

Governance Report- update on Corporate Governance

Introduction

1. Good business practice is to ensure robust policies and systems are in place and that annual reviews of governance arrangements take place.
2. The CIPFA/SOLACE framework 'Delivering Good Governance in Local Government' urges local authorities to review their effectiveness of their existing governance arrangements against their [Local Code of Corporate Governance](#) and prepare a governance statement in order to report publicly on the extent to which they comply with their own code on an annual basis, including how they have monitored the effectiveness of their governance arrangements in the year and on any planned changes for the coming period.
3. A new CIPFA/SOLACE framework was published in 2016 to ensure that it remained fit for purpose. The new framework applied to the Annual Governance Statement (AGS) prepared for 2017-18 onwards. The revised framework defines the seven core principles of good governance as below:
 - a. Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law;
 - b. Ensuring openness and comprehensive stakeholder engagements;
 - 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 capacity of the entity, including the capability of its leadership and the individuals within it;
 - f. Managing risks and performance through robust internal control and strong public financial management; and
 - g. Implementing good practices in transparency, reporting and audit to deliver effective accountability
4. Each year the Council produces an AGS setting out progress against the above framework. The AGS is reviewed by the Chief Executive, Leader and a draft version goes to Audit Committee to allow for consideration with the final version typically delivered alongside the Annual Statement of Accounts and published on our website.
5. It is recognised that good governance is an essential part of the organisation and is constantly being reviewed and improved. In light of the recent 'Governance Review' conducted by David J Bowles & Associates a further report (this report) has been produced

in addition to the AGS to outline the progress that has been made on governance over the past few years.

Improvements to corporate governance: a timeline

2017-18

6. The Corporate Governance Board was established in late 2017 to provide assurance to the Executive Board and continues to meet quarterly to receive updates on outstanding actions from internal audits, corporate risk, health and safety, business continuity and emergency planning, information governance, and complaints referred to the Local Government Ombudsman. The Corporate Governance Board is a key part of the management of the organisation whereby any significant issues on governance are flagged at an early stage. The Corporate Governance Board was further strengthened in 2018-19 with the Director of Corporate Services becoming the Chair of the meeting.
7. In order to improve project and programme governance, the Strategic Projects Board was established in 2018. The Board receives regular updates on progress, budget position and risks for all current corporate projects (including, for example, the leisure centre development programme, the production of the Local Plan and the Building Control IT system replacement) and can escalate any issues to the Executive Board if necessary. The Chief Executive, Directors, Head of Programmes and Head of Commercial Development are standing members of the Strategic Project Board.
8. Whitehill & Bordon is a significant programme for the Council with the broad structure in place for a number of years. The governance structure comprises of three strands; a strategic strand, a delivery strand and a community stakeholder strand. This initial structure served the project well through the initial delivery phase of the Whitehill & Bordon regeneration project. Indeed, it has been recognised nationally as an exemplar model of governance and forms a key 'selling point' for the Council's RegenCo consultancy brand.
9. In 2019 it became clear that roles and responsibilities of Members and Officers had become misaligned and needed to be clarified to enable proper governance of the ongoing commercial negotiations. In September 2019 the Chief Executive and Leader agreed a new internal governance structure for the Whitehill and Bordon Project, this included:
 - a. Clarifying the roles of the Executive, Portfolio Holder and Officers;
 - b. Controlling the disclosure of confidential information to parties external to the Council; and
 - c. Ensuring that decisions are taken in a transparent manner and by the correct person or group of people.

A review is currently being carried out to ensure that the governance remains effective and continues to provide the right framework to enable the project to move forward and to ensure it continues to positively engage with internal and external stakeholders at all levels.

Each year the AGS identifies governance areas for improvement in the following year. This process is completed by reviewing Internal Audit reports, consideration of sector wide

changes, Council priorities and review of the corporate risk register. In 2017-18 the AGS identified the following areas for improvement in 2018-19.

- d. Management of major contracts;
- e. Property acquisition;
- f. Partnership of shared services and shared delivery models;
- g. Introduction of GDPR; and
- h. Accounting Code and Prudential Code – implementation of changes

2018-19

10. In 2018-19 it was recognised that the contract between Havant Borough Council (HBC) and Capita, which also provides services to EHDC such as Finance, IT, HR, payroll and procurement through the shared services arrangement with HBC, was not providing the required level of service. Movement towards the contract 'target operating model' for a number of services had not been achieved and while issues around IT had been progressed there remained significant issues which required independent mediation.

Strategic commercial negotiations were led by the then EHDC and HBC Director of Commercial Development and the Chief Executive of South Oxfordshire and Vale of White Horse, to ensure that services were brought up to the agreed standard of delivery and/or to agree a negotiated exit from the contract for those services which failed to reach a minimum standard of delivery.

Throughout 2018 and 2019 Internal Audit completed reviews of services within the Capita contract, these reviews concluded that there were significant failures in Capita's management and processes. Although actions for improvement were agreed with the relevant Capita representatives, failure to meet these actions supported the Council in their commercial negotiations to exit failing services from the contract.

Internal Audit also conducted a review to ensure good governance arrangements were in place to support transition of services back from Capita.

The commercial negotiations culminated with the HR Advisory and Recruitment, Payroll and Finance returning in-house on 1st April 2020 and the Exchequer and Procurement Services will return in-house by 1st April 2021.

11. During the year Internal Audit conducted a review of our Leisure Centre capital programme at the request of senior management. The review identified that although there were appropriate project management arrangements in place (risk registers, highlight reports, Project and Contract Board) documentation had inconsistencies which required improvement. Within a matter of months of completing the report all management actions to rectify these findings (including the two high priority actions) had been completed.
12. A new Commercial Property Investment Strategy was in place for 2018-19 onwards that provided the framework and rules for any commercial property investment. The strategy set out the objectives, principles, structure and process for any commercial property investment. The strategy clearly articulated the investment criteria that had to be achieved prior to any proposal being put forward to acquire property. The strategy further identified the criteria for disposal of any commercial property within the Council portfolio. A Property

Investment Board (PIB) was established to monitor the new strategy and consider any property acquisitions or disposals.

13. As the work of the PIB has matured and expanded the governance arrangements have been reviewed and a new reporting structure has been implemented with the Board retaining the role of oversight on transactions, final decisions will now be made through the Cabinet.
14. Over the years the Council has developed a number of complex models of delivery for its services, our consultancy offer through RegenCo, our partnership with Havant Borough Council, our approach to providing waste management services and establishing our own company (East Hampshire Commercial Services Limited). These models of delivery are increasingly common amongst the public sector reflecting the need for local government to diversify its income streams. However, strong governance is required around any new model of delivery, in particular where initial sector experience may be limited.

In order to ensure governance arrangements were appropriate, Internal Audit carried out a review of RegenCo and all identified management actions were completed.

Our company, East Hampshire Commercial Services Limited established its reporting structures through a Shareholder Committee (represented by officers and Councillors) with quarterly meetings held to review the programme of work and progress of the company to reflect good corporate governance practice.

In 2018 the approaching end of the Council's waste contract represented significant risk to the Council and therefore a robust governance reporting structure was established for the process of reviewing the current waste contract and the re-procurement of the waste service. This included regular reporting to the newly formed Strategic Project Board. This new governance structure was put in place over 12 months prior to the new waste arrangements being finalised to ensure the deadline of October 2019 was met for either continuation with the existing provider or a new provider being in place.

15. The Corporate Governance Board Terms of Reference were amended during the year and the Board reconstituted with Director of Corporate Services being established as the chair of the Board and additional senior officers (including the Monitoring Officer) attending the quarterly Board meeting. Additional standing agenda items were added on Internal Audit outstanding management actions, Health & Safety and Information Governance to reflect the need to focus on additional areas.
16. A new Governance Hub was established in 2018-19 as a dedicated resource within the Council to manage corporate risk, corporate performance, policy development, production of the AGS and management of Executive Board. Additional resources were identified and approved in order to ensure that the 'Hub' could provide the necessary support and guidance to the organisation on governance matters. This resource and team remain in place. The Governance Hub incorporated Information Governance, in particular the new role of Data Protection Officer (DPO) within the Council, required as part of GDPR implementation. Work was undertaken to ensure that GDPR requirements were embedded throughout the organisation, including review of guidance documents and updating of Council papers to reflect GDPR requirements when decision-making. A further Internal Audit review was conducted during the year to identify GDPR progression and the service moved from 'Limited' assurance to 'Adequate' assurance, reflecting progress that had been made.

17. During the year CIPFA introduced a number of minor amendments to the 2017-18 Accounting Code and published a new version of the Prudential Code. All amendments were incorporated as required by the 2017-18 Accounting Code and these were reviewed by External Audit as part of the year end process.

In 2017 – 18 the council undertook a competitive tender process to appoint a new External Auditor, in 2018-19 this moved to being provided by KPMG and that transition was conducted effectively and efficiently with KPMG completing their Audit within the required deadlines and gave the Council an unqualified audit opinion (as has been the case for each year subsequently).

18. The Annual Governance Questionnaire in line with new guidance and best practice was established in January 2019; Heads of Service were asked for their self-assessment of how well the governance arrangements were working within their services. The results were analysed and used to inform the production of the Annual Governance Statement for that year. Areas of strength identified amongst officers included engagement with Members, budget and business plan setting process and procedure for responding to FOIs. Areas within the responses to the questionnaire identified as requiring additional attention including awareness of structure and operation of committees, awareness of staff codes of conduct and monitoring of mandatory e-learning courses. These, alongside the corporate risk register were used to identify areas of focus for the coming year.

19. In 2018-19 the AGS identified the following areas for improvement in 2019-20

- a. Review of the functioning of the combined Scrutiny, Audit & Standards Committee;
- b. Services needed to ensure that they have clearly communicated and embedded effective governance arrangements, policy management and performance management;
- c. Continuous improvement in the property acquisition governance (*standing item*);
and
- d. Management of major contracts (*standing item*)

2019-20

20. During summer 2019, the Governance, Audit & Scrutiny Committee was split into three separate committees – [Audit Committee](#), [Standards Committee](#) and [Overview & Scrutiny Committee](#) – this was action taken in order to rectify historic dilution of the roles of these committees. This separation ensured clarity of roles and made the scrutiny and audit functions more effective. Full terms of reference for these committees can be found in the [Constitution](#), but to summarise:

- The roles of Audit Committee include ensuring that the Council has a sound system of internal control, monitoring and reviewing all matters relating to internal and external audit, approving the Annual Statement of Accounts, reviewing the operation of the Constitution and proposing any amendments, if necessary (with the Monitoring Officer), and reviewing compliance with the Data Protection Act 2018 and GDPR.

- The roles of Overview & Scrutiny Committee include considering and calling in decisions relating to the discharge of Cabinet and Executive functions, assisting with the development of the Budget and Policy Framework, conducting reviews of policy, services and aspects of services where there is an identifiable need, reviewing the performance of the Cabinet, committees and appropriate officers.
 - The roles of Standards Committee include promoting and maintaining high standards of conduct by Members, monitoring and advising on the operation of the Code of Conduct and assessing any complaints regarding the conduct of Councillors.
21. The establishment of these committees has provided much needed clarity on which functions should be carried out by whom and enabled targeted, specific training to be delivered to Members to ensure they can carry out these important roles effectively.
22. The Scrutiny role within the Council is critical to support policy development and transparency of decision-making by the Executive. Each year the Overview & Scrutiny Committee sets a programme of work based on the published Council's Forward Plan, Key Decisions coming forward, as well as considering any items going forward for Executive Decision. In addition, Scrutiny have the power to conduct pre-Scrutiny on forthcoming decisions or 'call-in' a decision prior to its implementation.
23. In 2019-20 the Scrutiny work programme closely monitored identified Council priorities and areas of focus on governance namely:
- i. S106 non-specified funds recommended applications;
 - ii. Property investment portfolio;
 - iii. Community development, place making and infrastructure;
 - iv. Whitehill & Bordon redevelopment; and
 - v. Capita Contract Performance
24. A comprehensive review of the Constitution was carried out throughout 2019-20 by the Constitution Sub-Committee and the Monitoring Officer to ensure that it is an effective and up-to-date document. [An interim version](#) was published in November 2019 but the review has been ongoing since then, including addressing the [Committee for Standards in Public Life's 15 best practice recommendations for local government ethical standards](#).
25. In 2019 the Democratic Services team were relocated within the organisational structure so that they report directly to the Head of Legal (who is also the Monitoring Officer), enabling a more joined-up approach to governance and democratic matters. The permanent recruitment of a Head of Legal (who also acted as Monitoring Officer) during 2019-20 provided additional resilience and provided the organisation with an experienced Monitoring Officer who could further develop good governance principles.
26. In January 2020 the Annual Governance Questionnaire was opened up to all staff for the first time to support and emphasise that good governance is everyone's responsibility. The survey asks for respondents' self-assessment of how well the corporate governance framework is working in their service area, in order to inform the production of the Annual Governance Statement and help shape the interventions of the Governance Hub and Corporate Governance Board. Results indicated that in general, governance is improving, but

there are some areas that require improvement. The corporate governance training carried out in 2020-21 (see below) has been designed to address, at least in part, these weaknesses.

27. Executive Board is the weekly meeting chaired by the Chief Executive and attended by the Chief Finance Officer/Director of Corporate Services, Monitoring Officer and Director of Regeneration and Place and during 2019-20 was further strengthened with the appointment of a new Head of Legal which incorporated the role of Monitoring Officer. The new Head of Legal Services brought a wealth of strategic legal, democratic and governance experience from a broad range of complex organisations which had been recognised as being historically lacking from the organisation.
28. Corporate Management Team (CMT), comprising the entire senior leadership team (CEO, Directors and Heads of Service) was reviewed during 2019-20 with revised terms of reference. CMT meet monthly with a commitment to creating a place where people want to be, in which CMT take responsibility for providing strategic, consistent and stable leadership, acting as ambassadors, shaping the vision and delivering success.
29. The Chief Executive and Leader recognise the significance of aligning workplace culture to strategy and have in place a dedicated culture change programme with high levels of staff involvement to ensure buy-in to any cultural shift needed. Work to develop culture has been carried out over recent years through a variety of different organisational development interventions as set out in the Organisational Development Strategy. Engagement with staff groups ensured that the framework created had the relevant buy-in. These behavioural competencies were aligned to the strategic vision and were implemented in various aspects of the employee lifecycle for example, performance management; recruitment. These competencies have been reinforced within the various HR tools that are available to support managers and staff in the delivery of their roles.
30. In 2019 a new set of Competency Frameworks were introduced for all staff – an opportunity to reiterate what behaviours are expected of officers. Those relating to governance include (from the Leadership Competency Framework):
 - Demonstrate accountability for decision-making;
 - Reach decisions in an unbiased way using evidence, data, insight and identifying risk;
 - Record decisions in a manner appropriate for governance purposes; and
 - Ensure decisions are taken at the right time and in the right place
31. Information governance e-learning courses were completed by all staff in 2019-20 and the performance management framework was comprehensively reviewed to tie in the overhaul of the corporate training and professional development offer.
32. Service risk registers were reintroduced during 2019-20 to ensure that services were following effective risk management practices. Risks can be escalated to the corporate risk register if necessary, and this is reviewed on a quarterly basis initially by the Corporate Governance Board, who report into the Executive Board. Work continues to embed robust and considered risk management throughout the organisation. Internal Audit conducted a review of risk management within the organisation and identified arrangements to be 'Adequate'. It was recommended that further engagement on risk should be encouraged

resulting in Audit Committee receiving a training session on corporate risk and a full review of the corporate risk register in summer 2019.

33. Following the elections in 2019 a new Councillor induction process was initiated which included four sessions covering topics which included Councillor development, decision-making process and role of a Councillor. Councillor training is a vital tool for improving knowledge and awareness of Council matters. 43 training and briefing sessions were held for all Councillors during 2019-20 ranging from Committee training, the Local Plan and briefings on the new waste contract, budget and Whitehill & Bordon.
34. The Chief Executive routinely meets with the Leader and during the year began meetings with the opposition Leaders, both in 1:1s with the CEO and collectively with the Council Leader, in order to facilitate greater communication and transparency. Alongside this, joint Leader briefings across the two partner Councils routinely take place. Increased staff engagement, through fortnightly all staff briefings, the Chief Executive has sought to ensure the organisation operates in an open and transparent way at both a political and officer level.
35. In order to continue progress of improvements in property governance a CIPFA Property Peer Review was conducted during the year. The review identified a number of actions to improve governance of EHDC's investment and operational property portfolio. These are being implemented and monitored through a service review and the appointment of a dedicated Head of Service assigned to ensure the peer review actions are completed. The Commercial Property Investment Strategy was referred to Scrutiny for review, a number of recommendations arose from the Committees overview which have been considered by Cabinet and adopted, such as the creation of a property resilience reserve to support and smooth impact from tenant renewal and unforeseen economic downturns on future income streams.
36. In addition, as the Council developed a new place making strategy 'Enhance East Hants' a regeneration investment framework was developed to sit alongside the Commercial Property Investment Strategy to ensure that detailed business cases for property acquisition considered the Council's wider regeneration aspirations in addition to financial returns. The strategy was approved at Full Council in February 2020 and is accompanied by a framework detailing the governance arrangements involved in the Council's property acquisition.
37. Following the establishment of the project in 2018-19 to review the arrangements with Capita the finance, HR administration, HR advisory and payroll service returned in-house. Transition was managed by a dedicated project team and there was minimal disruption to the services provided during the return of these functions. The return of key support services has provided an opportunity to address known issues with governance within those functions. While under the previous service provider, the HR service received a 'limited assurance' rating from Internal Audit and the Treasury Management function received a rating of 'no assurance'. All outstanding actions from these audits were completed within months of the services returning in-house and the teams are continuing to make improvements to the way they work.

38. In addition, Internal Audit reviewed the financial stability of the Council during 2019-20 which resulted in 'Substantial' assurance and no recommended management actions for improvements providing clear evidence of progress the Council was making. This highlighted the significant progress that had been made over the previous few years with improved quarterly financial monitoring reports and improved budget setting processes which had not been contracted out to Capita.
39. In recent years, the Corporate Governance Board has promoted proactive engagement with our Internal Audit service, including setting a challenging audit plan for 2019-20 in order to gain the greatest benefits from Internal Audit as a tool to help drive continuous improvement. This entailed selecting service areas where there were suspected weaknesses in procedures or practice. All management actions agreed as a result of internal audits are monitored on an ongoing basis by the Corporate Governance Board, which reports to Executive Board those actions which are not completed in a timely manner. Audit Committee receive quarterly updates on progress against the Internal Audit plan and outstanding management actions.
40. Arrangements for the review of the waste contract were completed during 2019-20 with a successful transition to a delegated solution with Havant Borough Council providing the waste service through Norse South East. Regular reporting was made to the Strategic Project Board throughout the mobilisation with a smooth transition reflected in the relatively small number of missed bins and business as usual service levels reached within 6 weeks. An automated missed bin reporting feature was added to our customer relationship management portal and the new contract is being monitored through key performance indicators measuring financial savings and service quality. The mobilisation of the new contract received a 'Substantial' assurance rating from Internal Audit that confirmed the governance arrangements represented a sound framework of internal control being in place and operating effectively with no risks to the achievement of objectives identified.
41. In 2019-20 the AGS identified the following areas for improvement in 2020-21:
- a. Development and embedding of a new Corporate Strategy;
 - b. Embedding of a revised Constitution including codes of conduct and structure of the Council;
 - c. Potential conflict of interest within partnership arrangements; and
 - d. Continuous improvement in the governance of the investment property portfolio (*standing item*)

2020-21

42. The new [Corporate Strategy](#), which was approved at Full Council in August 2020 following many months of development, refinement and consultation, represents an opportunity for the Council to articulate its priorities and direction of travel for the next four years. A key component of the Corporate Strategy is to ensure that decisions are evidence led and it specifies key values and behaviours for staff and councillors as follows:
- Responsibility for our actions;
 - Fairness and integrity in all we do;
 - Responding to the needs of our community based on evidence;

- Respect and support for each other and our residents; and
- Considering the future wellbeing of our area over short-term expediency

43. In addition to the new Corporate Strategy, additional supporting strategies were approved in August 2020 by Full Council. These strategies included the Welfare and Wellbeing Strategy, Digital Strategy, and Climate & Environment Strategy. Alongside the Corporate Strategies these new strategies give clear direction to the organisation going forward.
44. Recognising the closer working partnership with HBC, an opportunity has been taken recently to revise the existing value statements of each Council aligned to the corporate strategies. A staff working group is now set up to review the drafted value statement to ensure that this will be meaningful to staff. The Organisational Development team is also taking the opportunity to review the competency framework and ensure that it aligns to the values and drives the right behaviours for the future.
45. The Leader and Chief Executive of the Council have been encouraging proactive engagement with the scrutiny function in recent months, recognising the valuable contribution this can make to ensuring good governance. The Overview & Scrutiny Committee was asked to review the Council's Covid-19 response – a Task and Finish Group was established and their findings were discussed at the [July 2020 meeting](#). The Chair of the committee has also been invited to sit on the Joint Cabinet Liaison Panel for Covid-19 Recovery, which meets to provide a strategic steer for the Council's recovery planning. The scrutiny function has also reviewed the Corporate Strategy and Digital Strategy with plans for the remaining year to review the property portfolio and Whitehill & Bordon governance.
46. Additionally, the Covid-19 pandemic has provided opportunities for improved transparency and engagement with our residents – predominantly, the changes to legislation in April 2020 that allowed Council and committee meetings to be held digitally (provided that the 'hear and be heard' requirement was met). The Council has embraced this and now regularly promotes the upcoming meetings via its social media channels to encourage residents to listen in. Recordings of these public meetings are archived on the Council website so that they can be viewed at a later date. Virtual meetings have seen a marked increase in viewers. For previous physical meetings there was typically no public attendees for Committees/Cabinet with approximately a dozen attending for Full Council. We are now achieving up to 80 attendees depending on the meeting and people can of course view the recording at their convenience.
47. Despite the challenges posed by the pandemic 12 Councillor training sessions have been held to date including topics such as new Constitution, Local Plan and the Welfare and Wellbeing Strategy. All committee meetings are being held regularly and Council business has continued throughout the pandemic period.
48. Following the move to reporting directly to the Head of Legal in 2019, the Democratic Services team are undergoing a service review to ensure that they are able to effectively facilitate robust and appropriate decision-making in the Council. As of October 2020, job descriptions have been drafted and the team are now working with HR to recruit to a new structure. Recognising that timely publication of reports on the Council website is essential for transparency and accountability, the service now has a 'no late reports' policy which,

with support from the Executive Board (EB), is being embedded throughout the organisation.

49. During summer 2020 the Governance Hub have worked with Democratic Services to create a new internal Forward Plan to allow senior officers to track which reports have been commissioned and when they are scheduled to go to EB, Cabinet Briefing, Cabinet, Audit, Overview and Scrutiny and Full Council. This is available as a live document to Heads of Service to encourage transparency and enable more efficient planning of decision-making and is considered at Executive Board meetings every week to ensure oversight of the decisions that are making their way through the decision-making process.
50. New resources have also been designed to improve officers' understanding of the decision-making process, including a flowchart, detailed procedure notes and refreshed report template. The Governance Hub worked with the Section 151 Officer and the Monitoring Officer as well as the Corporate Governance Board during summer 2020, taking the opportunity to clarify and formalise aspects of the process to ensure that the Executive Board have earlier oversight of the reports that are being written and decisions that are being recommended. All officers taking reports through the decision-making process must now also consult with the Finance and Legal teams prior to the final review by the Section 151 Officer and Monitoring Officer before the report proceeds to Cabinet or Full Council. These new resources were introduced to Heads of Service at a Corporate Management Team meeting in August 2020 followed by publication on the staff intranet, an all staff briefing via Team Talk in September and targeted training sessions held in November 2020 to develop officers' understanding of report writing in the context of the clarified procedures. A survey circulated after the training sessions showed that, so far, 100% of respondents felt that their understanding of report writing and the decision-making process had been improved by attending the session. These resources will also be used as part of the induction process for new staff.
51. Following the report writing training in November, which was very well received, we will be looking at offering further demand-led training on a range of corporate governance topics. The priority areas for improving understanding have been informed by the results of the Annual Governance Questionnaire 2020 and the responses in the feedback forms from the report writing sessions. These include:
 - Roles, responsibilities and conduct expected of officers and members;
 - The structure and roles of the Council's committees (particularly the scrutiny function following the rearrangement of the committee structure in 2019); and
 - The Council's approach to risk management
52. The Annual Governance Statement 2019-20 identified potential conflicts of interest as an area of governance that required improvement during 2020-21. East Hampshire District Council has a close partnership arrangement with Havant Borough Council which is due to be strengthened in the coming years, following the mandate from Full Council in September to commence the 'Shaping our Future' transformation programme. As we increasingly work in partnership with HBC and other organisations, it is imperative that officers and Members are aware of the potential conflicts of interest that may arise from this way of working

53. Corporate Governance Board continues to meet quarterly and is taking a proactive approach to addressing governance issues it identifies - for example a [report to Audit Committee in July 2020](#) set out our analysis of the limited assurance findings from internal audits in 2019-20 and the subsequent overhaul of the process in place for dealing with limited assurance findings. To date there have been no limited or no assurance Internal Audit reports for 2021-22 as reported at the 24 November 2020 Audit Committee by the Internal Auditors.
54. Improvements to corporate performance reporting are also underway – a refreshed performance report is now provided on a quarterly basis which specifies key corporate governance metrics such as the number of outstanding Internal Audit actions, the corporate risks currently rated above the Council’s risk tolerance threshold and the mitigations that are being carried out to address these and the number of complaints received by the Council and the percentage of those which are resolved within 10 working days. In addition, external support has been commissioned as part of the Transformation Programme to take forward a review of performance management and improvement, this work will be commencing over the coming months.
55. The new Constitution was approved by Full Council in November 2020 to become effective on 4 January 2021. The revised Constitution links directly to the delivery of the new Corporate Strategy as well as improving governance. The Constitution includes a revised Members Code of Conduct and procedures for investigating complaints. All Councillors received a briefing on the new Constitution in September 2020 and the Constitution Sub-Committee has amended the text in light of comments raised by Councillors. The new Constitution will be widely publicised with all Councillors receiving a copy.

Future planned improvements

56. Further improvements to governance are continuously being sought and it is acknowledged that there is always further work that could be undertaken. Over the previous two years there has been a concerted effort across the organisation to tackle historic deficiencies and improve governance and while further work is still required, there has been considerable progress as shown by the number of activities and work within the governance area as highlighted in this report.
57. The Council has recently launched a transformation programme ‘Shaping our Future’ and a key workstream of that programme is governance. Overview & Scrutiny Committee will have full oversight of the programme and will be provided with updates as they develop over the coming year. External support has been commissioned to ensure the programme delivers against its intended aims. A staff culture, values and behaviour working group has been established to assist with transformation and improving links between individual performance and corporate performance.
58. In addition, the Council has commissioned a Local Government Association peer review which will be carried out in 2021 and its findings will help to guide the next stage in the continued improvement of how the Council operates.
59. The Annual Governance Statement will also continue to provide annual reviews of governance matters. Any areas of weakness will be addressed accordingly, and we hope to

see continuous improvement in officers' and members' understanding of the corporate governance framework.