

Governance Committee

Monday, 10th February,
2025
at 5.00 pm

PLEASE NOTE TIME OF MEETING

Conference Room 3 - Civic Centre

This meeting is open to the public

Members of the Committee

Councillor Rayment (Chair)
Councillor Mrs Blatchford
Councillor Cooper
Councillor Denness
Councillor Gravatt
Councillor Harwood
Councillor McCreanor

Contacts

Director of Legal and Governance and Monitoring
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Democratic Support Officer
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PUBLIC INFORMATION

Role of the Governance Committee

Information regarding the role of the Committee's is contained in Part 2 (Articles) of the Council's Constitution.

[02 Part 2 - Articles](#)

It includes at least one Councillor from each of the political groups represented on the Council, and at least one independent person, without voting rights, who is not a Councillor or an Officer of the Council.

Access – Access is available for disabled people. Please contact the Democratic Support Officer who will help to make any necessary arrangements.

Public Representations At the discretion of the Chair, members of the public may address the meeting on any report included on the agenda in which they have a relevant interest. Any member of the public wishing to address the meeting should advise the Democratic Support Officer (DSO) whose contact details are on the front sheet of the agenda

Southampton: Corporate Plan 2022-2030 sets out the four key outcomes:

- Communities, culture & homes - Celebrating the diversity of cultures within Southampton; enhancing our cultural and historical offer and using these to help transform our communities.
- Green City - Providing a sustainable, clean, healthy and safe environment for everyone. Nurturing green spaces and embracing our waterfront.
- Place shaping - Delivering a city for future generations. Using data, insight and vision to meet the current and future needs of the city.
- Wellbeing - Start well, live well, age well, die well; working with other partners and other services to make sure that customers get the right help at the right time

Smoking policy – The Council operates a no-smoking policy in all civic buildings.

Mobile Telephones:- Please switch your mobile telephones or other IT devices to silent whilst in the meeting

Use of Social Media:- The Council supports the video or audio recording of meetings open to the public, for either live or subsequent broadcast. However, if, in the Chair's opinion, a person filming or recording a meeting or taking photographs is interrupting proceedings or causing a disturbance, under the Council's Standing Orders the person can be ordered to stop their activity, or to leave the meeting. By entering the meeting room you are consenting to being recorded and to the use of those images and recordings for broadcasting and or/training purposes. The meeting may be recorded by the press or members of the public.

Any person or organisation filming, recording or broadcasting any meeting of the Council is responsible for any claims or other liability resulting from them doing so.

Details of the Council's Guidance on the recording of meetings is available on the Council's website.

Dates of Meetings: Municipal Year:

2024	2025
10 June	10 February
22 July	14 April
23 September	
4 November	
9 December	

CONDUCT OF MEETING

Terms of Reference

The terms of reference of the Governance Committee are contained in Part 3 of the Council's Constitution.

[03 - Part 3 - Responsibility for Functions](#)

Rules of Procedure

The meeting is governed by the Council Procedure Rules as set out in Part 4 of the Constitution.

Business to be discussed

Only those items listed on the attached agenda may be considered at this meeting.

Quorum

The minimum number of appointed Members required to be in attendance to hold the meeting is 3.

DISCLOSURE OF INTERESTS

Members are required to disclose, in accordance with the Members' Code of Conduct, **both** the existence **and** nature of any "Disclosable Pecuniary Interest" or "Other Interest" they may have in relation to matters for consideration on this Agenda.

DISCLOSABLE PECUNIARY INTERESTS

A Member must regard himself or herself as having a Disclosable Pecuniary Interest in any matter that they or their spouse, partner, a person they are living with as husband or wife, or a person with whom they are living as if they were a civil partner in relation to:

- (i) Any employment, office, trade, profession or vocation carried on for profit or gain.
- (ii) Sponsorship:

Any payment or provision of any other financial benefit (other than from Southampton City Council) made or provided within the relevant period in respect of any expense incurred by you in carrying out duties as a member, or towards your election expenses. This includes any payment or financial benefit from a trade union within the meaning of the Trade Union and Labour Relations (Consolidation) Act 1992.

(iii) Any contract which is made between you / your spouse etc (or a body in which the you / your spouse etc has a beneficial interest) and Southampton City Council under which goods or services are to be provided or works are to be executed, and which has not been fully discharged.

(iv) Any beneficial interest in land which is within the area of Southampton.

(v) Any license (held alone or jointly with others) to occupy land in the area of Southampton for a month or longer.

(vi) Any tenancy where (to your knowledge) the landlord is Southampton City Council and the tenant is a body in which you / your spouse etc has a beneficial interests.

(vii) Any beneficial interest in securities of a body where that body (to your knowledge) has a place of business or land in the area of Southampton, and either:

- a) the total nominal value of the securities exceeds £25,000 or one hundredth of the total issued share capital of that body, or
- b) if the share capital of that body is of more than one class, the total nominal value of the shares of any one class in which you / your spouse etc has a beneficial interest that exceeds one hundredth of the total issued share capital of that class.

Other Interests

A Member must regard himself or herself as having an, 'Other Interest' in any membership of, or occupation of a position of general control or management in:

Any body to which they have been appointed or nominated by Southampton City Council

Any public authority or body exercising functions of a public nature

Any body directed to charitable purposes

Any body whose principal purpose includes the influence of public opinion or policy

Principles of Decision Making

All decisions of the Council will be made in accordance with the following principles:-

- proportionality (i.e. the action must be proportionate to the desired outcome);
- due consultation and the taking of professional advice from officers;
- respect for human rights;
- a presumption in favour of openness, accountability and transparency;
- setting out what options have been considered;
- setting out reasons for the decision; and
- clarity of aims and desired outcomes.

In exercising discretion, the decision maker must:

- understand the law that regulates the decision making power and gives effect to it. The decision-maker must direct itself properly in law;
- take into account all relevant matters (those matters which the law requires the authority as a matter of legal obligation to take into account);
- leave out of account irrelevant considerations;
- act for a proper purpose, exercising its powers for the public good;
- not reach a decision which no authority acting reasonably could reach, (also known as the "rationality" or "taking leave of your senses" principle);
- comply with the rule that local government finance is to be conducted on an annual basis. Save to the extent authorised by Parliament, 'live now, pay later' and forward funding are unlawful; and
- act with procedural propriety in accordance with the rules of fairness.

AGENDA

1 **APOLOGIES**

To receive any apologies.

2 **DISCLOSURE OF PERSONAL AND PECUNIARY INTERESTS**

In accordance with the Localism Act 2011, and the Council's Code of Conduct, Members to disclose any personal or pecuniary interests in any matter included on the agenda for this meeting.

NOTE: Members are reminded that, where applicable, they must complete the appropriate form recording details of any such interests and hand it to the Democratic Support Officer.

3 **STATEMENT FROM THE CHAIR**

4 **MINUTES OF PREVIOUS MEETING (INCLUDING MATTERS ARISING)** (Pages 1 - 8)

To approve and sign as a correct record the Minutes of the meetings held on 4th November 2024 and the joint special meeting on 13th January 2025 and to deal with any matters arising, attached.

5 **ANNUAL RISK MANAGEMENT REPORT** (Pages 9 - 20)

To note the Annual Risk Management Report 2024 (Appendix 1) and 'Summary - Strategic Risks End Q3 2024-25' (Appendix 2).

6 **REVIEW OF CODE FOR GOVERNANCE** (Pages 21 - 34)

To note and approve the updated draft 2025 Local Code of Corporate Governance.

7 **HR QTR 3 REPORT 24/25** (Pages 35 - 40)

To note the latest HR statistics.

Friday, 31 January 2025

Director Governance Legal and HR

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GOVERNANCE COMMITTEE

MINUTES OF THE MEETING HELD ON 4 NOVEMBER 2024

Present: Councillors Rayment (Chair), Mrs Blatchford, Cooper, Gravatt, Harwood, Leggett and McCreanor

Apologies: Councillor Denness

8. **APOLOGIES AND CHANGES IN MEMBERSHIP (IF ANY)**

The Committee noted the apologies of Councillor Denness and the appointment of Councillor Leggett as representative for the purposes of the meeting.

9. **MINUTES OF PREVIOUS MEETING (INCLUDING MATTERS ARISING)**

RESOLVED:

That the minutes for the Committee meeting on 23 September 2024 be approved and signed as a correct record.

10. **IMPROVEMENT BOARD**

The Committee received the report of report of the Chair of the Improvement Board.

RESOLVED:

That to enable consideration of all appropriate information at the same time, consideration of the Improvement Board report should be deferred until after receipt of the Grant Thornton report.

11. **HOUSING VOIDS PROGRESS REPORT**

On consideration of the report of the Cabinet Member for Housing Operations, the Committee approved the following:

- (i) Members noted the report to the Governance Committee on the progress being made to improve Void performance.
- (ii) Members accepted and endorsed the Voids Improvement Plan.
- (iii) The Committee supported the redefined classifications of the Voids.
- (iv) The Committee recommended that Internal Audit carry out a follow up review in 2025/26.
- (v) The Committee noted the need for performance metrics to be improved and recommended that work be done in consultation with the Cabinet Member to gain a better understanding of priority order.

12. **EXCLUSION OF THE PRESS AND THE PUBLIC - EXEMPT INFORMATION INCLUDED IN THE FOLLOWING ITEM**

The Committee chair moved that in accordance with the Council's Constitution, specifically the Access to Information Procedure Rules contained within the

Constitution, the press and public be excluded from the meeting in respect of any consideration of the exempt Appendices to the following Item.

Appendix 1, 2 and 3 to the report were confidential in accordance with paragraph number 7(A) of the Council's Access to Information Procedure Rules in Part 4 of the Council's Constitution as they contain information about Council contracts and contractors which were deemed to be confidential and commercially sensitive.

13. **STRATEGIC CONTRACTS AND PROCUREMENT ANNUAL REPORT 2023/24**

The Committee considered the report of the Head of Contracting and Procurement & Director of Commissioning.

RESOLVED:

- (i) To note the information related to the Council's Strategic Contracts attached as Appendix 1 and 2 which related to the period April 2023 to March 2024.
- (ii) To note the Strategic Procurement Activity planned for and being undertaken as set out in Appendix 3 to the report.

GOVERNANCE COMMITTEE

MINUTES OF THE MEETING HELD ON 13 JANUARY 2025

Present: Councillors Rayment (Chair), Mrs Blatchford, Cooper, Denness, Gravatt, Harwood, McCreanor.

Councillors Bunday, Chapman, Evey and Leggett.

14. **APOLOGIES AND CHANGES IN PANEL MEMBERSHIP**

Members of the Audit Committee were invited to join for the purposes of the meeting. The apologies of Councillor Powell-Vaughan were noted.

15. **IMPROVEMENT BOARD ANNUAL REPORT**

The Joint committee received the report of the Improvement Board Chair.

RESOLVED:

- (i) That members of the Governance and Audit committees received and noted the report.
- (ii) That the Leader would follow up on a request for further information regarding the statement from Teresa Grant, Improvement Board Chair, which stated “Culturally there is evidence to suggest that the fragile financial position the organisation finds itself in is not fully accepted by some Members - an example of which is a unilateral decision reversing a budget decision which was agreed by Cabinet and published in the budget, which raises cause for concern.” It was agreed that the Leader would report back to the joint committee members the details of what this related to.

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SPECIAL GOVERNANCE COMMITTEE – 13 JANUARY 2025

Title of Item	Action Agreed	Timescale	Responsible Officer	Status
<u>IMPROVEMENT BOARD</u>	(i) That members of the Governance and Audit committees received and noted the report. (ii) That the Leader would follow up on a request for further information regarding the statement from Teresa Grant, Improvement Board Chair, which stated “Culturally there is evidence to suggest that the fragile financial position the organisation finds itself in is not fully accepted by some Members - an example of which is a unilateral decision reversing a budget decision which was agreed by Cabinet and published in the budget, which raises cause for concern.” It was agreed that the Leader would report back to the joint committee members the details of what this related to.		The Leader	The Leader responded to joint committee members on 27 January 2025.

GOVERNANCE COMMITTEE – 4 NOVEMBER 2024				
Title of Item	Action Agreed	Timescale	Responsible Officer	Status
Minutes and Matters Arising	Minutes approved and signed.		Maria McKay	Complete
<u>IMPROVEMENT BOARD</u>	Item deferred until Grant Thornton report received.	February 2025	Chief Executive / Chair of Improvement Board.	Joint Committee meeting scheduled for 13 January 2025.
<u>HOUSING VOIDS PROGRESS REPORT</u>	<ul style="list-style-type: none"> (i) Members noted the report to the Governance Committee on the progress being made to improve Void performance. (ii) Members accepted and endorsed the Voids Improvement Plan. (iii) The Committee supported the redefined classifications of the Voids. (iv) The Committee recommended that Internal Audit carry out a follow up review in 2025/26. 	2025/26	Jamie Brenchley	

	(v) The Committee noted the need for performance metrics to be improved and recommended that work be done in consultation with the Cabinet Member to gain a better understanding of priority order.			
<u>STRATEGIC CONTRACTS AND PROCUREMENT ANNUAL REPORT 2023/24</u>	(i) To note the information related to the Council's Strategic Contracts attached as Appendix 1 and 2 which related to the period April 2023 to March 2024. (ii) To note the Strategic Procurement Activity planned for and being undertaken as set out in Appendix 3 to the report.		Katie Renouard, Claire Oaten, Chris Pelletier and Aleks Burlinson	

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DECISION-MAKER:	AUDIT COMMITTEE
SUBJECT:	ANNUAL RISK MANAGEMENT REPORT 2024
DATE OF DECISION:	12th FEBRUARY 2025
REPORT OF:	DIRECTOR OF LEGAL & GOVERNANCE

<u>CONTACT DETAILS</u>			
Executive Director	Title	Executive Director Enabling Services	
	Name:	Mel Creighton	Tel: 023 8083 3825
	E-mail	mel.creighton@southampton.gov.uk	
Author:	Title	Risk & Insurance Manager	
	Name:	Peter Rogers	Tel: 023 8083 2835
	E-mail	peter.rogers@southampton.gov.uk	

STATEMENT OF CONFIDENTIALITY	
Appendix A 'Summary - Strategic Risks' is not for publication by virtue of category 5 paragraph 10.4 of the Access to Information Procedure Rules as set out in the Council's Constitution. The information is exempt from publication as it includes information in respect of which a claim to legal professional privilege could be maintained in legal proceedings.	
BRIEF SUMMARY	
The Annual Risk Management Report (Appendix 1) is intended to provide assurance that the council has in place effective risk management arrangements and that key risks are being managed and monitored appropriately.	
RECOMMENDATIONS:	
	(i) The Annual Risk Management Report 2024 (Appendix 1) and 'Summary - Strategic Risks End Q3 2024-25' (Appendix 2) be noted
REASONS FOR REPORT RECOMMENDATIONS	
1.	This report is presented to the Audit Committee as the member body responsible for providing independent assurance on the adequacy of the risk management framework and the internal control and reporting environment
2.	The Audit Committee also has responsibility for oversight of and provision of assurance on the effective development and operation of risk management in the council.
ALTERNATIVE OPTIONS CONSIDERED AND REJECTED	
3	No alternative options have been considered
DETAIL (Including consultation carried out)	
4.	The Annual Risk Management Report is intended to provide assurance to the Audit Committee that the council has in place effective risk management arrangements and that key risks are being managed and monitored appropriately.

5.	The report is split into two sections. Section A, that outlines the framework and overall arrangements in place across the council that are intended to ensure that proper consideration is taken of risk, and Section B that provides a summary of the risk management activities that have been undertaken within the last 12-month period.
6.	Also included is a summary of the council's Strategic Risks (Appendix 2), which are reviewed and updated on a quarterly basis and then presented to the Management Board for oversight and review.
7.	The Annual Risk Management Report 2024 report was presented to and reviewed by the Management Board on 29 th January 2025.

RESOURCE IMPLICATIONS

Capital/Revenue

8. None

Property/Other

9. None

LEGAL IMPLICATIONS

Statutory power to undertake proposals in the report:

10. The Accounts and Audit (England) Regulations 2015 Part 2 Section 3A(c) require the Council to have in place a 'sound system of internal control which includes effective arrangements for the management of risk'

Other Legal Implications:

11. None

RISK MANAGEMENT IMPLICATIONS

12. The appendices to this report are intended to provide the Audit Committee with assurance regarding the arrangements in place to manage risk.

POLICY FRAMEWORK IMPLICATIONS

13. None

KEY DECISION?	No
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WARDS/COMMUNITIES AFFECTED:	Not Applicable
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SUPPORTING DOCUMENTATION

Appendices

1. Annual Risk Management Report 2024

2. Summary - Strategic Risks End Q3 2024-25 (Confidential Item)

Documents In Members' Rooms

1. Not Applicable

Equality Impact Assessment

Do the implications/subject of the report require an Equality and	No
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Safety Impact Assessment (ESIA) to be carried out.		
Data Protection Impact Assessment		
Do the implications/subject of the report require a Data Protection Impact Assessment (DPIA) to be carried out.		No
Other Background Documents		
Other Background documents available for inspection at:		
Title of Background Paper(s)	Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)	
1.	Not Applicable	

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RISK MANAGEMENT ANNUAL REPORT 2024



Risk: 'the effect of uncertainty on objectives'

January 2025



Risk Management – Annual Report 2024

The purpose of this report is to provide assurance to the Audit Committee that the council has in place effective risk management arrangements and that key risks are being managed and monitored appropriately. This reflects the responsibilities of the Committee as set out in the Terms of Reference:

- *“To provide independent assurance on the adequacy of the risk management framework and the internal control and reporting environment...”;*
- *“To be satisfied and provide assurance that appropriate action is being taken on risk and internal control related issues...”*

*This report is split into two main sections – **Section A** which provides a summary of the framework and overall arrangements in place across the council that are intended to ensure that proper consideration is taken of risk and **Section B** which summarises the range of risk management activities that have been undertaken within the last 12-month period.*

ROLES AND RESPONSIBILITIES

The council's Risk and Insurance Service, which part of Legal & Governance with the Enabling Services Directorate, is responsible for:

- Facilitating the continuing development of the council's risk management arrangements including developing and providing support, advice and guidance.
- Supporting services in the management of operational and strategic risk.
- Facilitating and supporting the Management Board in respect of the identification, management, and review of the council's key strategic risks.
- Arranging appropriate risk financing measures and providing advice and guidance on the extent of insurance or self-insurance arrangements.
- Arranging the placement of insurance cover in respect of insurable risks where it is economic to do so.

SECTION A – THE RISK MANAGEMENT FRAMEWORK

The risk management framework comprises the overall arrangements in place across the council that are intended to ensure that proper consideration is taken of risk. The key components of this framework are:

▪ **Risk Management Policy**

This provides an overview of the framework, arrangements and responsibilities for managing risk within and across the Council and is intended to assist officers, at all levels, in applying sound risk management principles and practices across their areas of responsibility. This policy, which is published on the council intranet, is subject to annual review and update as necessary.

▪ **Strategic Risk Register**

The Strategic Risk Register is a key document in terms of identifying, assessing, and managing the council's key strategic risks. Strategic risks are those risks that are of significant, cross-cutting importance to the council such that they are considered to require the attention and oversight of the council's senior management team. They reflect a combination of organisational 'resilience' and 'governance' type risks together with risks that are more transient in nature. The Strategic Risk Register is updated and reviewed on a quarterly basis by the council Management Board who also consider any new or emerging risks.

▪ **Directorate Risk Registers**

Directorate Risk Registers recognise that, in addition to the council's Strategic Risks, there are very likely to be other significant risks within individual directorates relating to the services, actions or activities being delivered or undertaken. Such risks, although significant in themselves, may not however be considered as cross-cutting or be of such significance that they would be considered to be a 'strategic risk' that requires Management Board oversight. The risks that appear in a Directorate Risk Register will typically be aligned with the Directorate Business Plan in terms of the potential impact on the delivery of the key service priorities and objectives.

- **Guidance and information**

A range of information and advice is published on the intranet as well as an e-Learning Risk Management training module together with a 'Risk Management Essentials' guidance document available to all staff via the council's Learning & Development portal.

- **Corporate Report Template**

The council's standard corporate report template, briefing template include a 'Risk Management Implications' section. This section requires a report author to highlight any significant risks associated with the decision and provide the decision maker with assurance the appropriate actions/controls are in place to mitigate the risk. It should also mention what consultation has been carried out in preparation (both internal and external) and report on any responses received and an analysis (both positive and negative) of those reports.

- **Internal Audit**

Internal audit plays a vital role in advising the council that arrangements in relation to governance, risk and internal control are in place and operating effectively. Response to internal audit activity should lead to the strengthening of the internal control environment. The annual 'Internal Audit Plan' is informed by the council's Strategic Risks together with discussions with individual Executive Directors and the Management Board.

- **Project and Programme Risk Management**

The need to identify and manage risk runs throughout the project and programme management process with 'Risks, Assumptions, Issues, Dependencies ('RAID') Logs' embedded as part of project management governance. Template documents and associated guidance is available to assist both project managers and project sponsors/boards in understanding the importance of understanding and managing risk.

- **Partnerships**

All key service delivery partnerships (such as the Highways Service Partnership with Balfour Beatty Living Places) and other major contracts have risk registers in place which are jointly reviewed with the supplier and include any 'shared risks'. There is also guidance on the intranet in respect of managing risk in respect of non-commercial partnership working.

- **Key Financial Risks**

Financial risks, in terms of the 'robustness of estimates' and 'adequacy of proposed financial reserves' are captured in a 'Key Financial Risks' document. This document is managed and reviewed by Finance and included on a quarterly basis as part of the financial position update report.

- **Business Planning**

The council undertakes an annual business planning and budgeting process with all Service Business plans required to be reviewed to ensure that they reflect changing circumstances, methods of service provision, impact on the budget and the needs of customers. Significant risks that may threaten or adversely impact delivery of their key priorities and outcomes would be expected to be considered for inclusion in the Directorate Risk Register.

- **Fraud Risk Management**

An Anti-Fraud, Bribery and Corruption Policy is published on the intranet and applies to all employees, elected members and others who work for or on behalf of the Council. Internal control systems are intended to minimise the opportunity for fraud or misappropriation of assets.

- **Operational Risk Management**

The management of 'day to day' or 'operational risk' is the responsibility of individual service areas with support and guidance being provided by Risk and Insurance Services as required including, where necessary, access to specialist advice.

SECTION B - RISK MANAGEMENT ACTIONS: 2024

- **Quarterly reviews of the Strategic Risk Register**

The council's strategic risks were reviewed by the Management Board in January (End Q3 - 2023/24), April (End Q4 - 2023/24), July (End Q1 - 2024/25), October (End Q2 - 2024-25), January (End Q3 - 2024/25) noting that, from the End Q2 it now forms part of a wider 'Quarterly Performance Review' which is presented by the Director Legal & Governance to the Management Board.

For each meeting, the Board receives a report/update in respect of the status of the council's Strategic Risks highlighting any issues or areas of concern together with information or commentary on any new or emerging risks for discussion.

See **Appendix A** which is a summary of the council's Strategic Risks at End Q3 2024-25.

- **Development of Directorate Risk Registers**

The process of having in place formal Directorate Risk Registers was agreed by the Management Board in late 2023 and all Directorates had developed a first draft of their risk registers by the end of Q4 23-24. Ongoing development and regular updating of the risk registers has however been inconsistent and was impacted by the organisational restructure together with other competing urgent priorities. Risk Management was however a standing item on both the Enabling Services Leadership Team meetings and the Resident Services Leadership Team meetings with the Risk & Insurance Manager invited to attend on at least a quarterly basis.

In order to support and streamline the process an on-line 'Risk Tracker' document has been created in SharePoint which allows for all directorate risks to be held in one place, in a consistent format and for officers to easily access and update their risks. It will also allow for greater transparency/visibility across the directorates.

- **Corporate Insurance Tender (Risk Financing)**

The council's current corporate insurance programme expires on the 31 March 2025 and therefore a competitive tender exercise is being undertaken for the placement of a new insurance programme from 1st April 2025. This has, and continues to be, a significant and time-consuming piece of work that commenced shortly after the April 2024 insurance renewal and is being undertaken in consultation with the council's insurance broker and with the council's Contracting & Procurement Services. A range of actions were undertaken to ensure that the most appropriate and cost-effective insurance programme is put in place from 1st April 2025. The tender responses are currently being evaluated with the new contract(s) expected to be awarded by the end of February.

- **Representation on internal management boards and groups**

The Risk & Insurance Manager is a member of the following Management Boards and Groups to provide advice and guidance on risk and insurance issues:

- Information Governance Board
- Health & Safety Board
- Fire Safety Programme Board
- Emergency Preparedness, Resilience and Response Board
- SCC Silver Command Emergencies Group
- Housing Quality Assurance Board

▪ **Property - Fire & Security Reviews**

As 2024-25 is the final year of the current insurance agreement our property insurers only undertook a very limited number of fire and security surveys - Glen Lee (vacant property), City Depot and Tudor House Museum. The risk & Insurance Team are working with the relevant officers within the services in terms of ensuring that the required loss control actions are implemented within the stipulated timescales and liaising with the insurer/underwriter as necessary.

▪ **Solent Unitaries Insurance Group**

Peer group meetings were held with officers from Portsmouth City Council, Isle of Wight Council and Bournemouth, Christchurch & Poole Council on a quarterly basis to share and discuss risk and insurance issues. The SCC Risk & Insurance Manager chaired these meetings which covered a range of topics including:

- Insurance market insight
- Insurance programmes
- Renewal terms
- Current/future underwriting requirements
- Insurance obligations/options re refurbishment works to existing premises
- Motor risks
- New or emerging claim trends

▪ **Other**

A range of other support, advice and guidance was provided including:

- General risk management and insurance advice and guidance to service areas.
- Advise on the extent and scope of the insurance cover in place and, where required, arranging extensions of cover or arranging standalone cover if the current programme / insurers were not prepared to cover the risk.
- Advice and guidance to Procurement and Service Managers on proposed insurance and indemnity clauses and suggested limits of indemnity on a diverse range of contracts and other agreements.
- Arranging for a reminder to be issued to all staff that council vehicles (and those on hire to the council) must only be used on the business of the council and must not be used for any other purpose.

RISK MANAGEMENT PRIORITIES 2025

[Note: The following may need to be reprioritised subject to the business need]

▪ **Select and embed the new corporate insurance programme**

The new corporate insurance programme will commence on 1st April 2025 and, in addition to the pre contract mobilisation period, it will be necessary to work with both the appointed insurer(s) and service

areas to ensure that any new cover conditions or requirements are understood and are in place or actioned as necessary. This will include continuing to liaise with Corporate Estates & Assets in terms of reinstating a risk-based property insurance valuation programme which was paused in 2024.

- **Insurance Claims Analysis / Trends**

Whilst some information is shared with service areas further work will be undertaken to explore what insurance claims loss data may be useful to provide to key service areas in terms of helping to inform their priorities and/or working practices.

- **Ongoing development of Directorate Risk Registers**

The newly developed 'Risk Tracker' document will, subject to being piloted with Enabling Services, be rolled out across the directorates. This will provide an opportunity to refresh, relaunch and remind Directorate Management Teams of the purpose and approach to managing directorate risks and provide the opportunity to discuss any Risk Management training needs.

Further work is required to ensure that, where appropriate, directorate risks are aligned with those risks identified within the Directorate Business Plan.

- **Data Validation**

The service will look to work with Internal Audit in terms of periodically using their IDEA data matching software tool to ensure that the property and motor information provided to insurers remains consistent with the information that is held internally by service areas within the council. The IDEA software tool helps identify and match data across multiple sources.

- **Risk Management Policy and Guidance**

The current Risk Management Policy in for the period 2022/23 to 2024/25 and is therefore due for a review, approval and reissue. It is intended that the policy review is undertaken in consultation with the new insurer(s) utilising the 'free' risk management consultancy days that are provided as part of their wider service offering. Other risk management guidance and information will then be reviewed and updated as required.

For further information please contact Peter Rogers, Risk & Insurance Manager 023 8083 2835 or insurance@southampton.gov.uk

Document is Confidential

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Agenda Item 6

DECISION-MAKER:	GOVERNANCE COMMITTEE
SUBJECT:	CODE OF CORPORATE GOVERNANCE
DATE OF DECISION:	10th February 2025
REPORT OF:	DIRECTOR OF LEGAL & GOVERNANCE

<u>CONTACT DETAILS</u>			
Executive Director	Title	Executive Director Enabling Services	
	Name:	Mel Creighton	Tel: 023 8083 3528
	E-mail	mel.creighton@southampton.gov.uk	
Author:	Title	Risk & Insurance Manager	
	Name:	Peter Rogers	Tel: 023 8083 2835
	E-mail	peter.rogers@southampton.gov.uk	

STATEMENT OF CONFIDENTIALITY

Not applicable

BRIEF SUMMARY

The Local Code of Corporate Governance ('CCG') sets out the commitment of Southampton City Council to continue to uphold the highest possible standards of good governance. The CCG has been subject to annual light touch review as part of the review of the Constitution however it is appropriate for the updated document to be presented to the Governance Committee periodically for formal review and approval.

RECOMMENDATIONS:

	(i)	To note and approve the updated draft 2025 Local Code of Corporate Governance (Appendix 1).
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REASONS FOR REPORT RECOMMENDATIONS

1.	The Governance Committee has responsibility for leading on all aspects of Corporate Governance by promoting the values of putting people first, valuing public service and creating a norm of the highest standards of personal conduct.
2.	The Governance Committee is also responsible for receiving regular reports on the performance of the Corporate Complaints process, Local Government Ombudsman referrals, Annual Governance Statement and Code of Corporate Governance and to recommend revisions to related policies and procedures as appropriate.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

3.	No alternative options have been considered as this is a core governance requirement.
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DETAIL (Including consultation carried out)

4.	Corporate governance comprises the systems, processes, values and cultures by which councils are directed and controlled and through which they are accountable to and engage with and, where appropriate, lead their
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	communities. The CCG sets out the commitment of Southampton City Council to continue to uphold the highest possible standards of good governance.
5.	The council's CCG is based on the CIPFA 'Delivering Good Governance in Local Government: Framework (CIPFA/Solace, 2016)' which is a best practice framework for developing and maintaining a locally adopted code of governance. The current version of the council's CCG has, however, been refreshed and updated to ensure that it remains both current and aligned with good practice. Each year the council publishes an Annual Governance Statement which explains and assesses how it has complied with the CCG and provides details of how continual improvement in the system of internal control will be achieved.
6.	The CCG has been subject to annual light touch review by the Director of Legal & Governance however periodically it is appropriate for the document to be presented to the Governance Committee for formal review and approval. The version currently published on the council's website is dated April 2023 although the last formal review of the CCG by the Governance Committee was in May 2019. The main updates to the document are the explicit reference to both the seven core principles of good governance and the Standards in Public Life (Nolan Principles) together with the inclusion of a paragraph regarding the 'Responsibilities for Corporate Governance'.
7.	These updates have been informed by a review of peer authority CCGs with the vast majority following a very similar format, which is reflected in the updated CCG. The review looked at published information on the respective council websites of 16 unitary authorities and 2 county councils noting that a third of the council's reviewed did not overtly publish their CCG and in one case the published link to the CCG did not work.
8.	The draft CCG was presented to and reviewed by the council's Management Board on 29 th January 2025.
9.	Subject to the CCG being approved by the Governance Committee it will then be published on the Council's website. As before, the Director of Legal & Governance will review and, where necessary, update the CCG on an annual basis and will present any significant changes to the Governance Committee for review and approval.
RESOURCE IMPLICATIONS	
<u>Capital/Revenue</u>	
10.	None
<u>Property/Other</u>	
11.	None
LEGAL IMPLICATIONS	
<u>Statutory power to undertake proposals in the report:</u>	
12.	The Accounts and Audit (England) Regulations 2015 require the Council to adopt good governance arrangements in respect of the discharge of its functions. The above arrangements are intended to meet those responsibilities.
<u>Other Legal Implications:</u>	

	None
RISK MANAGEMENT IMPLICATIONS	
	There are no direct risk management implications however good governance supports the effective management of both operational and organisational risk.
POLICY FRAMEWORK IMPLICATIONS	
	None

KEY DECISION?	No
WARDS/COMMUNITIES AFFECTED:	Not applicable
<u>SUPPORTING DOCUMENTATION</u>	
Appendices	
1.	Updated draft 2025 Local Code of Corporate Governance

Documents In Members' Rooms

1.	Not applicable
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Equality Impact Assessment

Do the implications/subject of the report require an Equality and Safety Impact Assessment (ESIA) to be carried out.	No
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Data Protection Impact Assessment

Do the implications/subject of the report require a Data Protection Impact Assessment (DPIA) to be carried out.	No
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Other Background Documents

Other Background documents available for inspection at:

Title of Background Paper(s)	Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)
1.	
2.	

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LOCAL CODE OF CORPORATE GOVERNANCE



1.0 Introduction

1.1 Corporate governance comprises the systems, processes, values and cultures by which councils are directed and controlled and through which they are accountable to and engage with and, where appropriate, lead their communities.

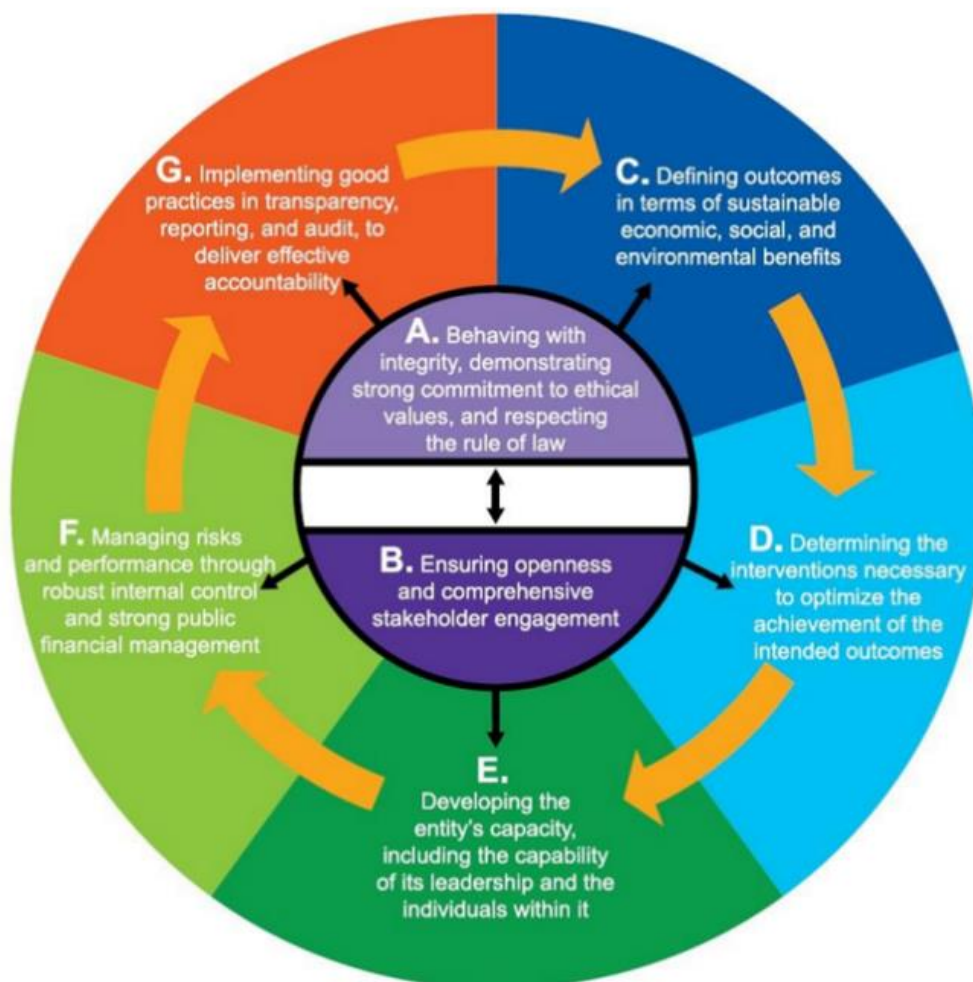
1.2 To demonstrate compliance with the principles of good corporate governance, Southampton City Council must ensure that it does the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner.

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

2.0 Local Code of Corporate Governance

2.1 Southampton City Council has a robust Constitution and associated governance documents and arrangements in place. This Local Code of Corporate Governance is based on Delivering Good Governance in Local Government: Framework (CIPFA/Solace, 2016), which is a best practice framework for developing and maintaining a locally adopted code of governance.

2.2 The framework consists of seven core principles and is taken from the International Framework: Good Governance in the Public Sector (CIPFA/IFAC, 2014) (the 'International Framework'), illustrates how these principles of good governance in the public sector relate to each other.



2.3 The Council's ethical standards are also underpinned by the Standards in Public Life commonly known as the Nolan Principles:

Selflessness

Holders of public office should act solely in terms of the public interest.

Integrity

Holders of public office must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves, their family, or their friends. They must declare and resolve any interests and relationships.

Objectivity

Holders of public office must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias.

Accountability

Holders of public office are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this.

Openness

Holders of public office should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing.

Honesty

Holders of public office should be truthful.

Leadership

Holders of public office should exhibit these principles in their own behaviour and treat others with respect. They should actively promote and robustly support the principles and challenge poor behaviour wherever it occurs.

3.0 Responsibilities for Corporate Governance

3.1 All councillors and officers have a responsibility for upholding the principles of good governance. It is a key responsibility for the Leader of the Council and the Chief Executive.

3.2 The Governance Committee has responsibility 'to lead on all aspects of Corporate Governance by promoting the values of putting people first, valuing public service and creating a norm of the highest standards of personal conduct' and 'to promote a culture of openness, ready accountability and probity in order to ensure the highest standards of conduct of Councillors and employees'.

3.3 The Director of Legal & Governance responsibilities include 'to take any action necessary or appropriate in relation to Corporate Governance, Standards, the Ethical Framework or any other related issue to Members, ethics, qualification and disqualification, and in this context, subject to any decisions of the Governance Committee, to take any consequential action arising from a breach of the Code of Conduct for Members / Employees, and any other related provisions or issues', 'to produce and revise Corporate Standards, Codes of Conduct, Special

Procedures and Protocols and any other appropriate documentation, whether associated with the Constitution or not for Officers, Members and third parties as appropriate' and 'to sign on behalf of the Council, Members' Declaration of Interest forms and to maintain any statutory or voluntary registers of Members' interests'.

3.4 Each year the Council will publish an Annual Governance Statement which will explain and assess how the Council has complied with this Local Code of Corporate Governance and provide details of how continual improvement in the system of internal control will be achieved. The Annual Governance Statement is produced following a review of the effectiveness of the Council's corporate governance arrangements, as outlined in this Code. Any significant governance weaknesses are highlighted, and an action plan produced to address these issues, and monitored by the Governance Committee.

4.0 How Southampton City Council meets the principles of Corporate Governance

4.1 The intention of this Local Code of Corporate Governance is to provide a simple document with, where appropriate, hyperlinks (where the text is underlined) to key documents relating to governance which are available free of charge on the Council's website.

DRAFT

Core 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 and have mechanisms in place to encourage and enforce adherence to ethical values and to respect the rule of law.

Sub Principles	This is evidenced by
<ul style="list-style-type: none"> • Behaving with integrity • Demonstrating strong commitment to ethical values • Respecting the rule of law 	<ul style="list-style-type: none"> • Officers Code of Conduct (<u>Council Constitution</u> -13 Part 5) • Officer Member Protocol (<u>Council Constitution</u> - 14 Part 5) • Officer Code of Conduct and including Register of Employee's Outside Interests, and Gifts and Hospitality Declaration Procedure • Members' Code of Conduct including Register of Interests (<u>Council Constitution</u> - 12 Part 5) • <u>Whistleblowing - Duty to Act Policy</u> • Corporate Surveillance Guidance - Regulation of Investigatory Powers Act 2000 • <u>Privacy policy</u> • <u>Anti Fraud, Bribery and Corruption Policy</u> • <u>Social value - Procurement process</u> • <u>Probity in Planning</u> • Governance Committee Terms of Reference (<u>Council Constitution</u> - 03 Part 3 Responsibility for Functions) • Financial Procedure Rules (<u>Council Constitution</u> - 09 Part 4) • Contract Procedure Rules (<u>Council Constitution</u> - 10 Part 4) • Overview and Scrutiny Procedure Rules (<u>Council Constitution</u> - 08 Part 4) • Executive Procedure Rules (<u>Council Constitution</u> - 07 Part 4) • Monitoring Officer Protocol (<u>Council Constitution</u> - 17 Part 5) • Officer Scheme of Delegation (<u>Council Constitution</u> - 23 Part 10) • Code for Dealing with Joint Arrangements with Third Parties (<u>Council Constitution</u> – 16 Part 5)

Core Principle B

Ensuring openness and comprehensive stakeholder engagement

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	This is evidenced by
<ul style="list-style-type: none"> • Openness • Engaging comprehensively with institutional stakeholders • Engaging stakeholders effectively, including individual citizens and service users 	<ul style="list-style-type: none"> • <u>Transparency and Publication of Council Data</u> • <u>Scrutiny Committees and Panels</u> • Overview and Scrutiny Procedure Rules (<u>Council Constitution - 08 Part 4</u>) • <u>How decisions are made - information</u> • Budget Consultation Process • <u>'Have your say' - webpage (e-petitions, consultations, surveys and research, 'Have your say at meetings')</u> • <u>People's Panel</u> • <u>Comments and compliments process</u> • <u>How decisions are made - information</u> • <u>Freedom of Information and Publication Scheme</u> • Recording Officer Decisions (<u>Council Constitution - 24 Part 10</u>) • Petition Scheme (<u>Council Constitution - 25 Part 11</u>) • <u>Southampton's Children & Young People's Participation Strategic Plan 2022-27</u> • <u>Housing - Tenant Engagement</u> • <u>Customer access strategy 2022-2026</u>

Core Principle C

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

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 authority'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	This is evidenced by
<ul style="list-style-type: none"> • Defining outcomes • Sustainable economic, social and environmental benefits 	<ul style="list-style-type: none"> • <u>Southampton City Strategy 2015-25</u> • <u>Southampton City Council Corporate Plan 2022/30</u> • <u>Southampton City Council Corporate Plan (update 2024)</u> • <u>Local Development Plan</u> • <u>Southampton City Council Housing Strategy 2016-2025</u> • <u>Customer Access Strategy 2022-2026</u> • <u>Green City Plan 2030</u> • <u>Southampton Economic & Green Growth Strategy 2022-30</u> • <u>Clean Air Strategy 2019-2025</u> • <u>Cycling Strategy 2017-2027</u> • <u>Medium Term Financial Strategy</u> • <u>Safe City Strategy 2022-27</u> • <u>Statement of Accounts</u> • <u>Southampton Transport Strategy 2040</u> • <u>Social value - Procurement process</u>

Core 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. 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. Robust decision-making mechanisms are required to ensure that 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 continually to ensure that achievement of outcomes is optimised.

Sub Principles	This is evidenced by
<ul style="list-style-type: none"> • Determining interventions • Planning interventions • Optimising achievement of intended outcomes 	<ul style="list-style-type: none"> • Articles of Constitution (Decision Making) (Council Constitution - 02 Part 2) • How decisions are made - information • Responsibility for Functions (Terms of Reference - Overview & Scrutiny) (Council Constitution - 03 Part 3) • Overview Scrutiny Procedure Rules (Council Constitution 08 Part 4) • Customer Access Strategy 2022-2026 • Southampton City Council Corporate Plan 2022/30 • Southampton City Council Corporate Plan (update 2024) • Partnership Code (Council Constitution - 18 Part 5)

Core 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 their 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 authority operates will change over time, there will be a continuous need to develop its capacity as well as the skills and experience of the leadership of individual staff members.

Leadership in local government entities is strengthened by the participation of people with many different types of backgrounds, reflecting the structure and diversity of communities.

Sub Principles	Evidenced by
<ul style="list-style-type: none"> • Developing the entity's capacity • Developing the capability of the entity's leadership and other individuals 	<ul style="list-style-type: none"> • People Strategy ('Our People') • Leadership Programme • Staff Learning & Development training opportunities • Corporate Induction process and Welcome Pack • Probation assessment policy • Performance and Development Reviews • Member Induction and Development Programme

	<ul style="list-style-type: none"> • Equality policy • <u>Equal Opportunities and 'Disability Confident Employer'</u> • Southampton City Council Diversity and Inclusion Pledge • Apprenticeship Policy • Health and Wellbeing support and information
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Core 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 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 is 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	Evidenced by
<ul style="list-style-type: none"> • Managing risk • Managing performance • Robust internal control • Managing data • Strong public financial management 	<ul style="list-style-type: none"> • Financial Procedure Rules (<u>Council Constitution</u> - 09 Part 4) • Budget Policy Framework Procedure Rules (<u>Council Constitution</u> - 06 Part 4) • Contract Procedure Rules (<u>Council Constitution</u> - 10 Part 4) • Overview and Scrutiny Procedure Rules (<u>Council Constitution</u> - 08 Part 4) • Risk Management Policy together with Corporate & Directorate Risk Registers • Decision Making report template – ‘Risk Management Implications’ paragraph • Internal Audit Charter and Annual Internal Audit Plan • Chief Internal Auditors Annual Opinion • Business Planning Framework • <u>Statement of Accounts</u> • <u>Medium Term Financial Strategy</u> • <u>Annual Governance Statement</u> (Part of the Statement of Accounts)

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

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

organisation plans and carries out its activities in a transparent manner. Both external and internal audit contribute to effective accountability.

Sub Principles	Evidenced by
<ul style="list-style-type: none"> • Implementing good practice in transparency • Implementing good practices in reporting • Assurance and effective Accountability • 	<ul style="list-style-type: none"> • <u>Transparency and Publication of Data</u> • <u>'Have your say' - webpage (e-petitions, consultations, People's Panel and 'Have you say at meetings')</u> • Budget Consultation Process • <u>Customer Access Strategy 2022-2026</u> • <u>Freedom of Information and Publication Scheme</u> • Internal Audit Charter • Annual Internal Audit Plan and progress reports to Governance Committee • External Audit 'Annual Report and Opinion on the financial statements' and 'Value for Money' report • Overview and Scrutiny Procedure Rules (<u>Council Constitution - 08 Part 4</u>) • Recording Officer Decisions (<u>Council Constitution - 24 Part 10</u>)

5.0 Monitoring and review

The Council's commitment to good corporate governance includes the application, development, and maintenance of this Local Code of Corporate Governance. The Council will monitor the arrangements set out in this Local Code of Corporate Governance for their effectiveness in practice and will review them on a continuing basis to ensure that they are up to date.

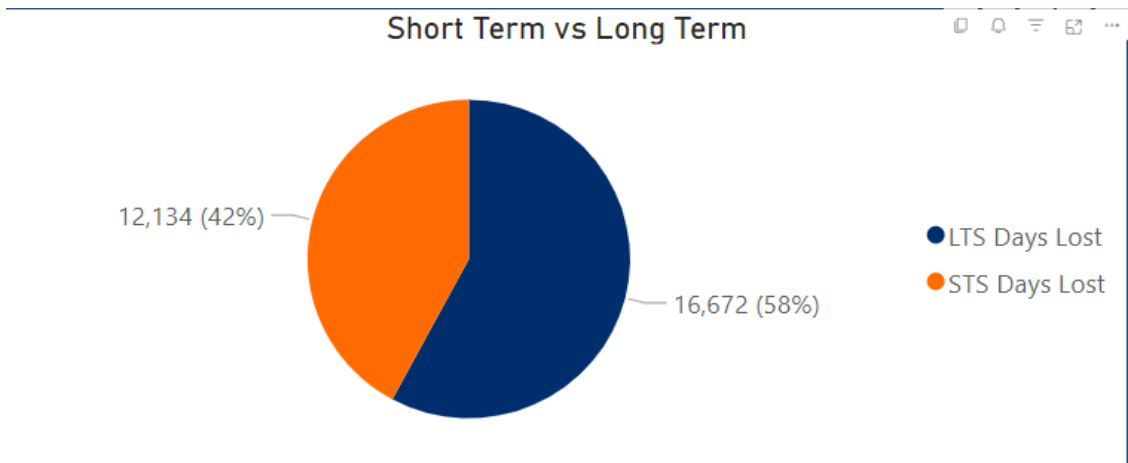
The Director of Legal & Governance will review and, where necessary, update the Code on an annual basis and will present any significant changes to the Governance Committee for review and approval.

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DECISION-MAKER:		GOVERNANCE COMMITTEE	
SUBJECT:		Human Resources (HR) Data Quarter Three (24/25)	
DATE OF DECISION:		10 th February 2025	
REPORT OF:		Director People and Organisational Culture	
<u>CONTACT DETAILS</u>			
AUTHOR:	Name:	Kerry Eldridge	Tel:
Director People & Culture	E-mail:	kerry.eldridge@southampton.gov.uk	
Executive Director – Enabling Services	Name:	Mel Creighton	Tel:
	E-mail:	mel.creighton@southampton.gov.uk	

STATEMENT OF CONFIDENTIALITY	
None. This report contains no personal information relating to specific individuals.	
BRIEF SUMMARY	
The Governance Committee is provided quarterly, council wide information on key employment data covering dismissals and absence.	
The report format is as requested and agreed with the Governance Committee.	
RECOMMENDATIONS:	
(i)	To note the latest HR statistics.
REASONS FOR REPORT RECOMMENDATIONS	
1.	As requested by the Governance Committee.
ALTERNATIVE OPTIONS CONSIDERED AND REJECTED	
2.	N/A
DETAIL (Including consultation carried out)	
3.	Dismissal and absence narrative and data for Quarter 3, October 2024 – December 2024: <ul style="list-style-type: none"> In total there were 5 dismissals which were as a result of sickness absence, misconduct and ill health.
4.	Overall sickness levels for the council this quarter showed an average 9.26 days per employee. The sector “average” is 8 days. The data reveals SCC is consistently above the sector average 8 days sickness per Full Time Equivalent (FTE), with some small fluctuations across the periods shown. The aspiration is to achieve 7 days or less on average per employee.

5. Short term absence accounts for 42% of the overall absence, whilst long term sickness accounts for 58%. Long term sickness is defined as a continuous period of absence exceeding 20 days.

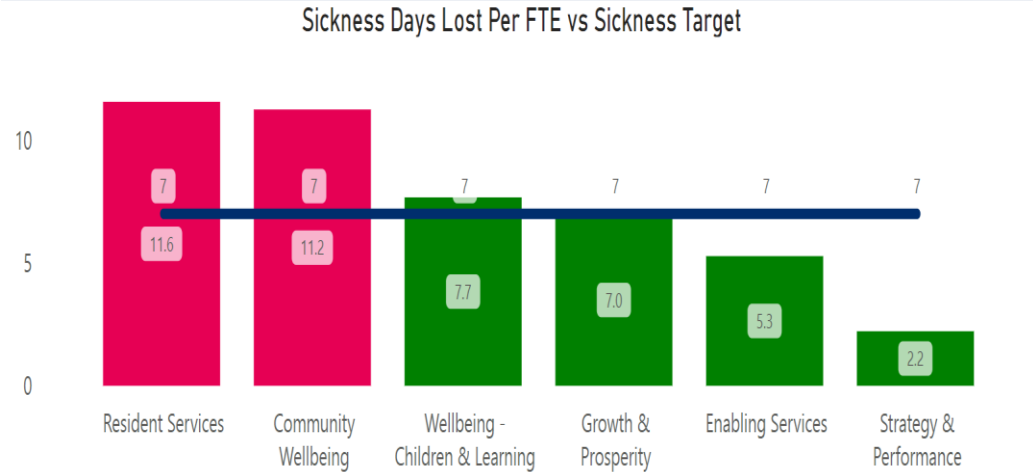


The biggest causes of long-term sickness by a significant proportion are musculoskeletal and psychological related absences.

The graph below shows the breakdown of psychological absence reasons across the last 12 months. The highest number of days lost has been due to depression, followed by stress & anxiety. Health and Safety Executive data shows that 49 per cent of all occupational ill-health last year was stress related. Also, the Chartered Institute of Personnel and Development have recently stated that the most common problems reported by people with long-term health conditions are mental health conditions like anxiety or depression – with 63 per cent of employees citing poor mental health as the top cause for their absence and 76 per cent of employees reporting that they had taken time off due to stress within the past year.

6. When looking at the data across our broad directorates, sickness is more prevalent in 'Resident Services' and 'Community Wellbeing', where sickness rates are 11.6 days and 11.2 days lost per FTE. 'Enabling Services' and 'Strategy & Performance' have the lowest sickness rates, both under the 7 x days target. Furthermore, Growth & Prosperity has 7 x days lost to sickness absence per employee on average, in line with our target.

Since last quarters report, sickness has reduced within Resident Services, Community Wellbeing, Growth & Prosperity and Strategy & Performance. Sickness levels have remained the same in Children & Learning and Enabling Services.



Within Resident Services the main cause of sickness absence is musculoskeletal, reflecting the nature of the type of physically intensive roles within this service. Musculoskeletal related absences account for just under 30% of sickness in this area, followed by psychological related sickness at just under 20%.

Within Community Wellbeing, psychological related sickness is most prevalent, with 33% of absence being for this reason. This, alongside 30% of absence in Children's

Services being due to psychological absence reasons, likely reflects the challenging nature of social care roles. The next most common absence reason within Community Wellbeing is musculoskeletal making up 15%.

The table below shows the absence split by legal sex to demonstrate the impact of absence by this characteristic. This shows that proportionally male employees have more sickness absence at 9.70 days lost per male, versus 8.60 days lost per female.

Legal Sex	Total days lost to absence in the last 12 x months	FTE	Avg. Days Lost per Employee
Female	14,995	1,742	8.60
Male	13,863	1,429	9.70

When looking at the absence data split by ages, you can see that generally those employees aged 45 and over have the highest levels of sickness across the organisation. Employees below 25 have the lowest sickness rates, whilst those aged 55+ have the highest sickness rates. Interestingly, those aged 25 – 34 have a higher sickness rate than you may ordinarily expect.

Age Band	% of absence days	% of Workforce	# of FTE	Avg. days lost per employee
Under 25	1%	3%	92	4.07
25 - 34	16%	17%	569	8.23
35 - 44	20%	25%	787	7.21
45 - 54	25%	25%	821	8.63
55+	38%	30%	901	12.22

For context, staff numbers are provided below to show the split of our workforce by employment type. Apprenticeships include existing employees who are undergoing an apprenticeship for their development, as well as those who joined the council as an apprentice.

Directorate	Permanent	Agency	FTC	Apprentice	Secondments
Community Wellbeing	441	39	8	1	8
Enabling Services	432	22	8	1	12
Growth & Prosperity	374	71	101	2	8
Resident Services	1245	129	44	16	13
Strategy & Performance	70	5	31	0	7
Wellbeing - Children & Learning	631	11	23	1	8

- The HR team provide managers with monthly detailed absence data and look to identify and address “hot spots” and underlying issues against which to target interventions including information, support, occupational health appointments, phased return and in some cases, dismissal.

	<p>Managers are supported at all levels in applying the absence management policies consistently. HR have recently released some new self-service functionality which means that managers are automatically notified when employees hit a trigger point, enabling early intervention. Research shows early intervention is a key enabler to reducing sickness absence.</p> <p>Now that we have wellbeing and Diversity and Inclusion (D&I) SharePoint sites in place, our Wellbeing and D&I Lead is working with our HR Data team to delve into our absence data in more detail. This is in order to establish if there are any links between age, gender and particular absence reasons, for example. We will then seek to identify targeted action we can take to help address underlying causes.</p>
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RESOURCE IMPLICATIONS

Capital/Revenue

8.	<p>Sickness absence currently costs the Council approximately £2.6 million per annum when looking at days lost due to sickness. This figure could be higher when you include the costs of agency workers recruited to cover sickness. This equates to just over 2% of our annual pay bill.</p> <p>Manager and HR time spent on absence activities clearly incurs opportunity cost too, in that it prevents them from doing something else in that time. Although, this should have some benefits in terms of aiding the wellbeing of colleagues, increasing engagement and reducing avoidance absence.</p>
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Property/Other

9.	None
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LEGAL IMPLICATIONS

Statutory power to undertake proposals in the report:

10.	S1 Localism Act 2011 and S101 Local Government Act 1972
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Other Legal Implications:

11.	None
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RISK MANAGEMENT IMPLICATIONS

12.	None
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POLICY FRAMEWORK IMPLICATIONS

13.	None
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KEY DECISION?	No
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WARDS/COMMUNITIES AFFECTED:	
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SUPPORTING DOCUMENTATION

Appendices

1.	None
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Documents In Members' Rooms

1.	None
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Equality Impact Assessment

Do the implications/subject of the report require an Equality and Safety Impact Assessment (ESIA) to be carried out.		No
Data Protection Impact Assessment		
Do the implications/subject of the report require a Data Protection Impact Assessment (DPIA) to be carried out.		No
Other Background Documents		
Other Background documents available for inspection at:		
Title of Background Paper(s)	Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)	
1.	None	