership or otherwise;
- Ensure that the Council makes best use of resources and tax payers and service users receive excellent value for money.

Principle 2

The Council's Members and officers will work together to achieve a common purpose with clearly defined functions and roles

To do this we will

- Ensure effective leadership throughout the Council with clear roles for Committees and Sub-committees;
- Ensure that a constructive working relationship exists between Members and officers and that their respective responsibilities are carried out to a high standard;
- Ensure relationships between the Council, its partners and the public are clear so that each knows what to expect of the other.

Principle 3

The Council will promote its values and demonstrate the value of good governance through upholding high standards of conduct and behaviour.

To do this we will

² The Chartered Institute of Public Finance and Accountancy.

³ The Society of Local Authority Chief Executives and Senior Managers.

- Oversea Council arrangements to ensure Members and officers exercise leadership by behaving in ways that exemplify high standards of conduct and effective governance;
- Ensure that organisational values are put into practice and are effective.

Principle 4

The Council will take informed and transparent decisions that promote value for money and are subject to effective scrutiny and managing risk

To do this we will

- Be rigorous and transparent about how decisions are taken and will listen and act on the outcome of constructive scrutiny
- Provide good-quality information, advice and support so that services are delivered effectively and are what the community wants/needs
- Ensure that an effective risk management system is in place use our legal powers to the full benefit of the citizens and communities in its area.

Principle 5

The Council will develop the capacity and capability of Members and officers to be effective

To do this we will

- Make sure that Members and officers have the skills, knowledge, experience and resources they need to perform well in their roles
- Develop the capability of people with governance responsibilities and evaluate their performance, as individuals and as a group
- Encourage new talent for membership of the Council so that best use can be made of individuals' skills and resources in balancing continuity and renewal

Principle 6

The Council will engage with local people and other stakeholders to ensure robust public accountability

We will do this by

- Exercising leadership through a robust scrutiny function which effectively engages local people and all local institutional stakeholders, including partnerships, and develops constructive accountability relationships
- Taking an active and planned approach to dialogues with and accountability to the public to ensure effective and appropriate service delivery whether directly, in partnership or commissioning.
- Making best use of human resources by taking an active and planned approach to meet responsibility to staff

Monitoring and Review

The key policies and processes that underpin the Council's compliance with these principles are set out in **Appendix 1**.

All Members and officers of the Council share responsibility for good governance. The Monitoring Officer and the Executive Director of Finance and Resources will jointly report annually on compliance with this Code and the effectiveness of the Council's governance arrangements. The report will also be the basis for the production of the Annual Governance Statement which will be published in the Council's Annual Statement of Accounts. The Audit and Standards Committee is responsible for the oversight of ethical issues and for approving the Annual Governance Statement prepared jointly by the Monitoring Officer and the Executive Director of Finance and Resources.

APPENDIX ONE

Council policies and processes linked to compliance with the six core principles of Corporate Governance

Council policy or process	1. Purpose, vision & outcomes	2. Clearly defined function & roles	3. Values, good governance, conduct & behaviour	4. Decisions value for money, scrutiny & managing risk	5. Capacity capability	6. Engagem ent, accountab ility
Sustainable Community Strategy	✓					✓
City Plan	✓					✓
Corporate Plan 2015-2019	✓	✓				✓
Directorate Plans	✓				✓	
Service Plans	✓				✓	
Corporate values and training programme	✓		✓		✓	
Brighton & Hove Connected	✓					✓
Greater Brighton City Deal	✓					✓
Health and Wellbeing Board	✓					✓
Corporate communications protocol	✓	✓	✓	✓		✓
Corporate complaints procedure	✓		✓	✓		
Financial regulations and financial procedures	✓		✓	✓		
Medium term Financial Strategy	✓					
Annual budget and TBM monitoring reports	✓			✓		
Annual statement of accounts	✓					
Internal audit reviews	✓					
Benchmarking	✓				✓	
Contract Standing Orders	✓			✓		
Counter fraud strategy	✓			✓		
Council modernisation programme	✓			✓	✓	
Council's constitution		✓	✓	✓		
Decision records		✓		✓		✓
Scheme of authorisation		✓				
Officer job descriptions		✓	✓		✓	

and performance review process (PDP and training plans)						
Annual staff survey		✓	✓		✓	✓
Information published under Local Government Transparency Code		✓				
Social media policy and guidelines		✓				
Whistleblowing policy			✓	✓		
Annual Governance Statement			✓			
Annual HR report			✓		✓	
Publication Scheme				✓		✓
Member development induction and training programme				✓	✓	
Corporate business planning and risk management framework				✓	✓	
Risk management strategy				✓		
Strategic risk register				✓		
Directorate and service risk registers				✓	✓	
Insurance policies				✓		
Health & safety policies and procedures				✓		
Workforce strategy				✓	✓	✓
Recruitment policies and procedures					✓	✓
City management Board						✓
Fairness Commission						✓

Subject:	Governance: Whistleblowing Update		
Date of Meeting:	23 June 2015		
Report of:	Head of Legal & Democratic Services		
Contact Officer:	Name:	Sarita Arthur-Crow	Tel: 01273 29 4687
	Email:	sarita.arthur-crow@brighton-hove.gov.uk	
Ward(s) affected:	All		

FOR GENERAL RELEASE**1. PURPOSE OF REPORT AND POLICY CONTEXT**

- 1.1 The Council has recognised that further and continuing work is required to strengthen governance arrangements. One aspect of governance is whistleblowing. This report sets out proposed changes to the Council's Whistleblowing Policy. The proposals aim to improve whistleblowing arrangements within the Council.

2. RECOMMENDATIONS:

- 2.1 That the Audit & Standards Committee recommend to Full Council to approve the attached new Whistleblowing Policy for the Council (Addendum 1) and approve the model policy that Schools will be encouraged to adopt (Addendum 2).

3. CONTEXT/ BACKGROUND INFORMATION

- 3.1 Ensuring an effective whistleblowing policy assists the Council to be open and also to be less likely to not comply with the law in relation to whistleblowing. It is also part of good governance to have effective whistleblowing arrangements. For this reason, the Council's Good Governance and Leadership Programme Board has highlighted the need to review the Council's current policy on whistleblowing.
- 3.2 Whistleblowing involves concerns regarding:
- Conduct which is an offence or a breach of law
 - Disclosures related to miscarriages of justice
 - Individual(s) covering up wrongdoing
 - Health & safety risks, including risks to the public as well as other employees
 - Damage to the environment
 - The unauthorised use of Council funds
 - Action that is contrary to the Council's financial procedures or contract regulations
 - Possible fraud, corruption or financial irregularity
 - Practice which falls below established standards or practice

- Sexual or physical abuse of clients
- Other unethical conduct

- 3.3 Persons who raise concerns regarding any of the above are under certain circumstances protected against detrimental treatment or dismissal for disclosing normally confidential information. The persons protected in law are employees. The Council's current Whistleblowing Policy applies to all 'members of staff', i.e. employees, casual and agency worker, apprentices, contractors and self-employed consultants working on the Council's premises.
- 3.4 The new proposed Policy would extend the remit of the policy to members of the public. The same legal protection against dismissal or detriment will naturally not apply to members of the public, however, extending the Policy to members of the public will ensure that there is a route by which concerns can be raised. It will also ensure that concerns are addressed to the correct people and dealt with as appropriate. This change is in line with the Council's commitment to openness and aims to ensure greater transparency. Where the concern is in fact a complaint regarding a service that the customer has received, this will be re-directed to the Complaints Procedure.
- 3.5 Other main changes involve:
- a) The ambit of the policy is widened slightly in order to encourage a culture of openness. The current policy requires the employee to assess whether they think the concern is in the public interest. This requirement may mean that concerns are delayed in being raised or not raised at all. The new wording does not include this requirement. The employee will only need to reasonably believe that their genuine concern is true.
 - b) Under the new policy, the Monitoring Officer will hold a corporate register of all concerns and outcomes. The Monitoring Officer will also report annually to the Audit & Standards Committee on the use of the policy and concerns raised.
 - c) The review period for the policy would change from two years to annually.
 - d) The policy has been made clearer with new headings, a flowchart at the back and a list of bodies that can be contacted is appended to the Policy. In addition, the necessary updating of names have been made.
- 3.6 Alongside these changes, a model whistleblowing policy has been drawn up for maintained schools. The Governing Bodies of maintained schools are responsible for adopting their own policy, however, in order to assist our maintained schools a model policy has been drafted and this would be communicated to schools.

3.7 FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

- 4.1 It is expected that the recommendations outlined in the report and the addendums will be carried out by in-house staff and absorbed within current workload levels. Any costs which may arise from these recommendations will be met from within existing budgets.

Finance Officer Consulted: Peter Francis

Date: 10 June 2015

4.2 Legal Implications:

The Public Interest Disclosure Act 1998 protects employees from being dismissed for making a protected disclosure. A wider category of workers are protected against suffering any detriment as a result of having made a protected disclosure. The law in respect of whistleblowing does not apply to members of the public, however, including them within the policy aims to ensure that the Council is more open and that concerns are raised with the appropriate person.

Our current policy could continue to apply as before, however, the new policy aims to ensure that the process for raising concerns are more effective in the future.

Lawyer Consulted: Sarita Arthur-Crow

Date: 10 June 2015

SUPPORTING DOCUMENTATION

Addendums:

1. The updated Whistleblowing Policy (May 2015)
2. The Model Whistleblowing Policy for maintained schools

Documents in Members' Rooms

1. None.

Whistleblowing Policy - (Raising Concerns in the Public Interest)

A Confidential Reporting Policy for All Members of Staff and the General Public

1. Introduction

- 1.1 Brighton & Hove City Council is committed to the highest standards of openness, honesty, integrity and accountability for the services it provides. However, the Council recognises that there is always the risk that things can go wrong. Therefore, the Council is keen to encourage those working for the Council and members of the community to express their concerns when they think that there may be something seriously wrong regarding the activities of the Council. This gives the Council the opportunity to stop any unethical or unprofessional practices or wrongdoing within the organisation.
- 1.2 The Council recognises that for individuals to come forward, they must have confidence that their concerns will be listened to and that the Council will take prompt action to investigate and deal with concerns appropriately.
- 1.3 This Policy sets out how concerns about serious wrongdoing by the Council can be raised and how the Council will respond to these.
- 1.4 This Policy is an integral part of, and should be read in the context of, the Council's corporate values, which are:

Respect: Embrace diversity with kindness and consideration and recognise the value of everyone

Collaboration: Work together and contribute to the creation of helpful and successful teams and partnerships across the Council and beyond

Efficiency: Work in a way that makes the best and most sustainable use of our resources, always looking at alternative ways of doing things

Openness: Share and communicate with honesty about our service and ourselves, whenever appropriate. Accept where we have to change in order to improve

Creativity: Have ideas that challenge the 'tried and tested', use evidence of what works, listen to feedback and come up with different solutions

Customer Focus: Adopt our Customer Promise for colleagues, partners, members and citizens. Our Customer Promiser is that we will be easy to reach, be clear and treat you with respect, listen and act to get things done

- 1.5 This Policy incorporates the provisions that are required from the Public Interest Disclosure Act 1998 (as amended by the Enterprise & Regulatory Reform Act 2013), which protects members of staff against detrimental treatment or dismissal for disclosing normally confidential information because they reasonably believe it is in the public interest to do so. This is known as a “qualifying disclosure”.

2 Benefits of this policy

2.1 This Policy aims to:

- encourage and enable you to feel confident in raising concerns and to question and act upon any concerns;
- provide avenues for you to raise concerns;
- ensure that you receive a response to your concerns and that you are aware of how to pursue them if you are not satisfied with the action taken;
- reassure members of staff that they will be protected from repercussions when raising genuine concerns;
- ensure that all those working for, or on behalf of, the Council are aware that they must not treat individual(s) detrimentally because they have made a “qualifying disclosure” under the Act.

3 Scope

3.1 The types of concern covered by the Policy include:

- conduct which is an offence or a breach of law
- disclosures relating to miscarriages of justice
- individual(s) covering up wrongdoing
- health and safety risks, including risks to the public as well as other employees
- damage to the environment
- the unauthorised use of Council funds
- action that is contrary to the Council’s financial procedures or contract regulations
- possible fraud, corruption or financial irregularity
- practice which falls below established standards or practice
- sexual or physical abuse of clients
- other unethical conduct

3.2 This Policy and its associated procedures is not intended to replace any existing Council procedures that would be more appropriate for dealing with any concern raised under this Policy:

Members of staff

If your concern relates to how you have been personally treated at work as an employee under your contract of employment, you should raise it under the existing Grievance Procedure. If your concern relates to bullying or harassment, the Council will respond to such concerns under the Council’s Disciplinary Procedure.

Members of the Public

If you have a concern or complaint about Council services provided to you, you should raise this using the Council's Complaints Procedure.

4 Who can raise a concern under this Policy

4.1 This Policy applies to all:

- employees of the Council (excluding schools – see 4.2 below)
- casual, agency workers and apprentices working for the Council
- contractors and employees of contractors working for the Council
- self-employed consultants working for the Council
- members of the public

4.2 If you are employed in, working with, assisting or based in a Brighton and Hove maintained school, you should raise your concern directly with the school using their Whistleblowing Policy. If you feel unable to raise your concern directly with the School, you may contact a person mentioned in 6.2. However, you should set out why you feel unable to contact the school directly.

5 Supporting you to raise a concern

5.1 **Confidentiality:**

We hope that you will feel able to voice whistleblowing concerns openly under this Policy. However, if you want to raise your concerns confidentially, we will make every effort to keep your identity secret. If the situation arises where we are not able to resolve the concern without revealing your identity (for instance because your evidence is needed in court), we will discuss with you whether and how we can proceed.

5.2 **Staff Raising Genuine Concerns:**

The Council aims to encourage openness and will support staff who raise genuine concerns under this Policy, even if they turn out to be mistaken.

Staff who raise genuine concerns under this Policy with a reasonable belief that it is true must not suffer any detrimental treatment as a result of raising the concern. Detrimental treatment includes dismissal, disciplinary action, threats or other unfavourable treatment connected with raising a concern.

Staff and those working for the Council must not threaten or retaliate against a person who raises a concern under this policy. If you believe that you have suffered any such treatment, you should inform the Head of Human Resources and Organisational Development immediately. If the matter is not remedied, you should raise it formally using the Council's Grievance Procedure.

5.3 Staff Raising Malicious Allegations:

However, the Council cannot give such assurances and you may be subject to disciplinary action if you raise a concern maliciously or the information you have used to trigger a concern has been obtained unlawfully, for example:

- legal requirements have not been followed, e.g. the Data Protection Act has been breached or
- through unauthorised access to records, e.g. computer hacking.

6 How to raise a concern

Points of contact

6.1 As soon as you become reasonably concerned, we hope you will feel able to raise it. The earlier you raise your concern, the easier it is to take action.

A flowchart showing the process for raising concerns can be found in Appendix 1.

6.2 Members of Staff

If you are an employee you should normally raise concerns with your line manager. Similarly, non-employees (e.g. agency workers, contractors, consultants) should raise a concern in the first instance with their contact within the Council, usually the person to whom they directly report.

If you are a member of staff and you want to raise the matter with someone other than your immediate manager, for whatever reason, please raise the matter with:

- Your Head of Service
- Sue Moorman, Head of Human Resources & Organisational Development - ext.3629
- Graham Liddell, Head of Internal Audit - ext.1323
- Rachel Musson, Interim Executive Director of Finance & Resources ext.1333 or
- Abraham Ghebre-Ghiorghis, Head of Legal & Democratic Services & Monitoring Officer - ext.1500

These people will also be able to advise on confidentiality and further action required.

If these channels have been followed but you still have concerns or if you feel that the matter is so serious that you cannot discuss it with any of the above, you may as a last resort contact: Penny Thompson, Chief Executive –
email: penny.thompson@brighton-hove.gcsx.gov.uk tel. 01273 291132

6.3 Members of the Public

If you are a member of the public you can raise concerns with:

- Graham Liddell, Head of Internal Audit -
email: graham.liddell@brighton-hove.gcsx.gov.uk, tel. 01273 291323

or

- Abraham Ghebre-Ghiorghis, Head of Legal & Democratic Services & Monitoring Officer -
email: abraham.ghebre-ghiorghis@brighton-hove.gcsx.gov.uk,
tel. 01273 291500.

If these channels have been followed but you still have concerns or if you feel that the matter is so serious that you cannot discuss it with any of the above, you may contact: Penny Thompson, Chief Executive –
email: penny.thompson@brighton-hove.gcsx.gov.uk tel. 01273 291132

The Procedure

- 6.4 You may raise your concern orally or in writing. We advise that you make it clear that you are raising your concerns under the Council's whistleblowing arrangements.
- 6.5 You are also encouraged to put your name to any concern you raise as this will make it easier for the Council to investigate the issue. Please also say if you want to raise the matter in confidence so that the person you contact can make appropriate arrangements.
- 6.6 To enable your concern to be dealt with properly and effectively you will need to provide the following information and to be as clear as possible about:
 - what the concern is and to whom it relates
 - the background and history of the concern (giving relevant dates)
 - the reason why you are particularly concerned about the situation and why you believe it to be true.
- 6.7 When raising a concern you are not expected to prove the truth of an allegation, however, you will need to demonstrate to the person you contact that there are sufficient grounds for the concern.
- 6.8 If you are a member of staff you may invite your trade union representative or a colleague who works for the Council to assist or accompany you. Similarly, if you are a member of the public you may be supported by a colleague or friend. Your companion must respect the confidentiality of your disclosure and any subsequent investigation.

7 How the Council will respond

- 7.1 Once a concern is raised, the Council will respond to your concern as quickly as possible. The appropriate Council manager/officer will make initial enquiries, taking advice from the Head of Human Resources & Organisational Development if necessary, to help decide if an investigation is appropriate and if so, what form it should take.

7.2 The Council manager/officer receiving the concern will ensure the Head of Legal & Democratic Services, as the City Council's Monitoring Officer, is provided with sufficient details to be aware of the concern raised.

7.3 Where appropriate, the matters raised may:

- be investigated by management, internal audit, the Monitoring Officer or through the disciplinary process;
- be referred to the Police;
- be referred to the external auditor or
- form the subject of an independent inquiry

Within 10 working days of a concern being raised, the person handling the matter will write to you acknowledging that the concern has been received, indicating how, as far as possible, it will be dealt with and, if you are a Council member or staff, the support mechanisms available to you. You will be kept informed of progress and will receive a full and final response, subject to any legal constraints.

7.4 When you raise the concern(s) you may be asked how you think the matter might best be resolved. If you have any personal interest in the matter, we ask that you tell us this at the outset. If your concerns would be more appropriately dealt with under another policy of the City Council (for example, the Complaints Procedure, Anti-Fraud & Corruption Strategy or Grievance Procedure) we will tell you.

7.5 While the purpose of this policy is to enable us to investigate possible malpractice and take appropriate steps to deal with it, we will give you as much feedback as we properly can.

7.6 Concerns or allegations that fall within the scope of specific procedures (for example child protection) will normally be referred for consideration under the relevant procedure. Some concerns may be resolved by agreeing action with you without the need for investigation. If urgent action is required, this will be taken before any investigation is conducted.

7.7 The Council will take all reasonable steps to minimise any difficulties that you may experience as a result of raising a concern. For instance, if you are asked to give evidence in criminal or disciplinary proceedings, the Council will arrange for you to receive appropriate advice and support.

8 How your concern can be taken further

8.1 This Policy is intended to provide you with an avenue to raise concerns with the Council. The Council hopes that you will be satisfied with the way your concerns are treated and any investigations that may be carried out.

However, if you are not, and feel it is right to take the matter outside the Council, please find below a list of possible contact points. If you are a member of staff, the Monitoring Officer or the Head of Human Resources & Organisational Development can provide advice as to the other options.

The following are examples of some of the possible contact points:

- the Council's External Auditors: Mr King at EY LLP is the Council's External Auditor. The address is: EY LLP Apex Plaza, 4 Forbury Road, Reading, RG1 1YE. Telephone number 0118 9281556
- relevant professional bodies or regulatory organisations. A list of regulatory bodies can be found in Appendix 2
- your trade union (if you are a member of staff)
- a solicitor
- the Police

8.2 If you are a member of staff, the law recognises that in some circumstances it may be appropriate for you to report your concerns to an external body. It will very rarely if ever be appropriate to alert the media. We strongly encourage you to seek advice before reporting a concern to anyone external. If you would like independent advice at any stage, you can contact the independent charity Public Concern at Work www.whistleblowing.org.uk on 020 7404 6609. They should be able to give you free and confidential advice about how to raise a concern about serious malpractice at work.

9 The Responsible Officer

The Council's Monitoring Officer has overall responsibility for the maintenance and operation of this policy.

10 Corporate recording, monitoring and reviewing

10.1 The Monitoring Officer has overall responsibility for the maintenance and operation of this policy and for ensuring it is reviewed annually by involving key stakeholders in the process.

10.2 A corporate register of all concerns and the outcomes that are brought to the attention of the Monitoring Officer (in a form which respects your confidentiality) will be maintained by him. All officers designated to look into a concern must ensure that the Monitoring Officer is provided with sufficient details for the corporate register.

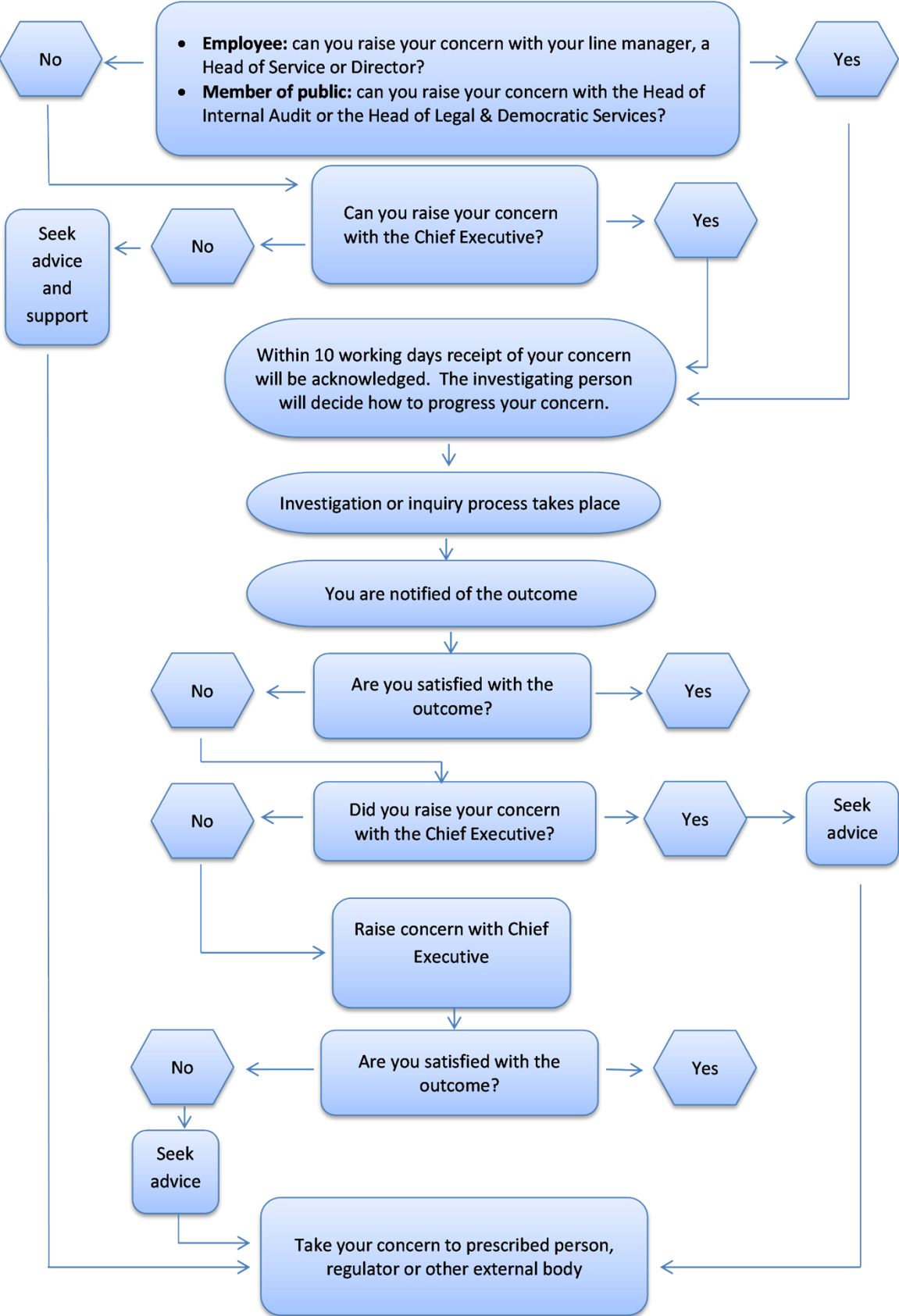
10.3 The Monitoring Officer will review the corporate register and will report annually to the Council's Audit and Standards Committee on the use of the policy and concerns raised during the period covered by the report. The report will not identify any person raising concerns under this Policy.

11 If you are dissatisfied

11.1 If you are unhappy with our response, remember you can go to the other levels and bodies detailed in this policy.

11.2 While we cannot guarantee that we will respond to all matters in the way that you might wish, we will try to handle the matter fairly and properly.

You have a concern that you would like to raise - refer to the Council's whistleblowing policy



Appendix 2: Regulatory and Professional and other External Organisations

Health & Safety and Environment Risks

Contact	Details
Environmental Agency	Address: Solent and South Downs Area Office, Guildbourne House, Chatsworth Road, Worthing, Sussex, BN11 1LD (South East regional office) Tel: 0370 8506506 Web: www.environment-agency.gov.uk
Health & Safety Executive	Address: Priestley House, Priestley Road, Basingstoke, Hampshire RG24 9NW (regional office) Tel: 0845 345 0055 Web: www.hse.gov.uk
Food Standards Agency	Address: Aviation House, London WC2B 6NH Tel: 020 7272 8829 Web: www.food.gov.uk

Consumer Rights

Contact	Details
The Serious Fraud Office	Address: 2-4 Cockspur Street, London SW1Y 5BS Tel: 020 7239 7272 Web: sfo.gsi.gov.uk

Data Protection and Freedom of Information

Contact	Details
Information Commissioner's Office	Address: Wycliffe House, Water Lane, Wilmslow Cheshire SK9 5AF Tel: 0303 123 1113 Web: www.ico.gov.uk

Healthcare and Social Services

Contact	Details
Care Quality Commission	Address: 2nd Floor, Ridgewort House, Worthing, West Sussex BN11 1RY Tel: 03000 616161 Web: www.cqc.org.uk
Health and Care Professions Council	Address: 184 Kennington Park Road, London SE11 4BU Tel: 0845 3006184 Web: www.hpc-uk.org
The National Society for the Prevention of Cruelty to Children (NSPCC)	Address: Gillingham Service Centre & Regional Office, Pear Tree House, 68 West Street, Gillingham, Kent ME7 1EF Tel: 020 7825 2500 Web: www.nspcc.org.uk
Children's Commissioner	Address: Sanctuary Buildings, 20 Great Smith Street, London, SW1P 3BT

	Tel: 020 7783 8330 Web: www.childrenscommissioner.gov.uk
Health and Care Professions Council	Address: Park House, 184 Kennington Park Road, London, SE11 8BU Tel: 08453006184
Nursing and Midwifery Council (NWC)	Address: 23 Portland Place, London W1B 1PZ Tel: 020 7637 7181 Web: www.nmc-uk.org
General Medical Council (GMC)	Address: Fitness to Practise Directorate, 3 Hardman Street, Manchester, M3 3AW Tel: 0161 923 6602 Web: www.gmc-uk.org
Homes and Communities Agency	Address: Fry Building, 2 Marsham Street, London SW1P 4DF Tel: 0300 1234 500 Web: www.homesandcommunities.co.uk

Other Organisations

Contact	Details
The Local Government Ombudsman	Address: PO Box 4771, Coventry CV4 0EH Tel: 0300 061 0614 Web: www.lgo.org.uk
Commissioners for Her Majesty's Revenue & Customs (HMRC)	Address: HM Revenue and Customs, Freepost NAT22785, Cardiff, CF14 5GX Tel: 0800 788 887 Web: www.hmrc.gov.uk
Ofsted	Address: Piccadilly Gate, Store Street, Manchester M1 2WD Tel: 0300 123 1231 Web: www.ofsted.gov.uk
Pensions Regulator	Address: Napier House, Trafalgar Place Brighton BN1 4DW Tel: 0845 600 0760 Web: www.thepensionsregulator.gov.uk
Police	Tel: 101 Emergency: 999 Web: www.police.co.uk
Your Local Councillors	Web: www.brighton-hove.gov.uk

Addendum 2

Whistleblowing Policy - (Raising Concerns in the Public Interest)

A Confidential Reporting Policy for All Members of Staff and the General Public

1. Introduction

- 1.1 The School is committed to the highest standards of openness, honesty, integrity and accountability for the services it provides. However, the School recognises that there is always the risk that things can go wrong. Therefore, the School is keen to encourage those working for the School and members of the community to express their concerns when they think that there may be something seriously wrong regarding the activities of the School. This gives the School the opportunity to stop any unethical or unprofessional practices or wrongdoing within the organisation.
- 1.2 The School recognises that for individuals to come forward, they must have confidence that their concerns will be listened to and that the School will take prompt action to investigate and deal with concerns appropriately.
- 1.3 This Policy sets out how concerns about serious wrongdoing by the School can be raised and how the School will respond to these.
- 1.4 This Policy incorporates the provisions that are required from the Public Interest Disclosure Act 1998 (as amended by the Enterprise & Regulatory Reform Act 2013), which protects members of staff against detrimental treatment or dismissal for disclosing normally confidential information because they reasonably believe it is in the public interest to do so. This is known as a “qualifying disclosure”.

2 Benefits of this policy

- 2.1 This Policy aims to:
 - encourage and enable you to feel confident in raising concerns and to question and act upon any concerns;
 - provide avenues for you to raise concerns;
 - ensure that you receive a response to your concerns and that you are aware of how to pursue them if you are not satisfied with the action taken;
 - reassure members of staff that they will be protected from repercussions when raising genuine concerns;
 - ensure that all those working for, or on behalf of, the School are aware that they must not treat individual(s) detrimentally because they have made a “qualifying disclosure” under the Act.

3 Scope

3.1 The types of concern covered by the Policy include:

- conduct which is an offence or a breach of law
- disclosures relating to miscarriages of justice
- individual(s) covering up wrongdoing
- health and safety risks, including risks to the public as well as other employees
- damage to the environment
- the unauthorised use of School funds
- possible fraud, corruption or financial irregularity
- practice which falls below established standards or practice
- sexual or physical abuse
- other unethical conduct

3.2 This Policy and its associated procedures is not intended to replace any existing School procedures that would be more appropriate for dealing with any concern raised under this Policy:

Members of staff

If your concern relates to how you have been personally treated at work as an employee under your contract of employment, you should raise it under the existing Grievance Procedure. If your concern relates to bullying or harassment, the School will respond to such concerns under the Disciplinary Procedure.

Members of the Public

If you have a concern or complaint about services provided to your family by the School, you should raise this using the Complaints Procedure.

4 Who can raise a concern under this Policy

4.1 This Policy applies to all:

- employees
- casual, agency workers and apprentices working for the School
- contractors and employees of contractors working for the School
- self-employed consultants working for the School
- members of the public

5 Supporting you to raise a concern

5.1 **Confidentiality:**

We hope that you will feel able to voice whistleblowing concerns openly under this Policy. However, if you want to raise your concerns confidentially, we will make every effort to keep your identity secret. If the situation arises where we are not

able to resolve the concern without revealing your identity (for instance because your evidence is needed in court), we will discuss with you whether and how we can proceed.

5.2 Staff Raising Genuine Concerns:

The School aims to encourage openness and will support staff who raise genuine concerns under this Policy, even if they turn out to be mistaken.

Staff who raise genuine concerns under this Policy with a reasonable belief that it is true must not suffer any detrimental treatment as a result of raising the concern. Detrimental treatment includes dismissal, disciplinary action, threats or other unfavourable treatment connected with raising a concern.

Staff and those working for the School must not threaten or retaliate against a person who raises a concern under this policy. If you believe that you have suffered any such treatment, you should inform the Head Teacher immediately. If the matter is not remedied, you should raise it formally using the Grievance Procedure.

5.3 Staff Raising Malicious Allegations:

However, the School cannot give such assurances and you may be subject to disciplinary action if you raise a concern maliciously or the information you have used to trigger a concern has been obtained unlawfully, for example:

- legal requirements have not been followed, e.g. the Data Protection Act has been breached or
- through unauthorised access to records, e.g. computer hacking.

6 How to raise a concern

Points of contact

6.1 As soon as you become reasonably concerned, we hope you will feel able to raise it. The earlier you raise your concern, the easier it is to take action.

6.2 Members of Staff

If you are an employee you should normally raise concerns with your line manager. Similarly, non-employees (e.g. agency workers, contractors, consultants) should raise a concern in the first instance with their contact within the School, usually the person to whom they directly report.

If you are a member of staff and you want to raise the matter with someone other than your immediate manager, for whatever reason, please raise the matter with:

- or
-

These people will also be able to advise on confidentiality and further action required.

6.3 Members of the Public

If you are a member of the public you can raise concerns with:

- Or
-

The Procedure

6.8 You may raise your concern orally or in writing. We advise that you make it clear that you are raising your concerns under the School's whistleblowing arrangements.

6.9 You are also encouraged to put your name to any concern you raise as this will make it easier for the School to investigate the issue. Please also say if you want to raise the matter in confidence so that the person you contact can make appropriate arrangements.

6.10 To enable your concern to be dealt with properly and effectively you will need to provide the following information and to be as clear as possible about:

- what the concern is and to whom it relates
- the background and history of the concern (giving relevant dates)
- the reason why you are particularly concerned about the situation and why you believe it to be true.

6.11 When raising a concern you are not expected to prove the truth of an allegation, however, you will need to demonstrate to the person you contact that there are sufficient grounds for the concern.

6.8 If you are a member of staff you may invite your trade union representative or a colleague who works for the School to assist or accompany you. Similarly, if you are a member of the public you may be supported by a colleague or friend. Your companion must respect the confidentiality of your disclosure and any subsequent investigation.

7 How the School will respond

7.1 Once a concern is raised, the School will respond to your concern as quickly as possible. The appropriate person will make initial enquiries, taking advice from Human Resources if necessary, to help decide if an investigation is appropriate and if so, what form it should take.

7.2 The person receiving the concern will ensure the Head Teacher is provided with sufficient details to be aware of the concern raised.

7.3 Where appropriate, the matters raised may:

- be investigated by management, internal audit or through the disciplinary process;
- be referred to the Police;
- be referred to the external auditor or
- form the subject of an independent inquiry

Within 10 working days of a concern being raised, the person handling the matter will write to you acknowledging that the concern has been received, indicating how, as far as possible, it will be dealt with and, if you are a member of staff, the support mechanisms available to you. You will be kept informed of progress and will receive a full and final response, subject to any legal constraints.

7.4 When you raise the concern(s) you may be asked how you think the matter might best be resolved. If you have any personal interest in the matter, we ask that you tell us this at the outset. If your concerns would be more appropriately dealt with under another School policy (for example, the Complaints Procedure or Grievance Procedure) we will tell you.

7.5 While the purpose of this policy is to enable us to investigate possible malpractice and take appropriate steps to deal with it, we will give you as much feedback as we properly can.

7.6 Concerns or allegations that fall within the scope of specific procedures (for example child protection) will normally be referred for consideration under the relevant procedure. Some concerns may be resolved by agreeing action with you without the need for investigation. If urgent action is required, this will be taken before any investigation is conducted.

7.7 The School will take all reasonable steps to minimise any difficulties that you may experience as a result of raising a concern. For instance, if you are asked to give evidence in criminal or disciplinary proceedings, the School will arrange for you to receive appropriate advice and support.

8 How your concern can be taken further

8.3 This Policy is intended to provide you with an avenue to raise concerns with the School. The School hopes that you will be satisfied with the way your concerns are treated and any investigations that may be carried out.

However, if you are not, and feel it is right to take the matter outside the School, please find below a list of possible contact points. If you are a member of staff, Human Resources can provide advice as to the other options.

The following are examples of some of the possible contact points:

- Head of Internal Audit (Graham Liddell tel. 01273 291323) or Head of Legal & Democratic Services (Abraham Ghebre-Ghiorghis tel. 01273 291500) at Brighton & Hove City Council
 - your trade union (if you are a member of staff)
 - relevant professional bodies or regulatory organisations. A list of regulatory bodies can be found in Appendix 1
 - a solicitor
 - the Police
- 8.4 If you are a member of staff, the law recognises that in some circumstances it may be appropriate for you to report your concerns to an external body. It will very rarely if ever be appropriate to alert the media. We strongly encourage you to seek advice before reporting a concern to anyone external. If you would like independent advice at any stage, you can contact the independent charity Public Concern at Work www.whistleblowing.org.uk on 020 7404 6609. They should be able to give you free and confidential advice about how to raise a concern about serious malpractice at work.

9 Recording, monitoring and reviewing

- 9.1 (this could be the Head Teacher or other senior person) has overall responsibility for the maintenance and operation of this policy and for ensuring it is reviewed annually by involving key stakeholders in the process.
- 9.2 A register of all concerns and the outcomes that are brought to the attention of the (same person) (in a form which respects your confidentiality) will be maintained by him. All officers designated to look into a concern must ensure that the (same person) is provided with sufficient details for the register.
- 9.3 The (same person) will review the register and will report annually to the Governing Body on the use of the policy and concerns raised during the period covered by the report. The report will not identify any person raising concerns under this Policy.

10 If you are dissatisfied

- 10.1 If you are unhappy with our response, remember you can go to the other levels and bodies detailed in this policy.
- 10.2 While we cannot guarantee that we will respond to all matters in the way that you might wish, we will try to handle the matter fairly and properly.

Appendix 1: Regulatory and Professional and other External Organisations

Health & Safety and Environment Risks

Contact	Details
Environmental Agency	Address: Solent and South Downs Area Office, Guildbourne House, Chatsworth Road, Worthing, Sussex, BN11 1LD (South East regional office) Tel: 0370 8506506 Web: www.environment-agency.gov.uk
Health & Safety Executive	Address: Priestley House, Priestley Road, Basingstoke, Hampshire RG24 9NW (regional office) Tel: 0845 345 0055 Web: www.hse.gov.uk
Food Standards Agency	Address: Aviation House, London WC2B 6NH Tel: 020 7272 8829 Web: www.food.gov.uk

Consumer Rights

Contact	Details
The Serious Fraud Office	Address: 2-4 Cockspur Street, London SW1Y 5BS Tel: 020 7239 7272 Web: sfo.gsi.gov.uk

Data Protection and Freedom of Information

Contact	Details
Information Commissioner's Office	Address: Wycliffe House, Water Lane, Wilmslow Cheshire SK9 5AF Tel: 0303 123 1113 Web: www.ico.gov.uk

Healthcare and Social Services

Contact	Details
Care Quality Commission	Address: 2nd Floor, Ridgewort House, Worthing, West Sussex BN11 1RY Tel: 03000 616161 Web: www.cqc.org.uk
Health and Care Professions Council	Address: 184 Kennington Park Road, London SE11 4BU Tel: 0845 3006184 Web: www.hpc-uk.org
The National Society for the Prevention of Cruelty to Children (NSPCC)	Address: Gillingham Service Centre & Regional Office, Pear Tree House, 68 West Street, Gillingham, Kent ME7 1EF Tel: 020 7825 2500 Web: www.nspcc.org.uk
Children's Commissioner	Address: Sanctuary Buildings, 20 Great Smith Street, London, SW1P 3BT

	Tel: 020 7783 8330 Web: www.childrenscommissioner.gov.uk
Health and Care Professions Council	Address: Park House, 184 Kennington Park Road, London, SE11 8BU Tel: 08453006184
Nursing and Midwifery Council (NWC)	Address: 23 Portland Place, London W1B 1PZ Tel: 020 7637 7181 Web: www.nmc-uk.org
General Medical Council (GMC)	Address: Fitness to Practise Directorate, 3 Hardman Street, Manchester, M3 3AW Tel: 0161 923 6602 Web: www.gmc-uk.org
Homes and Communities Agency	Address: Fry Building, 2 Marsham Street, London SW1P 4DF Tel: 0300 1234 500 Web: www.homesandcommunities.co.uk

Other Organisations

Contact	Details
The Local Government Ombudsman	Address: PO Box 4771, Coventry CV4 0EH Tel: 0300 061 0614 Web: www.lgo.org.uk
Commissioners for Her Majesty's Revenue & Customs (HMRC)	Address: HM Revenue and Customs, Freepost NAT22785, Cardiff, CF14 5GX Tel: 0800 788 887 Web: www.hmrc.gov.uk
Ofsted	Address: Piccadilly Gate, Store Street, Manchester M1 2WD Tel: 0300 123 1231 Web: www.ofsted.gov.uk
Pensions Regulator	Address: Napier House, Trafalgar Place Brighton BN1 4DW Tel: 0845 600 0760 Web: www.thepensionsregulator.gov.uk
Police	Tel: 101 Emergency: 999 Web: www.police.co.uk
Your Local Councillors	Web: www.brighton-hove.gov.uk

Subject:	Annual Governance Statement 2014/15		
Date of Meeting:	23 June 2015		
Report of:	Interim Executive Director Finance & Resources, and Monitoring Officer		
Contact Officer:	Name:	Jackie Algar	Tel: 01273 29-1273
	Email:	Jackie.algar@brighton-hove.gov.uk	
Ward(s) affected:	All		

FOR GENERAL RELEASE**1. PURPOSE OF REPORT AND POLICY CONTEXT**

- 1.1 The purpose of this report is to present the draft Annual Governance Statement for 2014/15 following completion of the annual review of the council's governance arrangements, including its systems of internal control.

2. RECOMMENDATIONS:

- 2.1 That the Audit & Standards Committee approve the draft Annual Governance Statement (attached as Appendix 1) subject to any comments or amendments as they consider appropriate.

3. CONTEXT/ BACKGROUND INFORMATION

- 3.1 All local authorities have a statutory responsibility under the Accounts and Audit Regulations 2011 to conduct, at least annually, a review of the effectiveness of their governance framework, including their system of internal control. Following the review, an Annual Governance Statement must be produced, approved, and published. It is required to be signed by the Chief Executive and the Leader of the Council.
- 3.2 The Annual Governance Statement is a statement that demonstrates whether, and if so to what extent, the council complied with its Code of Corporate Governance over the previous financial year (2014/15). The Code of Corporate Governance is agreed by full Council and forms part of the constitution. It reflects legal requirements and good practice guidance. An update to the Code of Corporate Governance will be submitted to this Audit & Standards Committee meeting for consultation prior to the approval of full Council.
- 3.3 The Annual Governance Statement has reflected feedback from the Audit & Standards Committee, Officers' Governance Board, the council's external auditors and the findings of the review of the system of internal control. It has also been prepared in accordance with the Chartered Institute of Public Finance & Accountancy and the Society of Local Authority Chief Executives and Senior

Managers (CIPFA/SOLACE) guidance and framework entitled, 'Delivering Good Governance in Local Government'.

- 3.4 The CIPFA/SOLACE guidance defines "governance" as comprising the systems, processes, culture and values by which Councils are directed and controlled and through which they account to, engage with, and where appropriate, lead their communities. Every council has a governance framework which brings together an underlying set of legislative requirements, governance principles and management processes.
- 3.5 The Annual Governance Statement gives the council the mechanism to demonstrate its positive governance culture and achievements to its stakeholders.

4. REVIEW OF GOVERNANCE ARRANGEMENTS

- 4.1 The annual review of the effectiveness of the council's governance arrangements and preparation of the Annual Governance Statement has been carried out by the Risk Management lead officer, the Head of Legal & Democratic Services, the Head of Internal Audit, with input from other key officers. It was considered by the Officers' Governance Board which includes the interim Executive Director of Finance and Resources, the Monitoring Officer, the Head of Internal Audit and Risk Management lead officer, and the Executive Leadership Team.
- 4.2. The Officers' Governance Board will continue the review the governance arrangements throughout the year, as well as focussing on specific areas identified in the Annual Governance Statement.

5. DRAFT ANNUAL GOVERNANCE STATEMENT

- 5.1 The draft Annual Governance Statement for 2014/15 is shown at Appendix 1. It has been prepared generally in line with the CIPFA/SOLACE best practice guidance and comprises the following:
 - The purpose of the governance framework
 - The council's governance framework
 - Review of effectiveness
 - Governance Issues and actions for improvement
- 5.2 The statement identifies progress made with the implementation of actions contained in the Annual Governance Statement for 2013/14 and the implementation of action points from the 2014/15 statement will be monitored by the Officers' Governance Board and an update report submitted to the Audit & Standards Committee.

6. ANALYSIS AND CONSIDERATION OF ALTERNATIVE OPTIONS

- 6.1 The adoption of the Annual Governance Statement is required by the Accounts and Audit (England) Regulations 2011. Analysis of the state of governance and

the reasons for the conclusions are contained in the draft statement in the Appendix.

7. COMMUNITY CONSULTATION AND ENGAGEMENT

- 7.1 The draft statement was prepared by the Officers' Governance Board with information from a variety of sources, including external auditors, feedback from the Audit & Standards Committee and results of internal audits. There was no consultation undertaken with the public.

8. CONCLUSION

- 8.1 The council has generally sound and effective governance in and the Officers' Governance Board will keep the arrangements in place and report progress to the Audit & Standards Committee as appropriate. The draft governance statement reflects officers' assessment and is recommended to Members for approval.

9. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

- 9.1 Sound corporate governance and proper systems of internal control are essential to the financial health and reputation of the council. The resources required to implement the actions outlined to strengthen the governance arrangements are provided for in the agreed 2015/16 budget.

Finance Officer Consulted: James Hengeveld 29/5/2015

Legal Implications:

- 9.2 The statutory basis for this report is regulation 4 of the Accounts and Audit (England) Regulations 2011, which requires the council (among other matters):
- to conduct a review at least once a year of the effectiveness of its system of internal control;
 - to ensure the findings of the review are considered by Full Council or one of its committees; and
 - following the review, to ensure that Full Council or one of its committees approves an annual governance statement;
 - to ensure the annual governance statement accompanies the council's statement of accounts for that year

The Audit & Standards Committee is fulfilling these requirements as a committee of the council designated for this purpose.

Lawyer consulted: Elizabeth Culbert 29/05/2015

Equalities Implications:

- 9.3 There are no direct equalities implications arising directly from this report.

Sustainability Implications:

- 9.4 There are no direct sustainability implications arising from this report.

SUPPORTING DOCUMENTATION

Appendices:

1. Annual Governance Statement 2014/15

Background Documents

1. Brighton & Hove City Council's Code of Corporate Governance
2. CIPFA/SOLACE Delivering Good Governance in Local Government – (Framework 2007)
3. Delivering Good Governance in Local Government Guidance (CIPFA/SOLACE) Addendum 2012
4. Accounts & Audit Regulations 2011

Annual Governance Statement 2014/15

DRAFT



- 1 **Scope of Responsibility:** Brighton & Hove City Council (the council) is responsible for ensuring that its business is conducted in accordance with the law and proper practice standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively to secure continuous improvement.
- 2 In discharging this accountability, the council is responsible for putting in place proper arrangements for the governance of its affairs and effective exercise of its functions, which includes the management of risk.
- 3 The council has approved and adopted a Code of Corporate Governance, which is consistent with the principles of the CIPFA/SOLACE Framework *Delivering Good Governance in Local Government and Guidance Note*. This is included in the Constitution of the Council.
- 4 This Annual Governance Statement explains how the council has complied with its Code of Corporate Governance and also meets the requirements of the Accounts & Audit Regulations 2011.

The Purpose of the Governance Framework

- 5 Governance is about how the council ensures that it is doing the right things, in the right way, for the right people, in a timely, open, honest and accountable manner.
- 6 The governance framework comprises the systems and processes, culture and values by which the council is directed and controlled, and through which it is accountable to, engages with and leads the community. It enables the council to monitor the achievement of its strategic objectives as set out in the Corporate Plan 2011 - 2015, and to consider whether those objectives have led to the delivery of appropriate, cost effective services. The council's Corporate Plan has been updated for 2015 - 2019 and continues to reflect the council's corporate values.
- 7 The governance framework is designed to manage risk to a reasonable level, rather than to eliminate all risk. It can therefore only provide reasonable and not absolute assurance of effectiveness.

The Governance Framework

- 8 The governance framework has been in place at the council for the year ended 31st March 2015 and remains extant.
9. Maintaining the governance framework is an on-going process, and one to which the council is committed in order to ensure continual improvement and organisational learning. This is evidenced by the council commissioning an organisational learning review in February 2015 (for reporting in June 15) after a senior member of staff, the head of housing, was dismissed. The council investigated the circumstances involved and what lessons need to be learnt. Immediate action was taken but the investigations highlighted a number of organisational issues relating to governance which the council needs to respond to including procedures, accountability, working environment and culture.

10. The key elements of the systems and processes that comprise the council's governance arrangements are shown below together with explanations of how they are embedded.

Council's Purpose, Vision, Values and Performance Management

11. During 2014/15 the council has been developing and strengthening work on new delivery models for public service reform and the additional responsibilities from new legislation. As part of its delivery of the Modernisation outcome, the council has set up a 'Good Governance & Leadership Programme' sponsored by the Head of Law and supported by relevant officers. Sixteen Workstreams are identified within that programme including:

- Update of the Member Code of Conduct
- Update and re-launch the Whistleblowing Policy and ensure the database is fit for purpose
- Complete the Multi-agency Integrated Working Guidance
- Establish a Member Procurement Advisory Board to make business orientated commercial decisions
- Update the Scheme of Authorisation
- Review Officers' Governance Board (OGB)

The council continues to review its governance structures and systems to support its on-going modernisation and to ensure that it is well positioned to deliver its new responsibilities effectively.

12. The Corporate Plan 2011-15 was approved by Full Council in October 2011; it was reviewed and updated during 2013/14. It set out the council's purpose, ambition, values and priorities:

Our purpose

- To represent citizens through democratic processes
- To ensure and assure services for the city including statutory responsibilities
- Safeguarding of the most vulnerable
- Leadership and co-ordination of council and the capacity and capability of partners
- Value for money ensuring the best deal for council taxpayers

Our ambition

- A high performing authority
- A fantastic and distinctive place to live, work and visit
- A leader of the city region
- Demonstrably making best use of all resources. Seeking to become a self-sustaining organisation serving its customers well

Our priorities

- Tackling inequality
- Creating a more sustainable city

- Engaging people who live and work in the city
- Modernising the council

13. This has been superseded by the Corporate Plan 2015 – 2019, approved by full Council on 26 March 2015.

The Corporate Plan 2015-2019 sets out “our **purpose** to provide strong civic leadership for the well-being and aspiration of Brighton and Hove. We will be successful if we are judged to deliver the following outcomes:

A good life: Ensuring a city for all ages, inclusive of everyone and protecting the most vulnerable.

A well run city: Keeping the city safe, clean, moving and connected.

A vibrant economy: Promoting a world class economy with a local workforce to match.

A modern council: Providing open civic leadership and effective public services.”

The **principles** that will enable delivery of the organisation’s **purpose** are:

- Public accountability
- Citizen focused
- Increasing equality
- Active citizenship

The Corporate Plan also sets out five service **priorities** upon which to focus efforts to meet the organisation’s **purpose**. These are shared with our city partners in *The Connected City* (the Sustainable Community Strategy for Brighton & Hove) and are as follows:

- Economy, jobs and homes
- Children and young people
- Health and wellbeing
- Community safety and resilience
- Environmental sustainability

9 Since 2012/13, the council has incorporated new organisational values (six) as follows into the council’s constitution, codes of conduct for Members and Officers and the Performance Management Framework:

Respect: Embrace diversity with kindness and consideration and recognise the value of everyone;

Collaboration: Work together and contribute to the creation of helpful and successful teams and partnerships across the council and beyond;

Efficiency: Work in a way that makes the best and most sustainable use of resources, always looking at alternative ways of getting stuff done;

Openness: Share and communicate with honesty about our service and self, whenever appropriate;

Creativity: Have ideas that challenge the ‘tried and tested’, use evidence of what works, listen to feedback and come up with different solutions; and

Customer Focus: Adopt our 'Customer Promise' to colleagues, partners, members and customers.

Excellent progress has been made in embedding the council's values across the organisation and this is evidenced through the council's achievement of the Silver Award for Investors in People in March 2015. During which the assessors noted, "There is definitely a step change in how BHCC operates comparing what we see today to what we saw three years ago".

The council operates an annual staff survey and the results of the survey in 2014 have further demonstrated that the values are clearly evident to our workforce with 74% positive results against the index supporting the impact of the values programme.

- 10 The council's ambitious modernisation portfolio of projects and programmes has been in place since 2012 and is led by the Chief Executive.

Modernisation is the council's portfolio of change management programmes and projects which supports delivery of corporate principles and priorities as outlined in the Corporate Plan. This in turn helps evidence achievement of outcomes in relation to the council's purpose. Modernisation drives the budget planning process and feeds into the Medium Term Finance Strategy.

One of the modernisation programmes is the Good Governance & Leadership Programme.

- 11 The Corporate Performance Team, in collaboration with colleagues across the council, has developed a Performance Management Framework consisting of eight elements - business planning and management, risk management, financial management, customer insight, modernisation projects/programmes, people management, health & safety management, quality assurance.

The purpose of this framework is to:

- set out how the council will manage performance in 2015-16.
- ensure everyone understands their responsibilities and accountabilities in order to achieve our purpose through delivering the principles and priorities as set out in our corporate plan.
- provide a guide for all those involved in the performance management process

The leadership and culture programme, Living our Values, which is being delivered to all managers across the council strengthens delivery of this performance framework. It has involved a granular approach looking at performance of self, performance of others and performance of service to drive a performance management culture, emphasising accountability and positive use of individual performance impact to deliver outcomes.

Effective performance management ensures the right actions are taken at the right time so that the council can achieve its purpose through delivering the principles and priorities.

The council uses a variety of mechanisms within its overall approach to performance management and service improvement to measure quality of service to users, ensuring service delivery is in accordance with its objectives, and for ensuring the best use of resources. These include key performance indicators, residents' perceptions,

measurable improvements in value for money, benchmarking, identification and management of key risks.

Performance management processes are embedded throughout the council and regularly reported to relevant stakeholders including members in accordance with agreed timescales. Regular reports are produced to compare actual performance against targets to aid decision making.

Members' and Officers' Capacity and Development

- 12 The success of the council services relies substantially on the contribution of officers to the planning, development and delivery of services. The council recognises that the value of staff contributions will be enhanced through clear communication of the council's expectations, developing staff skills and abilities, providing a safe, healthy, supportive and inclusive working environment.
- 13 The council is committed to developing the capacity of officers in different ways:
 - The council has an on line induction available for all for all new staff and those who have changed roles recently. The induction programme is a series of short learning modules, which include themes such as; an overview of the organisational structure and services, information on key council and HR policies, such as Annual Leave, Attendance, Code of Conduct, Performance Reviews and important guidelines on how we work with and handle customer data.
 - The council's Performance and Development Planning scheme provides a structured opportunity for a reflective assessment and feedback of progress, success and challenges over the previous six months. This is two-way process, with line managers retaining overall accountability for setting meaningful and measurable objectives, providing feedback on performance, behaviours and the council's values. Required development is identified through this process .
 - A corporate programme of learning and development is available to officers which is commissioned and in part delivered from the Learning and Development Team. The Learning and Development Team also supports mandatory skills training for front line staff, where applicable.
 - Where applicable, officers are also expected to undertake continuing professional development (CPD) of their professions.
 - The council recognised the importance of developing managers and has invested in a mandatory management development programme as part of its wider culture change programme, Living our Values. All existing managers have been offered a place on the programme and it will be a mandatory offering to new managers as part of their induction development.
- 14 The council has a Member training and development programme which is accredited under the South East Employers' Charter for the Member Development Framework. This starts with an extensive induction and is followed by a generic development programme as agreed by the cross-party Member Development Group (met throughout 2014-15 approximately at each quarter). There is further, more specific, training provided as required (for example for Members serving in Planning, Audit &

Standards and Personnel Appeals Panels) as well as bespoke training and development opportunities for Members with special responsibilities, e.g. in addition to the general programme 2014-15, training for Members was provided on Parking Operations; and Museums.

Roles, Responsibilities and Behaviour

- 15 To ensure effective leadership throughout the council, Members and officers work together to deliver common objectives with clearly defined functions and roles through the following:
- The council's Constitution includes details of the roles and responsibilities of all its committees, the full Council and Chief Officers and the rules under which they operate including protocols;
 - The council's political structure, including roles and responsibilities, are detailed on the council's website; and
 - The council's constitution and associated guidance are reviewed regularly to ensure they remain up-to-date, relevant and effective. In 2014/15 there were 3 such reviews undertaken on the Scheme of Delegation to officers; Code of conduct for Members; and Scheme of Delegation to Committees including updated reference to Health & Wellbeing Board Terms of Reference. This helped to update and the decision-making process and incorporate the council's values into codes of conduct.
 - The council's Head of Law is the designated Monitoring Officer with responsibilities for ensuring the lawfulness of decisions taken by the council, its committees and officers, providing support and advice on the maintenance of ethical standards and advising the council's Audit & Standards Committee.
- 16 The officer's Executive Leadership Team (ELT) includes, among its members, the Chief Executive, the Executive Director Finance & Resources (section 151 Officer) and the Monitoring Officer (who all have special responsibilities regarding governance). This ensures leadership of, and support to, good corporate governance at the highest level of the organisation. Other members of ELT include the Executive Directors for Children, Adults and Public Health, the Executive Director Environment, Development & Housing as well as the Assistant Chief Executive. They all bring additional perspectives that support legislative compliance and good governance generally.
- 17 The council has adopted a number of codes and protocols that govern the standards of behaviour expected of Members and officers. These are communicated as part of the e-induction process, ongoing awareness training and made available via the council's intranet. These include codes of conduct covering conflicts of interest and gifts and hospitality.
- 18 The Audit & Standards Committee remit includes promoting and maintaining high standards of conduct and ethical governance. During 2014/15 the council revised and updated the Code of Conduct for Members and the complaints process to require Complaints Panels to be chaired by an Independent Person and simplify the process. This followed detailed work undertaken by a cross-party working group chaired by an Independent Person.

Communication and Consultation

- 19 The Community Engagement Framework for the City, introduced by the Brighton & Hove Strategic Partnership (now known as Brighton & Hove Connected) aims to improve the ways in which citizens and communities can influence and shape services through improved communication
- 20 Clear channels of communication have been established with all sections of the community and other stakeholders, ensuring accountability and encouraging open consultation. These include the council tax leaflet containing budget details, the council's website and social media. The council continued to develop more open and transparent budget consultation during 2014/15 introducing the 'Stop, Start, Change' engagement approach which invited views from citizens, partners and staff as well as continuing to use an on-line budget literacy tool, a budget animation, and budget consultations with the community.
- 21 To complement the general rules under the Codes of Conduct for Members and Officers, the council introduced a Social Media Protocol for Members and Social Networking Policy for Employees to address this increasingly important means of communication for individuals and businesses. These documents are published on the council's website and staff intranet respectively.
- 22 There are a wide range of access channels and opportunities for all parts of the community and key stakeholders to engage in dialogue and consultation. This includes tenants and residents forums and through consultation events and surveys. The council's Corporate Plan and the Annual Statement of Accounts are made available via the council's website and distributed to certain key points across the City.
- 23 As part of its openness and transparency of decision making, advance notices, agendas, minutes and web-casts are available for council meetings. The council makes available a large amount of information through several means and is also committed to meeting its obligations to give rights of public access to information held, through the Freedom of Information Act 2000 and the wider transparency agenda. All key decision-making meetings of the Council, including full Council, Policy & Resources Committee, Health & Wellbeing Board, Housing Committee, Planning Committee, Environment, Transport and Sustainability committee meetings are webcast. The council has also implemented the open government licence scheme.
- 24 The council has a Corporate Complaints Procedure which is in line with the Local Government Ombudsman guidance and follows the Statutory Complaints Procedures for Children's Social Care and Adults Social Care. We have an agreed process whereby the Chief Executive, Directors and Heads of Service are regularly updated on the issues of complaint for their areas and are able to drive and monitor improvements in response to customer feedback.

Control Framework, Risk Management and Audit & Standards Committee

- 25 The council's high-level policies and procedures are updated and regularly communicated to officers and Members. The Good Governance & Leadership Programme specifically recognises this.

- 26 The principal documents include the council's Financial Regulations and Contract Standing Orders alongside other corporate policies on key governance topics including Business Planning, Counter Fraud, Information Security, Equalities & Diversity, Health & Safety and Whistleblowing. These documents and related guidance and support are also available to the majority of staff through the council's Intranet site and familiarisation with them is covered through the council's e-induction programme.
- 27 Risk management is embedded throughout the council and in its partnership working arrangements. The council's Risk Management Strategy 2014-17 was consulted on and approved in January 2014 and sets out an annual programme of risk management activity for each of the three years. During 2014/15, the council and its partners continued to work together to further develop and refresh the City Wide Risk Register and implementation of actions by the city's strategic partnerships.
- 28 The council's internal audit arrangements are reviewed annually and considered to be effective for 2014/15 conforming to the governance requirements of the Public Sector Internal Audit Standards. The Head of Internal Audit works closely with key members of the Executive Leadership Team and Corporate Management Teams to give assurance and improve the council's financial control framework, give advice and promote good governance throughout the council.
- 29 The responsibility for investigating Housing Benefit and Council Tax Benefit Fraud transferred to the Department for Work and Pensions (DWP). This has enabled the council to establish a new Corporate Fraud Team focusing on non-benefit related frauds. The team has achieved some considerable successes in 2014/15 including returning 19 council dwellings that had been subject to tenancy fraud to the local authority.
- 30 The council's Whistleblowing Policy, was reviewed and refreshed during the year and an interim report made to the Audit & Standards Committee in March 2015. A full report is scheduled for the information of the Audit & Standards Committee at their June 2015 meeting, with onward reporting for approval to Policy & Resources Committee. It aims to encourage officers, contractors and agency workers to report any instances of unlawful conduct, health and safety risks, damage to the environment, possible fraud and irregularities and unauthorised use of council funds. The Policy is available on the council's intranet and website, and provides the mechanisms to raise concerns and receive appropriate feedback without the fear of victimisation.
- 31 The Head of Health & Safety produced an Annual Report for 2014/15 to demonstrate how the council is operating an effective safety management system and improving standards for the management of health, safety across all services.
- 32 The Audit & Standards Committee is independent of the council's scrutiny functions and embedded as a key part of the council's overall governance framework. Its terms of reference are aligned to CIPFA's best practice guidance for Audit Committees. The membership is politically proportionate and the Chair is an opposition Member. The Committee also has two Independent Persons with extensive experience and who, under the revised complaints process, chair all Member complaints panels.

Compliance with Established Policies, Procedures, Laws and Regulations

- 33 All officers of the council have a responsibility to ensure compliance with established policies, procedures, laws and regulations. Training and awareness sessions are provided as necessary and appropriate induction sessions are carried out. For example, in the important area of Financial Management there is a mandatory e-learning course and follow-up workshop which all Budget Holders must attend.
- 34 Compliance assessments are carried out by management, auditors and through the work of statutory inspectors, including the Care Quality Commission and Ofsted.
- 35 The Head of Law (the Monitoring Officer) has overall responsibility for ensuring the council acts lawfully and without maladministration. This includes reporting on any proposal, decision or omission by the council likely to contravene any enactment or rule of law or any maladministration. No such reports were necessary during 2014/15.

Economic, Effective and Efficient Use of Resources

- 36 As part of the council's modernisation portfolio, it has programmes to deliver modernised services that can achieve substantial efficiency savings and improve value for money. Other objectives include redesigning service delivery to maintain or improve user satisfaction, support the council's priorities, and also reduce the cost of provision where possible. Other cross-cutting objectives including reducing contract costs, increasing income, and growing the domestic and non-domestic taxbases given the significant financial challenges as a result of reductions in central government funding over the next 5 years. The financial assumptions within which the council will operate are set out in the Medium Term Financial Strategy 2015 – 2019 which accompanies the Corporate Plan.
- 37 The council has an Information Management Board to oversee ICT Governance and includes the Monitoring Officer as 'Senior Information Responsible Officer' (SIRO) and two Caldicott Guardians responsible for protecting the confidentiality of service user information.

Financial Management and Reporting

- 38 The council's financial arrangements fully conform to the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2010). As Chief Financial Officer (CFO), the Executive Director of Finance & Resources is a key member of the Executive Leadership Team and Corporate Management Team and is responsible for the proper administration of the council's financial arrangements and leads a suitably qualified and experienced Finance Function.
- 39 The Executive Director of Finance & Resources (as Section 151 Officer) has overall statutory responsibility for the proper administration of the council's financial affairs, including preparation of the Statement of Accounts and making arrangements for

appropriate systems of financial control. No reports were made during 2014/15 on any case of unlawful expenditure, loss or deficiency.

- 40 As mentioned above, the council's Medium Term Financial Strategy (MTFS) sets out the resource projections for the forthcoming five years, the financial challenges and opportunities that it faces and the approach planned to meet the priorities set out in the Corporate Plan. During 2014/15 the MTFS was updated and now includes a longer term resource projection up to 2019.
- 41 The council published a detailed budget book for 2014/15 to enable a greater understanding of where the council spends its money. It published all payments to suppliers over £250 from April 2013.

Partnership Working and Governance Arrangements

- 42 The governance arrangements in respect of partnerships and other group working as identified by the Audit Commission's report *Governing Partnerships: Bridging the Accountability Gap (2005)*, are defined in the council's Financial Regulations.
- 43 The council has a leading role in Brighton & Hove Connected (formerly known as Brighton & Hove Strategic Partnership) the local strategic partnership for the City. During 2014/15 Brighton & Hove Connected continued to implement the sustainable community strategy entitled 'Brighton & Hove – The Connected City'. The vision for Brighton & Hove was agreed as:

'Brighton & Hove- the connected city. Creative, dynamic, inclusive and caring. A fantastic place to live, work and visit.'
- 44 The community strategy has 5 priorities as follows:
 - a. Economy
 - b. Children & young people
 - c. Health & wellbeing
 - d. Community safety & resilience and
 - e. Environmental sustainability
- 45 The strategy is underpinned by two principles which run through all of our work. These are:
 - i) Increasing our equality
 - ii) Improving our engagement.
- 46 Brighton & Hove Connected and the City Management Board have created a range of specialist partnerships that take responsibility for the creation, implementation and monitoring of key city strategies. These include Employment and Skills, Economy, Housing etc.
- 47 The City Management Board (CMB) is chaired by the council's Chief Executive and is the delivery arm of Brighton & Hove Connected. The board is made up of the key public service decision makers in the city in order to focus on delivery improvements

city-wide including performance and risk management. Each board member is accountable to their parent body and to Brighton & Hove Connected.

The Member organisations of CMB are:

- a) Brighton & Hove City Council
- b) Brighton & Sussex University Hospitals
- c) City College Brighton & Hove
- d) Brighton and Hove Clinical Commissioning Group
- e) East Sussex Fire & Rescue Service
- f) Jobcentre Plus
- g) Office of the Sussex Police & Crime Commissioner
- h) Sussex Police
- i) University of Brighton
- j) University of Sussex
- k) Kent, Surrey & Sussex Community Rehabilitation Company

- 48 The council, in partnership with other public sector organisations at the City Management Board, has also developed the City Wide Risk Register to manage the wider risks impacting on the City.
- 49 In 2013/14 the council, in close collaboration with the Clinical Commissioning Group (CCG,) undertook a fundamental review of the Health & Wellbeing Board leading to an enhanced role for the Board that will enable it to provide system leadership across health and local authority social services. In 2014/15 the Board has been chaired by the Leader of the Council and has equal voting representation between the council and the CCG.

Review of Effectiveness

- 50 The council has a statutory responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the systems of internal control. The review of effectiveness is informed by the work of executive managers within the council who have responsibility for the development and maintenance of the governance environment, the Head of Internal Audit's Internal Audit and Opinion Report and also by comments made by the external auditors, other review agencies and inspectorates.
- 51 Through evaluation and analysis during the 2014/15 review, the council has good assurance that its governance arrangements are fit for purpose and reflect the principles of its Code of Corporate Governance.
- 52 An Officers' Governance Board oversees the review of effectiveness of governance arrangements including monitoring actions arising.
- 53 The process that has been applied in maintaining and reviewing the effectiveness of the governance framework 2014/15 includes the following:

- Evaluation of the robustness of governance arrangements against the six principles of good governance in the CIPFA/SOLACE Delivering Good Governance Framework;
- The Annual Opinion of the Head of Internal Audit provides **reasonable assurance** on the overall effectiveness of the council's control environment for the year ended 31 March 2015, but only **limited assurance** on the effectiveness of the council's purchasing and contract management practices
- Review and maintenance of the Constitution by the Monitoring Officer;
- The provision of an effective Internal Audit Service, including compliance with professional standards, risk based approach, individual internal audit reports providing levels of assurance and monitoring actions to audit recommendations made for improvement;
- Risk management process outcomes including strategic risk management actions plans and service risk registers; and
- Comments made by external auditors and outcomes of external assessments carried out by regulatory bodies.

Governance Issues

- 54 The annual effectiveness review of governance arrangements referred to above has identified the following significant weaknesses relating to the effectiveness of how services across the council consistently implement purchasing and contract management practices including:
- lack of evidence of tendering
 - failure to follow Contract Standing Orders
 - failure to retain contract documents
 - poor client contract liaison
- 55 The council's legal and procurement teams are working with contract officers in service departments and have provided training workshops for around 250 officers to ensure standardisation of terms and conditions and high levels of compliance with Contract Standing Orders and best practice. This was planned as part of the third party spend VFM workstream and included an additional 5 full time equivalent staff in the Procurement function to further support improved compliance and best practice.
- 56 Regarding disclosure of third party transactions, a significant issue identified last year, the council introduced a compulsory scheme for annual return of declarations of interests (including NIL returns) by all Senior Officers and contract officers. This supplements the annual related party transaction declarations undertaken as part of the accounts and the combination of these assists in minimising incidents of non-disclosure. These have now been implemented electronically as part of the council's HR system (PIER) which enables an appropriate line manager to review and authorise disclosures and take appropriate action.
- 57 In considering the governance issues contained in the Annual Governance Statement for 2013/14 enhancements to the council's governance arrangements have been achieved during 2014/15 including:

- Developing a new approach to the management of corporate fraud following the transfer of housing benefit related work and associated staff to the new national Single Fraud Investigation Service.
- The continued roll out of the Living our Values culture change programme;
- Embedding the Value for Money Programme within the council's Modernisation Programme and ensuring that its governance is fit for purpose;
- Introducing the reformed Health and Wellbeing Board and new Greater Brighton Economic Board;
- Improving how we use a range of financial and non-financial information including customer insight to make improvements to service delivery.

58 In 2014/15 the council made improvements in governance through business as usual (e.g. modernisation/service plans) and implemented some enhancements such as development of Member induction programme to ensure appropriate induction and training for all Members following the local election 2015; and completion of Multi-Agency working guidance.

59 However, as reported to the Audit & Standards Committee in March 2014 the following actions are still in progress and have not been fully implemented:

1. To embed the refreshed approach to Fraud & Corruption awareness across the council including whistleblowing arrangements and declarations of interest
2. Further Information Governance focused work to maintain compliance with the Public Service Network (PSN) Code of Compliance and to meet the requirements of the Information Commissioners Office (ICO)
3. Improved compliance with Contract Standing Orders incorporated into the Value for Money Programme in relation to third party spend
4. Review of Code of Corporate Governance - prioritised refresh of council policies and communication methods to take account of the pace of change
5. Focus on the adequacy of Business Continuity arrangements and work to embed understanding of its practice in council service delivery

In addition new actions will be taken to address the significant weaknesses identified in 2014/15 in relation to purchasing and contract management by:

6. Establishing a Procurement Advisory Board
7. Considering how to develop a procurement and contract management compliance function to work alongside the current advisory including support procurement service

60 All existing actions in progress and new action will be monitored for progress by the Officers' Governance Board and Audit & Standards Committee during 2015/16. We are satisfied that the actions required, when fully completed, will address the need for improvements that were identified in the review of effectiveness. We will monitor their implementation and operation as part of the next annual review.

61 We propose over the coming year to take actions to address the above matters to further enhance our governance arrangements. We are satisfied that these actions will address the need for improvements that were identified in our review and will monitor their implementation and operation during 2015/16.

Signed:

**Penny Thompson
Chief Executive**

Dated: XX YYYYYY 2015

Signed:

**Councillor Warren Morgan
Leader of the Council**

Dated: XX YYYY 2015

DRAFT

Subject:	Review of the Effectiveness of the System of Internal Audit		
Date of Meeting:	23 June 2015		
Report of:	Graham Liddell, Head of Internal Audit		
Contact Officer:	Name:	Graham Liddell	Tel: 29-1323
	Email:	Graham.Liddell@brighton-hove.gov.uk	
Ward(s) affected:	All		

FOR GENERAL RELEASE**1. PURPOSE OF REPORT AND POLICY CONTEXT**

- 1.1 The council is required to conduct an annual review of the effectiveness of its Internal Audit, the findings of which should be considered by the Audit & Standards Committee.
- 1.2 This report details the results of a self-assessment of the system of Internal Audit against the UK Public Sector Internal Audit Standards by the Head of Internal Audit.
- 1.3 The process should also be considered as part of the wider annual review of the council's governance arrangements and production of the Annual Governance Statement.

2. RECOMMENDATIONS:

- 2.1 That the Committee considers the Head of Internal Audit's self-assessment including the proposal to accept the council's current arrangements for the two areas of partial compliance (see paragraph 6 below and appendix 1).
- 2.2 That the Committee considers the implications for the Annual Governance Statement.

3. CONTEXT/ BACKGROUND INFORMATION

- 3.1 All local authorities have a statutory requirement to make provision for internal audit in accordance with proper practices (essentially Public Sector Internal Audit Standards). The Accounts and Audit Regulations 2011 require local authorities to undertake an annual review of the effectiveness of its internal audit and have the findings considered by a committee. This can be a self-assessment, provided that an external review is carried out at least every five years. For Brighton & Hove an external review is required by 2018/19.

4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS

- 4.1 For 2014/15 the annual review of effectiveness review has been carried out by the Head of Internal Audit. The review was based on a CIPFA checklist of 334 questions designed to assess compliance with Public Sector Internal Audit Standards. It was also informed by the summary of internal audit performance set out in the 2014/15 Internal Audit Annual Report and Opinion.
- 4.2 The Head of Audit considered commissioning an external review for 2014/15 but concluded that a self-assessment was more appropriate. This is because the internal audit has been subject to a period of change and is currently exploring the possibility of working more closely with other local authorities as part of the council's support functions review. As a result, an external assessment would be likely to become quickly out of date and not provide value for money. The Head of Internal Audit considers that an external review should be carried out in 2015/16 or 2016/17. The precise timing will be made in consultation with the Executive Director of Finance and Resources, other senior managers and members of the Audit & Standards Committee.

5. COMMUNITY ENGAGEMENT & CONSULTATION

- 5.1 This review has been carried out by the incoming Head of Internal Audit with the support of the Audit Manager (previously acting Head of Audit) and informed by discussions with officers and members.

6. CONCLUSION

- 6.1 The Authority's Internal Audit Function complies with International Public Sector Internal Audit Standards (see appendix 1).
- 6.2 There are two areas where compliance is partial.
- Members of the Audit & Standards Committee are consulted as part of the decision to appoint the Head of Audit but the appointment and removal of the Head of Internal Audit is made by the Executive Director of Finance and Resources. This is an appropriate process and is in line with other council appointment procedures and there are no plans to change this process.
 - The Audit & Standards Committee directs the use of resources through the approval of the audit plan but the full Council approves the budget of the service. This is an appropriate process and there are no plans to change these arrangements.

6.3 Regardless of the level of compliance with internal auditing standards, the internal audit service needs to continue to develop. During 2015/16 we will work with other local authority internal audit services to identify areas for improvement. The Annual Internal Audit and Opinion identifies three priorities:

- delivering a greater proportion of audits within budget
- issuing draft reports more quickly after completion of fieldwork and final reports after receiving responses
- improving further the implementation of high priority and medium priority recommendations.

7. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

7.1 The areas for service development within this review can be managed within the budget of the Internal Audit service for 2015/16.

Finance Officer Consulted: James Hengeveld

Date: 01/06/15

Legal Implications:

7.2 The statutory provision referred to in paragraph 3.1 above is regulation 4(2) of the Accounts and Audit Regulations 2011. These regulations also require the findings of the effectiveness review to be considered by full Council or a council committee. In the case of Brighton & Hove, the Audit & Standards Committee is the designated committee for this purpose. Following the review, the Committee must approve an annual governance statement prepared in accordance with proper practices in relation to internal control.

Lawyer Consulted: Elizabeth Culbert

Date: 09/06/15

Equalities Implications:

7.3 When carrying out audit work, any equality issues identified are reported to the appropriate level of management. The Internal Audit Strategy and Annual Audit Plan recognise the Council's priorities in respect to Equality and Diversity and how Internal Audit will meet them.

Sustainability Implications:

7.4 When carrying out audit work, any equality issues identified are reported to the appropriate level of management.

Compliance with the Public Sector Internal Audit Standards and the Local Government Application Note – Self Assessment Summary

Standards	Assessed Compliance				Opinion	Actions
	Yes	No	Part	N/A		
1) Definition of Internal Audit	3	0	0	0	Complies	
2) Code of Ethics	12	0	0	0	Complies	
3) Attribute Standards						
3.1) Purpose, Authority and Responsibility	23	0	0	0	Complies	
3.2) Independence and Objectivity	32	0	2	0	<u>Partial Compliance</u> The responsibility for appointing and removing the Head of Internal Audit remains with Executive Director of Finance and Resources but in consultation with the Chair of the Audit & Standards Committee and Chief Executive. This is in line with other Authority appointment processes. Budget approval for the service lies with the Full Council.	No further action.
3.3) Proficiency and Due Professional Care	21	0	0	0	Complies	
3.4) Quality assurance and improvement programme	21	0	0	11	All of the issues identified as not being applicable relate to the five year external assessment, its development, undertaking and monitoring.	Five year external assessment to be considered for 2015/16 or 2016/17
4) Performance Standards						
4.1) Managing the internal audit activity	46	0	0	0	Complies	
4.2) Nature of work	31	0	0	0	Complies	

4.3) Engagement planning	49	0	0	0	Complies	
4.4) Performing the engagement	22	0	0	0	Complies	
4.5) Communicating results	55	0	0	0	Complies	
4.6) Monitoring progress	4	0	0	0	Complies	
4.7) Communicating the acceptance of risks	2	0	0	0	Complies	
Totals	321	0	2	11		

Subject:	Internal audit plan 2015/16 update	
Date of Meeting:	23 June 2015	
Report of:	Head of Internal Audit	
Contact Officer:	Graham Liddell	Tel: 29-1323
	Email	Graham.Liddell@brighton-hove.gov.uk
Ward(s) affected:	All	

FOR GENERAL RELEASE**1. PURPOSE OF REPORT AND POLICY CONTEXT**

- 1.1 This report updates the Audit & Standards Committee on the planned internal audit work for 2015/16.

2. RECOMMENDATIONS:

- 2.1 That the Committee approves the update to the internal audit plan.

3. CONTEXT/ BACKGROUND INFORMATION

- 3.1 The audit plan for 2015/16 was approved by the Audit & Standards Committee on 10 March 2015. This set out that the internal audit team expected to have 1400 days available for direct audit and that work for 2015/16 would focus on:

- the council's core systems and controls (including IT controls)
- operational and financial controls in specific service areas (including schools)
- supporting the council's modernisation agenda including reviews of:
 - the overall governance framework
 - the wider change agenda
 - procurement (including contract management).

- 3.2 The audit plan noted that 2015/16 would be a year of transformation as the Council seeks to address substantial financial challenges and modernise the way services are delivered. It also noted that the council is reviewing its arrangements for corporate governance and carrying out a formal organisational learning review. As a result rather than setting a detailed programme of work covering the whole year, the audit plan only set out an overall summary of the expected allocation of days and a detailed work programme for the first quarter of 2015/16.

- 3.3 Table 1 sets out an updated summary of the allocation of days and appendix 1 sets out the planned audits for the full year in detail.

Table 1 - Internal Audit Resources

Audit activity	Reported to Audit & Standards (Mar 2015)	Revised (see appendix 1)
Financial Systems	300	277
IT Audit	100	92
Schools	90	60
Service	410	379
Governance	100	97
Wider Change Agenda	80	63
Procurement	140	170
Implementation	50	40
Other Incl. Contingencies	130	222
	1400	1400

4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS

- 4.1 Appendix 1 sets out the planned audits for the full year. The planned list of audits is, however, still subject to change as a result of further developments including for example, the outcome of the organisational learning review.

5. COMMUNITY ENGAGEMENT & CONSULTATION

- 5.1 The plan was developed in consultation with members of the corporate management team

6. FINANCIAL & OTHER IMPLICATIONS

Financial Implications:

- 6.1 It is expected that the Internal Audit Plan for 2015/16 will be delivered within existing budgetary resources. Progress against the Annual Internal Audit Plan and action taken in line with recommendations support the robustness and resilience of the councils practices and procedures and support the councils overall financial position.

Finance Officer Consulted: James Hengeveld

Date: 09/06/15

Legal Implications:

- 6.2 Regulation 6 of The Accounts & Audit Regulations 2011 requires the Council to undertake an adequate and effective internal audit of its accounting records and of its system of internal control in accordance with the proper practices in relation to internal control. It is a legitimate part of the Audit & Standards Committee's role to review the level of work completed and planned by internal audit

Lawyer Consulted: Elizabeth Culbert

Date: 09/06/15

Equalities Implications:

- 6.3 None

Sustainability Implications:

- 6.4 None

SUPPORTING DOCUMENTATION

Appendices:

1. Updated programme of internal audit work

Background Documents

1. Internal audit strategy and plan 2015/16

Appendix 1 – planned audits for 2015/16

Audit Name	Planned Days	Category
Write-offs	15	Financial Systems
Treasury Management	8	Financial Systems
Pensions Administration	12	Financial Systems
Payroll	20	Financial Systems
Management on Non-Current Assets	8	Financial Systems
Main Accounting System	15	Financial Systems
Housing Rents	18	Financial Systems
Housing Benefits (Mid year audit)	10	Financial Systems
Housing Benefits	20	Financial Systems
Creditors	25	Financial Systems
Council Tax (Single Person Discounts)	8	Financial Systems
Council Tax	15	Financial Systems
Capital Programme Management	20	Financial Systems
Business Rates - Refunds	8	Financial Systems
Budget Management	20	Financial Systems
Bank Reconciliations	7	Financial Systems
Business Rates (NDR)	15	Financial Systems
Debtors	18	Financial Systems
Cash Collection & Banking	15	Financial Systems
Other IT Audits (TBC)	50	IT
IT Server Estate	10	IT
Disposal of ICT Equipment	7	IT
Disaster Planning & Recovery	10	IT
Data Security Management	10	IT
BACS Follow-up	5	IT
Schools Audits (1st tranche)	30	Schools
Schools Audits (2 nd tranche)	30	Schools
Welfare Funerals	10	Service Review
Transport Management	10	Service Review
Street Cleaning	15	Service Review

Special Educational Needs	15	Service Review
School Funding Arrangements	15	Service Review
Right to Buy	15	Service Review
Residential Care for the Elderly	20	Service Review
Recycling (Brought forward from 2014/15)	10	Service Review
Pupil Places	10	Service Review
Parking Permits (Follow-up)	5	Service Review
On-Street and Off-Street Car Parking	20	Service Review
Mobile Phone Parking	10	Service Review
Leasehold Service Charges	15	Service Review
Insurance (Fraudulent Claims)	8	Service Review
Housing Temporary Accommodation	20	Service Review
Housing Related Support	15	Service Review
Housing Local Delivery Vehicle (BHSCH)	10	Service Review
Home Care	20	Service Review
Fostering and Adoption	18	Service Review
Establishment Control	15	Service Review
Direct Payments and Personal Budgets	20	Service Review
Deprivation of Liberty	13	Service Review
Client Billing	15	Service Review
City Parks	15	Service Review
Child Protection	17	Service Review
Adaptations	15	Service Review
Traded Services for Schools	8	Service Review
Performance Management	15	Governance
Public Health and other Health Partnerships	20	Governance
Information Governance (within services)	12	Governance
Improvements to Corporate Governance	50	Governance
Income Generation (EDH)	10	Wider change agenda
Stanmer Park	5	Wider change agenda
Modernisation Agenda	30	Wider change agenda
Major Capital Projects	18	Wider change agenda

Repairs and Maintenance (Housing) Procurement	20	Procurement
Office Cleaning Contract - Follow-up	5	Procurement
Lift Maintenance Contract (Housing)	12	Procurement
Integrated Waste Management Contract	20	Procurement
Highways Maintenance Service Review	18	Procurement
Gas Servicing Contract	15	Procurement
Financial Appraisals/ Vetting	15	Procurement
Corporate Procurement	20	Procurement
City Clean Expenditure	15	Procurement
Childrens Services Procurement	15	Procurement
Agency Staff	15	Procurement
Implementation Reviews	40	Implementation
Brighton Centre	10	Other
Grant Claims (incl. Stronger Families, Stronger Communities)	12	Other
Contingency	200	Other
Total	1400	

Subject:	Strategic Risk Register Review		
Date of Meeting:	23 June 2015		
Report of:	Interim Executive Director Finance & Resources		
Contact Officer:	Name:	Jackie Algar	Tel: 01273 29-1273
	Email:	Jackie.algar@brighton-hove.gov.uk	
Ward(s) affected:	All		

FOR GENERAL RELEASE**1. PURPOSE OF REPORT AND POLICY CONTEXT**

- 1.1 The Audit & Standards Committee has a role to monitor and form an opinion on the effectiveness of risk management and internal control. As part of discharging this role it reviews the Strategic Risk Register, recently updated by the Executive Leadership Team (ELT) on 22 April and 6 May 2015.
- 1.2 The Strategic Risk Assessment Report (Appendix 1) provides further detail on the actions taken (existing controls) and planned actions ('solutions') to manage each strategic risk. Background information/Terms Used is set out is on the final page of the Appendix.
- 1.3 For information, the context of Risk Management arrangements and roles and responsibilities at Brighton & Hove City Council; and how risk management contributes to governance and the wider performance framework are also provided.

2. RECOMMENDATION:

- 2.1 That the Audit & Standards Committee notes the Strategic Risk Report (Appendix 1).

3. CONTEXT/ BACKGROUND INFORMATION

- 3.1 The Strategic Risk Register details the current prioritised risks which may affect achievement of the council's Corporate Plan purpose, including in relation to its work with other organisations across the city. It is reviewed and agreed by ELT every six months (usually May and November) and provides evidence of a risk aware and risk managed organisation.
- 3.2 Across the council there are a number of risk registers which prioritise risks consistently by assigning scores 1-5 to assess the likelihood (denoted by 'L') that the risk will occur and the potential impact (denoted by 'I') if it should occur. These L and I scores are multiplied; the higher the result of L x I, the

greater the risk. A colour coded system, similar to the traffic light system, is used to distinguish risks that require intervention. Red risks are the highest and are those that require management as do Amber risks. Red and Amber risks are the levels of risks which will be recorded on the Strategic Risk Register. There is a process in place to manage risks at the appropriate organisational level, but also to enable risks to be 'escalated' for the consideration of ELT as part of their Strategic Risk Register review.

3.3 Risk management is an element of Brighton & Hove City Council's Performance Management Framework for 2015-16. It consists of 8 elements as follows: business planning & management; risk management; finance management; customer insight; modernisation programmes/projects; people management; health & safety management; and quality assurance.

3.4 Risk management and roles/responsibilities at Brighton & Hove

3.4.1 Risk management is about getting the right balance between innovation and change on the one hand, and the avoidance of shocks and crises on the other. It can also be referred to as ROM (Risk & Opportunity Management) and accords with the International Standard (ISO) 31000 for Risk Management which defines risk as 'the effect of uncertainty on objectives' and further expands that 'an effect is a positive or negative deviation from what is expected'. Using risk management methods helps to prioritise issues, allocate resources and deliver successful outcomes.

3.4.2 Roles & responsibilities for Risk Management were approved by Policy & Resources Committee in January 2014 as part of the Council's Risk Management Strategy 2014-2017. The table below (an extract of the Risk Management process) sets out roles & responsibilities, including that of Members:

Roles & Responsibilities	How
All Staff and Risk Owners delivering a particular service or business objective (including Corporate Management Team and Heads of Service)	
<ul style="list-style-type: none"> * Achievement of agreed objectives within legal and budgetary boundaries * Proactive risk & opportunity management in their day to day activities * Agree resource allocation within their allowed boundaries * Identify the need for escalation of risks through the reporting process * Staff take responsibility for their own learning and access intranet (Wave) resources for e-learning and guidance documents 	<ul style="list-style-type: none"> * Through ownership of a business plan with a robust and integrated risk register * Through ownership of a project plan and associated risk register * Make use of the comprehensive risk management information including information relating to insurance, health and safety, business continuity on the Council's intranet and access training to assist them in fulfilment of their responsibilities * Scheduled progress meetings, e.g. with manager or project board to report progress towards achievement of objectives & management of risks * Behave appropriately in role on behalf of the Council
Risk Owner for organisations delivering services for, or with, the Council e.g. contractor/supplier/partners	
<ul style="list-style-type: none"> * Comply with their own organisation's risk management arrangements * Achieve objectives agreed with the Council 	<ul style="list-style-type: none"> * Provide evidence of organisation's risk management arrangements * Scheduled progress meetings * Know who they need to be working with in ensuring safe and sustainable service delivery

Roles & Responsibilities	How
The Executive Leadership Team (ELT)	
<ul style="list-style-type: none"> * Manage the strategic risks faced by the Council, including in its partnership work * Responsible for reviewing and developing the strategic risk register at least six monthly and management action plans to address risk * Provide the leadership and support to promote a culture in which risks and opportunities are managed with confidence at the lowest appropriate level 	<ul style="list-style-type: none"> * Risk Owners to review, or delegate responsibility via the usual Performance & Risk Management Framework arrangements for the purposes of reporting to Councillors and the Audit & Standards Committee * Ensure that any significant approved new projects or changes have appropriate risk management arrangements * Ensure that reporting of the Strategic Risk Register clearly informs the public of reasons for any additions or deletions * Ensure lessons are learned across the Council
Members (Councillors)	
<ul style="list-style-type: none"> * Be aware of the Strategic Risks affecting the City Council as detailed in the council's Strategic Risk Register * Satisfy themselves on whether appropriate information on risk and opportunities are contained in reports submitted for decisions 	<ul style="list-style-type: none"> * Receive the Strategic Risk Register, updated six monthly by ELT, and reported for information to Leaders' Group, Opposition Spokespersons/Chairs Group and then to the Audit & Standards Committee * Make use of the comprehensive risk management information on the Council's intranet (includes the Strategic Risk Register) and access training to assist them in fulfilment of their responsibilities
Council Elected Member Leadership (Policy & Resources Committee – 'P&R')	
<ul style="list-style-type: none"> * Approve the Risk Management Strategy * Be aware of the Strategic Risks affecting the City Council as detailed in the council's Strategic Risk Register and the Risk Management Action Plans for each strategic risk * Satisfy themselves on whether appropriate information on risk and opportunities are contained in reports submitted for decisions 	<ul style="list-style-type: none"> * Decision on the Risk Management Strategy report * Rely on the Audit & Standards Committee's opinion on the effectiveness of risk management & internal control via the annual report to P&R * Make use of the comprehensive risk management information on the Council's intranet and access training to assist them in fulfilment of their responsibilities
The Audit & Standards Committee	
<ul style="list-style-type: none"> * Ensure independent assurance of the adequacy of Risk Management and the associated control environment * Engage in Risk Management training to increase their knowledge and understanding and ensure lessons are learned across the Council and partners 	<ul style="list-style-type: none"> * At least annually receive the strategic risk register, and reports on risk management arrangements, Risk Management Programme and progress * Where it considers it appropriate, make recommendations to the relevant Council body; in most cases this would be the appropriate Committee

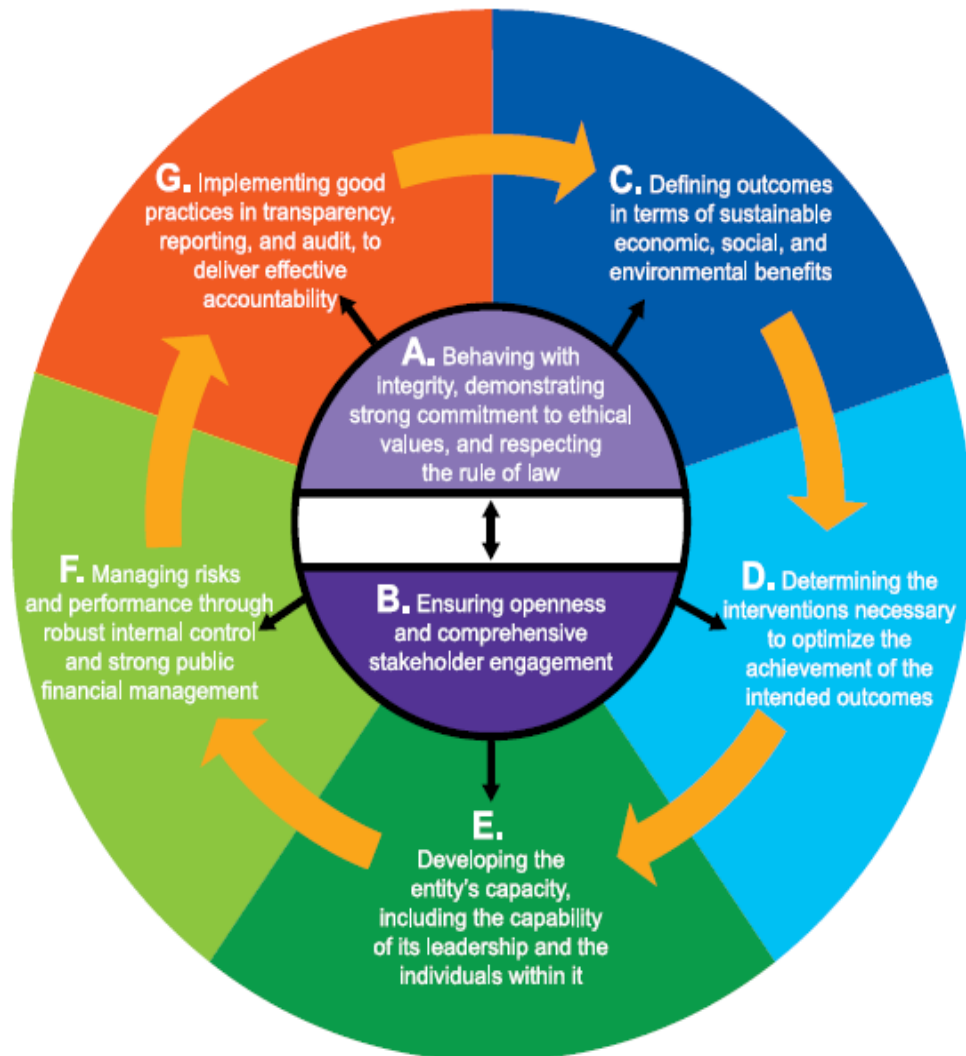
3.5. How risk management contributes to Governance

3.5.1 Risk management helps to achieve the fundamental function of good governance which is 'to ensure that entities achieve their intended outcomes while acting in the public interest at all times'

3.5.2 The International Framework: Good Governance in the Public Sector defines governance as comprising 'the arrangements put in place to ensure that the intended outcomes for stakeholders are defined and achieved'.

3.5.3 The link between risk management and the wider performance management framework to achieve Governance is set out in the diagram below. It is part of the International Framework: Good Governance in the Public Sector developed by The International Federation of Accountants (IFAC) and the Chartered Institute of Public Finance and Accountancy (CIPFA) .

**Achieving the Intended Outcomes
While Acting in the Public Interest at all Times**



4. The review of the council’s Strategic Risk Register (SRR) 2015/16

- 4.1 ELT are responsible for reviewing the SRR and individual ELT members are assigned as ‘Risk Owners’ responsible for co-ordinating action to manage the Strategic Risks. ELT’s review is informed by Directorate Risk Registers which are reviewed at least quarterly in line with the SRR review and Audit & Standards Committee timetable
- 4.2 Each strategic risk has a unique identifying number and is prefixed by ‘SR’, representing that it is a strategic risk. Each has an accompanying strategic risk Management Action Plan (‘risk MAP’) which is collated and stored on the

Integrated Risk Manager (IRM) software, part of the “Interplan” package. A risk MAP details mitigating (‘existing’) controls and further work planned (‘solutions’) to manage the risks.

4.3 Summary of main changes made this time to the Strategic Risk Register

There are now 13 strategic risks, at a Red or Amber level. Full details are provided in Appendix 1.

A new risk has been added by ELT as SR24 ‘Welfare Reform post-election 2015’.

Other than this new risk, there were no changes to risk scores and only updates were made to the remaining Risk MAPs although:

- SR19 (risk title previously was ‘Implementation of the Care Act’) has been significantly updated to reflect that the impact of Phase 1 of the Care Act has yet to be fully realised; and that Phase 2 of the Act provides further challenge. The Risk Title is now ‘Impact of Care Act- Phase 1/ Implementation Phase 2’;
- SR10 Information Governance shows a changed focus to reflect a complex array of legislation, including Data Protection.

4.4 Summary of Whole Risk Register

The table below sets out the risks in order of revised risk score which is assessed after taking into account the Existing Controls to provide a more ‘realistic’ prioritisation of risks compared against each other.

As risks are managed, the unique risks may be removed from the Strategic Risk Register and in that case, a gap in sequential numbering will arise.

Risk No.	Risk Title	Revised Risk Score		Revised Risk Score (L x I)	Revised Risk Rating
		Likelihood (L)	Impact (I)		
SR23	Developing an investment strategy to refurbish and develop the city’s major asset of the seafront	4 Likely	4 Major	16	RED
SR2	Financial Outlook for the council	4 Likely	4 Major	16	RED
SR19	Impact of Care Act: Phase 1/ Implementation Phase 2	4 Likely	4 Major	16	RED
SR18	Effective use of technology	4 Likely	4 Major	16	RED

Risk No.	Risk Title	Revised Risk Score	Revised Risk Score (L x I)	Revised Risk Rating	Risk No.
SR13	Keeping vulnerable adults safe from harm and abuse	3 Possible	4 Major	12	AMBER
SR15	Keeping children safe from harm and abuse	3 Possible	4 Major	12	AMBER
SR10	Information Governance Management	3 Possible	4 Major	12	AMBER
SR17	School Places Planning	3 Possible	4 Major	12	AMBER
SR20	Better Care Fund	3 Possible	4 Major	12	AMBER
SR21	Housing Pressures	3 Possible	4 Major	12	AMBER
SR22	Modernising the Council	3 Possible	4 Major	12	AMBER
SR24	Welfare Reform post-Election 2015	4 Likely	3 Moderate	12	AMBER
SR8	Becoming a more Sustainable city	3 Possible	3 Moderate	9	AMBER

5. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS

- 5.1 Consultation has taken place with the council's Executive Leadership Team; all Directorate Management Teams; and representatives of all the political parties.
- 5.2 The Strategic Risk Register will be sent to the City Management Board partners for information; which reflects the city wide performance & risk management approach.

6. FINANCIAL & OTHER IMPLICATIONS

Financial Implications:

- 6.1 The Strategic Risk Register reflects a number of risks which have potential significant financial implications for the authority either directly or indirectly. The risk owners are responsible for overseeing the effective management of the risks through the Risk Management Action Plans and for highlighting financial risks through the budget monitoring process and budget strategy development.

Finance Officer Consulted: James Hengeveld

Date: 18/05/15

Legal Implications:

- 6.2 This report comes before Audit & Standards Committee in order for the Committee to discharge its function of providing independent assurance of the adequacy of the council's risk management and associated control environment. Having reviewed the latest Strategic Risk Register and the Risk Management Action Plans or "Risk MAPs" contained in the Strategic Risk Assessment Report, the Committee may, if it considers it appropriate, make recommendations to Full Council, Policy & Resources Committee, one or more officers or another relevant body in the council.

Lawyer Consulted: Elizabeth Culbert

Date: 13/05/15

Equalities Implications:

- 6.3 There are no direct equalities implications. Equalities will be incorporated as appropriate across all Strategic Risks and Risk MAPs by the officers responsible for taking actions.

Sustainability Implications:

- 6.4 The risk management methodology includes identification and management of sustainability issues. There is a specific Strategic Risk, SR 8, Becoming a more sustainable city. However, Sustainability will be incorporated as appropriate across all Strategic Risks and Risk MAPs..

Any Other Significant Implications:

- 6.5 None.

SUPPORTING DOCUMENTATION

Appendices:

1. Strategic Risk Assessment Report May 2015.

Documents in Members' Rooms

1. None.

Background Documents

1. Risk Management Strategy 2014-2017.

Brighton & Hove City Council

Strategic Risk Assessment Report

(see final page for Background information/Terms Used)

Risk Category - BHCC Strategic Risk

ROM Issue:	Financial Outlook for the Council	Responsible Officer:	Rachel Musson
		Risk Code:	SR2



Identified
government

Reductions in central government funding are expected to continue well beyond the current Comprehensive Spending Review period through to 2020. The changes to local funding introduced in 2013/14 will also transfer greater risks to the council, particularly in relation to Business Rate valuation appeals. There is a cumulative impact of reductions in government funding to other public agencies in the city.

Implementing the current budget strategy and devising budget plans for 2016/17 will be challenging and there is increased uncertainty until HM Gov't's spending review and the local government finance settlement for 2016 (expected Dec. 2015).

Potential Conseq

The council will need to continue robust financial planning in a highly complex environment. Failure to do so could impact on financial resilience and mean that outcomes for residents are not optimised.

Initial:	High (L5xI4)		Revised:	High (L4xI4)	
Risk Identified Date:	15/5/2012		Date Modified:	10/6/2014	
Risk Category:	BHCC Strategic Risk Economic / Financial				
Existing Controls:	<ul style="list-style-type: none"> * Ongoing review of the adequacy of risk provisions and reserves to support the budget strategy and to ensure financial resilience; * Modernisation portfolio including VfM projects/programmes reviewed by cross-party Member Oversight group * Close alignment of Corporate Plan and Medium Term Financial Strategy (MTFS) and service and financial planning; * Ongoing review of the MTFS assumptions, the impact of legislative changes; cost and demand pressures; savings programmes; and income and grant assumptions; * Close monitoring of council tax and business rates income and regular updating of forecasts; * Modernisation projects and programmes including VfM in place. 				

- * City Management Board and Finance Directors review city wide impact & opportunities for joint budget planning;
- * Consultation and engagement plan for budget setting continues to include staff, partners, businesses and Community & Voluntary Sector;
- * Development of skills and knowledge to support options appraisal of new delivery models;
- * Close monitoring of council tax, business rates and other income and regular updating of forecasts;
- * Continued review of the adequacy of savings programmes alongside other budget measures to support the budget strategy;
- * Ongoing review and challenge of value for money including Member review, benchmarking, and external audit review;

Effectiveness of Controls: Adequate **Issue Type:** Threat

Solutions: SR 2 Risk Action: Delivery of value for money programme financial and non-financial benefits as part of the Modernisation Programme
 SR2 risk action: Incorporating progress on delivery of 15/16 savings within the monthly TBM reports
 SR 2 Risk Action: Continue to monitor impact of health sector reforms and local savings strategies
 SR 2 Risk Action: Regular joint updates to City Management Board on partners' financial positions and strategies. Joint action and/or funding options to be agreed where necessary.
 SR 2 Risk Action: Regular MTFS updates of the City Council's projected financial position for future years
 SR2 Risk Action: Corporate Modernisation Delivery Board board includes monitoring and RAG review of critical VFM and other savings programmes that support the council's current and medium term financial position.
 Reporting links to TBM reporting which also monitors savings delivery.
 SR 2 Risk Action: Meet Targeted Budget Management (TBM) reporting timetable and identify risk mitigation and corrective action where necessary
 SR 2 Risk Action: Devise and implement Corporate Plan & MTFS service and financial planning timetable and process.

ROM Issue:	Becoming a more sustainable city	Responsible Officer:	Geoff Raw
		Risk Code:	SR8

Identified The council has an important civic leadership role in working with others to 'future proof' the impact of severe weather events and the long term impact of climate change. This includes:

- * reducing where possible the adverse impact of transport, residential and economic activity emissions on local air quality and the wider impact on long term climate change;
- * protecting ecological and marine environments including the amenity benefits of these habitats;
- * working with the Environment Agency to review and manage the risks of coastal and surface water flooding;
- * strengthening the resilience of the city's energy, waste management, water and land resource arrangements;
- * improving the environmental performance of council owned buildings (including council housing) and facilities;
- * reducing any adverse environmental impacts arising from the operation and delivery of council services.

Potential Conseq Depending on the council's actions, it may affect:

- * compliance with our commitment to be a One Planet City;
- * our ability to fulfil our UNESCO Bio-Sphere commitments;
- * the ability to attract inward investment and environmental industries to the city;

The health and well-being of local residents and visitors;

- * maintenance of essential routes and services with particular implications for vulnerable residents and businesses in vulnerable locations;
- * the city's long term resilience to potential increases in the costs of food, energy and travel;
- * performance against agreed targets and compliance with environmental legislation e.g. air quality;

Initial: Significant (L3xI4)  **Revised:** Significant (L3xI4)

Risk Identified Date: 8/5/2013**Date Modified:** 10/6/2014**Risk Category:** BHCC Strategic Risk
Environmental / Sustainability

Existing Controls:

- * One Planet Living principles adopted for the city and establishment of a city-wide One Planet Board to oversee implementation of One Planet Living action plan;
- * Actions and opportunities arising from gaining Unesco Biosphere status and becoming a world demonstrator for sustainability;
- * Environmental performance reporting and improvement actions;
- * Targets and standards introduced as part of the sustainable and ethical procurement process.
- * The economic strategy & the emerging City Deal proposals for Eco Tech development provide opportunity to reduce the environmental footprint of the city's economic activity and develop products and services which can positively influence environmental management across global markets;
- * Continuing partnership with East Sussex County Council to reduce landfill as a result of the Energy Recovery Facility at Newhaven.
- * Living Wage introduced at Council and encouraging other businesses to follow suit in the city, as part of Living Wage Commission (chaired by Chamber of Commerce);
- * Carbon Management Programme Board in place to oversee internal carbon reduction;
- * Carbon budgets are reviewed with clear action plans to meet targets
- * Agreement for council targets on water, waste and sustainable/ethical procurement minimum standards and the installation of monitoring equipment;
- * Installation of metering of water and energy on council premises to reduce waste;

Effectiveness of Controls: Adequate**Issue Type:** Threat

Solutions:

- SR8 Risk Action: Review recycling opportunities, notably food waste
- SR8 Risk Action: Work to achieve results set out in council's VFM programmes on Carbon reduction to improve the council's own environmental performance; and establish annual council carbon budget
- SR8 Risk Action: Continue to work with key statutory agencies and energy providers, eg Southern Water and N Power, to reduce waste, improve efficiency and tackle fuel poverty
- SR8 Risk Action: Investigate scope for refurbishment and maintenance of council property to incorporate energy and water performance measures, and other improvements eg, photovoltaic devices
- SR8 Risk Action: Complete the Local Bio-Diversity Action Plan and work to deliver the Biosphere Reserve as detailed to UNESCO
- SR8 Risk Action: Implement the One Planet Living Action Plan
- SR8 Risk Action: Explore Green Deal and ECO investment approach with neighbouring authorities
- SR8 Risk Action: Continue work with partners with aim of implementing a major energy efficiency improvement in homes across the city through HM Government's Green Deal

ROM Issue:	Information Governance Management	Responsible Officer:	Executive Director SR10 Finance & Resources & Senior Information Risk Owner (SIRO)
		Risk Code:	SR10

Identified The council must operate to a high standard of information governance and information management within the overall context of openness and transparency. The council must ensure that it not only protects the organisations information and technical assets but that it does so within a complex array of legislative (including Data Protection, and Freedom of Information) requirements and compliance regimes. As examples, the Public Services Network ("PSN") and the Health & Social Care Information Centre ("HSCIC") both place significant emphasis on Information Governance Controls as does the Information Commissioner's Office.

Potential Conseq The council recognises that if it fails to manage data effectively then:

- 1) Individuals could suffer reputational, financial or physical harm,

- 2) The council could suffer reputational and/or financial loss along with an inability to function effectively,
- 3) The PSN & HSCIC could impose operational sanctions which would be catastrophic for many services,
- 5) The Information Commissioner's Office could impose financial sanctions,
- 4) It could result in a loss of trust in the council by citizens and partners.

Initial: High (L4xL4) Red **Revised:** Significant
Amber
(L3xL4)

Risk Identified Date: 8/5/2012

Date Modified: 1/5/2015

Risk Category: BHCC Strategic Risk
Legislative

Existing Controls:

- 1) The Senior Information Risk Owner (“SIRO”) oversees the organisations approach to Information Risk Management, setting the culture along with risk appetite and tolerances;
- 2) The Information Management Board (“IMB”) oversees and provides leadership on Information Risk Management and obligations arising from legislation such as the DPA 1998 & FOI 1998;
- 3) A new suite of Information Governance Policies has been approved and a move towards alignment with ISO27001 is planned for the future;
- 4) An Information Audit has been completed, including business impact assessments for the loss or compromise of Confidentiality, Integrity and Availability;
- 5) Open Government Licence implemented to support open government agenda and records management;
- 6) Code of Connection compliance was achieved in August 2014 and work is ongoing for 2015;
- 7) Freedom of Information requests now available through What Do They Know national website;
- 8) An Information Audit has been undertaken, and completed, across the organisation;
- 9) A new Information Governance training package has been rolled out across the entire organisation;
- 10) Work is taking place to move to a new datacentre.

Effectiveness of Controls: Uncertain

Issue Type: Threat

Solutions: SR 10 Risk Action: Continual review and development of the newly approved suite of information governance policy's along with the creation of specific user guidance as part of the wider user education programme.
SR 10 Risk Action: Refreshed and updated the Information Governance training package and made it available to staff via elearning
SR 10 Risk Action: Continue to deliver CoCo project programme of works as agreed by Information Management Board
SR 10 Risk Action: Deliver improved user education programme for both Members and staff
SR10 Risk Action: Review arrangements for dealing with Freedom of Information Requests
SR 10 Risk Action: Align our internal controls with ISO27001 (the de facto standard for information security management)
SR 10 Risk Action: Undertake a corporate-wide Information Audit to establish an up to date corporate information asset register
SR 10 Risk Action: Sharing of best practice across SE7 authorities particularly for remote access
SR 10 Risk Action: Business continuity arrangements are being reviewed and updated, then to be considered by decision makers and communicated to service

ROM Issue:	Keeping vulnerable adults safe from harm and abuse	Responsible Officer:	Denise D’Souza
		Risk Code:	SR13

Identified Keeping vulnerable adults safe from harm and abuse is a responsibility of the council. Brighton & Hove City Council has a statutory duty to co-ordinate safeguarding work across the city and the Safeguarding Adults Board. This work links partnerships across the Police and Health and Social Care providers. Over 1400 concerns were raised last year about

vulnerable people with over 1,000 going into investigation.

Due to a national legal judgement in early 2014 on Deprivation of Liberty Safeguards (DoLS) the council has seen a significant increase in requests for Best Interest Assessments (BIAs); numbers have increased significantly testing the council's capacity to deliver.

Potential Conseq

*Generally cases are more complex and demands can vary. The council is able to respond appropriately at a time of change to protect those most vulnerable
 *Failure to respond to a more personalised approach could result in challenge



Initial: High (L4xI4)

Revised: Significant (L3xI4)

Risk Identified Date: 8/5/2013

Date Modified: 10/6/2014

Risk Category: BHCC Directorate Risk
 BHCC Strategic Risk
 Legislative

Existing Controls:

- * Implement new Care Act requirements;
- * Awareness through messages and training;
- * Safeguarding Board workplan arising from review of Board;
- * Learning from serious case reviews, coroners concerns and case review from national work;
- * Good multi-agency work: Pilot role and access point from Police;
- * Audit of Safeguarding investigations and alerts (to check as appropriate);
- * Maintain the role and numbers of professional social workers through service redesign to ensure capacity;
- * Multi-agency training in place for better awareness, investigation management;
- * Highly motivated social workers;
- * Assessment of need using agreed threshold policies and procedures;
- * Staff provided with learning opportunities and undertake continuous professional development;
- * Working with ADASS (association of directors of adult social services) on the impact of recent legal judgement on DoLS ;
- * Working with Care Providers to ensure requests for Best Interest Assessments are appropriate and provides best and least restrictive practice;
- * Recruiting independent safeguarding board chair;

Effectiveness of Controls: Adequate

Issue Type: Threat

Solutions: SR13 Risk Action: Continue to learn from serious case reviews, coroners inquests and case reviews
 SR13 Risk Action: Continue to raise awareness through messages and training
 SR13 Risk Action: From multi-agency work with Police, review pilot to inform service delivery

ROM Issue:	Keeping children safe from harm and abuse	Responsible Officer:	Pinaki Ghoshal
		Risk Code:	SR15

Identified Keeping vulnerable children safe from harm and abuse is a legal responsibility of the Council. Legislation requires all local authorities to act in accordance with national guidance (Working Together) to ensure robust safeguarding practice. This includes the responsibility to ensure an effective Local Safeguarding Children Board (LSCB) which oversees work locally and in partnership with Police, Health and social care providers. The numbers of children in care and Children in Need plans are significantly higher than in similar authorities. The number of children and young people who are sexually exploited is also of concern.

Potential Conseq

The complexity of circumstances for many children presents a constant state of risk which demands informed and reflective professional judgement, and often urgent and decisive action, by all agencies using agreed thresholds and procedures. Such complexity inevitably presents a high degree of risk. Children subject to abuse, exploitation and/or neglect are unlikely to achieve and maintain a satisfactory level of health or development, or their health and development will be significantly impaired. In some circumstances, abuse and neglect may lead to a child's death.



Initial: High (L4xI4)

Revised: Significant (L3xI4)

Risk Identified Date: 8/5/2013

Date Modified: 10/6/2014

Risk Category: BHCC Strategic Risk
Legislative

Existing Controls:

- * LSCB Work Plan established with strong leadership by the Independent Chair with aligned LSCB sub-group work plans;
- * Serious Case, Local Management and Child Death Reviews identify learning and action for improvement;
- * Quality Assurance within the city and also across key agencies monitored by the LSCB sub group;
- * MASH (Multi Agency Safeguarding Hub) launched in September 2014 to provide robust risk assessments and information sharing between partner agencies which will lead to robust assessment of need using agreed Child Protection threshold document, policies and procedures;
- * In line with the government's Prevent strategy, work with the police, statutory partners, third sector organisations and communities to reduce radicalisation;
- * Proportion of children living in poverty is one of the key indicators regularly monitored by ELT;
- * Early Help Strategy in place and Early Help Hub launched in September 2014;
- * Stronger Families, Stronger Communities work targets support to the most troubled families;
- * Reports delivered to LSCB following robust auditing of multi-agency case files and safeguarding practice;
- * Clarity regarding roles, responsibilities and accountabilities of all professionals and agencies;
- * Threshold document, agreed by all agencies, signed off by Children and Young People Committee; and LSCB on 2nd, and 3rd June 2014;
- * Continuous professional development and learning opportunities offered by the LSCB and good multi agency take up of training;

Effectiveness of Controls: Adequate

Issue Type: Threat

Solutions: SR 15 Action: Address failures in ICT information storage and retrieval processes to ensure appropriate access to case files by social workers.

ROM Issue:	School Places Planning	Responsible Officer:	Pinaki Ghoshal
		Risk Code:	SR17

Identified The Council has a statutory role to ensure primary and secondary school places meet future need. There has been an upturn in the birth rate so that since 2003, the number of school aged children living the city has been increasing year on year, therefore pupil places are increasingly challenged.
This is particularly acute in areas when in previous years pupil yield has previously been very much lower. While previously there has been a focus on primary school places in the next few years we will have a significant pressure on secondary school places.

Potential Conseq

- * Parents may not feel able to secure a place for their child in the local community;
- * There may be increased travelling;
- * Without identifying new sites, existing schools may become overcrowded or larger.

Initial: High(L4x14)  **Revised:** Significant (L3x14) 

Risk Identified Date: 25/9/2013 **Date Modified:** 10/6/2014

Risk Category: BHCC Strategic Risk
Customer / Citizen

Existing Controls:

- * Cross party school place planning group chaired by Risk Owner;
- * Regular review of pupil number forecasting has made it clear that primary growth starts to reach secondary schools by 2014, with the issue becoming acute in subsequent years. The future need focus relates to secondary school places;
- * Secondary Continuing Education meeting established to raise awareness including and involving all schools, colleges and two city universities. This has focused on school organisation;
- * School Admission project group established to review current admission arrangements. This includes Schools' and Member representatives;
- * 465 new primary school places (15.5 classes) added in last five years;
- * Two new free schools opened in city;

- * Four class junior site opened on Hove Police Station site September 2014;
- * One new permanent form of entry opened in September 2014 at West Hove Infant School (Connaught);
- * Public consultation being undertaken on proposals to provide two permanent additional forms of entry from September 2015 in primary schools serving areas of highest demand, with funding identified in the capital programme;
- * 80% of schools are currently assessed by Ofsted as good or outstanding and a new School Improvement Strategy has been adopted to support the target of all schools being good or outstanding;
- * A strategy for providing additional secondary school places has been developed and agreed through the Cross Party School Organisation Group and through a partnership group consisting of all ten secondary schools, the three colleges and the two universities with the local authority;
- * Council officers are working with schools where there are spare places to assist them in developing and sustaining strong partnership relationships with the primary schools in their catchment area;
- * Preliminary curriculum and space analyses have been commissioned and completed for the four secondary schools where expansion would be most likely to meet the need for new places.

Effectiveness of Controls: Adequate **Issue Type:** Threat

Solutions: SR 17: Risk Action: Review of secondary school admissions arrangements commissioned by Children and Young People Committee, to be steered by cross party working group :
 SR 17: Risk Action: Review of 'lessons learned' from 2014 primary admissions round to be undertaken in consultation with the cross party working group with a view to agreeing earlier any bulge classes required
 SR 17 Risk Action: Deliver the School Improvement Strategy to support the remaining 20% of schools to be good or outstanding
 SR17: Risk Action: Provide support to the University of Brighton to develop a free school proposal for submission to the Department for Education in late May 15

ROM Issue:	Effective investment, support and use of technology and ICT services	Responsible Officer:	Rachel Musson
		Risk Code:	SR18

Identified There is ever rising expectation and demand for excellent and compelling digital services by citizens, visitors, businesses, partners, Members and officers. This is driven by a collection of needs and desires from increasing staff productivity, ever more complex challenges in safeguarding and demand management, through to citizens experience expectations driven by high quality consumer digital services. The Council's current and future services are highly dependent on user centric, secure, resilient and flexible digital capabilities, ICT infrastructure and services. It is also dependent on a workforce who can exploit, innovate and support these services.

Potential Conseq If we do not invest appropriately in technology, digital capabilities and their effective use, we will be unable to deliver on the modernisation agenda and core outcomes within the corporate plan including closing the financial gap and meeting customer expectations. We will also put at risk key responsibilities in safeguarding and protecting the most vulnerable through staff not having access to the information and support needed to carry out their roles. As a high profile digital city, both the Council's and the City's reputation's are at risk if we do not invest to deliver high quality digital services in line with the rising expectations of citizens, visitors, Members and staff. Equally the dependency on the reliability and availability of ICT services increases the reputational and safeguarding damage through failures in business continuity can be severe.

Initial:	High (L5xI4) 	Revised: High (L4xI4) 
Risk Identified Date:	25/9/2013	Date Modified: 31/10/2014

Risk Category: BHCC Strategic Risk
Technological

Existing Controls:

- * ICT Strategy (to 2016);
- * ICT investment plan (partially funded but only through to 2016);
- * Infrastructure Programme delivering upgrades of ICT infrastructure, hardware and systems to improve service flexibility, availability, business continuity and cybersecurity

standards including; local networks (wired and wireless), telephony (fixed and mobile);
 * Current deployment of the new Network jointly with partners through the LINK (Completed);
 * Roll out of new Microsoft Operating Suite (Windows 7 and Office 2010) (Completed);
 * Migration of computer rooms to third party data centres and hybrid cloud services(Underway);
 * ICT workforce planning ideas shared within council and SE7 partners;
 * Review of priority ICT Service needs across Directorates (Completed);
 * Customer First in a Digital Age (CFDA) programme is focussed on developing and delivering new digital and ICT capabilities to support business strategies across the Council including digital channels, mobile capabilities and staff capabilities required to make us fit for the future, however this programme will require substantial investment which is as yet not identified.
 * Information Management strand of CFDA developing and delivering capabilities for encrypted email, file sharing services and enterprise content management



Effectiveness of Controls: Uncertain **Issue Type:** Threat

Solutions: SR18 Risk Action: Compare the ICT workload & existing ICT investment priorities for 2014-2016, with the emerging strategic priorities across directorates and for the Council as a whole. Work with ELT and corporate change partners to identify gaps requiring targeted investment to support business strategies and support the Council's outcomes.
 SR18 Risk Action: Review required ICT skills and training offer requirement for all staff in the light of next round of investment plans.
 Development of supporting ICT Digital Investment Plan in support of ICT Digital Strategy and Customer First in a Digital Age programme.
 SR18 Risk Action: Improve clarity & governance of relationship between ICT Investment and business benefits through the oversight by the Corporate Modernisation Delivery Board of the ICT Investment Programmes: Infrastructure and Information Management
 SR18 Risk Action: Development of Customer First in a Digital Age programme, incorporating current investments in Digital improving Customer Experience (DiCE) and Information Management Programme, targeting required needs to support the new corporate plan and ambitions identified by the board and through emerging strategic priorities engagement.
 SR18 Risk Action: Development of new ICT Digital Strategy in support of the corporate plan and emerging strategic priorities.
 SR18 Risk Action: Put in place expert ICT supplier relationship skills to deliver best value from complex contracted services and additional support, planning and advice on sourcing and procurement

ROM Issue:	Impact of Care Act- Phase 1/ Implementation Phase 2	Responsible Officer:	Denise D'Souza
		Risk Code:	SR19

Identified *Impact of Phase 1 of the Care Act on carers and safeguarding have yet to impact on current workload.
 *Work underway to undertake 25% of new assessments as part of Phase 2 which are the funding reforms.
 *Additional assessments are approximately 500 to be completed between October and March 2016.
 *Reduced social work capacity as a result of DOLs.

Potential Conseq If we fail to meet our new & existing statutory duties under the Care Act then:
 * Service delivery for individuals will be affected
 * Reputational damage
 * Financial risk

Initial:	High (L5xI4)		Revised:	High (L4xI4)	
Risk Identified Date:	21/5/2014		Date Modified:	10/6/2014	
Risk Category:	BHCC Strategic Risk Legislative				
Existing Controls:	* Adults Social Care Modernisation Board set up and considers detail on timelines and risk rating; * Workstreams in place working both locally, across the South East and nationally to ensure capacity to respond to the changes;				

* Local workstream identified and will link, where possible, to work on the Better Care Fund.

Effectiveness of Controls: Uncertain **Issue Type:** Threat

Solutions: SR 19 Risk Action: Work with partners to inform and influence all parties involved in social care provision so that understanding, capacity and performance meets new requirements
 SR 19 Risk Action: Review progress at Adult Social Care Modernisation Board on a regular basis
 SR 19 Risk Action: Scan for changes relating to Care Act Phase 2

ROM Issue:	Better Care Fund	Responsible Officer:	Denise D'Souza
		Risk Code:	SR20

Identified The changes to funding for Adult Social Care was introduced by the Better Care Fund and affect how the whole system of social care, across the public and private sectors, works together and how funding is agreed.

Potential Conseq The impact of funding changes of the Better Care Fund combine with already significant changes to the NHS still being worked through with a submission to the NHS made on 19 September 2014. This needs to deliver more integrated care and show real improvement in Accident & Emergency (A&E) performance.

If parties do not work together as agreed, or organisation's priorities change, it will affect delivery of performance targets in relation to the Better Care Fund. Any failure of delivery will impact on the Acute Trusts' costs and our ability to release efficiency savings to create new services.

Initial: High (L4xL4)



Revised: Significant (L3xL4)



Risk Identified Date: 14/5/2014

Date Modified: 10/6/2014

Risk Category: BHCC Strategic Risk
Economic / Financial

Existing Controls:

- * Health & Wellbeing Board reviewed and governance arrangements in place to help deliver an integrated approach, including oversight of the Better Care Fund;
- * Re-submission of the Better Care Plan was made on 19 September 2014 following changes nationally;
- * Better Care Board established (high level and cross sector representation) and chaired by Executive Director Adult Social Care;
- * Partnership work agreed and submitted a Better Care Plan by the deadline in March 2014;
- * Agreement at Better Care Board to develop a Better Care implementation plan for delivery of Phase 1 from September 2014, based on an integrated model of delivery;
- * Better Care Board refocusing on commissioning and integrated provider board being set up. June 2015
- * Cluster areas now designated as 5 around GP practices

Effectiveness of Controls: Adequate **Issue Type:** Threat

Solutions: SR 20 Risk Action: Deliver Phase 1 Better Care implementation plan from September 2014
 SR 20 Risk Action: Monitor and react to implications on the Better Care Fund arising from the Care Act
 Robust Section 75 agreement being developed and will be in place by June 2015

ROM Issue:	Housing Pressures	Responsible Officer:	Geoff Raw
		Risk Code:	SR21

Identified The increasing demands for housing continues to outstrip new supply and as a consequence accommodation is becoming less affordable notably in central city areas relative to the local wage rates. Housing is particularly acute for low income families. There are also significant needs associated with an ageing population and more dependant households. Student numbers are also forecast to grow and have a significant impact on the existing residential communities and, in terms of affordable rents for non-student households, local character and impact on neighbourhood amenity.

Potential Conseq 1. The city is constrained in its capacity to accommodate economic growth, housing supply

- obligations and sustainable development objectives.
- 2. The city council is unable to meet it's strategic housing and planning policy objectives and statutory homelessness obligations.
- 3. The shortage of homes to meet the accommodation requirements of elderly and vulnerable people which can have an adverse impact on social care provision and cost pressures.



Initial: High (L4xL4)

Revised: Significant (L3xL4)

Risk Identified Date: 5/6/2014

Date Modified: 10/6/2014

Risk Category: BHCC Strategic Risk
Citywide risk
Environmental / Sustainability

Existing Controls: The Council's Housing Strategy sets out objectives and a 4 year action plan. This includes policy and investment concerning: i) Improving Housing Supply; ii) Improving Housing Quality; iii) Improving Housing Support. This strategy has been agreed by Full Council. The City Plan also sets out housing targets across all tenures; policies on securing affordable housing through the planning system, residential development standards. Key controls include:

1. A housing allocation policy which targets the provision (c. 500 Council house lettings p.a.) and nomination of affordable housing to priority households .
2. Long term private sector housing lettings with private landlords in the city and wider city region.
3. A 'New Homes for Neighbourhoods' estate regeneration programme to deliver new affordable homes in the city.
4. Tenancy sustainment initiatives particularly for more vulnerable people.
5. Exploration of off-plan acquisition to support provision of new supply and affordable housing planning policy.
6. Investment schemes to upgrade existing sheltered housing and provide new bespoke housing (e.g. Extra Care).
7. Continued work with Registered Social Landlords to support housing led regeneration initiatives

Effectiveness of Controls: Adequate

Issue Type: Threat

Risk Treatment: Treat

Solutions: SR21 Risk Action: Exercise Duty to Co-operate with Neighbouring Authorities to address the shortfall in housing supply that is not deliverable in Brighton & Hove
 SR21 Risk Action: Investigate options to procure more housing for affordable rented and shared ownership use
 SR 21 Risk Action: Work through City Deal with regional partners & LEP to promote Economic development incl increased sub-regional working to meet housing need
 SR 21 Risk Action: Continue to track numbers of Right to Buy Purchases; student houses; HMOs in specific areas and across city
 SR21 Risk Action: Consider use of New Policy Article 4 a) allocates sites for purpose built housing; and b) manages properties to meet student housing needs
 SR21 Risk Action: Investigate options for council resources to develop finance expertise to increase council's ability to negotiate effectively with developers and local private agents re. schemes for housing and to provide affordable housing
 SR21 Risk Action: HRA stock improvement & estate regeneration initiative (New Homes for Neighbourhoods) to increase affordable housing supply
 SR21 Risk Action: Act on outcome of joint partners' bid for £59M for extra care housing to address social care residential needs as part of 2015-18 Affordable Housing Programme
 SR21 Risk Action: Explore options with universities to improve student accommodation provision to meet forecast growth in student numbers.
 SR 21 Risk Action: Greater Brighton Economic Board, City Deal & regional working to find housing solutions.
 SR 21 Risk Action: Affordable housing City Plan policy to be adopted

ROM Issue:	Modernising the Council	Responsible Officer:	Penny Thompson
		Risk Code:	SR22

Identified The Corporate Plan sets out, “our purpose to provide strong civic leadership for the well-being and aspiration of Brighton & Hove. We will be successful if we are judged to deliver:
 A good life: Ensuring a city for all ages, inclusive of everyone and protecting the most vulnerable.
 A well run city: Keeping the city safe, clean, moving and connected.
 A vibrant economy: Promoting a world class economy with a local workforce to match.
 A modern council: Providing open civic leadership and effective public services.”

Potential Conseq Modernisation is the council’s portfolio of change management programmes and projects which will support delivery of corporate principles and priorities. This in turn will help evidence achievement of outcomes in relation to council’s purpose as set out in the Corporate Plan. If the programmes/projects are not successful in delivering intended benefits, it will impact on the achievement of these outcomes failing to deliver our Corporate Plan.



Initial: High (L4xL4) **Revised:** Significant (L3xL4)

Risk Identified Date: 3/11/2014 **Date Modified:** 3/11/2014

Risk Category: BHCC Strategic Risk

Existing Controls: *Corporate Modernisation Delivery Board has been set up to initiate and lead programmes and projects that are intended to achieve the Corporate Plan priorities and principles including cross-cutting programmes and projects
 *The Board is chaired by the Chief Executive and consists of directors and other key officers of the council.
 * Reporting to the Corporate Modernisation Delivery Board, Directorate Modernisation Boards are set up to drive the programmes and projects forward and deliver outcomes and benefits.
 * Reporting to the Directorate Modernisation Boards, there are Programme and Project Boards responsible for planning, set-up and management of programmes and projects.
 * A cross-party Member Oversight Group monitor progress and provide support and Challenge as required.
 * The financial benefits are reported to the Policy & Resources Committee as part of TBM reports.

Effectiveness of Controls: Adequate **Issue Type:** Threat
Risk Treatment: Treat

Solutions: Risk Action: Corporate Modernisation Delivery Board to continue to regularly review risks escalated by individual programmes and projects and initiate mitigating actions
 Risk Action: The funding of the Modernisation programme to be regularly reviewed to ensure limited resources are effectively targeted. In addition, resource requirements for the modernisation portfolio to be identified based on business cases.
 Risk Action: Performance Improvement & Programmes team to support, coordinate and challenge programmes and projects delivery.

ROM Issue:	Developing an investment strategy to refurbish and develop the city’s major asset of the seafront	Responsible Officer:	Paula Murray and Geoff Raw
			Risk Code: SR23

Identified The seafront is a city asset which is iconic and contributes to the city’s reputation. The council is the lead custodian of the seafront but the benefits are shared by many. At least 5 million people use our seafront every year. It is a very significant attraction in our visitor economy; provides a series of important public spaces for residents; many businesses in the city rely on the draw of the seafront to sustain their organisation’s value and to provide an attractive place for stakeholders and employees. It is being used beyond its original design and, in many ways, is a victim of its own success and affected by the changing patterns and increased demands of usage. the deterioration of Madeira Terraces in particular have reached a critical point, requiring fencing and safety measures whilst a longer term solution is developed.

Potential Conseq The heritages structures and infrastructure along the seafront require significant investment and ongoing revenue in order to ensure suitability for modern use, and to preserve and

enhance the reputation of the city and its offer.

Initial: High (L5 x14) Red **Revised:** High (L4x14) Red
Risk Identified Date: 3/11/2014 **Date Modified:** 3/11/2014
Risk Category: BHCC Strategic Risk
Existing Controls: * Develop the investment plan to underpin the Seafront Strategy and long term viability of the seafront infrastructure;
* Continue to support financially viable investments in the seafront e.g. i360
* Seafront arch repair programme to be delivered over 10 years from 2012
* Scrutiny panel report in 2014 has identified recommendations for improved management and development of the Seafront
* Project Boards have been established and are actively considering seafront redevelopment opportunities including the Black Rock and King Alfred sites. The King Alfred site is currently in an OJEU compliant procurement process to secure a development partner
Effectiveness of Controls: Adequate **Issue Type:** Threat
Risk Treatment: Treat
Solutions: Risk Action: Officers to respond to Seafront Scrutiny report recommendations.

ROM Issue:	Welfare Reform post election 2015	Responsible Officer:	Rachel Musson
		Risk Code:	SR24

Identified Introduction of Universal Credit during 2015/16 with extended roll out during 2016. Implications for staffing levels within services; TUPE issues to DWP; rent collection; council tax collection and pressures on social services and homeless services.

Potential Conseq Additionally individual parties have further plans for welfare changes which could mean further very significant cuts post election for families.
Increased service pressures on housing and social services
Decreased rent and Council Tax collection

Initial: High (L4x14) Red **Revised:** Significant (L4x13) Amber
Risk Identified Date: 27/3/2015 **Date Modified:** 4/6/2015
Risk Category: BHCC Strategic Risk
Existing Controls: Welfare Reform team in place to monitor welfare changes and to coordinate a corporate response to them
Early meetings held with DWP about change to Universal Credit
Regular links maintained with advice and voluntary sector so impacts can be judged
Welfare Reform meetings at CMT level booked in for the year to track these changes and enable a corporate response
Effectiveness of Controls: Uncertain **Issue Type:** Threat
Solutions: Work with colleagues in housing to assess impacts on rent collection and plan mitigations
Analysis of Party political policies to be presented to F&R DMT pre election benefit cap reducing to £23k.
Work with colleagues in revenues underway to assess impacts on council tax collection
Programme of work to be scheduled in with DWP to begin work to assess the support that will be required locally to support people on Universal Credit (UC)
Keep relevant staff and stakeholders up to date with information as it becomes available
Further meetings with DWP re rollout of universal Credit planned
The library service is leading digital inclusion for the council. We are working with this project around digital support for claimants of universal credit, this will include an analysis of current staff skills.
There is also a specific need to identify specific support for UC claimants and fund this through DWP funding streams.

Strategic Risk Assessment Report: Background Information/Terms Used

Date Identified: when the Executive Leadership Team (ELT) first agreed the risk

Date modified: when any of these elements of the Risk was authorised by ELT for modification:

- ROM Issue (the title of the risk)
- Identified (the description of the risk)
- Potential Conseq (the potential consequence(s) of the Risk)

Risk Scores are allocated using this Risk Matrix:

	MOST LIKELY IMPACT (if in doubt grade up not down)				
LIKELIHOOD	Insignificant (1)	Minor (2)	Moderate (3)	Major (4)	Catastrophic (5)
Almost Certain (5)	5 Yellow	10 Amber	15 Red	20 Red	25 Red
Likely (4)	4 Yellow	8 Amber	12 Amber	16 Red	20 Red
Possible (3)	3 Green	6 Yellow	9 Amber	12 Amber	15 Red
Unlikely (2)	2 Green	4 Yellow	6 Yellow	8 Amber	10 Amber
Almost Impossible (1)	1 Green	2 Green	3 Green	4 Yellow	5 Yellow

Action is taken in accordance with the colour coding of each of the four risk scores as follows:

GREEN 1 – 3	YELLOW 4 - 7	AMBER 8 - 14	RED 15 - 25
Low	Moderate	Significant	High

**Monitor
periodically**

**Monitor if
the risk
levels
increase**

**Review &
ensure
effective
controls**

**Immediate action
required & need
to Escalate to
the management
level above**

Subject:	Strategic Risk MAP Focus: SR2 Financial Outlook; and SR18 Effective Use of Technology		
Date of Meeting:	23 June 2015		
Report of:	Interim Executive Director Finance & Resources		
Contact Officer:	Name:	Jackie Algar	Tel: 01273 29-1273
	Email:	Jackie.algar@brighton-hove.gov.uk	
Ward(s) affected:	All		

FOR GENERAL RELEASE**1. PURPOSE OF REPORT AND POLICY CONTEXT**

- 1.1 The Committee has a role to monitor the effectiveness of risk management and internal control. This includes oversight of the Strategic Risk Register which is set and reviewed every six months by the Executive Leadership Team (ELT). Each Strategic Risk has a Risk Management Action Plan (a “risk MAP”) to deliver action to address the risk by a Risk Owner, a member of ELT.
- 1.2 The Committee has agreed a schedule to focus on two Strategic Risk MAPs at each meeting, and to ask Risk Owners to attend in order to more fully explore the details of the actions to address each Strategic Risk.
- 1.3 This meeting will be attended by Rachel Musson, Interim Executive Director, Finance & Resources who is the Risk Owner for both Strategic Risks SR2 (Financial Outlook) and SR18 (Effective use of Technology). The Strategic Risk MAPs have been updated specifically for this meeting to provide Members with the current position.

2. RECOMMENDATIONS:

- 2.1 That Members ask questions of the Risk Owner based on the information provided in the Strategic Risk MAPs in Appendix 1 (Strategic Risk Assessment Report).
- 2.2 That, having considered Appendix 1 and the Risk Owner’s response, the Committee make any recommendations it considers appropriate to the relevant council body.

3. FINANCIAL & OTHER IMPLICATIONS

- 3.1 Financial Implications

Each Strategic Risk MAP provides details of the actions already in place (“Existing Controls”) or work to be done as part of business or project plans (the “Solutions”) to address each strategic risk. Potentially these may have significant financial implications for the authority either directly or indirectly.

The associated financial risks are considered during the Targeted Budget Management process, the ongoing development of the Medium Term Financial Strategy and budget strategies.

Finance Officer Consulted: James Hengeveld Date: 18/05/15

3.2 Legal Implications

Members of the Committee are entitled to information, data and other evidence which enable them to reach an informed view as to whether the council’s strategic risks are being adequately managed; and to make recommendations based on their conclusions.

Lawyer Consulted: Elizabeth Culbert Date: 13/05/15

SUPPORTING DOCUMENTATION

Appendices:

1. Strategic Risk Assessment Report – SR2 and SR18.

Documents in Members’ Rooms

1. None.

Background Documents

1. Strategic Risk Register 2015/2016 – reviewed by Executive Leadership Team, May 2015.



Brighton & Hove City Council
Strategic Risk Assessment Report
Rachel Musson

Risk Category - BHCC Strategic Risk;



ROM Issue:	Financial Outlook for the Council	Responsible Officer:	Rachel Musson
		Risk Code:	SR2

Identified Reductions in central government funding are expected to continue well beyond the current Comprehensive Spending Review period through to 2020. The changes to local government funding introduced in 2013/14 will also transfer greater risks to the council, particularly in relation to Business Rate valuation appeals. There is a cumulative impact of reductions in government funding to other public agencies in the city.

Potential Conseq Implementing the current budget strategy and devising budget plans for 2016/17 will be challenging and there is increased uncertainty until HM Govt's spending review and the local government finance settlement for 2016 (expected Dec. 2015).
The council will need to continue robust financial planning in a highly complex environment. Failure to do so could impact on financial resilience and mean that outcomes for residents are not optimised.

Initial:	High	Revised:	High
Risk Identified Date:	15/5/2012	Date Modified:	10/6/2014

Risk Category: - BHCC Strategic Risk
- Economic / Financial

Existing Controls:

- * Ongoing review of the adequacy of risk provisions and reserves to support the budget strategy and to ensure financial resilience;
- * Modernisation portfolio including VfM projects/programmes reviewed by cross-party Member Oversight group
- * Close alignment of Corporate Plan and Medium Term Financial Strategy (MTFS) and service and financial planning;
- * Ongoing review of the MTFS assumptions, the impact of legislative changes; cost and demand pressures; savings programmes; and income and grant assumptions;
- * Close monitoring of council tax and business rates income and regular updating of forecasts;
- * Modernisation projects and programmes including VfM in place.
- * City Management Board and Finance Directors review city wide impact & opportunities for joint budget planning;
- * Consultation and engagement plan for budget setting continues to include staff, partners, businesses and Community & Voluntary Sector;
- * Development of skills and knowledge to support options appraisal of new delivery models;
- * Close monitoring of council tax, business rates and other income and regular updating of forecasts;
- * Continued review of the adequacy of savings programmes alongside other budget measures to support the budget strategy;
- * Ongoing review and challenge of value for money including Member review, benchmarking, and external audit review;

Effectiveness of Controls: Adequate **Issue Type:** Threat

Solutions: SR 2 Risk Action: Delivery of value for money programme financial and non-financial benefits as part of the Modernisation Programme
SR2 risk action: Incorporating progress on delivery of 15/16 savings within the monthly TBM reports
SR 2 Risk Action: Continue to monitor impact of health sector reforms and local savings strategies
SR 2 Risk Action: Regular joint updates to City Management Board on partners' financial positions and strategies. Joint action and/or funding options to be agreed where necessary.
SR 2 Risk Action: Regular MTFS updates of the City Council's projected financial position for future years
SR2 Risk Action: Corporate Modernisation Delivery Board board includes monitoring and RAG review of critical VFM and other savings programmes that support the council's current and medium term financial position. Reporting links to TBM reporting which also monitors savings delivery.
SR 2 Risk Action: Meet Targeted Budget Management (TBM) reporting timetable and identify risk mitigation and corrective action where necessary
SR 2 Risk Action: Devise and implement Corporate Plan & MTFS service and financial planning timetable and process.



ROM Issue:	Effective investment, support and use of technology and ICT services	Responsible Officer:	Rachel Musson
		Risk Code:	SR18

Identified There is ever rising expectation and demand for excellent and compelling digital services by citizens, visitors, businesses, partners, Members and officers. This is driven by a collection of needs and desires from increasing staff productivity, ever more complex challenges in safeguarding and demand management, through to citizens experience expectations driven by high quality consumer digital services. The Council's current and future services are highly dependent on user centric, secure, resilient and flexible digital capabilities, ICT infrastructure and services. It is also dependent on a workforce who can exploit, innovate and support these services.

Potential Conseq If we do not invest appropriately in technology, digital capabilities and their effective use, we will be unable to deliver on the modernisation agenda and core outcomes within the corporate plan including closing the financial gap and meeting customer expectations. We will also put at risk key responsibilities in safeguarding and protecting the most vulnerable through staff not having access to the information and support needed to carry out their roles. As a high profile digital city, both the Council's and the City's reputation's are at risk if we do not invest to deliver high quality digital services in line with the rising expectations of citizens, visitors, Members and staff. Equally the dependency on the reliability and availability of ICT services increases the reputational and safeguarding damage through failures in business continuity can be severe.

Initial:	High		Revised:	High	
Risk Identified Date:	25/9/2013		Date Modified:	31/10/2014	

Risk Category:
 - BHCC Strategic Risk
 - Technological

Existing Controls:

- * ICT Strategy (to 2016);
- * ICT investment plan (partially funded but only through to 2016);
- * Infrastructure Programme delivering upgrades of ICT infrastructure, hardware and systems to improve service flexibility, availability, business continuity and cybersecurity standards including; local networks (wired and wireless), telephony (fixed and mobile);
- * Current deployment of the new Network jointly with partners through the LINK (Completed);
- * Roll out of new Microsoft Operating Suite (Windows 7 and Office 2010) (Completed);
- * Migration of computer rooms to third party data centres and hybrid cloud services(Underway);
- * ICT workforce planning ideas shared within council and SE7 partners;
- * Review of priority ICT Service needs across Directorates (Completed);
- * Customer First in a Digital Age (CFDA) programme is focussed on developing and delivering new digital and ICT capabilities to support business strategies across the Council including digital channels, mobile capabilities and staff capabilities required to make us fit for the future, however this programme will require substantial investment which is as yet not identified.
- * Information Management strand of CFDA developing and delivering capabilities for encrypted email, file sharing services and enterprise content management

Effectiveness of Controls: Uncertain **Issue Type:** Threat

Solutions: SR18 Risk Action: Compare the ICT workload & existing ICT investment priorities for 2014-2016, with the emerging strategic priorities across directorates and for the Council as a whole. Work with ELT and corporate change partners to identify gaps requiring targeted investment to support business strategies and support the Council's outcomes.

SR18 Risk Action: Review required ICT skills and training offer requirement for all staff in the light of next round of investment plans.

Development of supporting ICT Digital Investment Plan in support of ICT Digital Strategy and Customer First in a Digital Age programme.

SR18 Risk Action: Improve clarity & governance of relationship between ICT Investment and business benefits through the oversight by the Corporate Modernisation Delivery Board of the ICT Investment Programmes: Infrastructure and Information Management

Development of Customer First in a Digital Age programme, incorporating current investments in Digital improving Customer Experience (DiCE) and Information Management Programme, targeting required needs to support the new corporate plan and ambitions identified by the board and through emerging strategic priorities engagement.

Development of new ICT Digital Strategy in support of the corporate plan and emerging strategic priorities.

SR18 Risk Action: Put in place expert ICT supplier relationship skills to deliver best value from complex contracted services and additional support, planning and advice on sourcing and procurement

Subject:	Audit & Standards Committee Annual Report 2014/15	
Date of Meeting:	23 June 2015	
Report of:	Head of Internal Audit	
Contact Officer:	Mark Dallen, Principal Audit Manager	Tel: 29-1314
Email:	mark.dallen@brighton-hove.gov.uk	
Ward(s) affected:	All	

FOR GENERAL RELEASE**1. SUMMARY AND POLICY CONTEXT:**

- 1.1 This draft report attached at Appendix 1 provides a summary of the Audit & Standards Committee's work, performance and achievements during 2014/15. It has been prepared on behalf of the Audit & Standards Committee members.
- 1.2 The preparation of an annual report is recognised as best practice for Audit Committees by the Chartered Institute of Public Finance and Accountancy (CIPFA) in providing assurance to the Council over its role in governance.

2. RECOMMENDATIONS:

It is recommended that the Audit & Standards Committee:

- Consider the draft report at Appendix 1 and make any amendments and additions it deems necessary.
- Refer the report (incorporating any amendments and additions) to Full Council for information.

3. BACKGROUND

- 3.1 The current Audit & Standards Committee was formed in June 2012. Its purpose for the 2014/15 financial year is contained in the Terms of Reference, Appendix A to the Annual Report.
- 3.2 The key benefits of an effective Audit & Standards Committee are to;
 - review the council's governance and control arrangements and obtain assurance that recommendations to ensure improvement are being implemented
 - ensure that the council's strategic risks are being managed effectively managed and assurance is obtained from risk owners

- support the work of Internal and External Audit
- ensure the council maintains and further improves the standards in relation to the production of accounts
- ensure the council effectively manages the risk of fraud and corruption
- promote and maintain high standards of conduct within the Council and monitoring the operations of the Council's Codes of Conduct and registers of interests
- support new and existing Members to fulfil responsibilities by providing training, briefings and good practice guidance.

4. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

- 4.1 The Audit & Standards Committee is an essential element of good financial governance, the costs of its work programme including officer support and training is met from existing budgetary provision.

Finance Officer Consulted: James Hengeveld

Date: 01/06/15

Legal Implications:

- 4.2 The annual report of the Standards Committee forms part of the corporate assurance framework and assists the Council in complying with its Code of Corporate Governance and draws to members attention the activities undertaken over the previous year. This report is for information and there are no legal implications arising from the report itself.

Lawyer Consulted:

Abraham Ghebre-Ghiorghis

Date: 22/06/2015

Equalities Implications:

- 4.3 There are no equalities implications arising.

Sustainability Implications:

- 4.4 There are no specific sustainability implications but the Committee may as required consider sustainability issues arising from internal audit and risk management work.

Any Other Significant Implications:

- 4.5 The Committee has a key role in relation to crime and disorder in ensuring the prevention and detection of fraud and corruption as it impacts on the council. It also has a key role in ensuring that the councils risk management arrangements operate effectively.

SUPPORTING DOCUMENTATION

Appendices:

Appendix 1 - Audit & Standards Committee Annual Report - 2014/15



AUDIT & STANDARDS COMMITTEE

ANNUAL REPORT 2014/15

Councillor A. Norman, Chair

Foreword by the Chair of the Audit & Standards Committee



I am pleased to present the Audit & Standards Committee's Annual Report for the 2014/15 financial year. The report demonstrates how the Audit & Standards Committee has achieved its objectives, continued to develop its role and has made a significant contribution to the council's governance and control arrangements over the last year.

The Committee has a wide remit including advising and reviewing the council's arrangements for internal audit, internal control, risk management, financial management, standards and corporate governance. It has an important role in ensuring public money is spent wisely and used effectively to meet council priorities.

A key part of our agenda to review and scrutinise the work the work and performance of internal audit and external audit. These reports provide assurance to the public that the council is complying with the law, that the council has an effective control framework in place and it provides quality services in line with corporate priorities. These reports also provide a focus to the communication of control weaknesses and provide assurance that these are being promptly addressed.

I would like to take this opportunity to thank both the Committee Members and the officers that support the Committee's work for their contributions during the year. I am pleased to note that the Members of the Committee have been supportive and provided constructive challenge to ensure the council's processes are effective and transparent. I would like to specially acknowledge the contribution of the two independent persons on this Committee.

I would also like to thank Ernst & Young, the council's external auditors, for their support and regular attendance at meetings.

I am looking forward to my first year of chairing this Committee and that it continues to enhance its role in championing good governance in the council.

Cllr Ann Norman

Introduction

1. This report provides an overview of the Audit & Standards Committee's work during the financial year 2014/15.
2. The Committee is a key component of the council's governance processes by providing independent challenge and assurance. Its remit includes the adequacy and effectiveness of risk management, internal control (including Internal Audit, External Audit and counter fraud), ethical standards, and financial reporting frameworks.
3. The council's Standards Panel is a sub-committee of the Audit & Standards Committee. This panel determines allegations of breaches of the Members' Code of Conduct.
4. A copy of the Committee's Terms of Reference for the 2014/15 financial year is shown at Appendix A.

Meetings are held in public and papers are available on the council's website. The meetings are generally scheduled around the key dates for council business such as the statement of accounts, audit planning process and the annual governance statement.

Committee Work Programme and Membership

5. Five meetings of this Committee were held during the 2014/15 financial year. The reports considered at these meetings are summarised in Appendix B.
6. The Committee membership consists of eight Members and two independent persons. All members of the Committee during 2014/15 are detailed in the table below.

Membership of the Audit & Standards Committee during 2014/15

Membership	Role
Councillor Les Hamilton	Member - Chair
Councillor Ann Norman	Member - Opposition Spokesperson
Councillor Tony Janio	Member
Councillor Leo Littman	Member
Councillor Lizzie Deane	Member
Councillor Ollie Sykes	Member
Councillor Alex Phillips	Member
Councillor Jeane Lepper	Member
Councillor David Smith	Member
Councillor Andrew Wealls	Member
Councillor Christina Summers	Member
Dr David Horne	Non-Voting Co-Optee

Training & Development

7. In order to be effective members of the Committee should have a clear understanding of their role in relation to standards, internal control and governance issues, Internal and External Audit, risk and opportunity management and the operation of these frameworks across the council.

Core Activities 2013/14

8. The Committee's Terms of Reference contain a number of responsibilities and these can be summarised into seven core activity areas.

Internal Audit Assurance

9. Internal Audit is a key component of the council's governance framework and to provide assurance on the council's control environment. This Committee has a responsibility for ensuring that Internal Audit is effective in the provision of that assurance role.

During the year the Committee has;

- Reviewed and approved the Internal Audit Strategy & Annual Plan
- Received regular Internal Audit progress reports which highlight significant control issues particularly with Limited Assurance Reports
- Considered the Head of Internal Audit's Annual Report and Opinion
- Reviewed and considered a report on the effectiveness of the system of Internal Audit
- Reviewed the alignment between Internal Audit and External Audit as well as to risk management work
- Supported the Internal Audit service with regard to the escalation of control concerns and to ensure management is responsive to recommendations made and agreed.

External Audit Assurance

10. The External Audit function is provided by EY. The provision of effective External Audit is an essential part of accountability for public funds, providing an independent opinion on the financial statements as well as arrangements for securing value for money across the council.
11. During the year the Committee has;
 - Considered EY's Annual Audit Plan
 - Considered progress reports against the audit plan and sector information updates

- Considered and reviewed the audit fee and Audit Fee Letters
- Received and considered the Annual Governance Report
- Received the Annual Grant Certification Letter, and
- Received and considered Annual Audit Letter for 2013/14.

Risk Management

12. During the year the Committee;
- Received and considered the Strategic Risk Register updates
 - Considered the outcomes of the Risk Management Programme
 - Received the Annual Risk Management Report, and
 - Received and undertaken detailed scrutiny of risk maps relating to specific strategic risks.

Governance Framework

13. A key role of the Committee is its work in supporting an effective governance framework for the management of the council. This includes supporting corporate policies and frameworks that promote good governance, as well as the control assurance work carried out by Internal Audit.
14. During the year the Committee;
- Reviewed the 2013/14 Annual Governance Statement
 - Promoted and communicated the importance of effective internal control and governance across the council and of the need to ensure audit recommendations for improvement are implemented
 - Considered updates on the 2013/14 Annual Governance Statement actions
 - Reviewed proposed issues for inclusion in the 2014/15 Annual Governance Statement.

Counter Fraud

15. A separate Corporate Fraud Team has been in place through 2014/15 and the Committee has received and considered updates on its performance and outcomes during the year. These have included;
- Regular updates on fraud investigations, including housing benefit and tenancy fraud
 - Considered the outcome of counter fraud activity as part of the Annual Internal Audit Report and Opinion 2013/14
 - Updates on the results of the latest National Fraud Initiative (NFI) data matching exercise
 - The outcomes of the Audit Commission's national study "Protecting the Public Purse".

Financial Management and Reporting

16. During the year the Committee;
- Considered and approved the Annual Statement of Accounts
 - Considered the External Auditor's report on the accounts and council's response to comments
 - Received periodic reports for information, on the council's budget performance (TBM) asked questions and helped to inform the approval of end of year Statement of Accounts.
 - Considered Treasury Management Mid and Year End review reports.

Standards

- 17 During the year,:
- The Standards Working group, chaired by Dr David Horne, reviewed the code of conduct for Members, simplifying and rationalising the procedure for declaration of interests. Its recommendations were approved by full Council;
 - A number of standards related policies and procedures were reviewed;
 - We had fewer complaints than in previous years all of which were resolved informally
 - Diane Bushell was appointed as the second Independent Person

Looking Forward

18. The Committee will continue to develop its role and build on current status. For 2015/16 it will;
- Review the council's governance and control arrangements and seek assurance that recommendations to ensure improvement are being implemented
 - Ensure that the council's strategic risks are being managed effectively managed and assurance is obtained from risk owners
 - Support the work of Internal and External Audit
 - Ensure the council maintains and further improves the standards in relation to the production of accounts
 - Ensure the council effectively manages the risk of fraud and corruption
 - Support new and existing Members to fulfil their responsibilities by providing training, briefings and good practice guidance.

Audit & Standards Committee Terms of Reference

The Audit functions of this Committee relate to the council's arrangements for the discharge of its powers and duties in connection with financial governance and stewardship, risk management and audit. The Committee makes recommendations to the Council, Policy & Resources Committee, Officers or other relevant body within the Council.

The Standards functions of this Committee seek to ensure that the Members, Co-opted Members and Officers of the council observe high ethical standards in performing their duties. These functions include advising the council on its Codes of Conduct and administering related complaints and dispensation procedures.

In addition to the Councillors who serve on the Audit and Standards Committee, the Committee includes at least two independent persons who are not Councillors. They are appointed under Chapter 7 of the Localism Act, or otherwise co-opted, and act in an advisory capacity with no voting powers. In the terms of reference of this Committee a "Member" is an elected Councillor and a "Co-opted Member" is a person co-opted by the council, for example to advise or assist a Committee or Sub-Committee of the council.

General Audit and Standards Delegated Functions

To review such parts of the constitution as may be referred to the Committee by the Policy and Resources Committee and to make recommendations to the Policy & Resources Committee and the council.

To appoint, co-opt or (in any case where only the council has power) to recommend the appointment or co-option of a minimum of two independent persons:

- to give general assistance to the Committee in the exercise of its functions; and
- to give views on allegations of failure to comply with a Code of Conduct as required by Chapter 7 of the Localism Act.

To have an overview of:

- the council's Whistleblowing Policy
- complaints handling and Local Ombudsman investigations

To deal with any audit or ethical standards issues which may arise in relation to partnership working, joint committees and other local authorities or bodies.

To ensure arrangements are made for the training and development of Members, Co-opted Members and Officers on audit, ethical and probity matters, including Code of Conduct issues.

To support and advise the Chief Finance Officer and the Monitoring Officer in their statutory roles.

Delegated Audit Functions

To carry out independent scrutiny and examination of the Council's financial and non-financial processes, procedures and practices to the extent that they affect the Council's control environment and exposure to risk, with a view to providing assurance on the adequacy and effectiveness of:

- the work of internal and external audit;
- the governance arrangements of the council and its services;
- the risk management and performance management frameworks and the associated control environment;
- the financial management process;
- arrangements for the prevention and detection of fraud and corruption

To meet the requirements of the Accounts and Audit Regulations Act 2011 in respect of:

- conducting an annual review of the effectiveness of the system of internal control;
- conducting an annual review of the effectiveness of internal audit;
- reviewing the outcome of annual review of governance arrangements and approving the Annual Governance Statement, ensuring it contains any actions for improvement; and
- considering and approving the Council's annual Statement of Accounts.

To consider the External Auditor's Annual Audit and Inspection Plan, Annual Governance Report, Annual Audit Letter and other relevant reports. Consider and agree the Internal Strategy and Annual Audit Plan, Head of Audit & Business Risk's Annual Internal Audit Report including Opinion, periodic progress reports and other relevant internal audit reports.

To consider and agree the Head of Audit & Business Risk's Annual Fraud & Corruption Report and consider and approve the Council's Counter Fraud Strategy.

Delegated Standards Functions

To advise the Council on the adoption, revision or replacement of Codes of Conduct for (a) Members and Co-opted Members and (b) Officers;

To exercise all other functions of the Council in relation to ethical standards, in particular those under Chapter 7 of the Localism Act, including the following:

- promoting and maintaining high standards of conduct within the Council and monitoring the operations of the Council's Codes of Conduct and registers of interests;
- in relation to allegations that a Member or Co-opted Member has failed to comply with the Code of Conduct, putting in place arrangements to investigate and make decisions;

- supporting the Monitoring Officer in the exercise of that Officer's ethical standards functions, in particular the duty to establish & maintain registers of interests for the Council and for Rottingdean Parish Council;
- in relation to Members or Co-opted Members with pecuniary interests, putting in place arrangements to grant dispensations, in appropriate cases, from the restrictions on speaking and/or voting.

NOTE: With the exception of the adoption, revision or replacement of the Codes of Conduct referred to above, the Audit and Standards Committee may develop and adopt its own procedures and protocols.

(Source: B&HCC Constitution)

Appendix B

Meeting Date	Report	Area
24 June 2014	Audit & Standards Committee Annual report 2014/15	Other
	Audit & Standards Committee Work Programme 2014/15	Other
	Complaints update – Members & Corporate (June 2014)	Standards
	Standards Panel Training	Standards
	Governance of Value for Money Phase 4	Governance
	Targeted Budget Management (TMB) provisional out-turn 2013/2014	Financial Management and Reporting
	Human Resources & Organisational Development Annual Report	Other Items
	Review of the Effectiveness of the System of Internal Audit.	Internal Audit
	Internal Audit Annual Report & Opinion 2013/14	Internal Audit
	Annual Governance Statement 2013/2014	Governance
	EY – 2014/2015 Audit Fee Letter	External Audit
	EY – Audit progress report and sector update	External Audit
	Strategic Risk Register Review 2014 -15 & Risk Management Action Plans – Updated May 2014	Risk Management
	Strategic Risk Management Action Plan Focus: SR2 Financial Outlook; and SR18 Effective Use of Technology.	Risk Management
	Statement of Account 2013/14	Financial Management and Reporting
23 September 2014	Member Complaints Update	Standards
	Strategic Risk MAP Focus review Dates; and RISK MAP Focus on SR19 Implementation of the Care Act; SR20 Better Care Fund; and SR13 Safeguarding Vulnerable Adults	Risk Management
	Corporate Fraud Update and Risks	Counter Fraud
	Internal Audit Progress Report 2014/15	Internal Audit
	EY 2013/14 Audit Results Report	External Audit
	Statement of Accounts 2013/14	Financial Management and Reporting
	Targeted Budget Management (TBM) 2014/15 Month 2	Financial Management and Reporting
	Treasury Management Policy Statement (incorporating the Annual Investment Strategy) End of Year review 2013/14	Financial Management and Reporting
18 November 2014	Member Complaints Update	Standards
	Targeted Budget Management (TBM) 2014/15 Month 5	Financial Management and Reporting
	Strategic Risk MAP focus: SR10 - Information	Risk Management

Meeting Date	Report	Area
	Governance Management; SR21 Housing Pressures; and SR8 Becoming a more sustainable city	
	Review of Code of Conduct for Members	Standards
	Council's Performance Development Plans	Other
	Information Management Risk Update (SR10)	Risk Management
	EY: Progress Report 2014/15	External Audit
	EY: Annual Audit Letter 2013/14	External Audit
	Internal Audit Progress Report	Internal Audit
13 January 2015	Member Complaints Update, Audit & Standards Committee, 13 January 2015	Standards
	Code of Conduct for Members - Granting of Dispensation	Standards
	Corporate Modernisation Governance Arrangements	Governance
	Strategic Risk Register Review & Risk MAP updates	Risk Management
	Strategic Risk MAP focus: SR22 Modernising the Council; and SR23 Developing an Investment Strategy to Refurbish and Develop the City's Major Asset of the Seafront	Risk Management
	Annual Governance Statement 2013/14 - Action Plan Progress Update	Governance
	Internal Audit Progress Report	Internal Audit
	Audit Commission - Protecting the Public Purse Fraud Briefing 2014	Counter Fraud
	EY - 2014/15 Progress Report and Sector Briefing	External Audit
	EY - 2013/14 Annual Certification Report	External Audit
	Treasury Management Policy Statement 2014/15 (Mid. Year Report)	Financial Management and Reporting
	Targeted Budget Management (TBM) 2014/15 Month 7	Financial Management and Reporting
10 March 2015	Governance: Whistleblowing Update	Governance
	Internal Audit Progress Report	Internal Audit
	Annual Governance Statement 2013/14: Further Action Plan Progress Update	Governance
	Risk Management Strategy Annual Progress Report 2014	Risk Management
	Strategic Risk MAP Focus: SR17 School Places Planning; and SR15 Keeping Children safe from harm and abuse	Risk Management
	Internal Audit and Corporate Fraud: Strategy and Plan 2015/16	Internal Audit
	EY - Audit Plan 2014/15	External Audit
	EY - Audit Progress Report and Sector Update	External Audit
	Targeted Budget Management (TBM) 2014/15 Month 9	Financial Management and Reporting

Subject:	Internal audit annual report and opinion 2014-15		
Date of Meeting:	23 June 2015		
Report of:	Graham Liddell, Head of Internal Audit		
Contact Officer:	Name:	Graham Liddell	Tel: 29-1323
	Email:	Graham.Liddell@brighton-hove.gov.uk	
Ward(s) affected:	All		

FOR GENERAL RELEASE**1. PURPOSE OF REPORT AND POLICY CONTEXT**

- 1.1 Appendix 1 summarises the work carried out by internal audit and the corporate fraud team, including the Head of Internal Audit's annual opinion for 2014/15.

2. RECOMMENDATIONS

- 2.1 That the Audit & Standards Committee notes the report.

3. CONTEXT/ BACKGROUND INFORMATION

- 3.1 The Accounts and Audit Regulations (England) 2011 require local authorities to maintain an adequate and effective system of internal audit in accordance with proper practice. This requires the Head of Internal Audit to give an annual opinion on the control environment.

4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS

- 4.1 The Head of Internal Audit's opinion is based on:
- findings from individual internal audit reviews and the corporate fraud team
 - management's understanding and response to control shortfalls, including the extent to which audit recommendations are being actioned and implemented
 - known changes to systems and control frameworks
 - assurance work carried out by third parties
 - the Council's risk management strategy and reporting arrangements.

5. COMMUNITY ENGAGEMENT & CONSULTATION

- 5.1 The Head of Internal Audit has consulted various officers, including the Executive Director of Finance and Resources. However, the opinion is his independent professional judgement.

6. CONCLUSION

- 6.1 The Head of Internal Audit has concluded that **reasonable assurance** can be provided on the overall effectiveness of the council's control environment for the year ended 31 March 2015, but only **limited assurance** on the council's purchasing and contract management practices.
- 6.2 The evidence to support the assessment of reasonable assurance on the overall effectiveness of the control environment includes:
- robust controls over most of the core financial systems
 - the positive attitude of managers, particularly senior management, in addressing control weaknesses.
- 6.3 The assessment of limited assurance on purchasing and contract management practices is based on:
- an increase in the number of limited assurance reports being issued than in previous years, with the main area of concern relating to a lack of compliance with the council's procurement and contract management procedures
 - further weaknesses in purchasing and contract management practices identified through fraud and audit investigations
 - the council being exposed to losses from contracts for cash handing and with the housing local delivery vehicle.

7. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

- 7.1 The Internal Audit & Opinion Annual Report 2014/15 outlines how resources were applied, the internal control recommendations, savings through counter fraud and other issues. The Internal Audit Plan for 2014/15 was delivered within budgetary resources for the year.

Finance Officer Consulted: James Hengeveld

Date: 09/06/15

Legal Implications:

- 7.2 The statutory basis for conducting internal audit work is regulation 6 of the Accounts and Audit Regulations 2011. This provision imposes a duty on the council to undertake internal audit functions.

Lawyer Consulted: Elizabeth Culbert

Date: 09/06/15

Equalities Implications:

- 7.3 Effective systems of internal control and corporate governance provide assurance on the effective allocation of resources and quality of service provision for the benefit of the community.

Sustainability Implications:

- 7.4 None

SUPPORTING DOCUMENTATION

Appendices:

1. Internal audit annual report and opinion 2014-15

Internal Audit

Internal Audit Annual Report and Opinion 2014-15

Graham Liddell, Head of Internal Audit

June 2015



**Brighton & Hove
City Council**

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1. Introduction and background

- 1.1 This report summarises the work carried out by internal audit and the corporate fraud team, including the Head of Internal Audit's Annual Opinion for 2014/15.
- 1.2 The Accounts and Audit Regulations (England) 2011 require local authorities to maintain an adequate and effective system of internal audit of its accounting records and its system of internal control in accordance with proper practice. These include a requirement for the Head of Internal Audit to give an annual opinion on the control environment.
- 1.3 The Head of Internal Audit's opinion is based on:
- findings from individual internal audit reviews and the corporate fraud team
 - management's understanding and response to control shortfalls, including the extent to which audit recommendations are being actioned and implemented
 - known changes to systems and control frameworks
 - assurance work carried out by third parties
 - the Council's risk management strategy and reporting arrangements.

2 Annual Opinion

Annual audit opinion

In the opinion of the Head of Internal Audit, **reasonable assurance** can be provided on the overall effectiveness of the council's control environment for the year ended 31 March 2015, but only **limited assurance** on the effectiveness of the council's purchasing and contract management practices.

- 2.1 The evidence to support the assessment of reasonable assurance on the overall effectiveness of the control environment includes:
- robust controls over most of the core financial systems
 - a positive attitude to managers, particularly senior management, in addressing control weaknesses.
- 2.2 The assessment of limited assurance on the effectiveness of the council's arrangements for procurement and contract management is based on:
- an increase in the number of limited assurance reports being issued than in previous years, with the main area of concern relating to a lack of compliance with the council's procurement and contract management procedures
 - further weaknesses in purchasing and contract management practices identified through fraud and audit investigations
 - the council being exposed to losses from contracts for cash handing and with the housing local delivery vehicle.

3 Summary of internal audit findings

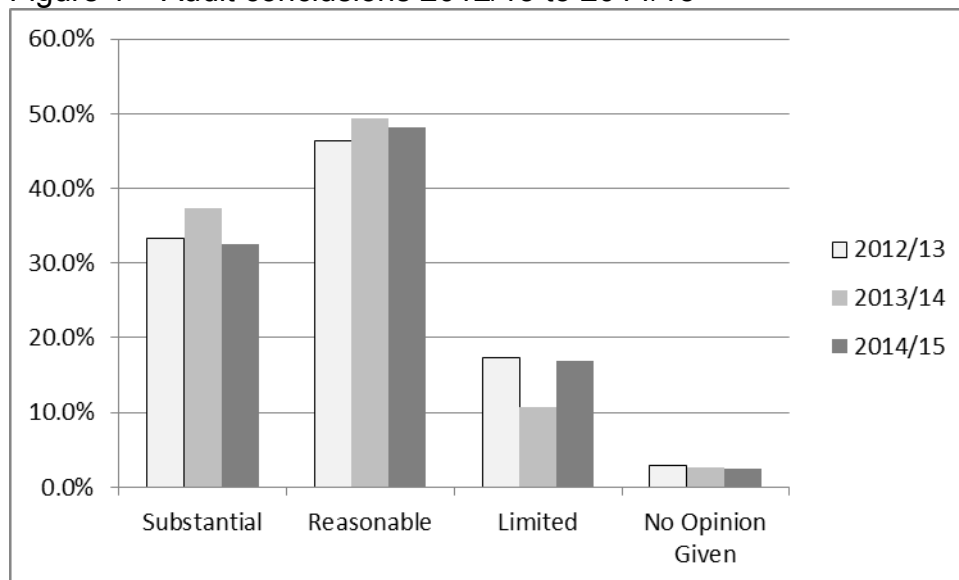
Overall findings

3.1 During 2014/15, we completed 83 audit reviews and gave assurance ratings as follows:

- substantial - 27 audits
- reasonable - 40 audits
- limited - 14 audits
- opinion not applicable - 2 audits

3.2 This represents a shift away from substantial and towards limited assurance compared to 2013/14 (see figure 1).

Figure 1 – Audit conclusions 2012/13 to 2014/15



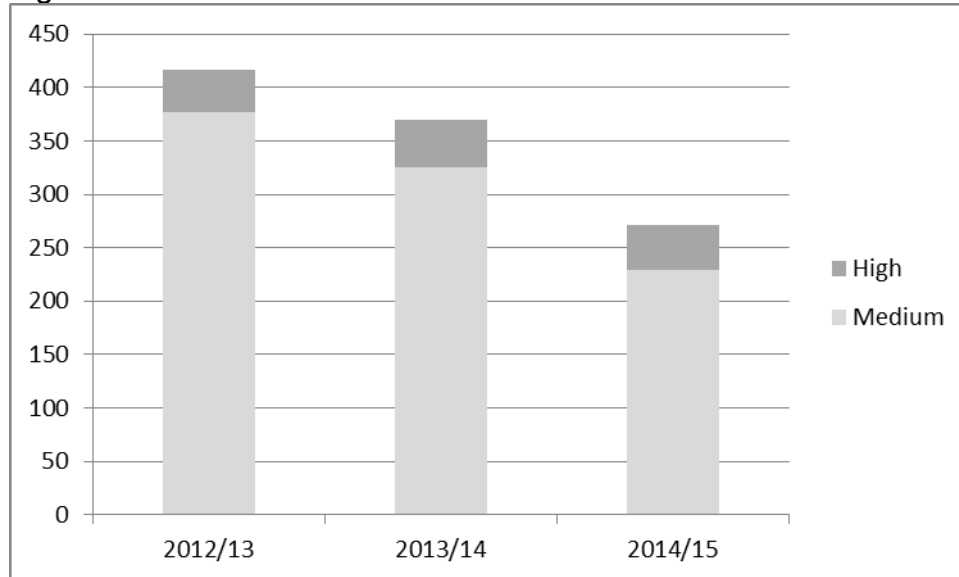
3.3 However, this does not necessarily indicate that the overall control environment is weakening:

- our results from one year to the next are not directly comparable because, apart for some core financial systems, we do not audit the same areas each year
- the results for 2014/15 are broadly in line with 2012/13 (see figure 1)
- as discussed in section 4, the common theme across many of the limited assurance reports relates to procurement and contract management.

Number of audit recommendations made

- 3.4 During 2014/15 we made a total of 42 high priority and 229 medium priority recommendations. Over the last three years, we have reduced the total number of recommendations but the number of high priority recommendations has remained remaining broadly consistent (figure 2).

Figure 2 – Recommendations made 2012/13 to 2014/15

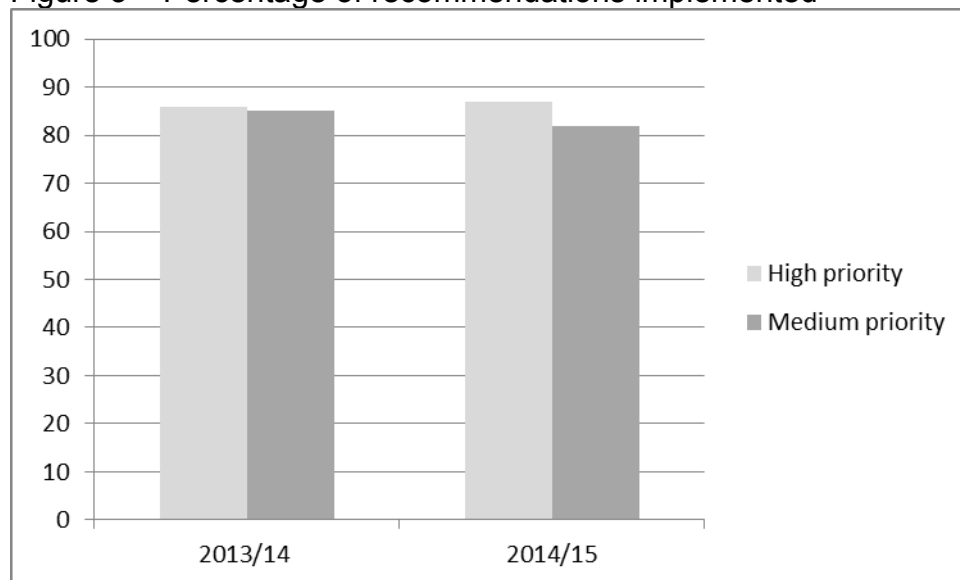


- 3.5 During 2013/14 and 2014/15 we have changed the way we report our findings to make fewer and more relevant recommendations. The overall decline in the number of recommendations is, therefore, a result in a change in internal audit policy rather than an indicator of a change in the effectiveness of the control environment. The consistent number of high priority recommendations made over the past three years would suggest that the control environment has neither improved or declined significantly.

Audit recommendations implemented

- 3.6 During 2014/15 the council implemented 87% of our high priority recommendations and 82% of medium priority recommendations. For high priority recommendations this represents an improvement from 2013/14 but a decline in the implementation of medium priority recommendations. Previously the implementation rate was almost identical regardless of priority (see figure 3).

Figure 3 – Percentage of recommendations implemented



- 3.7 The increasing implementation rate of high priority recommendations is particularly encouraging and is likely to be the result of the attention given to these recommendations by the Executive Leadership Team.
- 3.8 2013/14 was the first year we carried out systematic reviews of the implementation of all high and medium priority recommendations. Our current practice is to carry out implementation reviews six months after issuing an audit report. For 2015/16, we will provide managers with online access to recommendations and access rights to update the progress they are making. The purpose of this initiative is to encourage managers to take greater ownership of recommendations and to enable us to track the progress being made throughout the year.

4 Internal audit findings - detail

Procurement and contract management

- Two substantial and two reasonable assurance reports
- Four procurement audits assessed as limited assurance:
 - cash collection contract handover
 - children's services procurement
 - highways minor works (follow up)
 - office cleaning contract
- Further weaknesses in procurement and contract management identified through:
 - fraud and audit investigations
 - service focused audits (transport workshop, for example)
- Council exposed to losses from contracts for cash handing and with the housing local delivery vehicle

4.1 We identified a range of control weaknesses including:

- contract documents not finalised
- contract documents not retained
- a lack of formal evidence of tendering and/or use of contract standing order waivers
- poor client contract liaison
- efficiency savings as detailed in a contract not being enforced
- ineffective controls to prevent and recover overpayments.

4.2 The risks to the council are substantial:

- successful procurement and contract management is a precondition to the council achieving value for money
- during a period of change it is not possible to rely on custom or practice or the retained knowledge of staff
- national studies have shown that procurement is (after housing benefit) the area most susceptible to fraud in local authorities.

4.3 The council has taken some positive steps to address these risks including:

- expanding the central procurement team to provide training across the council and increase capacity to advise and support service managers
- establishing a procurement board.

4.4 The procurement board has the potential to play a critical role in improving the standard of procurement and contract management across the council. However, the procurement team provides advice rather than being responsible for enforcing compliance and so it may be difficult for the board (or the Audit & Standards Committee) to gain assurance that procurement and contract management procedures are being followed in practice.

Core financial systems

- Seven substantial and eight reasonable assurance audits.
- Two limited assurance reports
 - housing benefit
 - payroll overpayments
- Ernst & Young has been able to rely on internal audit work

- 4.5 Core financial controls are generally robust and the council need to ensure that they remain so and are not compromised by the pressure to achieve savings. Our work for 2014/15 has not identified any general trend that would suggest that controls are being compromised.
- 4.6 Our review of housing benefit found that a reduction in the number of data quality checks carried out appeared to have resulted in an increased the error rate of benefits awarded. This increases the risk that the DWP might require a clawback of the grant paid to the council. The housing benefit team has reviewed the workflow for quality checks and changed its practices.
- 4.7 Our other limited assurance report (payroll overpayments) found shortfalls in the investigation and recovery of historic salary overpayments. The council introduced new procedures to improve recovery in August 2014 and these were starting to have an impact at the time of our report.

IT audit

- Overall IT control environment (preliminarily) assessed reasonable
- Two substantial and seven reasonable assurance reports
- Two limited assurance reports
 - BACS
 - ICT Service Levels

- 4.8 The council continues to invest in its IT services and this is reflected in our assessment of the overall IT control environment as reasonable. This is an improvement from our assessment of limited assurance in 2013/14.
- 4.9 The limited assurance assessment of BACS is the result of a long-standing technical issue which has been reported in previous years. The ICT department is developing an action plan to reduce the risk to the council. ICT does not have formal service level agreements for the services it provides and this is reflected in our assessment of limited assurance for ICT service levels.

Governance

- Three substantial and four reasonable assurance reports
- Some serious breaches in how the governance framework is being applied

- 4.10 The council has put in place the key elements of a governance framework and processes for declaration of interests, gifts and hospitality, performance management and absence management. The council has a well-established risk management function and secured the Silver Award for Investors in People for 2015.
- 4.11 However, the council has also suffered breaches in how the governance framework has been applied. During the year we supported an investigation into allegations of an undisclosed relationship between the Head of Housing and the council's provider of temporary accommodation provider. This resulted in the dismissal of the Head of Housing in March 2015 and is subject to ongoing investigation by Sussex Police. The council has engaged the former chief executive of Hertfordshire County Council to carry out an organisational learning review. We have contributed to this review and will use its findings to inform our work for 2015/16.

Service focused (including reviews of establishments)

- Seven substantial and 16 reasonable assurance reports
- Five limited assurance reports
 - city clean expenditure
 - transport workshop follow up
 - housing local delivery vehicle
 - direct payments and personal budgets
 - residents parking permits

- 4.12 The limited assurance reports for the transport workshop and City Clean expenditure identified some similar themes, particularly in respect of purchasing practices and stock control.
- 4.13 We found that the council was exposed to losses from its contract with the housing local delivery vehicle (Brighton and Hove Seaside Homes):
- the developer's fee of £483k due to the council in respect of 22 properties was outstanding. Following the audit half of this has been paid.
 - because of a drafting error in the overarching agreement, there is a dispute as to who is responsible for paying the building insurance costs of properties that have transferred to Brighton and Hove Seaside Homes. Currently the council is paying £123k per annum. For the period 2011 and 2016 this equates to an estimated £600k of unplanned costs being borne by the council
- 4.14 The audit of direct payments found that:
- contracts signed by service users are not always on file

- controls are not always operating to ensure payments are being made in accordance with the service user's agreed package of care
- insufficient monitoring of client contributions and clients' dedicated bank account statements
- regular reviews of the service users' needs are not always happening.

4.15 The audit of parking permits identified the following significant issues;

- there is no effective reconciliation of blank permit stock received, held and used
- reconciliations between permits issued, income received, the amount banked are not currently being undertaken. This could result in missing income not being detected.

Schools (including services provided by the council and reviews of specific schools)

- Four substantial and one reasonable assurance reports
- One limited assurance report following an audit visit to a school
- Significant concerns were identified regarding the administration of income at a school following allegations raised by a whistleblower

4.16 This work represents an increase in the number of individual school audits from just two in 2013/14.

4.17 In general we found controls to be robust within the council's provision of school services and at individual schools. However, we recognise that for individual schools the control environment depends relies heavily on a very small number of staff and sometimes things go wrong. This was reflected by our findings of control failures at two schools.

4.18 We will continue our programme of school visits during 2015/16 and will respond promptly when concerns are raised at any individual school.

Project assurance

- i360 - substantial assurance
- Workstyles and VfM phase 4 - reasonable assurance reports

4.19 We reviewed the assurance arrangements for three major projects all of which are high profile and significant for the council. The audit of the VfM phase 4 looked at the overall control arrangements for this programme. More detailed work in individual projects and outcomes will be carried out in 2015/16.

5 Internal audit performance

5.1 2014/15 was a challenging year for internal audit. The team was without a permanent head of service and played a leading role in carrying out a highly complex and high profile investigation into allegations about the Head of Housing. However, the team achieved a marked improvement in its performance in 2014/15 (table 1). This represents a substantial achievement by the whole team. Highlights include:

- 92% of audit plan delivered (82% in 2012/13)
- Client satisfaction levels maintained at 92%
- Implementation of high priority recommendations increased from 85% to 87%

5.2 Nonetheless, our performance for the year falls short of the targets we set as part of agreeing the audit plan. For 2015/16 we are focusing on:

- delivering a greater proportion of audits within budget
- issuing draft reports more quickly after completion of fieldwork and final reports after receiving responses
- improving further the implementation of high priority and medium priority recommendations.

Table 1 – Internal Audit performance measures 2013/14 and 2014/15

Performance measure	2013/14	2014/15	Target
Completion of planned audits	82%	92%	100%
Client satisfaction	92%	92%	90%
High priority recommendations implemented	85%	87%	98%
Low priority recommendations implemented	86%	82%	85%
Compliance with professional standards	99%	99%	100%
Productive time	61%	70%	71%
Audit reviews delivered within budget	71%	80%	100%
Draft report issued 10 days after completion of fieldwork	33%	58%	100%
Final report issued 10 days after responses to draft received	87%	75%	100%
Staff holding professional qualifications	90%	90%	80%
Number of training days provided per employee	3.5 days	4.5 days	5 days

5.3 The service has also made good progress in implementing its quality assurance improvement programme including:

- improving the visibility of the service through corporate communications
- enhancing our focus on client feedback through customer questionnaires
- developing an online system to help service managers track their progress on implementing audit recommendations
- developing our reporting format to improve impact, quality and consistency of our reports.

5.4 The service is currently updating its quality assurance improvement programme. This programme will include areas where further work is required from 2014/15 including:

- developing stronger links between internal audit and the corporate fraud teams
- further “cold” (retrospective) reviews of the quality of audit work carried out including reviews of supporting evidence.

6 Corporate fraud

6.1 On 1 October 2014 the responsibility for investigating Housing Benefit and Council Tax Benefit Fraud transferred to the DWP under the Single Fraud Investigation Service (SFIS) project. Three members of the corporate fraud team transferred across to SFIS. Following this transfer, a revised corporate fraud team was set up consisting of a corporate fraud manager, two investigators and an administrative support officer.

6.2 The new team has focused on non-housing benefit fraud by:

- supporting proactive including data matching
- investigating referrals relating to allegations on issues such as housing tenancy, procurement and payroll.

Proactive work including data matching

6.3 Together with other local authorities in England and Wales, the council participated in the National Fraud Initiative (NFI). The Council was legally obliged to supply data to the Audit Commission which carried out a data matching exercise to identify potential instances of fraud. Those cases relevant to Brighton & Hove were referred back to the council to be followed up. The Audit Commission was abolished on 31 March 2015 and has the responsibility for NFI has transferred to the Cabinet Office.

6.4 NFI identifies a very large number of cases for local authorities to follow up (more than 19,000 at Brighton & Hove). This follow up work will carry on into 2015/16 and beyond. To date we have identified:

- overpayments totalling £36,698 (Private Residential Care Homes £33,073 and Personal Budgets £3,625)
- 945 concessionary travel passes and 10 blue badges that required cancellation because the holder had died.

- 6.5 The corporate fraud team is considering how to use technology more proactively to prevent and detect fraud. This could include carrying out earlier local data matching exercises or investing in software to validate identity and support tenancy investigations.
- 6.6 The council submitted a joint bid to the DCLG in conjunction with East Sussex County Council to tackle Blue Badge fraud during 2014/15 and were successful in receiving £183,000 spread over two years. This campaign has already identified cases of misuse, resulting in fines, which have received a high profile in the local press. The Corporate Fraud Team is developing further its relationship with other local authorities through the Sussex Tenancy Fraud Forum, the East Sussex Counter Fraud Hub and East Sussex Fraud Officers Group.
- 6.7 The corporate fraud team has a key role in promoting an anti-fraud culture in the council in 2014/15 and has developed a fraud e-learning awareness training package This will be launched across the council as part of a wider anti-fraud and corruption communications initiative during June and July 2015.

Investigating referrals

- 6.8 The team received 499 housing benefit referrals (up to 30 September) and 120 other referrals (mostly relating to potential housing tenancy fraud). Outcomes included:
- Identification of fraudulent housing and council tax overpayments of £425,000
 - 19 council properties and one housing association property being released. Based on the established Audit Commission formula of £18,000 per property this represents a £270,000 saving to the public purse. More importantly, however, each property recovered represents a home that the council can make available to help address the significant housing pressures faced by the citizens of the Brighton and Hove
 - the dismissal of staff involved in fraudulent activity.

Case studies

- A match from the National Fraud Initiative (NFI) indicated that a claimant did not have leave to remain in the UK. Jointly working with the UK Border Agency we confirmed that the claimant's leave to remain expired in 2003 and that the stamp in the passport was false. The resulting housing benefit overpayment was £29,153.67 housing benefit and £1234.20 council tax benefit. The claimant was subsequently prosecuted and received 6 months on each offence concurrently suspended for 2 years and 140 hours unpaid work.
- An anonymous letter was received from the public stating that a claimant was claiming housing and council tax benefit and had an undeclared partner. The investigation resulted in both the claimant and their partner being arrested and subsequently charged with benefit fraud. The overpayment of council tax benefit was £8,681 and housing benefit of £98,498. The sentence imposed was 6 months on each count suspended for 18 months plus 100 hours unpaid work plus £500 costs.
- A tenant who fraudulently sublet their council flat in Brighton was successfully prosecuted and fined more than £5,000. The tenant made £3,199 in profit by subletting their property to students. The tenant pleaded guilty to social housing fraud through their solicitor and was ordered to pay a £3,500 fine and £2,100 in costs.
- An allegation was received relating to an employee selling school equipment on ebay using a private email account. The allegation was investigated and the loss was calculated to be £3077. The employee concerned admitted the fraud, repaid the amount in full and was dismissed.
- Two council employees were sanctioned for housing benefit fraud. Disciplinary hearings were held during and both were dismissed.

Appendix 1 - 2014/15 Internal Audit Reviews

Classification	Title	Opinion
Contract/ Procurement	Cash Collection Contract Handover	Limited
Contract/ Procurement	Children's Services – Procurement	Limited
Contract/ Procurement	Highways Minor Works (Follow up)	Limited
Contract/ Procurement	Office Cleaning Contract	Limited
Contract/ Procurement	Corporate Banking Contract	Reasonable
Contract/ Procurement	ICT Contracts	Reasonable
Contract/ Procurement	Education PFI	Substantial
Contract/ Procurement	Approved Lists	Substantial
Financial Systems	Employee Overpayments	Limited
Financial Systems	Housing Benefits	Limited
Financial Systems	Bailiff Services	Reasonable
Financial Systems	Business Rates	Reasonable
Financial Systems	Council Tax	Reasonable
Financial Systems	Debtors	Reasonable
Financial Systems	Periodic Payments	Reasonable
Financial Systems	Staff Expenses (Follow-up)	Reasonable
Financial Systems	Treasury Management	Reasonable
Financial Systems	Business Rates	Reasonable
Financial Systems	Budget Management	Substantial
Financial Systems	Creditors	Substantial
Financial Systems	Housing Rents	Substantial
Financial Systems	Main Accounting System	Substantial
Financial Systems	Management on Non-Current Assets	Substantial
Financial Systems	Payroll	Substantial
Financial Systems	Procurement Cards	Substantial
IT Audit	BACS	Limited
IT Audit	ICT Service Levels	Limited
IT Audit	ICON Cash Management	Reasonable
IT Audit	Information and Data Sharing	Reasonable
IT Audit	Mobile & Portable Devices	Reasonable
IT Audit	Payment Card Industry – Data Security Standard	Reasonable
IT Audit	SIMS Application audit	Reasonable
IT Audit	Software Licensing	Reasonable
IT Audit	Business Rates (New System) - Data Migration	Substantial
IT Audit	Capital Investment Programme - ICT	Substantial
IT Audit	ICT Governance (Follow-up)	Reasonable
Governance	Declarations of Interests, Gifts & Hospitality	Reasonable
Governance	Performance Management (Follow-up)	Reasonable
Governance	Records Management Policy	Reasonable
Governance	Data Protection and Freedom of Information Act	Reasonable
Governance	Attendance-Absence Management	Substantial
Governance	Better Care Fund	Substantial
Governance	Risk Management - Service Level Arrangements	Substantial

Service Focused	City Clean Expenditure	Limited
Service Focused	Direct Payments and Personal Budgets	Limited
Service Focused	Housing Local Delivery Vehicle	Limited
Service Focused	Transport Workshop Follow-up	Limited
Service Focused	Residents Parking Permits	Limited
Service Focused	Asylum Seekers	Reasonable
Service Focused	Blue Badges	Reasonable
Service Focused	Client Billing (Adult Social Care Contributions)	Reasonable
Service Focused	Housing Allocations	Reasonable
Service Focused	Leaving Care	Reasonable
Service Focused	On-Street and Off-Street Car Parking	Reasonable
Service Focused	Payment of Grants	Reasonable
Service Focused	PCNs (Follow-up)	Reasonable
Service Focused	PIER (Management Data)	Reasonable
Service Focused	Premises Security	Reasonable
Service Focused	Property Legal Compliance	Reasonable
Service Focused	Regulatory Enforcement Activities/Licensing	Reasonable
Service Focused	Sea Front Services	Reasonable
Service Focused	Tenant Incentive Scheme	Reasonable
Service Focused	Building Control	Substantial
Service Focused	Brighton Centre - Ticketing and Catering	Reasonable
Service Focused	Housing Rent Arrears (Welfare Reform Impact)	Substantial
Service Focused	Learning Disabilities	Substantial
Service Focused	Parking - Pay by Telephone	Substantial
Service Focused	Right to Buy	Substantial
Service Focused	Welfare Reform	Substantial
Service Focused	Children's Centres	Substantial
Service Focused	Public Health	Substantial
Service Focused	Care Act Planning and Integration	Reasonable
Schools	Blatchington Mill Investigation	Not applicable
Schools	Patcham High	Limited
Schools	St Bernadette's Catholic Primary	Reasonable
Schools	Rudyard Kipling Primary	Substantial
Schools	St. John the Baptist Catholic Primary	Substantial
Schools	School Meals Contract	Substantial
Schools	Schools Admissions	Substantial
Project Assurance	VFM Phase 4	Reasonable
Project Assurance	Workstyles Project	Reasonable
Project Assurance	Major Projects (i360)	Substantial
Grant Certification	Certification of Grant Claims	Not applicable

Subject:	Audit & Standards Committee Work Programme 2015/16		
Date of Meeting:	23 June 2015		
Report of:	Interim Executive Director of Finance and Resources		
Contact Officer:	Name:	Graham Liddell	Tel: 29-1323
	Email:	Graham.Liddell@brighton-hove.gov.uk	
Ward(s) affected:	All		

FOR GENERAL RELEASE**1. PURPOSE OF REPORT AND POLICY CONTEXT**

- 1.1 This report sets out the proposed programme of work for the Audit & Standards Committee for 2015/16.

2. RECOMMENDATIONS:

- 2.1 That the Audit & Standards Committee considers and approves the work programme as set out in Appendix 1.

3. CONTEXT/ BACKGROUND INFORMATION

- 3.1 The proposed programme of work sets out the issues that the Audit & Standards Committee is expected to consider at each meeting during 2015/16. It is aligned to the Committee's key areas of activity and is intended to help members and officers plan their work. The programme will be regularly reviewed and updated to incorporate any new or emerging issues.

- 3.2 The work programme categorises agenda items under four headings:

Category A: statutory or other implied requirement

Category B: topics decided by the Committee

Category C: other

Category D: training and awareness raising

4. CONSULTATION

- 4.1 This work programme has been circulated to key officers including members of the Officers' Governance Board.

5. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

6.1 The Audit & Standards Committee carries out an essential function to ensure good financial governance. The costs of its work programme including officer support and training are met from existing budgetary provision.

Finance Officer Consulted: James Hengeveld

Date: 09/06/15

Legal Implications:

5.2 The proposed agenda items in the Work Programme as set out in appendix 1 are consistent with the Committee's terms of reference as well as the legal framework and recommended good practice within which the committee operates.

Lawyer Consulted:

Abraham Ghebre-Ghiorghis Date: 18/05/2015

Equalities Implications:

5.3 None

Sustainability Implications:

5.4 None

SUPPORTING DOCUMENTATION

Appendix 1 – Audit & Standards Work Programme 2015/16



Audit & Standards Committee Work Programme 2015/16

Appendix 1

Category A = Statutory or other implied requirement
 Category B = Topics decided by the Committee
 Category C = Other
 Category D = Training & Awareness

Meeting Date	Agenda Item	Category	Decision Item Yes/No	Lead Officer/s
23 June 2015	The role of the Audit & Standards Committee	D	No	Rachel Musson Abraham Ghebre-Ghiorghis
	Whistle-blowing Policy (check with Liz Culbert)	C	No	Abraham Ghebre-Ghiorghis
	Complaints Update	C	No	Brian Foley
	Audit and Standards Committee Work Programme 2015/16	C	Yes	Graham Liddell
	Targeted Budget Management (TBM) Provisional Outturn 2014/15	B	No	Nigel Manvell
	Review of the Effectiveness of Internal Audit 2014/15	A	No	Graham Liddell
	Draft Annual Governance Statement 2014/15	A	Yes	Rachel Musson Abraham Ghebre-Ghiorghis
	Ernst & Young: Audit Fee Letter 2014/15	A	No	Paul King and/or Simon Mathers
	Ernst & Young: Progress Report 2014/15	A	No	Paul King and/or Simon Mathers
	Ernst & Young: Local Government Sector Update Report	C	No	Paul King and/or Simon Mathers
	Audit & Standards Committee Annual Report 2014/15	A	Yes	Graham Liddell
	Internal Audit Annual Report and Opinion 2014/15	A	No	Graham Liddell
	Internal Audit Plan 2015/16 update	A	Yes	Graham Liddell
	Strategic Risk Register Update	A and D	No	Jackie Algar
	Strategic Risk Map Focus - SR2 Financial Outlook - SR18 Effective Use of Technology	A	No	Jackie Algar Rachel Musson Mark Watson
	Corporate Governance Code			Abraham Ghebre-

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Audit & Standards Committee Work Programme 2015/16

Appendix 1

Category A = Statutory or other implied requirement
 Category B = Topics decided by the Committee
 Category C = Other
 Category D = Training & Awareness

Meeting Date	Agenda Item	Category	Decision Item Yes/No	Lead Officer/s
				Ghiorghis
22 September 2015	Complaints Update	C	No	Brian Foley
	Ernst & Young: Progress Report 2015/16	A	No	Paul King and/or Simon Mathers
	Ernst & Young: Audit Results Report 2014/15	A	Yes	Paul King and/or Simon Mathers
	Statement of Accounts 2014/15	A	Yes	Nigel Manvell & Jane Strudwick
	Targeted Budget Management (TBM) 2015/16	B	No	Nigel Manvell
	Internal Audit and Corporate Fraud Progress Report 2015/16	A	No	Graham Liddell
	Strategic Risk Map Focus - SR19 Impact of the Care Act Phase 1/ Implementation Phase 2 - SR20 Better Care Fund - SR13 Keeping Vulnerable Adults safe from harm and abuse	A	No	Jackie Algar Denise D'Souza
17 November 2015	The role of the Audit & Standards Committee revisited	D	No	Rachel Musson Abraham Ghebre- Ghiorghis
	Complaints Update	C	No	Brian Foley
	Review of Audit & Standards Committee	C	Yes	Graham Liddell
	Ernst & Young: Progress Report 2015/16	A	No	Paul King and/or Simon Mathers
	Ernst & Young: Annual Audit Letter 2014/15	A	No	Nigel Manvell
	Internal Audit and Corporate Fraud Progress Report 2015/16	A	No	Graham Liddell
	Targeted Budget Management (TBM) 2015/16	B	No	Nigel Manvell



Audit & Standards Committee Work Programme 2015/16

Appendix 1

Category A = Statutory or other implied requirement

Category B = Topics decided by the Committee

Category C = Other

Category D = Training & Awareness

Meeting Date	Agenda Item	Category	Decision Item Yes/No	Lead Officer/s
	Strategic Risk Register Review & Risk MAP updates	A	No	Jackie Algar
	Strategic Risk Map Focus <ul style="list-style-type: none"> - SR23 Developing an investment strategy to refurbish and develop the city's major asset of the seafront SR21 Housing Pressures - SR 8 Becoming a more sustainable city 	A	No	Jackie Algar Paula Murray/ Geoff Raw Geoff Raw
12 January 2016	Complaints Update	C	No	Brian Foley
	Annual Governance Statement 2014/15 - Action Plan Progress Update	A	No	Jackie Algar
	Treasury Management Policy Statement 2015/16 (including Annual Investment Strategy 2015/16) – Mid-year review	A	No	Mark Ireland
	Ernst & Young: Annual Certification Report 2014/15	A	No	Paul King and/or Simon Mathers
	Ernst & Young: Progress Report 2015/16	A	No	Paul King and/or Simon Mathers
	Internal Audit and Corporate Fraud Progress Report 2015/16	A	No	Graham Liddell
	Targeted Budget Management (TBM)	B	No	Nigel Manvell
	Strategic Risk Map Focus <ul style="list-style-type: none"> - SR22 Modernising the Council - SR10 Information Governance Management - SR24 Welfare Reform post-election 2015 	A	No	Jackie Algar Penelope Thompson



Audit & Standards Committee Work Programme 2015/16

Appendix 1

Category A = Statutory or other implied requirement

Category B = Topics decided by the Committee

Category C = Other

Category D = Training & Awareness

Meeting Date	Agenda Item	Category	Decision Item Yes/No	Lead Officer/s
				Rachel Musson Abraham Ghebre-Ghiorghis
8 March 2016	Complaints Update	C	No	Brian Foley
	Ernst & Young: External Audit Plan 2016/17	A	No	Paul King and/or Simon Mathers
	Ernst & Young: Audit Fee Letter 2015/16	A	No	Paul King and/or Simon Mathers
	Internal Audit and Corporate Fraud Strategy and Annual Plan 2016/17	A	No	Graham Liddell
	Risk Management Strategy Annual Progress Report 2015	B	No	Jackie Algar
	Strategic Risk Map Focus - SR17 School Places Planning - SR15 Keeping children safe from harm and abuse	A	No	Jackie Algar Pinaki Ghoshal

Subject:	HROD Annual Report		
Date of Meeting:	23rd June 2015		
Report of:	Executive Director Finance & Resources		
Contact Officer:	Name:	Sue Moorman	Tel: 293629
	Email:	Sue.moorman@brighton-hove.gov.uk	
Ward(s) affected:	All		

FOR GENERAL RELEASE**1. PURPOSE OF REPORT AND POLICY CONTEXT**

- 1.1 The Human Resources & Organisational Development (HROD) service comprises Human Resources, Health and Safety and Workforce and Organisational Development.
- 1.2 This is the second year the service have purpose an annual report, its purpose is to highlight the continued contribution the service has made in supporting the organisation over the last 12 months and set out the focus of our activity this year.

2. RECOMMENDATIONS:

- 2.1 That the Committee note the annual report of activity, assurance and business plan priorities from the Human Resources & Organisational Development (HROD) Service.

3. CONTEXT/ BACKGROUND INFORMATION

- 3.1 HR&OD's contribution to the organisation can be defined by providing a good payroll and administration service and having well defined polices advice and training and development on workforce issues. Furthermore the service is a key enabler for delivery of modernisation activity in delivering a modern council.
- 3.3 It is important that HR/OD has a visible role in the organisation and is able to add challenge, provide solutions and define activities that will enable the council to meet its priorities. The challenging landscape for the council in delivering services against restricted budgets means that HR/OD needs to add value to the planning and options.
- 3.4 It provides an overview of the broad range of activities undertaken by the HROD service and its contribution to supporting corporate priorities, including information on:

- Learning and Development
- Culture Change programme
- Supporting managers with complex casework
- Supporting change across the organisation
- Recruitment activity
- Provision of Occupational Health support
- Health and Safety advice and assurance
- Payroll and pension activities
- Policy and project work

3.5 The report includes many achievements as well as the challenges faced. In addition, it sets out the current Business Plan priorities and how people can get involved by providing feedback on their experiences and help to influence how we shape our service for the future.

3.6 The Council's workforce is the largest resource it has and the report provides context and assurance on what is done to support this resource.

4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS

4.1 Not applicable.

5. COMMUNITY ENGAGEMENT & CONSULTATION

5.1 Not applicable.

6. CONCLUSION

6.1 The Human Resources and Organisational Development (HROD) annual report highlights the contribution and achievements the service has made in supporting the organisation over the last 12 months, and sets out the focus of our activity for 2015-16.

7. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

7.1 There are no direct implications arising from this report. The HROD service provides the functions outlined in the report within it's annual budget of £3.2m.

Finance Officer Consulted: Name Peter Francis

Date: 3/6/15

Legal Implications:

7.2 There are no legal implications arising from this report.

Lawyer Consulted: Elizabeth Culbert

Date: 050615

Equalities Implications:

7.3 There are no sustainability implications arising from this report.

Sustainability Implications:

7.4 There are no sustainability implications arising from this report.

SUPPORTING DOCUMENTATION

Appendices:

Appendix 1 HROD annual report 2014-15

Appendix 2 Health & Safety annual report 2014-15

Human Resources and Organisational Development

Annual Report 2014-15



Brighton & Hove
City Council

Human Resources & Organisational Development

Annual Report 2014 - 2015

Report of: Head of Human Resources and Organisational
Development (HROD)

Committee: Audit & Standards Committee

Subject: HROD Annual Report
April 2014 to March 2015

Date: 23 June 2015

Contents

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3.	The Management and Structure of HR & OD	4
4.	Policy and Assurance	5
5.	Supporting Service Planning and Performance Improvement.....	8
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7.	Partnership Activity	18
8.	Focus for 2015/16.....	20
9.	Help us to help you	20

1. Introduction

This is our second Human Resources and Organisational Development (HROD) annual report which highlights the contribution and achievements the service has made in supporting the organisation over the last 12 months, and sets out the focus of our activity for 2015-16.

The HROD service provides a responsive and effective service to ensure that the council's employment duties are met. A core part of our service delivery is to provide an efficient recruitment, contracts, pensions and payroll service to our workforce across the council. This is complemented through the provision of employment and health and safety policies, advice, guidance and learning opportunities, to support the growth and accountability of the organisation's line managers and its staff.

HROD supports the council's modernisation programme, contributing professional expertise to facilitate and enable change in the organisation and the continued development of our culture. We continue to play a critical role in supporting managers through the process of staff and trade union consultation and where organisational change has an impact on staff terms of employment and working practice.

It is recognised that reducing costs without minimising service delivery will be difficult, particularly at a time when demand on the service is increasing. We are part of the Support Function Service Review which will determine the organisational requirement for the HROD service offer and the ability to scrutinise what we do to provide this in the most efficient way.

For 2015/16, HROD is therefore focusing its work on:

- providing a defined, efficient and costed service to our customers that provides assurance on all aspects of people and health and safety management
- delivering organisational development and learning as a continuous process of improvement and development
- supporting and enabling the council's modernisation agenda through effective performance management, staff engagement and the management of change

The HROD function actively seeks feedback on its service provision.

"The HR&OD Team is a highly respected, responsive and professional service at the heart of the organisation. It has shown significant improvements over the last couple of years with effective leadership, sense of purpose and direction. The confidence of staff and general profile of the service is noticeably higher. They are now viewed as friendly enablers but do not shy away from challenging others where appropriate.

They have every reason to feel proud of what they have achieved, including their work on pay modernisation, culture change programme and supporting managers through difficult service redesign and staffing issues to name but a few.

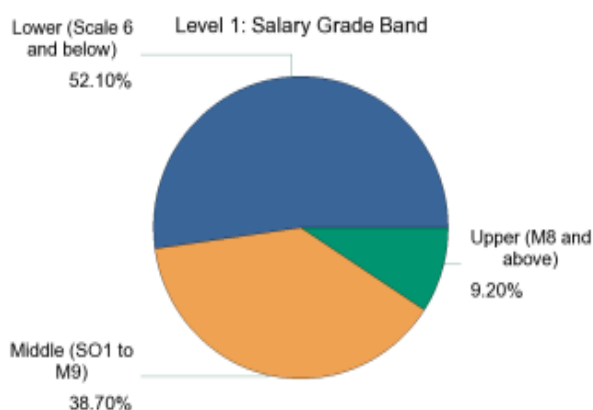
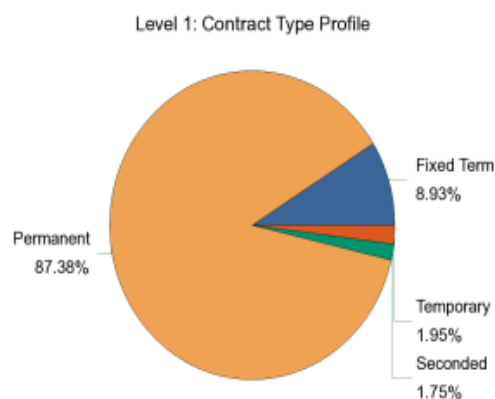
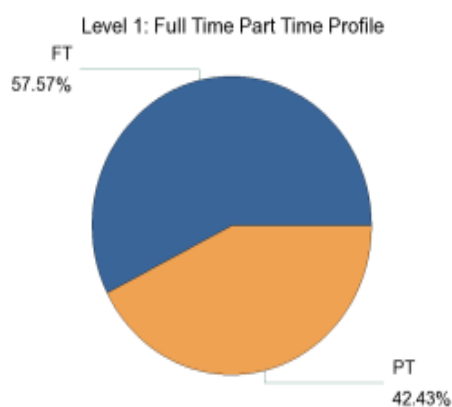
The organisation faces significant challenges ahead as our resources shrink. I have every confidence that our HR&OD Team are well placed to provide us all with the best support."

Abraham Ghebre-Ghiorghis
Monitoring Officer and Head of Legal & Democratic Services
Brighton & Hove City Council

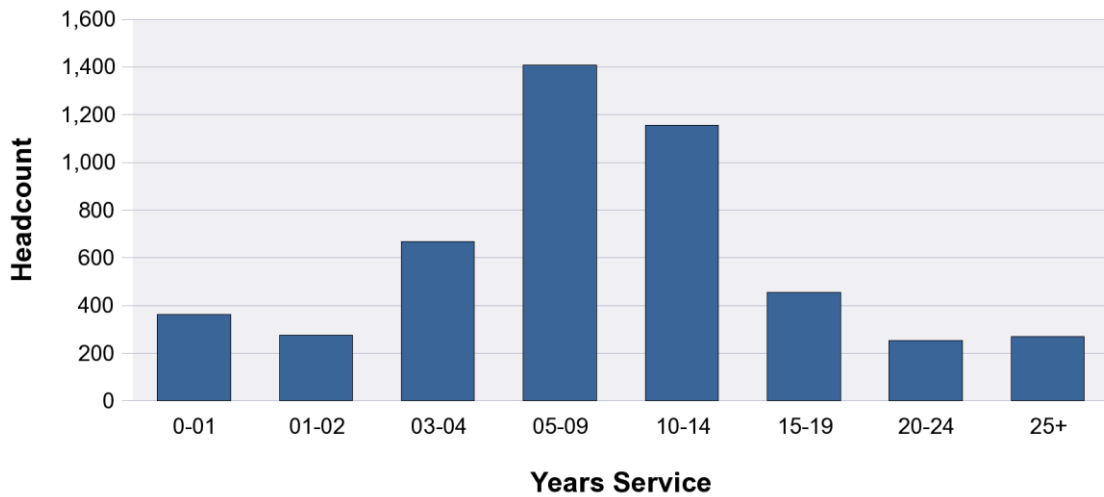
2. Our Workforce Profile

Our workforce is an essential resource in supporting the delivery of high quality services to our citizens. The following data provides an outline of the composition and turnover of the council's workforce, excluding schools.

Organisational Level	Full Time Equivalent	Head Count	Turnover (Rolling Year)
Whole Council (Level 1) (excludes schools)	4,146.55	4,846	10%
Adult Services	875.46	1,050	8%
Assistant Chief Executive	365.56	447	17%
Children's Services	910.91	1,174	11%
Environment Development & Housing	1,052.25	1,133	11%
Finance & Resources	758.42	840	7%
Legal & Democratic Services	55.22	58	7%
Public Health	127.74	148	8%

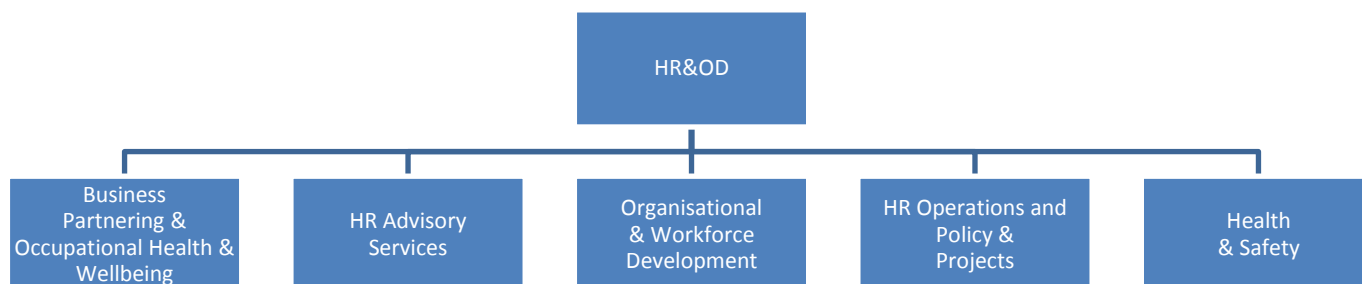


Level 1: Length of Service (in BHCC)



We also provide a HROD service (including health and safety) to schools in Brighton & Hove, through a traded service and have maintained a 100% buyback from maintained schools. We also have separate agreements to provide services to one academy and one free school in the City. The maintained school workforce headcount is 5368, which is 3397 FTE posts.

3. The Management and Structure of HR & OD



HR Business Partnering provides strategic HR support, challenge and advice to each directorate management team to support corporate and business plans. Dedicated business partners commission support from across HR to ensure an effective service is provided that meets the needs of individual services and ensures workforce issues are effectively planned for and managed.

Occupational Health & Wellbeing commissions the provision of an occupational health service and employee support program which includes health surveillance, monitoring and promotion, provision of information and advice to managers and staff.

HR Advisory Services provides a comprehensive advice, guidance and case work support service on all aspects of employment such as performance management, staff conflict resolution and change management. We also contribute to the development of managers' skills through a range of training interventions and provide coaching to managers.

Organisational & Workforce Development supports the council's organisational development priorities through the delivery of the culture change plan, and provides the majority of learning and development, qualifications and e-learning across the organisation and wider adult and children's social care workforces.

HR Operations provides a recruitment, human resources administration and payroll service for the council's directly employed workforce and schools, and the administration for the council's pension schemes;

Policy and Projects is a mix of technical specialisms from HR policy, equalities, pay and reward and job evaluation. The team undertakes a range of project work and research on workforce matters, for example pay modernisation work to meet our equal pay liability.

Health and Safety undertakes a range of assurance activities such as audits, inspections and accident investigations, provision of advice and guidance and policy development and are the first point of contact with enforcement and regulatory agencies.

4. Policy and Assurance

We continue to ensure the council is legally compliant and operating responsible employment practices. To ensure robust mechanisms of control are in place we:

- maintain policies and guidance to enable the council to comply with employment and health and safety law
- provide access to competent advice and support
- manage the council's recruitment, payroll and pension functions
- support the council's corporate audit approach

Supporting financial assurance activity

Our HR system enables us to administer salary, overtime and other employment related payments to approximately 12,000 employees (including schools). The approximate monthly value of payments is **£13.5m**. This comprises of £6m for schools staff and £7.5m for all other staff.

We also operate some staff benefits via salary sacrifice schemes as these generate savings both for individuals and the council. The benefit is paid from gross salary before deductions resulting in a saving on tax and NI payments for the individual and there is also an NI saving for the Council. There are currently 574 individuals who participate in the childcare voucher scheme and 63 individuals who signed up to the cycle to work scheme following the two campaigns organised during the last year.

Our Pensions team administers 3 schemes – the Local Government Pension Scheme, Teachers Pension Scheme and NHS Pension Scheme. There are currently:

- 5931 LGPS members,
- 2073 Teachers Pension Scheme members and
- 31 NHS Scheme members

A **Payroll Audit** was undertaken and provided **Substantial Assurance** on the effectiveness of the internal controls operating over the system. This opinion means that effective controls are in place to manage the key risks to the system.

A **Staff Travel & Expenses Audit** provided **Reasonable Assurance**. This audit focussed on whether the council expenses system was fit for purpose. Recommendations for improvements were given, which are being implemented. Average annual expenditure is £1.6 million on mileage, expenses and subsistence claims.

An audit was carried out on **Recovery of Overpayments** which provided **Limited Assurance**. This looked at HR practices and processes relating to ensuring overpayments are not made but where they are there are mechanisms in place to retrieve this overpayment. Audit testing identified historic failures to investigate and progress the recovery of old salary overpayments. At the time of the audit the total value of unrecovered salary overpayments amounted to £366,827. New procedures to improve recovery were introduced in August 2014 and the audit report has confirmed that there is already evidence of improvement. Work has been undertaken subsequently to investigate the outstanding overpayments, contact individuals and issue invoices.

We have an established HR Performance Board which monitors organisational workforce performance indicators as well as our internal HR performance. This board scrutinises progress against audit findings.

We produced the council's annual **Pay Policy Statement** in accordance with requirements set out in the Localism Act 2011. This was approved by Council and published on the website together with a range of data on pay as a public document.

We continue to operate job evaluation panels to establish the grading of new or revised posts. This, together with our local Brighton & Hove City Council allowance scheme provides a robust and transparent framework for employees' pay. We also agreed our new Grading Appeal Procedure with Unison and GMB and implemented this on 1 December 2014. This provides for individuals to appeal their job grade. The appeal is heard by a panel made up of management and union representatives training in job evaluation.

We have worked with Finance to improve our establishment management processes to ensure staffing is managed within budget. All staffing changes impacting on budgets require confirmation that sufficient budget is available. In addition to new starters to the council, 1594 leavers and 4250 staff contractual changes have been processed through establishment and payroll.

We have set up a compensation panel comprising a senior officer from HR, legal and finance to provide a consistent corporate approach to decisions on severance, settlement and market payments. The panel's role is to consider business cases presented by Heads of Service to award payments in accordance with our policies for early retirement on the grounds of redundancy or efficiency, voluntary redundancy, settlement of employment claims or market supplement payments. In addition the panel will consider appeals against decisions not to agree voluntary redundancy. Over 50 cases were presented to the panel last year.

The HR Advisory Services team work closely with our Audit colleagues and during the last year we have jointly investigated seven **whistleblowing** cases and a range of **fraud cases** including: National Fraud Initiative referrals, fraudulent Housing Benefit claims and allegations of impropriety.

Health & Safety Assurance

As a unitary authority the range of services delivered by and on behalf of the council creates a diverse risk profile. A key role for us is to ensure the council has a proportionate approach to risk management. We maintain and review the safety management framework which incorporates:

- **Setting the direction**
A policy statement and management standard sets out the commitment to health & safety and roles, responsibilities and arrangements for the delivery of the policy
- **Organising for Health & Safety**
A safety management framework formed of eight objectives tailored to the risk profile of the service, 'Team Safety'

- **Providing competent advice**

The Health and Safety team operate a duty officer system which provides the organisation with access to competent advice as required by legislation. Safety practitioners and technical specialists support managers to ensure risk appropriate measures are in place

As part of our governance and assurance activity we produced an annual Health and Safety report which has been presented to the Corporate Health and Safety committee, outlining activity and priorities for the future. The full report is included at appendix 2.

We can again report that no enforcement action has been taken against the council in the last 12 months.

Disclosure and Barring Service (DBS)

We undertake compliance checks for all relevant new appointments and new volunteers (individuals working with vulnerable adults and children) and re-checks are undertaken in accordance with our local policy. In total we undertook 2,541 DBS checks in 2014/15.

Following the publication of the Department of Education (DfE) guidance 'Keeping Children Safe in Education' we updated HR policies and worked with the LA Safeguarding Officer (LADO) and others to update and communicate guidance documents including:

- Model Safer Recruitment Policy
- Guidance issued on the Use of DBS checks in schools

As a result of new DfE guidance issued on the application of the rules on Disqualification under the Childcare Act 2006 (including Disqualification by Association) we consulted with schools, unions and the LADO and provided advice to Children's Services and Schools on implementation for new staff (new pre-employment checks).

5. Supporting Service Planning and Performance Improvement

Workforce planning and organisational design activity

Workforce planning - We have developed an improved approach to workforce planning which has been implemented alongside the business planning process for 2015/16. Workforce planning conversations have been facilitated by HR Business Partners at service level to identify the key workforce and development issues that need to be addressed to ensure the delivery of plans.

Service redesign toolkit – A service redesign toolkit has been designed and launched to support managers considering undertaking a service redesign and follows criteria agreed by Executive Leadership Team (ELT). This guidance is available on the Wave and uses best practice to provide an approach to service redesign that:

- Is evidence based and puts the customer at the heart of decision making
- Supports the modernisation of the organisation and maximises opportunities for cross-organisational and multi-agency working
- Ensures appropriate support is available when needed to facilitate quicker and more robust service design
- Fundamental to the approach is the use of effective project management and business process improvement (BPI) tools and techniques

We have supported 62 service redesigns across the council to plan and implement changes during the year in line with a reducing budget and ensuring that timescales are carefully planned in line with budget decision making.

Extensive consultation and staff engagement activity has been undertaken to ensure that staff are supported appropriately while change is implemented.

HR Business Partners have also played a key role in planning for future changes by providing **support and challenge at a strategic level** including discussions on the Care Act and advising on alternative models of delivery for services.

As part of our support for change we developed an **approach to voluntary severance** based on service redesign and robust business cases to approve cases through a corporate compensation panel. To ensure our approach is robust we developed FAQs that can be used by staff and managers impacted by change.

Modernisation and organisational development activity

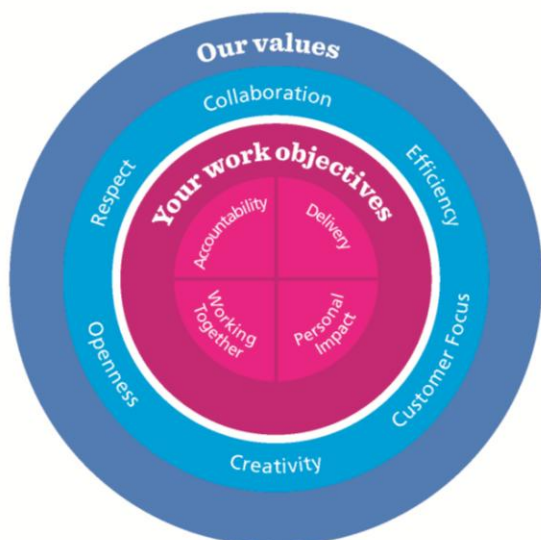
We supported the organisation with Phase 3 of the Workstyles Programme. Our Business Partnering team represent HR on the Programme Board and have facilitated skills workshops to support managers while our Health and Safety team have advised on environmental factors.

HROD continually seeks to provide excellent service to all areas in the council. Some aspects of our service are not easily controlled as demand on our resource is dependent on other activities taking place across the council. Through the people and culture aspects of the

council's modernisation programme, we are focusing on early intervention practices to reduce the demand in formal processes and improve managers' confidence and skills in managing performance and working with trades unions.

We continue to support the **Leadership Development Programme** which focuses on challenging and improving managers' performance of self, others and service to increase the council's capacity to meet the challenges of modernisation and budget reductions.

Living our values, every day



We're using our values to help us improve our performance and service delivery. This will help us to deliver the best for the city as we respond to changing demands.

Collaboration

What we need to do?

- Strengthen leadership across the council and city
- Enhance our partnerships to shape delivery
- Fully integrate business and workforce plans
- Design and produce services with our partners

What difference will this make?

- Strong, distributed, leadership is visible
- Partners tell us that we live our values
- Business and workforce plans are integrated and used
- We are more entrepreneurial
- More joined up multi-agency services to meet customer needs

Efficiency

What we need to do?

- Deliver better for less
- Make better use of buildings and technology
- Tackle the budget challenge and reshape our services
- Improve our grip on performance, accountability, discipline and shared governance
- Align resources to function

What difference will this make?

- We make best use of public money
- Our budget is balanced and reserve funds are healthy
- Sustainability targets are met
- Resources are flexible and focus on our priorities
- Decisions are made in the right place
- Staff have the right materials and equipment to do their job

Customer Focus

What we need to do?

- Be clear on what high performance means
- Use our data for better decision making
- Ensure greater connectivity between our corporate plan, service plans and outcomes

What difference will this make?

- Customers are at the heart of everything we do
- Customers tell us that we live our values
- Staff say they know how their job impacts on performance
- Customer need, good information and feedback are used to design and improve services

Creativity

What we need to do?

- Think differently and take considered risk
- Continually improve from experience
- Learn from others
- Work with pace and embrace change

What difference will this make?

- Customers say they are very satisfied with our services
- Creative ideas have had impact
- We learn and improve together
- We share ideas with partners and professional networks

Openness

What we need to do?

- Get better at being straightforward
- Enhance our reputation for city leadership
- Design services around function
- Ensure equality and fairness
- Support our rising stars and underperformers

What difference will this make?

- Talent is recognised and well managed
- Staff effort focuses on our priorities
- Services are redesigned around function not people
- Success is recognised and celebrated and our workforce is proud of us
- Communication is consistent and honest

Respect

What we need to do?

- Be clearer on objectives and expected behaviours
- Pay equal attention to how we do things and what we do
- Strengthen commitment and alignment to our purpose and values
- Give more honest feedback
- Ensure we reflect the people we serve

What difference will this make?

- Staff get ongoing feedback to improve performance
- Skills and outcomes are aligned to our purpose and values
- Our diversity reflects our citizens and is used to improve our performance and services

During 2014/15 we:

- Supported 700 managers through the leadership development programme and evaluated the initial impact of the programme with participants
- Designed and facilitated six ELT and CMT away days
- Observed CMT carrying out 121 conversations and gave developmental feedback to improve performance
- Aligned the content of Senior Manager Forums, the chief executive's blog and the ELT briefing to this agenda
- During March – April 2015 we implemented 360 degree feedback reviews for ELT members. This was part of creating and enhancing the feedback culture within the organisation

Recruitment and resourcing activity

Last year **751 individuals were appointed** via the council's recruitment process.

- A series of pre-employment checks are undertaken for all successful candidates and include 'right to work', health checks, references
- Senior appointments over the year have included Assistant Director Children's Services, Head of Cityclean & Parks and Head of Procurement
- The HR service worked with the Electoral Services team to recruit an additional **1000 staff** to assist in the general election process
- We have supported the recruitment and development of student social workers by providing **52 student placements** across BHCC and schools. This meant a total of 4690 days spent working in our services
- In partnership with Adult Social Care and Children's Services we have co-ordinated the annual intake of **22 newly qualified social workers** on the assessed and supported year of employment supported by grant income of £40,000

Work was undertaken during the year to implement our new online recruitment system, 'Talentlink', which went live on 7 April 2015. Customers were involved throughout the development of the system. Talentlink enables us to combine vacancy control and establishment management into one streamlined on-line process.

Apprenticeship recruitment is part of HROD's workforce plan to grow talent and enhance its future applicant pool. Our apprenticeship recruitment is targeted at people who are disadvantaged in the labour market and aspires to provide career pathways that develop opportunities for the local community. 87% of individuals who completed their apprenticeship last year moved into employment or further training.

Apprenticeship opportunities are channelled through local job centres and council services including Looked After Children, Youth Offending Service, Youth Employability Service, and Welfare Reform (those affected by the Benefits Cap). During the last financial year there were 63 apprentices and 29 work placements. 17 of these work placements succeeded in leading to apprenticeships within the council.

"We have an excellent relationship with the council. Over a three year period the council has demonstrated real commitment to support applicants into apprenticeships. These have included some of the more disadvantaged job seekers such as lone parents, care leavers and individuals with health issues. The variety of opportunities has been creditable and their willingness to champion the wider take up of apprenticeships across the business community has been of considerable merit."

Wayne Edmunds, Partnership Manager at DWP

Our **apprenticeship ambassadors'** scheme, launched in July 2014, promotes apprenticeship awareness. Ambassadors have spoken at local job centres, schools and recruitment events; in schools they have reached just under 2,000 young people and their parents. HROD has supported the development of graduation ceremonies, roadshows and an ambassador blog. A short promotional film about apprentices was made by our apprentice ambassadors.

Our apprenticeship coordinator is now an Ambassador for the Coast 2 Capital region. This enables us to advocate the benefits of apprenticeships to other employers and to develop our position as role model, particularly with other public service partners.

The council was awarded the **Outstanding Employer Contributions award** in June 2014 for its work on apprenticeships by Brighton & Hove City College.

Agency & Interim Staff - we manage the contract for the provision of agency and interim workers from Guidant Group. Our agency spend last year was £8.3m. During a time of significant change for local government it is important that our council has a responsive service to meet changing staffing requirements. We have successfully negotiated an extension of the contract with Guidant Group and in doing so made savings of over £120k.

In October 2014 a new automated authorisation system was introduced for all agency bookings requiring Heads of Service to approve all bookings and any extension beyond three months. Management reports on bookings and spend are produced monthly.

The council has a pool of internal administrators, known as Admin all Areas. The council recruits and pays these individuals but the booking arrangements were contracted to Guidant. Now that our HR system, Pier, has been developed to provide on-line timesheet functionality we transferred to the booking arrangements back to the council. This provides a small saving, greater control over the management of the pool, allocation of assignments and the development of the service to provide a better service to internal customers.

Casual Workers - a review of our casual workforce was undertaken and all casual workers were issued with a contract of employment which clearly sets out the terms of their engagements. 19 people were offered temporary or permanent contracts of employment. All casual workers are allocated a line manager who has responsibility for their induction, training and supervision. Monitoring arrangements are in place to identify casuals who have by default become employees.

Employee casework activity

We are embedding a case review and learning culture within the HR Advisory Services team where cases are regularly reviewed to help share new learning not just across the team but within the organisation to help improve service delivery and performance.

During 2014/15 HROD support to employment casework continued to be high:

Disciplinary	137
Performance/Capability	16
Grievance	60
Probationary	7
Sickness	197
Total	417

(Schools accounted for 23% of cases)

17 of the disciplinary cases were related to bullying and harassment. The council takes any allegations of this nature seriously and in line with our procedures and values dismissed

two members of staff for such conduct. One case proceeded to an Employment Tribunal (ET) where the council won the case. The tribunal commented favourably on the actions of officers involved in the case.

32 staff were dismissed across the Council this year (22 in non schools / 10 in schools). Of these 15 were due to misconduct (10 in non schools / 5 in schools), 14 were related to sickness-related capability (10 in non schools / 4 in schools) and 3 staff were dismissed as they failed to successfully complete their probation period (2 in non schools / 1 in schools).

A total of 23 staff left the council through **voluntary redundancy** (18 in non schools / 5 in schools).

Mediation: a new scheme was introduced in 2014 facilitated by the HR Advisory Services team. This assists the resolution of staff workplace conflict by encouraging staff to use mediation rather than dealing with such issues through formal processes. Successful mediation helps build good working relationships, which has a positive impact on staff well-being and performance. Its use is also supported by our workers forums and trades unions and is being monitored to ensure its effectiveness.

Workforce Equalities Action Plan

We have continued to lead on the implementation of the Workforce Equalities Action Plan, undertaking year two of the plan in 2014/15.

Our three year action plan aims to address the findings from the council commissioned assessment of race equality in employment carried out by the consultants Global HPO in 2012/13. This plan is an integral part of the organisation's Corporate Plan and is a key work stream that supports our modernisation agenda and underpins the associated culture change programme.

HROD works in close collaboration with representatives from our trade unions and workers forums through the **Workforce Equalities Group (WEG)**. This group meets quarterly and is increasingly a constructive, solution-focussed forum that provides a space for honest, open and sometimes challenging conversation and discussion. The group plays a key part in developing the action plan and also monitoring and challenging progress. Developing effective forms of communication and promotion of equalities issues and an inclusive work environment is an important objective for the WEG.

"We were pleased with the commissioning of Global HPO to examine race equality in employment with the aim to address some long standing equalities issues. Since the recommendations were delivered and the Workforce Equalities Action Plan developed we have seen and heard a commitment to improve. We acknowledge there needed to be a step back in order to move forward. The WEG are pleased with the progress made on equalities since commissioning the Global HPO report. We recognise it's an ongoing process and the current signs are positive. We now need to see the changes. We look forward to seeing demonstrable evidence based progress going forward and within that we acknowledge our own positions and responsibilities in this process."

**Workers Forum and Trade Unions representatives of the Workforce Equalities Group
Brighton & Hove City Council June 2014**

Policy & Resources signed off our Year 2 Action Plan in July 2014 and we were pleased to

have a positive endorsement from the trade unions and workers forums, in support of the work that was happening.

Work has taken place over the last twelve months re-establishing links with BME voluntary and community organisations in the city. Facilitated by the Trust for Developing Communities, we met with members of local BME communities which provided us with the opportunity to listen to their experiences and understand how they perceive us as a prospective employer. It has also provided us with the chance to identify opportunities that may exist to open up recruitment and career pathways to these under-represented groups within our workforce.

This work, together with scrutinising recent recruitment and selection activities carried out by managers, has helped us to identify some of the potential barriers that may contribute to BME or White Other applicants finding it more difficult to secure employment with us.

We contributed to the LGA Peer Challenge and the Stonewall reassessment and have worked closely with the Equality, Communities and Third Sector team to align the Workforce Equalities Action plan with the recommendations from these reviews. We will ensure our improvement actions have relevance across all the protected characteristic groups in our workforce.

We have also worked closely with the **Schools Race Equality Action Plan Group** to develop and carry out actions to support schools developing equalities work. Benefits include:

- improved quality of workforce equalities information in schools
- the proportion of staff for whom we hold no ethnic data has significantly reduced and is now 6.4%
- a better understanding of the proportion of staff in schools who identify as BME (4.5%)

Work is underway in partnership with the group to develop next year's action plan.

Attendance Management & Well-being Activity

Following a Business Process Improvement (BPI) review of attendance management carried out in early 2014, an **attendance management project** ran throughout 2014 to implement improvements to the management of sickness. As a result of the project:

- 411 managers have been trained across the organisation
- Improved management data is available
- Occupational Health are involved at an earlier stage
- Guidance available for managers has been streamlined

The focus has been to reduce sickness by ensuring there is clear accountability for attendance with line managers, skills to manage sickness are developed and appropriate guidance and data is available.

- Sickness across the organisation has reduced from 11.23 days in 2013/14 to 10.91 in 2014/15. The target for 2015/16 has been reduced from 10 days to 9.7 days and by embedding the good practice that has been implemented through the project this downward trend is expected to continue

The Occupational Health and Counselling Services contract was awarded to Team Prevent UK in March 2012. Since that time we have been working to embed the contract and have delivered:

- A secure occupational health online portal to submit & receive occupational health information for management & HR
- Improvements to Staff Counselling service, the provision includes unlimited freephone telephone access, 24hours a day, 365 days a year, including information & advice from citizen advice bureau trained staff
- Formalised contract review and improvement meetings

Through our **Occupational Health service** we have:

- Provided **1258** appointments (referrals and reviews)
- Undertaken analysis of the **top three reasons** for referral which were **other medical conditions, all mental health issues and musculoskeletal disorders, injury and fracture**
- Focused on awareness-raising to ensure early intervention through reducing the referral time (from first day of absence to occupational health referral received by Team Prevent), which is now showing an average of **38 days**

Through our **Employee Assistance Programme**:

- **805** people have contacted the service, 362 for telephone counselling, 405 face to face counselling, 38 to information specialists

Workforce Development Activity

Each year the council allocates training budgets of around £1.8m to services. Of this the central Organisational and Workforce Development Team manage around £843,000, most of which supports adult and children's services.

Training Courses

We have supported our workforce by delivering learning and development interventions enabling staff to enhance their skills and achieve qualifications. **14,347 course places** have been provided on **1100 courses** with an average attendance rate of **11 delegates per course**.

The **Health and Safety training programme** was developed to support the needs of staff across the organisation. Over **23** different courses have been delivered through **114** training events to **1009** delegates. This includes bespoke training events which have been tailored to meet the specific needs of teams and services.

Large scale regional events are also supported by the Workforce Development Team – the annual social care conference attracted over **1000 people** with smaller numbers attending the adults Safeguarding conference. Over **700 people** attended a Dementia showcase at the Amex Stadium.

Online Learning

- **5697 individual learners** accessed Surf2Learn and Online Learning (increase of 103% over the previous year)
- Top completions by course:
 - Information governance (3547 logins)
 - Display Screen Equipment (437)
 - Introduction to Equality & Diversity (173)
 - Safeguarding Adults (173)
 - Health & Safety (172)
 - Policies and Support – induction programme (166)
 - Civica Purchasing – purchasers (92)
 - Delivering Excellent Customer Service (86)
 - Others (857)

Qualification support

- **151** qualifications have been completed across children's, adults and housing services including:
 - 79 QCF qualifications
 - 56 Social Work CPD modules
 - 16 Bursary qualifications
 - 17 staff completed the Institute of Customer Service (ICS) qualification

Productivity

We have maximised the use of internal training rooms, **saving an estimated annual expenditure of £200,000** on external room hire costs.

6. Staff Engagement Activity

Positive staff engagement and communication is crucial to the work on the employment and cultural experience of our workforce. We therefore work closely with senior managers and internal communications to ensure regular, open and consistent messaging across the organisation. In 2014 – 2015 we:

- carried out the 2014 Staff Survey
- aligned key engagement activities
- were assessed against Investors in People Standard (IIP)

2014 Staff Survey



The Staff Survey ran during October 2014 and we had largest response rate ever. The survey allows us to capture staff perception on what it's like to work here. It is one of our mechanisms for evaluating how we are doing with our culture change programme. All staff had the opportunity to complete the survey either online or on paper. In total 2,959 responses were received, with an overall response rate of 55%.

We facilitated conversations with the chief executive, executive directors and Corporate Management Team (CMT) to look at the feedback and building on the 2014 themes, agree the main areas of focus for the organisation:

- Leading, managing and supporting change in an open way
- Giving even more attention to staff engagement and involvement
- Providing a clearer understanding of the sense of direction in the organisation

The key areas of focus are included in every Service Plan to encourage action and improve staff confidence that their feedback is being listened to and acted on.

Alignment of key engagement activities

During 2014 we continued to work with ELT and internal communications to align our cross council engagement activities to ensure they are integrated, consistent and supportive of one another.

- Senior Managers Forum – three times a year
- Staff Survey – annually
- Staff Roadshows – annually
- Staff Consultation Forum – meets quarterly
- Departmental Consultation Groups
- Corporate Health & Safety Committee – meets quarterly

Investors in People Standard (IiP)

In March 2015, two Investors in People (IiP) assessors met with over 170 employees. The outcome of this assessment was that the organisation was accredited with an **IiP Silver award**.

7. Partnership Activity

We are a member of the **HR Leads Brighton and Hove Connected City Management Board** which consists of other leading public service organisations within the City. Our aim is to maximise the opportunities for collaboration related to public service HR policy and practice and to improve efficiency, improve customer service and support service development.

In Schools: we work in partnership with schools and academies in the city to provide a range of traded services including HR advice, payroll and pensions, health & safety and occupational health & wellbeing. In 2014/15 we have:

- produced the 2014/15 Teacher Pay & Appraisal Model policy and guidance documents, incorporating the government performance management, updated pay reforms, involving detailed consultation with head teachers and teacher unions
- provided timely advice to headteachers and governing bodies on managing industrial action during July and October 2014. Guidance on the continuing action short of a strike by the teacher unions was provided
- kept schools up to date with HR issues through School Bulletins (43 issued), termly Heads HR Briefings (3 issued) and twice termly Business Manager & Bursar Briefings (6 issued)
- worked closely with Education & Inclusion to provide specialist support to Governors and schools that the council is working with to provide additional support to improve standards.

We also provide HR and payroll support services to:

- Citizens Advice
- South Downs National Park
- City Academy Whitehawk
- the Bilingual Primary School

The Learning Technologies team was commissioned by the **Association of Directors of Adult Social Care (ADASS)** South East Regional Workforce Group to produce a package of e-learning modules on the Care Act 2014, for the 18 councils that make up the group. This commission also generated £20,000 in income.

“I know this was a considerable piece of work and valued by many of the councils who are now in a position to offer wide access to e-learning training for the Care Act”

Co-chair of ADASS in the South East

We continue to work collaboratively and in partnership with a range of services and teams within the council and externally. This is an important area given the budgetary constraints across the public sector.

We provide the first point of contact with regulatory agencies in particular the **Health & Safety Executive** and **East Sussex Fire and Rescue Service** when undertaking inspections, audits or investigations. The Health and Safety Executive continue their

proactive inspection programme and East Sussex Fire and Rescue Service undertake fire safety audits across the city.

To provide a coordinated approach to risk management our Health & Safety team have membership on the following groups:

Risk Management Steering Group: working together with leads from Emergencies and Resilience, Public Health, Insurance, Audit, Communities and Equalities and the Risk Manager. This group ensures co-ordination of risk management issues, resources and strategies.

Safety Advisory Group (SAG): involvement in this group includes deputy chairing responsibilities and working with partners such as emergency services, transport operators and other council teams to advise on the potential impacts and co-ordination of resources as the calendar of events in the city unfolds. Events that have required a significant resource have included Pride and the Brighton Speed Trials.

Major Incident Support Team (MIST): the H&S team continue to support and give advice on contingency plans and incident management during incidents that may affect the safety of residents, visitors and our staff.

8. Focus for 2015/16

This report has highlighted the broad range of achievements and challenges over the last year for the HROD service. Whilst we recognise there are further opportunities for us to develop our service, there is also lot for us to be proud of.

In 2015/16 we will continue to support the organisation by providing a professional, responsive HROD function that supports the organisation and our partners in the management and robust performance of services and staff. We will develop our Year 2 culture change plans and people plans to support the modernisation programme and budget setting, ensuring managers and staff are equipped to manage change in the best way possible.

We will continue to monitor our service performance through the HROD performance board and monitor progress against key actions in our service plan and our service performance indicators. We will be improving our mechanisms to obtain regular customer feedback and information on satisfaction with our services. This will ensure that we offer our customers a positive experience and that we deliver high levels of service performance, delivered through efficient systems and processes.

Through the Support Services Function Review, we will determine a robust baseline of service data that will enable us to demonstrate more efficiently the unit costs and activity levels of our service. We will continue to review processes and systems to ensure we are able to be as efficient as possible. We will be introducing a new learning management system in the summer of 2015, as part of planned improvements, this is a city wide solution to learning and development administration will also work for partners and social care providers.

We will continue to work with colleagues across Finance and Resources to improve the breadth and quality of management information to provide insight and assist services in their management of the performance and development of our workforce.

9. Help us to help you

Delivering the best services for our city relies on ensuring we have the right people in the right roles doing the right things. HROD play a key role in supporting the organisation to achieve this. We need to ensure our service responds to the changing needs of the organisation.

You should be able to find all the information you need on the [HR section of the Wave](#), or talk to your manager.

How can you help? Tell us what you think we do well and when things haven't met your expectations. Email HRODCustomerFeedback@brighton-hove.gov.uk.

Report of: **Head of Health & Safety**

Committee: **Corporate (Whole Council) Health & Safety Committee**

Subject: **Health & Safety Team Annual Report April 2014 to March 2015**

Date: **2nd June 2015**



**Brighton & Hove
City Council**

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Executive Summary

The objective of the Health and Safety Annual Report is to enable the council to demonstrate how it is continuously improving the management of health, safety and welfare. It provides an overview of what has been achieved in the last year and also sets out the priorities for 2015-16.

Achievements during the past year include:

- Continued delivery of the health and safety audit programme which highlights that the majority of Team Safety plans offer at least *reasonable assurance*
- Development of a risk based audit approach that includes a self-assessment process for managers to complete
- Effective collaboration and partnerships with internal teams and partner agencies. This has enabled pooling of resources, information and competence and has provided greater assurance on risk management issues
- There is a continued leadership commitment to health and safety
- Staff representatives continue to demonstrate a clear commitment through active engagement
- Recognition of the responsive and solutions focused support provided by the Health and Safety team

Areas to be addressed for the future include:

- Targeted work to address the significant increase in absence days resulting from incidents
- The management of change which presents future challenge to ensure roles, responsibilities and health and safety management arrangements remain robust
- Continuing to develop existing and potential partnerships and new ways of working

Brighton and Hove City Council remains committed to high standards of health and safety management within a proportionate risk management framework. This is achieved by having in place effective management arrangements and clear levels of accountability to ensure the health, safety and wellbeing of our staff, service users, contractors and others affected by our organisation's activities.

We can again report that no health and safety enforcement action has been taken against the council.

Feedback on our service

Denise D'Souza – Director of Adults Services

“The advice and technical expertise provided by the health and safety team provide a high level of assurance in helping to ensure risks are reduced as far as practicable. As the statutory duty holder (DASS), this is invaluable as the majority of care is delivered in the independent sector. The team have maintained good relations with providers whilst providing support and advice to ensure residents are kept safe.

The relationship with the Fire Service inspection team ensures that issues are dealt with on a partnership basis to enable continuous improvement.

I have confidence that issues are brought to my attention when escalation is required and appropriate”.

Angela Dymott – Assistant Director, Property and Design

“The council are responsible for a large property and land portfolio. It is important that risk management arrangements are robust to protect people from hazards associated with building or land assets. Property & Design have an effective and close working relationship with the Health & Safety team. Our collaboration involves working closely on design and risk management and provides a key assurance mechanism to protect the council from exposure to liability”.

Dexter Allen - Brighton & Hove Fire Safety Manager, East Sussex Fire and Rescue Service (ESFRS)

“East Sussex Fire and Rescue Service enforces fire safety legislation in the west of the County through the Brighton and Hove Fire Safety Team. Over the past couple of years we have collaborated with the B&HCC Health and Safety Team enabling us to engage through a monthly meeting where ESFRS gains assurance concerning fire safety compliance across the B&HCC property portfolio. At these meetings BHCC and Mears report levels of fire safety compliance. Reciprocally ESFRS offers guidance and challenge to B&HCC on progressing fire safety works in the City.

Although we respect our independence from BHCC and focus on our regulatory role we have managed to work with partners to develop a mutually beneficial relationship focussing on trust, openness and respect, driving down the risk of fire to the benefit of the local community. This type of meeting demonstrates the efficiencies that can be realised when managers and staff are empowered to develop creative solutions. As a result ESFRS can now take a balanced approach when assured through our responsive partnership on regulatory compliance from one of the largest property owners across the City”.

Hilary Ferries – Head of Standards, Education & Inclusion

“The Standards and Achievement Team provide support and challenge to schools. We really value the high quality reporting from and good links with the health and safety team. As well as the strategic element, they are also really responsive to requests - especially when schools are being inspected by Ofsted and issues around health and safety are identified”.

Rachel Chasseaud – Head of Tenancy Services, Housing

“I find the support and advice of the corporate Health and Safety Team invaluable. I am particularly grateful for the proactive way this team works, notifying us of any issues that they become aware of that we need to work on. This can be issues directly related to Health and Safety but also members of the team work very corporately and will flag up wider issues and facilitate inter departmental working if required to resolve a problem. Any contact always comes not only with advice but offers of assistance to remedy a situation.

I do believe that the systems in corporate Health and Safety are very good and help us to understand where we need to make changes to our systems to ensure safe working. I am also always impressed that this team are concerned for the safety and risks to staff welfare in addition to physical risks. Finally I am very impressed and very grateful that if I or my staff need help and advice members of the team respond very quickly and will come out to site very quickly to help us manage and resolve a situation”.

1. Introduction

The Government's 'Revitalising Health and Safety' strategy recommends that public bodies summarise their health and safety performance in an Annual Report.

This Annual Report highlights the council is committed to continuously improving its health and safety performance through the implementation of the council's Health and Safety policy and management standard.

The council is a unitary authority and as such is involved in a wide range of work activities, delivering some services directly and others in partnership or through commissioned providers. This creates a diverse risk profile that requires tailored approaches to ensure appropriate assurance is given on the Health and Safety management arrangements.

The council continues to respond to the economic challenges facing the public sector with a continuing need to identify savings opportunities and alternative service delivery models. In this context the H&S team has been restructured to deliver savings and there is a continued focus on gaining assurance in new and creative ways.

The Corporate Health and Safety team (H&S Team) is an integral part of the Human Resources and Organisational Development function within the Finance and Resources directorate. The service provides professional advice and guidance to support managers and staff to achieve organisational objectives and compliance.

This report details activity provided by the H&S Team during the period 1st April 2014 – 31st March 2015 and includes the Health and Safety Plan in Appendix 8, detailing priorities for 2015/16.

2. The Management of Health & Safety

Effective leadership of Health and Safety is key to shaping safety culture and ensuring legal compliance. During April – June a review of health and safety leadership arrangements was undertaken with the Executive Leadership team (ELT) and all members of the Corporate Management Team (CMT).

This entailed attending meetings with ELT, CMT and Departmental Management Teams and undertaking a review using the Leading health and safety at work framework issued by the Health and Safety Executive and Institute of Directors.

The reviews were facilitated by the Head of Health and Safety and challenged executive and corporate managers to collectively reflect on arrangements for health and safety governance and systems of internal control. This was linked to the principles of:

- strong and active leadership from the top
- worker involvement
- assessment and review

The findings of the review highlighted:

- the need to ensure there are clearly allocated roles and responsibilities
- the importance of clear direction setting, including the implementation of safety management arrangements
- ensuring appropriate levels of competence to fulfil the health and safety requirements of job roles
- maintaining arrangements for the review of safety performance

As a result of the review and facilitated discussions, the executive and corporate management teams were able to develop Health and Safety checklists to inform further actions based around the model of Plan, Do, Check and Act, as outlined in the HSE's [HSG65 Managing for health and Safety](#). This ensured that directorates and services were able to put in place arrangements tailored to their own circumstances and risk profile.

3. Safety Management Systems

3.1 Team Safety

We have a well-established Safety Management Framework 'Team Safety' that enables services to develop safety management arrangements proportionate to the risk profile of the service.

3.2 Accident Reporting System & Clients of Concern Register

This last year has been the first complete year of reporting through the online incident reporting system and has seen the H&S team working closely with ICT to help ensure that confidence in the system remains high. It has also seen the roll out of the online system into Pavilion Libraries and Museum services as well as refinements being made in the schools reporting system to; assist managers in making their local investigations, reduce duplication and reduce time spent on completing incident reports.

Work is ongoing with ICT, Legal and Business & Governance to develop the Clients of Concern Register and the quick-search portal, whilst still ensuring the council remains compliant with data protection legislation. This incorporates the review of the number of staff who have access permission to view the register and to enhance the user experience of the quick-search function within the Achieve system.

4. Access to Competent Advice

An in-house team of health and safety professionals and technical specialists provide advice and support through a Business Partnering approach. The team operate a duty officer scheme ensuring staff and managers have access to advice and guidance. H&S staff are members of the Major Incident Support Team, Safety Advisory Group and Risk Management Steering Group as well as being closely aligned to their business areas.

All members of the H&S team have Nebosh qualifications – an internationally recognised qualification for H&S professionals. Four members of the team have the P405 Management of Asbestos in Buildings qualification - the proficiency module that provides the practical knowledge and skills to manage asbestos in buildings.

We provide the Radiation Protection Officer role for schools. Team members are appropriately trained for this and provide access to CLEAPSS (a health and safety resource for Schools Science, Design and Technology guidance) to provide the relevant guidance and support.

All professional skills are maintained through ongoing development which is monitored by line managers through the supervisory process and through team planning and development days.

5. Accident / Incident Overview

A separate report focussing on the annual accident statistics has been completed. This provides detailed information on the annual results and trends.

Quarterly statistical information is provided to the Corporate Health and Safety Committee and Directorate Consultative Groups to ensure the identification of trends to assist with the implementation of appropriate remedial actions.

Throughout the council there has been an increase in the total number of incidents and lost time from incidents to staff. There has however been a significant decrease in the number of Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013 (RIDDOR) reportable incidents.

The top 3 causes of accidents and incidents over the last 12 months are: (figures in brackets are last year's totals)

- Slips, trips and falls – **234** (176) incidents
- Violence and aggression – **221** (168) incidents
- Challenging behaviour – **127** (162) incidents

The H&S team work with colleagues across HR to address attendance management issues. One example of this is the improving attendance steering group within Adults Services. This group is a forum to; review return to work interviews and statistical information across the service to ensure cross functional working and a greater sharing of information within HR to ensure attendance is being effectively managed.

Incident reporting with our Chartered Institute of Public Finance and Accountancy (CIPFA) benchmarking partners for 2013/14 shows that BHCC has 6.4 RIDDOR reported incidents per 1000 FTE whilst the average rate of our benchmarking partners is 9.1. BHCC has a positive incident reporting culture which ensures incidents are reported and investigated to learn any lessons. Incident reporting mechanisms and outcomes directly impact on liability claims and the council's insurance premiums. The data for 2014/15 is currently being collated by CIPFA.

Threat Response

Incidents involving staff contact with a perpetrator on the Clients of Concern Register highlighted the need for an immediate information cascade process and a method of capturing frequent low level violence & aggression incidents. The H&S team collaborated with Legal Services and the Security team to produce an escalation flow chart and associated guidance for staff. This was approved by the corporate H&S committee. This will help teams plan for and deal with a range of violence & aggression incidents more effectively and provide better data on the frequency of such events.

Occupational Diseases

Changes in the reporting of incidents, diseases and dangerous occurrences regulations (RIDDOR) require notification to the Health and Safety Executive (HSE) of specific occupational diseases; which were not previously monitored by the council. As not all of these specified diseases would be associated with a single H&S incident, information needs to be sourced from a variety of services including HR, Occupational Health (OH) and line managers. The H&S team collaborated with OH to develop a notification process and to outline the line management requirements on the Wave.

A summary of incidents is included at appendix 2

6. Training and Development – Competent Workforce

Health and safety training is provided for staff and external customers through a range of delivery methods. The core programme is advertised through the H&S training guide which is supplemented by bespoke interventions as required. Health and Safety responsibilities modules are also an important element of staff and manager induction sessions. The team also offer bespoke courses for Headteachers and school Governors in relation to health and safety management responsibilities.

All training courses have defined learning outcomes and are delivered through a mix of externally commissioned trainers and by the in-house H&S team.

A total of 114 training courses were delivered to 1009 staff during the year. Of those who attended our training and gave feedback:

- 94% said they had increased their knowledge on the subject;
- 89% said it was either extremely or very relevant to their role.

In response to the fact that the number of 'violence and aggression' incidents has risen and remain in the top 3 causes the H&S team organised a personal safety awareness event. Over 100 delegates attended: council employees were joined by external staff from Health Services, East Sussex Fire & Rescue Service (ESFRS) and Sussex Police. A number of representatives from external and internal services attended to provide information and guidance.

The aim of the day was: to raise awareness of personal safety issues and to encourage teams to review and improve their local personal safety arrangements, to discuss local arrangements and share best practice. Feedback was very positive and a number of teams have informed us that as a result of attending the event, they have been able to make improvements to their current arrangements.

The H&S team have continued to work with teams to help them to improve their personal safety arrangements and to confirm if their approach meets with council expectations. Personal safety training sessions have also been updated, with a half-day non-lone worker training session developed and added to the programme. Personal safety training was also delivered to the ESFRS inspecting officers as part of their induction process.

A summary of the work undertaken is included at appendix 3

7. Policy & Project Work

7.1 Health & Safety Policy

The annual review of the council's health and safety policy by the Chief Executive and Executive Leadership team was undertaken and the policy was signed by the Chief Executive and endorsed by the leader of the council and the elected member lead for Health and Safety on 25th March 2014. The policy is again due for review, work is underway to complete this taking account of the newly assigned responsibilities of elected members in the new administration.

The policy comprises a single page 'Statement of Intent' identifying the council's commitment and aims and is supported by a management standard that sets out how the council organises for health and safety, detailing roles, responsibilities and arrangements for delivering the policy and reflects the council's values.

7.2 Health & Safety Standards

Health and safety standards are reviewed as required to ensure they meet current best practice and any legislative changes. Newly implemented legislation is monitored and reviewed through the legal register to determine any relevance to council operations and services and where required health and safety standards are developed to meet them.

All health and safety policies, standards and associated guidance documents are ratified following consultation through the corporate Health and Safety committee and are published on the council's intranet.

7.3 DSE Project – Eye Test Provision

A project was undertaken to assess and review the council's provision of eye sight tests for display screen equipment (DSE) users in accordance with the DSE Regulations 1992. Research into staff take up of tests, availability of testing and benchmarking with other local authorities showed that the council could not be fully confident on compliance and that systems in place were not providing value for money. Various options were assessed and a corporate voucher scheme was agreed. The benefits of the scheme are:

- the scheme provides vouchers that include the cost of an eye test and glasses at an equivalent cost of the test that the council had been paying previously
- there are no subscription / other costs – the council only pays for used vouchers
- vouchers are accessed online there is no administration needed by teams
- the process to have eye tests is simpler and there are 'friends and family' benefits which encourages staff take up
- the scheme includes management reports on uptake, enabling the H&S team to monitor use of the scheme

7.4 Workstyles Phase 3

The team continue to support the Workstyles programme attending the programme board and project group meetings. Advice and guidance is provided during the design stage followed by ongoing monitoring of works during refurbishment and construction phases.

As well as supporting other services and teams through the Workstyles changes and building relocations, the H&S team has been preparing to move itself and are scheduled to move to Bartholomew House in January 2015. The team has continued with its preparedness for the workstyle change and has been working flexibly through Citrix where possible.

A summary of the work undertaken is included at appendix 4

8. Audit, Assurance & Compliance

8.1 Audit

Corporate H&S Committee agreed a 2 year audit plan to commence from April 2014. It was decided to undertake full team safety audits on teams not visited during 2013/14, and this was estimated to include 18 teams. These were seen as a priority along with reviewing 21 teams with a limited assurance classification following their audit in 2012-14.

The H&S team completed 18 Team Safety audits during 2014-15. Council services redesigns and restructures created the need for 5 additional teams to be audited that were not in the original 2014-15 audit scope. These were completed by the H&S team but the resulting impact was to postpone 5 originally planned audits to April 2015, and these have now been undertaken.

13 (62%) of the 21 limited assurance reviews were completed by the end of 2014/15 and 18 (86%) were carried out by the end of April 2015. Findings were largely positive with managers addressing the findings and recommendations of the initial audit report and providing the H&S team with at least reasonable assurance of their H&S management processes. Those still demonstrating limited assurance are being given further support by their respective H&S Business Partners. Limited audit reports are shared with the relevant Director, corporate audit and other support services such as schools improvement team and HR.

As part of the agreed audit approach a manager self-checklist has been developed and is being issued to services in a targeted, risk based approach starting with those who have not been audited within the last 6 months. These audits are to be returned to the H&S team for review. The aim of this

approach is to reduce the audit burden on managers whilst keeping their focus on Team Safety requirements. Following the returns, the H&S team will visit at least 10% of the managers to confirm their documented responses and to identify evidence that supports their statements.

The final element of the 2 year audit plan is to carry out themed audits, focussing on key hazards within each directorate. The details of this are described in the 2015/16 Business Plan and include Slips/Trips/Falls, DSE, Personal Safety, Challenging Behaviour and Work Experience activities. The H&S team have started to trial themed audit checklists to use for the audits.

A summary of the work undertaken is included at appendix 5

8.2 Asbestos Management

Asbestos is responsible for more occupational related deaths in the UK than any other workplace hazard. The council has a statutory duty to manage asbestos in accordance with the Control of Asbestos Regulations 2012. These regulations require dutyholders to identify the location and condition of asbestos in their premises and manage the risk to prevent harm to anyone who works on the building or to building occupants.

There has been continued partnership working with Property and Design and Education Property Management. This has helped us ensure that safe systems of work are adopted and also develop more efficient ways of working whilst maintaining high safety standards, improving value for money. All council buildings have Asbestos surveys which include management action plans.

The H&S team continues to provide assurance that these requirements are being met. Four members of the H&S team have attained the P405 Management of Asbestos in Buildings qualification - the internationally recognised proficiency module that provides the practical knowledge and skills to manage asbestos in buildings.

Throughout the last year the Department for Education (DfE) has continued to review its policy on asbestos management in schools and has invited views from a variety of stakeholders to assist with this process. The H&S team are members of the DfE Asbestos Steering Group and have had regular input into this process. This has helped to highlight the favourable position that BHCC are in with regards to our asbestos management in schools when compared to other local authorities. It has helped us to have a say in the development of new [‘the management of asbestos in schools’](#) policy as well as keeping us up to date with all proposed changes in recommendations

We are currently reviewing the support provided to schools to incorporate the findings of the DfE policy and are anticipating placing an increased emphasis on asbestos awareness information and training by offering schools an awareness training package to supplement the information and support currently available to them. E-learning courses are available for all council staff on Asbestos Awareness, Materials Management Plans and Asbestos Remedial Works Management.

Colleagues from Property and Design are currently working on the introduction of new property asset software. This system (Atrium) will also be used to hold the corporate Asbestos Register and individual property reports. We are currently working with Property and Design to ensure continued compliance with The Control of Asbestos Regulations 2012 following the transition from Safety on Line and the format of the final property reports. We are considering delivering a combined asbestos awareness training and Atrium user training for the new property management system which we anticipate will be introduced towards the end of 2015. The H&S Team provide advice to the Education Property & Design Team in relation to resource and budget allocation for asbestos management/remedial work in school premises.

A summary of the work undertaken is included at appendix 6

8.3 Fire Risk Management

The H&S team has continued to maintain assurance that the approach to the management of fire safety is consistent and standards are being met as a requirement under the Regulatory Reform (Fire Safety) Order 2005 (RRO). The existing partnership with East Sussex Fire and Rescue Service (ESFRS) continues to develop with regular meetings between the ESFRS Fire Safety manager and H&S Team staff taking place.

The Fire Risk Assessors' forum, hosted by ESFRS, continues to be attended by relevant staff across the organisation. Partnership working with ESFRS and Building Control, Property and Design, Housing and Adult Social Care, continue to flourish. The outcomes of this approach provide the organisation with assurance that Fire Safety risks, both in design and management, are reduced as far as reasonably practicable and in line with current Government guidance. Additionally the team carry out Fire Safety audits under the RRO at the American Express Community Stadium. This function fulfils the Local Authority responsibility for enforcing the Legislation in sports stadiums and is carried out by the team on behalf of the Head of Building Control.

The team have carried out stage 1 fire risk assessments and fire risk assessment reviews across the building portfolio targeting higher risk premises, such as sleeping accommodation, schools and main civic offices. All council buildings have Fire Risk Assessments and management action plans. It is the responsibility of building/service managers to ensure the action plans are progressed.

In partnership with ESFRS and Housing Management, fire exercises in tower blocks continue to take place. This helps ESFRS to consolidate and revise their operational plans for dealing with fires in high rise buildings. This also benefits residents and council staff by identifying any possible improvements to local contingency plans. As part of the partnership working it was identified that some newly fitted dry riser equipment in some of our blocks was not functioning correctly. This would have placed both occupants and Firefighters at risk in the event of a fire. The H&S Team ensured that the problem was identified with the installers and manufacturers, leading to a successful refit programme.

The team provide design advice on an extensive range of projects including: Workstyles, Hove Town Hall redevelopment, Portslade Town Hall, the proposed permanent Travellers' site, Saltdean and St Andrews Primary Schools and Rottingdean Museum and Library.

We have continued to provide Fire Risk Assessor training accredited to British Safety Council (Level 2). Bespoke, site specific Fire Warden/Awareness training has also been taking place. The benefits of this approach are a more focussed and relevant training input for those responsible for carrying out the function of Fire warden.

Staff that received bespoke Fire Risk Assessor training in 2014/15 have been carrying out Fire Risk Assessments in Adult Services, civic buildings and the Housing stock. This has had the effect that competent advice capability is spread across the organisation. The team has also provided bespoke training in the use of Evac Chairs in several locations. This provides part of the solution of evacuating people with mobility issues from our buildings.

In December 2014 a new community partnership initiative was launched by the H&S Team and ESFRS. This is aimed at reaching vulnerable members of the community by more collaborative working between all agencies across the organisations. The aim of the initiative is to prevent people from coming to harm in their domestic environment.

A new team of inspecting officers has been appointed in the city. The H&S team have been involved in the induction of these personnel as part of the partnership with ESFRS. It is planned to carry out mutual work shadowing to further familiarise both partners

A summary of the work undertaken is included at appendix 6

8.4 Contractor Management

The council relies to a significant degree on contractors, working on our behalf, to manage building works and provide a range of services across all departments. The management of contractors represents a significant challenge for the council and the monitoring of their H&S arrangements remains a high priority for the H&S team.

The council has a responsibility to ensure that contractors provide assurance that they are carrying out their roles safely in our buildings and on our sites without endangering their own health and safety or that of our staff, service users, tenants or members of the public.

The team has undertaken a range of assurance activities including inspections, audits, incident investigations, involvement in procurement of contracts and training for contracting officers. We undertake care home monitoring in independent care homes and care support services commissioned by Adult Services. This monitoring helps provide assurance to the Contracts Unit about key H&S aspects as part of their care quality monitoring procedure. The activity also contributes to improving the H&S performance of care facilities in the city to the benefit of residents and staff.

As part of the Workstyles Phase 3 programme, pre and post work inspections have taken place at Bartholomew House, Kings House, Portslade Town Hall and Hove Town Hall.

Site visits and attendance at design and pre-start meetings for building works, at St. Andrew's CE Primary School, Saltdean Primary School, The Grange in Rottingdean, Madeira Terrace and Hollingdean Depot, have also strengthened confidence in partnership working with the appointed contractor for those projects.

The team provided advice and guidance on Invitation to Tender (ITT) and pre-Qualification Questionnaire (PQQ) documentation, attended contract pre-start meetings to ensure standard setting in relation to health and safety, provide advice on compliance with legislation for works (fire and construction legislation) and provide advice and support to project teams throughout contract duration.

Continuing support of the Improvement and Efficiency South East (IESE) process by the H&S team helped the successful appointment of locally based contractors and the delivery of building works within the Education Capital Strategy department. The value of these works was in excess of £2m.

The H&S Team offer 'Management of Contracted Works and Services' training for all staff that procure, manage and monitor any works or services within the council. This helps to raise awareness of legislative requirements, introduces attendees to the council management standard and helps staff to apply relevant monitoring practices when dealing with contractors. Feedback from this training has been positive and has resulted in the development of monitoring checklists which will be introduced into the contractor's management standard.

A summary of the work undertaken is included at appendix 7

9. Consultation and Committee Structure

The well-established corporate Health and Safety committee has continued throughout 2014 – 2015. This is chaired by the Chief Executive and is well attended by both senior management and appointed staff representatives.

The committee meets quarterly and is a forum for identifying and discussing health and safety performance and actions to address trends and emerging issues. Departmental consultative groups are also held quarterly and are able to escalate service specific H&S issues for consideration at the H&S committee.

The Head of health and safety meets regularly with the Chief Executive and the appointed health and safety trade union representatives to maintain effective consultation on health and safety issues. The H&S team continues to work with staff representatives and many teams across the council in a commitment to joint working and achieving high standards of health and safety and a positive culture.

10. Communications

A dedicated health and safety page on the council's intranet is maintained to provide information including: policies, procedures, templates, minutes from health and safety committees, Team Safety information and training. There is also a schools specific section that highlights unique schools policies, procedures and templates.

The team produces two health and safety newsletters on a monthly basis; one for the whole council and the other specific to schools. The newsletters include information on important topics that require attention by teams and services. The newsletter also details case studies of incidents investigated by the H&S Team or the Health & Safety Executive (HSE). In addition health and safety matters have been included on Executive Leadership Team (ELT) briefings. This can assist teams in identifying and managing health and safety issues in their own areas.

To further develop communications that arise from the H&S committee a representative from the communications team will attend all future H&S committees.

11. Partnership Working / Service Level Agreements

11.1 Partnership Working

The team continue to work in partnership with a range of services and teams, both within the council and externally. This is an important area given the budgetary constraints across the public sector. In addition to the partnerships already referred to in this report:

Housing (fire, health & safety) Board

We are working with Housing colleagues and their maintenance partners Mears Group on the management of asbestos in the Housing portfolio. They too are in the process of adopting new asset management software. This work requires the centralisation of information currently held in different systems by different bodies. We are currently offering support and advice on the required asbestos management structure and would anticipate continuing this support through the Fire and Health and Safety Board for the foreseeable future.

Property and Design

The council owns a large property and land portfolio, this requires effective management controls to ensure the council's statutory duties are met. The H&S team work in close partnership with Property and Design to provide advice to duty holders as well as assurance to the corporate H&S committee that arrangements are suitably robust. As part of these assurance arrangements the annual Legionella assurance report was presented to the committee in December 2014. The report concluded that all sites are compliant with (the approved code of practice L8) 'The Control of Legionella in Water Systems'.

School Support Services

Team members with responsibility for supporting schools work closely with internal partners to ensure a joined-up and cohesive approach to specific health and safety issues. Partners include the Special Educational Needs (SEN) team; Behaviour & Attendance Partnership; Outdoor Education Advisor and the Standards & Achievement Team.

Sussex Community NHS Trust

The H&S team attends the Sussex community NHS trust quarterly H&S group meeting which includes reports on incidents, policy review, fire, occupational health and security. This gives assurance

regarding the BHCC staff transferred to the NHS and also helps to ensure best practise and sharing of knowledge across both organisations. A particular issue that has been dealt with is that of Slips, Trips & Falls which has become the highest category for incidents in both organisations. We have agreed to share policies and conduct joint reviews along with incident statistical data comparison. This has led to the development of a themed Slip/Trip/Fall audit.

The H&S team also have membership on the following:

Risk Management Steering Group: working together with leads from Emergencies and Resilience, Public Health, Insurance, Audit, Communities and Equalities and the Risk Manager. This group ensures co-ordination of risk management issues, resources and strategies.

Safety Advisory Group (SAG): involvement in this group includes deputy chairing responsibilities and working with partners such as emergency services, transport operators and other council teams to advice on the potential impacts and co-ordination of resources as the calendar of events in the city unfolds. Events that have required a significant resource have included Pride and the Speed Trials.

Major Incident Support Team (MIST): the H&S team continue to support and give advice on contingency plans and incident management during incidents that may affect the safety of residents, visitors and our staff. A sample of the incidents we were involved in includes:

- advising on the health and safety implications during Fire Service industrial action
- supporting the planning and provision of assistance on the day for the Sussex wide major incident exercise – Exercise Citizen
- Ebola response planning

11.2 Service Level Agreements

Service Level Agreements are in place to deliver enhanced health and safety support in:

- **Housing** - supporting with assurance arrangements on health and safety issues with a particular focus on asset risk management.
- **Schools** – providing specialist school specific advice (including radiation protection and physical education); undertaking fire risk assessments and asbestos management reviews; and offering training via the School Workforce Development Programme
- **Adults Services** – H&S monitoring of independent care homes on behalf of the Contracts Unit. Fire risk assessments for Adults Provider.

12. Conclusion

The council continues to go through a period of significant change, in particular with the need to redesign service delivery models in response to the current financial challenges.

A positive culture is intrinsically linked to effective safety performance and will be a continued area of focus for the Health and safety team.

A continuing positive health and safety culture is in evidence through;

- effective collaborative working as demonstrated throughout the last year by the H&S team
- a continued commitment to health and safety being demonstrated by the leadership of the council
- continued active engagement in health and safety with staff representative groups through consultation and the committee structure

The committee are asked to note the content of this report and the Health and Safety Plan for 2015/16 which is included at appendix 8.

Appendix 1 – Enforcement / Regulatory Services Activity

East Sussex Fire and Rescue	
Number of Enforcement Notices Served	0
Number of Prohibition Notices Served	0
Prosecutions	0
Health & Safety Executive	
Number of Improvement Notices Served	0
Number of Prohibition Notices Served	0
Prosecutions	0

Appendix 2 – Accident / Incident Summary Data

Description	Number (figure in brackets is last year's total)	Trend from previous year
Total Incidents	951 (813)	↑
Total Incidents to Staff	513 (515)	↓
Total Incidents to Non Staff	438 (298)	↑
RIDDOR	38 (48)	↓
Near Misses	589 (347)	↑
Total Days Lost	2259 (1039)	↑

Appendix 3 – Health & Safety Training Data

Health & Safety Training Data for the whole Year (April 2014 – March 2015)

A total of **114** training courses were delivered to **1009** staff during the year 2014-15. These include core training as per the Corporate Training Guide and bespoke training devised for particular teams to meet specific health and safety needs. In addition **760** staff completed eLearning modules. The number of staff who attended the various training courses is listed below.

Course name	Provider	Number of Events	% Attendance	Number Attended
Core H&S Programme				
DSE Risk Assessor	H&S Team	6	90%	46
Management of Contractors (Works)	H&S Team	3	93%	22
Management of Contractors (Services)	H&S Team	3	87%	17
Personal Safety for Lone Workers	H&S Team	7	84%	67
Personal Safety for Non Lone Workers	H&S Team	7	91%	58
BSC Level 2 Certificate in Risk Assessment	External	6	97%	72
BSC Level 2 Certificate in Fire Risk Assessment	External	6	93%	46
Risk Assessor Refresher	External	3	69%	20
COSHH Risk Assessors	External	3	78%	25
Emergency First Aid at Work	External	8	94%	75
First Aid at Work (3 days)	External	9	92%	86
First Aid at Work Recertification (2 days)	External	4	93%	35
First Aid Annual Refresher (half day)	External	4	90%	37
Low Risk Work at Height	External	1	100%	7
Safer Lifting of loads	External	11	75%	89
Managing Health & Safety	External	3	67%	21
Managing Health & Safety of Buildings	External	3	87%	19
IOSH Managing Safely	External	3	100%	24
Legionella Awareness	External	3	100%	16
Bespoke Team Training				
Evac Chair	H&S Team	7	100%	27
Fire Warden	H&S Team	2	100%	25
Risk Assessment	H&S Team	6	98%	77
Health & Safety Awareness	H&S Team	4	100%	73
Total number Core & Bespoke		114	90%	1009
H&S eLearning Modules				Number of courses completed
Asbestos Awareness	Internal	-		17
Asbestos Management Plan	Internal	-		9
Display Screen Equipment	Internal	-		437
Fire Safety Awareness	Internal	-		72
Stress Management	Internal	-		53
Health & Safety Awareness	Internal	-		172
Total number H&S eLearning modules completed		-		760

Appendix 4 – Policies and Standards

Policy/Standard	New or Review?	Status
Asbestos Management Standard	Review	Draft
Bomb Warning or Suspect Package Procedure	Review	Ratified
Clients of Concern Protocol	Review	Draft
COSHH Standard	Review	Draft
Design, Technology & Science in Schools Equipment Checklists	Review	Ratified
DSE Standard	Review	Ratified
Fire Safety Standard	Review	Draft
First Aid Standard	Review	Draft
Gas Safety Standard	Review	Ratified
Legionella Standard	Review	Draft
Management of Contracted Works Standard	Review	Draft
People & Performance Management Framework	New	Draft (joint policy with Workforce Development)
Personal Safety Standard	Review	Draft
Premises Management Standard	New	Consultation
Section 75 Documents	Review	Ratified – however now being consulted on again as Section 75 is coming to an end
Schools Self-Monitoring Checklists	Review	Ratified
Stress Standard	Review	Draft

Appendix 5 – Health & Safety Audit

Overview:

Audits & Reviews
Team Safety Audits 2014-2015 - 37
Team Safety Audits Full Audit - 18
Team Safety Limited Assurance Reviews - 18
Work-style (hot desk) audit - 1

Team Safety Audits:

Assurance Levels	No	Limited	Reasonable	Substantial	Full
Adult Services	-	1	-	-	-
Assistant Chief Executive	-	-	3	-	-
Children's Services	-	-	1	-	-
City Infrastructure – City Clean	-	2	1	-	-
City Infrastructure – City Parks	-	3	-	-	-
Finance & Resources	-	-	2	-	-
Environment, Development & Housing	-	1	2	-	-
Legal & Democratic Services	-	-	1	-	-
Schools	-	-	1	-	-
Total	0	7	11	0	0

Appendix 6 – Asbestos & Fire

Fire

Work	No.
Total Fire Risk Assessments (stage 1 & reviews)	21
Review of FRA Management Action Plans	100
Coaching newly trained Fire Risk Assessors	Ongoing
Partnership meetings with the East Sussex Fire and Rescue Service	13
Strategic Fire Safety Reporting <ul style="list-style-type: none"> • Head of Adults • Housing Committee • Housing Fire / Health and Safety Board 	18
Fire Safety Audits (BHCC enforcement responsibility in Sports Grounds) <ul style="list-style-type: none"> • AMEX Stadium – in partnership with Building Control) 	3
Fire Safety Support & Deputy Chair <ul style="list-style-type: none"> • Safety Advisory Group • Major Incident Support Team 	8
Fire Incident Investigations	3
Fire visits (other than FRAs)	29
Fire training	14 sessions
Fire design meetings	36

Asbestos

Asbestos site monitoring 2014 – 15
Inspections and Risk Assessment Reviews undertaken 66 sites inspected & 1477 risks reviewed
Training developments P405 Management of Asbestos in Buildings qualification delivered to 12 staff across the council
Strategic Partnerships Continued membership of the Department for Education Asbestos in schools national steering group
Risk Management Partnerships Contract monitoring of asbestos management and remedial works in collaboration with Property and Design & Housing

Appendix 7 – Contractor Management

Work	No.
Independent Care Home Audits / Inspections	18
Contractor Inspections	13

Works	Services
<ul style="list-style-type: none"> • Portslade Town Hall • Bartholomew House • Hove Town Hall • St. Andrew's Primary School • Saltdean Primary School • The Grange • New England House • Madeira Terrace • Montague House • Churchill House • Horsdean Travellers Site • Hangleton Bottom • Brighton Centre 	<ul style="list-style-type: none"> • Autism Sussex • Brighton Vision • Brittany Lodge • Care Co-Ops • Dane House • Dean Wood • Hazelgrove • Marina (Francis Taylor Foundation) • Outlook House • Partridge House • Pilgrim House • Sanctuary (Supported Living) • Scope • St Marys Care Home • Valance Care Home • Waymarks (Supported Living) • Westwood Care Home • Wilbury Care Home

Appendix 8 – Health & Safety Plan 2015 - 2016

H&S Service Plan 2015 / 2016	Aim / Priority	Desired Outcomes	Action Required	Timescale
POLICY	Maintain a programme of Health & Safety policy review and ratification through the corporate health & safety committee.	Legislative compliance and employee engagement through the consultation process	<p>Review the Health and Safety policy and communicate the revised policy across the organisation</p> <p>Meet with the Chief Executive, the Leader of the Council and Elected Member Lead for Health and Safety to involve them in the review</p> <p>Maintain a programme of Health & Safety policy and standards review, including the schools' model policy statement.</p> <p>Monitor changes in Health & Safety Legislation and update the legal register as necessary.</p> <p>Undertake equality impact assessments for health & safety policies in accordance with the EIA timetable:</p> <ul style="list-style-type: none"> • Fire Safety • Display Screen Equipment • New & Expectant Mothers <p>Maintain consultation arrangements with employee representatives groups i.e. trade unions, staff forums</p>	<p>June 15</p> <p>Ongoing with quarterly review</p> <p>December 2015</p> <p>Ongoing</p>
ORGANISATION	Ensure H&S structure, policy and arrangements are aligned to meet the changing needs of the organisation.	Deliver a responsive Health & Safety service	<p>Monitor organisational change and realign health and safety team responsibilities to provide dedicated points of contact</p> <p>Conduct a post implementation assessment of the health and safety restructure effective from 1st April 15 to ensure the operating model remains fit for purpose</p> <p>Maintain access to competent health and safety advice through a duty officer service.</p>	<p>Ongoing</p> <p>July 2015</p> <p>Ongoing</p>

H&S Service Plan 2015 / 2016	Aim / Priority	Desired Outcomes	Action Required	Timescale
			<p>Link into the HROD customer satisfaction activity to obtain and respond to customer feedback on health and safety service provision.</p> <p>Head of H&S to continue to have regular 121's with the Chief Executive, Directors and Head of Property and Design to ensure that roles, responsibilities and arrangements remain effective.</p> <p>Ensure all members of the H&S team maintain professional skills to enable flexible deployment and greater resilience.</p> <p>Plan and deliver a team development session within the team Performance and Development day</p> <p>Take part in the Support Services review and collate health and safety service provision information</p> <p>Manage the Health & Safety team move to Bartholomews House and transition to 'Workstyles / Flexible working.</p> <p>Undertake Business Process Reviews of team activities to respond to customer expectations, flexible working and team restructures.</p>	<p>September 15</p> <p>Ongoing</p> <p>Reviewed in 121's</p> <p>Sept 15 & March 16</p> <p>From May 15 onwards</p> <p>January 16</p> <p>Sept – December 15</p>
MANAGEMENT ARRANGEMENTS	Gain assurance that effective safety management arrangements are in place to manage organisational health & safety risks.	<p>To ensure that safety management systems are implemented throughout the Council and provide assurance that all parts of the organisation are meeting their legal obligations in accordance with corporate policies and standards</p> <p>Provide the council with a means of demonstrating a strategic process for health and safety management</p>	<p>Ensure all services are effectively managing health and safety and have evidence to demonstrate that arrangements are appropriate to service risk by:</p> <ol style="list-style-type: none"> 1. Undertaking audits in accordance with audit programme 2. Providing management information on audit findings to service managers 3. Delivering audit performance information to Corporate Health and Safety 	According to programme

H&S Service Plan 2015 / 2016	Aim / Priority	Desired Outcomes	Action Required	Timescale
		<p>Provide managers a framework for identifying, measuring and recording health and safety performance</p> <p>Ensure that the organisation complies with the Regulatory Reform (Fire Safety) Order 2005 by providing competent advice and Fire Risk Assessments where appropriate.</p> <p>The FRAs in lower risk services and buildings will be carried out by suitably qualified staff that have received appropriate training.</p> <p>Provide assurance that the council is complying with the Control of Asbestos Regulations 2012</p>	<p>committee</p> <p>4. Escalating matters which expose the council to unacceptable risk</p> <p>Review all accidents and incidents to:</p> <ol style="list-style-type: none"> 1. Ensure an appropriate management investigation has been carried out 2. Identify and report to the HSE in accordance with RIDDOR 3. Assess level of health and safety follow-up investigation required and investigate accordingly. 4. Provide feedback to the corporate H&S committee, DMTs and DCGs. 5. Identify aspects requiring additional H&S improvement. <p>Ensure contract management and monitoring arrangements are in place to:</p> <ol style="list-style-type: none"> 1. Identify key corporate contracts prioritised by risk 2. Obtain assurance of contract monitoring procedures 3. Prepare a schedule of contract monitoring inspections to be undertaken by Health & Safety team. <p>Support the Council's Emergency Planning and Resilience team in its preparedness by:</p> <ol style="list-style-type: none"> 1. Attend and deputy chair Safety Advisory Group Meetings 2. Attend and support Major Incident Support Team 3. Attend Risk Management Steering Group <p>Deliver ongoing contractual commitments to Health & Safety Service Level Agreements for:</p> <ul style="list-style-type: none"> ▪ Schools 	<p>Ongoing</p> <p>May 2015</p> <p>June 2015</p> <p>June 2015</p> <p>Ongoing</p>

H&S Service Plan 2015 / 2016	Aim / Priority	Desired Outcomes	Action Required	Timescale
			<ul style="list-style-type: none"> ▪ Adults Services ▪ Housing <p>Carry out Fire Risk Assessments (FRA) in high risk services and buildings. These will include Hostels, Residential Care facilities and Schools.</p> <p>Competent advice and monitoring will be given to building managers to ensure management action plans are addressed and updated.</p> <p>Advice and quality sampling of Fire Safety processes in Housing is provided by the H&S Team under a Service Level Agreement.</p> <p>Monitor that the Asbestos Containing Materials (ACMs) in all council buildings are being managed in accordance with the Asbestos Management Plans</p> <p>Provide competent advice and undertake quality sampling to ensure asbestos management plans are actioned and updated as necessary</p> <p>Undertake a review of corporate asbestos awareness training with particular consideration for schools</p> <p>Review the corporate Asbestos Management Standard and related documents.</p> <p>Provide technical/ specialist asbestos advice to Property & Design including during design work</p> <p>Support Housing colleagues through the Housing Fire Health & Safety Board in their adoption of new asset management software and provide advice on the required asbestos management structure in Housing.</p>	<p>Ongoing</p> <p>Ongoing</p> <p>November 2015</p> <p>September 2015</p> <p>Ongoing</p>

H&S Service Plan 2015 / 2016	Aim / Priority	Desired Outcomes	Action Required	Timescale
			Provide advice to the Education Property & Design Team in relation to resource allocation for asbestos management/ remedial work in school premises.	Ongoing
INFORMATION SYSTEMS	Review health and safety information systems to ensure relevant and effective integration with other sources.	<p>To ensure legal compliance (RIDDOR)</p> <p>To implement clear reporting mechanisms</p> <p>To ensure a joined up 'systems' approach which is intuitive for the user</p>	<p>Work with ICT to change the on-line (Achieve) incident report form to include school specific questions and to improve the form user experience for all staff.</p> <p>Monitor the use and reliability of the Clients of Concern register and work with users/gatekeepers/ICT to address issues.</p> <p>Continue to help develop an annual review process for the Clients of Concern register so that details are current.</p> <p>Work with ICT to continually improve the information and statistics available through the Business Objects reporting system.</p> <p>Provide details on H&S related staff absence dates to HROD to help them manage the absence and ensure that PIER details are correct.</p> <p>The WAVE and Wave4Schools – maintain the H&S element of the WAVE ensuring regular review of content and accessibility of information</p> <p>Asset Management System – work in partnership with property & design to implement Atrium (the new asset management system)</p> <p>Continue to distribute monthly newsletters – promoting use of information systems and training programme</p> <p>Monitor and review the content of the Health and Safety pages within the services to schools</p>	<p>Oct 2015</p> <p>Ongoing</p> <p>Oct 2015</p> <p>Ongoing</p> <p>Quarterly</p> <p>Ongoing</p> <p>Ongoing</p> <p>Ongoing and Programmed six monthly reviews</p>

H&S Service Plan 2015 / 2016	Aim / Priority	Desired Outcomes	Action Required	Timescale
			BEEM system.	
AUDIT	Provide an audit programme that is responsive to the changing needs of the Council that provides assurance on the effectiveness of health and safety management arrangements	<p>Provide assurance to the council on health & safety legal compliance</p> <p>Meet statutory requirement for monitoring</p>	<p>Continue to deliver the 2014-16 audit programme which is proportionate to the hazard and risk profile of the organisation.</p> <p>Continue to monitor council restructures to identify teams that have not had a Team Safety audit and complete all Limited Assurance audit reviews.</p> <p>In order to reduce the inspection burden teams will complete a self-audit process. The checklist developed for managers will be rolled out to all those with a Team Safety plan. The H&S team will review the documents and visit 10% of teams to confirm evidence that supports the managers' findings. This will necessitate 19 audits being completed.</p> <p>Key hazards have been identified to be assessed as part of themed audits. These include DSE, Personal Safety, Slips/Trips/Falls, Work Experience and Swimming Pool management and will result in 76 different audits in 2015-16.</p> <p>The team aim to complete a minimum of 14 inspections/audits of contracted services/works as part of the council's contractor monitoring process and specific team SLAs.</p>	<p>Apr 16</p> <p>Apr 16</p> <p>Apr 16</p>
TRAINING	Ensure that all people involved in delivery of the council services have the appropriate levels of competence to address their health and safety responsibilities.	All workers and others involved in the delivery of Council services are competent to undertake their health and safety responsibilities.	<p>In partnership with the Risk Management Steering Group develop and deliver understanding risks and opportunities training for new and returning elected members</p> <p>Review the equality impact assessment on the Health & Safety training programme to ensure training is accessible.</p>	<p>24 June 15 & 2 July 15</p> <p>December 15</p>

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H&S Service Plan 2015 / 2016	Aim / Priority	Desired Outcomes	Action Required	Timescale
			<p>Evaluate the effectiveness of the Health and Safety training programme through assessing feedback and identifying how well skills have been applied in the workplace.</p> <p>Monitor and report on training attendance to identify reasons for non-attendance and ensure a cost effective training service is provided.</p> <p>Prepare for transfer of training courses from existing training databases to LMS</p> <p>Undertake through sampling quality assurance assessments of internal and external training providers</p>	<p>Ongoing / Quarterly</p> <p>Ongoing</p> <p>Sep 2015</p> <p>monthly</p>
<p>CHANGE MANAGEMENT</p> <p>203</p>	<p>Provide H&S resource to support change management activity.</p>	<p>Ensure health & safety issues are considered through all stages of change management processes</p>	<p>Continued involvement in the Workstyles project Programme including:</p> <ol style="list-style-type: none"> 1. Attendance at workstyles board and project group meetings 2. Providing ongoing advice during development and implementation stages 3. Conducting monitoring visits at all stages of the process 4. Providing resource to support 'critical operational stages' including floor walkers on opening <p>Head of Service to attend all Programme Board Meetings</p> <p>Contractor lead (Dermot Barry) to provide Property and Design and Contractor liaising</p> <p>Compliance lead (Mark Flynn) to co-ordinate H&S Service change</p> <p>Provide technical / specialist support to assist in change management activity</p> <ol style="list-style-type: none"> 1. Fire design advice 	<p>Phase 3 Ongoing</p> <p>Quarterly</p> <p>Weekly</p> <p>By January 2016</p> <p>Ongoing</p>

H&S Service Plan 2015 / 2016	Aim / Priority	Desired Outcomes	Action Required	Timescale
			2. Asbestos management plan reviews 3. Contract services and works monitoring 4. Support tender evaluation processes with significant health & safety implications	
JOINT WORKING & INITIATIVES	Maintain an awareness of Local / National Campaigns to identify best practice and plan targeted initiatives	<p>To identify best practice and support the Council priorities and city initiatives</p> <p>Identify opportunities for collaboration and efficiencies through joint working and the ability to influence policy decisions and approach</p>	<p>Work with Occupational health to identify top causes of injuries and ill health and develop campaigns to target underlying causes aimed at achieving a reduction</p> <p>Continue working with partners to maximise opportunities for joint working on risk management solutions</p> <p>External:</p> <ul style="list-style-type: none"> • East Sussex Fire & Rescue Service • Sussex Police • Health Partners • Department for Education (Asbestos Steering Group) <p>Internal</p> <ul style="list-style-type: none"> • Internal audit team • Major Incident Support Team (MIST) • Safety Advisory Group (SAG) • Risk Management Steering group (RMSG) • Building Control • Occupational Health Provider (Team Prevent) • Property and Design <p>Work with the Communities and Equalities team and take part in newly established workstreams to develop arrangements for Collaborating with our Citizens</p> <p>Attend Sussex Local Authority Safety Officers Group (SLASOG) and South East Employers (SEE)</p>	<p>Ongoing</p> <p>Ongoing</p> <p>Ongoing</p>

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Appendix 9 – Health & Safety Risk Register 2015-16

Risk No.	Reference link (i.e. Serv Objective No. or Strategic Objective No.)	Risk Description	Potential Consequence(s)	Initial Likelihood Risk Score	Initial Impact Risk Score	Mitigating Controls & Actions	Controlled Likelihood Risk Score	Controlled Impact Risk Score	Controlled Risk Score	Further "Solutions", i.e. actions/ controls (these represent "work that needs to be done" to be included as Key Actions in Business Plan)	Target Date	Lead Officer
1	HSW 1	Management of Contractors Inadequate management controls may result in unsafe practices and expose the council	Injury to staff, visitors, contractors, members of the public, service users, enforcement action, reputational damage	3	4	Standard and guidance ratified and in place Management of contractors training available Team safety dedicated objective Partnership working with internal council service services and the councils strategic partners e.g. (Westridge / Mears)	2	4	8	1.Targeted audits by H&S team in ASC, Westridge and Mears 3.Head of H&S to chair Housing Fire / H&S Board until permanent Head of Housing is re-established 4.Dedicated resource allocated to support Hove Town Hall redevelopment	Ongoing	Janice Percy
2	HSW 2	Health & Safety Management systems Ineffective use of the councils systems including (Team Safety, Clients of Concern Register, Accident Reporting System, Asset Management Systems) through lack of competence and/or technical or reliability problems	Lack of effective control which may lead to injury, ill health, enforcement action, reputational damage	3	4	Health & Safety team monitor use of systems Training available for managers / duty holders Reporting mechanisms through Corporate Health & Safety committee Appointed leads within H&S for systems and lead in Property & Design & Housing for asset management system Suite of supporting documentation and guidance	2	4	8	Continues development of systems to exploit embrace new technologies and improve reporting functions	March 16	Janice Percy / Angela Dymott / Mark Watson

Risk No.	Reference link (i.e. SERV Objective No. or Strateg	Risk Description	Potential Consequence(s)	Initial Likelihood Risk Score	Initial Impact Risk Score	Mitigating Controls & Actions	Controlled Likelihood Risk Score	Controlled Impact Risk Score	Controlled Risk Score	Further "Solutions", i.e. actions/ controls (these represent "work that needs to be done" to be included as Key Actions in Business Plan)	Target Date	Lead Officer
3	HSW 3	<p>Management of Change</p> <p>Lack of clarity in roles and responsibilities</p> <p>Changes in service delivery methods may lead to skills, knowledge, competence gaps for new duty holders in relation to health & safety responsibilities</p>	Injury, ill health, reputational damage, enforcement action	4	4	<p>Team Safety provides clear objectives and actions</p> <p>H&S Policy reviewed and framework in place with standards and guidance</p> <p>H&S dedicated site on the WAVE providing information and support</p> <p>Training programme available providing a range of training course courses, tutor lead and e-learning</p> <p>H&S Duty Officer scheme providing access to competent health & safety advice</p> <p>H&S Business Partner or Senior Advisor allocated as dedicated points of contact for service areas</p> <p>H&S attend all induction courses to signpost to support / resources available</p> <p>Monthly newsletters are circulated providing updates and signposting to resources</p> <p>Health & Safety Committee structure in place meetings are held quarterly</p>	2	4	8	<p>Ensure PIER / Team Safety structure reflects organisational structure</p> <p>Ensure ongoing professional development of H&S Team</p> <p>Monitor and review H&S team business continuity arrangements</p> <p>Ensure robustness of health and safety service scoping when considering alternative delivery models</p>	Ongoing	Janice Percy

Subject:	Ernst & Young - Audit Progress Report and Sector Update		
Date of Meeting:	23 June 2015		
Report of:	Ernst & Young		
Contact Officer:	Name:	Paul King	Tel: 0118 928 1556
	Email:	Pking1@uk.ey.com	
Ward(s) affected:	All		

1. SUMMARY AND POLICY CONTEXT:

1.1 We ask the Committee to consider our audit progress report.

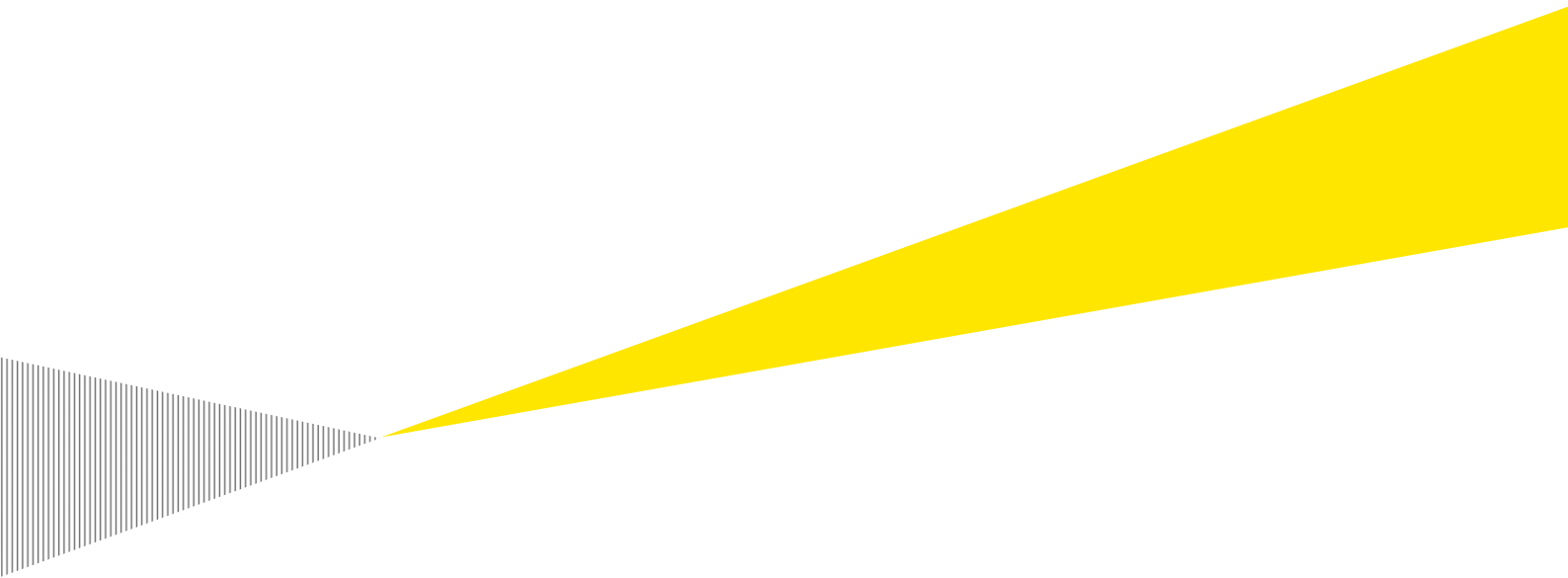
2. RECOMMENDATIONS:

2.1 To consider the 2014/15 audit progress report, ask questions as necessary and note the progress made.

Brighton & Hove City Council

Audit & Standards Committee Progress Report

23 June 2015



Building a better
working world

Audit & Standards Committee
Brighton & Hove City Council
Kings House
Grand Avenue
Hove
BN3 2LS

June 2015

Audit Progress Report

We are pleased to attach our Audit Progress Report.

It sets out the work we have completed since our last report to the Committee. Its purpose is to provide the Committee with an overview of the 2014/15 audit, and an indication of progress against our plans. This Progress Report is a key mechanism in ensuring that our audit is aligned with the Committee's service expectations.

Our audit is undertaken in accordance with the requirements of the Audit Commission Act 1998, the Code of Audit Practice, the Audit Commission Standing Guidance, auditing standards and other professional requirements.

We welcome the opportunity to discuss this report with you as well as understand whether there are other matters which you consider may influence our audit.

Yours faithfully



Paul King
Director
For and behalf of Ernst & Young LLP

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2014/15 audit	2
Timetable 2014/15	3

In March 2010 the Audit Commission issued a revised version of the 'Statement of responsibilities of auditors and audited bodies' (Statement of responsibilities). It is available from the Chief Executive of each audited body and via the [Audit Commission's website](#).

The Statement of responsibilities serves as the formal terms of engagement between the Audit Commission's appointed auditors and audited bodies. It summarises where the different responsibilities of auditors and audited bodies begin and end, and what is to be expected of the audited body in certain areas.

The Standing Guidance serves as our terms of appointment as auditors appointed by the Audit Commission. The Standing Guidance sets out additional requirements that auditors must comply with, over and above those set out in the Code of Audit Practice 2010 (the Code) and statute, and covers matters of practice and procedure which are of a recurring nature.

This report is prepared in the context of the Statement of Responsibilities. It is addressed to the Members of the audited body, and is prepared for their sole use. We, as appointed auditor, take no responsibility to any third party.

Our Complaints Procedure – If at any time you would like to discuss with us how our service to you could be improved, or if you are dissatisfied with the service you are receiving, you may take the issue up with your usual partner or director contact. If you prefer an alternative route, please contact Steve Varley, our Managing Partner, 1 More London Place, London SE1 2AF. We undertake to look into any complaint carefully and promptly and to do all we can to explain the position to you. Should you remain dissatisfied with any aspect of our service, you may of course take matters up with our professional institute. We can provide further information on how you may contact our professional institute.

2014/15 audit

Fee letter

Our 2014/15 fee letter was issued to the June 2014 meeting of the Audit & Standards Committee.

Financial Statements

We adopt a risk based approach to the audit and as part of our ongoing continuous planning we regularly meet with key officers and other stakeholders:

- We have met with the Council's Central Accounting team and Estates Manager to discuss a number of current accounting and asset valuation issues as part of our planned approach to the audit. We understand that good progress is being made by Central Accounting in revisiting its processes for closedown of the ledger and production of the financial statements. It plans to produce the financial statements more directly from the trial balance on the general ledger, with much less need for manual adjustments to be made as part of closedown processes. It also plans to continue its work to eliminate any unnecessary disclosures in the financial statements. If it is able to do this successfully it should increase the speed with which the financial statements can be produced and help both the Council and us to achieve earlier deadlines for production, approval and audit of the financial statements from 2017/18.
- We intend to place reliance on controls testing undertaken by Internal Audit in a number of areas. We have reviewed the majority the work it has undertaken to determine whether we are able to place reliance on it. This review will be fully completed during June..
- As in 2013/14 our IT audit specialists are undertaking detailed testing of general IT controls within the Council's Northgate revenue and benefits system. This work is now complete. Detailed findings will be separately reported to the Council.

Our work to identify the Council's material income and expenditure systems and to walk through these systems and controls is complete. The detailed testing of the controls and critical path of each material system is complete subject to the final review and re-performance of the work of Internal Audit referred to above..

We will continue to use our computer-based analytics tools to enable us to capture whole populations of your financial data, in particular journal entries and payroll.

The significant risk we have identified to the audit of the financial statements, and associated work we will carry out, are set out in our detailed audit plan which was presented to the March meeting of the Audit & Standards Committee

Value for money

The Audit Commission has now issued its guidance on the 2014/15 value for money conclusion. The full guidance can be found at <http://www.audit-commission.gov.uk/wp-content/uploads/2014/10/08102014-VFM-guidance-2014-15.pdf>

There are no planned changes to the approach in 2014/15. We have carried out our initial risk assessment. The significant risk we have identified to the value for money conclusion, and associated work we will carry out, is set out in our detailed audit plan.

Timetable 2014/15

We set out below a timetable showing the key stages of the audit, including the value for money work, and the deliverables we will provide to you through the 2014/15 Audit & Standards Committee cycle. We will provide formal reports to the Committee throughout our audit process as outlined below.

Audit phase	EY Timetable	Deliverable	Associated Audit & Standards Committee	Status
High level planning	Ongoing	Audit Fee Letter	June 2014	Completed. Reported to the June 2014 meeting of the Audit & Standards Committee
Risk assessment and setting of scope of audit	Feb – April 2015	Audit Plan	March 2015	Completed. Reported to the March 2015 meeting of the Audit & Standards Committee
Testing of routine processes and controls	Feb – April 2015	Audit Plan and audit results report	June 2015	Substantially complete subject to final review and re-performance of the work of Internal Audit.
Year-end audit	June - August 2015	<p>Audit results report to those charged with governance</p> <p>Audit report (including our opinion on the financial statements and a conclusion as to whether the Council has put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources)</p> <p>Whole of Government Accounts Submission to NAO based on their group audit instructions</p> <p>Audit Completion certificate</p>	September 2015	.

Audit phase	EY Timetable	Deliverable	Associated Audit & Standards Committee	Status
Annual Reporting	October 2015	Annual Audit Letter	November 2015	
Grant Claims	September – November 2015	Annual certification report	January 2016	

EY | Assurance | Tax | Transactions | Advisory

Ernst & Young LLP

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Ernst & Young LLP, 1 More London Place, London, SE1 2AF.

ey.com

Subject:	Ernst & Young 2015/16 Audit Fee Letter		
Date of Meeting:	23 June 2015		
Report of:	Ernst & Young		
Contact Officer:	Name:	Paul King	Tel: 0118 928 1556
	Email:	Pking1@uk.ey.com	
Ward(s) affected:	All		

1. SUMMARY AND POLICY CONTEXT:

- 1.1 The fee reflects the risk-based approach to audit planning set out in the National Audit Office's Code of Audit Practice for the audit of local public bodies, applying from 2015/16 audits.
- 1.2 The audit fee covers the:
 - Audit of the financial statements
 - Value for money conclusion
 - Whole of Government accounts.
- 1.3 For the 2015/16 financial year the Audit Commission has set the scale fee for each audited body prior to its closure. The scale fee is based on the fee initially set in the Audit Commission's 2012 procurement exercise, reduced by 25% following the further tendering of contracts in March 2014. It is not liable to increase during the remainder of our contract without a change in the scope of our audit responsibilities.

2. RECOMMENDATIONS:

- 2.1 To note the 2015/16 audit fee letter.

Penny Thompson
Chief Executive
Brighton & Hove City Council
King's House
Grand Avenue
Hove
BN3 2LS

13 April 2015

Ref: PK/1516/BHCC/feeletter

Direct line: 0118 925 1556

Email: PKing1@uk.ey.com

Dear Penny

Annual Audit and Certification Fees 2015/16

We are writing to confirm the audit and certification work that we propose to undertake for the 2015/16 financial year at Brighton & Hove City Council.

Our 2015/16 audit is the first that we will undertake following the closure of the Audit Commission on 31 March 2015. Our framework contract will now be overseen by Public Sector Audit Appointments Ltd (PSAA), an independent company set up by the Local Government Association, until the contract ends in 2017 (or 2020 if extended by the Department of Communities and Local Government).

The responsibility for publishing the statutory Code of Audit Practice, under which we will conduct our audit work, has transferred to the National Audit Office.

Indicative audit fee

The fee reflects the risk-based approach to audit planning set out in the National Audit Office's Code of Audit Practice for the audit of local public bodies, applying from 2015/16 audits.

The audit fee covers the:

- Audit of the financial statements
- Value for money conclusion
- Whole of Government accounts.

For the 2015/16 financial year the Audit Commission has set the scale fee for each audited body prior to its closure. The scale fee is based on the fee initially set in the Audit Commission's 2012 procurement exercise, reduced by 25% following the further tendering of contracts in March 2014. It is not liable to increase during the remainder of our contract without a change in the scope of our audit responsibilities.

The 2015/16 scale fee is based on certain assumptions, including:

- The overall level of risk in relation to the audit of the financial statements is not significantly different from that of the prior year;

- We are able to place reliance on the work of internal audit to the maximum extent possible under auditing standards;
- The financial statements will be available to us in line with the agreed timetable;
- Working papers and records provided to us in support of the financial statements are of a good quality and are provided in line with our agreed timetable; and
- Prompt responses are provided to our draft reports.

Meeting these assumptions will help ensure the delivery of our audit at the indicative audit fee which is set out in the table below.

For Brighton & Hove City Council this fee is set at the scale fee level as the overall level of audit risk is not significantly different from that of the prior year.

Certification fee

The Audit Commission has set an indicative certification fee for housing benefit subsidy claim certification work for each audited benefits authority. The indicative fee is based on actual 2013/14 benefit certification fees and incorporating a 25 per cent reduction.

The indicative certification fee is based on the expectation that an audited body is able to provide the auditor with complete and materially accurate housing benefit subsidy claim with supporting working papers, within agreed timeframes.

The indicative certification fee for 2015/16 relates to work on the housing benefit subsidy claim for the year ended 31 March 2016. We have set the certification fee at the indicative fee level. We will update our risk assessment after we complete 2014/15 benefit certification work, and to reflect any further changes in the certification arrangements.

Summary of Fees

	Indicative fee 2015/16 £	Planned fee 2014/15 £	Actual fee 2013/14 £
Total Code audit fee	158,550	211,400	217,830
Certification of claims and returns	15,957	18,531	24,732*
Non audit work – Advisory services for value for money through modernisation	N/A	N/A	73,900

* Includes a fee variation of £1,013 for additional fees for work undertaken on the pooling of housing capital receipts return and £2,117 for additional fees for follow-up work undertaken on the housing benefit subsidy claim subsequent to the certification of the claim. This latter fee variation has been agreed by the Council but remains subject to agreement by PSAA Limited.

Any additional work that we may agree to undertake (outside of the Code of Audit Practice) will be separately negotiated and agreed with you in advance.

Billing

The indicative audit fee will be billed in four quarterly instalments of £43,627.

Audit plan

Our plan is expected to be issued in March, 2016. This will communicate any significant financial statement risks identified, planned audit procedures to respond to those risks and any changes in fee. It will also set out the significant risks identified in relation to the value for money conclusion. Should we need to make any significant amendments to the audit fee during the course of the audit, we will discuss this in the first instance with the Executive Director of Finance & Resources and, if necessary, prepare a report outlining the reasons for the fee change for discussion with the Audit & Standards Committee.

Audit team

The key members of the audit team for the 2015/16 financial year are:

Paul King
Director

PKing1@uk.ey.com

Tel: 0118 925 1556

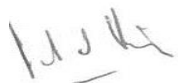
Simon Mathers
Senior Manager

SMathers@uk.ey.com

Tel: 07776 493851

We are committed to providing you with a high quality service. If at any time you would like to discuss with us how our service to you could be improved, or if you are dissatisfied with the service you are receiving, please contact me. If you prefer an alternative route, please contact Steve Varley, our Managing Partner, 1 More London Place, London, SE1 2AF. We undertake to look into any complaint carefully and promptly and to do all we can to explain the position to you. Should you remain dissatisfied with any aspect of our service, you may of course take matters up with our professional institute.

Yours faithfully



Paul King
Director

For and on behalf of Ernst & Young LLP

cc. Rachel Musson, Interim Director of Finance & Resources
Cllr Leslie Hamilton, Chair of the Audit & Standards Committee

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