Annual Governance Statement – 2023/24

DRAFT

Brighton & Hove City Council

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Assurance Statement

We at Brighton & Hove City Council are responsible for ensuring we effectively and efficiently deliver the aims and objectives of our Council Plan ensuring best value for our residents.

The Annual Governance Statement provides assurance of the effectiveness of the governance arrangements during 2023/24 and identifies areas of improvement going forward. This statement is formally approved by the Council's Audit, Standards and General Purposes Committee each year.

This Annual Governance Statement provides an accurate account of the arrangements in place at Brighton & Hove City Council.

The governance arrangements are working to identify areas where we are doing well, areas of risk and areas of improvement. The details of priority areas of improvement are included in this document. We are committed to deliver these improvements and monitor progress. Our progress will be reported in the next Annual Governance Statement.

Signed:

Councillor Bella Sankey,
Leader of the Council

Date: XX/XX/2024

Signed:

Jess Gibbons,
Chief Executive

Date: XX/XX/2024

Annual Governance Statement (AGS)

Purpose

> To fulfil the statutory requirement for each local authority to conduct a review of its system of internal control and prepare and publish an AGS at least once every financial year

> To demonstrate that there is a sound system of governance

> To outline our progress in 2023-24 and help us take further actions to improve governance for delivery in 2024-25

The focus of the AGS is on assessing our governance arrangements, rather than assessing our performance.

What is Corporate Governance?

Good governance in local authorities is key to ensuring the council makes sure it does the right things in the right way for the right people

- It creates a culture based on openness, inclusivity and honesty
- It ensures robust systems and processes are established and followed
- It ensures ongoing continuous improvement to further strengthen the way the council operates
- It keeps the council's focus on the needs of service users and the public, ensuring public money is safeguarded, accounted for and used efficiently and effectively
- It demonstrates effective leadership, including accountability and transparency in actions and decisions
- It puts the arrangements in place to ensure that the intended outcomes for stakeholders are defined and achieved

The 7 principles of Good Governance

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

B. Ensuring openness and comprehensive stakeholder engagement

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

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

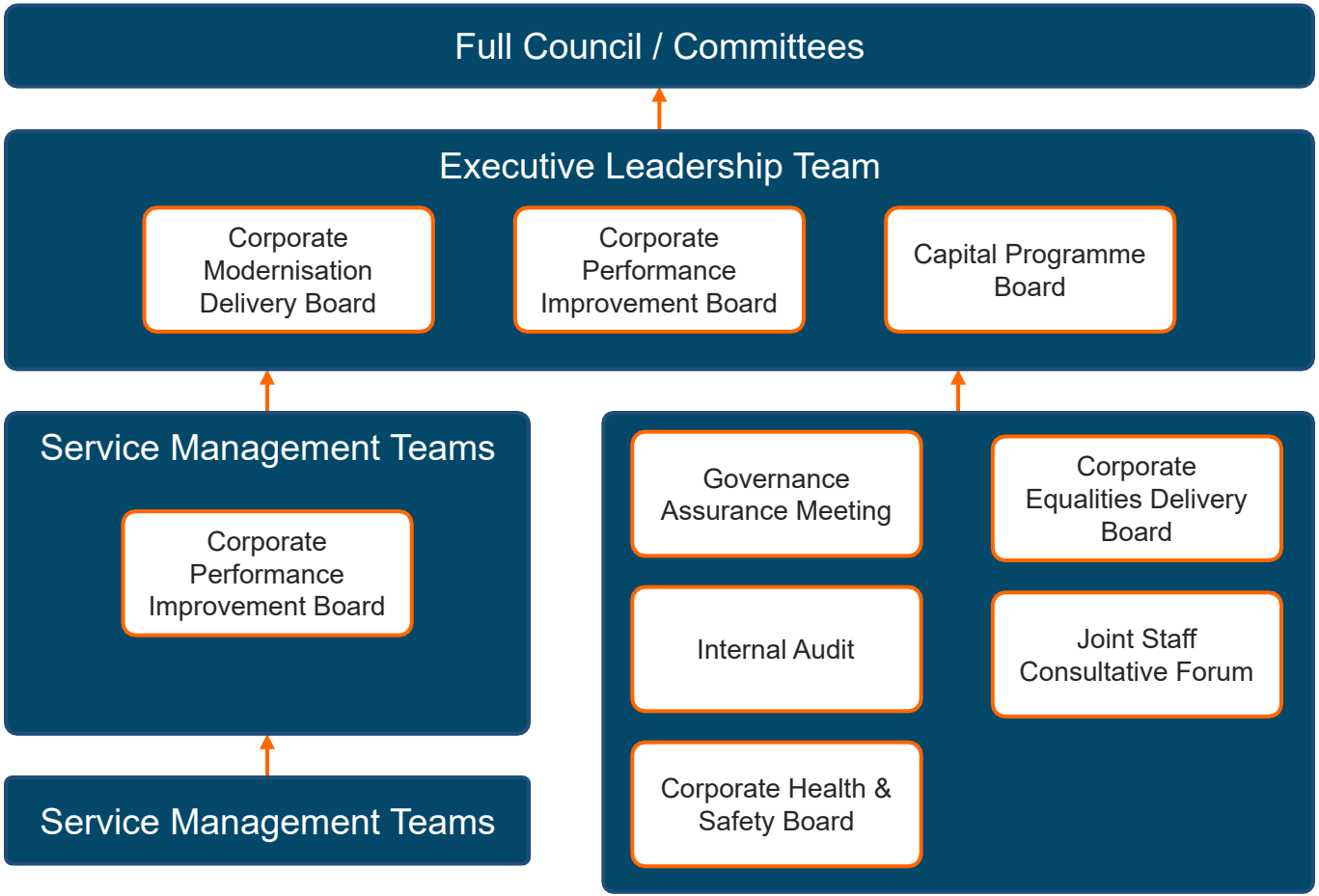
E. Developing the entity's capacity, including the capacity of its leadership and with individuals within it

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

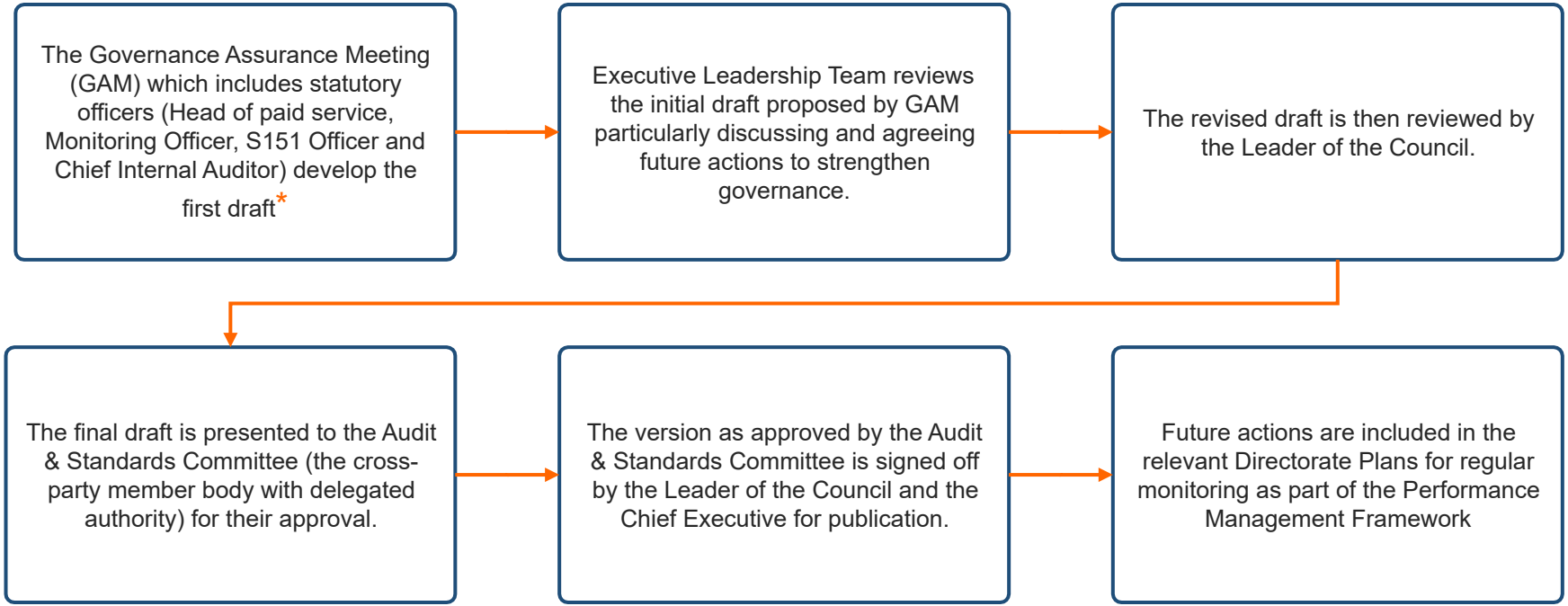
G. Implementing good practices in transparency, reporting and audit to deliver effective accountability

'Delivering Good Governance in Local Government Framework 2014' published by CIPFA/IFAC

Governance arrangements within BHCC for 2023/24

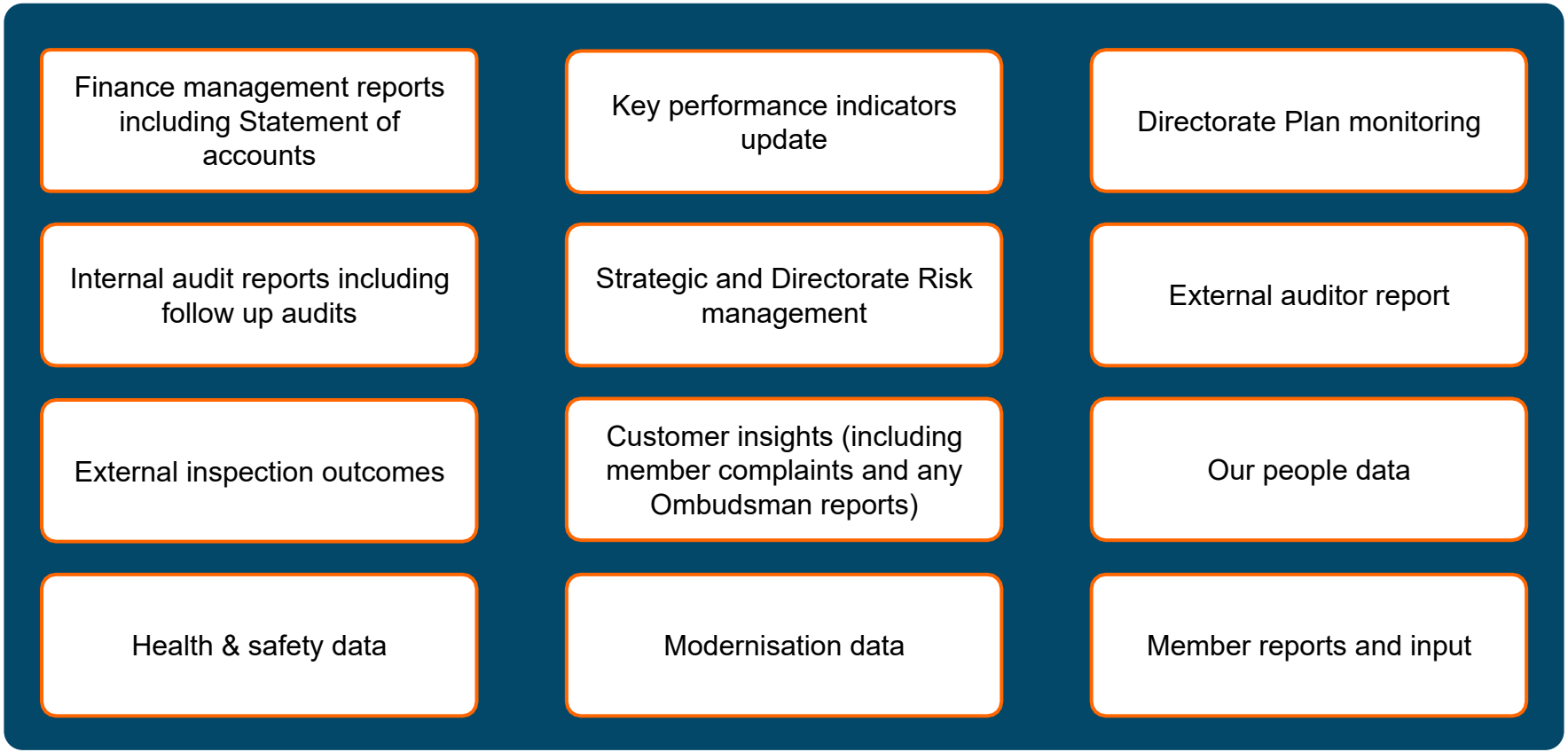


The process for development of the AGS for 23/24



*please see the next slide outlining information taken into account

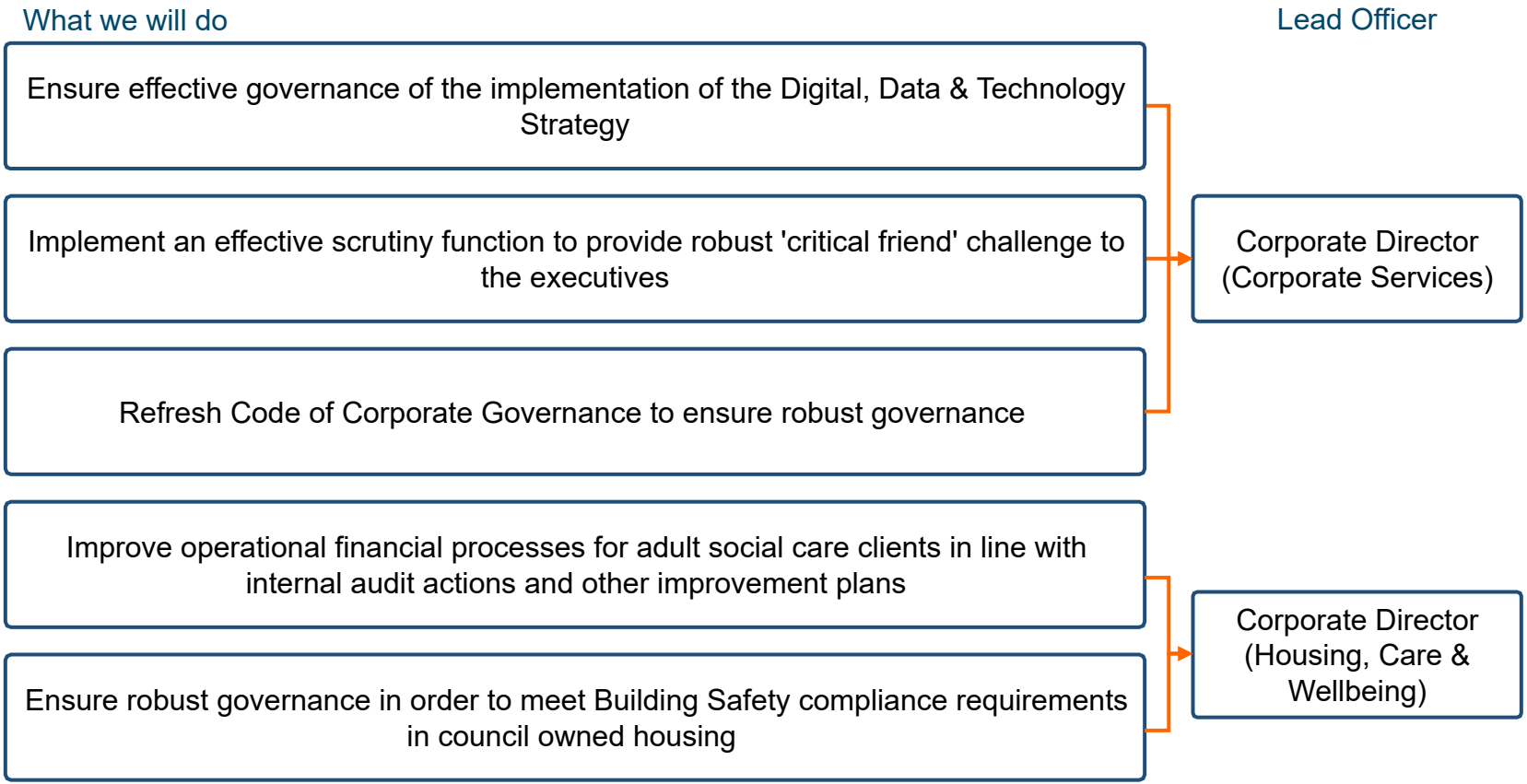
Information taken into account when developing the AGS



Actions focused on strengthening governance in 2024/25

What we will do	Lead Officer
Develop and deliver a robust and sustainable medium term integrated service and financial plan (MTFSP)	Chief Finance Officer
Improve the Payroll and Pension Service	
Improve contract management compliance across the organisation	
Implement actions emerging from audit findings to improve key financial systems (e.g. housing rent, housing benefits, council tax)	
Improve organisational resilience through robust emergency planning and business continuity planning arrangements	Corporate Director (City Services)

Actions focused on strengthening governance in 2024/25



Appendix 1 Progress on 2022/23 AGS actions

AGS 2022/23 Actions	Lead Officer	Directorate Plan 2023/24 Actions	Q4 Status
In response to the External Auditor's key recommendation in relation to the authority's financial sustainability, to review the council's annual budget and medium-term planning processes to develop robust and sustainable service and financial plans	Chief Finance Officer (SFCR)	Maximising the financial integrity and sustainability of the organisation to minimise any unplanned adverse impacts of financial pressures on organisational capacity, services and citizens through Medium Term Financial Planning and a linked 5-year Capital Strategy.	

Progress to date:
Estimates of 2024/25 service pressures, inflation assumptions and resources were completed in June 2023, with Budget Planning & Resources report provided to July SFCR Committee indicating a predicted £25.3m budget gap. Vacancy controls (freeze) were introduced in July 2023.

Regular Weekly Budget meetings with Leader and Finance Lead in place to update on in-year and next year planning. An Executive Leadership Team (ELT) Budget Planning day was held on 9 October to review progress followed by an ELT/Policy Chairs Budget Away-day held on 2 Nov 2023 to consider in-year and 2024/25 proposals. High level 'plan for balance' for 2023/24 developed and shared with ELT and the Administration.
Vacancy controls tightened further with exception-only recruitments allowed before 1 April 2024 and Directorate staff engagement sessions held during November to invite budget suggestions alongside monthly Union engagement meetings (from Sept 2023) to invite suggestions and share proposals.
ELT budget planning session was held on 27 Nov (post Autumn Statement) to firm up next step and a second ELT/Policy Chairs Budget away-day was held on 30 Nov (post Autumn Statement) to agree next steps and timelines.

Continue to seek improvements to the Payroll and Pension Service	Chief Finance Officer (SFCR)	Continue to seek improvement to the payroll and pension service.	

Progress to date:
The WRBS service restructure has added more resilience and resource to the area, with revised job descriptions and structural alterations to align to the progressions the service needs to make and as of 1 April 2024 Payroll & Pensions is fully staffed. The decision to defer any procurement of an ERP system focus has turned to improvements that can be achieved with existing systems and alternative workflow solutions. Work on a programme of improvement for the Midland HR system begins in May 2024. The service is now implementing an electronic document management (EDM) solution to deliver workflow improvements and increase the service's capacity to manage incoming queries, identify priority work, auto-allocate documents and regulate its interaction with employees. The EDM system is on target to go live in October 2024 and expected to deliver a rapid improvement in customer responsiveness thereafter. A recovery plan has been implemented to reduce historical complex queries, and the backlog of pension work. A significant milestone will be delivery and maintaining of up-to-date information for ESCCs self-serve online portal. Working closely with ESCC this is current on track for the target date of August 2024.

SFCR - Strategy, Resources & City Regeneration Committee
HR&OD - Human Resources & Organisational Development

Appendix 1 Progress on 2022/23 AGS actions

AGS 2022/23 Actions	Lead Officer	Directorate Plan 2023/24 Actions	Q4 Status
Continue to implement a pro-active strategy to modernise industrial relations in conjunction with recognised trade unions	Director HR&OD (SFCR)	To continue to develop and implement a pro-active strategy to improve industrial relations in conjunction with recognised trade unions and continue to streamline approach to employee relations case work across the council.	
Progress to date: People Strategy approved by Strategy, Finance and City Regen committee in October 2023, and a first-year action plan has been created and delivery is in progress with measurable deliverables. Staff survey results will be used to shape the year 2 action plan, and an Industrial Relations strategy will be developed in line with the outcomes of the recent independent KC report.			
Ensure executive level leadership of health & safety and effective governance to implement the Health & Safety Strategy	Director HR&OD (SFCR)	Ensure delivery of the actions set out in the Health and Safety Strategy 2023-27.	
Progress to date: Delivery of the actions set out in the health and safety strategy continues, with 17 now completed, 21 in progress. A recent audit review of Health and Safety undertaken during February and March 2024 provides reasonable assurance. This demonstrates improvement from partial assurance at the last audit. All directorates now have a safety plan in place approved by the departmental management team. These now need to be updated to ensure changes are reflected as a result of the new organisational structure implemented in April 2024.			

SFCR - Strategy, Resources & City Regeneration Committee
HR&OD - Human Resources & Organisational Development

Progress on 2022/23 AGS actions

AGS 2022/23 Actions	Lead Officer	Directorate Plan 2023/24 Actions	Q4 Status
Ensure effective governance of the implementation of the Digital, Data & Technology (DDaT) Strategy	Executive Director GPR (SFCR)	Deliver the Foundation IT pillar of the DDAT strategy.	

Progress to date:
- Telephony: Procurement activity has been completed and a staff telephony survey for discovery work has been released. An interim Avaya solution has been deployed and support service passed to new suppliers. The project is scheduled for completion in March 2025
- Laptop refresh/Windows11: A procurement framework for higher spec devices at no additional cost has been put in place. The Win 11 Base build is being finalised. - - -
- Plans for device rollout are in development. Project completion: December 2024
- SharePoint/OneDrive migration: OneDrive migration is complete and SharePoint migrations has commenced. Project completion: March 2026
- Wi-Fi: replacement complete prior to end of March '24 contract end
- Access Modernisation: phase one staff datahub complete establishing a data transfer between Pier and Active Directory
- PSN Compliance: Compliance achieved 07/08/2023
- Server Migration 2012: Removal of end of life Server 2012 OS completed by October 2023 deadline

Ensure effective governance of the implementation of the Digital, Data & Technology (DDaT) Strategy	Executive Director GPR (SFCR)	Deliver the Digital Customer pillar of the DDAT strategy	

Progress to date:
- A major technical upgrade has been made to the website to improve stability.
- Website section reviews completed: Safe in the City, City Regeneration and JSNA - Public Health, with work beginning on Families Hub, Housing, Adult Social Care.
- MyAccount has 166k users with updates on FAQs within the My Account app released. New support tools and guidance for staff helping customers have been developed.

Enhancements, based on user testing, to MyAccount were released in Q4 to improve customer experience and increase self-service usage.
- Phase 1 of Councillor enquiries archiving, and stabilisation work has been completed.
- A prioritisation framework is being trialled by Directorate Business Improvement Managers and IT&D Business Partners
- Digital inclusion business case approved, next step to define our offer.
- Work on the customer viewer has been delayed until Q1 2024/25 due to capacity challenges within the Digital Customer Team

Delays to recruitment continues to create delivery challenges. Implementation of prioritisation criteria and new IT&D Digital front door will support resolution (work in progress). Issues are being escalated to the Digital, Data & Technology Board. Impact of the programme delay includes failure demand from customers, not being able to provide a One Council response and reduced productivity for services.

Progress on 2022/23 AGS actions

AGS 2022/23 Actions	Lead Officer	Directorate Plan 2023/24 Actions	Q4 Status
Ensure effective governance of the implementation of the Digital, Data & Technology (DDaT) Strategy	Executive Director GPR (SFCR)	Deliver the Data pillar of the DDaT strategy	
Progress to date: The Equalities data standards have been finalised and embedded in the customer satisfaction survey and councillor survey. A recent survey pilot was undertaken with 12 services to develop a broader understanding of current themes of the data-related workstream and establish a baseline to inform future activities and improvements A PowerBI project board has been set up with work in progress to support key services transitioning from business objects to PowerBI by March 2025 Information Governance training compliance is now being led by IT&D. Failure to recruit a Programme Manager has led to challenges in driving this work forward, with the delay impacting the council's ability to join up data in the best interest of customers and lack of robust performance insight to inform service improvements			
Ensure effective governance of the implementation of the Digital, Data & Technology (DDaT) Strategy	Executive Director GPR (SFCR)	Deliver the Digital organisation pillar of the DDaT strategy	
Progress to date: The key achievements delivered to date include developing learning paths being with connecting you team, a digital inclusion for staff discussion paper to be taken to next DDAT board and the setup of a Digital Skills team underway. The councils 5 year digital ambition is to support and enable all Council services to deliver improved outcomes for customers, through the development of the DDaT capabilities. If digital learning paths go off track there will be no ability to widespread support and enable the improvement and digital upskilling of council services. The immediate priorities for initial focus include ensuring that: existing digital customer channels remain functional; staff are supported to develop fundamental skills and awareness; services can use data to meet statutory responsibilities; and systems and data are recoverable.			

GPR - Governance, People & Resources
SFCR - Strategy, Resources & City Regeneration Committee

Progress on 2022/23 AGS actions

AGS 2022/23 Actions	Lead Officer	Directorate Plan 2023/24 Actions	Q4 Status
Implement improvements to operational financial processes for adult social care clients in line with internal audit actions and other improvement plans	Executive Director HASC (ASC&PH)	Implement improvements to operational financial processes for Adult Social Care clients	

Progress to date:
The planned improvements to operational financial processes was largely dependent on the successful implementation of the Eclipse Finance Module (EFM). EFM was being introduced to support Local Authorities in compliance with Charging Reforms Legislation, originally scheduled for October 2023. The timeline for Charging Reforms has been significantly delayed, by more than two years, which has directly impacted the development timeline of the EFM. Brighton & Hove City Council continue to work with the provider in designing the EFM, but do not plan to become a pilot authority with the product at such an early stage of development.

A programme plan is in place for work that is not dependent on the implementation of EFM. Priority actions, from the internal audit review, have been identified and are reviewed regularly. All audit actions related to this review are completed and follow up audits are underway.

HASC - Health & Adult Social Care
ASC&PH – Adult Social Care & Public Health Sub-Committee

Appendix 2 - Additional key actions delivered in 2023/24 to strengthen governance

Appendix 3 - Opinion of Internal Audit for 2023/24

Based on the internal audit work completed, the Chief Internal Auditor can provide

Partial Assurance*

that Brighton & Hove City Council has in place an adequate and effective framework of governance, risk management and internal control for the period of 1st April 2023 to 31st March 2024

Chief Internal Auditor, Russell Banks
Audit Manager, Carolyn Sheehan

* Assurance can never be absolute. In this context 'partial assurance' means there are weaknesses in the system of control and/or the level of non-compliance is such as to put the achievement of some organisational objectives at risk.

Appendix 4 – External auditor report to A&S Committee

Auditors are required to report their commentary on the Council's arrangements under specified criteria and 2022/23 is the third year that they have reported their findings in this way. As part of their framework, they considered whether there were any risks of significant weakness in the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources. Their considerations are summarised in the table below :

Criteria	2021/2022 Auditor judgement on arrangements		2022/2023 Auditor judgement on arrangements	Direction of travel*
Financial Sustainability	R	Significant weakness in arrangements identified and a key recommendation along with an improvement recommendation have been made	R	Significant weakness in arrangements identified, key recommendation made and two improvement recommendations raised	
Governance	A	No significant weaknesses in arrangements identified, but one improvement recommendation has been made	A	No significant weaknesses in arrangements identified but two improvement recommendations made	
Improving, economy, efficiency and effectiveness	G	No significant weaknesses in arrangements identified and no improvement recommendations raised	A	No significant weaknesses in arrangements identified but two improvement recommendations made	

* Direction of travel is in relation to the previous year's audit judgement

Appendix 5: Performance Management Framework

Best Value Authorities are under a general Duty of Best Value to "make arrangements to secure **continuous improvement** in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness."

The eight elements of the Performance Management Framework allow us to understand the performance of the council as a whole which will provide us with a better context in which we are operating. The elements are inter-related; most services contribute to every element in the framework.

The Performance Management Framework sets out to ensure:

- strong leadership at all levels which is consistent and fair and challenges blame culture
- commitment to the accountability that has been assigned to individuals
- the right information reaching the right people at the right time so that decisions are made and actions are taken
- ongoing evaluation, review and learning to help improve future performance
- the ability to identify and commitment to rectify poor performance at an early stage

Position based on performance information (2/3)

Improvements/good performance:

Children's services have been rated as 'Outstanding' by an Ofsted Inspection of Local Authority Children Services (ILACS).

Customer satisfaction and service accessibility have improved by 6% and 17% respectively in 2023/24 when compared to 2022/23

Positive Staff Survey 2023 Results

% of physically active adults in the city is the 2nd highest in the country

Priority areas for focus:

Financial sustainability of demand led services

Managing organisational capacity

Strengthening and maintaining effective governance controls

Working together effectively across the organisation (Staff Survey 2023)

The Golden Thread

Outcomes the council want to achieve
4-year review cycle
Corporate Key Performance Indicators

Directorate objectives, actions and KPIs
Annual review cycle

Service objectives, actions and KPIs
Annual review cycle

Team objectives, actions and KPIs
Annual review cycle

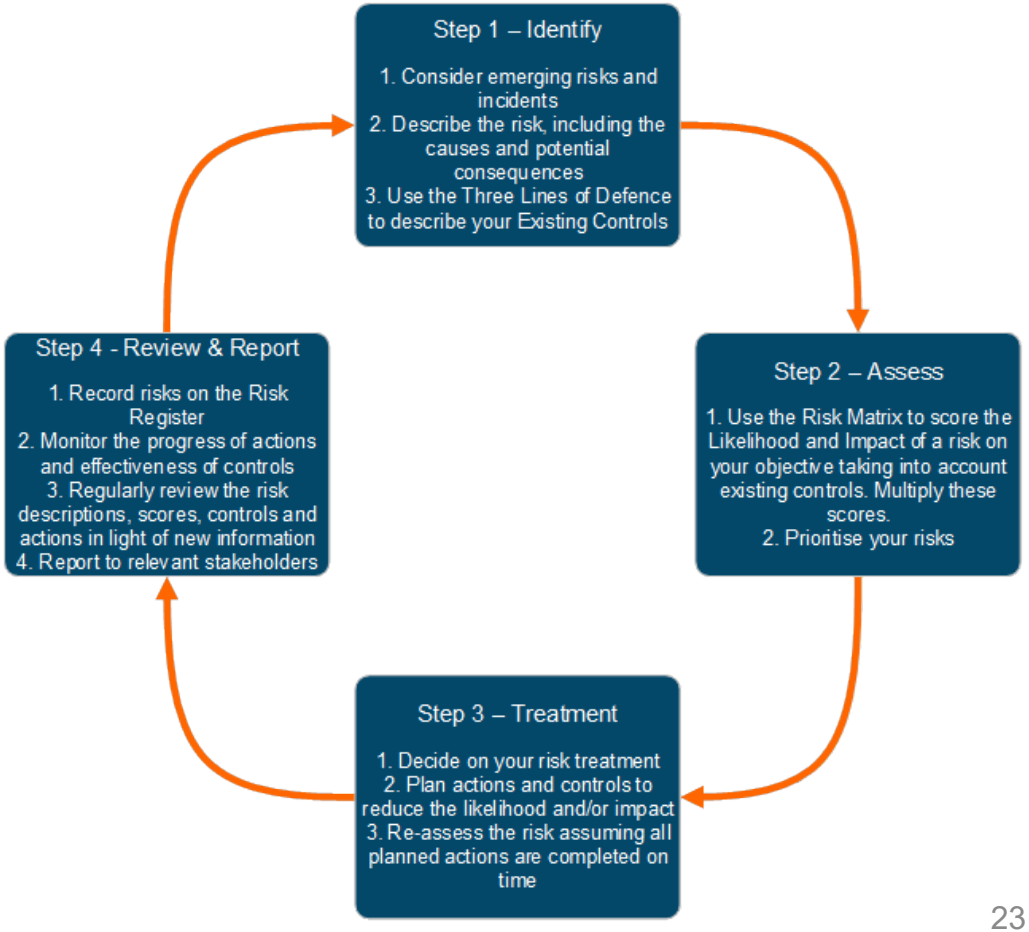
Individual actions
6 monthly review

Appendix 6: Risk Management Framework

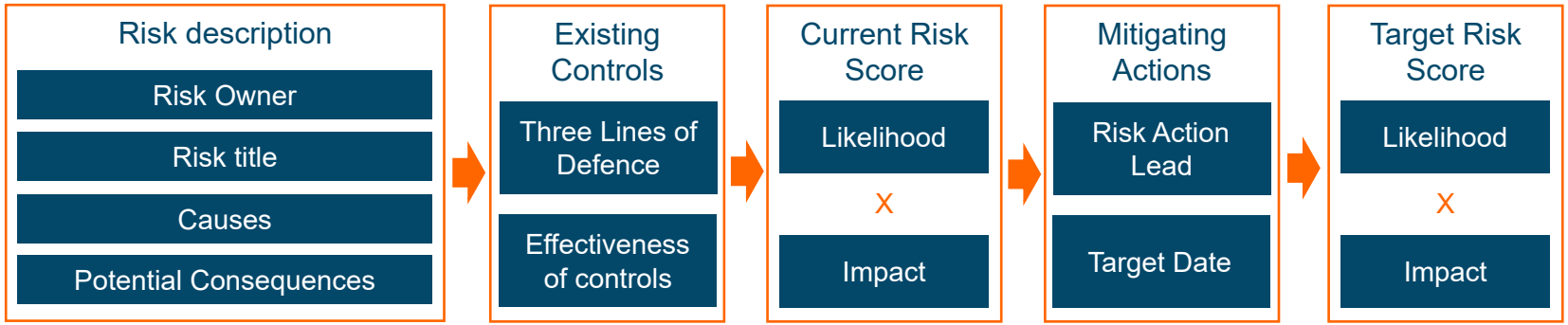
Risk Management Process

There are four steps in the risk management process – identify the risk, assess the risk, decide on the risk treatment, and review and report on the risk.

The full Risk Management Framework can be found here



Risk Management Approach



Risks are prioritised by assigning risk scores 1-5 to the likelihood of the risk occurring, and the potential impact if the risk should occur. These are multiplied to give a total risk score.

The Strategic Risk Register mostly includes high (red) and significant (amber) risks. Directorate Risk Registers are likely to include high, significant, moderate (yellow) and low (green) risks.

Risk Owners are asked to consider whether to treat, tolerate, terminate or transfer the risk. Risk actions should reduce the likelihood and/or impact – if neither are true, there will not be any reason to undertake the action.

Likelihood	Insignificant (1)	Minor (2)	Moderate (3)	Major (4)	Catastrophic (5)
Almost certain (5)	5	10	15	20	25
Likely (4)	4	8	12	16	20
Possible (3)	3	6	9	12	15
Unlikely (2)	2	4	6	8	10
Almost impossible (1)	1	2	3	4	5

Impact

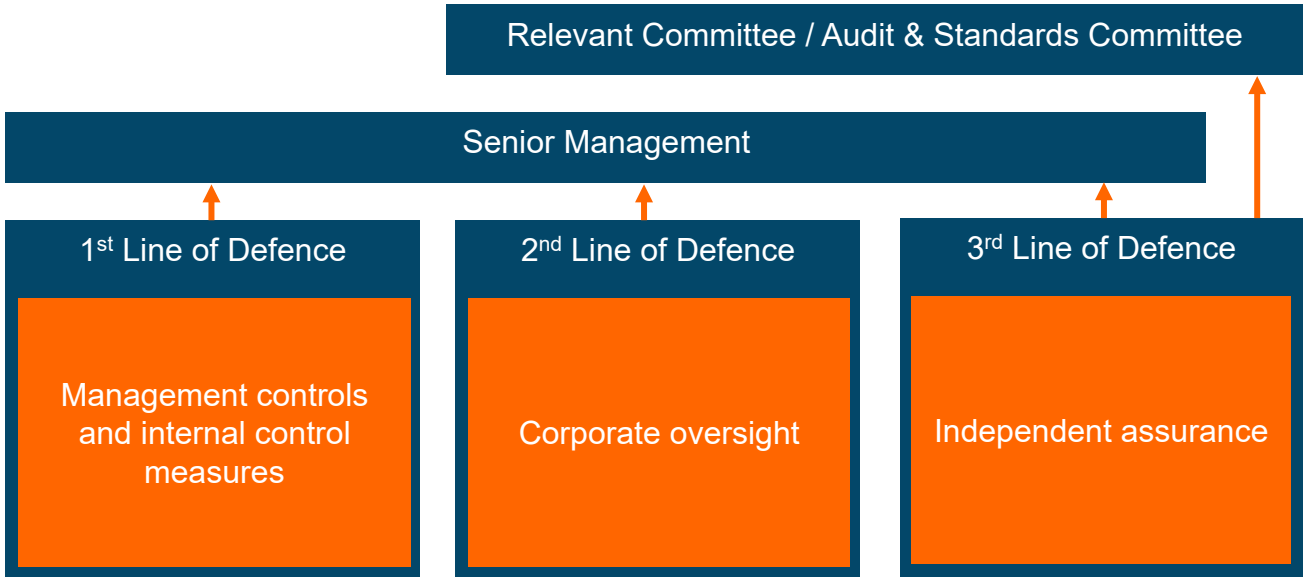
Risk scoring & levels

- The level of a risk will depend on the scope, scale of potential impact and the type of response required. Risks can be escalated or de-escalated between levels through reviews.
- Scoring should be a realistic assessment without optimism bias.
- The **current score** is with existing controls in place and the **target score** is with completed mitigating actions.
- The target score needs to be realistic and take into account the uncertainty of the risk and resources available to deliver actions so can sometimes remain a high 'red' score.
- However, the purpose of scoring is to prioritise risks to ensure resources are allocated to the most significant risks. Heat maps are a helpful way to see how risk scoring compares.

Level & Risk Owner	What makes this type of risk?	Oversight
Strategic Risk (SR) A member of Executive Leadership Team (ELT)	• Affects multiple directorates/ organisations • Impacts on achievement of the Corporate Plan • Requires cross-directorate response	• Audit & Standards Committee • Relevant Committees • External & Internal Audit • Executive Leadership Team
Directorate Risk (DR) A member of a Directorate Management Team (DMT)	• Affects multiple services/ departments • Impacts on achievement of the Directorate Plan • Requires directorate level response	• Relevant Committees • Internal Audit • Executive Leadership Team • Directorate Management Team
Service/Team Risks Head of Service or Team Leader	• Limited to individual team/ service • Impacts on achievement of the service's plan and objectives • Response can be managed within service	• Directorate Management Team • Heads of Service
Programme/Project Risks A member of Programme/Project Board	• Impacts on achievement of the Programme/Project's objectives • Response can be managed within Programme/Project	• Corporate Modernisation Delivery Board or ELT • Directorate Modernisation Board or DMT • Programme/Project Board

Three Lines of Defence Model

Existing controls are set out using the Three Lines of Defence model.



Involves those who know the business, culture and day to day challenges

Involves those responsible for delivery and not independent of the management chain (senior management, boards and committees)

Internal audit, external audit and regulators

Assurance and escalation of risks

- Our Corporate Risk Assurance Framework uses the ‘three lines of defence model’ to assess the effectiveness of how we manage organisational risks.
- Audit & Standards Committee have oversight of the risk management framework.
- Strategic risks are owned by an Executive Leadership Team (ELT) lead. ELT leads are responsible for discussing strategic risks with the relevant committee chairs with a view to mitigating these as appropriate.
- Any member can approach an ELT lead with risks that they foresee for them to take account of it in their risk review sessions.
- Strategic risks are reviewed regularly by the Executive Leadership Team (ELT).
- Directorate and strategic risks are reviewed regularly by Directorate Management Teams (DMTs); risk registers are live documents. Suggested amendments to strategic risks and the Directorate Risk Registers are reported to ELT as part of their risk review.
- All officers are expected to escalate risks to the relevant DMT lead. Risk management training is available to all officers.

Appendix 7 Independent Risk Assurance

Independent assurances of the strategic risks are represented in the third line of defence. The risk register is one element that informs the Internal Audit Plan, but the planned audits will not cover all of the strategic risks. Internal audit provides 3rd line of defence assurance on specific aspects of some of the strategic risks.

Good Governance Principle A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law

Strategic Risk	Independent assurance
SR13 Not keeping adults safe from harm and abuse.	1. For the council's in-house registered care services Care Quality Commission (CQC) Inspections on an on-going regular basis. From 2023, all local authority adult social care services will be inspected by CQC. 2. CQC's programme of inspections of all registered care providers are published weekly and available on CQC's website www.cqc.org.uk. 3. Brighton & Hove Safeguarding Adults Board (BHSAB) is independently chaired and meets quarterly with the three statutory agencies for city wide safeguarding assurance. The Safeguarding Lead is a member of the SAR panel (multi agency, chaired by independent sector) where referrals for reviews are discussed in depth. 4. Local Government Association Test of Assurance in September 2022 provided recommendations that were reviewed at follow up session in April 2023. 5. Internal Audit • 2023/24: Adult Services Data Handling (Reasonable Assurance) • 2022/23: Adult Social Care (In-house services) (Reasonable Assurance); Direct Payments (follow up) (Partial Assurance); ASC Financial Assessments (Partial Assurance) • 2021/22: HASC Modernisation Programme (Reasonable Assurance), Direct Payments (Partial Assurance), Home Care (Reasonable Assurance); Care Payments (Reasonable Assurance)

Good Governance Principle A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law

Strategic Risk	Independent assurance
SR15 Not keeping children safe from harm and abuse.	1. Ofsted inspection of social work practice in March 2024 - Outstanding. This provides external assurance on our safeguarding and care arrangements. 2. Ofsted and the CQC inspection of the council's SEND and Alternative Provision arrangements in March 2023. The council received outcome 1 which provides positive assurance around our social care arrangements for children with special educational needs and disabilities and confirmation that existing improvement plans are correctly focussed. 3. National Probation Inspectorate statutory inspection of the city's Youth Offending Service April 2021 - Outstanding grading across every domain. 4. Annual Engagement Meeting (AEM) with Ofsted HMI for social care and education. Most recently held in April 2024 and covered social care and education. A separate discussion focussing on Further Education and Skills and one on Special Educational Needs is due to take place later in spring 2024. 5. The Brighton & Hove Safeguarding Children's Partnership (BHSCP) commissions Independent Scrutiny (IS) for the partnership to provide external challenge to the businesses of the partnership, its meetings, subgroups and priorities. 6. Internal audit: • 2023/24: Childrens Services Data Handling (Reasonable Assurance), Risk Management Actions: Implementation and Progress Reporting (Substantial Assurance) • 2022/23: Home to School Transport (Reasonable Assurance) • 2021/22: Child Disability Agency Placements (Reasonable Assurance); School Attendance (Reasonable Assurance). • 2020/21: Education, Health and Care Plans (Reasonable Assurance), Care System Replacement Project: Eclipse (Reasonable Assurance) • 2019/20: Care Leavers (Reasonable Assurance), Joint Commissioning (Reasonable Assurance).

Good Governance Principle A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law

Strategic Risk	Independent assurance
SR32 Challenges in ensuring robust & effective health & safety measures, leading to personal injury, prosecution, financial losses, or reputational damage	1. The Council provide data to DLUHC on private sector blocks visual inspections. 2. East Sussex Fire & Rescue Service (ESFRS) Regulatory Reform (Fire Safety) Order - ESFRS undertake citywide audits according to a risk based prioritised programme which includes a range of council buildings. 3. Royal Society for the Prevention of Accidents (RoSPA) undertook an independent audit of BHCC's health and safety framework and arrangements between 1-3rd and 10th December 2020. Final report issued from RoSPA February 2021. Key elements from the RoSPA report have been included in the strategic action plan on going actions contained in the Health and Safety Strategy 2023-27. 4. Engagement on compliance status with the Regulator of Social Housing who will inspect landlords based on their prioritised programme 5. Newly established Building Safety Regulator (HSE) undertakes oversight, inspections and investigates incidents relating to High Rise residential blocks 6. Ofsted and CQC undertake statutory audits of schools, educational settings and care homes and care services. 7. Internal audit: • 2023/24: Health and Safety follow up (Reasonable Assurance), Working Time Directive follow up (Reasonable Assurance), Schools Meals Contract follow up (Reasonable Assurance) • 2022/23: Health & Safety (Partial Assurance) • 2021/22: Property and Design - Corporate Landlord (Reasonable Assurance)

Good Governance Principle B: Ensuring openness and comprehensive stakeholder engagements

Strategic Risk	Independent assurance
SR30 Not fulfilling the expectations of residents, businesses, government and the wider community that Brighton & Hove City Council will lead the city well and be stronger in an uncertain environment	1. HM Government 2. External Audit reviews of financial position of the city council - June 2019. 3. Inspectorate reports e.g. Ofsted 2018 - Children's Services - Good Judgement; and Ofsted focused visit in February 2020 looking at services to children in need and child protection plans resulted in positive comment. 4. LGA peer review Equality Framework for Local Government. 5. Investigatory Powers Commissioner – reviewed the use of investigatory powers (2018) 6. Internal Audit • 2023/24: Declarations of Interest Staff follow up (Reasonable Assurance), Corporate Governance (Partial Assurance), Council Tax (Partial Assurance) follow up (Reasonable Assurance), PCI/DSS (Partial Assurance), Housing Benefit &Council Tax Reduction (Partial Assurance), Business Rates (Reasonable Assurance), Business Continuity Planning (Partial Assurance) • 2022/23: Risk Management (Substantial Assurance); Declarations of Interest (Gifts and Hospitality) Members (Reasonable Assurance); Declarations of Interest (Gifts and Hospitality) Staff (Partial Assurance) • 2021/22: Major Capital Projects - Brighton Centre / Black Rock (Reasonable Assurance) • 2019/20: Brighton Centre (Reasonable Assurance) • 2018/19: Royal Pavilion and Museums (Partial Assurance), Seafront Investment Strategy (Reasonable Assurance)

Good Governance Principle C: Defining outcomes in terms of sustainable economic, social, and environmental benefits

Strategic Risk	Independent assurance
SR21 Unable to manage housing pressures and deliver new housing supply	1. Internal Audit: • 2023/24: Housing Rents follow up (Partial Assurance), Housing Temporary Accommodation (Reasonable Assurance), Housing Repairs Service follow up (Reasonable Assurance), Housing Allocations (Reasonable Assurance) • 2022/23: Housing Management System (follow up) (Reasonable Assurance) • 2021/22: Housing Rents (Partial Assurance) • 2018/19: Digital First (Minimal Assurance) 2. Department for Levelling Up, Housing and Communities information quarterly returns on homelessness and rough sleeping 3. Homes England (HE) information returns where we have HE grant allocations. HE grant for homeless move on accommodation – regular updates to HE on scheme progress and draw down on grant.
SR24 The council is unable to provide an effective welfare support response to households facing financial hardship.	1. Internal Audit: • 2023/24: Risk Management Actions: Implementation and Progress Reporting (Substantial Assurance) • 2021/22: Welfare Discretionary Funding (Reasonable Assurance), Housing and Council Tax Benefits (Substantial Assurance); Council Tax (Reasonable Assurance). 2. Department for Work & Pensions (DWP) oversee distribution of the Household Support Fund. 3. Department of Levelling Up, Housing & Communities and BEIS oversee the Energy Payment and associated discretionary fund, and Energy Bills Support Scheme respectively.

Good Governance Principle C: Defining outcomes in terms of sustainable economic, social, and environmental benefits

Strategic Risk	Independent assurance
SR36 Not taking effective action to help our city transition to carbon neutrality by 2030	1. Environment Agency (EA) in respect of flooding and monthly reports made to EA on how the city council spends the monies received from EA includes schemes such as coastal protection; Property Level Protection; sustainable urban drainage SPG (policy); Strategic Flood Risk Assessment. 2. Internal Audit acts as first level controller to support three EU funded projects part of whose remit is to address some elements of this risk. These are Solar Adoption Rise In the 2 Seas (Solarise), Shaping Climate change Adaptive Places (SCAPE) and Sustainable Housing Initiatives in Excluded Neighbourhoods (SHINE). All claims during 2020/21 were certificated in accordance with EU processes. 3. Local Air Quality Management reports submitted regularly to the Department for Environment, Food and Rural Affairs (Defra) Internal Audits undertaken: • 2023/24: Carbon Reduction Programme (Reasonable Assurance)

Good Governance Principle D: Determining the interventions necessary to optimise the achievement of the intended outcome

Strategic Risk	Independent assurance
SR18 The organisation is unable to deliver its functions in a modern, efficient way due to the lack of investment in and exploitation of technology	1. Internal Audit: • 2023/24: Surveillance Cameras follow up (Reasonable Assurance), Robotic Process Automation (Reasonable Assurance), Advice work for ERP programme board and the housing works management system programme board, PCI/DSS (Partial Assurance) • 2022/23: Housing Management System (follow up) (Reasonable Assurance); Public Sector Bodies Accessibility Regulations (follow up) (Reasonable Assurance) • 2021/22: MCM Housing Repairs Application (Reasonable Assurance), Public Sector Bodies - Website & Mobile Applications - Accessibility Regulations (Partial Assurance) • 2020/21: Care System Replacement Project – Eclipse (Reasonable Assurance), Housing Management System Implementation (Partial Assurance), Cloud Computing (Reasonable Assurance), IT Access Management (Partial Assurance) • 2019/20: Mobile Device Management (Reasonable Assurance), Surveillance Cameras (Partial Assurance) • 2018/19: Digital First (Minimal Assurance), Housing Management System Replacement (Reasonable Assurance), Care management system re-procurement (Reasonable Assurance)

Good Governance Principle E: Developing the entity's capacity including the capacity of its leadership and with individuals within it

Strategic Risk	Independent assurance
SR2 The Council is not financially sustainable in the medium term	1. Annual review of Value for Money (VfM) arrangements by the External Auditor leading to an opinion in the annual audit report. The last review (2021/22) concluded there were no governance issues to report and arrangements to secure VfM and the council's use of resource were reasonable. However, a significant weakness in terms of financial resilience was identified resulting in a 'Key Recommendation' to improve financial sustainability. This was considered by the Audit & Standards Committee on 24 January 2023 including the management response. 2. Internal audit reviews: Internal Audit reviews on all aspects of financial management, governance and reporting are undertaken on a rolling basis to provide management with assurance and recommendations for improvements. • 2023/24: Budget Management – Effectiveness of Savings Targets (Partial Assurance), Corporate Governance (Partial Assurance), Contract Management (Partial Assurance). Follow up (Reasonable Assurance), Key financial systems – Payroll (Partial Assurance), Accounts Receivable (Partial Assurance) Housing Rents follow up (Partial Assurance), HB & CTR (Partial Assurance) Accounts Payable (Reasonable Assurance), Business Rates (Reasonable Assurance), Council Tax (Partial Assurance) with follow up (Reasonable Assurance), Life Events Income (Reasonable Assurance), Parking Income and Parking Enforcement (Reasonable Assurance), Service Agreements Residential and Non -Residential (Partial Assurance), Safeguarding - Complex Care Placements for Children (Reasonable Assurance), PCI/DSS (Partial Assurance), Off Payroll Payments (Partial Assurance) • 2022/23: Treasury Management (Substantial Assurance); Revenue Collection and Banking (Reasonable Assurance) • 2021/22: Accounts Payable (Reasonable Assurance), City Clean Expenditure (Reasonable Assurance), Capital Programme (Reasonable Assurance); Account Receivable (Reasonable Assurance); Revenue Budget Management (Reasonable Assurance); Council Tax (Reasonable Assurance); Payroll (Reasonable Assurance); Housing Rents (Partial Assurance) • 2020/21: Budget Management (Substantial Assurance), Payroll (Reasonable Assurance), Business Rates (Reasonable Assurance), Accounts Receivable (Partial Assurance), Council Tax (Reasonable Assurance)

Good Governance Principle E: Developing the entity's capacity including the capacity of its leadership and with individuals within it

Strategic Risk	Independent assurance
SR25 Insufficient organisational capacity or resources to deliver all services and respond to changing needs and changing circumstances	1. Local Government Peer Review 2017 focused on Leadership and Industrial Relations. 2. Internal Audit • 2023/24: Organisational Capacity – Workforce Strategy and Management (Reasonable Assurance), Performance Development Plans and 1 to 1s (Reasonable Assurance) • 2021/22: Agency Staff Contract (Reasonable Assurance) • 2020/21: Recruitment (Reasonable Assurance), Working Time Directive (Partial Assurance) • 2018/19: Personal Service Companies and Use of Consultants (Reasonable Assurance), Wellbeing Project (Substantial Assurance)

Good Governance Principle F: Managing risks and performance through robust internal control and strong financial management

Strategic Risk

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SR10

Corporate information assets are inadequately controlled and vulnerable to cyber attack

Independent assurance

1. Internal Audit:

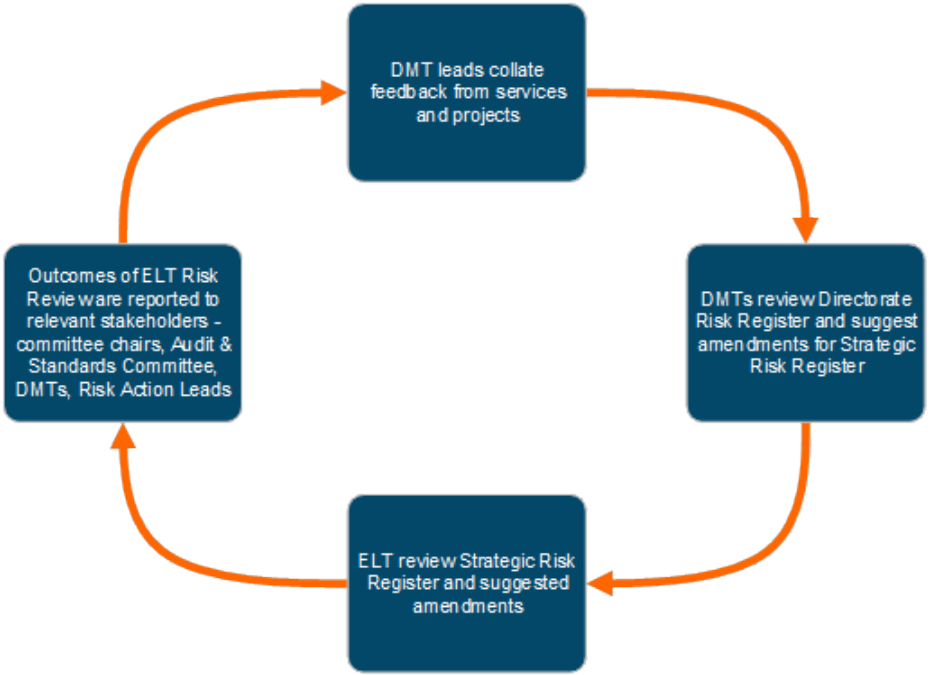
- 2023/24: Procurement of IT Systems (Reasonable Assurance), Surveillance Cameras follow up (Reasonable Assurance), Robotic Process Automation (Reasonable Assurance), Eclipse Application Control (Reasonable Assurance), Accommodation Strategy & Workstyle Programme (Reasonable Assurance), Adult Services Data Handling (Reasonable Assurance), Childrens Services Data Handling (Reasonable Assurance), PCI/DSS (Partial Assurance)
- 2022/23: IT Asset Procurement (Value for Money) (Substantial Assurance); ; Cyber Security (Reasonable Assurance); MetaCompliance IT Application (Reasonable Assurance)
- 2021/22: Email Communication - personal and sensitive encryption (Reasonable Assurance), DWP/Searchlight System Security Compliance (Reasonable Assurance), PIER Application Control (Reasonable Assurance), Information Governance - Remote Working (Reasonable Assurance), IT Access Management (Reasonable Assurance), Network Security (Reasonable Assurance), Network Access Management (follow up) (Reasonable Assurance); IT&D Strategic and Operational Risk Management (Reasonable Assurance); Post-Brexit Information Governance (Substantial Assurance)
- 2020/21: Cyber Security (Reasonable Assurance), GDPR (Reasonable Assurance), Housing Management System Implementation (Partial Assurance)
- 2019/20: ICT Compliance Framework (Reasonable Assurance), Mobile Device Management (Reasonable Assurance), Purchasing Card System (Reasonable Assurance), Main Accounting System (Substantial Assurance)

2. IT Health Check (ITHC) performed by a 'CHECK'/'CREST' approved external service provider – covering both applications and infrastructure assurance. The ITHC approach has been updated to include one standard annual check and one targeted solution specific check (e.g. the mobile service).

3. Continued assurance from compliance regimes, including Public Sector Network (PSN) CoCo (Code of Connection); NHS Digital Data Security and Protection (DSP) Toolkit; and Payment Card Industry Data Security Standard (PCI DSS).

Good Governance Principle G: Implementing good practice in transparency, reporting and audit to deliver effective accountability

The Strategic Risk Register is reviewed by the Directorate Management Teams and Executive Leadership Team quarterly. The Strategic Risks are presented to the relevant committees annually so available for staff and public to view in the report pack for committee meetings.



Appendix 8 Policies, Processes & Strategies

Whilst many of our policies, processes and strategies link to many of the Good Governance Principles, below are those that are particularly relevant.

Good Governance Principle A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law

Policy, framework or process	Owner	Last reviewed
The Constitution	Corporate Director (Corporate Services)	2024
Code on Officer/Member Relations	Corporate Director (Corporate Services)	2024
Behaviour Framework which includes council values (Leadership values were included in this)	Director of Human Resources and Organisational Development	2023
BHCC Anti-Fraud & Corruption Strategy and Framework	Chief Internal Auditor	2022
Modern Slavery Statement	Chief Finance Officer	2023

Good Governance Principle B: Ensuring openness and comprehensive stakeholder engagements

Policy, framework or process	Owner	Last reviewed
Customer Experience Strategy	Corporate Director (Corporate Services)	2023
Information Rights Framework	Corporate Director (Corporate Services)	2024
Formal Partnerships including the City Management Board	Corporate Director (Corporate Services)	2023

Good Governance Principle C: Defining outcomes in terms of sustainable economic, social, and environmental benefits

Policy, framework or process	Owner	Last reviewed
Council Plan	Corporate Director (Corporate Services)	2023
Economic Strategy	Corporate Director (City Services)	2024
Carbon Reduction Programme	Corporate Director (City Services)	2024
Medium Term Financial Strategy	Chief Finance Officer	2024
Capital Investment Programme	Chief Finance Officer	2024

Good Governance Principle D: Determining the interventions necessary to optimise the achievement of the intended outcome

Policy, framework or process	Owner	Last reviewed
Financial Regulations & Standard Financial Procedures	Chief Finance Officer	2019
Modernisation Portfolio of Change Projects and Programmes	Corporate Director (Corporate Services)	2023
Contract Standing Orders	Chief Finance Officer	2023

Good Governance Principle E: Developing the entity's capacity including the capacity of its leadership and with individuals within it

Policy, framework or process	Owner	Last reviewed
Fair & Inclusive Action Plan (which includes equalities work with city partners)	Corporate Director (Corporate Services)	2023
Staff training	Director of Human Resources and Organisational Development	2023
Member training	Corporate Director (Corporate Services)	2023
Scheme of Delegation	Corporate Director (Corporate Services)	2024
Pay policy statement	Director of Human Resources and Organisational Development	2024

Good Governance Principle F: Managing risks and performance through robust internal control and strong financial management

Policy, framework or process	Owner	Last reviewed
Risk Management Process part of Performance Management Framework	Corporate Director (Corporate Services)	2024
Information governance & security policies	Corporate Director (Corporate Services)	2023
Health & Safety Strategy	Director of Human Resources and Organisational Development	2023
People Strategy	Director of Human Resources and Organisational Development	2023
Whistleblowing Policy	Corporate Director (Corporate Services)	2022

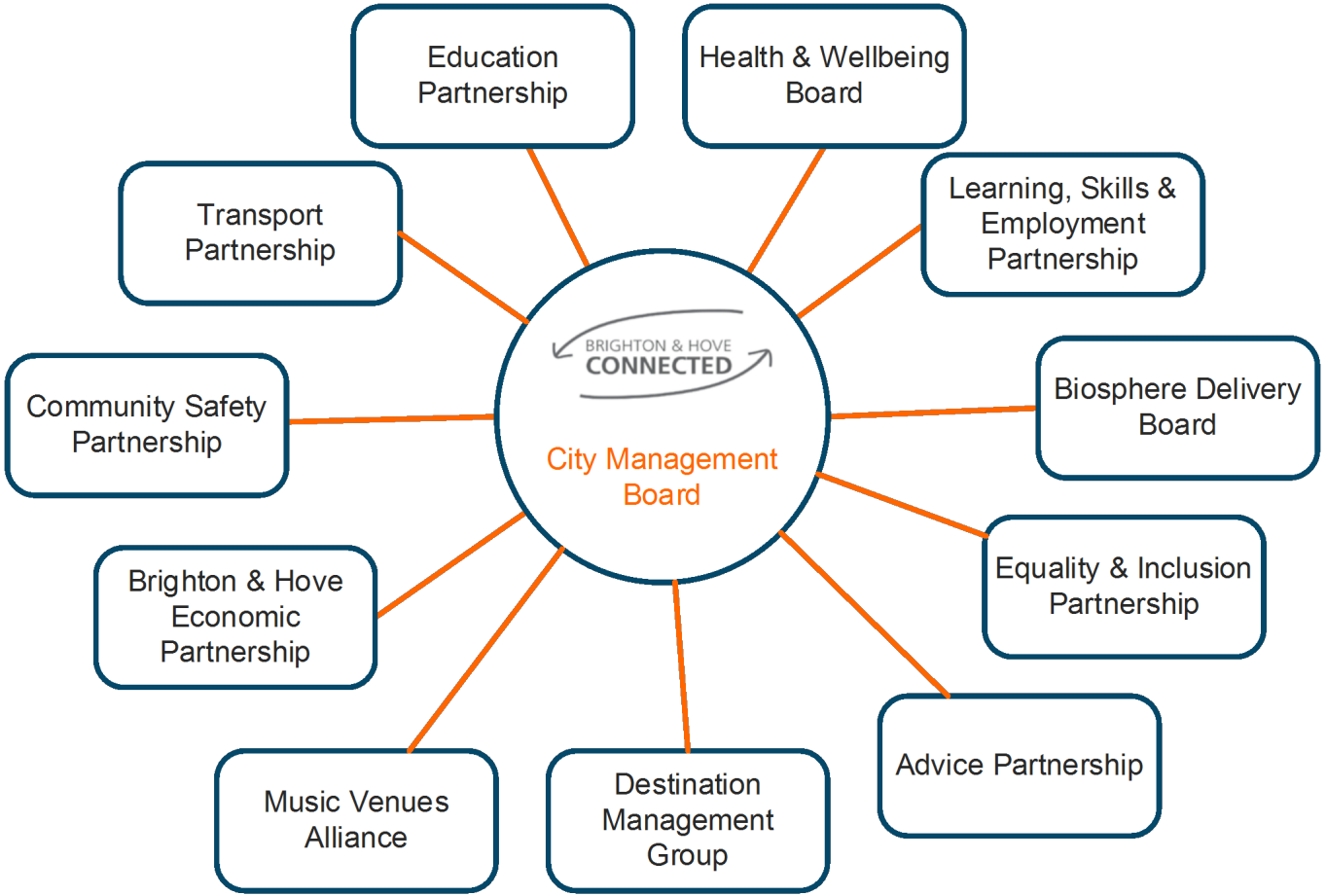
Good Governance Principle G: Implementing good practice in transparency, reporting and audit to deliver effective accountability

Policy, framework or process	Owner	Last reviewed
Performance Management Framework	Corporate Director (Corporate Services)	2023
Internal Audit Plan, Annual Internal Audit Review and Opinion, Independent Assessment of Internal Audit	Chief Internal Auditor	2024
External Auditor's Annual Report	Chief Finance Officer	2024

Appendix 9: Bodies BHCC works closely with and/or whose board BHCC nominates members to

- Brighton & Hove Estates Conservation Trust
- Brighton & Hove Music Trust
- Brighton & Hove Seaside Community Homes Ltd
- Brighton Dome & Festival Limited
- East Sussex Fire Authority
- East Sussex Pension Board
- Gorham's Gift
- Homes for Brighton & Hove LLP
- Local Government Association
- Sussex Police & Crime Panel

BHCC appoints members to a range of other external bodies and partnerships as a means of discharging the council's functions across the area of Brighton & Hove. A complete list of appointments is available in the papers of Annual Council, which are published on the council's website.

Those external bodies include the East Sussex Fire Authority, which is a combined fire authority made up of members of its two constituent authorities: East Sussex County Council and BHCC, and the Police & Crime Panel; a joint committee which monitors and supports the Police and Crime Commissioner.

Thematic Partnerships