Annual Governance Statement 2015/2016
Chelmsford City Council

> **This section explains how we manage our affairs and control our activities.**

1.   Our responsibilities

1.1   We have a duty under the Local Government Act 1999 to make arrangements to ensure we continuously improve the way we work in terms of economy, efficiency and effectiveness. This includes a responsibility to ensure that our business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for.

1.2   To fulfill this responsibility, we have to put in place proper arrangements for the governance of our affairs and carrying out our functions, which includes arrangements for managing risk.

1.3   We have approved and adopted a code of corporate governance, which is consistent with the principles of the CIPFA/SOLACE Framework *Delivering Good Governance in Local Government*. A copy of the code is on our website *here*. This statement explains how we complied with the code and also meets the requirements of regulation 6(1) & (2) of the Accounts and Audit Regulations 2015 in relation to the publication of an annual governance statement.

2.   Our governance framework

2.1   The governance framework is made up of:
* the systems, processes, culture and values by which the Council is directed and controlled, and
* the Council's activities, through which it accounts to, involves, works closely with and leads the community.

2.2   The framework enables us to monitor how far we achieve our strategic objectives and to consider whether those objectives have led us to provide appropriate, cost-effective services.

2.3   The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve our policies, aims and objectives, so it can only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to:
* identify and prioritise the risks to us of achieving our policies, aims and objectives
* evaluate the likelihood of those risks happening and the effects if they do occur, and
* manage those risks efficiently, effectively and economically.

2.4   The following diagrammes indicate how we have established our governance framework and how this is then monitored. The remaining sections of this statement describe the key elements of the systems and processes that make up our governance arrangements, which have been in place for the year ended 31 March 2016 and up to the date of the approval of this Statement and the Statement of Accounts.

Council's Governance Framework:

Suite of Documents dealing with the Council's approach
- Council Vision and Priorities
- Budget and Budgetary Control
- Risk Management
- Anti-fraud and Corruption Strategy
- Business Continuity
- Fire risk assessment
- Policies, procedures, Codes of Conduct
- Partnership Protocol
- Code of Corporate Governance and Annual Governance Statement

Corporate Officer Group
- Responsible for drafting Annual Governance Statement, maintaining assurance framework and supporting evidence.
- Reporting the Annual Governance Statement to the Governance and Audit Committees for approval in June each year.

Governance Committee

- Approve and monitor the Council's Code of Corporate Governance statement
- Review and approve for publication the Council's Annual Governance statement (Jointly with the Audit Committee)
- Oversee the Council's arrangements for dealing with complaints including complaints under the Code of Conduct for Councillors, to the Local Government Ombudsman and the Annual Whistleblowing report
- Review of the Constitution and governance rules and arrangements

Audit Committee

- Monitor the Council's revenue budget
- Monitor the Council's capital programme
- Monitor effectiveness of Council's risk management arrangements, the control environment and associated anti-fraud and anti-corruption arrangements,
- Review the assessment of fraud risks and potential harm to the Council from fraud and corruption,
- Approve Internal Audit's strategy, resources, risk based plan and significant interim changes to the plan, and performance,
- Monitor Internal Audit's work

Processes to Ensure Good Governance is monitored

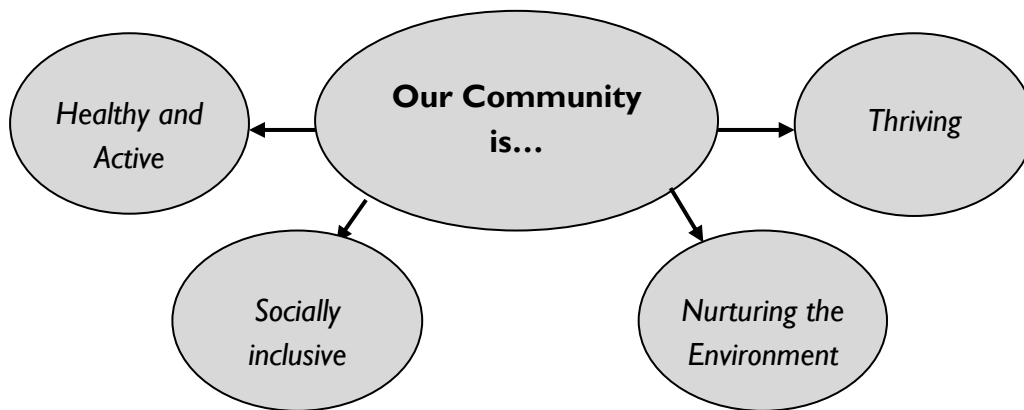| First Line of Defence	Second Line of Defence	Third Line of Defence	Fourth Line of Defence
Operational Delivery	Legal, regularity, information and security assurance etc;		
Assurance by Managers and Directors	Budgetary Monitoring	Internal Audit	External Audit
Performance Management and data quality	Strategic Risk Board		

3.   Council's Vision

3.1   Chelmsford City Council has a long-term vision for Chelmsford to enhance the economic, cultural, leisure and retail heart of Essex and to become a leading regional centre in the East of England. This vision was agreed by the Council and its partners and together we have made great strides towards achieving it. The Council's Corporate Priorities in its Corporate Plan were developed by Cabinet and Management Team through consultation with residents and key partners.

3.2   The Corporate Plan recognises the challenges and opportunities we face and sets out how we will achieve our ambitious vision for the city. It is themed on 'People' and 'Place' and sets out the following six key priorities for Chelmsford and its residents:

Attracting investment and delivering infrastructure	Promoting a more sustainable environment
Facilitating suitable housing for local needs	Promoting healthier and more active lives
Providing high quality public spaces	Enhancing participation in cultural activities

3.3   Under each of the Corporate Priorities are a number of key objectives and key actions – these have been set in order for us to achieve and track how we are progressing against each corporate priority. For example, to achieve the overall vision, there is
- A corporate priority to 'attract investment and deliver infrastructure'.
- Below these there is an objective to make the City Centre more attractive; and beneath this
- There are a number of actions to carry out specific work in the City Centre.

3.4   Overall responsibility for delivering our Corporate Plan vision, sits with Cabinet Members and Directors with the responsibility for delivering individual actions assigned to individual officers. Officers have the capability of monitoring progress on a continual basis using our performance system called Covalent. Covalent links together all of the information from our performance framework (Corporate Plan, Strategies, Team plans and Individual Performance). The information contained within the Corporate Plan evolves as actions, projects and performance indicators are completed and new ones are formed

3.5   Alongside the Corporate Plan sits the Community Plan (Chelmsford Tomorrow 2021). The Community Plan provides a framework for One Chelmsford by focusing on areas that require input from a range of partners. The plan looks at joining up services, filling any gaps created by organisations working in isolation and to achieve outcomes and better value for money.

The key priorities of the Community Plan:

```
                    ┌──────────────────┐
┌─────────────┐     │  Our Community   │     ┌─────────────┐
│ Healthy and │◄────┤      is...       ├────►│  Thriving   │
│   Active    │     │                  │     │             │
└─────────────┘     └────┬────────┬────┘     └─────────────┘
                         │        │
                    ┌────▼───┐  ┌─▼──────────┐
                    │Socially│  │Nurturing the│
                    │inclusive│  │Environment │
                    └────────┘  └────────────┘
```

3.6   To communicate the Corporate Plan and vision, we publish our Annual Report and Statement of Accounts, and an annual Medium Term Financial Strategy. We also extensively use our website and newspaper "City Life" to keep residents informed all year round.

4. How do we measure quality of service delivered?

4.1   We are focusing on delivering services against the priorities set out in our Corporate Plan. We prioritise where we should allocate resources depending on how appropriate they are for these themes. Risk management arrangements are reviewed to ensure areas of highest risk are mitigated appropriately. The Council has shown that its performance has improved consistently through target-setting and improvements to service delivery.

4.2   We have an overall framework for managing performance throughout the Council. Performance is reviewed and challenged in various ways Examples for this year are as follows and details of what was reported and when can be found in the links in Appendix A:

4.2.1 The latest performance information is accessed via our performance management system; Covalent. This system allows staff to access and update information relating to the progress of actions, projects and performance indicators. All performance reports are automatically generated from Covalent. During 2015/16 Covalent has been transitioned to a web based version for some uses and is being used for some project work which provided an improved platform for all users. All risk information for assurance purposes is reported from Covalent to the Strategic Risk Board.

4.2.2 Directors regularly meet their Cabinet Member to discuss progress against their service plans

4.2.3 Performance reports are reviewed monthly by Management Team and quarterly by the Overview and Scrutiny Committee.

4.2.4 Directors meet every month with the Chief Executive to discuss performance and progress against their action plans.

4.2.5 PPA (Personal Performance Appraisal) – The overall objective of the appraisal scheme is to help each employee to maximise their performance for the joint benefit of the employee and the Council. It also provides the line manager with a forum to communicate the aims and future direction of the council and service area and to manage the performance of the individuals within their service area.

4.3   The quality of our services is also assessed through satisfaction surveys and customer feedback. Significant examples for this year are set out below and included in Appendix A

4.3.1 Customer Service awards – (See Appendix A for examples)

4.3.2   Staff Survey – This measures employee engagement and organisation climate indicators and gives an opportunity for an employee to feedback on their experiences of working for the Council to highlight issues they feel should be addressed in the future. This feedback is acted upon and is a tool to support employee engagement which in turn has a direct effect on the community we serve as engaged staff are far more likely to engage positively.

4.3.3 Continuous improvement – the Council ensures this by the Senior Management Team identifying areas of the organisation which could be more effective or benefit from undergoing a review. Directors are responsible for the reviews undertaken within their service areas and report findings from the reviews back to the Senior

Management Team before change is implemented examples of which are included in Appendix A

4.3.4 Investors in People Gold (IiP) - This was awarded in 2014. It indicates the highest level of achievement in developing staff and continues therefore to create better resources to deliver services to the public.

4.4 In November 2013 the Council invited an LGA Peer Challenge team in to review the Council's performance and identify areas for improvement. The review looked at how the Council operated overall in terms of financial planning, leadership and decision making and also focused on the effectiveness of the Council's Park and Leisure Services and the Council's work on economic development and growth. The feedback was very positive, and externally validated the soundness of the Council's approach to service delivery and the related governance arrangements. These principles continue to be applied as core values by the Council as evidenced by the work and actions set out in this statement:

"In every other review, even in very good councils, we have found some service areas that were in need of improvement. At Chelmsford all areas were performing well."
"This is a council that stands out – including how it performs the way it looks after its people, how it works with others, its leadership on issues beyond Chelmsford and the magnitude of the growth agenda."
"Chelmsford is very much seen as the 'go to' council by others locally in terms of support and advice. When something needs doing amongst councils, Chelmsford is invariably at the forefront, demonstrating leadership and willingness to help. It is recognized nationally as a good council to draw learning from."

5.   Key Roles and Functions in our Governance arrangements

5.1   Our Constitution clearly sets out the roles and responsibilities of the Cabinet (executive), Committees approved by full Council and other bodies where Councillors have a decision making role. The Executive functions are the responsibility of the Leader of the Council who has adopted a scheme that all decisions will be taken by the Cabinet and no individual responsibilities have been granted to individual Councillors.

5.2   The Constitution also sets out officers' responsibilities for operational and financial matters. Financial Rules that form part of the Constitution define the financial responsibilities. There is a comprehensive scheme of delegating functions to officers, which sets out the scope of delegation and any restrictions.

5.3   The various Codes of Conduct for Councillors and officers and the Councillor/officer protocol ensure that roles and responsibilities are defined and understood. The protocol describes and regulates the way Councillors and officers should work together effectively.

5.4   Major parts of the Constitution were reviewed in 2015/16, namely:
   • Introduction (Part 1)
   • Articles (Part 2)
   • Responsibilities for Functions (Part 3)
   • Council Rules (Part 4.1)
   • Cabinet and Committee Rules (Part 4.2)
   • Petition Scheme (Part 4.3)
   • Executive Rules(Part 4.4)
   • Overview & Scrutiny Rules (Part 4.5)
   • Access to Information Rules (Part 4.6)
   • Planning Code of Good Practice (Part 5.2)
   • Minutes Protocol (Part 5.7)
   • Committee Structures (Part 7.1)
   • Officer Management Structure (Part 7.2)

5.5   An innovative approach was adopted to add on line links to other documents and in particular "Practice Notes" (PNs) which set out guidance and advice that were not a part of the Constitution explained how aspects of it should be interpreted or used. Some were drafted as part of the review and are available below:
   • Standards Hearings Procedure
   • Task and Finish Groups Protocol
   • Rules of Debate
   • Key Decisions
   • Material Considerations
   • Standards Investigations Process and Procedures

5.6   Approval of the changes were discussed with the Cabinet, Planning and Governance Committees before being agreed at Full Council. Details of the approval process is captured in Appendix A.

5.7   The roles and functions of the key officers and Committees responsible for Governance monitoring are set out in Part 3 of the Constitution. Details can be accessed **_here_**.

6. How do we ensure that our Councillors and Senior Officers receive appropriate support and training in relation to their strategic role and responsibilities and their development needs are met?

Councillors

6.1 We have adopted codes of conduct for Councillors and officers, covering areas of behaviour and use of resources. These are included in our Constitution which is reviewed and amended as required during the year following approval by full Council as a result of reports taken to the Cabinet or other Committees. We regularly communicate these codes to ensure they are firmly instilled. In 2015/16 examples of the briefings provided are contained in Appendix A.

6.2 We aim to ensure that Councillors and senior officers have the skills, knowledge and capacity they need to fulfil their responsibilities. We recognise the value of well trained, competent people in effective service delivery as employees play an important role in delivering change. Our People Strategy and associated Workforce Development Plan, which ensures we have those people, are linked to and integrated with our vision and priorities for the future, as set out in our Corporate Plan.

6.3 Two areas for training have been identified by the Governance Committee for 2016/17 and are included as targets in section 13 of this statement namely:
- Declarations of Interests
- Use of Social Media

Councillor Development
i) Newly elected Councillors received an induction as to their roles and responsibilities and how the Council operates following the elections in May 2015. The induction assists them in understanding the decision processes and procedures as well as the breadth of work undertaken at the City Council and how the Council is organised. This is identified in Appendix A.
ii) As part of the Council's agenda to keep members fully informed of ongoing planning developments in the City, annual City tours are organised for members. This forms part of the Council's induction programme after the May elections.
iii) Group leaders are consulted as part of the training needs analysis exercise.
iv) Political groups have a primary role in encouraging the talent of new Members, in particular encouraging representatives from all sections of the community to stand for election as Councillors.
v) Details of development events and activities are circulated to Councillors during the year, supplemented by online resources and e-learning modules. These include in house courses such as Ward Leadership, Working with the Media, Community Champions and Chairing skills as well as Local Government Association programmes as required.
vi) Councillors are offered one-to-one support and a 'quick-fix' helpline for ICT, alongside appropriate committee training to enable them to fulfill their civic duties.
vii) Councillors who serve on Committees receive training that is specifically geared to their role on those Committees.   - Members who are part of the Overview and Scrutiny Committee also have the opportunity to be part of a 'task and finish' group, where they get a more detailed insight into key topics and the workings of the Council.   - Members of the Audit Committee have chosen specific subjects e.g. internal audit in which they specialised by being allocated to an officer who provided the appropriate training.

viii)	New development sessions are also being explored and appropriately tailored to meet the needs of the first time elected Councillor
ix)	Councillors receive regular updates on legislative and policy changes through "inform and debate" sessions of the Committee.
x)	Ongoing training records for Councillors are maintained and reported as appropriate
xii)	The Council's Governance Committee is responsible for the duty in the Localism Act 2011 to promote and maintain high standards of conduct by members as well as managing the local standards regime overseeing the Council's arrangements for dealing with complaints and advising the Council on any requirements to help improve these areas. In 2015/16 no recommendations were required in relation to Councillor development.

Officers

6.4   Our Workforce Development Action Plan and Learning and Organisational Development Strategy both ensure that employees have opportunities to develop their skills and knowledge to keep up-to-date with the changing requirements of the Council and their role.

6.5   People Strategy and Workplace plan – This sets out the Council's plans on how it should creatively use its employees to meet its vision for the future of the city of Chelmsford, linking with the Council's Corporate Plan. It is recognized that all of the Council's services are provided directly and indirectly through its employees in order to meet the strategic vision for the future. The Council must be able to recruit the right people with the right attitude, skills and expected behaviours in the right jobs, at the right time and at the right cost to enable delivery of excellent services in our community.

6.6   The Council has in place a set of values known as the Chelmsford Behaviours. These complement the Codes of Conduct and create a strong ethical framework for staff. These behaviours are reinforced for all managers attending the Managers of Chelmsford Tomorrow programme. Our appraisal framework is underpinned by our behavioral framework which sets out the standards of behaviour that is expected of all staff under the headings of communication, attitude, performance, fairness and adaptability.

6.7   The Council acknowledges the importance of its responsibilities under equality and diversity legislation and has actively sought to ensure that those in our employment are familiar with and fully trained on relevant legislation underpinning this area. Chelmsford City Council ensures that the equality and diversity agenda is mainstreamed in all our undertakings. Steps undertaken to ensure that staff are trained include both mandatory and targeted training.

6.8   Managers are also encouraged to attend our regular employment law update sessions that tend to cover employment law test cases, the majority of which are equality based. Key employees were given an overview of the Equality Act 2010. The Council's website *page* sets out our responsibilities and priorities under equality and diversity and the Council's intranet *page* provides appropriate resources to support employees in managing this agenda.

Officer Development
i)   We have an induction process that is continually reviewed to ensure it remains fit for purpose. A recent review has been concluded which provides managers with specific guidance to ensure employees receive a consistent and comprehensive local induction to the service and their role. The outcome of this change provides a more holistic approach to the induction process, moving away from the 'checklist' approach.

ii) A new onboarding intranet page has been introduced to enable new appointees to gain greater understanding and the context in which they will be contributing prior to taking up their new position with the Council.

iii) New employees are assigned a buddy from their service area.

iv) We are continuing to send our officers on the 'Managers of Chelmsford Tomorrow' (MCT) development programme which is devised to support employees in developing their management and leadership skills.

- The Council recognises that it is important that employees are equipped with the skills to effectively deal with change. MCT programme includes a specific module on change management. The module provides employees with skills and techniques for use when implementing change.

- To date about 180 staff have gone through the course. The programme is now open to all officers, enabling non–managerial staff with management potential to participate

- The Council's top management team have also gone through an adaptation of the 'Managers of Chelmsford Tomorrow' development programme.

- We have introduced an Advanced MCT programme which builds on the foundation course and offers a much deeper understanding of the techniques covered at the foundation stage alongside new learning. Participants are awarded the NLP Business Practitioner Certificate on completion. We now have a set of qualified NLP Business Practitioners who act as internal coaches across the authority.

- The learning and development (training) budget is held by Human Resources Department and each director is asked to provide details with estimated costs of their essential training needs including Health and Safety mandatory training and training identified through the service plan and the PPA process. These proposals are then presented to Management Team for approval

7.   How do we manage the Council's risks and develop effective management of counter-fraud and anti-corruption arrangements?

Monitoring for fraud, corruption and maladministration

7.1   We have the following policies that aim to prevent or deal with such occurrences. Examples are set out in Appendix A as to how and when such issues are considered by Councillors and officers:
- Anti-fraud and Corruption Strategy
- Whistle-blowing Policy
- Human Resources policies regarding disciplinary measures for staff involved   in such incidents, and
- Fraud Response plan for managers.

New Starter Induction

7.2   Before commencing employment a successful applicant is required to read and sign key documents including the following:
- Code of Conduct for Employees
- Corporate Information Security Policy
- Safeguarding Induction Booklet
- Financial Rules
- Whistle-blowing Policy
- Anti-Fraud and Corruption Policy

7.3   Purpose behind the disciplinary standards -The Council accepts that most of its employees can be relied on to conduct themselves in an exemplary manner, irrespective of formal rules. However, in a large organisation such as the Council it is necessary for there to be a formal document in force which identifies conduct which is unacceptable to the Council as an employer; indicates the likely consequences of such conduct and provides a framework for managers and employees that helps ensure that the required high standards of job performance and conduct are met and maintained.

7.4   The Council's ability to provide quality responsive services to our community depends upon the skills, abilities and knowledge of our employees and the recruitment process is vital in ensuring that the best people are appointed. The Council is committed to promoting the welfare and protection of vulnerable groups. The Council's Safeguarding Policy requirements and Disclosure and Barring Service checks are in place to ensure that the right people are hired and to minimize the risk to children, young people and vulnerable groups

Fraud and Risk Management

7.5   The Council, through the Finance Manager and his team, endeavours to adhere to the CIPFA Statement on the Role of the Head of Internal Audit. The Internal Audit Team is responsible for fraud investigation and detection. Any significant weaknesses that Internal Audit identifies in the control environment are reported to senior management and the Audit Committee.

7.6   The Finance Manager is responsible for reviewing and reporting on the adequacy of the Council's control environment including those relating to the prevention and detection of fraud and corruption. He provides his opinion in the Annual Internal Audit report which is presented to the Audit Committee each June. In the Annual Internal Audit report for 2015/16, the Finance Manager identified seven reports with limited assurance. However,

overall the Finance Manager is satisfied that, for the size of the authority, there is an effective system of internal control. However, it should be recognised that recent reductions in staffing emphasise the importance of compliance with existing controls and may lead to a requirement for new, additional controls in order to reduce possible exposure to potential error or fraud.

7.7   The Audit Plan is focused on the objectives of the Council. Audits are carried out in a logical and systematic way, based on sufficient and reliable evidence which is subject to supervisory review. The reports are balanced, focused on key risks and issues and contain practical recommendations.

7.8   The roles of internal and external audit complement each other. Both are concerned with the Council's control environment and both use an objective, risk based approach in reaching their conclusions.

7.9   The Council employs an Accredited Financial Investigator who has been successful in assisting this and other councils in recovering money through the use of the Proceeds of Crime Act 2002.

7.10   Covalent, the integrated performance, risk and audit application has been used across the organisation since April 2013, for monitoring audit recommendations, risk information and some projects.

7.11   To maximise the effectiveness of the application and reflect the change in working practices the Risk Management Strategy has been revised and was approved by the Audit Committee on 25 June 2014. The strategy has updated the arrangements for the Strategic Risk Board and the working relationship with business continuity, information governance, property risks and internal audit, which is currently being applied.

7.12   Audit and Risk teams meet quarterly to monitor risk progress and review the audit plan as shown in Appendix A

7.13   The Leader and Deputy Leader of the Council, the Chairman of the Audit Committee and the Chief Executive attend Strategic Risk Board meetings to consider matters brought to their attention.

Whistle-blowing Policy and Procedure

7.14   The Council has well-established Whistle-blowing as well as Comments, Compliments and Complaints schemes. Details of these are accessible on the Council's website and can be viewed *__here__*.

7.15   The Whistle-blowing function is delegated to the Director of Corporate Services. Day to day management of the function passed to the Legal and Democratic Services Manager this year. Given the change in officer responsibility a review of the Policy and Procedure will be undertaken in 2016/17 and is shown in Appendix B.

7.16   The annual review of the policy and its use was taken to Governance Committee and is noted on Appendix A for September 2015.

8. How do we effectively manage our finances?

8.1   Our Financial Rules provide a concise set of principles to encourage the intended users to act in an empowered and accountable way when conforming to the rules. To ensure that the principles defined by the Financial Rules could be fully understood, we publish a set of practice notes to provide further guidance. They focus on various areas of Financial Management processes including the following:

- Assets control and security
- Fraud and Corruption
- Preparation of Budgets
- Purchase Ordering and Invoice Payment
- Budgetary Control
- Insurance and Risk Management
- Contracts, External Partners and Third Party Working
- Income and Debt Management

8.2   We have established a financial planning process including a Medium Term Financial Strategy, the preparation of a robust budget including a review of balances, and a reporting system of controlling spending against approved budgets.

8.3   We regularly review our financial systems, rules and risk arrangements to make sure they meet our needs and comply with best practice. We present regular reports to the Audit Committee on the work of Internal Audit, revenue and capital monitoring, risk management and the annual report and Statement of Accounts.

8.4   A high priority for Directors and managers when managing performance is containing spending within the budget. The Council has a rigorous revenue-monitoring process. Management Team and Cabinet Members are given a detailed monthly report, and a quarterly report is presented to the Audit Committee. From April 2014 the Council's performance management system; Covalent includes information on High Risk income.

8.5   Our purchasing process identifies opportunities for better use of resources. The process is designed to encourage competition, giving a better deal for us and our purchasing partners.

9.   How do we engage with our stakeholders?

9.1   We are committed to involving local people in shaping their area and the services they receive. Informing, consulting and working closely with residents is one of the key ways we interact with and involve local communities, giving them opportunities to gain a greater awareness and understanding of what the Council does, voice their views and influence Council decision-making. Consulting and involving residents is also vital in maintaining high customer satisfaction levels and strong democratic processes, empowering individuals and developing citizenship.

9.2   The current Consultation and Engagement Strategy, covering 2011–15, was published in summer 2011. The Strategy is there to help create a dialogue with the public. It explains the aims, objectives and principles that guide our staff when they consult and engage with local communities, to ensure that these activities are inclusive, accessible and worthwhile for everyone involved. The Strategy is accompanied by a toolkit for staff, providing practical information to help and guide them when involved in activities aimed at encouraging participation in Council work.

9.3   The Council organises a programme of community events throughout the year to engage with all groups of the community, promote the work of the Council and signpost residents to relevant support and services. Events include: the 'Older People's Information Day' which provides 350 over 55s with advice and information of services available to them; the 'Discovery Festival' which showcases the achievements of people living with disabilities, highlights the support available and works to break down stereotypes; and other events such as 'Holocaust Memorial Day'. See Appendix A.

9.4   As part of the Council's objective of enriching the cultural life of Chelmsford, two unique festivals are staged in the summer of 2015. The 3 Foot Festival is aimed at pre-school toddlers and attracted almost 15,000 people over three days in Hylands Park. The Fling Festival is a one day adults' only event at the same venue and attracted around 5000 adults. Both events have a loyal audience and are truly unique in their character. It is hope that in future years these two events will grow and that other events will be staged targeting different audiences.

9.5   Since 2013 the Council has also held a 'We are Chelmsford' event. This was a concept developed by the Managers of Chelmsford Tomorrow Cohort group 14. The event was developed with the aim of strengthening and promoting a unified brand of Chelmsford City Council to residents and staff, and celebrating the excellence of Chelmsford with Chelmsford City Council at the heart of that. The format has been a market-style event in the High Street where there is the opportunity to engage passers-by and share information with people that may otherwise be difficult to reach. In addition to the information market stalls, a number of activities are organised to coincide with the event. Building on the success of this event the one planned for September 2016, will now also involve a week of programmed "behind the scene" tours of Council Services to provide a greater insight and engagement with the public as to what is on offer and to seek views.

9.6   The Council has an established Citizens' Panel and Youth Panel but this was identified in the Annual Governance Statement for last year as in need to review. The Citizens' Panel currently has over 600 members and the Youth Panel, which is for 14-18 year olds, has approximately 300 members. For each, panel members receive newsletters updating them on achievements, issues and developments affecting both the Council and the wider

Chelmsford area. Panel Members have also been sent opportunities to take part in consultation activities, through surveys, and become more involved with the workings of the Council such as opportunities to become panel members for the Customer Service Awards Scheme. The review of the work and engagement with the panels has been undertaken by a Task and Finish Group of the Overview and Scrutiny Committee. The final report is due to be submitted in June 2016 after which its recommendations will be addressed.

9.7   There is information about the Council at the 'About the Council' section of our website which can be found **_here_**.

9.8   We worked closely with parish councils in a bid to improve relations and cross-tier working. A quarterly newsletter for Parishes is produced and circulated electronically. The content of the newsletter has recently been improved. A Parish Charter has been adopted by 18 of the 26 Parish Councils. The Monitoring Officer continues to provide guidance for Parish Councils on the standards regime.

10. How do we ensure that good governance arrangements are in place in respect of our partnerships and joint working arrangements?

10.1   We work extensively in partnership with other organisations and agencies, and currently we classify six partnerships as 'significant' in terms of their strategic importance to the Council as they help us achieve the Corporate Priorities. Their progress is reviewed regularly and scrutinised annually by the Overview and Scrutiny Committee. These six significant partnerships are:

- One Chelmsford Partnership (a merger of the Chelmsford Partnership and the Safer Chelmsford Partnership)
- South Essex Parking Partnership
- Essex Waste Partnership
- Chelmsford Local Delivery Mechanism
- Essex Online Partnership
- Mid Essex Children's Partnership

10.2   Progress this year has been made in the following areas:

10.2.1   The South Essex Parking Partnership was reviewed and extended to allow for the delegation of additional powers to agree the making of Traffic Regulation Orders and the re-allocation of contingency funding to assist with that work.

10.2.2   A Task and Finish Group, established to consider how the Citizens and Youth Panels operate, was progressed as identified as a recommendation in the 2014/15 Annual Governance Statement. Terms of Reference were established and the outcome of that review is expected to be reported back in June 2016. Aspects of the review will be added as appropriate as targets for the 2016/17 Annual Governance Statement and in Appendix B.

10.3   We have a Protocol for Partnership Working and an accompanying checklist. These documents provide a reference point for all officers involved in developing partnership arrangements, and cover key points, such as:
- initial considerations
- governance arrangements
- performance management
- financial arrangements
- risk management
- termination of arrangements

10.4   A Protocol for Partnership Working and an accompanying checklist cover key aspects of governance arrangements that need to be satisfied when the Council enters into a partnership working arrangements. These include having adequate and documented financial, risk, legal, performance, and audit arrangements in place, as well as ensuring that that covers many areas such as roles and responsibilities, decision-making and communication.

10.5   We also aim to work closely with other Essex authorities. In addition to key partnerships mentioned above, during 2015/16 we:

10.5.1 entered into the NDR Pooling Agreement with several other Local Authorities within Essex to take up the option offered by the Government to form an NDR Pool, to maximise the potential growth income retention within the Essex area

10.5.2 The Council Tax Sharing agreement between Essex Billing and Major Precepting authorities that was completed in 2014/15, continues to operate allowing the partners to share the costs of discretionary NNDR discounts and fund schemes that aim to maximise the income collected.

11. How do we enhance accountability for service delivery and effectiveness of other public service providers

11.1   Chelmsford City Council has a role in improving public health and reducing health inequalities. It carries this out through a local strategic partnership (One Chelmsford), Chelmsford Health & Wellbeing Group and by fully engaging with Mid Essex Clinical Commissioning Group and Essex County Council's public health team. Whilst Chelmsford City Council has an important role to play the statutory duty for public health rest with Public Health England and Unitary or County Councils.

11.2   Chelmsford City Council has a duty of care under s. 11 of the Children's Act 2004 to safeguard and promote the welfare of children and young people. Moreover it has a duty under s. 47 of the Children Act to cooperate with Essex County Council in discharging its safeguarding duties as a Children's Services Authority through the Essex Safeguarding Children's Board. The Council works closely with the Essex Safeguarding Adults Board to ensure that adults who live in the Borough, or receive local services, are safe from harm and are not subjected to exploitation or abuse.

11.3   The Council continues to refresh its Safeguarding Policy and related documents at least annually. Regular training is being provided to staff and Councillors on an ongoing basis. A dedicated safeguarding section has been created on the intranet for both staff and Councillors and it contains all the relevant documents, forms and information in one place.

11.4   The City Council is now required annually to complete online a self-assessment audit. As a result of 2015/16 submission, a new action plan has been devised to refresh our current arrangements and make further improvements over the next 12 months. This plan has now been approved by both Safeguarding Boards.

12.   Review of effectiveness

12.1   At least once a year we are responsible for reviewing the effectiveness of our governance framework, including the system of internal control. The review is informed by the following:

- Managers in the Council who are responsible for developing and maintaining the governance environment and include the Chief Finance Officer and Monitoring Officer. They meet regularly to monitor and where necessary review actions required under the Code of Corporate Governance and Annual Governance Statement. This year that work included a wholesale review of the structure and format of the Annual Governance Statement for 2015/16.
- The work of the internal auditors, and
- Comments made by the external auditors and other inspection agencies.

12.2   In preparing this Annual Governance Statement for the financial year 2015/16, the process listed below has been applied to maintain and review the effectiveness of our governance framework.

Cabinet
12.2.1   The Cabinet is responsible for considering overall financial and performance management and receives comprehensive quarterly reports about this. It is also responsible for monitoring the Corporate Plan's critical performance indicators and key projects, and completes this quarterly.

Overview & Scrutiny Committee
12.2.2   There is a well-supported Overview and Scrutiny Committee with a work programme for the 12 months ahead and reviewed at each meeting of the Committee. A report on the work of the Committee is produced each year. Those addressed in 2015/16 are shown in Appendix A.

Governance Committee
12.2.3   The Committee has met regularly during the year. It promotes and maintains high standards of conduct by Members of the Council and Parish Councils. The committee includes seven City Councillors and three co-opted non-voting members of the Parish and Town Council. The Council has appointed two Independent Persons whose role is to ensure that the complaints procedures for Councillors are followed and act as Consultees on any issues arising. As a result a need for an Independent Person Protocol to explain their roles and responsibilities and how they will be involved in the Standards Regime work has been identified. This has been added as a target for delivery in 2016/17 as set out in paragraph 13.3 (iv) below.

12.2.4   The committee receives regular reports from the Monitoring Officer to ensure lawful decision-making and high ethical standards. No concerns were raised this year other than to report on statistical information as to the number of complaints made and progress made as set out in this report. Three complaints required investigation in 2015/16. One matter led to recommendations, as suggested by the Monitoring officer, being agreed for the relevant Parish Council to consider. The reporting on the outcomes are shown on the Council's website *__here__* and in Appendix A. As a result the additional Councillor training requirements, as set out in Paragraph 13.1 (iii) below, were identified.

12.2.5   The Committee also received an annual report on Whistle-blowing. To ensure that priority issues are clearly highlighted to Councillors, the Committee has a standing agenda item for 'Items to be brought to members' attention, Outstanding critical and high-risk recommendations, Internal audit Reports including critical and high-risk recommendations and Progress on the Audit plan and Risk management updates.

Audit Committee

12.2.6   The Audit Committee met regularly during 2015/16. The Committee monitored budgets and the work of Internal Audit and deals with issues such as risk management, financial control systems and the relationship with external audit. The Committee received updates on:

- Risk Management
- the Annual Internal Audit Report
- Review of the Audit Committee's terms of reference
- Annual report on Benefit Investigations
- Audit Charter
- Internal Audit Strategy
- Anti-Fraud and Corruption Strategy
- External Auditor's Annual Audit Letter 2014/15

12.2.7   In accordance with the Chartered Institute of Public Finance and Accountancy's (CIPFA) recommended practice an annual report on the work of the Audit Committee was submitted to Full Council.

12.2.8   The Chief Financial Officer makes regular reports to Cabinet and the Audit Committee on the state of our finances, the budget process, monitoring of expenditure against budget, the medium term financial forecast and the annual report and statement of accounts. He also presents other financial reports as necessary and has the opportunity to add financial considerations to any reports.

Internal Audit & Performance Management

12.2.9   Internal Audit provides an independent and objective assurance service to Council management. It completes a programme of reviews throughout the year to provide an opinion on internal control, risk management and governance arrangements. Internal Audit and Investigations is also responsible for fraud investigation and detection, which includes reviewing the control environment in areas where fraud or irregularity has happened. Any significant weaknesses that Internal Audit identifies in the control environment are reported to senior management and the Audit Committee.

12.2.10 Performance Management monitors Critical Performance Indicators. Reports are presented to the Management Team monthly and to Cabinet, and Overview and Scrutiny Committee every quarter. Every month Directors meet the Chief Executive to discuss performance and progress against their action plans.

12.2.11 The assurance framework data is stored and reported through Covalent the Performance, Risk & Audit system that was purchased in 2013. The risk element to the system has been extended to include operational risk management for key activities, such as fire risk assessments, business continuity recommendations and

health & safety audit recommendations that are identified by external specialists. Also, information management security breaches are recorded and mitigation managed through Covalent including report production for Strategy Risk Board.

12.2.12 The Strategic Risk Board reviewed corporate risks regularly.

12.3 The year-end review of governance arrangements and the control environment also included the following:

12.3.1 Obtaining assurance from the Chief Financial Officer under section 151 of the Local Government Act 1972 that he is content with information that all managers of key financial systems have given him about the adequacy of existing systems.

12.3.2 Reviewing external inspection reports received during the year and reviewing the compliance with the Public Sector Internal Audit Standards (presented to the Audit Committee on 18 March 2015).

12.3.3 Reviewing comments received from our external auditor on last year's AGS.

12.3.4 Our financial management arrangements conform to the governance requirements of the 2010 CIPFA Statement on the Role of the Chief Financial Officer in Local Government.

12.3.5 Appendix A provides a more comprehensive listing of key governance processes and events that took place during 2015/16.

13. Targets for Improvement

13.1 The main improvements made to governance arrangements in 2015/16 are captured in Appendix B. In addition as set out in this statement a number of governance issues have been identified during 2015/16. Work will continue on these in 2016/17 and in particular:

Governance Issues identified during 2015/16
i) Completion of the review of the Council's Constitution, including specifically the Financial and Contract Procedure Rules with the addition of links to the relevant Practice Notes that have been issued.
ii) Reviewing the Council's Whistle-Blowing Process and Procedures
iii) Providing training for City Councillors' as regards the standards regime to address: • Declarations of Interests   • Use of Social Media
iv) Introducing an Independent Person Protocol to explain the role and how Independent Persons will engage in the Standards Regime related to Complaints in relation to the Councillor Code of Conduct

v)	Review of the Citizens Panel and the Youth Panel by a Task and Finish Group. To be reported back to Overview and Scrutiny in June 2016.	
vi)	Ensuring that compliance with the Public Sector Internal Audit Standards is reviewed by the Audit Committee.	

13.2   Progress of the governance issues identified in previous Annual Governance Statements can be seen in Appendix B.

14. Certification

To the best of our knowledge, the governance arrangements, as defined above, have been effectively operating during the year. We did not find any matters that needed addressing during our review other than those that were previously identified and have been progressed.

Signed:…………………………………………………………………………
      Leader of the Council

Signed:…………………………………………………………………………
      Chief Executive

Signed:…………………………………………………………………………
      Director of Financial Services

Date: 30 June 2016

2015/16 Calendar of key Governance events

May 2015	**Members' Induction Day (18 May)** **Customer Services Awards** o Three staff members (Licensing and Customer Services) (21 May)

June 2015

Audit Committee
- Annual Internal Audit 2014/15 report by the Audit and Investigator Manager - including the Committee's terms of reference which were revised in 2014; audit charter, membership, work programme for 2014/15, announcements, future work for 2015/16, training and development and assurance.
- Procurement Annual Report 2014/15 report by Audit and Investigation Manager - reported that measurable savings from ongoing service and supply contracts for the last financial year were estimated at £875
- Risk Management Activity Update

Governance Committee
- Update on the progress of the Constitution review approving several changes - agreed that a panel will be established to undertake the second phase of the review

Joint Audit and Governance Committee
- Review of Code of Corporate Governance and Annual Governance Statement - approved for publication with the statement of accounts

Overview and Scrutiny Committee
- Annual Report on the Scrutiny Function 2014/15 - approved for publication
- Health and Safety Annual Report 2014/15 - noted that accident levels remained low
- 2014/15 End of Year Key Performance Report - approved and recommended to Council

Planning Committee Member Training
- Introduction to new Members (9 June)
- Planning Applications and Decision Making (23 June)

July 2015	**Cabinet**
	  o Medium Term Financial Strategy 2016 – 2021
	
	Council
	  o Riverside Ice and Leisure Investment Plan – feasibility study endorsed
	  o Review of the Constitution- approvals related to the Introduction (Part 1), Articles Part 2), Responsibilities for Functions (Part 3), Council Rules (Part 4.1), Cabinet and Committee Rules (Part 4.2, Petition Scheme (Part 4.3), Executive Rules(Part 4.4), Overview & Scrutiny Rules (Part 4.5) and Access to Information Rules (Part 4.6)
	
	Development Policy Committee
	  o Strategic Land Availability Assessment – Publication of Sites Received under the Call for Sites (new Local Plan)
	  o Duty to Co-operate Scoping Report - approved for consultation
	  o Local Development Scheme- programme of work for the preparation of statutory and non-statutory development plan documents for the period 2015-2018 - approved for adoption
	
	Planning Committee Member Training
	  o Code of conduct and Major Sites (6 July)

August 2015	

September 2015	**Audit Committee**
	  o Annual Governance Report 2014/15 report by External Auditors, Ernst & Young – approved
	  o The Provision of Internal Audit at Chelmsford City Council and Internal Audit Operational Report - new arrangements agreed for provision of internal audit. Six audits carried out since last report.
	
	Development Policy Committee
	  o Local Plan evidence base documents – Chelmsford Retail Study – approved. Objectively Assessed Housing Need Study – approved for consultation

o Review of the Statement of Community Involvement – setting out proposals for involving people in the planning process, approved for consultation

Governance Committee

o Annual Whistleblowing Report – 12 cases highlighted - noted that the Council had signed up to the Concern at Work campaign

o Complaints to the Ombudsman for Local Administration in England (Ombudsman) - Annual Review - The Council's overall performance in the Commission's statistics is shown to be very good

Overview and Scrutiny Committee

o Review of Citizens Panel and Young Persons Panel (Task and Finish Group)
o Work Programme – agreed for the year 2015/16

Planning Committee Member Training
o The Role of Essex County Council as highways consultee (29 September)

<table>
<tr><td>October 2015</td><td>

Planning Committee Member Training
o Planning Enforcement (27 October)

</td></tr>
<tr><td>November 2015</td><td>

Governance Committee
o Review of the Constitution – Planning Code of Good Practice agreed for publication

Development Policy Committee
o Chelmsford Local Plan – Issues and Options Consultation Document and Duty to Co-operate Consultation Statement – approved for consultation

Overview and Scrutiny Committee
o Housing Delivery Annual Report – OAHN required 775 dwellings per year

Customer Services Awards
o One staff member (Parks and Inward Investment, Economy and Growth Team) (26 November)

Annual Champion of Champions Award
o One staff member (Community safety) (26 November)

</td></tr>
</table>

Audit Committee
- o Annual Audit Letter 2014/15 from external auditors Ernst and Young
- o Internal Audit Operational Report - focus on resources together with the assurance framework under which it operated. Also progress against the plan and audits in progress
- o Review of Training Topics and Rolling Programme of Work - programme to be prepared of training options for Members of the Committee to consider.

Council
- o Review of the Constitution - approvals related to the Introduction Planning Code of Good Practice (Part 5.2), Minutes Protocol (Part 5.7.), Committee Structures (Part 7.1),Officer Management Structure (Part 7.2.) adopted

Cabinet
- o Capital Programme Update - setting out the overall estimated capital resource available to the Council; updating the capital programme to reflect the inclusion of proposed new schemes and the replacement programme for 2016/17

Development Policy Committee
- o Authority Monitoring Report 2014/15 – monitoring the production of the Council's Development Plan Documents and the performance of the policies they contain and to indicate actions proposed
- o Local Plan Evidence Base Update – NPPF requires the Local Plan to be based on up to date evidence

Governance Committee
- o Gifts and Hospitality - setting out the offers of gifts and hospitality to Councillors for the period January to December 2015 and the number of offers received and accepted by Council officers

Holocaust Memorial Day 28 January
- o The Holocaust Memorial Day is the international day of remembrance for the victims of the Holocaust and other genocides.

Planning Committee Member Training
- o Briefing session on a major application (12 January)

February 2016

Overview and Scrutiny Committee
- o Annual Presentation by Safer Chelmsford Partnership - presentation on behalf of the Safer Chelmsford Partnership, regarding its statutory duties, key priorities, key projects and funding in 2015/16.

Customer Services Award
- o Three members of staff (Electoral registration, Customer Services and Public Places) (17 February)

March 2016

Audit Committee
- o Annual Audit Plan (2015/16)
- o Internal Audit Plan 2016/17

Progress of outstanding Governance Issues identified in 2015/16

Governance Issue	Progress	Outcome	Core Principle
Review of the Constitution - Parts considered in 2015/16: - Introduction (1) - Articles (2) - Responsibility for Functions (3) - Council Procedure Rules (4.1) - Committee Procedure Rules (Part 4.2) - Petition Scheme 4.3) - Executive Rules (4.4) - Overview and Scrutiny Rules (4.5) - Access to Information Rules (4.6) - Planning Code of Good Practice (5.2) - Minutes Protocol (5.7) - Committee Structures (7.1) - Officer Management Structure (7.2.)	This work was progressed through the Governance Committee and changes agreed at Full Council as set out in Paragraph 5.4 to this statement and Appendix A.	Significant aspects of the Constitution has been updated and amended, particularly where they impact on the Public.	1 to 6 inclusive
Considering how best to involve the public and other partners in the work of the Council.	This work was referred to the Overview and Scrutiny Committee and a Task and Finish group established September 2015 to identify any improvements of changes required to these arrangements as set out in paragraph 10.2.2 to this statement and Appendix A	Report to June 2016 Committee	1,2 and 6

Core Principle 1   Focusing on the Council's purpose and outcomes for the community and implementing a vision for the local area.

Core Principle 2   Members and officers working together to achieve a common purpose with clearly defined functions and roles.

Core Principle 3   Promoting values for the Council & demonstrating the values of good governance through upholding high standards of conduct and behaviour.

Core Principle 4   Taking informed and transparent decisions which are subject to scrutiny and managing risk.

Core Principle 5   Developing the capacity and capability of Members and officers to be effective.

Core Principle 6   Engaging with local people and other stakeholders to ensure robust public accountability.