**SOUTH LANARKSHIRE COUNCIL**

# Report

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| Report to: | **Risk and Audit Scrutiny Committee** |
| Date of Meeting: | **6 February 2019** |
| Report by: | **Executive Director (Finance and Corporate Resources)** |

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| Subject: | **Annual Review of the Local Code of Corporate Governance** |

## 1. Purpose of Report
1.1. The purpose of the report is to:-

♦ Provide Committee with an update on the annual review of the Local Code of Corporate Governance.

## 2. Recommendation(s)
2.1. The Committee is asked to approve the following recommendation(s):-

**(1)** that the findings from the review of the Local Code of Corporate Governance are noted;

**(2)** that the updated Local Code of Corporate Governance is approved.

## 3. Background
3.1. Each year, the Council undertakes a comprehensive review of the governance arrangements that are required to support the Council's financial and operational controls. The annual review of governance arrangements informs the Governance Statement which is included within the Council's Annual Accounts.

3.2. On 1 April 2016, a new governance framework came into effect, Delivering Good Governance in Local Government and the guidance for Scottish Local Authorities was published in December 2016. The framework was established by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives (SOLACE).

3.3. To achieve good governance, the Council should be able to demonstrate that its governance structures comply with the principles contained in the CIPFA/SOLACE framework and should, therefore, develop and maintain a Local Code of Governance and governance arrangements reflecting these principles. A new Local Code of Corporate Governance was developed and approved by the Council on 16 May 2018 and compliance with the Code was reviewed as part of the Annual Review of Governance arrangements.

3.4. The purpose of this report is to advise the Committee of the process undertaken to review the Local Code of Corporate Governance and provide an updated document for approval in preparation for the 2018-2019 Annual Review of Governance arrangements.

**4.    The Review Process**
4.1.    The principles contained in the Code are aligned with the Council's Annual Governance Self-Assessment process.  Each year, all Resources undertake a Self-Assessment of Governance arrangements.  This informs the Director's Statement of Assurance which, in turn, informs the Governance Statement and the resulting Improvement Plans.  The review of the Local Code of Corporate Governance forms part of this process and the Governance Statement provides a record of how the Council has complied with the Code.

**5.    Findings from the Review**
5.1.    Following on from the review, there have been no changes to how the Code is structured.  As previously reported, the Code comprises a framework of policies, procedures, behaviours and values by which the Council is controlled and governed. It shows how the Council will continue to review the governance arrangements that are currently in place and implement improvements, where necessary.

The document is split into two sections:-
- Section 1 outlines the actions and behaviours that demonstrate good governance as set out in the national framework (as referred to at paragraph 3.2.); and
- Section 2 provides links to the policies, procedures and other documentary evidence that demonstrate the Council's governance arrangements.

These provide the structures and guidance that our elected members and employees need to ensure effective governance across the Council.

5.2.    Much of the work undertaken to update the Code has related to Section 2 of the document.  Evidence and links have been updated, where relevant.  A copy of the updated Code is attached at Appendix 1.

**6.    Key Governance Changes During 2017-18**
6.1.    The major changes to the Council's governance arrangements, as reported by each Resource in the Director's Statement of Assurance, is included at Appendix 2.

**7.    Communication of the Code**
7.1.    The first of a series of Governance Awareness Sessions with Elected Members took place on 22 August 2018.  This session included an overview of the Code and how it relates to the work of Elected Members.  Further sessions will be arranged.

7.2.    The Employee Code of Conduct is currently being updated to reflect the new national Principles of Good Governance and the Council's revised Local Code of Corporate Governance.  A Management Bulletin and Personnel Circular will be issued to advise employees of these changes.

**8.    Employee Implications**
8.1.    Officers will continue to attend the Good Governance Group and will commit time to review and monitor governance and assurance arrangements.

**9.    Financial Implications**
9.1.    There are no financial implications directly associated with this report.

**10.    Other Implications**
10.1.    There are no significant issues in terms of sustainability or risk directly associated with this report.

## 11. Equality Impact Assessment and Consultation Arrangements

11.1. All Resources, through senior officers, are involved in the progress, monitoring and review of governance good arrangements and the development of the Annual Governance Statement and Improvement Plan.

11.2. This report does not introduce a new policy, function or strategy or recommend a change to an existing policy, function or strategy and, therefore, no impact assessment is required.

**Paul Manning**
**Executive Director (Finance and Corporate Resources)**

11 December 2018

## Link(s) to Council Objectives/Values/Ambitions
- All Council Objectives and Values

## Previous References
♦ Report on the "Review - Code of Corporate Governance and Annual Governance Statement" on 13 June 2018

## List of Background Papers
- None

## Contact for Further Information
If you would like to inspect the background papers or want further information, please contact:-

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## Local Code of Corporate Governance

### Introduction

### What is Corporate Governance?
South Lanarkshire Council has set the framework for strong Corporate Governance by having a clear vision which states that the council will:-

"Improve the quality of life of everyone in South Lanarkshire"

The function of good governance in the public sector is to ensure that organisations achieve their intended outcomes while acting in the public interest at all times. This means doing the right things, in the right way, for the right people, at the right time, in an inclusive, open, honest and accountable manner.

### Purpose
This document sets out South Lanarkshire Council's Local Code of Corporate Governance which has been produced in accordance with the principles and requirements contained within the framework established by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives (SOLACE) in the publication, Delivering Good Governance in Local Government Framework (2016 Edition) (referred to as "The Framework"). It comprises of a framework of policies, procedures, behaviours and values by which the council is controlled and governed. It shows how the council will continue to review the governance arrangements that are currently in place and implement improvements where necessary.

The Code is split into two sections:-
- Section 1 outlines the actions and behaviours that demonstrate good governance as set out in the framework; and
- Section 2 provides links to the policies, procedures and other documentary evidence that demonstrate the council's governance arrangements.

These provide the structures and guidance that our councillors and employees need to ensure effective governance across the council.

### Good Governance in the Public Sector (The Framework)
The Framework defines the principles that should underpin the governance of each council and provides a structure to help councils with their approach to governance. Whatever arrangements are in place, councils should test their governance structures and partnerships against the principles contained in the Framework by:-

- reviewing existing governance arrangements;
- developing and maintaining an up-to-date local code of governance, including arrangements for ensuring ongoing effectiveness; and
- reporting publicly on compliance with their own code on an annual basis and on how they have monitored the effectiveness of their governance arrangements in the year and on planned changes.

To achieve good governance, each council should be able to demonstrate that its governance structures comply with the principles contained in this Framework. It should therefore develop and maintain a local code of governance/governance arrangements reflecting the principles set out.

The diagram below illustrates the various principles of good governance in the public sector and how they relate to each other:-
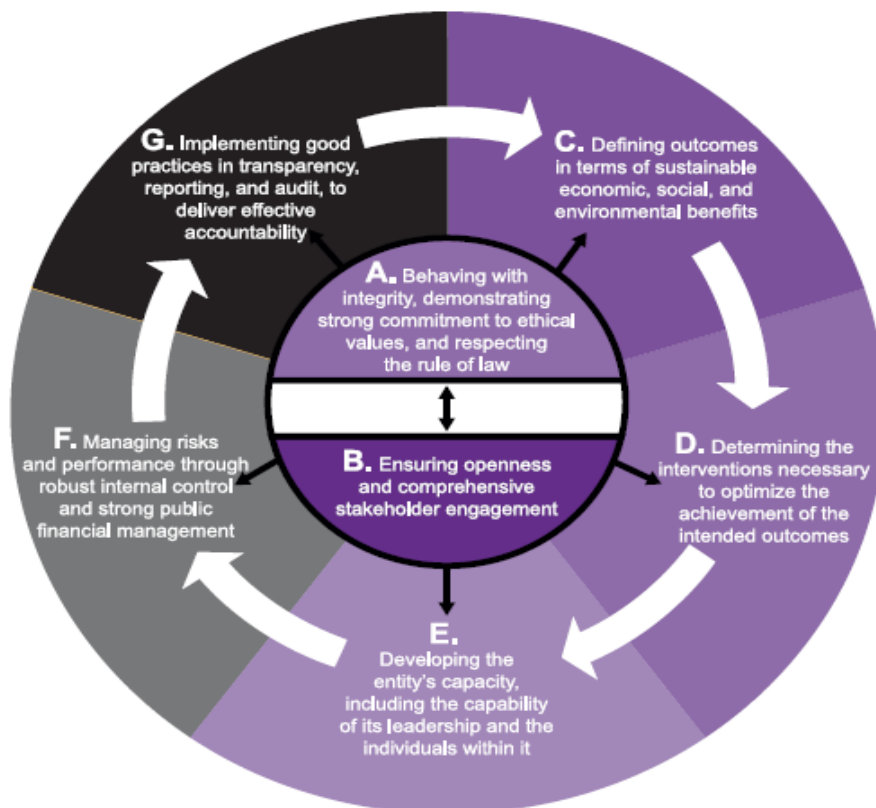


Further information regarding each of the above principles and the behaviours and actions that demonstrate good governance in practice are detailed at Section 1.

**Monitoring and Review**
The council will monitor its governance arrangements for their effectiveness in practice and will review them on a continuing basis to ensure that they are up to date.

**Compliance with the Code**
Compliance with the code will be assessed annually using the councils "Governance Assurance Framework". This will be assessed by a governance working group which is chaired by the council's monitoring officer and comprises of senior officers from each of the council's five departments. The Internal Auditor also attends these meetings. The results of the assessment will be reported to the Risk and Audit Scrutiny Committee. This will incorporate recommendations for additions and/or improvements to the code to reflect any changes in the way in which the council does business or new legislation affecting the council's governance arrangements.

Each year the council will publish an Annual Governance Statement. The Leader of the Council and the Chief Executive are required to produce this as part of the auditing of the council's annual accounts. This will reflect the governance officer working group's assessment of compliance; provide an opinion on the effectiveness of the council's arrangements; and provide details of any improvements required. In addition, the council's

Internal Audit team will also conduct an annual independent audit reviewing the adequacy, effectiveness and extent of compliance with the code.

**Certification**
The council is committed to the seven principles of good corporate governance detailed within the Framework and demonstrates this commitment through the development, adoption and implementation of a Local Code of Corporate Governance.

We hereby certify our commitment to this Code of Corporate Governance and will make sure that the council continues to review, evaluate and develop the council's governance arrangements to ensure continuous improvement of the council's systems.

**John Ross**
**Leader of the Council**

**Signature:**                                                          **Date:**

**Lindsay Freeland**
**Chief Executive**

**Signature:**                                                          **Date:**

# Section 1

## Actions and behaviours that demonstrate good governance in practice

| Principle A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law ||
|---|---|
| Local government organisations are accountable not only for how much they spend, but also for how they use the resources under their stewardship. This includes accountability for outputs, both positive and negative, and for the outcomes they have achieved. In addition, they have an overarching responsibility to serve the public interest in adhering to the requirements of legislation and government policies. It is essential that, as a whole, they can demonstrate the appropriateness of all their actions across all activities and have mechanisms in place to encourage and enforce adherence to ethical values and to respect the rule of law. ||
| **Sub principles:** | **South Lanarkshire Council is committed to:-** |
| **A1: Behaving with integrity** | Ensuring members and officers behave with integrity and lead a culture where acting in the public interest is visibly and consistently demonstrated thereby protecting the reputation of the council. |
| | Ensuring members take the lead in establishing specific standard operating principles or values for the council and its employees and that they are communicated and understood. These should build on the Seven Principles of Public Life (The Nolan Principles). |
| | Leading by example and using the above standard operating principles or values as a framework for decision making and other actions. |
| | Demonstrating, communicating and embedding the standard operating principles or values through appropriate policies and processes which are reviewed on a regular basis to ensure that they are operating effectively. |
| **A2: Demonstrating strong commitment to ethical values** | Seeking to establish, monitor and maintain the council's ethical standards and performance. |
| | Underpinning personal behaviour with ethical values and ensuring they permeate all aspects of the council's culture and operation. |
| | Developing and maintaining robust policies and procedures which place emphasis on agreed ethical values. |
| | Ensuring that external providers of services on behalf of the council are required to act with integrity and in compliance with ethical standards expected by the council. |
| **A3: Respecting the rule of law** | Ensuring members and employees demonstrate a strong commitment to the rule of the law as well as adhering to relevant laws and regulations. |
| | Creating the conditions to ensure that the statutory officers, other key post holders, and members, are able to fulfil their responsibilities in accordance with legislative and regulatory requirements. |
| | Striving to optimise the use of the full powers available for the benefit of citizens, communities and other stakeholders. |
| | Dealing with breaches of legal and regulatory provisions effectively. |
| | Ensuring corruption and misuse of power are dealt with effectively. |

| Principle B: Ensuring openness and comprehensive stakeholder engagement |
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| Local government is run for the public good, organisations therefore should ensure openness in their activities. Clear, trusted channels of communication and consultation should be used to engage effectively with all groups of stakeholders, such as individual citizens and service users, as well as institutional stakeholders. |

| Sub principles: | South Lanarkshire Council is committed to:- |
|---|---|
| **B1: Openness** | Ensuring an open culture through demonstrating, documenting and communicating the council's commitment to openness. |
| | Making decisions that are open about actions, plans, resource use, forecasts, outputs and outcomes. The presumption is for openness. If that is not the case, a justification for the reasoning for keeping a decision confidential should be provided. |
| | Providing clear reasoning and evidence for decisions in both public records and explanations to stakeholders and being explicit about the criteria, rationale and considerations used. In due course, ensuring that the impact and consequences of those decisions are clear. |
| | Using formal and informal consultation and engagement to determine the most appropriate and effective interventions/courses of action. |
| **B2: Engaging comprehensively with institutional stakeholders** | Effectively engaging with institutional stakeholders to ensure that the purpose, objectives and intended outcomes for each stakeholder relationship are clear so that outcomes are achieved successfully and sustainably. |
| | Developing formal and informal partnerships to allow for resources to be used more efficiently and outcomes achieved more effectively. |
| | Ensuring that partnerships are based on: trust; a shared commitment to change; a culture that promotes and accepts challenge among partners and that the added value of partnership working is explicit. |
| **B3: Engaging with individual citizens and service users effectively** | Establishing a clear policy on the types of issues that the council will meaningfully consult with or involve individual citizens, service users and other stakeholders to ensure that service (or other) provision is contributing towards the achievement of intended outcomes. |
| | Ensuring that communication methods are effective and that members and officers are clear about their roles with regard to community engagement. |
| | Encouraging, collecting and evaluating the views and experiences of communities, citizens, service users and organisations of different backgrounds including reference to future needs. |
| | Implementing effective feedback mechanisms in order to demonstrate how views have been taken into account. |
| | Balancing feedback from more active stakeholder groups with other stakeholder groups to ensure inclusivity. |
| | Taking account of the impact of decisions on future generations of tax payers and service users. |

| Principle C: Defining outcomes in terms of sustainable economic, social, and environmental benefits |
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| The long-term nature and impact of many of local government's responsibilities mean that it should define and plan outcomes and that these should be sustainable. Decisions should further the council's purpose, contribute to intended benefits and outcomes, and remain within the limits of authority and resources. Input from all groups of stakeholders, including citizens, service users, and institutional stakeholders, is vital to the success of this process and in balancing competing demands when determining priorities for the finite resources available. |

| Sub principles: | South Lanarkshire Council is committed to:- |
| --- | --- |
| C1: Defining Outcomes | Having a clear vision which is an agreed formal statement of the council's purpose and intended outcomes containing appropriate performance indicators, which provide the basis for the council's overall strategy, planning and other decisions. |
| | Specifying the intended impact on, or changes for, stakeholders including citizens and service users. It could be immediately or over the course of a year or longer. |
| | Delivering defined outcomes on a sustainable basis within the resources that will be available. |
| | Identifying and managing risks to the achievement of outcomes. |
| | Managing service users' expectations effectively with regard to determining priorities and making the best use of the resources available. |
| C2: Sustainable economic, social and environmental benefits | Considering and balancing the combined economic, social and environmental impact of policies and plans when taking decisions about service provision. |
| | Taking a longer-term view with regard to decision making, taking account of risk and acting transparently where there are potential conflicts between the council's intended outcomes and short-term factors such as the political cycle or financial constraints. |
| | Determining the wider public interest associated with balancing conflicting interests between achieving the various economic, social and environmental benefits, through consultation where possible, in order to ensure appropriate trade-offs. |
| | Ensuring fair access to services. |

**Principle D: Determining the interventions necessary to optimise the achievement of the intended outcomes**

Local government achieves its intended outcomes by providing a mixture of legal, regulatory, and practical interventions (courses of action).  Determining the right mix of these courses of action is a critically important strategic choice that local government has to make to ensure intended outcomes are achieved.  They need robust decision-making mechanisms to ensure that their defined outcomes can be achieved in a way that provides the best trade-off between the various types of resource inputs while still enabling effective and efficient operations.  Decisions made need to be reviewed frequently to ensure that achievement of outcomes is optimised.

| Sub principles: | South Lanarkshire Council is committed to:- |
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| **D1: Determining interventions** | Ensuring decision makers receive objective and rigorous analysis of a variety of options indicating how intended outcomes would be achieved and associated risks.  Therefore ensuring best value is achieved however services are provided. |
| | Considering feedback from citizens and service users when making decisions about service improvements or where services are no longer required in order to prioritise competing demands within limited resources available including people, skills, land and assets and bearing in mind future impacts. |
| **D2: Planning interventions** | Establishing and implementing robust planning and control cycles that cover strategic and operational plans, priorities and targets. |
| | Engaging with internal and external stakeholders in determining how services and other courses of action should be planned and delivered. |
| | Considering and monitoring risks facing each partner when working collaboratively, including shared risks. |
| | Ensuring arrangements are flexible and agile so that the mechanisms for delivering goods and services can be adapted to changing circumstances. |
| | Establishing appropriate key performance indicators (KPIs) as part of the planning process in order to identify how the performance of services and projects is to be measured. |
| | Ensuring capacity exists to generate the information required to review service quality regularly. |
| | Preparing budgets in accordance with objectives, strategies and the medium term financial plan. |
| | Informing medium and long-term resource planning by drawing up realistic estimates of revenue and capital expenditure aimed at developing a sustainable funding strategy. |
| **D3: Optimising achievement of intended outcomes** | Ensuring the medium term financial strategy integrates and balances service priorities, affordability and other resource constraints. |
| | Ensuring the budgeting process is all-inclusive, taking into account the full cost of operations over the medium and longer term. |
| | Ensuring the medium-term financial strategy sets the context for ongoing decisions on significant delivery issues or responses to changes in the external environment that may arise during the budgetary period in order for outcomes to be achieved while optimising resource usage. |
| | Ensuring the achievement of 'social value' through service planning and commissioning. |

**Principle E: Developing the entity's capacity, including the capability of its leadership and the individuals within it**

Local government needs appropriate structures and leadership, as well as people with the right skills, appropriate qualifications and mindset, to operate efficiently and effectively and achieve intended outcomes within the specified periods. A local government organisation must ensure that it has both the capacity to fulfil its own mandate and to make certain that there are policies in place to guarantee that its management has the operational capacity for the organisation as a whole. Because both individuals and the environment in which an organisation operates will change over time, there will be a continuous need to develop its capacity as well as the skills and experience of individual staff members. Leadership in local government is strengthened by the participation of people with many different types of backgrounds, reflecting the structure and diversity of communities.

| Sub principles: | South Lanarkshire Council is committed to:- |
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| **E1: Developing the entity's capacity** | Reviewing operations, performance and use of assets on a regular basis to ensure their continuing effectiveness. |
| | Improving resource use through appropriate application of techniques such as benchmarking and other options in order to determine how resources are allocated so that defined outcomes are achieved effectively and efficiently. |
| | Recognising the benefits of partnerships and collaborative working where added value can be achieved. |
| | Developing and maintaining an effective workforce plan to enhance the strategic allocation of resources. |
| **E2: Developing the capability of the entity's leadership and other individuals** | Developing protocols to ensure that elected and appointed leaders negotiate with each other regarding their respective roles early on in the relationship and that a shared understanding of roles and objectives is maintained. |
| | Publishing a statement that specifies the types of decisions that are delegated and those reserved for the collective decision making of the governing body. |
| | Ensuring the leader and the chief executive have clearly defined and distinctive leadership roles within a structure whereby the chief executive leads in implementing strategy and managing the delivery of services and other outputs set by members and each provides a check and a balance for each other's authority. |
| | Developing the capabilities of members and senior management to achieve effective leadership and to enable the council to respond successfully to changing legal and policy demands as well as economic, political and environmental changes and risks by:<br>• Ensuring members and employees have access to appropriate induction tailored to their role and that ongoing training and development matching individual and council requirements is available and encouraged;<br>• Ensuring members and officers have the appropriate skills, knowledge, resources and support to fulfil their roles and responsibilities and ensuring that they are able to update their knowledge on a continuing basis; and<br>• Ensuring personal, organisational and system-wide development through shared learning, including lessons learnt from governance weaknesses both internal and external. |
| | Ensuring that there are structures in place to encourage public participation. |
| | Taking steps to consider the leadership's own effectiveness and ensuring leaders are open to constructive feedback from peer review and inspections. |
| | Holding staff to account through regular performance reviews which take account of training or development needs. |
| | Ensuring arrangements are in place to maintain the health and wellbeing of the workforce and support individuals in maintaining their own physical and mental wellbeing. |

**Principle F: Managing risks and performance through robust internal control and strong public financial management**

Local government needs to ensure that the organisations and governance structures that it oversees have implemented, and can sustain, an effective performance management system that facilitates effective and efficient delivery of planned services. Risk management and internal control are important and integral parts of a performance management system and are crucial to the achievement of outcomes. Risk should be considered and addressed as part of all decision making activities. A strong system of financial management is essential for the implementation of policies and the achievement of intended outcomes, as it will enforce financial discipline, strategic allocation of resources, efficient service delivery and accountability. It is also essential that a culture and structure for scrutiny are in place as a key part of accountable decision making, policy making and review. A positive working culture that accepts, promotes and encourages constructive challenge is critical to successful scrutiny and successful delivery. Importantly, this culture does not happen automatically, it requires repeated public commitment from those in authority.

| Sub principles: | South Lanarkshire is committed to:- |
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| **F1: Managing risk** | Recognising that risk management is an integral part of all activities and must be considered in all aspects of decision making. |
| | Implementing robust and integrated risk management arrangements and ensuring that they are working effectively. |
| | Ensuring that responsibilities for managing individual risks are clearly allocated. |
| **F2: Managing performance** | Monitoring service delivery effectively including planning, specification, execution and independent post-implementation review. |
| | Making decisions based on relevant, clear objective analysis and advice pointing out the implications and risks inherent in the council's financial, social and environmental position and outlook. |
| | Ensuring an effective scrutiny or oversight function is in place which provides constructive challenge and debate on policies and objectives before, during and after decisions are made thereby enhancing the council's performance and that of any organisation for which it is responsible. (Or, for a committee system - Encouraging effective and constructive challenge and debate on policies and objectives to support balanced and effective decision making). |
| | Providing members and senior management with regular reports on service delivery plans and on progress towards outcome achievement. |
| | Ensuring there is consistency between specification stages (such as budgets) and post-implementation reporting (e.g. financial statements). |
| **F3: Robust internal control** | Aligning the risk management strategy and policies on internal control with achieving objectives. |
| | Evaluating and monitoring risk management and internal control on a regular basis. |
| | Ensuring effective counter fraud and anti-corruption arrangements are in place. |
| | Ensuring additional assurance on the overall adequacy and effectiveness of the framework of governance, risk management and control is provided by the internal auditor. |
| | Ensuring an audit committee or equivalent group/function, which is independent of the executive and accountable to the governing body; provides a further source of effective assurance regarding arrangements for managing risk and maintaining an effective control environment; and that its recommendations are listened to and acted upon. |

| Principle F: Managing risks and performance through robust internal control and strong public financial management (continued) | |
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| **Sub principles:** | **South Lanarkshire is committed to:-** |
| **F4: Managing data** | Ensuring effective arrangements are in place for the safe collection, storage, use and sharing of data, including processes to safeguard personal data. |
| | Ensuring effective arrangements are in place and operating effectively when sharing data with other bodies. |
| | Reviewing and auditing regularly the quality and accuracy of data used in decision making and performance monitoring. |
| **F5: Strong public financial management** | Ensuring financial management supports both long-term achievement of outcomes and short-term financial and operational performance. |
| | Ensuring well-developed financial management is integrated at all levels of planning and control, including management of financial risks and controls. |

| **Principle G: Implementing good practices in transparency, reporting, and audit to deliver effective accountability**<br><br>Accountability is about ensuring that those making decisions and delivering services are answerable for them. Effective accountability is concerned not only with reporting on actions completed, but also ensuring that stakeholders are able to understand and respond as the council plans and carries out its activities in a transparent manner. Both external and internal audit contribute to effective accountability. ||
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| **Sub principles:** | **South Lanarkshire Council is committed to:-** |
| **G1: Implementing good practice in transparency** | Writing and communicating reports for the public and other stakeholders in a fair, balanced and understandable style appropriate to the intended audience and ensuring that they are easy to access and interrogate. |
| | Striking a balance between providing the right amount of information to satisfy transparency demands and enhance public scrutiny while not being too onerous to provide and for users to understand. |
| **G2: Implementing good practices in reporting** | Reporting at least annually on performance, value for money and stewardship of resources to stakeholders in a timely and understandable way. |
| | Ensuring members and senior management own the results reported. |
| | Ensuring robust arrangements for assessing the extent to which the principles contained in this Framework have been applied and publishing the results on this assessment, including an action plan for improvement and evidence to demonstrate good governance (the annual governance statement). |
| | Ensuring that this Framework is applied to jointly managed or shared service organisations as appropriate. |
| | Ensuring the performance information that accompanies the financial statements is prepared on a consistent and timely basis and the statements allow for comparison with other, similar organisations. |
| **G3: Assurance and effective accountability** | Ensuring that recommendations for corrective action made by external audit are acted upon. |
| | Ensuring an effective internal audit service with direct access to members is in place, providing assurance with regard to governance arrangements and that recommendations are acted upon. |
| | Welcoming peer challenge, reviews and inspections from regulatory bodies and implementing recommendations. |
| | Gaining assurance on risks associated with delivering services through third parties and that this is evidenced in the annual governance statement. |
| | Ensuring that when working in partnership, arrangements for accountability are clear and that the need for wider public accountability has been recognised and met. |

**Section 2**
**Policies, Procedures and other documentary evidence**

| Evidence that the council complies with the requirements of the framework (see Section 1) (Link provided where available) | Core Principles | | | | | | |
|---|---|---|---|---|---|---|---|
| | A | B | C | D | E | F | G |
| Annual Accounts | | | | | | | ● |
| Annual Performance Report | | ● | ● | | | | ● |
| Annual Resource budget strategy meeting | | | | ● | | | |
| Anti-fraud and corruption strategy - Fraud response plan | ● | | | | | ● | |
| Asset Management Plan | | | | | ● | | |
| Audit Scotland monitoring and reporting process | | | | | ● | | ● |
| Behaviours Framework/Performance Appraisal | ● | | | | ● | | |
| Budget consultations | | ● | ● | ● | | | |
| Business Continuity Plans | | | | ● | | ● | |
| CEO/Political leaders meetings | | | | | ● | | |
| Citizens' Panel | | ● | | ● | ● | | |
| Codes of Conduct (Link to Councillors Code) | ● | | | | ● | | |
| Committee Management Procedural Documents | ● | ● | | | | | |
| Committees | ● | ● | ● | ● | | ● | ● |
| Communication plans and strategies | | ● | | ● | | | |
| Community Engagement Co-ordination (Partnership) Group | | ● | | | ● | | |
| Community Engagement Framework | | ● | | | ● | | |
| Community Planning Partnership | | ● | ● | ● | ● | | ● |
| Complaints Handling; You said, we did | ● | ● | | ● | ● | | |
| Consultation Database | | ● | | ● | | | |
| Corporate Management Team (CMT) | ● | ● | ● | ● | ● | ● | ● |
| Council Plan – Connect | ● | ● | ● | ● | ● | | |
| Council Website | ● | ● | | | | | ● |
| Empower Self-Assessment process | | | | | ● | | |
| Equality Impact Assessments/Equal Opportunities Policy | | ● | ● | ● | ● | | |
| Financial management | | | ● | ● | | ● | ● |

| Evidence that the council complies with the requirements of the framework (see Section 1) (Link provided where available) | Core Principles | | | | | | |
|---|---|---|---|---|---|---|---|
| | A | B | C | D | E | F | G |
| Financial standards and guidance | | | | | | ● | |
| Freedom of Information Act Publication Scheme | | ● | | | | | |
| Governance Arrangements (Report / Appendix) - Annual Review | | | | | ● | | ● |
| Induction process/programme | ● | | | | ● | | |
| Information Governance | | | | | | ● | |
| Internal Audit Plan | ● | | | ● | | ● | |
| Investors in People report | ● | | | | ● | | |
| Learning and Development Programmes | ● | | | | ● | | ● |
| Local Code of Corporate Governance | ● | | | | | | ● |
| Local Government Benchmarking Framework | | | | ● | ● | ● | ● |
| Media protocols | | ● | | | | | |
| Members Role profiles | | | | | ● | | |
| Monitoring officer provisions | ● | | | | | | |
| Multi-member ward protocol | | | | | ● | | |
| Officer job description/specifications | ● | | | | | | |
| Participatory Budgeting Events | | | ● | | | | |
| Partnerships: Glasgow Region City Deal/Clyde Valley | | ● | | | ● | | ● |
| Performance Management | | | ● | ● | ● | ● | ● |
| Personnel strategies, policies and procedures | ● | | | | ● | | |
| Procurement | ● | | ● | ● | | | |
| Public Performance Reports | | ● | | | ● | | ● |
| Records Management Policy; Privacy Impact Assessment | | | | | | ● | |
| Register of gifts and hospitality | ● | | | | | | |
| Resource Contingency Plans | | | | | | ● | |
| Resource Plans | ● | | ● | ● | | ● | |
| Risk and Audit Scrutiny Committee | ● | | | | | ● | |
| Risk Management | | | ● | ● | | ● | ● |

| Evidence that the council complies with the requirements of the framework (see Section 1) (Link provided where available) | Core Principles | | | | | | |
|---|---|---|---|---|---|---|---|
| | A | B | C | D | E | F | G |
| Scheme of Delegation | ● | | | | ● | | |
| Scrutiny Forums | ● | | | | | ● | |
| Service Review Framework | | | | ● | ● | | |
| Standards and Procedures Advisory Forum | ● | | | | ● | | |
| Standing Orders on Procedures / Standing Orders on Contracts / Financial Regulations | ● | | | ● | ● | ● | |
| Statutory guidance | ● | | | | | | |
| Strategic Environmental Assessments | | | ● | | | | |
| Strategies and Policies | ● | | ● | ● | | | |
| Terms of Reference | ● | | | | ● | ● | |
| Whistle blowing policies (link to Third Parties) | ● | | | | | ● | |
| Workforce planning | | | | | ● | | |
| Writing style guide | | | | ● | | | ● |

**Major Changes to the Council's Governance Arrangements 2017-18**

| Resource | The major changes highlighted in the Resource Director's Statement of Assurance were as follows:- | How do these changes effect the council's governance arrangements |
|---|---|---|
| Community and Enterprise Resources | The Employability service transferred from Community and Enterprise Resources to Education Resources and Finance and Corporate Resources. | Governance arrangements now lie with Education Resources and Finance and Corporate Resources and are no longer the responsibility of Community and Enterprise Resources. |
| | Continued support provided for service reviews across Resources by Personnel Services and Finance Services. The following service reviews were completed during 2017-18 with some continuing into 2018-19:-<br><br>• Advice and voluntary sector (all Resources);<br>• Business Administration (all Resources);<br>• Contracts (all Resources);<br>• Facilities Management;<br>• Fleet;<br>• Grounds Maintenance;<br>• Overtime (all Resources);<br>• Planning and Building Standards;<br>• Policy and Strategy (all Resources);<br>• Regeneration (all Resources);<br>• Roads and Transportation;<br>• South Lanarkshire Leisure and Culture;<br>• Waste Management; and<br>• Working patterns. | Governance arrangements for undertaking service reviews across the Resource has not changed.<br><br>The Business Administration review within Community and Enterprise Resources resulted in the centralisation of all administration and clerical employees into one new structure. |

| Resource | The major changes highlighted in the Resource Director's Statement of Assurance were as follows:- | How do these changes effect the council's governance arrangements |
|---|---|---|
| Education Resources | Compliance with the Education (Scotland) Act 2016 which introduced the National Improvement Framework. | The National Improvement Framework (NIF) sets out the priorities for improving education standards for all learners and to close the poverty related attainment gap. Six key drivers have been identified nationally to ensure the government have the right type of evidence sources to effect improvement. It is worth noting that staff in the Curriculum and Quality Improvement Service have strategic responsibility around an element of the NIF which results in clear and measurable outcomes. The range of evidence used to evaluate effectiveness further enhances our governance arrangements and is leading to improved outcomes for learners. All school improvement plans are designed around the National Improvement Framework which include details on how they will use their Pupil Equity Funding (in consultation with parents) to close the equity gap. The Scottish National Standardise Assessments (SNSAs) are aligned to Curriculum for Excellence and report progress in skills for reading, writing and numeracy (P1, P4, P7 and S3). School and service inspections continue to inform our next steps for improvement, building on strengths and areas for development and the outcomes reported to committee. (During 2017-18, 18 inspection reports were published). A recent thematic inspection by Education Scotland on 22 October 2018 looked at the 'readiness for empowerment'. The 4 themes covered the governance arrangements on: Improvement; Curriculum; Staffing; and Funding. Our Standards and Quality Report (October 2018) provides an insight into |

| Resource | The major changes highlighted in the Resource Director's Statement of Assurance were as follows:- | How do these changes effect the council's governance arrangements |
|---|---|---|
| Education Resources | Compliance with the Education (Scotland) Act 2016 which introduced the National Improvement Framework. | how we are continuing to deliver national and local outcomes. |
| | Implementation of the Children and Young People (Scotland) Act 2014. | Arrangements are in place to ensure our regulatory and statutory duties are being met and take account of the needs of young people.

Governance arrangements are built into the Children's Services Plan and regular reporting mechanisms are in place to monitor progress and to take account of the ever changing landscape.

The Realignment of Children's Services and the highly valued training offered in child protection are examples of improvement activity which have and continue to have a positive outcome for children and families.

External scrutiny by Education Scotland and other agencies have commended existing governance arrangements and any recommendations for improvement are actioned.

The principle of Getting It Right For Every Child (GIRFEC) underpins a range of systems and all practitioners consider the needs of the child based on the eight key indicators of wellbeing.  These indicators are embedded in all assessments and plans to ensure consistency of approach and to achieve better outcomes for children.

The recently published Framework for Inclusion and Equality is designed to provide support and guidance to schools and services and ensure compliance with governance arrangements. |

| Resource | The major changes highlighted in the Resource Director's Statement of Assurance were as follows:- | How do these changes effect the council's governance arrangements |
|---|---|---|
| Education Resources | Implementation of the Children and Young People (Scotland) Act 2014. | **Children and Young People (Information Sharing) (Scotland) Bill** – introduced in June 2017, the Bill includes new provisions around information sharing in order to comply with all data, confidentiality and human rights legislation. The Code of Practice to support implementation of the Bill is still under development and the aim is that it will be workable, comprehensive and user friendly. Current information sharing arrangements are set within existing legislation and governance sits within the policies and guidance of the council.

**Children's Rights** – The Act places new duties on Scottish ministers and the wider public sector in relation to the rights of children in influencing the design and delivery of policies and services. Governance of reporting on the steps taken to secure better or further effect of the United Nations Convention on the Rights of the Child will be achieved within the Children Services Planning structures of the council.

It strengthens the powers of the Scottish Children and Young People's Commissioner to enable investigations to be conducted in relation to individual children and young people. Governance of compliance with investigations is service specific and sits within the current policies and procedures of Resources and the council.

**Looked After Children and Young People** – Governance of how the authority fulfils its statutory duties in relation to corporate parenting rests within the Children's Services structures of the council (ref: Corporate Parenting Plan) and in the policies and guidance within individual Resources and the council. |

| Resource | The major changes highlighted in the Resource Director's Statement of Assurance were as follows:- | How do these changes effect the council's governance arrangements |
| --- | --- | --- |
| Education Resources | The introduction of the Pupil Equity Fund and supporting schools involved in the Scottish Attainment Challenge. | In terms of Pupil Equity Funding (PEF) operational guidance has been provided to all Head Teachers with the support of internal audit to ensure compliance with governance arrangements.

A revised PEF governance structure came into effect in August 2018. Two strategic PEF leads were appointed in June 2018 and took up their post in August 2018. These two PEF Strategic Lead Officers have a key role in leading and supporting schools to ensure the Pupil Equity Fund has maximum impact. The Equity Programme Board and Equity Strategy Team meet regularly to ensure that the authority has an overview of the work of schools and can target appropriate advice and support where required.

As part of the new PEF Governance Framework, two PEF Head Teacher Consultative Groups (one primary and one secondary) were established at the start of this academic year (2018-19). These groups meet regularly to consult on PEF related matters and represent the views of Head Teachers across South Lanarkshire Council. This is a mechanism to empower staff across the authority in relation to PEF.

All Head Teachers are fully involved and supported throughout the PEF process. Head Teacher conferences and Learning Community meetings are just a few examples of where we share, support and consult on PEF work with Head Teachers.

Openness and transparency is embedded into our governance procedures through engagement with parents, pupils and staff and regular monitoring of expenditure is a core feature of this process with updates presented to committee. |

| Resource | The major changes highlighted in the Resource Director's Statement of Assurance were as follows:- | How do these changes effect the council's governance arrangements |
|---|---|---|
| Education Resources | Planning for the expansion in early years and childcare provision (1140 hours). | The council has followed the planning assumptions provided by the Scottish Government in considering the potential requirements in terms of provision. Through our own evidence based data and engagement with stakeholders including partner providers our proposals to achieve delivery of 1140 hours by 2020 is as follows:<br><br>• Population estimates;<br>• Current uptake patterns to local authority and partners provision;<br>• Parental consultation in respect of viable models of delivery and providers;<br>• Projected capacity within existing local authority provision; and<br>• Anticipated capacity from private providers.<br><br>An update on progress was presented to the Executive Committee on 15 August 2018.<br><br>A range of risk factors have been identified and actions are being taken to mitigate against these in conjunction with other council Resources, external partners and the Scottish Government.<br><br>As part of the implementation plan the council is required to demonstrate the key governance principles of quality, accessibility, affordability and phasing. Engagement with stakeholders and regular reporting will continue. |

| Resource | The major changes highlighted in the Resource Director's Statement of Assurance were as follows:- | How do these changes effect the council's governance arrangements |
| --- | --- | --- |
| Education Resources | Through the Governance Review, the establishment of the West Partnership and other Regional Improvement Collaboratives. | As part of our governance arrangements regular updates on progress within the partnership are submitted to the Education Resources Committee. The West Partnership Regional Improvement Collaborative has sought to emphasise the importance of maintaining local democratic accountability through the regional partnership to enhance and support existing improvement measures being implemented by local authorities.<br><br>An improvement plan which was endorsed by Education Scotland focuses on three key themes:<br><br>• Early Learning and Childcare;<br>• Improvement; and<br>• Learner Journey.<br><br>Feedback on the plan in February 2018 intimated that the plan is clear, high-level (phase 1) and all partner authorities have worked well to develop strong governance arrangements. Good progress has been made in gathering performance data to effect improvement.<br><br>Phase two of the plan will be designed around how to share and learn from best practice in raising attainment across all eight local authorities.<br><br>A key outcome being to work closely with our partners in the West Partnership to share practice and gain collective benefit from across the Regional Improvement Collaborative and to report on progress. |

| Resource | The major changes highlighted in the Resource Director's Statement of Assurance were as follows:- | How do these changes effect the council's governance arrangements |
|---|---|---|
| Finance and Corporate Resources | The requirement to support implementation savings across Resources and manage the associated employee impact. | This requirement is a continuation and therefore there is no impact on the council's governance arrangements. |
| | 2017-18 saw the first full year of an integrated Finance delivery model, providing Business Partner support to Resources, and strategic financial support. | This change was as a result of the Finance Review, approved at committee, where Finance Services have been integrated into one service under the Executive Director of Finance and Corporate Resources. This change doesn't dilute or change the level of control or governance in the council, however, there is now a direct line of reporting to the Section 95 Officer, and a more streamlined management structure. |
| | IT upgraded and replaced all of the external firewalls which protect the council's data network and IT systems from external cyber threats. | These changes will have no impact on the council's governance arrangements. |
| Housing and Technical Resources | Procurement of a new housing management system with implementation scheduled over the next 2 years. | These changes will have no impact on the council's governance arrangements. |
| Social Work Resources | Preparation for the implementation of the Carers (Scotland) Act 2016. | The Carers (Scotland) Act 2016 came into effect on 1 April 2018. It introduced new statutory requirements for how we plan and support carers and young carers.<br><br>Within the context of the Act, a carer is defined as an individual who provides or intends to provide care for another individual.<br><br>In a change from previous legislation, carers no longer need to be providing a substantial amount of care on a regular basis to be recognised as a carer under the Act. |

| Resource | The major changes highlighted in the Resource Director's Statement of Assurance were as follows:- | How do these changes effect the council's governance arrangements |
|---|---|---|
| Social Work Resources | Preparation for the implementation of the Carers (Scotland) Act 2016. | ***Main Provisions of the Act*** <br> • Duty to set local eligibility criteria to determine levels of support to carers, based on their assessed needs. <br> • Requirement to complete an Adult Carer Support Plan or Young Carer's Statement to identify carers' needs and personal outcomes. <br> • Requirement to have an information and advice service for carers on, amongst other things, short breaks, emergency and future care planning, advocacy, income maximisation and carers' rights. <br><br> The Carers Census collects information which will be used by the Scottish Government, COSLA, Health and Social Care Partnerships, Local Authorities and other stakeholders to monitor the implementation of the Carers Act.  It will help the Scottish Parliament, the Scottish Government, carers' organisations and other stakeholders to understand how the new Act is making a difference to the lives of carers across Scotland. <br><br> This data will be collected every six months in 2018-19.  As such, the collection for the first 6 months (April to September) will open at the beginning of October and will remain open until mid-November.  The collection for the latter six months of 2018-19 will open in April. |

| Resource | The major changes highlighted in the Resource Director's Statement of Assurance were as follows:- | How do these changes effect the council's governance arrangements |
|---|---|---|
| Social Work Resources | Health and Social Care Integration and the implementation of the requirements of the Public Bodies (Joint Working) (Scotland) Act 2014. | The Public Bodies (Joint Working) (Scotland) Act 2014 requires Health Boards and Local Authorities to integrate planning for, and delivery of, certain adult health and social care services. The Act requires them to prepare jointly an integration scheme setting out how this joint working is to be achieved.

A number of scrutiny bodies have an interest in how the health and social care agenda is developing:-

• The Care Inspectorate and Healthcare Improvement Scotland through their joint inspections of health and care services and through intelligence gathered in regulatory scrutiny activities at individual service level.
• The Accounts Commission, as the body that will appoint auditors to Integration Joint Boards and Health Boards and Local Authorities with a lead agency approach, has an interest in financial management, governance arrangements and the extent to which the new partnerships are able to demonstrate the delivery of Best Value.
• The Auditor General for Scotland (alongside the Accounts Commission) has an audit interest in the extent to which health and social integration, as a significant national policy development, is being implemented at national and local level, alongside its impact on NHS Scotland.

**Governance**
• Roles, Responsibilities and Membership of the Integration Joint Board: This guidance focuses on the roles, responsibilities and membership of the Integration Joint Board. |

| Resource | The major changes highlighted in the Resource Director's Statement of Assurance were as follows:- | How do these changes effect the council's governance arrangements |
|---|---|---|
| Social Work Resources | Health and Social Care Integration and the implementation of the requirements of the Public Bodies (Joint Working) (Scotland) Act 2014. | • Clinical and Care Governance Framework: Guidance on the key elements and principles to be reflected in local clinical and care governance integrated arrangements. <br> • Model Integration Scheme: Guidance which sets out an example of what should be included with in an Integration Scheme. <br> • Health and Social Care Functions: This note sets out the scope of the health and social care functions to be included in integration and describes which health and social care functions **must** and **may** be integrated under the legislation. <br> • Good Practice Note: A good practice note regarding directions from Integration Authorities to Health Boards and Local Authorities. It covers the wider context for directions; from and content of directions and the process for issuing and revising directions. <br> • Housing Advice Note:  This guidance focuses on housing services as an integral part of person-centred approaches and the wider delivery of health and social care integration. <br> • Adaptations, Aids and Equipment:  This note sets out the requirements to delegate housing adaptations, amongst some other housing related functions, to Integration Authorities. |

| Resource | The major changes highlighted in the Resource Director's Statement of Assurance were as follows:- | How do these changes effect the council's governance arrangements |
|---|---|---|
| Social Work Resources | Introduction of the Limitation (Childhood Abuse) (Scotland) Act 2017 which came into effect on 4 October 2017 and removes the three year limitation period to intimate claims for historic childhood abuse. | The Act amends the Prescription and Limitation (Scotland) Act 1973 ("the 1973 Act"). It removes the current three year limitation period in actions seeking damages in respect of personal injury where the action relates to abuse when the person who sustained the injuries and is bringing the action was a child at the time of the abuse. It applies to abuse occurring before or after commencement of the provisions.<br><br>The Act applies to abuse occurring before or after the commencement of the new law (section 1 inserting new sections 17B and 17C into the 1973 Act).<br><br>However, if the abuse occurred prior to 26 September 1964, any legal obligations arising from the abuse will usually have been extinguished, meaning it will not be possible to raise a court action. This is because the provisions of the Act sit alongside a related area of law known as prescription (which the Bill itself does not alter).4 Although there are differences between the two concepts, both prescription and limitation relate to time limits which the court must consider. For prescription the relevant time period is twenty years. With prescription the legal right is extinguished altogether after the time period has elapsed, with no possibility of the court exercising its discretion.<br><br>In 1984 the law was amended so that, in future, the twenty year prescriptive period would not apply to personal injury claims (Prescription and Limitation (Scotland) Act 1984 (c 45). However, claims which had already "prescribed" were not revived by the 1984 Act. |

| Resource | The major changes highlighted in the Resource Director's Statement of Assurance were as follows:- | How do these changes effect the council's governance arrangements |
|---|---|---|
| Social Work Resources | Introduction of the Limitation (Childhood Abuse) (Scotland) Act 2017 which came into effect on 4 October 2017 and removes the three year limitation period to intimate claims for historic childhood abuse. | The changes could see historical claims being submitted to the council as the statutory successor to previous local government structures. |
| | Implementation of the Child Poverty (Scotland) Act 2017. | The Child Poverty (Scotland) Act 2017 requires the Scottish Government to reduce the number of children who live in poverty.  By 2030, these targets must be met:<br><br>• **Fewer than 10% of children living in families in relative poverty**.  This means fewer than one in ten children living in households on low incomes, compared to the average UK household.<br>• **Fewer than 5% of children living in families in absolute poverty**.  This means fewer than one in twenty children living in low income households where living standards are not increasing.<br>• **Fewer than 5% of children living in families living in combined low income and material deprivation**.  This means fewer than one in twenty children living in low income households who can't afford basic essential goods and services.<br><br>The Child Poverty (Scotland) Act contains the following key elements.  It:-<br><br>• Sets out four statutory income targets, with interim targets;<br>• Places a duty on the Scottish Ministers to publish child poverty delivery plans, with the first plan covering the 4 year period from 1 April 2018 and two further plans covering a 4 and 5 year period respectively, and to report on those plans annually; |

| Resource | The major changes highlighted in the Resource Director's Statement of Assurance were as follows:- | How do these changes effect the council's governance arrangements |
|---|---|---|
| Social Work Resources | Implementation of the Child Poverty (Scotland) Act 2017. | • Places a duty on local authorities and Health Boards to report annually on activity contributing to the meeting of the child poverty targets; and <br> • Establishes a Poverty and Inequality Commission from 1 July 2019. <br><br> The Scottish Ministers must prepare a 'Delivery Plan' for each of the following periods:- <br><br> • 1 April 2018 to 31 March 2022; <br> • 1 April 2022 to 31 March 2026; and <br> • 1 April 2026 to 31 March 2031. |
|  | Implementation of the 10 year Self-directed Support Strategy. | The National Self-directed Support Strategy 2010-2020 is a joint Scottish Government and COSLA 10-year plan, dedicated to driving forward the personalisation of social care. <br><br> Local authorities have a legal duty to offer people who are eligible for social care four options about how their care and support is delivered.  Local authorities must also ensure they have access to support to help them make informed choices. <br><br> The options are (1) a Direct Payment (a cash payment); (2) funding allocated to a provider of your choice (sometimes called an individual service fund, where the council holds the budget but the person is in charge of how it is spent); (3) the council can arrange a service for you; or (4) you can choose a mix of these options for different types of support. <br><br> The principles of choice and control should apply to any assessment process, contact with universal public services and engagement with voluntary organisations about care and support. |

| Resource | The major changes highlighted in the Resource Director's Statement of Assurance were as follows:- | How do these changes effect the council's governance arrangements |
|---|---|---|
| Social Work Resources | Implementation of the 10 year Self-directed Support Strategy. | A wide set of public service reforms have been taken forward since the Strategy was launched in 2011, most notably health and social care integration. Set in this context, the priority for 2016-18 is to consolidate the learning from innovative practice and the application of guidance; and to embed Self-directed Support as Scotland's mainstream approach to social care. |